



CHINA INTERNET INVESTMENT FINANCE
HOLDINGS LIMITED
中國互聯網投資金融集團有限公司



Annual Report **2018** 年報

CHINA INTERNET INVESTMENT FINANCE HOLDINGS LIMITED

is an investment company listed on the Main Board of the Hong Kong Stock Exchange. We focus on investing in listed shares, bonds and private equity.

中國互聯網投資 金融集團有限公司

為一間於香港聯交所主板上市之投資公司。
我們專注投資於上市股票、債券及非上市公司股權。

MISSION

使命

Becoming a well-known investment
company in Hong Kong
成為香港知名的投資公司

INVESTMENT STRATEGIES

投資策略



Diversified portfolio of asset classes
資產組合內投資類別的多元化



Prudent but proactive investment approach
穩健、進取並重的投資風格



Buy-and-Hold 買入並持有
Band-trading 區間買賣



Capital appreciation and stable returns
資本增值及穩健回報

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Chairman and Non-executive Director

Dr. Lam Man Chan

Executive Director

Mr. Lee Kwok Leung

Chief Executive Officer

Dr. Yeung Cheuk Kwong

Independent Non-executive Directors

Dr. Ng Chi Yeung, Simon

Mr. Tam Yuk Sang, Sammy

Ms. Florence Ng

AUDIT COMMITTEE

Mr. Tam Yuk Sang, Sammy (*Chairman*)

Dr. Ng Chi Yeung, Simon

Ms. Florence Ng

REMUNERATION COMMITTEE

Mr. Tam Yuk Sang, Sammy (*Chairman*)

Dr. Ng Chi Yeung, Simon

Ms. Florence Ng

NOMINATION COMMITTEE

Dr. Ng Chi Yeung, Simon (*Chairman*)

Mr. Lee Kwok Leung

Mr. Tam Yuk Sang, Sammy

Ms. Florence Ng

JOINT COMPANY SECRETARIES

Mr. Leung Yiu Wah

Ms. Cheng Suk Fun

AUDITOR

Deloitte Touche Tohmatsu

INVESTMENT MANAGER

Silverstone Investments Limited

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Chong Hing Bank Limited

Chiyu Banking Corporation Limited

China Construction Bank (Asia) Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

UBS AG

DBS Bank (Hong Kong) Limited

董事會及行政總裁

主席兼非執行董事

林文燦博士

執行董事

李國樑先生

行政總裁

楊卓光博士

獨立非執行董事

吳志揚博士

譚旭生先生

吳翠蘭女士

審核委員會

譚旭生先生 (*主席*)

吳志揚博士

吳翠蘭女士

薪酬委員會

譚旭生先生 (*主席*)

吳志揚博士

吳翠蘭女士

提名委員會

吳志揚博士 (*主席*)

李國樑先生

譚旭生先生

吳翠蘭女士

聯席公司秘書

梁耀華先生

鄭淑芬女士

核數師

德勤•關黃陳方會計師行

投資經理

銀石投資有限公司

主要往來銀行

香港上海滙豐銀行有限公司

創興銀行有限公司

集友銀行有限公司

中國建設銀行(亞洲)股份有限公司

渣打銀行(香港)有限公司

UBS AG

星展銀行(香港)有限公司

CORPORATE INFORMATION

公司資料

CUSTODIAN

Chong Hing Bank Limited

SOLICITORS

As to Hong Kong Law
Sidley Austin

As to Bermuda Law
Appleby

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat 18, 9/F. Focal Industrial Centre, Block B,
21 Man Lok street, Hunghom, Kowloon,
Hong Kong.

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT IN BERMUDA

Estera Management (Bermuda) Limited
Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

WEBSITE

<http://www.hk0810.com>
<http://www.irasia.com/listco/hk/cii810>

STOCK CODE

810

託管商

創興銀行有限公司

律師

香港法律方面
盛德國際律師事務所

百慕達法律方面
毅柏律師事務所

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

香港主要營業地點

香港
九龍紅磡民樂街21號
富高工業中心B座9樓18室

百慕達主要股份過戶登記處

Estera Management (Bermuda) Limited
Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

網址

<http://www.hk0810.com>
<http://www.irasia.com/listco/hk/cii810>

股份代號

810

CHAIRMAN'S STATEMENT

主席報告



Dr. Lam Man Chan
林文燦博士

Chairman
主席

I would express my heartfelt gratitude towards all of the directors, management and staff members.

本人謹此向全體董事、管理層及員工成員表達衷心感謝。

On behalf of the Board of Directors (the "Board"), I am pleased to present the annual report of China Internet Investment Finance Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2018. The Company is an investment company pursuant to Chapter 21 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIVIDEND

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

KEY PERFORMANCE INDICATOR

Net asset value is employed as the key performance indicator. As at the balance sheet date, it amounted to be about HK\$142.0 million (31 December 2017: HK\$182.1 million) and decreased by about 22.0%. This decrease was mainly attributable to the net fair value loss of the equity investment portfolio. This was generally in line with the drop in the stock market indices, and the Hang Seng Index, Hang Seng China Enterprises Index and GEM Board Index fell 13.6%, 13.5% and 44.5% respectively for the year. During the year, the Company increased the equity by HK\$14.3 million through a placing of new shares.

INVESTMENT PORTFOLIO REVIEW

Debt instruments at fair value through other comprehensive income

As at the balance sheet date, the debt instruments at fair value through other comprehensive income amounted to about HK\$11.1 million (31 December 2017: Nil) and classified as non-current assets. During the year, the listed debt securities portfolio had been reviewed and the investments in lower-yield debt securities were reduced in view of the rising U.S. interest rate environment. Higher-yield debt securities were kept to earn a better return.

CHAIRMAN'S STATEMENT

主席報告

本人謹代表董事會(「董事會」)欣然提呈中國互聯網投資金融集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日止年度之年度報告。本公司為一間符合香港聯合交易所有限公司證券上市規則(「上市規則」)第21章之投資公司。

股息

董事會不建議就截至二零一八年十二月三十一日止年度派付末期股息(二零一七年：無)。

關鍵績效指標

資產淨值用作關鍵績效指標。於結算日，其為約142,000,000港元(二零一七年十二月三十一日：182,100,000港元)及減少約22.0%。減少乃主要由於股本投資組合的公允值虧損淨額。大致上符合股票市場指數跌幅，恒生指數、恒生中國企業指數及GEM指數於本年度分別下跌13.6%、13.5%及44.5%。於本年度，本公司透過配售新股份增加股權14,300,000港元。

投資組合回顧

按公允值計入其他全面收益之債務工具
於結算日，按公允值計入其他全面收益之債務工具為約11,100,000港元(二零一七年十二月三十一日：零)及分類為非流動資產。於本年度，上市債務證券組合經過審視及低回報債務證券投資已減少，此乃考慮到美國加息環境。較高回報的債務證券獲保留以賺取較佳回報。

Our Net Asset Value as at 31 December 2018
於二零一八年十二月三十一日的資產淨值

HK\$142

million 百萬港元

CHAIRMAN'S STATEMENT

主席報告

Financial assets at fair value through profit or loss

These mainly represented equity investments and the current portion comprised listed equity investments of about HK\$44.6 million (31 December 2017: HK\$66.2 million). The non-current portion comprised listed equity investments of about HK\$32.5 million (31 December 2017: HK\$46.1 million) and an unlisted equity investment and its derivatives. The unlisted equity investment is our pre-Initial Public Offering ("IPO") investment made in China Oriented International Holdings Limited ("China Oriented") during the year. The Group subscribed 14% of new shares in the issued share capital of China Oriented at a consideration of HK\$16 million. As at the balance sheet date, the fair value of this unlisted equity investment and related derivatives amounted to HK\$17.8 million. China Oriented is engaged in the provision of driving training service with two driving schools, which operated in Zhumadian City, Henan Province, the PRC. In November 2018, China Oriented submitted an application to the Stock Exchange of Hong Kong for a listing at the main board.

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PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP

- I. Disclosure in relation to each of the significant investments held as at the balance sheet date pursuant to Listing Rules are mainly set out in the Note 19 in pages 132 to 138.
- II. The performance during their latest financial period/year, material factors underlying the results and financial position, significant events, if any, during their financial periods under review, future prospects of each of the significant investments can be found in their announcements made available in the website of HKEx. In addition, the below information is extracted and provided for easy reference.
- III. These significant investments are held for achieving capital appreciation or generating interest or dividend income. To meet our investment objective, listed securities are managed and regularly reviewed on a portfolio basis. Regarding listed equities, the buy-and-hold strategy and short term trading tactics are also used to enhance the investment returns. The fixed income securities can provide a stable interest income and their portfolio will be regularly reviewed to achieve a better risk-adjusted return.

Investment in unlisted equities is reviewed on an investment-by-investment basis and can typically provide a high return if there is a successful exit.

按公允值計入損益之金融資產

其主要指股本投資及流動部分由上市股本投資約44,600,000港元(二零一七年十二月三十一日: 66,200,000港元)組成。非流動部分由上市股本投資約32,500,000港元(二零一七年十二月三十一日: 46,100,000港元)及非上市股本投資其衍生工具組成。非上市股本投資為本年度於向中國國際控股有限公司(「向中」)的首次公開發售(「首次公開發售」)前投資。本集團認購向中已發行股本的14%新股份，代價為16,000,000港元。於結算日，本非上市股本投資及相關衍生工具金額總數為17,800,000港元。向中從事提供駕駛培訓服務，於中國河南省駐馬店市經營兩所駕校。於二零一八年十一月，向中提交申請至香港聯合交易所於主板上市。

本集團持有之主要投資之資料

- I. 根據上市守則有關於結算日持有的重大投資的披露資料主要載於第132至138頁的附註19。
- II. 有關重大投資於其最近期財政期間／年度的表現、影響業績及財務狀況的重大因素、回顧財政期間發生的重大事件(如有)及各項重大投資的未來前景，請見港交所網站所登載的相關公告。此外，下文為經摘錄的資料，為方便參考而提供。
- III. 此等投資乃持作達成資本增值或產生利息或股息收入。為達成我們的投資目標，上市證券會按投資組合基準管理及審視。就上市證券而言，買入及持有策略及短期交易策略均有使用，以提升投資回報。固定收入證券可提供穩定的利息收入，其投資組合將會定期審視，以達成更佳風險調整回報。

非上市股份投資乃按每項投資基準審視，倘可成功離場，一般可提供高回報。

CHAIRMAN'S STATEMENT

主席報告

1. China Oriented International Holdings Limited ("China Oriented")

This was the pre-IPO investment made during the year and further details are set out in the Note 18 in pages 130 to 131.

- a. China Oriented increased its revenue to RMB54 million for the nine months period ended 30 September 2018 from RMB45 million in the prior period and this resulted in a corresponding rise in profit. Because of this, its net worth has growth steadily.
- b. The fair value of our investment is stated to be about HK\$15.7 million at the end of the year 2018 and there was an increase as compared to the cost of about HK\$12.7 million.

During the year, China Oriented submitted its application for listing in Hong Kong in November 2018, which is an important stage of the business development of a growing enterprise.

- c. It is noted that China Oriented has well-equipped driving schools which can enable its trainees to acquire necessary driving skills in an effective way and they offer different types of driving courses with well-trained instructors to meet different customer needs. If the demand of driving training services for large vehicles continues to increase, China Oriented could benefit therefrom. We consider that the investment in China Oriented could generate a high return if its IPO application is successful in the future.

1. 向中國國際控股有限公司(「向中」)

此為年內作出的首次公開發售前投資，更多詳情載於第130至131頁的附註18。

- a. 向中的收入從上一期間的人民幣45,000,000元增加至截至二零一八年九月三十日止九個月的人民幣54,000,000元，導致利潤相應增加。正因如此，其淨值一直穩步增長。
- b. 我們的投資於二零一八年年底的公允值約15,700,000港元，相對成本約12,700,000港元有所增加。

年內，向中於二零一八年十一月提交其香港上市申請，為發展中企業業務發展的重要階段。

- c. 有見向中具備設備齊全的駕駛學校，使學員能有效地掌握必要的駕駛技術，並提供不同類型的駕駛課程，由訓練有素的教練執教，以滿足不同的客戶需求。倘大型車輛駕駛培訓服務的需求繼續增加，向中可從中獲利。我們認為，倘向中日後申請首次公開招股成功，則對向中的投資可以產生高回報。

CHAIRMAN'S STATEMENT

主席報告

2. Newtree Group Holdings Limited ("Newtree Group")

- a. The revenue of Newtree Group for the six months ended 30 September 2018 increased from HK\$47.8 million to about HK\$59.8 million and the loss before income tax from continuing operations improved to profit before income tax of about HK\$2.3 million. However, the net assets reduced from about HK\$376.9 million to HK\$354.2 million.
- b. The share price of Newtree Group at the end of the year 2018 rose to HK\$0.53.

During the year, Newtree Group approved a major transaction in respect of acquisition of 20% equity interest in Alpha Youth Limited, which is principally engaged in the production and sale of concrete in the PRC.

- c. As stated in its latest interim report, Newtree Group will actively diversify its business portfolio and find new growth drivers in the future. Its new segment of money lending business has contributed a stable and favorable income stream. With the continual growth in the money lending business market in Hong Kong, this can provide them an expansion opportunity. Regarding their segment of household consumables business, its revenue slightly decreased during the latest interim period while the gross profit margin remained stable. Newtree Group is still optimistic in its potential growth and it will expand the sales team and diversify the Company's income stream.

We note that there was a significant increase in gross profit from continuing operations during its interim period, which was mainly attributable to the money lending business. In the future, its operating performance could be further enhanced if the money lending business increases further.

2. 友川集團控股有限公司(「友川集團」)

- a. 截至二零一八年九月三十日止六個月，友川集團的收入由47,800,000港元增加至約59,800,000港元，而來自持續經營業務的所得稅前虧損則改善至所得稅前溢利約2,300,000港元。然而，淨資產則由約376,900,000港元減少至354,200,000港元。
- b. 友川集團的股價於二零一八年年底上升至0.53港元。

年內，友川集團批准一項有關收購Alpha Youth Limited 20%股權之主要交易，而Alpha Youth Limited主要於中國從事混凝土生產及銷售。

- c. 誠如其最近期中期報告所述，友川集團將積極豐富其業務組合及尋找未來新增長動力。其新借貸業務分部貢獻穩定及可觀的收入來源。隨著香港借貸業務市場持續增長，此將為其帶來擴張機遇。至於其家居消耗品業務分部，其收益於最近期中期期間略減，而毛利率則維持穩定。友川集團對其潛在增長依然樂觀，並將擴大銷售團隊及使其收入來源更多元化。

我們留意到其於中期期間來自持續經營業務的毛利大幅增加，主要是由於借貸業務所致。未來，倘該項借貸業務進一步增長，其經營業績可進一步提升。

CHAIRMAN'S STATEMENT

主席報告

3. HSBC Holding Plc ("HSBC")

- a. HSBC reported that in their 2018 financial results, the net interest income increased to about US\$30,489 million and net profit increased to about US\$13,727 million accordingly. The shareholder's equity increased to about US\$186,253 million.
- b. The share price of HSBC at the end of the year 2018 dropped to HK\$64.8.
- c. HSBC reported a good start to 2019 and its revenue performance in January 2019 was ahead of their plan with robust credit performance, but it may be also affected due to the uncertainty of the outcome of Brexit. HSBC is a leading international bank and its overall financial strength and management are generally considered robust. HSBC can often provide a stable and satisfactory dividend yield.

Our management has considered that HSBC is a leading Hang Sang Index constituent and, in the future, its share price could rise if the investor sentiment further improves upon the resolution of the trade settlement between China and US,

4. Tencent Holdings Limited ("Tencent Holdings")

- a. Tencent Holdings announced a significant increase in revenues to the level of RMB312,694 million from RMB237,760 million and the growth drivers were value-added services and online advertising in 2018. However, the yearly profit attributable to shareholders increased moderately to RMB78,719 million. The shareholder's equity increased significantly to about RMB323,510 million.
- b. The share price of Tencent Holdings at the end of the year 2018 dropped to HK\$314.

During the year, Tencent Holdings announced the spin off and separate listing of Tencent Music Entertainment Group in the US.

3. 滙豐控股有限公司(「滙豐」)

- a. 滙豐銀行報告指，於二零一八年的財務業績中，淨利息收入增加至約30,489,000,000美元，純利相應增加至約13,727,000,000美元。股東權益增加至約186,253,000,000美元。
- b. 滙豐的股價於二零一八年年底下跌至64.8港元。
- c. 二零一九年，滙豐已創下良好的開局，其於二零一九年一月份的收入勝過預期，信貸表現維持穩健，惟亦受英國脫歐的終局不明朗所影響。滙豐為國際頂尖銀行，外界一般認為其整體財力及管理均屬穩健。滙豐可提供穩定及理想的股息收益。

管理層認為，滙豐是恆生指數主要成分股，倘中美貿易談判解決後，投資者情緒進一步改善，則其股價可能會上漲。

4. 騰訊控股有限公司(「騰訊控股」)

- a. 騰訊控股公佈，收入從人民幣237,760,000,000元大幅增加至人民幣312,694,000,000元，增長動力在於二零一八年的增值服務及網絡廣告。然而，股東應佔年度經審核溢利溫和上升至人民幣78,719,000,000元。股東權益大幅增加至約人民幣323,510,000,000元。
- b. 騰訊控股的股價於二零一八年年底下跌至314港元。

年內，騰訊控股公佈將騰訊音樂娛樂集團分拆，並於美國獨立上市。

CHAIRMAN'S STATEMENT

主席報告

- c. Tencent Holdings mentioned in its outlook section that it will enhance its online game portfolio, and connections with enterprises leveraging Mini Programs, Weixin Pay and WeChat Work. Tencent Holdings is a leading Internet company in China with rapid business growth in the past. Its online gaming business encountered hurdle in 2018 but based on its influential business presence in the market place, a good recovery of share price is expected if the investor sentiment further improves.

Based on the above, our management is optimistic about the overall performance of Tencent in the near future if the Hong Kong stock market will be up.

5. AIA Group Limited ("AIA Group")

- a. In 2018, AIA Group encountered a decline of net profit to the level of US\$3,226 million, mainly attributable to the drop in investment return. However, according to AIA Group's result announcement, the shareholder's equity amounted to about US\$39,006 million. They have delivered an excellent performance with double-digit growth in 2018. Value of new business by 22 per cent and the operating profit after tax was up by 13 per cent to US\$5,298 million and the embedded value operating profit increased by 23 per cent to US\$8,278 million.
- b. The share price of AIA Group at the end of the year 2018 increased to HK\$65.
- c. AIA Group considered the need for their insurance products would continue to grow, given low level of private levels of private insurance penetration and social welfare coverage. AIA Group is a Hang Seng Index constituent stock with leading position in the insurance industry. Because of the business nature and market position, its financial strength is strong and robust.

In the near future, its performance is expected to outperform the market because of its expected growing demand of insurance products.

- c. 騰訊控股於其展望章節提述，其將提升其網絡遊戲組合，並將利用小程序、微信支付及企業微信加強與企業的聯繫。騰訊控股為中國互聯網龍頭公司，過往業務增長迅速。於二零一八年，旗下的網上遊戲業務遇到障礙，但基於其業務在市場上具影響力，倘投資看情緒轉佳，預期會有良好復甦。

基於上述情況，倘香港股票市場未來走勢向上，管理層對騰訊在不久將來的整體表現抱持樂觀態度。

5. 友邦保險控股有限公司 (「友邦保險」)

- a. 二零一八年，友邦保險的淨盈利下跌至3,226,000,000美元的水平，主要是由於投資回報下跌所致。然而，根據友邦保險的業績公告，股東權益約為39,006,000,000美元。友邦保險於二零一八年的業績表現卓越，錄得雙位數字增長。新業務價值增長22%；稅後營運溢利增加13%至5,298,000,000美元，而內涵價值營運溢利則增加23%至8,278,000,000美元。
- b. 友邦保險的股價於二零一八年底上升至65港元。
- c. 友邦保險認為，鑑於私人保險滲透率和社會福利保障水平偏低，其保險產品的需求將會持續增長。友邦保險屬恒生指數成份股，在保險業具有領導地位。由於其業務性質及市場地位，其財力雄厚穩健。

於不久將來，由於預期保險產品需求將增長，預料其業績將比市場優勝。

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6. Sa Sa International Holdings Limited ("Sa Sa International")

- a. For the period ended September 2018, Sa Sa International reported a significant increase in net profit, mainly attributable to the increase in turnover from about HK\$3.5 billion to about HK\$4.1 billion. The total equity increased to about HK\$2.6 billion.
- b. The share price Sa Sa International remained stable at the end of the year 2018.
- c. Sa Sa International reported that its recent sales had been adversely affected by the general decline in the retail market in Hong Kong. Its overall performance was also weaker than expected due to the effect of various factors affecting consumption sentiment including the Sino-US trade war and fluctuations from the stock and property markets. However, in the long run, Sa Sa International believed that the favorable policies and infrastructure development of the Greater Bay Area will drive the flow of people and prosperity of retail industry in the region.

It is our expectation that the investment in Sa Sa International could still generate a steady dividend income in the near future, and its performance could improve if the above adverse factors are alleviated.

7. Jete Power Holdings Limited ("Jete Power")

- a. During the financial year ended 31 December 2018, the loss of Jete Power furthered to about HK\$ 9.7 million and the total equity amounted to about HK\$39.1 million.
- b. The share price of Jete Power at the end of the year 2018 dropped to HK\$0.04 (2017: about HK\$0.3).

6. 莎莎國際控股有限公司(「莎莎國際」)

- a. 截至二零一八年九月止期間，莎莎國際報告指淨盈利大幅增加，主要由於營業額由約3,500,000,000港元增加至約4,100,000,000港元所致。總權益增加至約2,600,000,000港元。
- b. 莎莎國際的股價於二零一八年年底保持穩定。
- c. 莎莎國際報告指，其銷售情況受到香港零售市場全面下跌的不利影響。其整體表現亦較預期為弱，此乃由於受到多項影響消費情緒的因素影響，包括中美貿易戰以及股票及物業市場的波動。然而，就長遠而言，莎莎國際相信大灣區的利好政策及基建發展將推動地區人流及零售業的繁榮。

我們預料對莎莎國際的投資在不久將來仍可產生穩定股息收入，倘上述不利因素有所緩解，其業績可能會有所改善。

7. 鑄能控股有限公司(「鑄能」)

- a. 截至二零一八年十二月三十一日止財政年度，鑄能的虧損進一步增加至約9,700,000港元，而權益總額約為39,100,000港元。
- b. 鑄能的股價於二零一八年年底下跌至0.04港元(2017年：約0.3港元)。

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- c. In the future, Jete Power reported that it attempts to enhance its profitability by diversification and create new sources of revenue. Aiming to diversify the business profile, Jete Power also organized five shows under two concert titles in Hong Kong in September and October 2018 and recorded a gross profit of approximately HK\$1.78 million.

In the future, our management will also closely monitor the performance of Jete Power and in particular its share price dropped drastically last year.

8. Smart-Core Holdings Limited ("Smart-Core")

- a. Smart-Core increased its revenue for the year 2018 to HK\$4,935.6 million and the audited profit rose to HK\$81.5 million. The shareholder's equity increased to about HK\$568.3 million.
- b. The share price of Smart-Core at the end of the year 2018 remained stable.
- c. Smart-Core reported certain strategic moves, including the acquisition of a leading distributor and the establishment of a joint venture with a Singapore-based company to develop the Indian and Southeast Asian markets. Regarding their broadcast TV products, Smart-Core considered the markets of those differentiated products including commercial display and smart projection products will maintain rapid growth. The TV market is currently in the process of product and technology upgrading and Smart-Core is expected to benefit therefrom.

Based on the above development and the recent increase in dividend payout of Smart-Core, it is expected its performance could be steady in the near future. It could also generate a stable dividend return.

- c. 未來，鑄能呈報其嘗試透過豐富業務及創造新的收益來源提升盈利能力。為擴闊業務版圖，鑄能亦於二零一八年九月及十月在以香港兩個演唱會名稱舉行五場演出，並錄得毛利約1,780,000港元。

未來，管理層還將密切留意鑄能的業績，尤其是去年其股價大幅下跌。

8. 芯智控股有限公司 (「芯智」)

- a. 芯智於二零一八年的收入增加至4,935,600,000港元，經審核溢利增加至81,500,000港元。股東權益增加至約568,300,000港元。
- b. 芯智的股價於二零一八年年底保持穩定。
- c. 芯智呈報若干策略性舉措，包括收購頂尖分銷商及與新加坡公司成立合營企業以開發印度及東南亞市場。就其廣播電視產品而言，芯智認為該等特色產品(包括商業展示及智能投影產品)的市場將維持快速增長。電視市場目前正在進行產品及技術升級，芯智預期將從中受益。

基於上述發展以及近期芯智派息率增加，預料其表現在不久將來仍可保持穩定。其亦可產生穩定股息回報。

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9. Sands China Limited ("Sands China")

- a. Sands China increased its net revenue for the year 2018 to US\$8,665 million and the net profit increased to about US\$1,875 million. The audited shareholder's equity decreased slightly to about US\$4,409 million.
- b. The share price of Sand China at the end of the year 2018 dropped to HK\$34.3.
- c. Sands China reported that they looked to the future with confidence, they expected that there will be a strong organic growth outlook benefiting from their investment and the increased demand for travel and entertainment in Asia. Sands China is one of the largest Macau gaming business operator and provide a stable dividend payout.

Based on the above, in the future, the share price of Sands China is expected to improve if the market sentiment towards the gaming business becomes more favorable.

10. King Power Capital Limited ("King Power")

- a. King Power is a wholly-owned subsidiary of China Travel Service (Holdings) Hong Kong Limited and its controlling shareholder is China Travel International Investment Hong Kong Limited ("China Travel International"), which was incorporated in British Virgin Islands and its shares are listed on the Main Board of Stock Exchange (stock code: 00308). China Travel reported a decrease in revenue in 2018 to the level of HK\$4,518.2 million and the net profit dropped to about HK\$829.9 million. The net asset was stated to be about HK\$16,013 million.
- b. The bond price of King Power at the end of the year 2018 dropped to US\$106 (2017: US\$111.76).
- c. China Travel International reported that in 2019, with the situation becoming more complicated both overseas and domestically in the PRC, new features will emerge in the tourism industry and the competition will become more intense. Our investment was wholly disposed of in January 2019.

9. 金沙中國有限公司(「金沙中國」)

- a. 金沙中國二零一八年淨收入增加至8,665,000,000美元，淨盈利增加至約1,875,000,000美元。經審核股東權益輕微下降至約4,409,000,000美元。
- b. 金沙中國的股價於二零一八年年底下跌至34.3港元。
- c. 金沙中國呈報其對日後發展充滿信心，預期受惠於其投資及亞洲旅遊及酬酢需要增加而擁有強勁的有機增長前景。金沙中國為澳門博彩業務的最大的營運商之一，而且派息穩定。

基於上述情況，倘未來市場情緒變為更有利於博彩業務，可預料金沙中國股價將會改善。

10. King Power Capital Limited (「King Power」)

- a. King Power為香港中旅(集團)有限公司之全資附屬公司及其控股股東為香港中旅國際投資有限公司(「中旅國際」)，中旅國際於英屬維爾京群島註冊成立及其股份於聯交所主板上市(股份代號：00308)。中旅報告指，二零一八年收入減少至4,518,200,000港元，淨盈利下降至約829,900,000港元。資產淨值約為16,013,000,000港元。
- b. King Power的債券價格於二零一八年年底下跌至106美元(二零一七年：111.76美元)。
- c. 中旅國際呈報，於二零一九年，海外及中國國內狀況日益複雜，旅遊業將展現新特色及競爭會更加激烈。我們的投資已於二零一九年一月全部出售。



SEGULA

Participation at new hotel LED
lightings project in Hong Kong

參與香港一間新酒店的 LED
照明項目





Exhibition at Milano Design Week

於米蘭設計週的展覽

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REVIEW OF OPERATIONS

For the year ended 31 December 2018, the Group recorded investment income and gross proceeds from disposal of financial assets at fair value through profit or loss ("FVTPL") of about HK\$49.2 million (2017: about HK\$52.4 million), representing decrease of about 6.1% as compared to the corresponding period of last year.

Revenue

For the year ended 31 December 2018, the revenue of the Group was HK\$3.8 million (2017: HK\$4.1 million) comprising of dividend income from financial assets at FVTPL of about HK\$2.4 million (2017: HK\$1.9 million), interest income from debt instruments at fair value through other comprehensive income ("FVTOCI") of about HK\$1.4 million (2017: Nil) and no interest income from available-for-sale ("AFS") financial assets and financial assets at FVTPL (2017: HK\$1.9 million and HK\$0.3 million respectively). The revenue was comparable to that of corresponding year.

Loss from operations

For year ended 31 December 2018, loss from operations amounted to HK\$53.7 million (2017: HK\$44.6 million). It was partly attributable to the net fair value losses on listed equity securities of about HK\$27.8 million (2017: HK\$18.0 million), which was partly offset by the fair value gain on an unlisted equity investment and related derivatives of about HK\$1.8 million (2017: Nil). In particular, the remeasurement of our equity investment in GEM Board shares resulted in a fair value loss of about HK\$20.8 million (2017: HK\$33.0 million) which was underperformed as compared to the corresponding market index. The Hong Kong stock market also exhibited significant volatility. The Hang Seng Index reached a record high level in January 2018 but subsequently, it dropped and hit a major correction in October 2018. Particularly, the trade war between the US and the Mainland broke out and the economy in the PRC slowed down coupled with a weakening Renminbi.

營運回顧

截至二零一八年十二月三十一日止年度，本集團從投資收入及出售按公允值計入損益（「按公允值計入損益」）之金融資產所得款項總額約49,200,000港元（二零一七年：約52,400,000港元，較去年同期減少約6.1%。

收益

截至二零一八年十二月三十一日止年度，本集團的收益為3,800,000港元（二零一七年：4,100,000港元），由按公允值計入損益之金融資產之股息收入約2,400,000港元（二零一七年：1,900,000港元）、按公允值計入其他全面收益（「按公允值計入其他全面收益」）之債務工具之利息收入約1,400,000港元（二零一七年：零）組成及可供出售（「可供出售」）之金融資產並按公允值計入損益之金融資產並無利息收入（二零一七年：分別為1,900,000港元及300,000港元）。收益與相應年度相若。

經營虧損

截至二零一八年十二月三十一日止年度，本集團錄得營運虧損約53,700,000港元（二零一七年：44,600,000港元），部份是由於上市股本證券公允淨值虧損約27,800,000港元（二零一七年：18,000,000港元），惟被非上市股本投資及相關衍生工具的公允值收益約1,800,000港元（二零一七年：零）部分抵銷。尤其是重新計量我們對GEM股份的股本投資，導致錄得公允值虧損約20,800,000港元（二零一七年：33,000,000港元），表現較相關市場指數遜色。香港股市亦經歷大幅波動。恒生指數於二零一八年一月達到新高，但其後下跌及於二零一八年十月出現大幅調整。尤其是美國及內地爆發貿易戰及中國經濟放緩及人民幣越趨疲弱。

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Other income, mainly represented the interest income from an associate, decreased by approximately HK\$282,000 because the related loan to associate was fully paid off in early 2018.

The other loss of about HK\$0.4 million (2017: HK\$0.5 million) was mainly caused by the disposal of certain debt instruments at FVTOCI during the year.

The administrative expenses and other operating expenses amounted to HK\$31.2 million (2017: HK\$30.6 million). The expenses mainly comprised employment benefit expenses of about HK\$16.9 million (2017: HK\$15.3 million) and depreciation charge of fixed assets of about HK\$4.9 million (2017: HK\$7.8 million). The finance cost decreased to HK\$0.1 million (2017: HK\$0.3 million) because the obligation under a finance lease was fully settled during the year.

Share of results of associates

It represents the investment in the 30% shareholding of Superb Kingdom Limited ("SKL") and its subsidiaries which include our direct and indirect interests therein. SKL had previously suffered from the tough business environment of LED lightings and we had made full impairment of the investment costs in prior year. During the year, SKL attempted to conduct certain LED lighting installation projects in Hong Kong and hoped to improve its performance.

UPDATE ON RECOVERY OF OUTSTANDING CONVERTIBLE NOTE ("CN") RECEIVABLES

The winding up of the CN issuers and the corporate guarantor are underway and the Group's lawyers continue to consider practical ways to recover the outstanding CN receivables.

其他收入(主要指來自聯營公司的利息收入)減少約282,000港元,因為對聯營公司的相關貸款於二零一八年初悉數償還。

其他虧損約400,000港元(二零一七年:500,000港元)主要是由於年內出售按公允價值計入其他全面收益之債務工具所致。

行政開支及其他經營開支為31,200,000港元(二零一七年:30,600,000港元)。主要包括僱員福利開支約16,900,000港元(二零一七年:15,300,000港元)、固定資產折舊支出約4,900,000港元(二零一七年:7,800,000港元)。融資成本減至100,000港元(二零一七年:300,000港元),因為融資租賃責任於本年度悉數償付。

應佔聯營公司業績

其指於超君有限公司(「超君」)及其附屬公司的30%股權的投資,包括其直接及間接權益。超君先前因LED照明的營商環境艱困而受挫及我們於過往年度計提投資成本的全額減值。於本年度,超君嘗試在香港進行若干LED照明安裝項目及期望改善其表現。

有關追討未償還可換股票據(「可換股票據」)應收款項之最新資料

可換股票據發行人及企業擔保人正在進行清盤,而本集團律師繼續審視追討未償還可換股票據的實際方法。

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PROSPECTS

Market outlook

In December 2018, the trade truce between China and U.S. gave both sides political breathing room. Their negotiation appears to go well and the investor sentiment has improved and turned positive. Furthermore, in January 2019, China reduced the ratio of reserve requirement by 1% to provide more market liquidity. The U.S. Federal Reserve has also become dovish and the expectation of interest rate hikes is not as high as that of prior year. Together with the joint announcement of policy measures of Guangdong-Hong Kong-Macau Greater Bay Area in February 2019, the stock market has bounced significantly since the beginning of 2019.

The Group has planned to invest more in private equity ("PE"), in particular the pre-IPO investments which can typically provide good investment exits within a reasonable time period. During the year, we have invested in China Oriented which has submitted its application for listing. We will plan to invest in other PE opportunities which are of good potential. To facilitate the investment process, we have obtained a money lender license and set up an investment company in China.

China will also launch a new technology and innovation stock board in Shanghai with a registration-based IPO system and the new board will allow companies that are not yet profitable to list for the first time. Together with the measures under the Greater Bay Area development, we expect that there will be more pre-IPO investment opportunities in biotech companies and fintech companies.

Regarding the listed equity portfolio, the buy-and-hold strategy and short-term trading tactics are used to enhance the overall investment returns. We will also continue to review the fixed income portfolio (including perpetual securities) to ensure a better risk-adjusted return can be derived therefrom.

Moreover, the Group will consider ways to strengthen its capital base and enhance the financial position.

前景

市場前景

於二零一八年十二月，中國與美國的貿易休戰讓兩國在政治上得以喘息。雙方談判進展理想及投資者情緒改善及好轉。另外，於二零一九年一月，中國下調存款準備金率1%以增加市場流動資金。美國聯邦儲備局亦變得保守及加息預期不及去年。加上粵港澳大灣區建設政策於二零一九年二月共同頒佈，股票市場自二零一九年初大幅反彈。

本集團已計劃增加於私人股權（「私人股權」）的投資，尤其是首次公開發售前投資，其一般可提供於合理時間內的優質投資退出渠道。年內，我們已投資向中國，該公司已提交上市申請。我們將計劃投資其他擁有優厚潛力的私人股權機遇。為促進投資過程，我們已取得放債人牌照及於中國設立一間投資公司。

中國亦將於上海推出全新的科創板及註冊制首次公開發售系統及新板首次容許尚未錄得盈利的公司上市。加上大灣區發展措施，我們預期於生物科技公司及金融科技公司將會有更多首次公開發售前的投資機會。

就上市股本組合而言，買入並持有策略及短期買賣策略均獲採用，以提升整體投資回報。我們亦將繼續審閱固定收入組合（包括永久證券）以確保可從有關組合賺取更佳風險調整後回報。

此外，本集團將考慮方法，加強其資本基礎及提升財務狀況。

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ANNUAL GENERAL MEETING ("AGM")

The AGM of the Company will be held on 24 May 2019. The notice of AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 20 May 2019 to 24 May 2019, both days inclusive, for the purpose of determining the entitlement of the shareholders of the Company to attend and vote at the AGM. No transfer of shares may be registered during the said period. In order to qualify to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than on 4:30 p.m. on 17 May 2019.

APPRECIATION

On behalf of the Company, I would express my heartfelt gratitude towards all of the directors, management and staff members for their support and contribution to the Group.

On behalf of the Board

China Internet Investment Finance Holdings Limited
Lam Man Chan
Chairman

Hong Kong, 29 March 2019

股東週年大會 (「股東週年大會」)

本公司謹訂於二零一九年五月二十四日舉行股東週年大會。本公司將按上市規則所規定之方式於適當時候刊發股東週年大會通告並寄發予本公司股東。

暫停辦理股份登記手續

為釐定本公司股東出席股東週年大會並於會上投票的資格，本公司將於二零一九年五月二十日至二零一九年五月二十四日(包括首尾兩日)止暫停辦理股份登記手續，期內將不會辦理任何股份過戶登記手續。為符合資格出席股東週年大會並於會上投票，所有股份過戶文件連同有關股票須於二零一九年五月十七日下午四時三十分前送交本公司的香港股份過戶登記分處卓佳登捷時有限公司，地址為香港皇后大道東183號合和中心22樓。

致謝

本人謹代表本公司，由衷感謝董事同仁、管理層及員工對本集團的支持及貢獻。

代表董事會

中國互聯網投資金融集團有限公司
主席
林文燦

香港，二零一九年三月二十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

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Dr. Yeung Cheuk Kwong
楊卓光博士
Chief Executive Officer
行政總裁

China Oriented is our pre-IPO investment made during the year in 2018. 向中為我們於二零一八年作出的首次公開發售前投資。

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2018, the cash and bank balances amounted to approximately HK\$30.9 million (31 December 2017: HK\$22.5 million) and the net current assets amounted to approximately HK\$68.7 million (31 December 2017: HK\$81.7 million).

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

GEARING RATIO

As at 31 December 2018, the gearing ratio, calculated as a percentage of borrowing over equity attributable to owners of the Company, dropped to 2% (31 December 2017: 3%).

PROPERTY AND EQUIPMENT

As of 31 December 2018, the Group's property and equipment amounted to approximately HK\$11.6 million (31 December 2017: HK\$16.3 million).

MATERIAL ACQUISITION AND DISPOSAL

During the year, there were no significant acquisitions or disposals of principal subsidiaries.

SHARE OPTION SCHEME

During the year, 7,800,000 share options were lapsed and 7,800,000 share options had been granted and no share options were exercised and cancelled. There are 15,100,000 shares options outstanding as at 31 December 2018.

EXPOSURE TO FOREIGN EXCHANGE

The investment portfolio primarily comprises listed equities in Hong Kong stock market and debt securities, and other funds are usually maintained in the banks. Majority of them are denominated in Hong Kong dollars or U.S. dollars. The Board considers the Group has no significant exposure to foreign exchange fluctuation at the balance sheet date.

CAPITAL STRUCTURE

In April 2018, the Company issued a total of 109,170,000 ordinary shares with par value of HK\$0.10 each at a price of HK\$0.135 each, by way of a share placing. The net proceeds of about HK\$14.3 million were used for some investments and general working capital.

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

財務資源與流動資金

於二零一八年十二月三十一日，現金及銀行結餘約為30,900,000港元(二零一七年十二月三十一日：22,500,000港元)而流動資產淨值約為68,700,000港元(二零一七年十二月三十一日：81,700,000港元)。

於二零一八年十二月三十一日，本集團並無資本承擔(二零一七年十二月三十一日：無)。

資本負債比率

於二零一八年十二月三十一日，按借貸除以本公司擁有人應佔權益計算之資本負債比率為2%(二零一七年十二月三十一日：3%)。

物業及設備

於二零一八年十二月三十一日，本集團之物業及設備約值11,600,000港元(二零一七年十二月三十一日：16,300,000港元)。

重大收購及出售

年內，並無有關主要附屬公司之重大收購或出售。

購股權計劃

年內，7,800,000份購股權已失效及7,800,000份購股權已授出及並無購股權獲行使及被註銷。於二零一八年十二月三十一日有15,100,000份購股權為尚未行使。

外匯風險

投資組合主要包括香港股市的上市股本及債務證券，其他資金一般存於銀行，主要以港元或美元計值。董事會認為，本集團於結算日並無面對顯著外匯波動風險。

資本結構

於二零一八年四月，本公司透過股份配售按每股0.135港元之價格發行合共109,170,000股每股面值0.10港元之普通股。所得款項淨額約14,300,000港元用於若干投資及一般營運資金。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As at 31 December 2018, the Company's total number of issued shares was 655,121,250 (31 December 2017: 545,951,250 shares).

PLEDGE OF THE GROUP'S ASSETS

As at 31 December 2018, the office premises with a carrying amount of HK\$10.9 million (31 December 2017: HK\$11.4 million) was pledged for a mortgaged loan. As at 31 December 2017, the Group's obligation under a finance lease was secured by the Group's title to the leased assets, which had carrying amount of approximately HK\$3.6 million.

HUMAN RESOURCES

As at 31 December 2018, the Company have 32 employees (31 December 2017: 27). The remuneration packages for the employees and the directors are in line with the prevailing market practice and are determined on the basis of performance and experience.

於二零一八年十二月三十一日，本公司已發行股份總數為655,121,250股(二零一七年十二月三十一日：545,951,250股)。

集團資產抵押

於二零一八年十二月三十一日，賬面值為10,900,000港元(二零一七年十二月三十一日：11,400,000港元)之辦公室物業已就一筆分期貸款而抵押。於二零一七年十二月三十一日，本集團之融資租賃承擔以本集團賬面值約3,600,000港元之租賃資產所有權作抵押。

人力資源

於二零一八年十二月三十一日，本公司有32名(二零一七年十二月三十一日：27名)僱員。僱員及董事薪酬組合與現行市場慣例一致，並按表現及經驗釐定。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and implementing a high standard of corporate governance and recognizes that good governance can help the business to deliver its strategies, generate shareholder value and meet its obligations towards shareholders and other stakeholders. The Company has established a governance structure, and embeds governance and principles in the business to ensure accountability, fairness, integrity and transparency.

The Board adheres to corporate governance practices by adopting and complying with the established rules, codes, guidelines under the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules. The Company has followed the CG Code and formulated its own policies and procedures regarding the corporate governance practices. During the financial year of 2018, the Company complied with all of the provisions under the CG Code except for the following:

1. Code provision A.4.1

All the Non-executive Directors were not appointed for a specific term, however, their appointment are subject to retirement by rotation at the annual general meeting as specified in the bye-laws of the Company.

2. Code provision A.7.1

The code provision A.7.1 requires an agenda and accompanying board papers should be sent, in full, to all Directors for regular board meetings and as far as practicable in all other cases. These papers should be sent in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed period).

Due to the practical reasons, an agenda and accompanying board papers have not been sent, in full, in 3 days in advance to certain meetings of the Board or Board Committee. The Company Secretary continues to use its best endeavours to send the agenda and accompanying board paper, in full to the Board or Board Committee at least 3 days in advance to the extent practicable.

企業管治常規

本公司致力於恪守並實行高水準的企業管治，並認同良好的管治有助業務實踐其策略、增加股東價值和履行其對股東及其他持份者的責任。

本公司已設立管治架構，並將管治及準則融入業務中，確保問責、公平、誠實和透明的精神得以體現。董事會採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）並遵守其所定之規則、守則及指引，恪守企業管治常規。本公司已遵照企業管治守則，制定本身有關企業管治常規的政策及程序。於二零一八年財政年度，本公司一直遵守企業管治守則項下之所有條文，惟下列情況除外：

1. 守則條文第A.4.1條

所有非執行董事並無獲委任特定年期，然而，彼等之委任均須按本公司細則所訂明於股東週年大會上輪值告退。

2. 守則條文第A.7.1條

守則條文第A.7.1條規定定期董事會會議的議程及相關董事會文件應全部及時送交全體董事，並至少在計劃舉行董事會或轄下委員會會議日期的三天前（或協定的其他時間內）送出。董事會其他所有會議在切實可行的情況下亦應採納以上安排。

由於實務原因，董事會會議的議程及相關文件未能在若干董事會或其轄下委員會會議日期的三天前送交。公司秘書繼續盡全力，在切實可行的情況下最少三天前將董事會會議的議程及相關會議文件全部送交董事會或其轄下委員會。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as the codes of conduct regarding securities transactions by Directors. All Directors of the Company have confirmed that, for the year ended 31 December 2018, each director has complied with the required standards as set out in the Model Code.

BOARD OF DIRECTORS

The Board has overall responsibility for the management of the Company and the implementation of its investment policy, which includes, inter alia, the adoption of long term corporate strategies, assessment of investment projects, supervision of its management and review of its financial performance to ensure that the Company's investments are conducted in accordance with its objectives. The Company appoints the professional investment manager to manage its investment portfolio and Silverstone Investments Limited is the investment manager to provide such investment management service.

BOARD SIZE AND COMPOSITION

There are currently five Directors in the Board: the Chairman, one Executive Director, and three Independent non-executive Directors ("INEDs"). The roles of the Chairman and the Chief Executive Officer are separated. The Board regularly reviews its size and composition to ensure that the Board can have a breadth of perspective from time to time and that it always has the necessary diversity of skills and attributes required to oversee and govern in the ever-changing operating environment. The Directors' biographical details are set out in the section of "Biography of Directors and Chief Executive Officer" on pages 59 to 65. During the year, the board size and composition was reviewed by the Nomination Committee during the year.

董事進行證券交易

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易之標準守則(「標準守則」)，作為董事進行證券交易之操守準則。本公司全體董事已確認，彼等各自於截至二零一八年十二月三十一日止年度已遵守標準守則所載之規定標準。

董事會

董事會負責本公司整體管理工作及執行其投資政策，其中包括採納長遠公司策略、評估投資項目、監督本公司管理層以及檢討財務表現，以確保本公司之投資乃依循其目標進行。本公司委聘專業投資經理以管理其投資組合，而銀石投資有限公司獲提供上述投資管理服務之投資經理。

董事會規模及組成

董事會目前由五名董事組成，包括主席、一名執行董事及三名獨立非執行董事(「獨立非執行董事」)。主席與行政總裁之角色獨立分開。董事會定期檢討其規模及組成，確保董事會不時具備多元的觀點，並時刻具備多元化之技能及特長，以便能在不斷轉變的經營環境中進行監察及管治。各董事之履歷資料載於第59至65頁「董事及行政總裁之履歷」一節。於本年度，董事會之規模及組成已由提名委員會於年內審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board members for the year ended 31 December 2018 and as at the date up to this report were:

Chairman and Non-Executive Director

Dr. Lam Man Chan

Executive Director

Mr. Lee Kwok Leung

Independent Non-executive Directors

Dr. Ng Chi Yeung, Simon

Mr. Tam Yuk Sang, Sammy

Ms. Florence Ng

The Board conducts at least four regular Board meetings a year at approximately quarterly intervals in addition to other Board meetings that are required for significant and important issues, and for statutory purposes. The Board meetings are attended by a majority of the Directors in person or through other electronic means of communication. Appropriate and sufficient information is provided to the Board members in a timely manner to keep them abreast of the Group's latest development and thus assist them in discharging their duties.

During the year ended 31 December 2018, other than resolutions passed in writing by all the Directors, the Board held a total of seven Board meetings. During the year ended 31 December 2018, the Company convened an annual general meeting ("AGM").

The attendance of the Directors at the Board Meetings and General Meetings for the year ended 31 December 2018 is set out as below:

截至二零一八年十二月三十一日止年度及截至本報告日期止，董事會之成員為：

主席兼非執行董事

林文燦博士

執行董事

李國樑先生

獨立非執行董事

吳志揚博士

譚旭生先生

吳翠蘭女士

除就重大及重要事務以及法定目的而舉行之其他董事會會議外，董事會每年至少舉行四次董事會例會，大約每季舉行一次。大部份董事親身或通過其他電子通訊方式出席董事會會議。董事會成員將會適時獲得適當及充足之資料，以便彼等了解本集團之最新發展，從而有助彼等履行其職責。

於截至二零一八年十二月三十一日止年度，除了由全體董事通過之書面決議案外，董事會共舉行七次董事會會議。於截至二零一八年十二月三十一日止年度，本公司召開一次股東週年大會（「股東週年大會」）。

董事於截至二零一八年十二月三十一日止年度之董事會會議及股東大會出席次數載列如下。

| Name of Directors 董事姓名 | | Number of meetings attended 出席會議次數 | |
|--|-------------------|---------------------------------------|---------------|
| | | Board Meetings 董事會會議 | AGM 股東週年大會 |
| Chairman and Non-Executive Director Dr. Lam Man Chan | 主席兼非執行董事 林文燦博士 | 7 | 1 |
| Executive Director Mr. Lee Kwok Leung | 執行董事 李國樑先生 | 7 | 1 |
| Independent Non-executive Directors Dr. Ng Chi Yeung, Simon | 獨立非執行董事 吳志揚博士 | 5 | 1 |
| Mr. Tam Yuk Sang, Sammy | 譚旭生先生 | 5 | 1 |
| Ms. Florence Ng | 吳翠蘭女士 | 5 | 1 |

CORPORATE GOVERNANCE REPORT

企業管治報告

Each of the Independent Non-executive Directors has given the Company an annual confirmation of independence. The Company considers such Directors to be independent under the guidelines set out in Rule 3.13 of the Listing Rules.

To the best knowledge of the Board, there is no financial, business or family relationship among members of the Board as at 31 December 2018. All of them are free to exercise their individual judgment.

THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The code provision A.2.1 stipulates that the role of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. To ensure a balance of power and authority, Dr. Lam Man Chan and Dr. Yeung Cheuk Kwong have been appointed as the Chairman and Chief Executive Officer of the Company respectively. The major duties of the Chairman are to provide leadership to the Board and spearhead overall corporate development and strategic planning whilst the Chief Executive Officer is responsible for implementing the decisions and strategy approved by the Board and managing day-to-day operations of the Group with the supports of the Executive Director.

NON-EXECUTIVE DIRECTORS

Under the code provision A.4.1, Non-executive Directors should be appointed for a specific term, subject to re-election. Although the current Non-executive Director and Independent Non-executive Directors of the Company are not appointed for a specific term, all Directors (including Executive and Non-executive) of the Company are subject to retirement by rotation at the annual general meeting as specified in the bye-laws of the Company.

各獨立非執行董事已就彼之獨立性向本公司發出年度確認書。本公司認為，根據上市規則第3.13條所載指引，該等董事均為獨立人士。

據董事會所深知，於二零一八年十二月三十一日，董事會各成員間並無任何財務、業務或家族關係。全體董事均可自由作出個人判斷。

主席及行政總裁

守則條文第A.2.1條訂明，主席及行政總裁之角色應予區分，不應由同一人擔任。為確保權力及授權之平衡，林文燦博士及楊卓光博士已分別獲委任為本公司之主席及行政總裁。主席之主要職責為帶領董事會及作出整體企業發展及策略規劃，而行政總裁則負責執行由董事會批准之決策及策略，並在執行董事之支援下管理本集團日常營運。

非執行董事

根據守則條文第A.4.1條，非執行董事應按特定任期委任，並可膺選連任。儘管本公司之現任非執行董事及獨立非執行董事並非按特定任期委任，惟本公司之全體董事(包括執行及非執行)均須根據本公司之公司細則之規定於股東週年大會上輪值退任。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD COMMITTEES

1. Audit Committee

The Audit Committee of the Company was established with its written terms of reference formulated in accordance with the requirements of the Listing Rules. The Audit Committee currently consists of three Independent Non-executive Directors, namely, Dr. Ng Chi Yeung Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng. Mr. Tam Yuk Sang, Sammy is the Chairman of the Audit Committee.

The Audit Committee has adopted terms of reference which are in line with the CG Code. The Audit Committee met regularly during the year to review the completeness, accuracy and fairness of the Company's financial statements, the Company's financial reporting system and internal control procedures, the scope and nature of the external audit and matters concerning the engagement of external auditors. The Audit Committee is also responsible for reviewing the Company's interim and annual financial statements and making recommendations as to the approval of the Company's interim and annual financial statements by the Board.

During the year, the Audit Committee held three meetings and the attendance of the members at the meetings for the year ended 31 December 2018 is set out as below:

| Name of Members 成員姓名 | | Number of meetings attended 出席會議次數 |
|---|----------------|---|
| Independent Non-executive Directors | 獨立非執行董事 | |
| Mr. Tam Yuk Sang, Sammy (<i>Chairman</i>) | 譚旭生先生(主席) | 3 |
| Dr. Ng Chi Yeung, Simon | 吳志揚博士 | 3 |
| Ms. Florence Ng | 吳翠蘭女士 | 3 |

董事委員會

1. 審核委員會

本公司之審核委員會已告成立，而其書面職權範圍乃根據上市規則之規定制定。審核委員會現時由三名獨立非執行董事，即吳志揚博士、譚旭生先生及吳翠蘭女士組成。譚旭生先生為審核委員會主席。

審核委員會已採納符合企業管治守則之職權範圍。審核委員會於年內定期舉行會議，以檢討本公司財務報表之完整性、準確性及公平程度、本公司之財務報告制度及內部監控程序、外部審核之範圍及性質以及與委聘外聘核數師相關之事宜。審核委員會亦負責審閱本公司之中期及年度財務報表，並對董事會批准本公司之中期及年度財務報表提出推薦意見。

年內，審核委員會曾舉行三次會議，各成員於截至二零一八年十二月三十一日止年度之會議出席次數載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

2. Remuneration Committee

The Remuneration Committee of the Company was established primarily to review and make recommendations to the Board on matters relating to the remuneration of the Directors and the senior management of the Company.

The Remuneration Committee currently consists of three Independent Non-executive Directors, namely, Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng. Mr. Tam Yuk Sang, Sammy is the Chairman of the Remuneration Committee. The Remuneration Committee has adopted terms of reference which are in line with the CG Code to review the remuneration policy and remuneration packages of the Directors. During the year, the Remuneration Committee held one meeting and has reviewed the level of director fee by making comparison to peers.

The attendance of the members at the meeting for the year ended 31 December 2018 is set out as below:

| Name of Members 成員姓名 | | Number of meetings attended 出席會議次數 |
|---|----------------|---|
| Independent Non-executive Directors | 獨立非執行董事 | |
| Mr. Tam Yuk Sang, Sammy (<i>Chairman</i>) | 譚旭生先生(主席) | 1 |
| Dr. Ng Chi Yeung, Simon | 吳志揚博士 | 1 |
| Ms. Florence Ng | 吳翠蘭女士 | 1 |

3. Nomination Committee

The Nomination Committee currently consists of one Executive Director, namely, Mr. Lee Kwok Leung and three Independent Non-executive Directors, namely, Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng. Dr. Ng Chi Yeung, Simon is the Chairman of the Committee. During the year, the Nomination Committee reviewed the composition, structure, size of the board and the board diversity.

2. 薪酬委員會

本公司之薪酬委員會已告成立，主要檢討董事及本公司高級管理層之薪酬事宜以及就此向董事會作出推薦意見。

薪酬委員會現時由三名獨立非執行董事，即吳志揚博士、譚旭生先生及吳翠蘭女士組成。譚旭生先生為薪酬委員會主席。薪酬委員會已採納符合企業管治守則之職權範圍，其負責檢討董事之薪酬政策及薪酬待遇。年內，薪酬委員會曾舉行一次會議並透過與同業作比較而審視董事袍金水平。

各成員於截至二零一八年十二月三十一日止年度之會議出席次數載列如下：

3. 提名委員會

提名委員會現時由一名執行董事，即李國樑先生，以及三名獨立非執行董事，即吳志揚博士、譚旭生先生及吳翠蘭女士組成。吳志揚博士為委員會主席。年內，提名委員會檢討董事會之組成、架構、規模以及董事會成員多元化。

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During the year, the Nomination Committee held one meeting and the attendance of the members at the meeting for the year ended 31 December 2018 is set out as below:

年內，提名委員會曾舉行一次會議，各成員於截至二零一八年十二月三十一日止年度之會議出席次數載列如下：

| Name of Members 成員姓名 | | Number of meetings attended 出席會議次數 |
|---|----------------|--|
| Executive Director | 執行董事 | |
| Mr. Lee Kwok Leung | 李國樑先生 | 1 |
| Independent Non-executive Directors | 獨立非執行董事 | |
| Dr. Ng Chi Yeung, Simon (<i>Chairman</i>) | 吳志揚博士(主席) | 1 |
| Mr. Tam Yuk Sang, Sammy | 譚旭生先生 | 1 |
| Ms. Florence Ng | 吳翠蘭女士 | 1 |

AUDITOR'S REMUNERATION

For the year ended 31 December 2018, the fee paid/payable in respect of audit services and non-audit services to the Company's auditor, Deloitte Touche Tohmatsu, was approximately HK\$800,000 and HK\$21,200 respectively.

The Audit Committee is responsible for making recommendations to the Board as to the appointment, reappointment and removal of the external auditors, which is subject to the approval by the Board and at general meetings of the Company by the shareholders.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company and ensure that they are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such financial statements.

The statement of the external auditor of the Company, Deloitte Touche Tohmatsu, with regard to their reporting responsibilities on the Company's financial statements is set out in the Independent Auditor's Report on pages 67 to 72.

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

核數師薪酬

於截至二零一八年十二月三十一日止年度，已付／應付本公司核數師德勤•關黃陳方會計師行的審核服務及非審核服務的費用分別約為800,000港元及21,200港元。

審核委員會負責就委任、重新委任及撤換外聘核數師向董事會作出推薦建議，有關委任、重新委任及撤換之事宜須經董事會及於本公司之股東大會上經股東批准，方可作實。

董事對財務報表之責任

董事了解彼等對編製本公司財務報表之責任，並確保財務報表乃根據法定規定及適用會計準則編製。董事亦確保及時刊發有關財務報表。

本公司外聘核數師德勤•關黃陳方會計師行就彼等對本公司財務報表之申報責任作出之聲明載於第67至72頁之獨立核數師報告。

董事確認，據彼等作出一切合理查詢後所深知、盡悉及確信，彼等並不知悉任何可能對本公司之持續經營能力構成重大疑問之事件或狀況之重大不明朗因素。

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INTERNAL CONTROLS

The Board is responsible for maintaining an adequate system of internal control for the Company and has regularly reviewed the internal control policy so as to safeguard the Group's assets. During the year, the Company assessed its key risks and migration plan. The Audit Committee has reviewed the findings and risk profile of the Company.

Internal audit function

Given its small operations, the Company's internal audit function has been primarily provided by professional firms or individual consultants. During the year, our consultant reviewed the internal control procedures relating to the areas of investment operation and risk management of the Group.

RISK MANAGEMENT AND INTERNAL CONTROLS

1. Framework of risk management

Risk management is defined as the overall process of identifying and understanding its own risks and taking informed actions. This is to help it achieve its strategic objectives, reduce the likelihood of failure and decrease the uncertainty of overall business performance.

(a) Responsibility of the board and the management

The Company adopts a simple and practical approach towards the risk management process. The Company embeds the risk management features within our investment management as well as operational areas (including finance, human resources, and information technology) and these operating units adopt the risk management systems on a day-to-day basis.

These systems are designed to mitigate the risk of failure to achieve relevant objectives, and provide reasonable assurance against material misstatement or loss. Moreover, the management annually reviews and updates its risk profile, aiming to provide assurance to the Board on the effectiveness of the risk management systems, and the Board will oversee the Company's risk management and internal control systems on an ongoing basis.

內部監控

董事會負責維持本公司適當的內部監控系統及定期檢討內部監控政策，以保障本集團之資產。年內，本公司已評估其主要風險及遷移計劃。審核委員會已檢討有關結果及本公司之風險狀況。

內部審計職能

基於營運規模小，本公司之內部審計職能一直主要由專業會計師行或會計顧問提供。年內，我們的顧問檢討有關本集團投資運營及風險管理的內部監控程序。

風險管理及內部監控

1. 風險管理框架

風險管理之定義為進行識別及了解其自身風險並採取知情行動之完整程序。此舉有助達成策略目標，減低失敗可能性及減少整體業務表現之不明朗因素。

(a) 董事會及管理層之責任

本公司就風險管理程序採納簡單切實之方法。本公司將風險管理之特質嵌入本公司之投資管理及營運範疇(包括財務、人力資源及資訊科技)，而該等營運單位乃按日常基準採納風險管理系統。

該等系統乃為減輕失敗風險而設，以達成相關目標。有關系統對重大失實陳述或損失提供合理保證。此外，管理層每年檢討及更新其風險程度，旨在就風險管理系統之有效性向董事會提供保證，而董事會將持續監察本公司之風險管理及內部監控系統。

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(b) Supporting Role of the Audit Committee

The Audit Committee supports the Board in monitoring the risk exposure, the design and operating effectiveness of the underlying risk management and internal controls systems. The Audit Committee, acting on behalf of the Board, oversees the following process:

- regular reviews of the principal business risks, and related control measures, the strengths and weaknesses of the overall internal controls system and action plans for improvement;
- regular reviews of internal audit reports, including action plans to address the identified control weaknesses, status update and its implementations; and
- regular reports by the external auditors of any control issues identified in the course of their work and discussion with the external auditors of the scope of their respective review and findings.

The Audit Committee will then report to the Board after due review of the effectiveness of the Group's system of internal controls. The Board considers the works and findings of the Audit Committee in forming its own view on the effectiveness of the system.

2. Risk profile

Our approach for managing risk is underpinned by our understanding of our current risk exposures, and how our risks are changing over time. The risk assessment includes identifying relevant objectives, identifying events that could affect the achievement of objectives, determining risk tolerance, assessing the likelihood/significance of risks and evaluating the portfolio of risks.

The major risks included price risk, market risk, investment risk and liquidity risk. To minimize the liquidity risk, the Company rarely used gearing to enhance its return on investment. In the context of a fast-changing global/local business environment and highly-volatile financial market, market risk, equity price risk and emergent risks are generally high and their monitoring will need ongoing efforts.

We continue to integrate internal controls and risk management into our investment operation on a day-to-day basis in order to improve the process.

(b) 審核委員會的支持角色

審核委員會支持董事會監察所面對的風險、相關風險管理及內部監控系統的設計和運作成效。審核委員會代表董事會監督以下程序：

- 定期審查主要業務風險及有關監控措施，整體內部監控系統和行動計劃的優缺點以便改善；
- 定期審視內部審核報告，包括採取行動計劃以解決已查明的監控弱點、狀況更新及其執行；及
- 外聘核數師定期匯報彼等在進行工作期間所識別的任何監控議題，並與外聘核數師討論其各自審查的範圍和調查結果。

審核委員會對本集團內部監控系統的成效進行適當審查後向董事會報告。審核委員會在構思本身對系統成效的看法時考慮審核委員會的工作和調查結果。

2. 風險程度

本公司管理風險之方法受本公司對現有風險之理解及有關風險如何變動所影響。風險評估包括識別相關目標、識別可影響達成目標之事件、釐定風險承受能力、評估風險發生之可能性／重大程度，以及評估風險組合。

主要風險包括價格風險、市場風險、投資風險及流動資金風險。為減低流動資金風險，本公司極少使用槓桿來增加投資回報。考慮到環球／本地營商環境變化迅速及金融市場極為波動，市場風險、股價風險及應急風險一般高企，需要持續努力進行監控。

我們繼續按日常基準將內部監控及風險管理整合至本公司之投資營運以改善流程。

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3. Principal Risks identified

The following highlights the major risks to the Group based on the annual risk assessment conducted in 2018.

3. 已識別的主要風險

下文列舉出基於於二零一八年進行的年度風險評估的本集團主要風險。

| Risks 風險 | Treatment Plan(s) 應對計劃 |
|--|--|
| <p>1. Concentration Risk 集中風險</p> <p>Concentration of equity price risk may arise if the Group has a significant investment in a single equity investment. Details of the major investments are disclosed in note 19.</p> <p>倘若本集團於某一項股本投資有重要投資，可能產生股本價格集中風險。主要投資之詳情於附註19披露。</p> | <p>Regular monitoring of the investment limits and concentration analysis. For details of the major investments, please refer to note 19 of the financial statement.</p> <p>定期監察投資限額及集中程度分析。有關主要投資之詳情，請參閱財務報表附註19。</p> |
| <p>2. Equity Price Risk 價格風險</p> <p>Price risk arises from fluctuation in market prices of our investment in listed equity securities. The management manages the exposure by maintaining a portfolio of listed equity securities with different risk exposure.</p> <p>價格風險產生自本公司所投資上市股本證券之市場價格波動。管理層透過維持不同風險之上市股本證券組合來管理該風險。</p> | <p>Regular review of the investment portfolio by the Investment Manager to monitor the exposures.</p> <p>投資經理定期審查投資組合，以監察風險。</p> |
| <p>3. Market Risk 市場風險</p> <p>Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market prices, such as foreign exchange rates, interest rates and equity prices.</p> <p>市場風險在市場價格(如匯率、利率及股本價格)變動而導致盈利能力受損或影響達成業務目標之能力時出現。</p> | <p>Monitoring the exposures to implement appropriate measures on a timely and effective manner.</p> <p>監察該等風險，以確保能及時有效採取適當措施。</p> |
| <p>4. Strategic Risk 策略風險</p> <p>Strategic risk may arise from the pursuit of an unsuccessful business plan, failed business decision or from a failure to respond well to changes in the business environment.</p> <p>未能成功實踐業務計劃、商業決策失誤或未能妥善回應業務環境變化，可能引致策略風險。</p> | <p>Monitoring the exposure and review regularly the strategy together with the Investment Manager.</p> <p>監察風險，並定期與投資經理檢討策略。</p> |

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| Risks 風險 | Treatment Plan(s) 應對計劃 |
|--|--|
| <p>5. Credit Risk 信貸風險</p> <p>Credit risk arises when the counterparty would fail to discharge its obligation under the terms and cause a financial loss to the Group.</p> <p>信貸風險在對手方因未能按條款履行其義務而引致本集團蒙受財務損失時出現。</p> | <p>Continue monitoring the exposures.</p> <p>持續監察該等風險。</p> |
| <p>6. Interest rate risk 利率風險</p> <p>Our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.</p> <p>本集團按動態基準分析其利率風險，並考慮適當時透過各種手段以具成本效益之方式管理該風險。</p> | <p>Monitoring the exposures to implement appropriate measures on a timely and save effective manner.</p> <p>監察該等風險，以確保能及時有效採取適當措施。</p> |
| <p>7. Investment risk 投資風險</p> <p>Investment risk can be defined as the likelihood of occurrence of losses on any particular unlisted investment.</p> <p>投資風險乃界定為任何個別非上市投資發生虧損之可能性。</p> | <p>Conducting detailed due diligence exercise.</p> <p>進行詳細盡職審查。</p> <p>Monitoring and assessing the development progress of each of the investee companies.</p> <p>監察及評估接受各投資公司之發展情況。</p> |
| <p>8. Cyber security 網絡安全</p> <p>Cyber security remains a key risk trend globally.</p> <p>網絡安全仍然是全球的主要風險趨勢。</p> | <p>Ongoing cyber security control enhancement to align with industry practices and standards.</p> <p>持續提升網絡安全監控措施，以符合行業慣例和標準。</p> |
| <p>9. Liquidity risk 流動資金風險</p> <p>Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets.</p> <p>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之風險。</p> | <p>Holding sufficient liquid assets of appropriate quality to ensure sufficient cash flows to meet all financial commitments and to capitalize opportunities for business expansions.</p> <p>透過持有充足、合適之流動資產，確保擁有足夠現金流量應付所有財務承擔，以及把握機遇擴張業務。</p> |
| <p>10. Compliance risk 合規風險</p> <p>This is the risk of legal or regulatory sanctions, financial loss, or damage to reputation that arises when a firm fails to comply with relevant laws and regulations.</p> <p>合規風險指因企業未有遵守相關法律及法規而所面對之法律或監管制裁、財務損失或名譽損害風險。</p> | <p>Monitoring and assessing the impact of regulatory changes.</p> <p>監察及評估監管規定變化之影響。</p> |

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BUSINESS AWARENESS, DEVELOPMENT AND TRAINING

Through the course of their directorship, Directors are updated on any developments or changes affecting the Company and their obligations to it at regular Board meetings. In order to ensure that Directors continue to further their understanding of the issues facing the Group, the Company will further strengthen the provision of Board training, ranging from corporate governance to regulatory issues.

Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant. The Directors are committed to complying with the code provision A.6.5 which came into effect on 1 April 2012 on directors' training. All Directors have participated in continuous professional development by studying materials relevant to their duties and responsibilities. The Company Secretary also provided relevant training materials for the self-study of Directors.

DIRECTORS' LIABILITIES INSURANCE

The Company has arranged appropriate insurance cover for Directors' liabilities in respect of potential legal actions against the Directors arising out of corporate activities of the Group pursuant to code provision A.1.8 of the new CG Code. Such directors' liability insurance will be reviewed and renewed annually. Throughout the year ended 31 December 2018, no claim has been made against the Directors.

JOINT COMPANY SECRETARIES

The joint company secretaries of the Company, Mr. Leung Yiu Wah and Ms. Cheng Suk Fun, have duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

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:

Address: Unit 18, 9/F., Block B, Focal Industrial Centre, 21 Man Lok Street, Hungghom, Kowloon, Hong Kong.

Email: info@hk0810.com

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

商業意識、發展及培訓

在履行董事職務期間，董事於定期董事會會議上聽取有關影響本公司及董事責任之任何發展或轉變之最新資訊。為確保董事繼續加深了解本集團面對之事宜，本公司將進一步加強向董事會提供之培訓，內容涵蓋企業管治以至監管事宜。

董事須參與持續專業發展，以深造及更新彼等的知識及技能。此為確保彼等向董事會作出知情及相關之貢獻。董事致力遵守於二零一二年四月一日起生效之有關董事培訓之守則條文第A.6.5條。全體董事均透過研習與彼等職責及責任有關的資料參與持續專業發展。公司秘書亦提供相關培訓內容予董事自修。

董事責任保險

本公司已按照新企業管治守則之守則條文A.1.8條，就董事可能因本集團企業活動而面對之法律行動作適當董事責任投保安排。有關董事責任保險將每年檢討及續保。於截至二零一八年十二月三十一日止整個年度並無針對董事之申索。

聯席公司秘書

梁耀華先生及鄭淑芬女士為本公司之聯席公司秘書，彼等已妥為遵守上市規則第3.29條之相關專業培訓規定。

股東權利

股東向董事會作出查詢之程序

股東可隨時透過公司秘書以書面形式將其查詢及問題遞交董事會。公司秘書之聯絡詳情如下：

地址：香港九龍紅磡民樂街21號富高工業中心B座9樓18室

電郵：info@hk0810.com

股東亦可在本公司之股東大會上向董事會作出查詢。

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Procedures for putting forward proposals at shareholders' meeting

Shareholders can submit a written requisition to move a resolution at the shareholders' meeting. The number of shareholders shall represent not less than one-twentieth of the total voting rights of all shareholders having at the date of the requisition a right to vote at the shareholders' meeting, or who are no less than one hundred shareholders.

The written requisition must state the resolution, accompanied by a statement of not more than one thousand words with respect to the matter referred to in any proposed resolution of the business to be dealt with at the shareholders' meeting. It must also be signed by all the shareholders concerned and be deposited at the Company's principal place of business in Hong Kong at Unit 18, 9/F., Block B, Focal Industrial Centre, 21 Man Lok Street, Hunghom, Kowloon, for the attention of the Company Secretary not less than six weeks before the shareholders' meeting in case of a requisition requiring notice of a resolution and not less than one week before the shareholders' meeting in case of any other requisition.

The shareholders concerned must deposit a sum of money reasonably sufficient to meet the Company's expenses in serving the notice for the resolution and circulating the statement submitted by the shareholders concerned under applicable laws and rules.

Procedures for shareholders to convene a Special General Meeting (the "SGM")

The Board shall, on the requisition in writing of the shareholders of not less than one-tenth of the paid-up capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene a SGM.

If within twenty-one days of such deposits the Board fails to convene the SGM, the requisitions or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any meeting so convened shall not be held after three months from the date of the original deposit.

The Company continues to improve its corporate governance and believes it is fundamental for the development of the Company as well as for the benefits of the shareholders. The Board is pleased to confirm that the Company has complied with the Code applicable during the year.

於股東大會提出建議之程序

股東可提出書面要求於股東大會上動議決議案。股東數目不得少於該要求提出當日有權於股東大會上投票之所有股東之總投票權二十分之一，或不少於一百名股東。

該請求書須列明有關決議案，連同一份不多於一千字之陳述書，內容有關任何將於股東大會上所處理事項之提呈決議案所提述事宜。該請求書亦須由全體有關股東簽署，並送交本公司之香港主要營業地點(地址為九龍紅磡民樂街21號富高工業中心B座9樓18室)，註明公司秘書收啟。倘該請求書要求發出決議案通知，則須於股東大會舉行前不少於六個星期送交；倘屬任何其他請求，則須於股東大會舉行前不少於一個星期送交。

有關股東須存放一筆合理充足之款項，以支付本公司根據適用法律及規則送達決議案通知及傳閱有關股東所提交陳述書產生之開支。

股東召開股東特別大會(「股東特別大會」)之程序

於持有不少於本公司十分之一繳足股本且已繳付所有到期催繳股款或其他款項之股東之書面要求時，董事會須隨即就此召開股東特別大會。

倘董事會並未於有關要求發出日期起計二十一日內召開股東特別大會，則提出該要求人士或彼等當中持有過半數總投票權之任何人士可自行召開股東特別大會，惟任何此等會議不得於原要求發出日期起計三個月後舉行。

本公司繼續改善企業管治，並相信企業管治對本公司發展及股東利益至為重要。董事會欣然確認，本公司於年內已遵守適用之守則。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



China Internet Investment Finance Holdings Limited (the "Company") is an investment holding company under Chapter 21 of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (the "Listing Rules") with its principle office in Hong Kong.

The Company is pleased to present its annual Environmental, Social and Governance Report ("ESG Report") to demonstrate its commitment to sustainable development. This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("the Guide") of Hong Kong Stock Exchange, which covers two subject areas, Environmental and Social.

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The Guide encourages an issuer to identify and disclose ESG information that is material and relevant to an issuer's business. Accordingly, the management has decided that out of the 11 ESG aspects suggested by the Guide, the below 8 ESG aspects are material to the Company:



We actively encourage staff to volunteer their time to benefit local communities. 本公司積極鼓勵員工付出時間予義務工作，以惠及本地社區。



中國互聯網投資金融集團有限公司(「本公司」)為一間香港聯合交易所有限公司主板證券上市規則(「上市規則」)第二十一章項下的投資控股公司，其主要辦事處位於香港。

為展示本公司對可持續發展的承擔，本公司欣然提呈其年度的環境、社會及管治報告(「環境、社會及管治報告」)。環境、社會及管治報告編製是根據香港聯交所的《環境、社會及管治報告指引》(「該指引」)進行，內容覆蓋兩大範疇，分別為環境及社會。

該指引鼓勵發行人識別及披露對發行人業務為重要及相關的環境、社會及管治資料。因此，管理層從該指引建議的11項環境、社會及管治層中，歸納出以下為對本公司為重要的8項環境、社會及管治層面：



Business sustainability framework consists of five overriding dimensions of economic, governance, social, ethical and environmental performance.

業務可持續框架由五個極為重要的層面－經濟、管治、社會、道德和環境層面組成。

Main ESG subject area
in the Guide
該指引中的主要環境、
社會及管治範疇

ESG aspects
環境、社會及
管治相關層面

Reference
內容參考索引

A. Environmental
環境

A1. Emissions
排放物

Refer to the “Environmental” section of this ESG Report.
詳情載於本環境、社會及管治報告的「環境」標題之下。

A2. Use of resources
資源使用

Refer to the “Environmental” section of this ESG Report.
詳情載於本環境、社會及管治報告的「環境」標題之下。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

| Main ESG subject area in the Guide 該指引中的主要環境、 社會及管治範疇 | ESG aspects 環境、社會及 管治相關層面 | Reference 內容參考索引 |
|--|---------------------------------------|--|
| B. Social 社會 | B1. Employment 僱傭 | The employment matters related to compensation, recruitment and dismissal are in compliance with the major relevant laws and regulations. 僱傭事務是關於薪酬、招聘及解僱，皆符合主要相關法律及規例。 |
| | B2. Health and Safety 健康與安全 | The office-based operation of the Company is not considered to have significant occupational hazards. The Company has complied with all the major relevant laws and regulations. 本公司認為其以辦公室為主的運作不構成重大的職業性危害。本公司遵守所有主要相關法律及規例。 |
| | B3. Development and training 發展及培訓 | Refer to "Social" section of this ESG Report. 詳情載於本環境、社會及管治報告的「社會」標題之下。 |
| | B4. Labour Standard 勞工準則 | Child labour and forced labour are prohibited in the Company. 本公司嚴禁使用童工及強制勞工。 |
| | B7. Anti-corruption 反貪污 | Refer to the "Social" section of this ESG Report. 詳情載於本環境、社會及管治報告的「社會」標題之下。 |
| | B8. Community investment 社區投資 | Refer to "Social" section of this ESG Report. 詳情載於本環境、社會及管治報告的「社會」標題之下。 |

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The reporting period of this ESG Report is from 1 January 2018 to 31 December 2018. Unless otherwise specified, the reporting boundary of this ESG Report is the same as this Annual Report.

Business sustainability framework consists of five overriding dimensions of economic, governance, social, ethical and environmental performance. These dimensions can be viewed as inter-dependent, and poverty alleviation and environmental conservation are central in sustainable development. In this connection, corporate social responsibility emerges and, according to World Business Council for Sustainable Development, it is defined as the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

本環境、社會及管治報告的報告期為二零一八年一月一日至二零一八年十二月三十一日。除另有說明外，本環境、社會及管治報告之報告範疇與本年報相同。

業務可持續框架由五個極為重要的層面—經濟、管治、社會、道德和環境層面組成。該等層面可視為互相獨立，而扶貧及環保對可持續發展極為重要。就此而言，企業社會責任為(根據世界企業永續發展委員會的定義)企業持續致力於遵守道德規範及對經濟發展作出貢獻，同時改善員工及其家人的生活質素以及改善本地社區及整體社會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We are an investment company listed under Chapter 21 of the Listing Rules and our net assets value is of relatively medium to small size. Moreover, we only focus on investment operations with total headcount of about 30 persons. Regarding the four ESG reporting aspects, we have made also materiality assessment. On the basis of that assessment and the reference to the ESG guidebook of Business Environment Council, the ESG aspects of 1) workplace quality on working conditions, development and training, 2) operating practices on anti-corruption and 3) community investment have been considered more relevant to us. Our lean office-based operation has insignificant direct environmental impact because of the low power, energy and water consumption.

Our Corporate Social Responsibility ("CSR") Policy

CSR is viewed as a business philosophy that creates sustainable value for shareholders by embracing opportunities and managing risks deriving from economic, environmental and social developments. Our CSR policy defines our long-term approach to specific issues in our cornerstones: Workplace, Environment, Ethic and Community, which is instrumental in enabling our business to operate in a sustainable manner. Within each of the cornerstones, core principles and pragmatic objectives provide guidance on practicing CSR in our daily operations.

A. ENVIRONMENTAL

The Company's business is primarily engaged in investment business. The direct impact to the environment and use of natural resources is minimal. The Company does not generate hazardous waste. The main contributor to the Company's carbon footprint is the indirect greenhouse gas (GHG) emissions from electricity consumption, which is mainly attributed to the use of lighting system, air-conditioning and office equipment, though there is limited GHG emission due to business trips involved by the executives occasionally.

We care for the environment by minimising the environmental impact concerning our activities, as well as products and services engaged. Going beyond compliance with applicable legal requirements, we aspire to prevent pollution, reduce waste, increase recycling and minimize natural resource use by continually improving our environmental management practices and measures, educating our colleagues to adopt environmentally responsible behaviour, and promoting environmental protection in our supply chain and marketplace.

本公司是根據上市規則第21章上市的投資公司，資產淨值屬於相對中至小型規模。此外，本公司只專注於投資業務，員工人數約30人。關於四個環境、社會和管治報告範疇，我們亦已進行重要議題評估。根據該評估以及參照商界環保協會的環境、社會及管治手冊，環境、社會及管治範疇中的1)工作環境的工作場所質素、發展及培訓，2)反貪污之營運實踐及3)社區投資被認為與我們更為相關。由於對電力、能源及水的消耗較少，我們基於精益辦公之經營對直接環境影響微乎其微。

本公司的企業社會責任(「企業社會責任」)政策

企業社會責任被視為一項透過把握從經濟、環境及社會發展產生之機遇及管理有關風險，為股東創造可持續價值的商業理念。本公司的企業社會責任政策界定本公司應對在本公司各基石—工作場所、環境、道德規範及社區中之特定事宜的長遠方法，其有助本公司以可持續模式經營業務。在各基石下，核心原則及務實目標為本公司日常營運中實踐企業社會責任提供指引。

A. 環境

本公司的主要業務為投資業務。對環境的直接影響及自然資源的使用並不重大。本公司並無產生有害廢棄物。本公司碳排放的主要來源因素為電力消耗的間接溫室氣體排放，主要是由於使用照明系統、空調及辦公設備所致，但執行人員偶爾出差導致的溫室氣體排放有限。

本公司愛護環境，盡量減低本公司業務以及所提供產品及服務對環境的影響。本公司不但遵守適用法例規定，更藉持續改善環境管理常規及措施、教育本公司員工採納對環境負責任之行為，以及藉於本公司之供應鏈及所經營市場中推廣環保，立志預防污染、減少浪費、增加循環使用及減低天然資源之使用。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Our commitment to protect the environment is well reflected by our continuous efforts in promoting green measures and awareness in our daily business operations. We adhere to the principle of Recycling and Reducing, and implement green office practices such as double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance. We also increase the use of equipment carrying Energy Label issued by the Electrical and Mechanical Services Department which save energy in the offices. The management will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in our operation to move towards adhering to the 3Rs — Reduce, Recycle and Reuse and enhance environmental sustainability.

A1. Emissions

The Company's operation is mainly office-based and the Company is committed to minimizing the impact of businesses on the environment through adopting eco-friendly measures at the office. For example, staff is encouraged to reduce paper consumption by double-sided printing and reusing papers printed on one side.

Owing to its business nature, the significant air emissions of the Group are the GHG emissions, arising from the use of electricity and fuels derived from fossil fuels. The total GHG emissions for the year was about 60 tonnes in carbon dioxide equivalent.

A2. Use of Resources

In terms of energy saving measures, we adopt the following practices at office as follows:

- Staff is reminded to switch off lights and air-conditioning in the meeting room and the computer at the workstation when it is not in use;
- The room temperature is maintained at a reasonable level in summer to save energy; and
- Conference calls instead of face-to-face meetings are arranged where possible.

本公司對環境保護的承諾，可從本公司持續努力於其日常業務營運中推廣綠色環保措施及意識中深深反映。本公司堅守循環再用及減少使用的原則，並實踐綠色辦公室常規，例如採用雙面列印及複印、推廣環保用紙及透過關掉不使用的照明及電器來減少能源消耗。本公司亦增加使用帶有由機電工程署頒發之能源標籤的設備，從而節省辦公室使用的能源。管理層將不時檢討其環保實踐並將考慮在其營運中實施更多的環保政策及實踐，以堅守3R原則(即減廢(Reduce)、再造(Recycle)及再用(Reuse))為目標，從而推動環境的可持續發展。

A1. 排放物

本公司以辦公室運作為主。因此，本公司致力通過辦公室內的環保措施，盡量減少業務對環境的影響。例如，在減少用紙方面，本公司鼓勵員工多採用雙面打印，以及重用已經單面打印的紙張。

由於其業務性質，本集團的主要廢氣排放為使用電力和源自化石燃料的燃料而產生的溫室氣體排放。本年度的溫室氣體排放總量約為60噸二氧化碳當量。

A2. 資源使用

在節能方面，我們已在辦公室推行以下措施：

- 當會議室閒置時，員工會關掉房中的燈和空調。員工亦會於無需使用時關掉工作間的電腦；
- 辦公室於夏天的室內溫度亦保持在合適水平，以節省能源；及
- 盡量安排以電話會議代替面談。

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The value of underpinning is the respect of our staff and we treat our staff with fairness and respect, and maintain a working environment to realise their full potential.

有關價值之基礎為得到員工尊重。本公司公平對待及尊重員工，並維持工作環境以充分發揮彼等潛力。

The Company is dedicated to sustain implementation of the above measures, while it will explore other ecofriendly initiatives.

During the year ended 31 December 2018, the electricity consumption was about 22,900 kwh; the paper consumption was about 0.24 tonnes; the total water consumption was about 13 cubic metre and the fuel consumption was about 24,480 litres.

本公司將繼續致力執行上述措施，同時亦會積極研究推行其他環保措施。

於截至二零一八年十二月三十一日止年度，用電量約為22,900千瓦時；用紙量約為0.24噸；總用水量約為13立方米而燃料耗量約為24,480公升。

B. SOCIAL RESPONSIBILITY

B1. Employment and Labour Practices

1. Our values

We aims to foster a supportive and quality working environment by upholding employment practices that treat employees fairly and equally, safeguarding employee rights and interests, providing opportunities for training and development, and facilitating meaningful communication within the Company. The value underpinning is the respect of our staff and we treat our staff with fairness and respect, and maintain a working environment to realise their full potential.

B. 社會責任

B1. 僱傭及勞工實踐

1. 本公司抱持的價值

本公司透過致力實踐僱傭慣例，公平及平等地對待僱員，保障僱員權利及權益，提供培訓及發展機會及促進本公司內部有意義的溝通，從而培植具支援性及優質的工作環境。有關價值之基礎為得到員工尊重。本公司公平對待及尊重員工，並維持工作環境以充分發揮彼等潛力。

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2. Staff Composition

As at 31 December 2018, we employed a total of 32 staff.

| Age 年齡 | Senior Staff 高級員工 | | General Staff 一般員工 | | |
|-------------|----------------------|---|-----------------------|----|-----|
| | No. of staff 員工數目 | % | No. of staff 員工數目 | % | |
| Below 31 | 31歲以下 | 0 | 0 | 2 | 8 |
| 31-40 | 31-40歲 | 0 | 0 | 5 | 21 |
| 41-50 | 41-50歲 | 1 | 13 | 3 | 13 |
| 50 or above | 50歲或以上 | 7 | 87 | 14 | 58 |
| Total | 總計 | 8 | 100 | 24 | 100 |

| Gender 性別 | Senior Staff 高級員工 | | General Staff 一般員工 | | |
|--------------|----------------------|---|-----------------------|----|-----|
| | No. of staff 員工數目 | % | No. of Staff 員工數目 | % | |
| Female | 女性 | 2 | 22 | 13 | 54 |
| Male | 男性 | 6 | 78 | 11 | 46 |
| Total | 總計 | 8 | 100 | 24 | 100 |

3. Human resources policies

Our human resources policies are internal guidelines on the approach we adopt in managing our people. They cover different aspects of human resources management such as recruitment, promotion, compensation and training. We provide our employees with fair and competitive remuneration to motivate them.

2. 員工組成

於二零一八年十二月三十一日，本公司合共僱用32名僱員。

3. 人力資源政策

人力資源政策為我們用於管理人才所採用方法的內部指引。有關政策涵蓋人力資源管理之不同範疇，譬如招聘、擢升、薪酬及培訓。本公司給予僱員公平及具競爭力的薪酬以鼓勵彼等。

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環境、社會及管治報告

B2. Health and Safety

We do not believe that we operate in environments that carry high risks for child labour and forced labour, as our operations are based in Hong Kong. There is full compliance towards labour or other relevant legislations that prohibit child/forced labour. Health and safety issues are also of fundamental concern to us.

B3. Development and training

The management and implementation of the training program should align with the strategy and mission of the Group. The Human Resources Department and the department heads will regularly assess the training requirements. Training also helps colleagues learn new skills at regular intervals, further benefitting their career development.

B4. Labour Standard

Operating Practices

We aim to maintain high ethical standards in the operating practices employed in the conduct of our business and we encourage our suppliers and business associates to embrace high standards similar to our own. We are also committed to maintaining good corporate governance.

1. *Operating practices — compliance with laws and regulations*

We have established policies and procedures on compliance with laws and regulations, and our employees are required to adhere to high standards of business and professional and ethical conduct. It is the Company's policy that employees must comply fully with all applicable laws and regulations.

B2. 健康與安全

由於本公司的營運根據地為香港，故本公司不相信其經營環境為童工及強制勞動的高風險場所。本公司全面遵守有關嚴禁童工／強制勞動的勞工或其他相關法例。健康及安全問題亦為本公司最關切的問題。

B3. 發展及培訓

培訓計劃的管理及實施應與本集團策略及目標一致。人力資源部門及部門主管將定期評估培訓需求。培訓亦使員工能定期學習新技能，進一步有利彼等的事業發展。

B4. 勞工準則

營運實踐

本公司矢志於其業務經營所採用的營運實踐中維持高道德標準。本公司亦鼓勵供應商及商業夥伴採用與本公司類似的高標準，並致力於維持良好企業管治。

1. 營運實踐 — 遵守法律法規

本公司已就遵守法律法規而制定政策及程序，而本公司僱員須持守高標準的業務、專業及道德操守。本公司的政策規定僱員必須全面遵守所有適用法律法規。

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2. Regulatory compliance

The Company gives the utmost priority to regulatory compliance. The principles behind the Listing Rules are to maintain confidence in the market; to ensure investors are given sufficient information to make a properly informed assessment of the Company; and to ensure that the Company can keep the investors and the public fully informed, in a timely manner, of material factors which might affect their interests. Thus, compliance with the disclosure requirements for the timely and accurate publication of annual results and financial information is of fundamental importance to ensure the maintenance of a fair and orderly market. The Company continue monitoring and assessing the impact of the regulatory changes, if any.

B7. Anti-corruption

The Company is committed to ensuring that no bribes, payment or advantages are solicited from or given or offered to any persons, whether in the public or private sector, for any purpose, which can ensure the strict adherence to the Prevention of Bribery Ordinance. We regard honesty, integrity and fair play as the core values that must be upheld by our colleagues at all times.

B8. Community investment

We help to build a sustainable community by supporting local initiatives that create effective and lasting benefits to the community through corporate philanthropy, establishing community partnerships, and mobilising our employees to participate in volunteer work.

1. Community contributions

We contribute to the communities in which we operate and our policy will be communicated to the Company's stakeholders, including our employees, shareholders, and business partners. We are committed to the continual development of this policy and its integration into our operations.

2. 監管合規

本公司最為著重監管合規事務。上市規則背後的原則乃為維持市場信心；確保投資者可獲得足夠信息以對本公司作出妥當、知情的評估；及確保本公司在任何時候均可讓投資者及公眾全面、及時了解可能影響彼等利益的重大因素。因此，遵守適時及準確地刊發年度業績及財務資料的披露要求乃對確保維持公平有序市場極為重要。本公司繼續監察及評估監管變化(如有)之影響。

B7. 反貪污

本公司致力確保並無因任何理由而於公共或私營部門中從任何人士索取或向任何人士提供或給予賄賂、款項或利益，從而確保嚴格遵守防止賄賂條例。本公司將誠信、廉直及公平競爭視為核心價值，僱員在任何時候均須持有有關核心價值。

B8. 社區投資

本公司透過企業公益活動、建立社區合作及動員本公司僱員參與義工活動，藉以支持可為社區創造有效及長遠利益的本地措施，協助建設可持續社區。

1. 貢獻社區

本公司對其經營所在社區作出貢獻，而本公司之政策將向本公司各持份者傳達，包括其僱員、股東及業務夥伴。本公司致力於本政策的持續發展，及將其融入本公司之營運。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告



Education is one of our key focus areas of community involvement

教育為我們於社區參與的主要一環



2. Community investment and involvement

We strive to be a part of our communities, to serve and contribute by promoting corporate social responsibility. There are several focus areas of community involvement, which are education, poverty alleviation, health, the elderly and culture. Thus, we contribute to Non-Government Organizations providing welfare, educational, recreational and cultural services to the community.

We will also actively encourage staff to volunteer their time and core skills to benefit local communities. It gives employees the chance to find out more about the social and environmental issues and reinforce our corporate values.

2. 社區投資及參與

本公司矢志要成為所在社區的一分子，藉推廣企業社會責任來服務及貢獻社區。社區參與包括多個重點範疇，其為教育、扶貧、健康、長者及文化。因此，本公司向非政府組織作出貢獻，為社區提供福利、教育、娛樂及文化服務。

本公司亦將積極鼓勵員工無償付出時間和核心技能，以惠及本地社區。本公司給予僱員機會了解更多社會及環境問題，及增強本公司企業價值。

REPORT OF DIRECTORS

董事會報告書

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is principally engaged in investment in equity securities and debt securities of listed and unlisted securities. During the year, there were no significant changes to the Group's principal activities. Further discussion and analysis of these activities including a discussion of the principal risks and uncertainties facing the group and an indication of likely future developments in the group's business can be found in the Management Discussion and Analysis set out on pages 22 to 24 of this Annual Report. This discussion forms part of this Directors' Report.

INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

The Company at all times has its own policy and procedures regarding the investment objectives, policies and restriction, a summary of which is set out as below:

Objectives

The Company is an investment company with the primary objective of achieving capital appreciation as well as generating income from interests and dividends by investing in listed and unlisted companies in Greater China, Australia and any other countries as the Board may direct from time to time.

Policies

The Group has adopted a diversified investment approach. A substantial portion of the assets is invested in equity securities, convertible bonds and debt securities issued by listed and unlisted companies in Hong Kong as well as the PRC or such other types of investment that provide reasonable returns. Investment policies mainly include the following:

- When considering and identifying potential investments, the Company will seek to identify entities with a record of positive profit growth, strong management, and high levels of technical expertise, and research and development capabilities as well as management commitment to long-term growth. At the same time, the Company is also flexible in considering investments in companies or other entities which are considered by the Board and the Investment Manager as being special or in recovery situations with potential return.

董事會謹此提呈彼等之年度報告及本集團截至二零一八年十二月三十一日止年度之經審核綜合財務報表。

主要業務及業務回顧

本公司主要業務為投資於上市及非上市之股本證券及債務證券。年內，本集團之主要業務並無重大變動。該等活動之進一步討論及分析，包括就本集團面對之主要風險及不明朗因素之討論及有關本集團業務之未來可能發展之揭示，可見於本年報第22至24頁所載之管理層討論及分析。此討論構成本董事會報告書之一部份。

投資目標、政策及限制

本公司一直擁有自身關於投資目標、政策及限制的政策及程序。概述載於下文：

目標

本公司乃一間投資公司，首要目標為實現資本增值，以及根據董事不時作出的指示，透過投資於大中華、澳洲及任何其他國家的上市及非上市公司從利息及股息產生收入。

政策

本集團採取多元化投資方針。絕大部份資產投資於香港及中國上市及非上市公司發行的股本證券、可換股債券和債務證券，或具備合理回報的其他類型投資。投資政策主要包括下列各項：

- 於考慮及物色潛在投資時，本公司將尋求物色擁有正溢利增長紀錄、管理優異、技術專才及研發能力水平超卓，以及管理層致力達致長期增長之企業。與此同時，倘董事會及投資經理認為有關公司或其他實體情況特殊或正處於復甦並且擁有潛在回報，則本公司亦可靈活考慮是否投資於該等公司或實體。

REPORT OF DIRECTORS

董事會報告書

- As to the period of investment, the investments are usually intended to be held for capital appreciation. The actual holding period will depend on the return from investment and the potential of listing on the Stock Exchange or other internationally recognised stock exchanges. The Company will, however, realise investments where the Board believes the realisation would be in the best interests of the Company or where the terms on which such realisation can be made are considered by the Board as particularly favorable to the Company.

Restrictions

In addition to the restrictions imposed under the Listing Rules 21.04(3)(a) and (b) at all times regarding the maximum percentage and the maximum amount which the Company could invest in any company, the Company has other investment restrictions which mainly include the following:

- the Company may not, without the prior approval of the Shareholders by ordinary resolution, buy or sell commodities, commodity contracts or precious metals, except that it may purchase and sell future contracts on stock indices and securities which are secured by commodities or precious metals; and
- the Company may not invest more than 30% of the company's assets outside Greater China to the extent of contravening its primary objective of achieving capital appreciation by investing in listed and unlisted companies in Greater China.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 and the state of affairs at that date are set out in the consolidated financial statements on pages 73 to 170. The Directors do not recommend the payment of a dividend.

- 至於投資期方面，本公司一般擬持有該等投資以取得資本增值。實際持有期間將視乎投資回報及於聯交所或其他國際認可證券交易所上市之潛力而定。然而，倘董事會相信變現投資符合本公司之最佳利益或董事會認為有關變現條款尤其對本公司有利，則本公司將考慮變現投資。

限制

有關本公司可於任何公司投資的最高百分比及最高金額，除了上市規則第21.04(3)(a)及(b)條項下一直有所規定的限制，本公司有其他投資限制，主要包括下列各項：

- 未取得股東以普通決議案事先批准，本公司未必能夠購買或出售商品、商品合約或貴金屬，惟本公司可購買及出售股票指數期貨合約及以商品或貴金屬抵押之證券；及
- 本公司未必能夠投資超過30%之公司資產於大中華以外，導致有違本公司透過投資於大中華之上市及非上市公司獲取中長線資本增值之主要目標。

業績及分派

本集團截至二零一八年十二月三十一日止年度之業績及截至該日之事務狀況載於綜合財務報表第73至170頁。董事不建議派付股息。

REPORT OF DIRECTORS

董事會報告書

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements and restated and reclassified as appropriate, is set out on page 171. This summary does not form part of the audited consolidated financial statements.

PROPERTY AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 23 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company has not purchased, sold or redeemed any of its own shares during the year ended 31 December 2018.

CHARITABLE DONATIONS

Donations to charitable organization by the Group during the year amounted to approximately HK\$228,800.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 77.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company had no distributable reserve because its accumulated losses amounted to be about HK\$252.1 million.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company as disclosed in the below section headed "Share Options" below, no equity-linked agreements were entered into by the Group, or existed during the year.

五年財務概要

本集團過去五個財政年度之業績及資產負債概要載於第171頁，乃摘錄自經審核綜合財務報表，並於適用情況下已作重列及重新分類。此概要並不構成經審核綜合財務報表其中部分。

物業及設備

本集團年內廠房及設備變動詳情載於綜合財務報表附註14。

股本

本公司股本變動詳情載於綜合財務報表附註23。

購買、出售或贖回本公司股份

於截至二零一八年十二月三十一日止年度，本公司概無購買、出售或贖回其本身任何股份。

慈善捐款

本集團於年內向慈善機構作出約228,800港元之捐款。

儲備

本集團年內儲備變動詳情載於第77頁之綜合權益變動報表。

可供分派儲備

於二零一八年十二月三十一日，本公司並無可供分派儲備，原因是其累計虧損約為252,100,000港元。

股票掛鈎協議

除下文「購股權」一節所披露本公司之購股權計劃外，本集團於年內並無訂立或訂有任何股票掛鈎協議。

REPORT OF DIRECTORS

董事會報告書

SHARE OPTIONS

Particulars of the Company's share option schemes are set out in note 32 to the consolidated financial statements.

Pursuant to a resolution passed on 31 July 2012, the Company adopted the share option scheme (the "Scheme"), which is valid and effective for a period of ten years from the date of adoption. Under the Scheme, the Company may grant options to, inter alia, directors and employees of the Company or its subsidiaries and other participants to subscribe for shares in the Company.

The movements of the options granted under the Scheme during the year and as at 31 December 2018 were as follows:

購股權

有關本公司購股權計劃之詳情載於綜合財務報表附註32。

根據於二零一二年七月三十一日通過之決議案，本公司採納購股權計劃（「該計劃」），其由採納日期起計十年有效及生效。根據該計劃，本公司可向（其中包括）本公司或其附屬公司之董事及僱員及其他參與者授出購股權以認購本公司股份。

根據該計劃授出之購股權於年內之變動以及於二零一八年十二月三十一日之資料如下：

| Grantee | Position | Date of Grant | Exercise period | Exercise price | No. of share options 購股權數目 | | | | Outstanding as at 31/12/2018 於二零一八年十二月三十一日 尚未行使 |
|----------------------------|---|----------------------------|---|-------------------|--|----------------------------------|------------------------------------|--|---|
| | | | | | Outstanding as at 1/1/2018 於二零一八年一月一日 尚未行使 | Granted during the year 於年內授出 | Exercised during the year 於年內行使 | Lapsed and cancelled during the year 於年內失效及註銷 | |
| 承授人 | 職位 | 授出日期 | 行使期間 | 行使價 HK\$ 港元 | 尚未行使 | 於年內授出 | 於年內行使 | 於年內失效及註銷 | 尚未行使 |
| Lee Kwok Leung 李國祿 | Executive Director 執行董事 | 28/08/2015 二零一五年八月二十八日 | 28/08/2015 to 27/08/2018 二零一五年八月二十八日至 二零一八年八月二十七日 | 0.431 | 1,600,000 | — | — | (1,600,000) | — |
| | | 11/07/2016 二零一六年七月十一日 | 11/07/2016 to 10/07/2019 二零一六年七月十一日至 二零一九年七月十日 | 0.475 | 1,600,000 | — | — | — | 1,600,000 |
| | | 29/11/2018 二零一八年十一月二十九日 | 29/11/2018 to 28/11/2021 二零一八年十一月二十九日至 二零二一年十一月二十八日 | 0.241 | — | 1,600,000 | — | — | 1,600,000 |
| Ng Chi Yeung, Simon 吳志揚 | Independent Non-Executive Director 獨立非執行董事 | 28/08/2015 二零一五年八月二十八日 | 28/08/2015 to 27/08/2018 二零一五年八月二十八日至 二零一八年八月二十七日 | 0.431 | 200,000 | — | — | (200,000) | — |
| | | 11/07/2016 二零一六年七月十一日 | 11/07/2016 to 10/07/2019 二零一六年七月十一日至 二零一九年七月十日 | 0.475 | 200,000 | — | — | — | 200,000 |
| | | 29/11/2018 二零一八年十一月二十九日 | 29/11/2018 to 28/11/2021 二零一八年十一月二十九日至 二零二一年十一月二十八日 | 0.241 | — | 200,000 | — | — | 200,000 |
| Tam Yuk Sang, Sammy 譚旭生 | Independent Non-Executive Director 獨立非執行董事 | 28/08/2015 二零一五年八月二十八日 | 28/08/2015 to 27/08/2018 二零一五年八月二十八日至 二零一八年八月二十七日 | 0.431 | 200,000 | — | — | (200,000) | — |
| | | 11/07/2016 二零一六年七月十一日 | 11/07/2016 to 10/07/2019 二零一六年七月十一日至 二零一九年七月十日 | 0.475 | 200,000 | — | — | — | 200,000 |
| | | 29/11/2018 二零一八年十一月二十九日 | 29/11/2018 to 28/11/2021 二零一八年十一月二十九日至 二零二一年十一月二十八日 | 0.241 | — | 200,000 | — | — | 200,000 |

REPORT OF DIRECTORS

董事會報告書

| Grantee | Position | Date of Grant | Exercise period | Exercise price | Outstanding as at 1/1/2018 | No. of share options | | | Outstanding as at 31/12/2018 |
|--------------------------------|---|----------------------------|---|-------------------|----------------------------|-------------------------|---------------------------|--------------------------------------|------------------------------|
| | | | | | | Granted during the year | Exercised during the year | Lapsed and cancelled during the year | |
| 承授人 | 職位 | 授出日期 | 行使期間 | 行使價 HK\$ 港元 | 於二零一八年一月一日尚未行使 | 於年內授出 | 於年內行使 | 於年內失效及註銷 | 於二零一八年十二月三十一日尚未行使 |
| Florence Ng 吳翠蘭 | Independent Non-Executive Director 獨立非執行董事 | 28/08/2015 二零一五年八月二十八日 | 28/08/2015 to 27/08/2018 二零一五年八月二十八日至二零一八年八月二十七日 | 0.431 | 200,000 | — | — | (200,000) | — |
| | | 11/07/2016 二零一六年七月十一日 | 11/07/2016 to 10/07/2019 二零一六年七月十一日至二零一九年七月十日 | 0.475 | 200,000 | — | — | — | 200,000 |
| | | 29/11/2018 二零一八年十一月二十九日 | 29/11/2018 to 28/11/2021 二零一八年十一月二十九日至二零二一年十一月二十八日 | 0.241 | — | 200,000 | — | — | 200,000 |
| 52 Yeung Cheuk Kwong 楊卓光 | Chief Executive Officer 行政總裁 | 28/08/2015 二零一五年八月二十八日 | 28/08/2015 to 27/08/2018 二零一五年八月二十八日至二零一八年八月二十七日 | 0.431 | 2,500,000 | — | — | (2,500,000) | — |
| | | 11/07/2016 二零一六年七月十一日 | 11/07/2016 to 10/07/2019 二零一六年七月十一日至二零一九年七月十日 | 0.475 | 2,000,000 | — | — | — | 2,000,000 |
| | | 29/11/2018 二零一八年十一月二十九日 | 29/11/2018 to 28/11/2021 二零一八年十一月二十九日至二零二一年十一月二十八日 | 0.241 | — | 2,500,000 | — | — | 2,500,000 |
| Other employees 其他僱員 | n/a 不適用 | 28/08/2015 二零一五年八月二十八日 | 28/08/2015 to 27/08/2018 二零一五年八月二十八日至二零一八年八月二十七日 | 0.431 | 3,100,000 | — | — | (3,100,000) | — |
| | | 11/07/2016 二零一六年七月十一日 | 11/07/2016 to 10/07/2019 二零一六年七月十一日至二零一九年七月十日 | 0.475 | 3,100,000 | — | — | — | 3,100,000 |
| | | 29/11/2018 二零一八年十一月二十九日 | 29/11/2018 to 28/11/2021 二零一八年十一月二十九日至二零二一年十一月二十八日 | 0.241 | — | 3,100,000 | — | — | 3,100,000 |
| Total 總計 | | | | | 15,100,000 | 7,800,000 | — | (7,800,000) | 15,100,000 |

REPORT OF DIRECTORS

董事會報告書

DIRECTORS

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

Chairman and Non-executive Director:

Dr. Lam Man Chan

Executive Director:

Mr. Lee Kwok Leung

Independent Non-executive Directors:

Dr. Ng Chi Yeung, Simon

Mr. Tam Yuk Sang, Sammy

Ms. Florence Ng

In accordance with the Company's Bye-laws, Dr. Lam Man Chan and Mr. Tam Yuk Sang, Sammy will retire at the forthcoming annual general meeting and, being eligible, offers themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

董事

於年內及截至本報告日期止，本公司之董事如下：

主席兼非執行董事：

林文燦博士

執行董事：

李國樑先生

獨立非執行董事：

吳志揚博士

譚旭生先生

吳翠蘭女士

根據本公司之公司細則，林文燦博士及譚旭生先生將在應屆股東週年大會告退，惟符合資格並願意膺選連任。

董事之服務合約

概無任何擬於應屆股東週年大會上膺選連任之董事與本公司訂有本公司不可於一年內免付賠償(法定賠償除外)而終止之服務合約。

購買、出售或贖回本公司股份

於截至二零一八年十二月三十一日止年度，本公司及其附屬公司概無購買、出售或贖回任何本公司之上市證券。

REPORT OF DIRECTORS

董事會報告書

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

As at 31 December 2018, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, below were the interest and short positions of the directors and chief executives of the Company in the shares, underlying shares or debentures of the company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance) as recorded in the register required to be kept by the Company pursuant to section 352 of part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited:

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債券之權益及淡倉

於二零一八年十二月三十一日，根據上市規則所載上市發行人董事進行證券交易的標準守則，以下為本公司之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)之股份、相關股份或債券中，擁有根據證券及期貨條例第XV部第352條本公司規定須存置之登記冊所記錄，或須另行知會本公司及香港聯合交易所有限公司之權益及淡倉如下：

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| Name of Directors and Chief Executive Officer 董事及行政總裁姓名 | Position 職位 | Notes 附註 | Nature of interest 權益性質 | Number of shares held 所持股份數目 | | | Percentage of Issued share capital 佔已發行股本百分比 |
|--|---|-------------|--|---------------------------------|----------------------|--------------------------------------|---|
| | | | | Long position 好倉 | Short position 淡倉 | No. of share options held 所持購股權數目 | |
| Lam Man Chan ("Dr. Lam") 林文燦(「林博士」) | Chairman and Non-executive Director 主席兼非執行董事 | 1 | Interests as a settlor and protector of a Discretionary trust 作為全權信託之創立人及保護人之權益 | 151,981,000 | — | — | 23.20% |
| Lee Kwok Leung 李國樑 | Executive Director 執行董事 | 2 | Beneficial owner 實益擁有人 | — | — | 3,200,000 | 0.49% |
| Ng Chi Yeung, Simon 吳志揚 | Independent Non-executive Director 獨立非執行董事 | 2 | Beneficial owner 實益擁有人 | — | — | 400,000 | 0.06% |
| Tam Yuk Sang, Sammy 譚旭生 | Independent Non-executive Director 獨立非執行董事 | 2 | Beneficial owner 實益擁有人 | — | — | 400,000 | 0.06% |
| Florence Ng 吳翠蘭 | Independent Non-executive Director 獨立非執行董事 | 2 | Beneficial owner 實益擁有人 | — | — | 400,000 | 0.06% |
| Yeung Cheuk Kwong 楊卓光 | Chief Executive Officer 行政總裁 | 2 | Beneficial owner 實益擁有人 | — | — | 4,500,000 | 0.69% |

REPORT OF DIRECTORS

董事會報告書

Notes:

1. The interests are held by Goodchamp Holdings Limited, which is directly owned by Sinowin Unit Trust (Sinowin (PTC) Inc. as its trustee), which is 100% owned by the Richmond Trust (a discretionary trust in which HSBC International Trustee Limited is the trustee). Dr. Lam, who is the Chairman and Non-executive Director of the Company, is the settlor and protector of Richmond Trust.
2. These represented the shares options granted by the Company. Details have been set out in the above section with the header "Share Options".

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme disclosures in note 32 to the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

附註：

1. 該等權益乃由Goodchamp Holdings Limited持有，而該公司乃由Sinowin Unit Trust (Sinowin (PTC) Inc.為其受託人)直接擁有，而Sinowin Unit Trust則由Richmond Trust (其為一項全權信託而HSBC International Trustee Limited為受託人)100%擁有。本公司主席及非執行董事林博士為Richmond Trust之創立人及保護人。
2. 此代表本公司所授出之購股權。有關詳情載於上文「購股權」一節。

董事購買股份或債券之權利

除綜合財務報表附註32購股權計劃披露所披露者外，於年內任何時間，概無董事或彼等各自之配偶或未成年子女獲授或行使任何可藉購入本公司股份或債券而獲益之權利；本公司亦無訂立任何安排，致使董事可於任何其他法人團體獲取該等權利。

REPORT OF DIRECTORS

董事會報告書

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, so far as was known to the directors or chief executive of the Company, the following persons (other than the interests disclosed above in respect of certain directors and chief executive of the Company) has, or is deemed to have, interests or short positions in the Shares or underlying Shares of the Company as recorded in the register to be kept under Section 336 of the SFO are set out below:

主要股東及其他人士於股份及相關股份之權益

於二零一八年十二月三十一日，就本公司董事或主要行政人員所知，以下人士(不包括上文就本公司若干董事及主要行政人員所披露之權益)於本公司之股份或相關股份中，擁有或被視為擁有須記錄於根據證券及期貨條例第336條存置之登記冊之下列權益或淡倉：

| Name of shareholders 股東名稱 | Note 附註 | Capacity/Nature of interest 身份／權益性質 | Long position 好倉 | Short position 淡倉 | Percentage of holding 持股百分比 |
|------------------------------------|------------|--|---------------------|----------------------|-----------------------------------|
| Goodchamp Holdings Limited | 1 | Beneficial owner 實益擁有人 | 151,981,000 | — | 23.20 |
| Sinowin (PTC) Inc. | 1 | Interest of controlled corporation 受控制法團之 權益 | 151,981,000 | — | 23.20 |
| HSBC International Trustee Limited | 1 | Trustee 受託人 | 151,981,000 | — | 23.20 |

Note:

- The interests are held by Goodchamp Holdings Limited, which is directly owned by The Sinowin Unit Trust (Sinowin (PTC) Inc. as its trustee), which is 100% owned by the Richmond Trust (a discretionary trust in which HSBC International Trustee Limited is the trustee). Dr. Lam, who is the Chairman and Non-executive Director of the Company, is the settlor and protector of Richmond Trust.

附註：

- 該等權益乃由Goodchamp Holding Limited持有，而該公司乃由The Sinowin Unit Trust (Sinowin (PTC) Inc.為其受託人)直接擁有，而The Sinowin Unit Trust則由Richmond Trust (其為一項全權信託而HSBC International Trustee Limited為受託人)100%擁有。本公司主席及非執行董事林博士為Richmond Trust之創立人及保護人。

Save as disclosed above, as at 31 December 2018, the directors and chief executive of the Company are not aware of any persons who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

除上文所披露者外，於二零一八年十二月三十一日，本公司董事及主要行政人員概不知悉有任何人士於本公司之股份或相關股份中擁有須記錄於根據證券及期貨條例第336條存置之登記冊之權益或淡倉。

REPORT OF DIRECTORS

董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

EMOLUMENTS POLICY

The emoluments policy for the Directors of the Company are decided by Remuneration Committee, with reference to his respective qualifications and experiences, duties and responsibilities with the Company, the Company's performance and the prevailing market situation.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in note 32 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

INDEPENDENCY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Company's business to which the Company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

足夠公眾持股量

根據本公司所獲公開資料及據董事所知，於本報告日期，本公司最少25%已發行股本總額由公眾人士持有。

薪酬政策

本公司董事之薪酬政策乃由薪酬委員會經考慮各董事之資歷及經驗、於本公司之職務及職責、本公司之表現及現行市況而釐定。

本公司已採納一項購股權計劃，旨在獎勵董事及合資格僱員。該計劃之詳情載於綜合財務報表附註32。

優先購買權

本公司之公司細則或百慕達法例並無有關優先購買權之規定，規定本公司必須按比例向現有股東提呈發售新股份。

獨立非執行董事之獨立性

本公司已收到各獨立非執行董事根據香港聯合交易所有限公司證券上市規則第3.13條發出之年度獨立性確認函。本公司認為全體獨立非執行董事均為獨立人士。

董事合約權益

於年底或年內任何時間，本公司概無訂有董事於當中直接或間接擁有重大權益，且對本公司業務而言屬重大之合約。

REPORT OF DIRECTORS 董事會報告書

MANAGEMENT CONTRACTS

Except as detailed in note 31 to the consolidated financial statements, 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.

PERMITTED INDEMNITY PROVISION

According to the bye-laws, every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) which he/she may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Group has maintained directors' liability insurance, which provides appropriate cover for legal actions brought against the Directors and directors of the subsidiaries of the Group. The level of the coverage is reviewed annually.

AUDITOR

The consolidated financial statements have been audited by Deloitte Touche Tohmatsu who will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board
Lam Man Chan
Chairman

Hong Kong, 29 March 2019

管理合約

除綜合財務報表附註31詳述者外，年內並無訂立或存在任何與本公司全部或任何重大部分業務之管理及行政有關之合約。

獲准許之彌償條文

根據公司細則，各董事有權就履行其職務或在履行其職務方面或在其他有關方面可能蒙受或招致之所有損失或責任(在公司條例(香港法例第622章)最大程度准許的情況下)從本公司之資產中獲取彌償。本集團於年內已維持董事責任保險，就針對董事及本集團附屬公司之董事的任何法律訴訟提供適當保障。保障範圍每年檢討一次。

核數師

綜合財務報表已由德勤•關黃陳方會計師行審核，彼等將於應屆股東週年大會上退任，並符合資格膺選連任。

代表董事會
主席
林文燦

香港，二零一九年三月二十九日

BIOGRAPHY OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

董事及行政總裁之履歷

CHAIRMAN AND NON-EXECUTIVE DIRECTOR 主席兼非執行董事



DR. LAM MAN CHAN
林文燦博士

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Dr. Lam Man Chan, aged 69, joined the Company on 11 February 2014. He has over 30 years of management experience and in depth knowledge of the electronics industry. He was graduated from the World Electric Engineering College in 1969. Dr. Lam holds an honorary degree of Doctor of Science from Armstrong University in the United States. He is currently the chairman of Ngai Lik Group Limited ("Ngai Lik"). He is responsible for the formulation of corporate strategy and overall direction of Ngai Lik. Dr. Lam has invested in different industries, including securities broking, finance business, hotel development, motor cycle business and properties investment. He was granted the Young Industrialist Awards of Hong Kong in 1994 and the World Outstanding Chinese Award in 2005. He was once a standing committee member of Qingyuan Region Committee of the Chinese People's Political Consultative Conference ("CPPCC") and a committee member of Guangdong Provincial Committee and Dongguan Regional Committee of CPPCC. Dr. Lam had been the chairman and executive director of Ngai Lik Industrial Holdings Limited (now known as Yuan Heng Gas Holdings Limited) (stock code: 332), a company publicly listed on the Stock Exchange, during the period from 1992 to 2010.

林文燦博士，69歲，於二零一四年二月十一日加入本公司。彼擁有超過三十年管理經驗，對電子業有深厚認識。林博士在一九六九年畢業於世界電機工程學校，亦持有美國Armstrong University科學榮譽博士學位。林博士現任毅力集團有限公司(「毅力」)之主席，負責制定毅力的企業策略及整體方向。林博士亦曾在不同的行業，包括證券經紀、融資業務、酒店發展、電單車業務及物業投資方面擁有投資經驗。彼分別於一九九四年及二零零五年獲頒香港青年工業家獎及世界傑出華人獎項。林博士曾出任清遠市中國人民政治協商會議(「全國政協」)委員會常務會員及全國政協廣東省及東莞市委員會會員。林博士亦曾於一九九二年至二零一零年止期間出任聯交所之公眾上市公司毅力工業集團有限公司(現稱元亨燃氣控股有限公司)(股份代號：332)之主席及執行董事。

BIOGRAPHY OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

董事及行政總裁之履歷

EXECUTIVE DIRECTOR

執行董事



MR. LEE KWOK LEUNG

李國樑先生

Mr. Lee Kwok Leung, aged 65, joined the Company on 8 May 2014. He is a licensed person to carry out type 9 (asset management) regulated activity under the SFO. He has approximately 15 years of relevant experience by serving as one of the responsible officers of Silverstone Investments Limited ("Silverstone"), the investment manager of the Company, providing investment advisory services to and managing investment portfolios for professional/institutional investors mainly in Greater China and Hong Kong. Mr. Lee has strong experience in portfolio construction, portfolio management, risk assessment and investment due diligence. Furthermore, Mr. Lee was the Managing Director of BOCI Direct Management Limited from 1992 to 1999. In this private equity fund, he was responsible for the overall management of the fund.

Currently, Mr. Lee is the Chairman and an executive director of Mayer Holdings Limited (Stock code: 1116) and an independent non-executive director of Imperial Pacific International Holdings Limited (stock code: 1076), both companies are listed on the Hong Kong Stock Exchange.

李國樑先生，65歲，於二零一四年五月八日加入本公司。彼持有證券及期貨條例下第九類受規管活動(提供資產管理)的牌照。彼為本公司投資經理銀石投資有限公司(「銀石」)之其中一名負責人員，主要為大中華和香港的專業／機構投資者提供投資諮詢服務和管理投資組合而積累約十五年相關經驗。李先生擁有深厚的構建投資組合、投資組合管理、風險評估和投資盡職審查經驗。此外，李先生於一九九二年至一九九九年間曾任中銀投資管理有限公司的董事總經理。彼在此項私募基金中負責整體管理。

目前，李先生為美亞控股有限公司之主席兼執行董事(股份代號：1116)及博華太平洋國際控股有限公司(股份代號：1076)之獨立非執行董事(兩間均為香港聯交所之上市公司)。

BIOGRAPHY OF DIRECTORS AND CHIEF EXECUTIVE OFFICER 董事及行政總裁之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事



DR. NG CHI YEUNG, SIMON
吳志揚博士

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Dr. Ng Chi Yeung Simon, aged 61, joined the Company on 26 November 2013. Dr. Ng is a qualified solicitor in Hong Kong. He is a consultant of Rowland Chow, Chan & Company, a law firm in Hong Kong. Dr. Ng holds a bachelor degree from the Manchester Metropolitan University in the United Kingdom, a master degree in Chinese and Comparative Law, and a doctor degree in worship studies from the Robert Webber Institute for Worship Studies. Dr. Ng is also a Part-time Lecturer of the Department of Professional Legal Education of The University of Hong Kong. Dr. Ng is currently an independent non-executive director of two other publicly listed companies in Hong Kong, namely, Century Sage Scientific Holdings Limited (stock code: 1450) and Winfair Investment Company Limited (stock code: 287).

吳志揚博士，61歲，於二零一三年十一月二十六日加入本公司。吳博士為香港之合資格律師。彼為鄒陳律師行（一家香港律師行）之顧問。吳博士持有英國Manchester Metropolitan University學士學位及中國法及比較法之法學碩士學位。彼亦持有美國韋柏崇拜研究學院(Robert Webber Institute for Worship Studies)崇拜學博士學位。吳博士為香港大學法律專業學系之兼任講師。吳博士目前亦為另外兩間香港公眾上市公司，即世紀睿科控股有限公司(股份代號：1450)及永發置業有限公司(股份代號：287)之獨立非執行董事。

BIOGRAPHY OF DIRECTORS AND CHIEF EXECUTIVE OFFICER 董事及行政總裁之履歷



MR. TAM YUK SANG, SAMMY

譚旭生先生

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Mr. Tam Yuk Sang Sammy, aged 55, joined the Company director on 31 December 2013. He graduated from the Hong Kong Polytechnic University in Accountancy, and holds a Master of Science degree in Professional Accountancy from the University of London. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is currently the president of Essentack Limited, a corporate strategy and management advisory company. Mr. Tam is currently an independent non-executive director of Huajin International Holdings Limited (stock code: 2738), a company whose shares are listed on the Hong Kong Stock Exchange.

譚旭生先生，55歲，於二零一三年十二月三十一日加入本公司成為董事。彼畢業於香港理工大學會計系，並持有倫敦大學專業會計理學碩士學位。彼為英國特許公認會計師公會及香港會計師公會資深會員。譚先生現任一間企業策略及管理顧問公司也思有限公司之總裁。譚先生現任股份於香港聯交所上市之公司華津國際控股有限公司(股份代號：2738)之獨立非執行董事。

BIOGRAPHY OF DIRECTORS AND CHIEF EXECUTIVE OFFICER 董事及行政總裁之履歷



MS. FLORENCE NG
吳翠蘭女士

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Ms. Florence Ng, aged 55, joined the Company on 31 December 2013. She is a solicitor of the Hong Kong Special Administrative Region. Ms. Ng holds a Bachelor of Arts degree from the San Francisco State University, a Bachelor of Laws degree from the University of London and a Master of Laws degree from the City University of Hong Kong. Ms. Ng has over 10 years of business management experience in the high-tech industry in Canada. Ms. Ng has held senior management positions in several computer and internet companies and she was responsible for general management and oversaw their operations of the sales, marketing and purchasing.

吳翠蘭女士，55歲，於二零一三年十二月三十一日加入本公司。彼為一名香港特別行政區律師。吳女士持有美國三藩市州立大學文學士學位、倫敦大學法律學士學位及香港城市大學法律碩士學位。吳女士於加拿大之高科技行業擁有逾十年之業務管理經驗。吳女士曾於數家電腦及互聯網公司擔任高級管理層職位，負責一般管理及監督銷售、市場營銷及採購之業務。

BIOGRAPHY OF DIRECTORS AND CHIEF EXECUTIVE OFFICER 董事及行政總裁之履歷

CHIEF EXECUTIVE OFFICER 行政總裁



DR. YEUNG CHEUK KWONG

楊卓光博士



Dr. Yeung Cheuk Kwong, aged 56, joined the Company on 7 July 2014. Dr. Yeung holds a Doctor degree of Business Administration from the City University of Hong Kong with a distinction award, a Master degree in Finance from the City University of Hong Kong with distinction, a Bachelor degree of Science (Economics) from the University of London, a Master degree in Corporate and Financial Law from the University of Hong Kong and a Bachelor degree of Laws from Manchester Metropolitan University.

In early 2018, Dr. Yeung published his paper “Nonlinear Effect of Board Size on Corporate Performance: Impact of the Cultural Backgrounds of Directors in Hong Kong” in Asia-Pacific Journal of Financial Studies, which is a first Social Science Citation Index listed finance journal in Asia.

楊卓光博士，56歲，於二零一四年七月七日加入本公司。楊博士持有香港城市大學工商管理博士學位及獲得研究成就獎、香港城市大學金融碩士學位(優等成績)、倫敦大學經濟學理學士學位、香港大學公司及金融法碩士學位及Manchester Metropolitan University法學士學位。

楊博士於二零一八年初在《亞太金融研究期刊》(Asia-Pacific Journal of Financial Studies)發表《董事會規模對企表現的非線性影響：香港董事文化背景的衝擊》(Nonlinear Effect of Board size on Corporate Performance: Impact of the Cultural Backgrounds of Directors in Hong Kong)，此為首篇列入亞洲金融期刊的社會科學引文索引。

BIOGRAPHY OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

董事及行政總裁之履歷

Dr. Yeung has held senior management positions for about 25 years. He has extensive experiences and knowledge in mergers and acquisitions, corporate finance, investment in various asset classes, such as fixed income securities and equities, as well as tax planning. Dr. Yeung is also a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants, a Fellow Member of the Association of Chartered Certified Accountants, and an Associate Member of the Institute of Chartered Accountants in England and Wales. Since early 2016, Dr. Yeung has been one of the licensed representatives of Silverstone which carries our type 9 (asset management) regulated activities under SFO.

Dr. Yeung was the executive director and chief financial officer of Great Wall Electronic International Limited (now known as EPI (Holdings) Limited) (stock code: 689) from 1995 to 2000, a company publicly listed on the Stock Exchange. He was also the executive director, chief financial officer and company secretary of Ngai Lik Industrial Holdings Limited (now known as Yuan Heng Gas Holdings Limited) (stock code: 332) from 2000 to 2010, a company publicly listed on the Stock Exchange. Dr. Yeung is currently a director of certain subsidiaries of Ngai Lik Group Limited, a private company controlled by Dr. Lam Man Chan, Chairman and the deemed substantial shareholder of the Company. Dr. Yeung is also a director of China Oriented International Holdings Limited.

Dr. Yeung has also been an executive committee member of Hong Kong Electronics Industry Council under the Federation of Hong Kong Industries since 2015.

楊博士出任高級管理層職位約二十五年。彼於收購合併、企業融資、不同資產級別之投資(例如固定收入證券及股本)以及稅務策劃方面擁有豐富經驗及知識。楊博士亦為香港會計師公會之執業會計師、英國特許公認會計師公會之資深會員以及英格蘭及威爾斯特許會計師公會之會員。自二零一六年初起，楊博士為銀石(根據證券及期貨條例從事第9類(資產管理)受規管活動)之其中一名持牌代表。

楊博士於一九九五年至二零零零年期間曾任聯交所之公眾上市公司長城電子國際有限公司(現稱為長盈集團(控股)有限公司)(股份代號：689)之執行董事兼財務總監，及於二零零零年至二零一零年期間曾任聯交所之公眾上市公司毅力工業集團有限公司(現稱為元亨燃氣控股有限公司)(股份代號：332)之執行董事、財務總監兼公司秘書。楊博士現為毅力集團有限公司若干附屬公司董事，該公司為本公司主席及被視為本公司主要股東林文燦博士所控制之私人公司。楊博士亦為向中國國際控股有限公司的董事。

楊博士亦自二零一五年起出任香港工業總會之香港電子業總會執行委員會成員。

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Deloitte.

To the Shareholders of
China Internet Investment Finance
Holdings Limited
(Continued into Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Internet Investment Finance Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 73 to 170, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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 the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

德勤

致中國互聯網投資金融集團有限公司
列位股東

(於百慕達存續之有限公司)

意見

本核數師已審核列載於第73至170頁中國互聯網投資金融集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日之綜合財務狀況報表及截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動報表及綜合現金流量表，連同綜合財務報表附註，包括主要會計政策概要。

本核數師認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一八年十二月三十一日的綜合財務狀況以及其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》的披露規定妥為編製。

意見的基礎

本核數師根據香港會計師公會頒布的香港審計準則(「香港審計準則」)進行審核。在該等準則下，我們的責任在我們的報告內「核數師就審核綜合財務報表須承擔的責任」一節進一步闡述。根據香港會計師公會的「國際職業會計師道德守則」(「守則」)，我們獨立於 貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current year. This matter was 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 this matter.

Key audit matter
關鍵審核事項

Valuations of an unlisted equity investment and derivatives of the unlisted equity investment
非上市股本投資及非上市股本投資衍生工具之估值

We identified the valuations of an unlisted equity investment and derivatives of the unlisted equity investment, as a key audit matter due to the degree of complexity involved in valuing the unlisted equity investment and its corresponding derivatives, the judgements and estimations required in establishing the valuation techniques and the key inputs thereof, combining with the significance of these balances to the consolidated financial statements as a whole.

我們將非上市股本投資及非上市股本投資衍生工具之估值識別為關鍵審核事項，乃由於估算非上市股本投資及其相應衍生工具之價值時涉及高度複雜性、確立估值技術及其主要輸入數據時作出判斷及估計，以及該等結餘整體對綜合財務報表的意義重大。

At 31 December 2018, the carrying values of the unlisted equity instrument and its corresponding derivatives amounted to HK\$15,700,000 and HK\$2,100,000 respectively, which are carried at fair value and are classified as Level 3 financial instruments in the fair value hierarchy.

於二零一八年十二月三十一日，非上市股本工具及其相應衍生工具之賬面值分別為15,700,000港元及2,100,000港元，其按公允值列賬，並於公允值層級中分類為第三層金融工具。

關鍵審核事項

根據本核數師的專業判斷，關鍵審核事項為我們審核於本年度的綜合財務報表中最重要的事項。我們在審核綜合財務報表及就此達致意見時處理該事項，而不會就該事項單獨發表意見。

How our audit addressed the key audit matter
本核數師在審核中處理關鍵審核事項的方法

Our procedures in relation to valuations of the unlisted equity investment and derivatives of the unlisted equity investment included: 我們就非上市股本投資及非上市股本投資衍生工具之估值之程序包括：

- examining the relevant investment contracts for the key terms and the relevant contractual rights and obligations of these financial instruments;
- 審閱相關投資合約之主要條款及該等金融工具之相關合約權利和責任；
- involving our own internal valuation specialists:
- 邀請我們自家內部估值專家：
 - to obtain an understanding of the valuation process and techniques adopted by the Valuer to assess if they are consistent with industry norms;
 - 了解估值師所採取之估值程序及技術，以評估其是否與行業慣例一致；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Key audit matter

關鍵審核事項

The valuations of the unlisted equity investment and its corresponding derivatives are performed by an independent firm of professional valuers (the "Valuer"). The valuations are dependent on certain key inputs including price-to-earnings multiples by referring to other similar companies, marketability discount rate, value of the unlisted equity investment and probability on the occurrence of certain events. Details of the valuation techniques and key inputs used in the valuations are disclosed in note 26(c)(i) to the consolidated financial statements.

非上市股本投資及其相應衍生工具之估值由獨立專業估值師(「估值師」)執行。該等估值取決於若干主要輸入數據，包括參考其他類似公司的市盈率倍數、市場流通性折讓率、非上市股本投資的價值及發生若干事件的可能性。估值技術及估值中所用的主要輸入數據詳情於綜合財務報表附註26(c)(i)披露。

OTHER INFORMATION

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

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

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

How our audit addressed the key audit matter

本核數師在審核中處理關鍵審核事項的方法

- to evaluate the appropriateness of the key inputs used by comparing the key inputs to comparable market data; and
- 評估所用之主要輸入數據之適當性，方法包括比較主要輸入數據和類似市場資料；及
- to check arithmetical accuracy of calculations pertaining to the valuations.
- 檢查與估值有關之計算之算術準確性。

其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報的資料，惟不包括綜合財務報表及我們的核數師報告。

本核數師對綜合財務報表作出的意見並無涵蓋其他資料，而我們不會對其他資料發表任何形式的核證結論。

就本核數師審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及肩負管治責任者就綜合財務報表須承擔的責任

貴公司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》編製真實而公平地反映情況的綜合財務報表，及董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

肩負管治責任者負責監督貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

本核數師的目標為合理確定此等綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。我們根據百慕達公司法第90條僅向全體股東報告，不作其他用途。我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.

在根據香港審計準則進行審計的過程中，本核數師運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及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該等風險，以及獲取充足和適當的審計憑證，作為本核數師意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，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監控，以設計適當的審計程序，惟並非旨在對 貴集團內部監控的有效性發表意見。
- 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，並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。倘本核數師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表中的相關披露。倘有關披露不足，則修訂我們意見。我們結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, 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 the independent auditor's report is Lam Sau Fung.

- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。本核數師負責集團審計的方向、監督和執行。我們為審核意見承擔全部責任。

本核數師與肩負管治責任者就(其中包括)審計的計劃範圍、時間安排及重大審計發現溝通，該等發現包括我們在審計過程中識別的內部監控的任何重大缺失。

本核數師亦向肩負管治責任者作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

從與肩負管治責任者溝通的事項中，本核數師釐定對本期綜合財務報表的審計至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具獨立核數師報告的審計項目合伙人為林秀鳳。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 March 2019

德勤•關黃陳方會計師行
執業會計師
香港
二零一九年三月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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

| | | NOTES 附註 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|--|-------------|----------------------------------|----------------------------------|
| Gross proceeds from operations | 營運所得款項總額 | 6 | 49,188 | 52,417 |
| Revenue | 收益 | | | |
| Dividend income from financial assets at fair value through profit or loss ("FVTPL") | 按公允值計入損益 (「按公允值計入損益」) 之金融資產之股息收入 | | 2,422 | 1,848 |
| Interest income from debt instruments at fair value through other comprehensive income ("FVTOCI") | 按公允值計入其他全面收益 (「按公允值計入其他全面收益」) 之債務工具之利息收入 | | 1,391 | — |
| Interest income from available-for-sale ("AFS") financial assets | 可供出售 (「可供出售」) 金額資產之利息收入 | | — | 1,940 |
| Interest income from financial assets at FVTPL | 按公允值計入損益之金融資產之利息收入 | | — | 275 |
| Total revenue | 總收益 | | 3,813 | 4,063 |
| Net fair value change on financial assets at FVTPL | 按公允值計入損益之金融資產之公允值變動淨額 | 7 | (25,977) | (17,994) |
| Other income | 其他收入 | | 85 | 367 |
| Other gains or losses | 其他收益或虧損 | 8 | (424) | (454) |
| Administrative expenses | 行政開支 | | (30,048) | (29,440) |
| Other operating expenses | 其他經營開支 | | (1,167) | (1,182) |
| Loss from operations | 營運虧損 | | (53,718) | (44,640) |
| Finance costs | 融資成本 | 9 | (122) | (252) |
| Share of results of associates | 應佔聯營公司業績 | 17 | — | (447) |
| Loss before income tax | 除所得稅前虧損 | 10 | (53,840) | (45,339) |
| Income tax expense | 所得稅開支 | 12 | — | — |
| Loss for the year | 年度虧損 | | (53,840) | (45,339) |
| Loss for the year attributable to owners of the Company | 本公司擁有人應佔年度虧損 | 13 | (53,840) | (45,339) |
| Loss per share attributable to owners of the Company | 本公司擁有人應佔每股虧損 | 13 | | |
| Basic and diluted (HK cents) | 基本及攤薄 (港仙) | | (8.65) | (8.40) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Loss for the year | 年度虧損 | (53,840) | (45,339) |
| Other comprehensive (expense) income: | 其他全面(開支)收益: | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | <i>其後可重新分類至損益之項目:</i> | | |
| Reclassification of AFS reserve upon impairment loss recognised | 因已確認減值虧損而將可供出售儲備重新分類 | — | 165 |
| Release of AFS reserve upon disposal | 因出售而將可供出售儲備轉撥 | — | (743) |
| Release of FVTOCI reserve upon disposal | 因出售而將按公允值計入其他全面收益儲備轉撥 | 549 | — |
| Exchange differences arising on translation of a foreign operation | 換算海外業務產生之匯兌差額 | (44) | — |
| Fair value (loss) gain on: | 公允值(虧損)收益: | | |
| AFS financial assets | 可供出售金融資產 | — | 973 |
| Debt instruments at FVTOCI | 按公允值計入其他全面收益之債務工具 | (1,868) | — |
| Other comprehensive (expense) income for the year, net of income tax | 年度其他全面(開支)收益(已扣除所得稅) | (1,363) | 395 |
| Total comprehensive expense for the year attributable to owners of the Company | 本公司擁有人應佔年度全面開支總額 | (55,203) | (44,944) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 December 2018 於二零一八年十二月三十一日

| | | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-------------|-----------------------|----------------------------------|----------------------------------|
| | NOTES 附註 | | | |
| ASSETS | | 資產 | | |
| Non-current assets | | 非流動資產 | | |
| Property and equipment | 14 | 物業及設備 | 11,555 | 16,313 |
| Intangible asset | 15 | 無形資產 | 120 | 120 |
| AFS financial assets | 16 | 可供出售金融資產 | — | 37,756 |
| Debt instruments at FVTOCI | | 按公允值計入其他 全面收益之金融資產 | 11,066 | — |
| Financial assets at FVTPL | 18 | 按公允值計入損益之 金融資產 | 50,284 | 46,140 |
| Interests in associates | 17 | 於聯營公司之權益 | — | — |
| Deposits paid for acquisition of property and equipment | | 收購物業及設備之 已付按金 | 300 | — |
| | | | 73,325 | 100,329 |
| Current assets | | 流動資產 | | |
| Financial assets at FVTPL | 18 | 按公允值計入損益之 金融資產 | 44,582 | 66,226 |
| Other receivables, prepayments and deposits | 20 | 其他應收款項、 預付款項及按金 | 3,233 | 2,726 |
| Amount due from an associate | 22 | 應收聯營公司款項 | — | 2,500 |
| Cash and bank balances | 21 | 現金及銀行結餘 | 30,941 | 22,541 |
| | | | 78,756 | 93,993 |
| Total assets | | 資產總值 | 152,081 | 194,322 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

At 31 December 2018 於二零一八年十二月三十一日

| | | NOTES | 2018 | 2017 |
|--|------------------|-------|----------------|----------------|
| | | 附註 | 二零一八年 | 二零一七年 |
| | | | HK\$'000 | HK\$'000 |
| | | | 千港元 | 千港元 |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | | |
| Share capital | 股本 | 23 | 65,512 | 54,595 |
| Reserves | 儲備 | | 76,529 | 127,480 |
| Total equity | 權益總額 | | 142,041 | 182,075 |
| LIABILITIES | 負債 | | | |
| Current liabilities | 流動負債 | | | |
| Accruals | 應計開支 | | 6,902 | 6,037 |
| Secured bank loan | 有抵押銀行貸款 | 24 | 3,138 | 3,610 |
| Obligation under a finance lease | 融資租賃承擔 | 25 | — | 2,600 |
| | | | 10,040 | 12,247 |
| Total equity and liabilities | 權益及負債總額 | | 152,081 | 194,322 |
| Net current assets | 流動資產淨值 | | 68,716 | 81,746 |
| Total assets less current liabilities | 資產總值減流動負債 | | 142,041 | 182,075 |

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The consolidated financial statements on pages 73 to 170 were approved and authorised for issue by the Board of Directors on 29 March 2019 and are signed on its behalf by:

第73至170頁的綜合財務報表於二零一九年三月二十九日獲董事會批准及授權刊發，並由下列董事代表簽署：

Lam Man Chan
林文燦
Director
董事

Lee Kwok Leung
李國樑
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動報表

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

| | | Share capital | Share premium | Contributed surplus (note) | Share-based payments reserve | Translation reserve | AFS/FVTOCI reserve | Accumulated losses | Total |
|--|--------------------|---------------|---------------|----------------------------|------------------------------|---------------------|---------------------|--------------------|----------|
| | | 股本 | 股份溢價 | 繳入盈餘 (附註) | 股份付款儲備 | 匯兌儲備 | 可供出售/按公允值計入其他全面收益儲備 | 累計虧損 | 總計 |
| | | 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 |
| At 1 January 2017 | 於二零一七年一月一日 | 45,496 | 51,189 | 225,806 | 2,499 | — | 263 | (121,236) | 204,017 |
| Loss for the year | 年內虧損 | — | — | — | — | — | — | (45,339) | (45,339) |
| Other comprehensive income | 其他全面收益 | — | — | — | — | — | 395 | — | 395 |
| Total comprehensive income (expense) for the year, net of income tax | 年內全面收益(開支)總額，扣除所得稅 | — | — | — | — | — | 395 | (45,339) | (44,944) |
| Proceeds from placing of new shares | 配售新股份之所得款項 | 9,099 | 14,558 | — | — | — | — | — | 23,657 |
| Issuing expenses of placing of new shares | 配售新股份之發行開支 | — | (655) | — | — | — | — | — | (655) |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 54,595 | 65,092 | 225,806 | 2,499 | — | 658 | (166,575) | 182,075 |
| Loss for the year | 年內虧損 | — | — | — | — | — | — | (53,840) | (53,840) |
| Other comprehensive expense | 其他全面開支 | — | — | — | — | (44) | (1,319) | — | (1,363) |
| Total comprehensive expense for the year, net of income tax | 年內全面開支總額，扣除所得稅 | — | — | — | — | (44) | (1,319) | (53,840) | (55,203) |
| Proceeds from placing of new shares | 配售新股份之所得款項 | 10,917 | 3,821 | — | — | — | — | — | 14,738 |
| Issuing expenses of placing of new shares | 配售新股份之發行開支 | — | (427) | — | — | — | — | — | (427) |
| Recognition of share-based payments | 確認股份付款 | — | — | — | 858 | — | — | — | 858 |
| Lapse of share options | 購股權失效 | — | — | — | (1,185) | — | — | 1,185 | — |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 65,512 | 68,486 | 225,806 | 2,172 | (44) | (661) | (219,230) | 142,041 |

Note: The amount represents amount transfer from the share premium upon reduction of share premium amount. The detail of reasons and effect of share premium reduction were set out in the circular of the Company dated 30 September 2015.

附註：該金額指於削減股份溢價賬時，轉撥自股份溢價的金額。有關削減股份溢價的理由及影響之詳情載於本公司日期為二零一五年九月三十日之通函。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| OPERATING ACTIVITIES | 經營業務 | | |
| Loss before income tax | 除所得稅前虧損 | (53,840) | (45,339) |
| Adjustments for: | 就以下項目調整： | | |
| Bank interest income | 銀行利息收入 | (12) | (3) |
| Finance costs | 融資成本 | 122 | 252 |
| Depreciation | 折舊 | 4,949 | 7,849 |
| Impairment loss on AFS financial assets | 可供出售金融資產之減值虧損 | — | 165 |
| Gain on disposal of AFS financial assets | 出售可供出售金融資產之收益 | — | (743) |
| Loss on disposal of debt instruments at FVTOCI | 出售按公允值計入其他全面收益之債務工具之虧損 | 549 | — |
| Impairment loss on interests in associates | 聯營公司權益之減值虧損 | — | 1,173 |
| Share-based payment expense | 以股份付款開支 | 858 | — |
| Share of results of associates | 應佔聯營公司業績 | — | 447 |
| Net exchange gain | 匯兌收益淨額 | (80) | (78) |
| Net fair value change on financial assets at FVTPL | 按公允值計入損益之金融資產之公允值變動淨額 | 25,977 | 17,994 |
| Operating cash flows before working capital changes | 營運資金變動前之經營現金流量 | (21,477) | (18,283) |
| Increase in other receivables, prepayments and deposits | 其他應收款項、預付款項及按金增加 | (507) | (331) |
| Increase in accruals | 應計開支增加 | 865 | 1,951 |
| NET CASH USED IN OPERATING ACTIVITIES | 經營業務動用之現金淨額 | (21,119) | (16,663) |
| INVESTING ACTIVITIES | 投資業務 | | |
| Proceeds from disposal of financial assets at FVTPL | 出售按公允值計入損益之金融資產之所得款項 | 45,375 | 48,354 |
| Payments for purchases of financial assets at FVTPL | 購買按公允值計入損益之金融資產之付款 | (49,197) | (57,425) |
| Proceeds from disposal of AFS financial assets | 出售可供出售金融資產之所得款項 | — | 32,866 |
| Proceeds from disposal of debt instruments at FVTOCI | 出售按公允值計入其他全面收益之債務工具之所得款項 | 20,247 | — |
| Payments for purchases of AFS financial assets | 購買可供出售金融資產之付款 | — | (7,916) |
| Purchase of property and equipment | 購買物業及設備 | (191) | (149) |
| Deposits paid for acquisition of property and equipment | 就收購物業及設備已付按金 | (300) | — |
| Advance to an associate | 向聯營公司墊款 | — | (2,500) |
| Repayment from an associate | 聯營公司還款 | 2,500 | — |
| Bank interest income | 銀行利息收入 | 12 | 3 |
| NET CASH FROM INVESTING ACTIVITIES | 投資業務產生之現金淨額 | 18,446 | 13,233 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|-------------------------------|----------------------------------|----------------------------------|
| FINANCING ACTIVITIES | 融資業務 | | |
| Proceeds from placing of new shares | 配售新股所得款項 | 14,738 | 23,657 |
| Issuing expenses of placing of new shares | 配售新股份之發行開支 | (427) | (655) |
| Repayment of obligation under a finance lease | 償還融資租賃承擔 | (2,600) | (3,361) |
| Repayment of a secured bank loan | 償還有抵押銀行貸款 | (472) | (460) |
| Finance costs | 融資成本 | (122) | (252) |
| NET CASH FROM FINANCING ACTIVITIES | 融資業務之現金淨額 | 11,117 | 18,929 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等值物增加淨額 | 8,444 | 15,499 |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | 於一月一日之現金及現金等值物 | 22,541 | 7,042 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | (44) | — |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by cash and bank balances | 於十二月三十一日之現金及現金等值物 指現金及銀行結餘 | 30,941 | 22,541 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. CORPORATE INFORMATION

China Internet Investment Finance Holdings Limited (the “Company”) is principally engaged in investment in equity and debt securities of listed and unlisted companies.

The Company is a limited liability company continued into Bermuda as an exempted company under the laws of Bermuda. The address of the Company’s registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda and its principal place of business is Flat 18, 9/F, Block B, Focal Industrial Centre, 21 Man Lok Street, Hunghom, Kowloon, Hong Kong.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. These consolidated financial statements were approved for issue by the Board of Directors (the “Board”) on 29 March 2019.

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

New and Amendments to HKFRSs that are mandatorily effective for the current year

The Company and its subsidiaries (collectively referred as the “Group”) has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

| | |
|-----------------------|---|
| HKFRS 9 | Financial Instruments |
| HKFRS 15 | Revenue from Contracts with Customers and the related Amendments |
| HK(IFRIC) – Int 22 | Foreign Currency Transactions and Advance Consideration |
| Amendments to HKFRS 2 | Classification and Measurement of Share-based Payment Transactions |
| Amendments to HKFRS 4 | Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts |
| Amendments to HKAS 28 | As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle |
| Amendments to HKAS 40 | Transfers of Investment Property |

1. 公司資料

中國互聯網投資金融集團有限公司(「本公司」)之主要業務為投資於上市及非上市公司之股本及債務證券。

本公司為一間根據百慕達法例於百慕達存續為獲豁免公司之有限公司。本公司之註冊辦事處地址為Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda，而主要營業地點為香港九龍紅磡民樂街21號富高工業中心B座9樓18室。

本公司股份第一上市地為香港聯合交易所有限公司(「聯交所」)。

該等綜合財務報表以本公司之功能貨幣港元(「港元」)呈列。該等綜合財務報表經由董事會(「董事會」)於二零一九年三月二十九日批准刊發。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的新訂及經修訂香港財務報告準則

於本年度，本公司及其附屬公司(統稱「本集團」)首次應用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂及經修訂香港財務報告準則：

| | |
|--------------------------|-----------------------------------|
| 香港財務報告準則第9號 | 金融工具 |
| 香港財務報告準則第15號 | 客戶合約收益及相關修訂 |
| 香港(國際財務報告詮釋委員會) – 詮釋第22號 | 外幣交易及預付代價 |
| 香港財務報告準則第2號之修訂 | 以股份付款交易之分類及計量 |
| 香港財務報告準則第4號之修訂 | 應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約 |
| 香港會計準則第28號之修訂 | 作為香港財務報告準則二零一四年至二零一六年週期的年度改進一部分 |
| 香港會計準則第40號之修訂 | 轉讓投資物業 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

New and Amendments to HKFRSs that are mandatorily effective for the current year (continued)

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 9 *Financial Instruments*

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities and 2) expected credit losses (“ECL”) for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

除下文所述者外，本年度應用新訂及經修訂香港財務報告準則對本年度及以往年度之本集團財務表現及狀況及／或於綜合財務報表所載之披露事項並無顯著影響。

香港財務報告準則第9號金融工具

於本年度內，本集團已應用香港財務報告準則第9號金融工具及其他香港財務報告準則相關的相應修訂。香港財務報告準則第9號就1)金融資產及金融負債的分類和計量及2)金融資產的預期信貸虧損(「預期信貸虧損」)引入新規定。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對二零一八年一月一日(首次應用日期)尚未終止確認的工具追溯應用分類及計量要求(包括根據預期信貸虧損模式之減值)及並未應用相關要求至二零一八年一月一日已終止確認的工具。二零一七年十二月三十一日的賬面值及二零一八年一月一日的賬面值間之差異於年初保留溢利及權益之其他組成部分確認，而不會重列比較資料。

因此，若干比較資料可能無法比較，因該比較資料為根據香港會計準則第39號金融工具：確認及計量編製。

應用香港財務報告準則第9號產生之會計政策於附註3披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

HKFRS 9 *Financial Instruments* (continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets and financial liabilities under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

首次應用香港財務報告準則第9號產生的影響概要

下表闡述根據香港財務報告準則第9號及香港會計準則第39號金融資產及金融負債於二零一八年一月一日(即首次應用日期)的分類及計量。

| | | | AFS financial assets | Debt instruments at FVTOCI | Financial assets designated at FVTPL | Financial assets at FVTPL required by HKFRS 9 按香港財務 報告準則 第9號規定 按公允值 計入損益之 金融資產 |
|--|---------------------------------------|-----------------|----------------------------|----------------------------------|---|--|
| | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 31 December 2017 — HKAS 39 | 於二零一七年 十二月三十一日 — 香港會計準則 第39號 | | 37,756 | — | 112,366 | — |
| Effect arising from initial application of HKFRS 9: | 首次應用香港財務報告 準則第9號產生的 影響： | | | | | |
| Reclassification | 重新分類 | | | | | |
| From AFS financial assets | 自可供出售金融資產 | (a) | (37,756) | 33,086 | — | 4,670 |
| From designated at FVTPL | 自指定為按公允值 計入損益 | (b) | — | — | (112,366) | 112,366 |
| At 1 January 2018 | 於二零一八年一月一日 | | — | 33,086 | — | 117,036 |

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 9 *Financial Instruments* (continued)

(a) AFS financial assets

From AFS financial assets to debt instruments at FVTOCI

Listed debt securities with a fair value of HK\$33,086,000 were reclassified from AFS financial assets to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. Related fair value gains of HK\$658,000 continued to accumulate in the FVTOCI reserve as at 1 January 2018.

From AFS financial assets to financial assets at FVTPL

At the date of initial application of HKFRS 9, the Group's perpetual securities of HK\$4,670,000 were reclassified from AFS financial assets to financial assets at FVTPL.

(b) Financial assets at FVTPL or designated at FVTPL

At the date of initial recognition, the Group no longer applied designations measured at FVTPL for the portfolio of equity securities which is managed and its performance is evaluated on a fair value basis, as these equity securities are required to be measured at FVTPL under HKFRS 9. As a result, these investments were reclassified from financial assets designated at FVTPL to financial assets at FVTPL.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

(a) 可供出售金融資產

由可供出售金融資產重新分類至按公允值計入其他全面收益之金融資產

公允值為33,086,000港元之上市債務證券由可供出售金融資產重新分類為按公允值計入其他全面收益之金融資產，原因為此等投資乃於一個業務模式中持有，而該業務模式的目標為收取合約現金流及出售此等資產，而此等投資的合約現金流僅為支付本金及未償還本金的利息。於二零一八年一月一日，有關公允值收益658,000港元繼續累計至按公允值計入其他全面收益儲備。

由可供出售金融資產重新分類至按公允值計入損益之金融資產

於首次應用香港財務報告準則第9號之日期，4,670,000港元之本集團永久證券由可供出售金融資產重新分類至按公允值計入損益之金融資產。

(b) 按公允值計入損益之金融資產或指定按公允值計入損益之金融資產

於初始確認日期，本集團就所管理的股本證券組合不再應用指定為按公允值計入損益計量及其表現乃按公允值基準評估，原因為該等股本證券須根據香港財務報告準則第9號按公允值計入損益計量。因此，該等投資已從指定為按公允值計入損益之金融資產重新分類為按公允值計入損益之金融資產。

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 9 *Financial Instruments* (continued)

(c) Impairment under ECL model

ECL for other financial assets at amortised cost, including bank balances, other receivables, other deposits and amount due from an associate, are assessed on 12-month ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition.

The Group's debt instruments at FVTOCI mainly comprised listed debt securities that are with relatively high credit rating.

As at 1 January 2018, no credit loss allowance was recognised against accumulated losses or FVTOCI reserve as the ECL was found to be insignificant.

Amendments to HKAS 28 as part of the Annual Improvements to HKFRSs 2014-2016 Cycle

The amendments clarified that the election to measure at FVTPL an investment in an associate that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

During the year ended 31 December 2018, the Group has elected to measure an investment in an associate at FVTPL in accordance with HKFRS 9 as disclosed in note 18.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

(c) 根據預期信貸虧損模式之減值

按攤銷成本計量之其他金融資產(包括銀行結餘、其他應收款項、其他按金及應收聯營公司款項)之預期信貸虧損按12個月(「12個月預期信貸虧損」)預期信貸虧損基準評估，因為自初次確認以來信貸風險並無大幅上升。

本集團按公允值計入其他全面收益之債務工具主要為較高評級之上市債務債券。

於二零一八年一月一日，概無就累計虧損或按公允值計入其他全面收益儲備確認信貸虧損撥備，因為預期信貸虧損被視為並不重大。

香港會計準則第28號之修訂作為香港財務報告準則二零一四年至二零一六年週期的年度改進一部分

該等修訂澄清風險資本企業或其他有資質的企業可在初始確認投資時按逐項投資選擇將其所持有之於聯營公司及合營企業的投資透過損益以公允值計量。

於截至二零一八年十二月三十一日止年度，本集團已根據香港財務報告準則第9號選擇按公允值計入損益計量於聯營公司的投資，詳情於附註18披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

| | |
|------------------------------------|--|
| HKFRS 16 | Leases ¹ |
| HKFRS 17 | Insurance Contracts ³ |
| HK(IFRIC) – Int 23 | Uncertainty over Income Tax Treatments ¹ |
| Amendments to HKFRS 3 | Definition of a Business ⁴ |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation ¹ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ² |
| Amendments to HKAS 1 and HKAS 8 | Definition of Material ⁵ |
| Amendments to HKAS 19 | Plan Amendment, Curtailment or Settlement ¹ |
| Amendments to HKAS 28 | Long-term Interests in Associates and Joint Ventures ¹ |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹ |

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after a date to be determined
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
- ⁵ Effective for annual periods beginning on or after 1 January 2020

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

| | |
|----------------------------|---------------------------------------|
| 香港財務報告準則第16號 | 租賃 ¹ |
| 香港財務報告準則第17號 | 保險合約 ³ |
| 香港(國際財務報告詮釋委員會) – 詮釋第23號 | 所得稅處理的不確定性 ¹ |
| 香港財務報告準則第3號之修訂 | 業務的定義 ⁴ |
| 香港財務報告準則第9號之修訂 | 具有負補償之提前還款特性 ¹ |
| 香港財務報告準則第10號及香港會計準則第28號之修訂 | 投資者與其聯營公司或合營企業之間的資產出售或注資 ² |
| 香港會計準則第1號及香港會計準則第8號之修訂 | 重大性的定義 ⁵ |
| 香港會計準則第19號之修訂 | 計劃修訂、縮減及結清 ¹ |
| 香港會計準則第28號之修訂 | 於聯營公司及合營企業之長期權益 ¹ |
| 香港財務報告準則之修訂 | 香港財務報告準則二零一五至二零一七之周期年度改進 ¹ |

- ¹ 於二零一九年一月一日或之後開始之年度期間生效
- ² 於待定日期或之後開始的年度期間生效
- ³ 於二零二一年一月一日或之後開始之年度期間生效
- ⁴ 對收購日期為二零二零年一月一日或之後開始的首個年度期間初或之後的業務合併及資產收購生效
- ⁵ 於二零二零年一月一日或之後開始之年度期間生效

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amendments to HKFRSs in issue but not yet effective (continued)

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

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group's annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

除下文所述的新訂及經修訂香港財務報告準則外，本公司董事預計於可見未來應用所有其他新訂及經修訂香港財務報告準則將不會對綜合財務報表造成重大影響。

香港會計準則第1號及香港會計準則第8號之修訂重大性的定義

該等修訂更精細說明重大性的定義，在作出重大性判斷時納入額外指引及解釋。有關修訂亦符合所有香港財務報告準則的定義，並於本集團在二零二零年一月一日開始之年度期間強制生效。應用該等修訂預計不會對本集團之財務狀況及表現造成重大影響，但可能影響於綜合財務報表的呈列及披露。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入一個綜合模式。於香港財務報告準則第16號生效後，其將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制以區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

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

HKFRS 16 *Leases* (continued)

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

除短期租賃及低值資產租賃外，經營租賃及融資租賃的區別自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式所取代。

使用權資產初步按成本計量，隨後按成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債乃按租賃款項(非當日支付)的現值初步計量。其後，租賃負債就(其中包括)利息及租賃款項以及租賃修訂的影響進行調整。就現金流量的分類，本集團目前將經營租賃款項呈列為經營現金流量。應用香港財務報告準則第16號後，與租賃負債有關的租賃款項將由本集團分配至本金和利息部分，並呈列作融資現金流量。

根據香港會計準則第17號，本集團已就本集團作為承租人的融資租賃安排及就租賃土地的預付租賃款項確認資產及相關融資租賃負債。應用香港財務報告準則第16號可能導致該等資產的分類發生潛在變動，惟視乎本集團是否將使用權資產單獨呈列或於呈列相應有關資產(倘擁有)所在的同一項目內呈列而定。

除了出租人亦適用之若干規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 16 *Leases* (continued)

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$281,000 as disclosed in note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases.

In addition, the Group currently considers refundable rental deposits paid of approximately HK\$69,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

此外，香港財務報告準則第16號要求較廣泛的披露。

誠如附註33所披露，於二零一八年十二月三十一日，本集團擁有不可撤銷經營租賃承擔281,000港元。初步評估顯示該等安排將符合租賃的定義。應用香港財務報告準則第16號後，本集團將會就所有該等租賃確認使用權資產及相應負債。

此外，本集團目前將可退回已付租賃按金約69,000港元視為香港會計準則第17號適用的租賃權利。根據香港財務報告準則第16號下的租賃款項定義，該按金並非與相關資產使用權有關的付款，因此，該按金的賬面值可調整至攤銷成本。可退回租賃按金的調整將被視為額外租賃款項，並計入使用權資產的賬面值。

應用新規定可能導致下文所示的計量、呈列及披露發生變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules") and by the disclosure requirement of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share Based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

3. 重大會計政策

綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例之披露規定所規定之適用披露事項。

綜合財務報表乃按歷史成本基準編製，惟於各報告期末以公允值計量之若干金融工具除外（如下文所載會計政策所解釋）。

歷史成本一般根據貨品及服務交換所得代價之公允值而釐定。

公允值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公允值時會考慮該等特點。此等綜合財務報表中作計量及／或披露用途的公允值乃按此基準釐定，惟屬於香港財務報告準則第2號以股份付款範圍的以股份付款的交易、屬於香港會計準則第17號租賃範圍內的租賃交易除外。

按公允值交易的金融工具，凡於其後期間應用以不可觀察數據計量公允值之估值方法，估值方法應予以校正，以致估值方法的結果相等於交易價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

3. 重大會計政策(續)

此外，就財務報告而言，公允值計量根據公允值計量的輸入數據可觀察程度及公允值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

下文載列主要會計政策。

綜合基準

綜合財務報表包括本公司及本公司及其附屬公司所控制實體之財務報表。當本公司符合以下要素時，則本公司取得控制權：

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

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

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

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

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

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

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control nor joint control over those policies.

The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the Group elects to measure the investment at FVTPL within the scope of HKFRS 9 upon initial recognition. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and OCI are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of loss of associate exceeds the Group's interest in that associate (which includes any long-term interest that, in substance, forms part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. 重大會計政策 (續)

綜合基準 (續)

於必要時，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團之會計政策一致。

有關本集團成員之間交易的所有集團內公司間之資產及負債、權益、收入、支出及現金流量於綜合時悉數對銷。

於聯營公司之權益

聯營公司指本集團對其行使重大影響力之實體。重大影響力指有權參與被投資方之財務及營運政策決定，但並非對該等政策擁有控制權或共同控制權。

聯營公司之業績、資產及負債已使用權益會計法納入該等綜合財務報表，惟本集團於初次確認時選擇以按公允值計入損益的方式計量投資符合香港財務報告準則第9號範圍除外。就類似交易及類似情況的事件而言，用作權益會計處理的聯營公司財務報表乃使用與本集團相一致的會計政策編製。根據權益法，聯營公司投資初始於綜合財務狀況表內按成本確認及其後作出調整，以確認本集團應佔聯營公司損益及其他全面收益。除了損益及其他全面收益外的聯營公司資產淨值變動不會列賬，除非有關變動導致本集團所持擁有權權益變動，則作別論。當本集團分佔聯營公司之虧損超過其於該聯營公司之權益(包括任何在實質上乃組成本集團於該聯營公司投資淨額之長期權益)，本集團不再確認其分佔之進一步虧損。額外分佔虧損會提撥準備及確認為負債，惟僅以本集團已招致之法定或推定責任或代表該聯營公司支付之款項為限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in associates (continued)

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

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investments. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

3. 重大會計政策(續)

於聯營公司之權益(續)

於被投資方成為聯營公司當日，對聯營公司之投資採用權益法入賬。於收購聯營公司之投資時，投資成本如超出本集團應佔被投資公司已確認可識別資產及負債公平淨值之任何差額會被確認為商譽。有關商譽計入該投資之賬面值。本集團分佔可識別資產及負債公平淨值高出重估後之投資成本之差額即時於收購投資期間在損益確認。

本集團評估是否存在客觀證據顯示於一間聯營公司的權益可能存在任何減值。如存在任何客觀證據，該項投資(包括商譽)的全部賬面值將根據香港會計準則第36號資產減值以單一資產方式進行減值測試，方法是比較其可收回金額(可用價值與公允值減出售成本之較高者)與其賬面值。該減值虧損之任何回撥根據香港會計準則第36號獲得確認，惟受隨後增加之可收回投資金額所規限。

僱員福利

短期僱員福利

短期僱員福利按預期將於僱員提供服務時支付之未貼現福利金額確認。除非另一項香港財務報告準則規定或准許將福利計入資產之成本中，否則所有短期僱員福利均確認為開支。

僱員應計福利(如工資及薪金)經扣除任何已付金額後確認負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) Employee benefits (continued)

Retirement benefit costs

Payments to defined contribution retirement benefit plans, including state-managed retirement schemes in the People's Republic of China (the "PRC") and Mandatory Provident Fund Scheme in Hong Kong, are recognised as an expense when employees have rendered service entitling them to contributions.

Share-based payments

Equity-settled Share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payments reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share capital (nominal value) and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to accumulated losses.

3. 重大會計政策 (續) 僱員福利 (續)

退休福利成本

對界定供款退休福利計劃(包括中華人民共和國(「中國」)的國家管理退休計劃)及香港強制性公積金計劃之供款於僱員已提供服務並對供款有享有權時確認為開支。

以股份付款

權益結算之以股份付款交易

授予僱員之購股權

向僱員及提供類似服務的其他人士支付的以權益結算的股份付款按權益工具在授出日期的公允值計量。

在授出日期釐定的以權益結算之以股份付款的公允值，根據本集團對最終歸屬的權益工具的估計，在歸屬期內按直線法支銷並相應增加權益(股份付款儲備)。在各報告期末，本集團基於對所有相關非市場歸屬條件之評估修訂其對預計歸屬的權益工具數目的估計。修訂原先估計的影響(如有)在損益中確認，使累計開支反映修訂後的估計，並對股份付款儲備作出相應調整。對於在授出日期即時歸屬的購股權，所授出購股權的公允值即時於損益支銷。

當行使購股權時，先前在股份付款儲備中確認的金額將轉入股本(面值)及股份溢價。當購股權在歸屬日期後被沒收或於到期日時仍未行使，先前在股份付款儲備中確認的金額將轉撥至累計虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

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

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

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

3. 重大會計政策(續)

稅項

所得稅開支指應付即期稅項及遞延稅項的總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益表所報之除所得稅前虧損有所不同，原因為其不包括其他年度應課稅或可扣減之收入或開支項目，亦不包括無需課稅或扣減之項目。本集團之即期稅項負債乃採用於報告期末已頒佈或實質頒佈之稅率計算。

遞延稅項乃按綜合財務報表中資產及負債賬面值與計算應課稅溢利之相應稅基間之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產一般乃就所有可扣減暫時差額以於可能有應課稅溢利抵銷可動用之該等可扣減暫時差額為限予以確認。若於一項交易中，因業務合併以外初次確認其他資產及負債而引致之暫時差額既不影響應課稅溢利亦不影響會計溢利時，則不會確認該等遞延稅項資產及負債。此外，若暫時差額是源自商譽之初次確認，則不予確認遞延稅項負債。

遞延稅項負債按於附屬公司及聯營公司投資相關的應課稅暫時差額確認，惟本集團可控制有關暫時差額撥回且可見將來可能不會撥回有關暫時差額除外。該等投資相關的可扣稅暫時差額所產生的遞延稅項資產，僅於有足夠應課稅溢利可用於抵銷暫時差額且預期暫時差額於可見將來撥回時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

Foreign currencies

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

3. 重大會計政策 (續)

稅項 (續)

於各報告期末均會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利可收回全部或部分資產為止。

遞延稅項資產及負債乃以於報告期末已實行或大致上已實行之稅率(及稅法)為基準，按預期於負債清償或資產變現期間內之適用稅率計算。

遞延稅項負債及資產之計算反映本集團於報告期末所預期收回或償還其資產及負債賬面值之方式所產生之稅務結果。

在有法定可強制執行權利將即期稅項資產與即期稅項負債抵銷時及當其與同一稅務機關所徵收的所得稅有關且本集團擬按淨額基準結清其即期稅項資產及負債時，遞延稅項資產及負債可互相抵銷。

即期及遞延稅項於損益確認，惟當其與在其他全面收益中確認或直接於權益中確認之項目相關，則即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。倘因業務合併之初步會計方法而產生即期稅項或遞延稅項，有關稅務影響會計入業務合併之會計方法內。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率確認。於報告期末，以外幣計值之貨幣項目均按該日之適用匯率重新換算。以外幣計值根據歷史成本計量的非貨幣項目毋須重新換算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of the monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Property and equipment

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Intangible asset

Intangible asset representing a club membership with indefinite useful life that is acquired separately is carried at cost less any subsequent accumulated impairment losses.

3. 重大會計政策(續) 外幣(續)

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額於產生期間的損益內確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於各報告期末適用匯率換算為本集團之呈列貨幣(即港元)，而其收入與開支乃按該期間之平均匯率換算。所產生之匯兌差額(如有)乃確認為其他全面收入並存儲於權益內的匯兌儲備。

物業及設備

物業及設備乃按成本減其後累積折舊及任何其後累計減值虧損(如有)於綜合財務狀況報表列賬。

資產確認的折舊乃以成本減去其剩餘價值後在估計可使用年期用直線法計算。估計可使用年期、剩餘價值及折舊方法會在各報告期末覆核，並採用未來適用法對估計變更的影響進行核算。

以融資租賃方式持有之資產，按與自有資產相同之基準以其預計可使用年期折舊。然而，倘無法合理確定擁有權將於租賃期結束時取得，則資產會按租賃期及可使用年期之較短者折舊。

無形資產

無形資產指個別收購之具無限可用年期之俱樂部會籍，乃按成本減任何其後累計減值虧損入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible asset with indefinite useful lives is tested for impairment at least annually, and whenever there is an indication that it may be impaired.

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

3. 重大會計政策(續)

有形及無形資產之減值

於報告期末，本集團檢討其具有有限可用年期之有形、無形資產的賬面值，以確定有否任何跡象顯示該等資產出現減值虧損。倘任何有關跡象存在，相關資產之可收回金額則予以估計，以便釐定減值虧損(如有)之程度。具無限可用年期之無形資產至少每年及在有跡象顯示可能減值時進行減值測試。

有形及無形資產之可收回金額個別估計，如不可能個別估計可收回金額，本集團會估計該資產所屬現金產生單位之可收回金額。如能確認合理及統一之分配基準，企業資產亦分配至個別現金產生單位，或其他能確認合理及統一之分配基準之最小現金產生單位組別。

可收回金額為以公允值減銷售成本及使用價值之較高者。於評估使用價值時，以能反映貨幣時間值之現時市場評估及該資產(或現金產生單位)特有風險的稅前貼現率貼現估計未來現金流量至其現值，而估計未來現金流量未進行調整。

如經估計資產(或現金產生單位)之可收回金額少於其賬面值，該資產(或現金產生單位)之賬面值會減至其可收回金額。減值虧損隨即於損益內確認。

倘減值虧損其後撥回，則資產(或現金產生單位)的賬面值增加至經修訂的估計可收回金額，惟所增加的賬面值不得超過倘資產(或現金產生單位)於過往年度並無確認減值虧損而釐定的賬面值。所撥回的減值虧損即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Proceeds from sales of listed equity securities are recognised on a trade-date basis. Proceeds from sales of unlisted equity security are recognised when the significant risks and rewards of such ownership is transferred.

Interest/dividend income which are derived from the Group's ordinary course of business are presented as revenue.

3. 重大會計政策(續)

金融工具

金融資產及金融負債乃於某集團實體訂立金融工具契約條文時確認。所有日常買賣之金融資產於交易日確認及終止確認。日常買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

金融資產及金融負債初步按公允值確認。收購或發行金融資產及金融負債(按公允值計入損益之金融資產或金融負債除外)直接應佔之交易成本乃於初步確認時計入或扣自金融資產或金融負債之公允值(如適用)。收購按公允值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益賬內確認。

實際利率法為一種計算金融資產或金融負債攤銷成本及於有關期間內分配利息收入及利息開支的方法。實際利率法乃指於初始確認時將金融資產或金融負債於預期年期或較短期間(倘適用)內的估計未來現金收入及付款(包括組成實際利率、交易成本及其他溢價或折讓不可或缺部分的所有已付或已收費用及點數)準確貼現至賬面淨值的比率。

出售上市股本證券所得款項按交易日期基準確認。出售非上市股本證券所得款項於轉移有關擁有權的重大風險及回報時確認。

於本集團日常業務過程中產生之利息／股息收入呈列為收益。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income

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

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. 重大會計政策(續)

金融工具(續)

利息收入

利息收入於參考未償還本金額並按適用實際利率以時間基準預提。適用實際利率乃財務資產預計年期的估計日後收取之現金款項貼現相對於該項資產之初始賬面淨值。

股息收入

投資所得之股息收入是以股東可收取股息之權利時予以確認。

金融資產

金融資產之分類及後續計量(根據附註2之過渡條文應用香港財務報告準則第9號後)

符合下列條件的金融資產其後按攤銷成本計量：

- 於一個商業模式內持有金融資產，而其目的是為了收取合約現金流量；及
- 合約條款引致於指定日期之現金流量僅為支付本金和未償還之本金利息。

符合下列條件之金融資產其後以按公允值計入其他全面收益的方式計量：

- 於一個商業模式內持有金融資產，而其目的乃透過同時收取合約現金流量及出售達成；及
- 合約條款引致於指定日期之現金流量僅為支付本金和未償還之本金利息。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (continued)

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is not held for trading.

A financial asset is classified as held for trading if:

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

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

所有其他金融資產其後以按公允值計入損益的方式計量，惟於首次應用／初始確認金融資產當日，倘該權益投資並非持作買賣，則本集團可不可撤銷地選擇於其他全面收益呈列權益投資之其後公允值變動。

下列情況下金融資產乃歸類為持作買賣：

- 其主要為於不久將來出售而購買；或
- 在初步確認時，其為本集團所集中管理，並擁有短期獲利之近期實際模式之已識別金融工具組合的一部分；或
- 其為並非指定及有效作對沖工具的衍生工具。

此外，倘可消除或大幅減少會計錯配情況，本集團可不可撤回地將須按攤銷成本計量或按公允值計入其他全面收益的金融資產指定為按公允值計入損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (continued)

(i) Amortised cost and interest income

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

(ii) Debt instruments at FVTOCI

Subsequent changes in the carrying amounts for debt instruments at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in OCI and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in OCI are reclassified to profit or loss.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及後續計量(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產及其後按公允值計入其他全面收益的債務工具使用實際利率法確認利息收入。透過將實際利率應用於金融資產的總賬面值計算，惟其後已出現信貸減值的金融資產除外(見下文)。就其後已出現信貸減值的金融資產而言，利息收入乃透過將實際利率應用於下一個報告期的金融資產的攤銷成本進行確認。倘出現信貸減值的金融工具的信貸風險有所改善，以致於該金融資產不再出現信貸減值，則利息收入乃藉由將實際利率應用於釐定該資產不再出現信貸減值後的報告期初之金融資產的總賬面值進行確認。

(ii) 按公允值計入其他全面收益的債務工具

按公允值計入其他全面收益的債務工具賬面值因使用實際利率法計算利息收入導致的其後變動及匯兌收益及虧損於損益內確認。該等債務工具賬面值的所有其他變動於其他全面收益確認及於按公允值計入其他全面收益儲備項下累計。減值撥備於損益確認，於其他全面收益作出相應調整，而不扣減該等債務工具的賬面值。於損益確認的金額與該等債務工具以攤銷成本計量情況下本會確認的金額相等。倘該等債務工具取消確認，則先前於其他全面收益確認的累計收益或虧損重新分類至損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (continued)

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL. In addition, the Group may elect to measure investments in associates at FVTPL upon initial recognition. Such election is made on an investment-by-investment basis.

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

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including debt instruments at FVTOCI, other receivables, other deposits and cash and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

3. 重大會計政策(續) 金融工具(續)

金融資產(續)

金融資產之分類及後續計量(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(iii) 按公允值計入損益的金融資產

不符合按攤銷成本或按公允值計入其他全面收益的方式計量或指定為按公允值計入其他全面收益之標準的金融資產以按公允值計入損益的方式計量。此外，本集團於初次確認時可選擇以按公允值計入損益的方式計量對聯營公司之投資。有關選擇乃按照逐項投資基準作出。

按公允值計入損益的金融資產於各報告期末按公允值計量，其中任何公允值收益或虧損於損益確認。於損益確認的公允值收益或虧損淨額不包括金融資產所賺取的任何股息或利息及已計入「按公允值計入損益的金融資產公允值變動淨額」一項內。

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)

本集團就根據香港財務報告準則第9號須予減值的金融資產(包括按公允值計入其他全面收益之債務工具、其他應收款項、其他存款及現金以及銀行結餘)的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初始確認以來的信貸風險變化。

全期預期信貸虧損指於相關工具預計存續期間內所有可能違約事件將會產生的預期信貸虧損。相比之下，12個月預期信貸虧損(「12個月預期信貸虧損」)指於報告日期後12個月內因可能發生的違約事件而預期產生的部分全期預期信貸虧損。評估乃基於本集團過往信貸虧損經驗，並根據債務人特定因素、整體經濟狀況及對報告日期當前狀況以及未來狀況預測的評估作出調整。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

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

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

本集團計量虧損撥備等於12個月預期信貸虧損，除非當信貸風險自初始確認以來顯著上升，則本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損乃根據自初始確認以來出現違約的可能性或風險顯著上升進行評估。

(i) 信貸風險顯著上升

於評估信貸風險是否自初始確認以來顯著上升時，本集團將金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險進行比較。於作出該評估時，本集團會考慮合理及可靠的定量及定性資料，包括過往經驗及無需不必要成本或努力即可獲得的前瞻性資料。

尤其是，當評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸利差、信貸違約掉期價格顯著上升；
- 商業、金融或經濟狀況的目前或預期不利變動，預期將導致債務人償還債項的能力顯著下降；

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(i) Significant increase in credit risk (continued)

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

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

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

(ii) Definition of default

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

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(i) 信貸風險顯著上升(續)

- 債務人經營業績的實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境的實際或預期顯著不利變動，導致債務人償還債項的能力顯著下降。

無論上述評估的結果如何，當合約付款逾期超過30天時，本集團假設信貸風險自初始確認以來顯著增加，除非本集團有能說明信貸風險並無顯著增加的合理可靠資料，則作別論。

本集團定期監察用以確定信貸風險是否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，當內部制訂的資料或自外界來源獲得的資料顯示債務人不大可能悉數向其債權人(包括本集團)還款時(未計及本集團持有的任何抵押品)，代表發生違約事件。

不論上述為何，本集團認為，當金融資產逾期超過90天後發生違約，惟本集團有合理可靠資料證明較寬鬆的違約標準更為恰當則另作別論。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(iii) Credit-impaired financial assets

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

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產的估計未來現金流量構成不利影響)發生時出現信貸減值。金融資產信貸減值的證據包括有關下列事件的可觀察數據:

- (a) 發行人或借款人的重大財務困難;
- (b) 違反合約(如違約或逾期事件);
- (c) 借款人的貸款人就與借款人財務困難有關的經濟或合約理由,向借款人授出貸款人不會另行考慮的優惠;
- (d) 借款人將可能陷入破產或其他財務重組;或
- (e) 該金融資產的活躍市場因財務困難而消失。

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

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

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

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(iv) 撇銷政策

當有資料顯示對手方處於嚴重財務困難及無實際收回可能時(如對手方已被清盤或進入破產程序時)，本集團撇銷金融資產，或倘為貿易應收款項，則為款項逾期兩年以上(以較早發生者為準)。經考慮法律意見後(倘合適)，遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回於損益確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約虧損率(即發生違約時的虧損程度)及違約風險的函數。違約概率及違約虧損率乃基於根據前瞻性資料調整的歷史數據評估。預期信貸虧損的估計反映以發生相關違約風險的金額作為加權數值而釐定的無偏概率加權金額。

一般而言，預期信貸虧損乃根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量之間的差額，並按初始確認時釐定的實際利率貼現。

利息收入按金融資產的總賬面值計算，除非該金融資產信貸減值，則利息收入按金融資產的攤銷成本計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(v) Measurement and recognition of ECL (continued)

Except for debt instruments at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount. For debt instruments at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: financial assets at FVTPL, AFS financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損的計量及確認(續)

除了按公允值計入其他全面收益的債務工具外，就所有金融工具，本集團通過調整其賬面值於損益內確認減值收益或虧損。就按公允值計入其他全面收益的債務工具，減值撥備乃於其他全面收益內確認及於按公允值計入其他全面收益儲備內累計，而不會扣減該等債務工具的賬面值。

金融資產的分類及後續計量(於二零一八年一月一日應用香港財務報告準則第9號前)

金融資產分為以下具體類別：按公允值計入損益的金融資產、可供出售金融資產及貸款及應收款項。分類取決於金融資產的性質及目的，及於初次確認時釐定。倘金融資產持作買賣或指定為按公允值計入損益，則金融資產分類為按公允值計入損益。

(i) 按公允值計入損益之金融資產

當金融資產持作買賣或指定為按公允值計入損益，則金融資產分類為按公允值計入損益。

金融資產於下列情況分類為持作買賣：

- 收購該資產的主要目的為短期內出售；或

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (continued)

(i) Financial assets at FVTPL (continued)

- 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 asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及後續計量(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

(i) 按公允值計入損益之金融資產(續)

- 該資產初步確認為本集團集中管理的可識別金融工具組合的一部分，且近期有實質短期獲利模式；或
- 該資產為並非指定作對沖工具亦無實際對沖效果的衍生工具。

於下列情況，金融資產(持作買賣的金融資產除外)可於初步確認時指定為按公允值計入損益的金融資產：

- 有關指定消除或大幅減少可能出現不一致的計量或確認歧異；或
- 金融資產(構成一組金融資產或金融負債或根據本集團的既定風險管理或投資策略及有關內部提供基準的分組之資料)管理及其表現按公允值評估；或
- 其構成包含一個或多個內含衍生工具合約的一部份，且香港會計準則第39號准許全份合併合約(資產或負債)指定為按公允值計入損益。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (continued)

(i) Financial assets at FVTPL (continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the 'net fair value change on financial assets at FVTPL' line item. Fair value is determined in the manner described in note 26(c)(i).

(ii) AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables or financial assets at FVTPL.

Debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method, and changes in foreign exchange rates, if applicable are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in OCI and accumulated under the heading of AFS reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the AFS reserve is reclassified to profit or loss (see the accounting policy in respect of impairment of financial assets below).

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及後續計量 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

(i) 按公允值計入損益之金融資產 (續)

按公允值計入損益之金融資產按公允值列賬，而重新計量產生之任何損益於損益確認。於損益確認之損益淨額不包括該金融資產之任何股息或所得利息，並計入按公允值計入損益之金融資產之公允值變動淨額一欄。公允值按附註26(c)(i)所述方式釐定。

(ii) 可供出售金融資產

可供出售金融資產為非衍生工具，乃指定為可供出售或並無歸類為貸款及應收款項或按公允值計入損益之金融資產。

本集團所持有之被分類為可供出售金融資產之債務證券於各報告期末按公允值計量。與採用實際利率法計算之利息收入及外匯匯率變動(如適用)有關之可供出售貨幣金融資產之賬面值之變動於損益中確認。可供出售金融資產賬面值之其他變動乃於其他全面收益中確認，並累計至可供出售儲備。當投資被出售或被釐定出現減值時，先前累計至可供出售儲備中之累計收益或虧損乃重新分類至損益(見如下有關金融資產減值之會計政策)。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (continued)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including amount due from an associate, other receivables and deposits and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

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

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

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

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation;

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及後續計量(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

(iii) 貸款及應收款項

貸款及應收款項指未於活躍市場內報價而附帶固定或可議定付款之非衍生金融資產。初次確認後，貸款及應收款項(包括應收聯營公司款項、其他應收款項及按金以及現金及銀行結餘)使用實際利率法按攤銷成本減任何減值計量。

利息收入乃按實際利率確認，惟就短期應收款項而言，當確認之利息並不重要時則作別論。

金融資產之減值(於二零一八年一月一日應用香港財務報告準則第9號前)

金融資產(按公允值計入損益的金融資產除外)於各報告期末被評估減值跡象。倘有客觀證據證明，初步確認金融資產後，因發生一件或多件事件使金融資產的估計未來現金流量受影響，則金融資產被視為已減值。

所有其他金融資產之減值客觀證據可包括：

- 發行人或交易對手出現重大財政困難；或
- 違反合約，譬如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組；

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (continued)

- the disappearance of an active market for that financial asset because of financial difficulties.

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

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

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

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

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

- 該項金融資產因出現財政困難而失去活躍市場。

就按攤銷成本列賬的金融資產而言，所確認減值虧損之金額按該資產之賬面值與按金融資產之原先實際利率折讓之估計未來現金流量之現值間的差額計量。

所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減。

當可供出售金融資產被釐定為已減值，先前於其他全面收益確認之累計收益或虧損乃於期內重新分類至損益。

就按攤銷成本計量的金融資產而言，倘減值虧損額於往後期間有所減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該投資於減值被撥回當日之賬面值不得超過未確認減值時之攤銷成本。

就可供出售之債務投資而言，其後倘投資公允值之增加客觀上可能與確認減值虧損之後發生之事項有聯繫，減值虧損則會透過損益轉回。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial instruments (continued)****Financial assets (continued)***Derecognition of financial assets*

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an AFS financial assets, the cumulative gain or loss previously accumulated in the AFS reserve is reclassified to profit or loss.

Financial liability and equity*Classification as debt or equity*

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

Equity instruments

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

3. 重大會計政策(續)**金融工具(續)****金融資產(續)***取消確認金融資產*

僅當收取資產所得現金流的權利屆滿時，或當其將金融資產轉讓及資產擁有權的絕大部分風險及回報轉移至另一實體時，本集團方取消確認金融資產。

取消確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收代價之和之間的差異於損益內確認。

採納香港財務報告準則第9號後，取消確認按公允值計入其他全面收益的債務工具時，先前於按公允值計入其他全面收益儲備累計的累計收益或虧損重新分類至損益。

取消確認可供出售金融資產時，先前於可供出售儲備累計的累計收益或虧損重新分類至損益。

金融負債及股本*分類為債務或股本*

債券及股本工具乃根據合約安排的內容以及金融負債及股本工具的定義分類為金融負債或股本。

股本工具

股本工具乃證明實體扣除其所有負債後的資產中擁有剩餘權益的任何合約。本公司發行的股本工具經扣除直接發行成本後按已收所得款項確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liability and equity (continued)

Financial liability at amortised cost

Financial liability (representing secured bank loan) is subsequently measured at amortised cost, using the effective interest method.

Derecognition

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Leases

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as obligations under a finance lease.

3. 重大會計政策(續)

金融工具(續)

金融負債及股本(續)

按攤銷成本計量之金融負債

其他金融負債(指有抵押銀行貸款)其後乃使用實際利息法按攤銷成本計量。

取消確認

本集團僅於其責任已被解除、取消或屆滿時取消確認金融負債。取消確認之金融負債賬面值與已付及應付代價之差額，乃於損益內確認。

衍生金融工具

衍生工具初步於衍生工具合約訂立日期按公允值確認及其後於報告期末按其公允值重新計量。因此所產生的收益或虧損於損益內確認。

租賃

當租賃的條款將絕大部份所有權的風險及回報轉讓予承租人，則租賃歸類為融資租賃。其他所有租賃則歸類為經營租賃。

本集團作為承租人

根據融資租賃持有之資產按其於租約開始時之公允值或按最低租賃款項之現值兩者之較低者確認為本集團之資產。欠該出租人之相應負債列入綜合財務狀況報表內作為融資租賃之承擔。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Leases (continued)****The Group as lessee (continued)**

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease.

4. KEY SOURCE OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 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.

3. 重大會計政策(續)**租賃(續)****本集團作為承租人(續)**

租約付款按比例分攤為融資費用及扣減租約承擔，從而讓該等負債應付餘額以固定息率計算。融資費用即時於損益確認。

經營租賃款項於租期內按直線基準確認為開支。

租賃土地及樓宇

本集團為包括租賃土地及樓宇兩部份之物業權益支付款項時，本集團以各部份的擁有權所承擔的絕大部份風險及回報是否已轉移本集團，作為獨立評估其分類的依據，但當兩者均明顯為經營租賃，則全部物業入賬為經營租賃。

4. 估計不確定之重要來源

在應用附註3所述之本集團會計政策過程中，管理層須對未能從其他途徑即時知悉之資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及被認為相關之其他因素作出。實際結果或會與該等估計有所不同。

該等估計及相關假設會持續檢討。會計估計之修訂乃於估計獲修訂期間(倘修訂僅影響該期間)或修訂期間及未來期間(倘修訂影響本期間及未來期間)予以確認。

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4. KEY SOURCE OF ESTIMATION UNCERTAINTY (CONTINUED) Key source of estimation uncertainty

The following is the key assumption concerning the future, and the key source of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement of financial assets at FVTPL

Certain of the Group's financial assets, including an unlisted equity investment and derivatives of the unlisted equity investment amounted to HK\$15,700,000 (2017: nil) and HK\$2,100,000 (2017: nil) respectively as at 31 December 2018, are measured at fair value by an independent firm of professional valuers ("Valuer") with fair values being determined based on unobservable inputs using valuation techniques. Judgements and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. See note 26(c)(i) for further disclosures.

5. SEGMENT INFORMATION

The Group's principal activity is investment in equity and debt instruments. The Group's business activity is organised into one single segment, investment holding. For the purpose of resources allocation and assessment of performance, management regularly review and manage the Group's investment portfolio, including debt instruments at FVTOCI and financial assets at FVTPL. Information regularly provided to the management mainly includes fair value of respective investees and the investment income, no further discrete financial information was provided. The Group's financial assets and other investments holdings are managed and evaluated on a portfolio basis for listed securities and investment-by-investment basis for unlisted investments. Therefore, no segment information is presented other than entity-wide disclosures.

The Group's revenue is generated from operation in Hong Kong.

The Group's non-current assets (excluding AFS financial assets, debt instruments at FVTPL, financial assets at FVTPL and interests in associates) are located in Hong Kong.

4. 估計不確定之重要來源(續) 估計不確定性之主要來源

以下為有關未來之主要假設以及於報告期末估計不確定性之其他主要來源，該等假設及估計均存有重大風險可能導致下一個財政年度之資產及負債賬面值須作出重大調整。

按公允值計入損益的金融資產之公允值計量

於二零一八年十二月三十一日，本集團若干金融資產，包括非上市股本投資及非上市股本投資的衍生工具分別15,700,000港元(二零一七年：零)及2,100,000港元(二零一七年：零)由獨立專業估值公司(「估值師」)按公允值計量，公允值使用估值法根據不可觀察輸入值釐定。確定相關估值技巧及相關輸入值須作出判斷及估計。與該等因素相關的假設變動可能影響該等工具的呈報公允值。更多披露資料見附註26(c)(i)。

5. 分部資料

本集團之主要業務活動為投資於股本及債務工具。本集團之業務活動劃分為一個單一分部——投資控股。就資源分配及評估表現而言，管理層定期審視及管理本集團之投資組合，當中包括按公允值計入其他全面收益之債務工具及按公允值計入損益之金融資產。定期向管理層提供之資料主要包括相關接受投資公司之公允值及投資收入而並無提供進一步的獨立財務資料。本集團之金融資產及其他投資持股就上市證券按組合基準及就非上市投資按逐項投資基準評估。因此，並無呈列分部資料，實體披露資料除外。

本集團之收益源自香港之經營。

本集團的非流動資產(不包括可供出售金融資產、按公允值計入損益之債務投資、按公允值計入損益之金融資產及於聯營公司的權益)位於香港。

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6. GROSS PROCEEDS FROM OPERATIONS

Gross proceeds represent investment income of the Group and gross proceeds from disposal of financial assets at FVTPL, as follows:

6. 營運所得款項總額

所得款項總額代表本集團之投資收入以及出售按公允值計入損益之金融資產之所得款項總額，如下所示：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Gross proceeds from disposal of financial assets at FVTPL | 出售按公允值計入損益之金融資產之所得款項總額 | 45,375 | 48,354 |
| Dividend income from financial assets at FVTPL | 按公允值計入損益之金融資產之股息收入 | 2,422 | 1,848 |
| Interest income from debt instruments at FVTOCI | 按公允值計入其他全面收益之債務工具之利息收入 | 1,391 | — |
| Interest income from AFS financial assets | 可供出售金融資產之利息收入 | — | 1,940 |
| Interest income from financial assets at FVTPL | 按公允值計入損益之金融資產之利息收入 | — | 275 |
| | | 49,188 | 52,417 |

7. NET FAIR VALUE CHANGE ON FINANCIAL ASSETS AT FVTPL

7. 按公允值計入損益之金融資產之公允價值變動淨額

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Fair value change on listed equity securities | 上市股本證券之公允價值變動 | (27,276) | (17,994) |
| Fair value change on listed perpetual securities | 上市永久證券之公允價值變動 | (501) | — |
| Fair value change on an unlisted equity investment | 非上市股本投資之公允價值變動 | 3,000 | — |
| Fair value change on derivatives of an unlisted equity investment | 非上市股本投資之衍生工具之公允價值變動 | (1,200) | — |
| | | (25,977) | (17,994) |

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8. OTHER GAINS OR LOSSES

8. 其他收益或虧損

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|----------------------------------|
| Exchange gain | 匯兌收益 | 125 | 141 |
| Gain on disposal of AFS financial assets | 出售可供出售金融資產之 收益 | — | 743 |
| Loss on disposal of debt instruments at FVOCI | 出售按公允值計入其他全面 收益之債務工具之虧損 | (549) | — |
| Impairment loss on AFS financial assets | 可供出售金融資產之 減值虧損 | — | (165) |
| Impairment loss on interests in associates | 於聯營公司之權益之 減值虧損 | — | (1,173) |
| | | (424) | (454) |

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9. FINANCE COSTS

9. 融資成本

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|------------|----------------------------------|----------------------------------|
| Interests on a secured bank loan | 有抵押貸款之銀行利息 | 85 | 97 |
| Interests on a finance lease | 融資租賃之利息 | 37 | 155 |
| | | 122 | 252 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

10. LOSS BEFORE INCOME TAX

10. 除所得稅前虧損

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|---------------------------|----------------------------------|----------------------------------|
| The Group's loss before income tax is arrived after charging (crediting): | 本集團除所得稅前虧損經扣除(計入)下列項目而得出: | | |
| Auditor's remuneration | 核數師酬金 | 800 | 720 |
| Depreciation | 折舊 | 4,949 | 7,849 |
| Donation | 捐款 | 229 | 433 |
| Employee benefit expenses excluded share-based payment expense | 僱員福利開支(不包括股份付款開支) | 15,992 | 15,322 |
| Share-based payment expense | 股份付款開支 | 858 | — |
| Total employee benefit expenses | 僱員福利開支總額 | 16,850 | 15,322 |
| Custody services fees (note) | 託管服務費(附註) | 77 | 105 |
| Investment management fees (note) | 投資管理費(附註) | 600 | 600 |
| Bank interest income | 銀行利息收入 | (12) | (3) |

Note: They were de-minimise continuing connected transaction of the Company under Rule 14A.73(1) of the Listing Rules.

附註：根據上市規則第14A.73(1)條屬於本公司符合最低豁免規定的持續關連交易。

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

11. EMPLOYEE BENEFIT EXPENSES

11. 僱員福利開支

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Directors' remuneration | 董事酬金 | | |
| — fees | — 袍金 | 1,926 | 1,326 |
| — salaries and allowances | — 薪金及津貼 | 1,002 | 1,275 |
| — contributions to retirement benefit schemes | — 退休福利計劃供款 | 18 | 18 |
| — share-based payments | — 股份付款 | 252 | — |
| | | 3,198 | 2,619 |
| Chief executive officer's remuneration | 行政總裁酬金 | | |
| — salaries and allowances | — 薪金及津貼 | 3,375 | 2,851 |
| — contributions to retirement benefit schemes | — 退休福利計劃供款 | 19 | 18 |
| — share-based payments | — 股份付款 | 285 | — |
| | | 3,679 | 2,869 |
| Staff remuneration | 僱員酬金 | | |
| — salaries and allowances | — 薪金及津貼 | 9,411 | 9,580 |
| — contributions to retirement benefit schemes | — 退休福利計劃供款 | 241 | 254 |
| — share-based payments | — 股份付款 | 321 | — |
| | | 9,973 | 9,834 |
| | | 16,850 | 15,322 |

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

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows.

The remuneration of each of the directors and chief executive officer of the Company for the year ended 31 December 2018 is set out below:

11. 僱員福利開支(續)

董事及行政總裁之年度酬金乃根據適用上市規則及香港公司條例披露如下。

本公司各董事及行政總裁截至二零一八年十二月三十一日止年度之酬金載列如下：

| Name | Fees | Salaries and allowances | Contributions to retirement benefit schemes | Share-based payments | Total |
|--|-----------------------|--------------------------|---|-------------------------|-----------------------|
| 姓名 | 袍金 HK\$'000 千港元 | 薪金及津貼 HK\$'000 千港元 | 退休福利 計劃供款 HK\$'000 千港元 | 股份付款 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| <i>Chairman and Non-executive Director</i> | | | | | |
| Lam Man Chan 林文燦 | 1,440 | 462 | — | — | 1,902 |
| <i>Executive Director</i> | | | | | |
| Lee Kwok Leung 李國樑 | — | 540 | 18 | 183 | 741 |
| <i>Independent Non-executive Directors</i> | | | | | |
| Ng Chi Yeung Simon 吳志揚 | 162 | — | — | 23 | 185 |
| Tam Yuk Sang, Sammy 譚旭生 | 162 | — | — | 23 | 185 |
| Florence Ng 吳翠蘭 | 162 | — | — | 23 | 185 |
| <i>Chief Executive Officer</i> | | | | | |
| Yeung Cheuk Kwong 楊卓光 | — | 3,375 | 19 | 285 | 3,679 |
| | 1,926 | 4,377 | 37 | 537 | 6,877 |

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

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

The remuneration of each of the directors and chief executive officer of the Company for the year ended 31 December 2017 is set out below:

11. 僱員福利開支(續)

截至二零一七年十二月三十一日止年度，本公司各董事及行政總裁之酬金載列如下：

| Name | Fees | Salaries and allowances | Contributions to retirement benefit schemes | Share-based payments | Total |
|--|----------|-------------------------|---|----------------------|----------|
| 姓名 | 袍金 | 薪金及津貼 | 退休福利計劃供款 | 股份付款 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| <i>Chairman and Non-executive Director</i> | | | | | |
| Lam Man Chan | 840 | 735 | — | — | 1,575 |
| <i>Executive Director</i> | | | | | |
| Lee Kwok Leung | — | 540 | 18 | — | 558 |
| <i>Independent Non-executive Directors</i> | | | | | |
| Ng Chi Yeung Simon | 162 | — | — | — | 162 |
| Tam Yuk Sang, Sammy | 162 | — | — | — | 162 |
| Florence Ng | 162 | — | — | — | 162 |
| <i>Chief Executive Officer</i> | | | | | |
| Yeung Cheuk Kwong | — | 2,851 | 18 | — | 2,869 |
| | 1,326 | 4,126 | 36 | — | 5,488 |

The executive director's and chief executive officer's emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The non-executive director's and independent non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2017: nil). No remuneration was paid or payable by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2017: nil).

上列執行董事及行政總裁的酬金是關於彼等就管理本公司及本集團事務所提供之服務。上列非執行董事及獨立非執行董事的酬金是關於彼等以本公司或其附屬公司董事身份所提供之服務。

年內並無董事放棄或同意放棄任何酬金之安排(二零一七年：無)。本集團於年內概無已付或應付本公司董事薪酬，作為吸引加入或於加入本集團時的獎勵或作為離職補償(二零一七年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2017: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2017: three) individuals during the year are as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------|----------------------------------|----------------------------------|
| Salaries and allowances | 薪金及津貼 | 6,354 | 5,544 |
| Mandatory provident fund contributions | 強制性公積金供款 | 55 | 54 |
| Share-based payments | 股份付款 | 369 | — |
| | | 6,778 | 5,598 |

The emoluments of the above three (2017: three) highest paid employees fell with the following bands:

| | | Number of employees 僱員人數 | |
|--------------------------------|-----------------------------|-----------------------------|---------------|
| | | 2018 二零一八年 | 2017 二零一七年 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 1 | 1 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至 1,500,000港元 | — | — |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至 2,000,000港元 | — | 1 |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001港元至 2,500,000港元 | 1 | — |
| HK\$2,500,001 to HK\$3,000,000 | 2,500,001港元至 3,000,000港元 | — | 1 |
| HK\$3,000,001 to HK\$4,000,000 | 3,000,001港元至 4,000,000港元 | 1 | — |
| | | 3 | 3 |

No remuneration was paid or payable by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2017: nil). There was no arrangement under which the five highest paid employees waived or agreed to waive any remuneration during the year (2017: nil).

11. 僱員福利開支(續)

五名最高薪人士

年內本集團五名最高薪人士包括兩名(二零一七年:兩名)董事,彼等之酬金已於上文所呈列分析中反映。年內應付餘下三名(二零一七年:三名)個別人士之酬金如下:

上述三名(二零一七年:三名)最高薪僱員之酬金屬於以下範圍:

年內,本集團並無向五名最高薪僱員支付或應付任何酬金,作為吸引彼加入本集團或於加入時之獎金或離職補償(二零一七年:無)。年內,並無就五名最高薪僱員放棄或同意放棄任何酬金作出安排(二零一七年:無)。

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綜合財務報表附註

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

12. INCOME TAX EXPENSE

12. 所得稅開支

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-------------------------|---------|----------------------------------|----------------------------------|
| Current income tax | 即期所得稅 | | |
| — Hong Kong Profits Tax | — 香港利得稅 | — | — |

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for taxation in Hong Kong has been made as there is no estimated assessable profit for both years.

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務(修訂)(第7號)條例草案》(「條例草案」)，引入利得稅兩級制。條例草案於二零一八年三月二十八日簽署成為法律，並於翌日刊憲。根據利得稅兩級制，合資格集團實體首2,000,000港元之溢利將按稅率8.25%課稅，而超過2,000,000港元之溢利將按稅率16.5%課稅。不符合利得稅兩級制之集團實體之溢利將繼續按統一稅率16.5%課稅。

本公司董事認為，於實施利得稅兩級制後涉及之金額就綜合財務報表而言並不重大。香港利得稅乃按兩個年度之估計應課稅溢利之16.5%計算。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施細則，中國附屬公司於兩個年度的稅率為25%。

於其他司法權區產生的稅項按相關司法權區的現行稅率計算。

由於兩個年度並無估計應課稅溢利，故並無就香港的稅項作出撥備。

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

12. INCOME TAX EXPENSE (CONTINUED)

The income tax expense for the year can be reconciled to loss before income tax as follows:

12. 所得稅開支(續)

本年度所得稅開支與除所得稅前虧損之對賬如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------------------------------|----------------------------------|----------------------------------|
| Loss before income tax | 除所得稅前虧損 | (53,840) | (45,339) |
| Tax credit at the Hong Kong Profits Tax rate of 16.5% (2017: 16.5%) | 按香港利得稅率16.5% (二零一七年：16.5%)之稅率計算之稅項 | (8,884) | (7,481) |
| Tax effect of income not taxable for tax purposes | 就稅務而言不課稅收入之稅項影響 | (714) | (402) |
| Tax effect of expenses not deductible for tax purposes | 就稅務而言不可扣除開支之稅項影響 | 514 | 297 |
| Tax effect of share of results of associates | 應佔聯營公司業績之稅項影響 | — | 74 |
| Tax effect of tax losses not recognised | 未確認稅項虧損之稅項影響 | 8,724 | 6,786 |
| Others | 其他 | 360 | 726 |
| Income tax expense for the year | 本年度所得稅開支 | — | — |

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13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Loss for the year attributable to owners of the Company | 本年度本公司擁有人應佔虧損 | | |
| Loss for the purpose of basic and diluted loss per share | 用於計算每股基本及攤薄虧損之虧損 | (53,840) | (45,339) |

13. 本公司擁有人應佔每股虧損

本公司擁有人應佔每股基本及攤薄虧損之計算乃基於下列數據：

| | | 2018 二零一八年 '000 千股 | 2017 二零一七年 '000 千股 |
|--|--------------------------------|-----------------------------|-----------------------------|
| Number of shares | 股份數目 | | |
| Weighted average number of ordinary shares for the purpose of basic loss per share | 用於計算每股基本虧損之普通股加權平均數 | 622,221 | 539,470 |
| Effect of potential dilutive ordinary shares: Shares issuable from the Company's share option (note) | 潛在攤薄普通股之影響：根據本公司購股權可予發行之股份(附註) | — | — |
| Weighted average number of ordinary shares for the purpose of diluted loss per share | 用於計算每股攤薄虧損之普通股加權平均數 | 622,221 | 539,470 |
| Basic and diluted loss per share (HK cents) | 每股基本及攤薄虧損(港仙) | (8.65) | (8.40) |

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Note: The Company had 15,100,000 (2017: 15,100,000) outstanding share options as at 31 December 2018. The computation of diluted loss per share for both years did not assume the exercise of share options because the adjusted exercise prices of those options were higher than the average market price for shares in that year.

附註：於二零一八年十二月三十一日，本公司之尚未行使購股權為15,100,000份(二零一七年：15,100,000份)。兩個年度之每股攤薄虧損計算概無假設行使購股權，因為該等購股權的經調整行使價高於該年度股份的平均市價。

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

14. PROPERTY AND EQUIPMENT

14. 物業及設備

| | | Leasehold land and buildings | Leasehold improvement | Office furniture and fixtures | Motor vehicles | Yacht | Total |
|-------------------------------------|---------------|------------------------------------|--------------------------|-------------------------------------|-------------------|----------|----------|
| | | 租賃土地 及樓宇 | 租賃物業 裝修 | 辦公室 傢俬及 固定裝置 | 汽車 | 遊艇 | 總計 |
| | | 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 |
| COST | 成本 | | | | | | |
| As at 1 January 2017 | 於二零一七年一月一日 | 13,257 | 1,676 | 575 | 4,571 | 16,440 | 36,519 |
| Additions | 添置 | — | — | 15 | — | 134 | 149 |
| As at 31 December 2017 | 於二零一七年十二月三十一日 | 13,257 | 1,676 | 590 | 4,571 | 16,574 | 36,668 |
| Additions | 添置 | — | 58 | 65 | — | 68 | 191 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 13,257 | 1,734 | 655 | 4,571 | 16,642 | 36,859 |
| ACCUMULATED DEPRECIATION | 累計折舊 | | | | | | |
| As at 1 January 2017 | 於二零一七年一月一日 | 1,282 | 706 | 286 | 2,940 | 7,292 | 12,506 |
| Charge for the year | 年內已扣除 | 530 | 335 | 97 | 1,382 | 5,505 | 7,849 |
| As at 31 December 2017 | 於二零一七年十二月三十一日 | 1,812 | 1,041 | 383 | 4,322 | 12,797 | 20,355 |
| Charge for the year | 年內已扣除 | 530 | 343 | 104 | 249 | 3,723 | 4,949 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 2,342 | 1,384 | 487 | 4,571 | 16,520 | 25,304 |
| CARRYING AMOUNT | 賬面值 | | | | | | |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 10,915 | 350 | 168 | — | 122 | 11,555 |
| As at 31 December 2017 | 於二零一七年十二月三十一日 | 11,445 | 635 | 207 | 249 | 3,777 | 16,313 |

The principal annual rates used for this purpose are as follows:

| | |
|-------------------------------|---|
| Leasehold land and buildings | 25 years |
| Leasehold improvement | 5 years or over the lease term if less than 5 years |
| Office furniture and fixtures | 5 years |
| Motor vehicles | 3 years |
| Yacht | 3 years |

As at 31 December 2018, the office premise with a carrying amount of approximately HK\$10,915,000 (2017: approximately HK\$11,445,000) was pledged for a bank loan.

就此所採用之主要年率如下：

| | |
|------------|-----------------|
| 租賃土地及樓宇 | 25年 |
| 租賃物業裝修 | 5年或按租約年期(若少於5年) |
| 辦公室傢俬及固定裝置 | 5年 |
| 汽車 | 3年 |
| 遊艇 | 3年 |

於二零一八年十二月三十一日，賬面值約為10,915,000港元(二零一七年：約11,445,000港元)之辦公室物業已就一筆銀行貸款而抵押。

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

14. PROPERTY AND EQUIPMENT (CONTINUED)

At the end of the reporting period, the net book value of yacht held under finance lease of the Group was approximately HK\$122,000 (2017: approximately HK\$3,777,000).

15. INTANGIBLE ASSET

| | | Club membership 俱樂部會籍 HK\$'000 千港元 |
|---------------------------------|------------------------|---|
| COST AND CARRYING AMOUNT | 成本及賬面值 | |
| As at 1 January 2017, | 於二零一七年一月一日、 | |
| 31 December 2017 and 2018 | 二零一七年及二零一八年 十二月三十一日 | 120 |

The club membership is stated at cost less accumulated impairment. The directors of the Company considered no impairment loss recognised as the recoverable amount is greater than its carrying amount.

14. 物業及設備(續)

於報告期末，本集團根據融資租賃持有之遊艇之賬面淨值約為122,000港元(二零一七年：約3,777,000港元)。

15. 無形資產

俱樂部會籍按成本扣除累計減值列賬。本公司董事認為，由於其可收回金額高於其賬面值，故並無確認減值虧損。

16. DEBT INSTRUMENTS AT FVTOCI/AFS FINANCIAL ASSETS

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|------------------------|--------|----------------------------------|----------------------------------|
| Listed debt securities | 上市債務證券 | | |
| — Hong Kong | — 香港 | 8,327 | 28,094 |
| — Outside Hong Kong | — 香港境外 | 2,739 | 9,662 |
| | | 11,066 | 37,756 |

The above investments are dominated in United States Dollars ("US\$"). As at 31 December 2018, the maturity dates of all of the listed debt securities are beyond one year after the end of reporting period.

16. 按公允值計入其他全面收益之債務工具／可供出售金融資產

上述投資以美元(「美元」)計值。於二零一八年十二月三十一日，所有上市債務證券之到期日均為報告期末後一年以上。

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17. INTERESTS IN ASSOCIATES

17. 於聯營公司之權益

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-------------------------------|----------------------------------|----------------------------------|
| Unlisted equity shares, at cost (note 1) | 非上市權益股份，按成本 (附註1) | 9,000 | 9,000 |
| Share of post-acquisition losses and other comprehensive income, net of dividends received | 應佔收購後虧損及 其他全面收益， 扣除已收股息 | (4,530) | (4,530) |
| Impairment loss (note 2) | 減值虧損(附註2) | (4,470) | (4,470) |
| | | — | — |

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Notes:

- Included in the cost is goodwill of HK\$4,613,000 (2017: HK\$4,613,000).
- During the year ended 31 December 2018 and 2017, in determining whether the interests in associates are impaired, the Group measures the difference between the carrying amounts and the net present value of the estimated future cash flows generated from these associates. In view of continuing loss-making performances of these associates, the management expects that no estimated future cash inflow could be generated from operations and proceeds from the ultimate disposal of these associates in the foreseeable future. Based on the management's assessment, impairment loss of HK\$1,173,000 on interests in associates was recognised in profit and loss of the Group during the year ended 31 December 2017. No reversal of impairment loss was recognised during the year ended 31 December 2018.

附註：

- 有關成本中包括商譽4,613,000港元(二零一七年：4,613,000港元)。
- 截至二零一八年及二零一七年十二月三十一日止年度，於釐定聯營公司權益是否減值時，本集團計量該等聯營公司產生的估計未來現金流量之賬面值與淨現值之間的差額。鑑於該等聯營公司之持續虧損表現，管理層預期於可見未來經營及最終出售該等聯營公司之所得款項中不可能產生估計未來現金流入。根據管理層的評估，聯營公司權益減值虧損1,173,000港元已於截至二零一七年十二月三十一日止年度於本集團損益確認。於截至二零一八年十二月三十一日止年度概無確認減值虧損撥回。

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17. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the Group's primary associate at 31 December 2018 and 2017 are as follows:

17. 於聯營公司之權益(續)

於二零一八年及二零一七年十二月三十一日，於本集團的主要聯營公司的詳情如下：

| Name of Associate 聯營公司名稱 | Place of incorporation 註冊成立地點 | Form of legal entity 法律實體形式 | Class of shares held 所持股份類別 | Proportion of ownership interest held by the Group 本集團所持擁有權權益之比例 | | Proportion of voting rights held by the Group 本集團所持表決權之比例 | | Principal activity 主要業務 |
|----------------------------------|----------------------------------|--------------------------------|--------------------------------|---|-------|--|-------|--|
| | | | | 2018 | 2017 | 2018 | 2017 | |
| | | | | 二零一八年 | 二零一七年 | 二零一八年 | 二零一七年 | |
| Superb Kingdom Limited 超君有限公司 | Hong Kong 香港 | Limited liability 有限責任 | Ordinary 普通股 | 30% | 30% | 30% | 30% | Sale of LED lighting products 銷售LED照明產品 |

Aggregate information of associates that are not individually material

個別不屬重大之聯營公司綜合資料

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| The Group's share of loss from continuing operations | 本集團應佔持續經營業務之虧損 | — | (447) |
| The Group's share of other comprehensive income | 本集團應佔其他全面收益 | — | — |
| The Group's share of total comprehensive expense | 本集團應佔全面開支總額 | — | (447) |
| Aggregate carrying amount of the Group's interests in these associates | 本集團於該等聯營公司權益之總賬面值 | — | — |
| The unrecognised share of loss of associates | 未確認之應佔聯營公司虧損 | (763) | — |
| Cumulative unrecognised share of loss of associates | 累計未確認之應佔聯營公司虧損 | (763) | — |

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18. FINANCIAL ASSETS AT FVTPL

18. 按公允值計入損益之金融資產

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Listed equity securities | 上市股本證券 | | |
| — Hong Kong | — 香港 | 72,623 | 112,077 |
| — Australia | — 澳洲 | 261 | 289 |
| Listed perpetual securities | 上市永久證券 | 4,182 | — |
| Unlisted equity investment | 非上市股本投資 | 15,700 | — |
| Derivatives of an unlisted equity investment | 非上市股本投資衍生工具 | 2,100 | — |
| | | 94,866 | 112,366 |
| Analysed for reporting purposes as: | 就報告而分析為： | | |
| Current assets | 流動資產 | 44,582 | 66,226 |
| Non-current assets | 非流動資產 | 50,284 | 46,140 |
| | | 94,866 | 112,366 |

Fair values of listed equity securities in Hong Kong are primarily based on their quoted bid prices in active markets, while that in Australia are primarily based on the Group's own assumptions about market exit value.

Fair values of unlisted equity investment are determined using a valuation technique that is classified as Level 3 in the fair value hierarchy.

On 8 June 2018, the Group entered into a subscription agreement with third parties to subscribe 14% of new shares in the issued share capital of China Oriented International Holdings Limited ("China Oriented") at a consideration of HK\$16,000,000. China Oriented was incorporated in the Cayman Islands and is principally engaged in the provision of driving training services in the PRC. The Group has the right to appoint one director to the board. As at 31 December 2018, China Oriented had three directors on the board, including one director being appointed by the Group. The quorum for the board meetings shall be any two directors. All decisions of the board shall be by a simple majority vote of the directors. Based on the assessment by the management, the Group has significant influence over China Oriented, and therefore the investment is considered as an associate of the Group. The Group has elected to measure the investment in this associate at FVTPL. As at 31 December 2018, the fair value of this unlisted equity investment amounted to HK\$15,700,000.

香港上市股本證券之公允值主要是基於活躍市場之報價，而澳洲上市股本證券之公允值主要是基於本集團自身對市場現值的假設。

非上市股本投資之公允值乃使用分類為第三級公允值架構之估值技術釐定。

於二零一八年六月八日，本集團與第三方訂立認購協議，以認購向中國國際控股有限公司（「向中」）已發行股本之14%新股份，代價為16,000,000港元。向中於開曼群島註冊成立，主要從事於中國提供駕駛培訓服務。本集團有權提名一名董事加入董事會。於二零一八年十二月三十一日，向中董事會有三名董事，包括本集團委任之一名董事。董事會會議的最低法定人數將為任何兩名董事。董事會所有決策將以董事的簡單大多數投票方式表決。根據管理層的評估，本集團對向中有重大影響力，故該投資被視為本集團的聯營公司。本集團選擇於此聯營公司的投資按公允值計入損益的方式計量。於二零一八年十二月三十一日，於此非上市股本投資的公允值為15,700,000港元。

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18. FINANCIAL ASSETS AT FVTPL (CONTINUED)

On the same date of the subscription agreement, the Group entered into a shareholders' agreement and was granted by one of shareholders (the "Shareholder") of China Oriented a put option, an earn-out option and a call option over 14% of the shares. Regarding the put option, the Group has the right, but not the obligation, to require the Shareholder to buy back all the shares subscribed at the original consideration paid (i.e. HK\$16,000,000) plus an interest of 15% per annum. The put option is only exercisable upon occurrence of certain events ("Put Events") on or before 31 December 2019. Regarding the call option, if a put event has occurred but the Group does not exercise the put option within 90 days from the date of occurrence of the Put Events, the Shareholder shall be entitled but is not obliged to require the Group to sell all of the shares held. Regarding the earn-out option, the Shareholder shall pay monetary compensation to the Group if China Oriented fails to achieve certain earning target.

As at 31 December 2018, this certain earning target has been achieved by China Oriented, the Shareholder is not required to pay any monetary compensation and therefore the fair value of earn-out option is nil. Under the assumption of a probability of 50% on the occurrence of Put Events, the aggregate fair values of the put option and call option amounted to HK\$2,100,000.

As at 31 December 2018, an amount of HK\$50,284,000 (2017: HK\$46,140,000) is classified as non-current assets as the management of the Group expects that such amount may not be realised within twelve months after the reporting period.

18. 按公允值計入損益之金融資產(續)

於認購協議同日，本集團訂立一項股東協議，並由向中的其中一名股東(「股東」)授予認沽期權及盈利能力期權，並獲授予該14%股份的認購期權。就認沽期權而言，本集團有權(但無責任)要求股東按原先已付代價(即16,000,000港元)加15%之年利息購回已認購之全部股份。認沽期權僅於在二零一九年十二月三十一日或之前發生若干事件(「認沽事件」)時方可行使。至於認購期權，倘發生認沽事件但本集團並無於發生認沽事件之日起90日內行使認股權，則股東將有權(但無責任)要求本集團出售所持有的全部股份。就盈利能力期權而言，股東將於向中未能達到若干盈利目標時向本集團支付貨幣補償。

於二零一八年十二月三十一日，向中已達成該盈利目標，股東無需支付任何貨幣補償及因此盈利能力期權之公允值為零。根據發生認沽事件之50%的概率估計，認沽期權及認購期權之公允值總值為2,100,000港元。

於二零一八年十二月三十一日，金額50,284,000港元(二零一七年：46,140,000港元)被分類為非流動資產，乃因本集團管理層預期該金額可能於報告期後十二個月內不能變現。

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19. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP

Particulars of major investments held by the Group as at 31 December 2018 disclosed pursuant to the Chapter 21 of the Listing Rules are as follows:

19. 本集團持有之主要投資之資料

本集團於二零一八年十二月三十一日持有之主要投資之資料乃根據上市規則第21章披露如下：

| Name of equity/debt securities 股本/債務證券名稱 | Nature of business 業務性質 | Interest held 所持權益 (%) | Net assets attributable to the Group 本公司應佔 資產淨額 HK\$'000 千港元 | Invested amount 投資額 HK\$'000 千港元 | Carrying amount 賬面值 HK\$'000 千港元 | Dividend/interest received 已收股息/利息 HK\$'000 千港元 | Percentage of investment attributable to the Group's total assets 本集團總 資產應佔 投資之百分比 (%) |
|--|----------------------------|------------------------------|--|---|---|--|--|
| <i>Financial assets at FVTPL</i> 按公允價值計入損益之金融資產 | | | | | | | |
| Unlisted equity investment 非上市股本投資 | | | | | | | |
| China Oriented 向中 | note a 附註a | 14.00 | 11,508 | 12,700 | 15,700 | — | 10.32 |
| Listed equity securities 上市股本證券 | | | | | | | |
| Newtree Group Holdings Limited ("Newtree Group") 友川集團控股有限公司(「友川集團」) | note b 附註b | 1.05 | 3,772 | 10,818 | 13,436 | — | 8.83 |
| HSBC Holdings plc ("HSBC") 匯豐控股有限公司(「匯豐」) | note c 附註c | 0.001 | 12,851 | 13,770 | 11,664 | 587 | 7.67 |
| Tencent Holdings Limited ("Tencent Holdings") 騰訊控股有限公司(「騰訊控股」) | note d 附註d | 0.0003 | 958 | 4,032 | 7,850 | 31 | 5.16 |
| AIA Group Limited ("AIA Group") 友邦保險控股有限公司(「友邦保險」) | note e 附註e | 0.0007 | 2,269 | 4,984 | 5,850 | 93 | 3.85 |
| Sa Sa International Holdings Limited ("Sa Sa International") 莎莎國際控股有限公司(「莎莎國際」) | note f 附註f | 0.05 | 1,374 | 4,842 | 4,736 | 224 | 3.11 |
| Jete Power Holdings Limited ("Jete Power") 鑄能控股有限公司(「鑄能」) | note g 附註g | 2.80 | 1,095 | 25,676 | 4,214 | — | 2.77 |
| Smart-Core Holdings Limited ("Smart-Core") 芯智控股有限公司(「芯智」) | note h 附註h | 0.44 | 2,482 | 4,030 | 3,765 | 110 | 2.48 |
| Sands China Limited ("Sands China") 金沙中國有限公司(「金沙中國」) | note i 附註i | 0.001 | 383 | 2,979 | 3,087 | 179 | 2.03 |
| <i>Debt instruments at FVTOCI</i> 按公允價值計入其他全面收益之債務工具 | | | | | | | |
| Listed debt security 上市債務證券 | | | | | | | |
| King Power Capital Limited ("King Power") | note j 附註j | N/A 不適用 | N/A 不適用 | 3,550 | 3,309 | 176 | 2.18 |
| | | | | 87,381 | 73,611 | 1,400 | |

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19. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP (CONTINUED)

Particulars of major investments held by the Group as at 31 December 2017 disclosed pursuant to the Chapter 21 of the Listing Rules are as follows:

19. 本集團持有之主要投資之資料(續)

本集團根據上市規則第21章披露於二零一七年十二月三十一日持有之主要投資資料如下：

| Name of equity/debt securities | Nature of business | Interest held | Net assets attributable to the Group | Invested amount | Carrying amount | Dividend/interest received | Percentage of investment attributable to the Group's total assets |
|--------------------------------|--------------------|---------------|--------------------------------------|-----------------|-----------------|----------------------------|---|
| 股本/債務證券名稱 | 業務性質 | 所持權益 | 本公司應佔資產淨額 | 投資額 | 賬面值 | 已收股息/利息 | 本集團總資產應佔投資之百分比 |
| | | (%) | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | (%) |

Financial assets at FVTPL
按公允值計入損益之金融資產

Listed equity securities
上市股本證券

| | | | | | | | |
|--|---|--------|-------|--------|--------|-----|-------|
| Newtree Group 友川集團 | note b 附註b | 1.97 | 8,352 | 20,086 | 21,528 | — | 11.08 |
| Tencent Holdings 騰訊控股 | note d 附註d | 0.0004 | 1,124 | 4,840 | 16,240 | 24 | 8.36 |
| HSBC 滙豐 | note c 附註c | 0.0005 | 7,289 | 7,274 | 7,995 | 539 | 4.11 |
| Future Bright Mining Holdings Limited ("Future Bright") 高鵬礦業控股有限公司(「高鵬」) | Production and sale of marble and marble related products 生產和銷售大理石及大理石 相關產品 | 0.79 | 1,006 | 14,567 | 7,114 | — | 3.66 |
| AIA Group 友邦保險 | note e 附註e | 0.001 | 2,459 | 4,983 | 5,999 | 87 | 3.09 |
| Sa Sa International 莎莎國際 | note f 附註f | 0.05 | 1,252 | 4,842 | 4,816 | — | 2.48 |
| Jete Power 鑄能 | note g 附註g | 2.80 | 1,412 | 25,676 | 24,990 | — | 12.86 |

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19. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP (CONTINUED)

19. 本集團持有之主要投資之資料(續)

| Name of equity/debt securities | Nature of business | Interest held | Net assets attributable to the Group | Invested amount | Carrying amount | Dividend/ interest received | Percentage of investment attributable to the Group's total assets |
|--|---|---------------|--------------------------------------|-----------------|-----------------|-----------------------------|---|
| 股本/債務證券名稱 | 業務性質 | 所持權益 | 本公司應佔資產淨額 | 投資額 | 賬面值 | 已收股息/利息 | 本集團總資產應佔投資之百分比 |
| | | (%) | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | (%) |
| <i>AFS financial assets</i> 可供出售投資 | | | | | | | |
| Listed debt securities 上市債務證券 | | | | | | | |
| Industrial and Commercial Bank of China Limited ("ICBC") 中國工商銀行有限公司(「工商銀行」) | Corporate and personal banking, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services 公司和個人銀行、資金業務、投資銀行、資產管理、信託、金融租賃、保險及其他金融服務 | N/A 不適用 | N/A 不適用 | 6,764 | 6,600 | 303 | 3.40 |
| Leading Affluence Limited ("Leading Affluence") 泓景有限公司(「泓景」) | Development, selling and management of properties and holding of investment properties 發展、出售及管理物業以及持有投資物業 | N/A 不適用 | N/A 不適用 | 6,379 | 6,290 | 279 | 3.24 |
| Bank of East Asia Limited ("BEA") 東亞銀行有限公司(「東亞銀行」) | Provision of banking and related financial services and business, corporate and investor services 提供銀行及相關金融服務以及商業、企業及投資者服務 | N/A 不適用 | N/A 不適用 | 5,234 | 4,993 | 285 | 2.57 |
| | | | | 100,645 | 106,565 | 1,517 | |

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19. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP (CONTINUED)

Notes:

a. China Oriented

China Oriented was incorporated in the Cayman Islands and is principally engaged in the provision of driving training services in the PRC.

For the nine months ended 30 September 2018, the audited consolidated profit attributable to the owners of China Oriented was approximately Renminbi ("RMB") 15.4 million and its audited consolidated equity attributable to the owners of China Oriented was approximately RMB82.2 million.

b. Newtree Group

Newtree was incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange (stock code: 01323). Newtree and its subsidiaries are principally engaged in (i) wholesale and retails of household consumables; (ii) design and development of three-dimensional animations, augmented reality technology application and e-learning web application; (iii) trading of coal products; (iv) provision of educational technology solutions through online education programs and provision of English language proficiency tests and (v) provision of money lender business.

For the six months ended 30 September 2018, the unaudited consolidated loss attributable to the owners of Newtree was approximately HK\$2.5 million and its unaudited consolidated equity attributable to the owners of Newtree was approximately HK\$360.7 million.

c. HSBC

HSBC was incorporated in England and its shares are listed on the Main Board of the Stock Exchange (stock code: 00005). HSBC and its subsidiaries are principally engaged in the provision of international banking and financial services.

For the year ended 31 December 2018, the audited consolidated profit attributable to the owners of HSBC was approximately US\$13,727 million and its audited consolidated equity attributable to the owners of HSBC was approximately US\$186,253 million.

19. 本集團持有之主要投資之資料(續)

附註:

a. 向中

向中於開曼群島註冊成立，主要從事於中國提供駕駛培訓服務。

截至二零一八年九月三十日止九個月，向中擁有人應佔經審核綜合溢利約為人民幣15,400,000元(「人民幣」)，而向中擁有人應佔經審核綜合權益約為人民幣82,200,000元。

b. 友川集團

友川於開曼群島註冊成立，其股份於聯交所主板上市(股份代號：01323)。友川及其附屬公司主要從事(i)批發及零售家居消耗品；(ii)三維動畫、擴增實境技術應用程式及網絡教育應用程式的設計及開發；(iii)買賣煤炭產品；(iv)透過網上教育課程提供教育技術解決方案及提供英語水平測試及(v)提供借貸業務。

截至二零一八年九月三十日止六個月，友川擁有人應佔未經審核綜合虧損約為2,500,000港元，而友川擁有人應佔未經審核綜合權益約為360,700,000港元。

c. 滙豐

滙豐於英國註冊成立，其股份於聯交所主板上市(股份代號：00005)。滙豐及其附屬公司主要從事提供國際銀行及金融服務。

截至二零一八年十二月三十一日止年度，滙豐擁有人應佔經審核綜合溢利約為13,727,000,000美元，而滙豐擁有人應佔經審核綜合權益約為186,253,000,000美元。

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19. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP (CONTINUED)

Notes: (continued)

d. Tencent Holdings

Tencent Holdings was incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange (stock code: 00700). Tencent Holdings and its subsidiaries are principally engaged in the provision of internet and mobile value added services, online advertising services and eCommerce transactions services to users in the PRC.

For the year ended 31 December 2018, the audited consolidated profit attributable to the owners of Tencent Holdings was approximately RMB78,719 million and its audited consolidated equity attributable to the owners of Tencent Holdings was approximately RMB323,510 million.

e. AIA Group

AIA Group was incorporated in Hong Kong and its shares are listed on the Main Board of the Stock Exchange (stock code: 01299). AIA Group and its subsidiaries are principally engaged in the writing of life insurance business, providing life insurance, annuities, accident and health insurance and saving plans throughout Asia and distributing related investment and other financial services to its customers.

For the thirteen months ended 31 December 2018, the audited consolidated profit attributable to the owners of AIA Group's was approximately United States dollars ("US\$") 3,163.0 million and its audited consolidated equity attributable to the owners of AIA Group was approximately US\$39,006.0 million.

19. 本集團持有之主要投資之資料(續)

附註：(續)

d. 騰訊控股

騰訊控股於開曼群島註冊成立，其股份於聯交所主板上市(股份代號：00700)。騰訊控股及其附屬公司主要從事在中國為用戶提供互聯網及移動增值服務、網上廣告服務以及電子商務交易服務。

截至二零一八年十二月三十一日止年度，騰訊控股擁有人應佔經審核綜合溢利約為人民幣78,719,000,000元，而騰訊控股擁有人應佔經審核綜合權益約為人民幣323,510,000,000元。

e. 友邦保險

友邦保險於香港註冊成立，其股份於聯交所主板上市(股份代號：01299)。友邦保險及其附屬公司主要在亞洲從事定制人壽保險業務、提供人壽、年金、意外傷害及健康保險及儲蓄計劃及向其客戶分銷相關投資及其他金融服務。

截至二零一八年十二月三十一日止十三個月，友邦保險應佔經審核綜合溢利約為3,163,000,000美元(「美元」)，而友邦保險應佔經審核綜合權益約為39,006,000,000美元。

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19. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP (CONTINUED)

Notes: (continued)

f. Sa Sa International

Sa Sa International was incorporated in Cayman Islands and its shares are listed on the Main Board of the Stock Exchange (stock code: 00178). Sa Sa International and its subsidiaries are principally engaged in the retailing and wholesaling of cosmetic products.

For the six months ended 30 September 2018, the unaudited consolidated profit attributable to the owners of Sa Sa International was approximately HK\$202.9 million and its unaudited consolidated equity attributable to the owners of Sa Sa International was approximately HK\$2,654.8 million.

g. Jete Power

Jete Power was incorporated in the Cayman Islands and its shares are listed on the GEM board of the Stock Exchange (stock code: 08133). Jete Power and its subsidiaries are principally engaged in manufacturing and sales of cast metal products.

For the year ended 31 December 2018, the audited consolidated loss attributable to the owners of Jete Power was approximately HK\$9.7 million and its audited consolidated equity attributable to the owners of Jete Power was approximately HK\$39.1 million.

h. Smart-Core

Smart-Core was incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange (stock code: 02166). Smart-Core and its subsidiaries are principally engaged in the distribution of electronic products.

For the year ended 31 December 2018, the audited consolidated profit attributable to the owners of Smart-Core was approximately HK\$80.4 million and its audited consolidated equity attributable to the owners of Smart-Core was approximately HK\$568.3 million.

19. 本集團持有之主要投資之資料(續)

附註：(續)

f. 莎莎國際

莎莎國際於開曼群島註冊成立，其股份於聯交所主板上市(股份代號：00178)。莎莎國際及其附屬公司主要從事零售及批發化妝品。

截至二零一八年九月三十日止六個月，莎莎國際擁有人應佔未經審核綜合溢利約為202,900,000港元，而莎莎國際擁有人應佔未經審核綜合權益約為2,654,800,000港元。

g. 鑄能

鑄能於開曼群島註冊成立，其股份於聯交所GEM上市(股份代號：08133)。鑄能及其附屬公司主要從事製造及銷售金屬鑄造產品。

截至二零一八年十二月三十一日止年度，鑄能擁有人應佔經審核綜合虧損約為9,700,000港元，而鑄能擁有人應佔經審核綜合權益約為39,100,000港元。

h. 芯智

芯智於開曼群島註冊成立，其股份於聯交所主板上市(股份代號：02166)。芯智及其附屬公司主要從事分銷電子產品。

截至二零一八年十二月三十一日止年度，芯智擁有人應佔經審核綜合溢利約為80,400,000港元，而芯智擁有人應佔經審核綜合權益約為568,300,000港元。

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19. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP (CONTINUED)

Notes: (continued)

i. Sands China

Sands China was incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange (stock code: 01928). Sands China and its subsidiaries are principally engaged in the operation of casino games of chance or games of other forms and the development and operation of integrated resorts and other ancillary services in Macao.

For the year ended 31 December 2018, the audited consolidated profit attributable to the owners of Sands China was approximately HK\$1,875.0 million and its audited consolidated equity attributable to the owners of Sands China was approximately HK\$4,409.0 million.

j. King Power

King Power is a wholly-owned subsidiary of China Travel Service (Holdings) Hong Kong Limited and its controlling shareholder is China Travel International Investment Hong Kong Limited ("China Travel International"), which was incorporated in British Virgin Islands and its shares are listed on the Main Board of Stock Exchange (stock code: 00308). China Travel International and its subsidiaries are principally engaged in (i) tourist attraction and related operations, (ii) travel agency, travel document and related operations, (iii) hotel operations and (iv) passenger transportation operations. The listed debt security carries an interest rate of 5.625% per annum.

19. 本集團持有之主要投資之資料(續)

附註：(續)

i. 金沙中國

金沙中國於開曼群島註冊成立，其股份於聯交所主板上市(股份代號：01928)。金沙中國及其附屬公司主要於澳門從事經營賭場、博弈或其他形式的博彩及發展及經營綜合渡假村及其他配套服務。

截至二零一八年十二月三十一日止年度，金沙中國擁有人應佔經審核綜合溢利約為1,875,000,000港元，而金沙中國擁有人應佔經審核綜合權益約為4,409,000,000港元。

j. King Power

King Power為香港中旅(集團)有限公司之全資附屬公司及其控股股東為香港中旅國際投資有限公司(「中旅國際」)，中旅國際於英屬維爾京群島註冊成立及其股份於聯交所主板上市(股份代號：00308)。中旅國際及其附屬公司主要從事(i)旅遊景區及相關業務，(ii)旅行社、旅行證件及相關業務，(iii)酒店業務及(iv)客運業務。上市債務證券按年利率5.625%計息。

20. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

20. 其他應收款項、預付款項及按金

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------|--------|----------------------------------|----------------------------------|
| Dividend receivables | 應收股息 | 112 | — |
| Other receivables | 其他應收款項 | 412 | 889 |
| Prepayments | 預付款項 | 2,350 | 1,593 |
| Other deposits | 其他按金 | 359 | 244 |
| | | 3,233 | 2,726 |

At 31 December 2018, none (2017: none) of the above other receivables, prepayments and deposits is either past due or impaired.

於二零一八年十二月三十一日，上述其他應收款項、預付款項及按金概無逾期亦無(二零一七年：概無)減值。

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21. CASH AND BANK BALANCES

Cash and bank balances of the Group comprised bank balances, cash and short-term bank deposit with an original maturity of three months or less held by the Group.

Cash and cash equivalents were denominated in the following currencies:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|------------------------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 17,739 | 21,598 |
| RMB | 人民幣 | 144 | 121 |
| US\$ | 美元 | 12,885 | 822 |
| Other | 其他 | 173 | — |
| Cash and bank balances | | 30,941 | 22,541 |

Cash at banks earn interest at floating rates based on daily bank deposit rates and the short-term deposit with interest at fixed rate of 3%. The bank balances are deposited with creditworthy banks with no recent history of default.

RMB is not a freely convertible currency in the PRC and the remittance of funds out of the PRC is subject to the foreign exchange control promulgated imposed by the PRC government. All of the Group's cash and bank balances and all of the Company's cash and bank balances denominated in RMB are located in Hong Kong which is not subject to the foreign exchange control.

22. AMOUNT DUE FROM AN ASSOCIATE

As at 31 December 2017, loan and interest receivable amounting to HK\$2,500,000 was unsecured, interest bearing at 36% per annum and repayable in February 2018. The loan receivable had been fully repaid in accordance with the agreed repayment schedule.

21. 現金及銀行結餘

本集團之現金及銀行結餘包括銀行結餘、現金及本集團所持原到期日為三個月或以下之短期銀行存款。

現金及現金等值物以下列貨幣計值：

銀行現金按每日銀行存款利率的浮動利率計息及短期存款按固定利率3%計息。有關銀行結餘存於信譽良好且無近期拖欠記錄之銀行。

人民幣並非在中國可自由兌換之貨幣而匯出中國之資金受中國政府實行的外匯管制規範。以人民幣計值之本集團所有現金及銀行結餘及本公司所有現金及銀行結餘均位於香港，其不受外匯管制所規限。

22. 應收一間聯營公司款項

於二零一七年十二月三十一日，應收貸款及利息達2,500,000港元，為無抵押、按年利率36%計息並須於二零一八年二月償還。應收貸款已根據協定還款時間表悉數償還。

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

23. SHARE CAPITAL

The movements of share capital of the Company are as follows:

23. 股本

本公司之股本變動如下：

| | | Number of ordinary shares 普通股數目 | Nominal value of ordinary shares 普通股面值 |
|-------------------------------|----------------------|---------------------------------------|--|
| | Notes 附註 | '000 千股 | HK\$'000 千港元 |
| Authorised: | 法定： | | |
| At 1 January 2017, | 於二零一七年一月一日、 | | |
| 31 December 2017 and | 二零一七年及二零一八年 | | |
| 2018, at HK\$0.10 each | 十二月三十一日 | | |
| | 每股面值0.10港元 | 2,000,000 | 200,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| At 1 January 2017 | 於二零一七年一月一日 | 454,962 | 45,496 |
| Placing of new shares | 配售新股份 | (a) 90,990 | 9,099 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 545,952 | 54,595 |
| Placing of new shares | 配售新股份 | (b) 109,170 | 10,917 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 655,122 | 65,512 |

Notes:

- (a) In January 2017, the Company issued a total of 90,990,000 ordinary shares with par value of HK\$0.10 each at a price of HK\$0.26 each. Further details were mainly set out in the announcement dated 27 January 2017.
- (b) In April 2018, the Company issued a total of 109,170,000 ordinary shares with par value of HK\$0.10 each at a price of HK\$0.135 each. Further details were mainly set out in the announcement dated 20 April 2018.

附註：

- (a) 於二零一七年一月，本公司按每股0.26港元之價格發行合共90,990,000股每股面值0.10港元之普通股。進一步詳情主要載於日期為二零一七年一月二十七日之公佈。
- (b) 於二零一八年四月，本公司按每股0.135港元之價格發行合共109,170,000股每股面值0.10港元之普通股。更多詳情主要載於日期為二零一八年四月二十日之公佈。

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24. SECURED BANK LOAN

24. 有抵押銀行貸款

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|---|----------------------------------|----------------------------------|
| The bank loan is repayable as follows: | 銀行貸款之還款期如下： | | |
| Within one year | 一年內 | 482 | 472 |
| Carrying amounts of bank loan that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities) | 毋須於報告期末起計一年內償還，但包含須應要求還款條款之銀行貸款的賬面值(列入流動負債) | 2,656 | 3,138 |
| | | 3,138 | 3,610 |
| Less: Amount due within one year (shown under current liabilities) | 減：一年內到期之款項(列入流動負債) | (3,138) | (3,610) |
| | | — | — |

The 10-Year instalment loan is repayable on demand and has been secured by a mortgage over the Group's office premises, bearing interest at 2.5% below prime rate per annum.

十年期分期貸款須應要求償還並以本集團辦公室物業之按揭作抵押，每年按最優惠利率減2.5厘計息。

25. OBLIGATION UNDER A FINANCE LEASE

25. 融資租賃承擔

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-------------------------------------|----------|----------------------------------|----------------------------------|
| Analysed for reporting purposes as: | 就報告而分析為： | | |
| Current liabilities | 流動負債 | — | 2,600 |

The Group's yacht has been under a finance lease of a three-year term. The related interest rate is 1.75% below Hong Kong best lending rate per annum. The Group also has an option to purchase the yacht for a nominal amount at the end of the lease term.

本集團的遊艇訂有三年期的融資租賃。相關利率為港元最佳借貸利率減1.75厘之年利率。本集團亦可選擇於租期結束時以一名義金額購入該遊艇。

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25. OBLIGATION UNDER A FINANCE LEASE (CONTINUED)

25. 融資租賃承擔(續)

| | | Minimum lease payments 最低租賃付款 | | Present value of minimum lease payments 最低租賃付款之現值 | |
|--|-------------------------|----------------------------------|-----------------|--|-----------------|
| | | 2018 二零一八年 | 2017 二零一七年 | 2018 二零一八年 | 2017 二零一七年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Obligation under a finance lease payable: | 融資租賃承擔須於以下期間支付： | | | | |
| Within one year | 一年內 | — | 2,637 | — | 2,600 |
| Within a period of more than one year but not more than two years | 超過一年但不超過兩年之期間內 | — | — | — | — |
| Less: future finance charges | 減：未來財務支出 | — | 2,637 (37) | — | 2,600 |
| Present value of lease obligation | 租賃承擔現值 | — | 2,600 | | |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | 減：於十二個月內到期支付之金額(列入流動負債) | — | (2,600) | | |
| Amount due for settlement after 12 months | 於十二個月後到期支付之金額 | — | — | | |

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26. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

26. 金融工具

(a) 金融工具分類

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|---------------------------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| Financial assets at FVTPL (note 18) | 按公允值計入損益之金融資產(附註18) | 94,866 | 112,366 |
| Debt instruments at FVTOCI (note 16) | 按公允值計入其他全面收益之債務工具(附註16) | 11,066 | — |
| AFS financial assets (note 16) | 可供出售金融資產(附註16) | — | 37,756 |
| Financial assets at amortised cost/loans and receivables (including cash and bank balances) | 按攤銷成本計量之金融資產/貸款及應收款項(包括現金及銀行結餘) | | |
| — Amount due from an associate (note 22) | — 應收一間聯營公司款項(附註22) | — | 2,500 |
| — Other receivables and deposits (note 20) | — 其他應收款項及按金(附註20) | 883 | 1,133 |
| — Cash and bank balances (note 21) | — 現金及銀行結餘(附註21) | 30,941 | 22,541 |
| | | 137,756 | 176,296 |
| Financial liability | 金融負債 | | |
| Amortised cost | 攤銷成本 | | |
| — Secured bank loan (note 24) | — 有抵押銀行貸款(附註24) | 3,138 | 3,610 |

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(b) Financial risk management objectives and policies

The Group's major financial instruments include debt instruments at FVTOCI (2017: AFS financial assets), financial assets at FVTPL, AFS financial assets, other receivables, other deposits, amount due from an associate, cash and bank balances and secured bank loan. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(b) 財務風險管理目標及政策

本集團之主要金融工具包括按公允值計入其他全面收益之債務工具(二零一七年:可供出售金融資產)、按公允值計入損益之金融資產、可供出售金融資產、其他應收款項、其他按金、應收一間聯營公司款項、現金及銀行結餘以及有抵押銀行貸款。金融工具之詳情於分別之附註中披露。此等金融工具之相關風險包括市場風險(貨幣風險、利率風險及價格風險)、信貸風險及流動資金風險。減輕該等風險的有關政策於下文載列。本集團管理層管理及監察此等風險,確保適時有效地採取適當措施。

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26. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risk

Currency risk

This refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at the year-end date, the Group was mainly exposed to foreign currency risk from its bank balances, which were mainly denominated in RMB and US\$ and listed debt securities denominated in US\$.

Although the Group currently does not have any foreign currency hedging policy, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. As at 31 December 2018, RMB bank balances and US\$ bank balances amounted to approximately HK\$144,000 (2017: HK\$121,000) and approximately HK\$12,885,000 (2017: HK\$822,000) respectively. As at 31 December 2018, US\$ debt securities investment balances amounted to approximately HK\$11,066,000 (2017: HK\$37,756,000)

No sensitivity analysis is made as the foreign exchange exposure is considered to be minimal. As HK\$ is pegged to US\$, the management thus considers the Group's foreign currency exposure is not significant. For the other currencies, the exposure is also insignificant because the related amount involved is immaterial.

Interest rate risk

The Group is exposed to cash-flow interest rate risk in relation to the variable-rate bank loan and finance lease. It is the Group's policy to maintain its borrowings at floating rate of interests to minimise the fair value interest rate risk. The Group's interest rate risk is mainly concentrated on the fluctuation of interest rates in relation to its HK\$ denominated borrowings.

26. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險

貨幣風險

貨幣風險指金融工具之公允值或未來現金流量會隨匯率變動而波動之風險。於年結日，本集團主要面對主要以人民幣及美元計值之銀行結餘以及以美元計值之上市債務證券所產生之外匯風險。

儘管本集團目前並無任何外幣對沖政策，管理層監控外匯風險，並於有需要時考慮對沖重大外匯風險。於二零一八年十二月三十一日，人民幣銀行結餘及美元銀行結餘分別約為144,000港元(二零一七年：121,000港元)及約12,885,000港元(二零一七年：822,000港元)。於二零一八年十二月三十一日，美元債務證券投資結餘為約11,066,000港元(二零一七年：37,756,000港元)。

由於外匯風險被視為甚微，故並無作出敏感度分析。由於港元與美元掛鈎，因此管理層認為本集團的外匯風險並不重大。至於其他貨幣，由於所涉及之相關金額並非顯著，因此有關風險亦不重要。

利率風險

本集團就浮息銀行貸款及融資租賃面對現金流量利率風險。本集團之政策為維持浮息借貸以盡量減低公允值利率風險。本集團之利率風險主要集中於其以港元計值之借貸之相關利率波動。

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26. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risk (continued)

Interest rate risk (continued)

The Group's fair value interest rate risk of financial assets relates primarily to the investment in fixed coupon debt securities, which are classified as debt instruments at FVTOCI (2017: AFS financial assets). The change in fair value arising from the changes in market interest rates will typically affect the related reserve account.

Total interest revenue and income from financial assets that are measured at FVTOCI and amortised cost amounted to HK\$1,391,000 (2017: HK\$1,940,000) and HK\$12,000 (2017: HK\$3,000) respectively for the year ended 31 December 2018. Total interest expense on financial liabilities not measured at FVTPL amounted to HK\$122,000 (2017: HK\$252,000) for the year ended 31 December 2018.

No sensitivity analysis is made as the interest rate exposure is considered to be minimal.

26. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險(續)

本集團之金融資產公允值利率風險主要關於分類為按公允值計入其他全面收益之債務工具(二零一七年:可供出售金融資產)之定息債務證券投資。市場利率變動所產生之公允值變動將主要影響相關儲備賬目。

截至二零一八年十二月三十一日止年度,按公允值計入其他全面收益及按攤銷成本計量之金融資產所得利息收益及收入合共分別達1,391,000港元(二零一七年:1,940,000港元)及12,000港元(二零一七年:3,000港元)。截至二零一八年十二月三十一日止年度,並非按公允值計入損益之金融負債利息開支總額達122,000港元(二零一七年:252,000元)。

由於利率風險被視為甚微,故並無作出敏感度分析。

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26. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risk (continued)

Price risk

The Company is primarily exposed to equity price risk through its investments in financial assets at FVTPL and debt instruments at FVTOCI (2017: financial assets at FVTPL and AFS financial assets). The exposure is managed by maintaining a portfolio of investment with different risks.

Concentration of price risk may arise if the Group has a significant investment in a single equity security or debt security. At the end of reporting period, the Group has certain concentration risks in four (2017: three) equity investments which account for more than 5% of the total assets of the Group. No single debt instrument in Company's listed debt portfolio account for more than 5% of the total assets of the Group. Details are disclosed in note 19.

Sensitivity analysis

At 31 December 2018, if the prices of the respective listed equity securities and perpetual capital securities, had been increased/decreased by 10%, the Group's loss for the year ended 31 December 2018 would have decreased/increased by approximately HK\$7,707,000 (2017: approximately HK\$11,237,000) as a result of the changes in fair value of listed equity securities and perpetual capital securities. The OCI for the year would have decreased/increased by approximately HK\$1,107,000 (2017: HK\$3,776,000) for the Group as a result of the change in fair value of listed debt instruments. Sensitivity analyses for unquoted equity investment and derivatives with fair value measurement categorised within Level 3 were disclosed in note 26(c)(i).

26. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

價格風險

本公司主要面對因投資按公允值計入損益之金融資產及按公允值計入其他全面收益之債務工具(二零一七年:按公允值計入損益之金融資產及可供出售金融資產)而產生之股本價格風險。有關風險乃透過維持具有不同風險程度之投資組合而管理。

倘本集團於單一股本證券或債務證券屬重大投資時,可能會出現價格風險集中情況。於報告期末,本集團在四項(二零一七年:三項)股本投資(佔本集團總資產的5%以上)中有一定的集中風險。本公司上市債務投資組合中並無單一債務工具佔本集團總資產的5%以上。詳情於附註19披露。

敏感度分析

於二零一八年十二月三十一日,倘有關上市股本證券及永久股本證券之價格上升/下跌10%,則本集團截至二零一八年十二月三十一日止年度之虧損將因上市股本證券及永久資本證券之公允值變動而減少/增加約7,707,000港元(二零一七年:約11,237,000港元)。年度其他全面收益將會因上市債務工具之公允值變動而減少/增加約1,107,000港元(二零一七年:3,776,000港元)。非上市股本投資及分類為第三級的公允值計量衍生工具之敏感度分析披露於附註26(c)(i)。

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26. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risk (continued)

Sensitivity analysis (continued)

In order to minimise price risk, management has established an investment committee to consider investment proposals received from investment manager and/or the Company's investment officers.

Credit risk and impairment assessment

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

26. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

敏感度分析(續)

為將價格風險降至最低，管理層已成立投資委員會以考慮從投資經理及／或本公司投資職員接獲之投資建議。

信貸風險及減值評估

下表詳列本集團經預期信貸虧損評估的金融資產的信貸風險：

| 2018 | Notes | External credit rating | 12m or lifetime ECL | Gross carrying amount |
|--|-------|------------------------|-----------------------|-------------------------|
| 二零一八年 | 附註 | 外部 信貸評級 | 12個月或 全期預期 信貸虧損 | 賬面總值 HK\$'000 千港元 |
| Debt instruments at FVTOCI | | | | |
| 按公允值計入其他全面收益的債務工具 | | | | |
| Listed debt securities (Note i) | 16 | B2-Baa1 | 12m ECL | 11,066 |
| 上市債務證券(附註i) | | | 12個月預期 信貸虧損 | |
| Financial assets at amortised costs | | | | |
| 按攤銷成本計量之金融資產 | | | | |
| Other receivables (Note ii) | 20 | B2-Aa2 | 12m ECL | 524 |
| 其他應收款項(附註ii) | | | 12個月預期 信貸虧損 | |
| Other deposits (Note iii) | 20 | N/A | 12m ECL | 359 |
| 其他存款(附註iii) | | 不適用 | 12個月預期 信貸虧損 | |
| Bank balances (Note iv) | 21 | Baa1-Aa2 | 12m ECL | 30,927 |
| 銀行結餘(附註iv) | | | 12個月預期 信貸虧損 | |

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26. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (continued)

Notes:

(i) Debt instruments at FVTOCI

The credit risk of debts instruments are managed through an internal process. The credit quality of each issuer is investigated before an investment is made. The Group reviews and monitors the credit concentration of investments on a regular basis. The Group's debt instruments at FVTOCI comprise listed debt securities that are with credit ratings from B2 to Baa1 as per globally understood definitions.

For the year ended 31 December 2018, the Group performed impairment assessment on debt instruments at FVTOCI at 12m ECL by reference to information published by external credit rating agencies relating to average loss rates of respective credit rate grades, and concluded that the risks of default of the counterparties are low and accordingly, no allowance for credit losses is provided.

(ii) Other receivables

The credit risks on other receivables (including dividend receivables and other receivables from securities brokers and listed corporations) are limited because the counterparties are financial institutions or listed corporations with high credit ratings ranging from B2 to Aa2 assigned by international credit-rating agencies.

(iii) Other deposits

The credit risks on other deposits (including refundable rental, utility and other deposits) are low because the counterparties have a low risk of default and do not have any past-due amounts.

(iv) Bank balances

The Group limits its exposure to credit risk by placing deposits with several banks with high credit ratings. The credit risks on bank balances are limited because the counterparties are banks or financial institutions with high credit ratings ranging from Baa1 to Aa2 assigned by international credit-rating agencies.

For the year ended 31 December 2018, the Group performed impairment assessment on bank balances at 12m ECL by reference to information published by external credit rating agencies relating to average loss rates of respective credit rate grades, and concluded that the risks of default of the counterparty banks are low and accordingly, no allowance for credit losses is provided.

Other than concentration of credit risk on liquid funds which are deposited with several banks and debt investments, the Group does not have any other significant concentration of credit risk.

26. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

附註:

(i) 按公允值計入其他全面收益的債務工具

債務工具的信貸風險乃透過內部程序管理。作出投資前將對各發行人進行信貸質素調查。本集團定期檢討及監察投資的信貸集中度。本集團按公允值計入其他全面收益的債務證券包括按全球認可定義分為介乎B2至Baa1信貸評級的上市債券。

截至二零一八年十二月三十一日止年度，本集團參考外部信貸評級機構就相關信貸評級發佈有關平均虧損比率的資料後，對按公允值計入其他全面收益之債務工具以十二個月預期信貸虧損模式進行減值評估，並得出對手方違約屬低風險，故毋須就信貸虧損計提撥備。

(ii) 其他應收款項

其他應收款項(包括應收股息及應收證券經紀及上市公司的其他應收款項)的信貸風險有限，因為對手方為國際信貸評估機構授予介乎B2及Aa2高信貸評級的金融機構或上市企業。

(iii) 其他存款

其他存款(包括可退回租金、公共設施及其他存款)的信貸風險偏低，因為對手方具低違約風險，且並無任何逾期金額。

(iv) 銀行結餘

本集團透過於若干高信貸評級銀行存款限制其信貸風險。銀行結餘的信貸風險有限，因為對手方為國際信貸評估機構授予介乎Baa1至Aa2高信貸評級的金融機構。

截至二零一八年十二月三十一日止年度，本集團參考外部信貸評級機構就相關信貸評級發佈有關平均虧損比率的資料後，對銀行結餘按十二個月預期信貸虧損模式進行減值評估，結論為對手方銀行違約的風險低，故毋須就信貸虧損計提撥備。

除存置於若干銀行的流動資金及債務投資之信貸風險集中外，本集團並無任何其他重大信貸風險集中。

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26. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk

Liquidity risk relates to the risk that the Group will encounter difficulty in meeting obligations associate with its financial liabilities that are settled by delivery of cash or other financial assets. The Board has established an appropriate liquidity risk management framework to meet the Group's funding and liquidity management requirements. The Group manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure that there are sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion. By monitoring scheduled debt-servicing payments for the above financial liabilities as well as cash outflows due in day-to-day basis, the Group carefully manages its liquidity requirements.

26. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險

流動資金風險是關於本集團將就以交付現金或其他金融資產之方式結清應付其金融負債相關責任而遇到困難之風險。董事會已制訂合適流動資金風險管理框架，以符合本集團資金及流動資金管理規定。本集團持有充裕及適當質量之流動資產，以管理流動資金風險，並應付各項財務承擔以及用作業務拓展商機之資金。通過監察上述金融負債之計劃償債付款以及按每日基準監察到期現金流出之情況，本集團審慎管理其流動資金需求。

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| | Weighted average effective interest rate 加權平均實際利率 | Within 1 year or on demand 一年內或應要求 | More than 1 year but less than 2 years 超過一年但少於兩年 | More than 2 years but less than 5 years 超過兩年但少於五年 | Total discounted cash flows 已貼現現金流量總額 | Carrying amount 賬面值 |
|--|--|---------------------------------------|---|--|--|------------------------|
| | | | | | | |
| 31 December 2018 | | | | | | |
| Financial liability | | | | | | |
| Secured bank loan, repayable on demand | 2.5 | 3,138 | — | — | 3,138 | 3,138 |

| | Weighted average effective interest rate 加權平均實際利率 | Within 1 year or on demand 一年內或應要求 | More than 1 year but less than 2 years 超過一年但少於兩年 | More than 2 years but less than 5 years 超過兩年但少於五年 | Total discounted cash flows 已貼現現金流量總額 | Carrying amount 賬面值 |
|--|--|---------------------------------------|---|--|--|------------------------|
| | | | | | | |
| 31 December 2017 | | | | | | |
| Financial liabilities | | | | | | |
| Secured bank loan, repayable on demand | 2.5 | 3,610 | — | — | 3,610 | 3,610 |
| Obligation under a finance lease | 3.5 | 2,637 | — | — | 2,637 | 2,600 |
| | | 6,247 | — | — | 6,247 | 6,210 |

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26. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (continued)

Bank loan with a repayment on demand clause is included in the “within 1 year or on demand” time band in the above maturity analysis. As at 31 December 2018, the aggregate carrying amount of the bank loan amounted to HK\$3,138,000 (2017: HK\$3,610,000). Taking into account the Group’s financial position, the management do not believe that it is probable that the bank will exercise its discretionary rights to demand immediate repayment. The management believe that such bank loan will be repaid over six years (2017: seven years) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreement, details of which are set out in the table below:

| | | Maturity Analysis — Bank loan with a repayment on demand clause based on scheduled repayments | | | | | | |
|------------------|--|---|--|---|-------------------|-------------------------------|-----------------|-------|
| | | 到期分析 — 包含應要求償還條款之銀行貸款根據還款計劃之分析 | | | | | | |
| | Weighted average effective interest rate | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years | Total undiscounted cash flows | Carrying amount | |
| | 加權平均實際利率 | 一年內或應要求 | 超過一年但少於兩年 | 超過兩年但少於五年 | 超過五年 | 現金流量總額 | 賬面值 | |
| | % | 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 | |
| 31 December 2018 | 二零一八年十二月三十一日 | 2.5 | 559 | 559 | 1,677 | 604 | 3,399 | 3,138 |
| 31 December 2017 | 二零一七年十二月三十一日 | 2.5 | 557 | 557 | 1,669 | 1,160 | 3,943 | 3,610 |

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

26. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

包含應要求償還條款之銀行貸款在上述到期分析計入「一年內或應要求」之時間範圍內。於二零一八年十二月三十一日，銀行貸款之合計賬面值為3,138,000港元(二零一七年：3,610,000港元)。計及本集團之財務狀況後，管理層認為銀行不大可能行使其酌情權要求即時還款。管理層認為此銀行貸款將預期將按照貸款協議所載之計劃還款日期，於報告期後的六年(二零一七年：七年)內償還，詳情載於下表：

若浮動利率之變化與報告期末所釐定之估計利率有差異，上表所列之非衍生金融負債之浮息工具金額可能有變。

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26. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages Valuers to perform the valuation. The management works closely with the Valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the Board every half-year to explain the cause of fluctuations in the fair value.

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

| | Fair value as at 31 December 2018 於二零一八年 十二月三十一日 之公允值 HK\$'000 千港元 | Fair value as at 31 December 2017 於二零一七年 十二月三十一日 之公允值 HK\$'000 千港元 | Fair value hierarchy | Valuation technique(s) and key inputs |
|---|---|---|-------------------------|---|
| Financial assets at FVTPL 按公允值計入損益之金融資產 | | | | |
| Listed equity securities investment in Hong Kong 香港上市股本證券投資 | 72,623 | 112,077 | Level 1 第一級 | Quoted bid prices in an active market 於活躍市場之報價 |

26. 金融工具(續)

(c) 金融工具之公允值計量

本附註提供有關本集團釐定各類金融資產公允值方式的資料。

估計公允值時，本集團使用可獲取的市場觀察可得數據。倘無法獲取第一級輸入數據，本集團會委聘估值師進行估值。管理層與估值師密切合作，以確定對模型合適的估值技巧及輸入數據。管理層每半年向董事會呈報結論，解釋公允值波動的理由。

(i) 以經常基準按公允值計量之本集團金融資產之公允值

下表載列此等金融資產之公允值釐定方法的資料(特別是所使用之估值技術及輸入數據)。

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26. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

26. 金融工具(續)

(c) 金融工具之公允值計量(續)

(i) 以經常基準按公允值計量之本集團金融資產之公允值(續)

| Financial assets | Fair value as at 31 December 2018 於二零一八年 十二月三十一日 之公允值 HK\$'000 千港元 | Fair value as at 31 December 2017 於二零一七年 十二月三十一日 之公允值 HK\$'000 千港元 | Fair value hierarchy | Valuation technique(s) and key inputs |
|--|---|---|-------------------------------------|--|
| 金融資產 | | | 公允值層級 | 估值技術及主要輸入數據 |
| Financial assets at FVTPL (continued) 按公允值計入損益之金融資產 (續) | | | | |
| Listed equity securities investment in Australia 澳洲上市股本證券投資 | 261 | 289 | Level 3 第三級 (note 1) (附註1) | Market-based approach Key inputs: Price-to-earnings multiples of other similar companies with a marketability discount rate 市場法主要輸入數據: 其他類似公司之市盈率倍數及 市場折讓率 |
| Unlisted equity investment 非上市股本投資 | 15,700 | — | Level 3 第三級 | Market-based approach Key inputs: Price-to-earnings multiples of 11.20 by referring to other similar companies with a marketability discount rate of 70% (note 2) 市場法主要輸入數據: 參考其他類似公司之市盈率11.20倍 及市場流通性折讓率70% (附註2) |
| Derivatives of an unlisted equity investment 非上市股本投資衍生工具 | 2,100 | — | Level 3 第三級 | Market-based approach Key inputs: Value of the unlisted equity investment as above, probability on the occurrence of certain events (note 3) 市場法主要輸入數據: 上文非上市股本投資的 價值、若干事件之發生概率 (附註3) |

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26. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

26. 金融工具(續)

(c) 金融工具之公允價值計量(續)

(i) 以經常基準按公允價值計量之本集團金融資產之公允價值(續)

| Financial assets | Fair value as at 31 December 2018 於二零一八年 十二月三十一日 之公允價值 HK\$'000 千港元 | Fair value as at 31 December 2017 於二零一七年 十二月三十一日 之公允價值 HK\$'000 千港元 | Fair value hierarchy | Valuation technique(s) and key inputs |
|---|--|--|-------------------------|---|
| 金融資產 | | | 公允價值層級 | 估值技術及主要輸入數據 |
| Listed perpetual securities investment in Hong Kong and Singapore 香港及新加坡上市永久證券投資 | 4,182 | — | Level 1 第一級 | Quoted bid prices in an active market 於活躍市場之報價 |
| AFS financial assets 可供出售金融資產 | | | | |
| Listed debt securities investment in Hong Kong and Singapore 香港及新加坡上市債務證券投資 | — | 37,756 | Level 1 第一級 | Quoted bid prices in an active market 於活躍市場之報價 |
| Debt instruments at FVTOCI 按公允價值計入其他全面收益之債務工具 | | | | |
| Listed debt securities investment in Hong Kong and Singapore 香港及新加坡上市債務證券投資 | 11,066 | — | Level 1 第一級 | Quoted bid prices in an active market 於活躍市場之報價 |

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Note 1: The listed equity securities investment in Australia is not actively traded and its quoted bid price is not available. The management assessed the fair value using market-based approach.

附註1: 於澳洲的上市股本證券投資交投不活躍且並無市場報價。管理層使用市場法評估公允價值。

Note 2: An increase in the price-to-earnings multiples used in isolation would result in an increase in the fair value measurement of the unlisted equity investment and vice versa. A 5% increase/decrease in the price-to-earnings multiples, holding all other variables constant, would increase/decrease the carrying amount of the shares by HK\$800,000 or HK\$700,000 (2017: Nil).

附註2: 單獨應用的市盈率增加將導致非上市股本投資的公允價值計量增加，反之亦然。市盈率增加/減少5%，全部其他變量維持不變，股份賬面值將增加/減少800,000港元或700,000港元(二零一七年: 無)。

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26. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Note 2: (continued)

An increase in the marketability discount used in isolation would result in a decrease in the fair value measurement of the unlisted equity investment, and vice versa. A 5% increase/decrease in the marketability discount holding all other variables constant would decrease/increase the carrying amount of the shares by HK\$2,700,000 or HK\$2,600,000 respectively (2017: nil).

Note 3: An increase in the value of the unlisted equity investment used in isolation would result in a decrease in the fair value measurement of the derivatives of an unlisted equity investment and vice versa. A 5% increase/decrease in the value of the unlisted equity investment, holding all after variables constant, would decrease/increase the carrying value of the derivatives by HK\$400,000 (2017: nil).

An increase in the probability on the occurrence of certain events used in isolation would result in an increase in fair value measurement of the derivatives of an unlisted equity investment, and vice versa. A 5% increase/decrease in the probability on the occurrence of certain events holding all other variables constant would increase/decrease the carrying amount of the derivatives by HK\$200,000 (2017: nil).

There were no transfers between Levels 1 to 3 in the current year and prior year.

26. 金融工具(續)

(c) 金融工具之公允值計量(續)

(i) 以經常基準按公允值計量之本集團金融資產之公允值(續)

附註2: (續)

單獨使用的市場折讓率增加將導致非上市股本投資的公允值計量減少，反之亦然。市場折讓率增加/減少5%，而所有其他變數維持不變，將導致股份賬面值分別減少/增加2,700,000港元或2,600,000港元(二零一七年：無)。

附註3: 單獨使用的非上市股本投資的價值增加將導致非上市股本投資衍生工具的公允值計量減少，反之亦然。非上市股本投資的價值增加/減少5%，而所有其他變數維持不變，將導致衍生工具賬面值減少/增加400,000港元(二零一七年：無)。

單獨使用的若干事件的發生可能性增加將導致非上市股本投資衍生工具的公允值計量增加，反之亦然。若干事件的發生可能性增加/減少5%，而所有其他變數維持不變，將導致衍生工具賬面值增加/減少200,000港元(二零一七年：無)。

於本年度及上年度，並無第一級至第三級之間的轉移。

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26. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments
(continued)

Fair value hierarchy as at 31 December 2018 and 2017:

26. 金融工具(續)

(c) 金融工具之公允值計量(續)

於二零一八年及二零一七年十二月三十一日之公允值層級:

| 2018 二零一八年 | | 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 | Total 總計 HK\$'000 千港元 |
|----------------------------|-----------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| Financial assets | 金融資產 | | | | |
| Financial assets at FVTPL | 按公允值計入損益之 金融資產 | 76,805 | — | 18,061 | 94,866 |
| Debt instruments at FVTOCI | 按公允值計入其他全 面收益之債務工具 | 11,066 | — | — | 11,066 |
| Total | 總計 | 87,871 | — | 18,061 | 105,932 |
| 2017 二零一七年 | | 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 | Total 總計 HK\$'000 千港元 |
| Financial assets | 金融資產 | | | | |
| Financial assets at FVTPL | 按公允值計入損益之 金融資產 | 112,077 | — | 289 | 112,366 |
| AFS financial assets | 可供出售金融資產 | 37,756 | — | — | 37,756 |
| Total | 總計 | 149,833 | — | 289 | 150,122 |

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26. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurements of financial assets:

26. 金融工具(續)

(c) 金融工具之公允值計量(續)

金融資產第三級按公允值計量之對賬：

| 2018 二零一八年 | | Financial assets at FVTPL 按公允值計入 損益之金融資產 HK\$'000 千港元 |
|------------------------|---------------|--|
| As at 1 January 2018 | 於二零一八年一月一日 | 289 |
| Purchase | 購買 | 16,000 |
| Fair value change | 公允值變動 | 1,800 |
| Exchange loss | 匯兌收益 | (28) |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 18,061 |
| 2017 二零一七年 | | Financial assets at FVTPL 按公允值計入 損益之金融資產 HK\$'000 千港元 |
| As at 1 January 2017 | 於二零一七年一月一日 | 264 |
| Exchange gain | 匯兌收益 | 25 |
| As at 31 December 2017 | 於二零一七年十二月三十一日 | 289 |

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. The fair values of these financial assets and liabilities have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

(ii) 並非以經常基準按公允值計量之本集團金融資產及金融負債之公允值

本公司董事認為於綜合財務報表按攤銷成本記錄的其他金融資產及金融負債的賬面值與其公允值相若。該等金融資產及負債的公允值乃根據公認定價模式按照貼現現金流量分析釐定。

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27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or the future cash flows will be, classified in the Group's consolidated statements of cash flows from financing activities.

27. 融資活動之負債對賬

下表詳列本集團融資活動之負債變動詳情，包括現金及非現金變動。融資活動產生之負債乃指其現金流量或未來現金流量於本集團綜合現金流量表中分類為融資活動現金流量之負債。

| | | Secured bank loan | Obligation under a finance lease | Total from financing activities |
|----------------------------|----------------------|--------------------------------|---|--|
| | | 有抵押 銀行貸款 HK\$'000 千港元 | 融資 租賃承擔 HK\$'000 千港元 | 融資活動 產生之 負債總額 HK\$'000 千港元 |
| At 1 January 2017 | 於二零一七年一月一日 | 4,070 | 5,961 | 10,031 |
| Financing cash flows | 融資現金流量 | (557) | (3,516) | (4,073) |
| Interest expense | 利息開支 | 97 | 155 | 252 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 3,610 | 2,600 | 6,210 |
| Financing cash flows | 融資現金流量 | (557) | (2,637) | (3,194) |
| Interest expense | 利息開支 | 85 | 37 | 122 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 3,138 | — | 3,138 |

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28. CAPITAL RISK MANAGEMENT

Regarding capital risk management, the Group's objectives are to safeguard the ability to continue as a going concern in order to provide returns for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The overall strategy remains unchanged from prior years.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

28. 資本風險管理

本集團之資本風險管理目標是保障持續經營能力，以為相關人士帶來回報，並維持最佳資本結構以減低資金成本。整體策略與過往年度維持不變。

為維持或調整資本結構，本集團可能會調整派付予股東之股息金額、向股東發還之資金、發行新股份或出售資產，以減少債務。

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28. CAPITAL RISK MANAGEMENT (CONTINUED)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as "borrowing" (representing current borrowing as shown in the consolidated statement of financial position). Total capital is calculated as "total equity", as shown in the consolidated statement of financial position. The gearing ratios as at 31 December 2018 and 2017 were as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---------------|--------|----------------------------------|----------------------------------|
| Borrowing | 借貸 | 3,138 | 6,210 |
| Total equity | 權益總額 | 142,041 | 182,075 |
| Gearing ratio | 資本負債比率 | 0.02 | 0.03 |

28. 資本風險管理(續)

與行業內其他公司一致，本集團根據資本負債比率監察資本。此比率按照債務除以權益總額計算。債務按「借貸」計算(指綜合財務狀況報表所示流動借貸)。資本總額按綜合財務狀況報表所示「權益總額」計算。於二零一八年及二零一七年十二月三十一日之資本負債比率如下：

29. DEFERRED INCOME TAX

The followings are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

| | | Unused tax losses 未動用稅項 虧損 HK\$'000 千港元 | Accelerated tax depreciation 加速稅項折舊 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 | (841) | 841 | — |
| Charge (credit) for the year | 年內開支(抵免) | 675 | (675) | — |
| At 31 December 2017 | 於二零一七年十二月三十一日 | (166) | 166 | — |
| Charge (credit) for the year | 年內開支(抵免) | 166 | (166) | — |
| At 31 December 2018 | 於二零一八年十二月三十一日 | — | — | — |

29. 遞延所得稅

下表載列於本年度及過往年度所確認的主要遞延稅項負債及資產及其變動：

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29 DEFERRED INCOME TAX (CONTINUED)

At the end of the reporting period, the Group has unused tax losses of HK\$369,814,000 (2017: HK\$317,949,000) available for offset against future profits. As at 31 December, 2018, no deferred tax asset has been recognized. As at 31 December, 2017, a deferred tax asset had been recognised in respect of HK\$1,005,000 of such losses which was offset against the deferred tax liabilities on accelerated tax depreciation. No deferred tax asset has been recognised in respect of the HK\$369,814,000 (2017: remaining HK\$316,944,000) due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of HK\$1,603,000 (2017: nil). No deferred tax asset was recognised as it was not probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised.

30. RETIREMENT BENEFIT OBLIGATIONS

The Group operates a Mandatory Provident Fund scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees, subject to a cap of monthly relevant income of HK\$36,000 (2017: HK\$30,000).

The employees of the Group's subsidiary in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiary is required to contribute certain payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to consolidated statement of profit or loss of HK\$278,000 (2017: HK\$290,000) represents contributions payable to these schemes by the Group in respect of the current accounting year.

29. 遞延所得稅(續)

於報告期末，本集團有未動用稅項虧損369,814,000港元(二零一七年：317,949,000港元)可用於抵銷未來溢利。於二零一八年十二月三十一日，概無確認遞延稅項資產。於二零一七年十二月三十一日，已就1,005,000港元的虧損確認遞延稅項資產，其可供抵銷加速稅項折舊之遞延稅項負債。由於無法預測未來溢利來源，因此並無確認369,814,000港元(二零一七年：其餘316,944,000港元)的遞延稅項資產。估計稅項虧損可無限期結轉。

於報告期末，本集團有可扣稅暫時差異1,603,000港元(二零一七年：無)。概無確認遞延稅項資產，因為不可能有充足的應課稅溢利以使用可扣稅暫時差異作為抵銷。

30. 退休福利責任

本集團為所有合資格香港僱員經營強制性公積金計劃。計劃資產與本集團資產分開持有，由信託人以基金形式管理。本集團就有關薪資成本向計劃作出5%供款，僱員亦須按相同比例作出供款，有關每月收入上限為36,000港元(二零一七年：30,000港元)。

本集團中國附屬公司的僱員為中國政府運作的國家管理退休福利計劃。附屬公司須向退休福利計劃繳付若干工資成本以為有關福利提供資金。本集團就退休福利計劃的唯一責任是作出指定供款。

自綜合損益表扣除之總成本278,000港元(二零一七年：290,000港元)指本集團就本會計年度向該等計劃應付之供款。

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31. SIGNIFICANT RELATED PARTY TRANSACTIONS

The following significant transactions were carried out with related parties:

31. 重大關連人士交易

曾與關連人士進行以下重大交易：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Investment management fee paid and payable to Silverstone Investments Limited (note 1) | 已付及應付銀石投資有限公司的投資管理費(附註1) | 600 | 600 |
| Food and beverage expenses paid to Excel Summit Holdings Limited (note 2) | 已付俊昇集團有限公司的餐飲開支(附註2) | 171 | 269 |
| Commission expenses paid to Topper Dragon Securities Limited (note 3) | 已付龍匯證券有限公司的佣金開支(附註3) | 168 | — |
| Interest income received and receivable from Superb Kingdom Limited, an associate of the Group | 已收或應收本集團聯營公司超君有限公司的利息收入 | 73 | 364 |

Notes:

- Pursuant to Rule 14A.08 of the Listing Rules, any investment manager, investment adviser or custodian (or any connected person thereof) is regarded as a connected person. Such person is also regarded as key management personnel in accordance with HKAS 24.
- Mr. Wong Ying Pang, Simy, son-in-law of Dr. Lam Man Chan, the Chairman and Non-executive Director of the Company, is the controlling shareholder and director of Excel Summit Holdings Limited.
- Ms. Lam Mee Yee, daughter of Dr. Lam Man Chan, the chairman and Non-executive Director of the Company, is the controlling shareholder of Topper Dragon Securities Limited.

附註：

- 根據上市規則第14A.08條，任何投資經理、投資顧問或託管商(或其任何關連人士)，均被視作關連人士。根據香港會計準則第24號，該名人士亦被視為主要管理人員。
- 黃英鵬先生(本公司主席兼非執行董事林文燦博士的女婿)為俊昇集團有限公司的控股股東及董事。
- 林美儀女士(本公司主席兼非執行董事林文燦博士的女兒)為龍匯證券有限公司控股股東。

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32. SHARE OPTION SCHEME

The Company's Share Option Scheme (the "Scheme") was adopted pursuant to a resolution passed on 31 July 2012 for the primary purpose of providing incentives to directors of the Company and eligible participants (as defined in the Scheme), and will expire on 30 July 2022. Under the Scheme, the Board may grant options to directors of the Company (including Non-executive Directors and Independent Non-executive Directors) and its eligible participants to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or Independent Non-executive Directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up on or before the relevant acceptance date, upon payment of HK\$1.00 for the options granted. Options may be exercised at any time from the date of grant of the share option to a period to be notified by the Board to each grantee at the time of making such offer, which shall not expire later than 10 years from the date of grant. The exercise price is determined by the Board at its absolute discretion and will not be less than the higher of (a) the closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (b) the average closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a share of the Company on the date of grant.

On 28 August 2015, the Company granted share options under the Scheme to certain directors and employees of the Company, which entitle them to subscribe for a total of 8,060,000 ordinary shares at HK\$0.431 per share, upon payment of HK\$1 per grant.

32. 購股權計劃

本公司的購股權計劃(「該計劃」)乃根據於二零一二年七月三十一日通過之決議案而採納，主要目的為獎勵本公司董事及合資格參與者(定義見該計劃)，該計劃將於二零二二年七月三十日屆滿。根據該計劃，董事會可向本公司董事(包括非執行董事及獨立非執行董事)及其合資格參與者授出可認購本公司股份之購股權。

在未經本公司股東事先批准前，根據該計劃可能授出之購股權所涉及股份總數，不得超過本公司任何時間已發行股份10%。在未經本公司股東事先批准前，於任何年度向任何個別人士可能授出購股權涉及之股份數目，不得超過本公司任何時間已發行股份1%。倘向主要股東或獨立非執行董事授出超過本公司股本0.1%或價值超過5,000,000港元的購股權，須事先獲本公司股東批准。

所授出購股權必須於有關接納日期或之前接納，接納時須就獲授購股權支付1.00港元的款項。購股權可由授出日期起至董事會提出該項要約時知會各承授人的期間內隨時行使，到期日須於授出日期起計十年內。行使價由董事會全權酌情釐定，及將不得低於以下較高者：(a)本公司股份於授出日期在聯交所發佈的每日報價表所報收市價；(b)本公司股份於緊接授出日期前五個營業日在聯交所發佈的每日報價表所報平均收市價；及(c)本公司股份於授出日期的面值。

於二零一五年八月二十八日，本公司根據該計劃向本公司若干董事及僱員授出購股權，有關購股權賦予彼等權利在每次授出支付1港元後按每股0.431港元之價格認購合共8,060,000股普通股。

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32. SHARE OPTION SCHEME (CONTINUED)

On 11 July 2016, the Company granted share options under the Scheme to certain directors and employees of the Company, which entitle them to subscribe for a total of 7,490,000 ordinary shares at HK\$0.475 per share, upon payment of HK\$1 per grant. No vesting period is accompanied with these newly granted options.

On 29 November 2018, the Company granted share options under the Scheme to certain directors and employees of the Company, which entitle them to subscribe for a total of 7,800,000 ordinary shares at HK\$0.241 per share, upon payment of HK\$1 per grant. No vesting period is accompanied with these newly granted options.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

For the year ended 31 December 2018

32. 購股權計劃(續)

於二零一六年七月十一日，本公司根據該計劃向本公司若干董事及僱員授出購股權，有關購股權賦予彼等權利在每次授出支付1港元後按每股0.475港元之價格認購合共7,490,000股普通股。此等新授出之購股權並無歸屬期之規定。

於二零一八年十一月二十九日，本公司根據該計劃向本公司若干董事及僱員授出購股權，有關購股權賦予彼等權利在每次授出支付1港元後按每股0.241港元之價格認購合共7,800,000股普通股。此等新授出之購股權並無歸屬期之規定。

尚未行使購股權數目及其相關加權平均行使價之變動如下：

截至二零一八年十二月三十一日止年度

| Date of grant | Exercise period | Exercised price after adjustment for open offer and share consolidation 就公開發售及股份合併調整後之行使價 | As at 1 January 2018 於二零一八年一月一日 | Granted during the year 於年內授出 | Exercised during the year 於年內行使 | Lapsed during the year 於年內失效 | Cancelled during the year 於年內註銷 | As at 31 December 2018 於二零一八年十二月三十一日 |
|--|---|--|------------------------------------|----------------------------------|------------------------------------|---------------------------------|------------------------------------|---|
| 28 August 2015 二零一五年八月二十八日 | 28 August 2015 to 27 August 2018 二零一五年八月二十八日至二零一八年八月二十七日 | HK\$0.431 0.431港元 | 7,800,000 | — | — | (7,800,000) | — | — |
| 11 July 2016 二零一六年七月十一日 | 11 July 2016 to 10 July 2019 二零一六年七月十一日至二零一九年七月十日 | HK\$0.475 0.475港元 | 7,300,000 | — | — | — | — | 7,300,000 |
| 29 November 2018 二零一八年十一月二十九日 | 29 November 2018 to 28 November 2021 二零一八年十一月二十九日至二零二一年十一月二十八日 | HK\$0.241 0.241港元 | — | 7,800,000 | — | — | — | 7,800,000 |
| | | | 15,100,000 | 7,800,000 | — | (7,800,000) | — | 15,100,000 |
| Weighted average exercise price 加權平均行使價 | | | HK\$0.452 0.452港元 | HK\$0.241 0.241港元 | N/A 不適用 | HK\$0.431 0.431港元 | N/A 不適用 | HK\$0.354 0.354港元 |

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32. SHARE OPTION SCHEME (CONTINUED)

For the year ended 31 December 2017

| Date of grant | Exercise period | Exercised price after adjustment for open offer and share consolidation 就公開發售及股份合併調整後之行使價 | As at 1 January 2017 於二零一七年一月一日 | Granted during the year 於年內授出 | Exercised during the year 於年內行使 | Lapsed during the year 於年內失效 | Cancelled during the year 於年內註銷 | As at 31 December 2017 於二零一七年十二月三十一日 |
|--|---|--|------------------------------------|----------------------------------|------------------------------------|---------------------------------|------------------------------------|---|
| 授出日期 | 行使期 | | | | | | | |
| 28 August 2015 二零一五年八月二十八日 | 28 August 2015 to 27 August 2018 二零一五年八月二十八日至二零一八年八月二十七日 | HK\$0.431 0.431港元 | 8,060,000 | — | — | (260,000) | — | 7,800,000 |
| 11 July 2016 二零一六年七月十一日 | 11 July 2016 to 10 July 2019 二零一六年七月十一日至二零一九年七月十日 | HK\$0.475 0.475港元 | 7,490,000 | — | — | (190,000) | — | 7,300,000 |
| | | | 15,550,000 | — | — | (450,000) | — | 15,100,000 |
| Weighted average exercise price 加權平均行使價 | | | HK\$0.452 0.452港元 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 | HK\$0.452 0.452港元 |

During the year ended 31 December 2018, number of 7,800,000 share option had been granted. The estimated fair value of the share options granted in 2018 was approximately HK\$858,000. Total consideration received during the year from directors of the Company for taking up the shares options granted amounted to HK\$4. The fair value was calculated using the Trinomial Model, taking into account the terms and condition upon which the options were granted.

32. 購股權計劃(續)

截至二零一七年十二月三十一日止年度

截至二零一八年十二月三十一日止年度，本集團已授出7,800,000份購股權。於二零一八年已授出購股權之估計公允值約為858,000港元。年內自本公司董事接納獲授購股權已收之總代價為4港元。公允值於計及授出購股權之條款及條件後，按三項式模式計算。

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32. SHARE OPTION SCHEME (CONTINUED)

The significant assumptions and inputs used in the valuation model are as follows:

| | | As at 29 November 2018 於二零一八年 十一月二十九日 |
|--------------------------------|-----------|---|
| Fair value at measurement date | 於計量日期之公允值 | 0.110 |
| Share price | 股價 | 0.240 |
| Exercise price | 行使價 | 0.241 |
| Expected volatility | 預期波幅 | 77.80% |
| Risk-free interest rate | 無風險利率 | 2.23% |
| Expected dividend yield | 預期股息回報 | — |
| Expected option life | 預期購股權年期 | 3 years 3年 |

The expected volatility is based on the historical volatility (calculated based on the expected life of the share options), adjusted for any expected changes to future volatility due to public available information. Expected dividends are based on historical dividends. Changes in subjective input assumption could materially affect the fair value estimate. Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There was no market conditions associated with the share option grants.

32. 購股權計劃(續)

於估值模式採用之主要假設及輸入資料如下：

預期波幅是基於歷史波幅(根據購股權的預期期限計算)，並以任何由於公開可利用資料產生之未來波幅的預期變動予以調整。預期股息乃基於歷史股息。主觀輸入假設的改變可在很大程度上影響公允值的估值。購股權根據服務條件授出。所收取服務於授出日期之公允值的計算未將該條件計入考量。並無任何市場條件與購股權授出相關。

33. OPERATING LEASES

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| The Group as lessee | 本集團為承租人 | | |
| Minimum lease payments paid under operating leases during the year | 年內經營租賃下已付最低租賃付款 | 292 | 84 |

33. 經營租賃

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33. OPERATING LEASES (CONTINUED)

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---------------------------------------|--------------------|----------------------------------|----------------------------------|
| Within one year | 於一年內 | 230 | 51 |
| In the second to fifth year inclusive | 第二至第五年 (包括首尾兩年) | 51 | — |
| | | 281 | 51 |

Operating lease payments represent rentals payable by the Group for certain of its office premises with average lease term of two years (2017: one year).

33. 經營租賃(續)

於報告期末，本集團根據不可撤銷經營租約的日後最低租賃付款承擔到期情況如下：

經營租賃付款指本集團就其平均租期為兩年(二零一七年：一年)的若干辦公場所應付的租金。

34. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2018, the Company granted share options under the Scheme to certain directors and employees of the Company, which entitle them to subscribe for a total of 7,800,000 ordinary shares at HK\$0.241 per share, upon payment of HK\$1 per grant. The estimated fair value of the share options granted was approximately HK\$858,000.

34. 主要非現金交易

截至二零一八年十二月三十一日止年度，本公司根據該計劃向本公司若干董事及僱員授出購股權，有關購股權賦予彼等權利在每次授出支付1港元後按每股0.241港元之價格認購合共7,800,000股普通股。已授出購股權之估計公允值約為858,000港元。

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35. STATEMENT OF FINANCIAL POSITION AND RESERVE
MOVEMENT OF THE COMPANY

(a) Statement of financial position

35. 本公司之財務狀況報表及儲備變動

(a) 財務狀況報表

| | | | At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元 | At 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 |
|--|-------------------|-------------|---|---|
| | | Notes 附註 | | |
| Non-current assets | 非流動資產 | | | |
| Property and equipment | 物業及設備 | | 80 | 74 |
| Interests in subsidiaries | 於附屬公司之權益 | 2 | 29,391 | 3 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 2 | — | 20,401 |
| Intangible asset | 無形資產 | | 120 | 120 |
| AFS financial assets | 可供出售金融資產 | 1 | — | 21,581 |
| Debt instruments at FVTOCI | 按公允值計入其他全面收益之債務工具 | | 5,018 | — |
| Financial assets at FVTPL | 按公允值計入損益之金融資產 | | 28,041 | 45,851 |
| | | | 62,650 | 88,030 |
| Current assets | 流動資產 | | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | 2 | — | 28,569 |
| Financial assets at FVTPL | 按公允值計入損益之金融資產 | | 44,582 | 66,226 |
| Other receivables, prepayments and deposits | 其他應收款項、預付款項及按金 | | 2,712 | 1,189 |
| Cash and bank balances | 現金及銀行結餘 | | 6,085 | 9,222 |
| | | | 53,379 | 105,206 |
| Current liability | 流動負債 | | | |
| Accruals | 應計費用 | | 6,323 | 5,894 |
| Net current assets | 流動資產淨值 | | 47,056 | 99,312 |
| Total assets less current liabilities | 資產總值減流動負債 | | 109,706 | 187,342 |
| Net assets | 資產淨值 | | 109,706 | 187,342 |
| Share and reserves | 股份及儲備 | | | |
| Share capital | 股本 | | 65,512 | 54,595 |
| Reserves | 儲備 | | 44,194 | 132,747 |
| Total equity | 權益總額 | | 109,706 | 187,342 |

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35. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(a) Statement of financial position (continued)

Notes:

1. Upon initial application of HKFRS 9 as at 1 January 2018, listed debt securities with a fair value of HK\$21,581,000 were reclassified from AFS financial assets to debt instruments at FVTOCI.

2. During the year, the amounts due from subsidiaries have been capitalised as interests in subsidiaries.

3. Impairment under ECL model

As at 1 January 2018, no credit loss allowance was recognised against accumulated losses or FVTOCI reserve as the ECL was found to be insignificant.

Except as described above, the application of new and amendments to HKFRSs in the current year had no material impact on the Company's financial positions and performance for the current and prior year.

35. 本公司之財務狀況報表及儲備變動 (續)

(a) 財務狀況報表 (續)

附註：

1. 於二零一八年一月一日首次採納香港財務報告準則第9號後，公允值為21,581,000港元的上市債務證券已由可供出售金融資產重新分類至按公允值計入其他全面收益之債務工具。

2. 年內，應收附屬公司款項已資本化為於附屬公司之權益。

3. 預期信貸虧損模式下的減值

於二零一八年一月一日，概無於累計虧損或按公允值計入其他全面收益儲備確認信貸虧損撥備，因為預期信貸虧損不重大。

除上述者外，於本年度應用新訂及經修訂香港財務報告準則並無對本公司本年度及過往年度的財務狀況及表現造成重大影響。

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35. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserve movement of the Company

35. 本公司之財務狀況報表及儲備變動 (續)

(b) 本公司之儲備變動

| | | Share premium | Contributed surplus (note) | Share-based payments reserve | AFS/ FVTOCI reserve | Accumulated losses | Total |
|---|---------------|---------------|----------------------------|------------------------------|---------------------------|--------------------|----------|
| | | 股份溢價 | 繳入盈餘 (附註) | 股份付款 儲備 | 可供出售 / 按公允價值計入 其他全面 收益之儲備 | 累計虧損 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2017 | 於二零一七年一月一日 | 51,189 | 225,806 | 2,499 | 62 | (113,649) | 165,907 |
| Loss for the year | 年度虧損 | — | — | — | — | (47,572) | (47,572) |
| Other comprehensive income | 其他全面收益 | — | — | — | 509 | — | 509 |
| Total comprehensive income (expense) for the year | 年度全面收益(開支)總額 | — | — | — | 509 | (47,572) | (47,063) |
| Proceeds from placing of new shares | 配售新股份之所得款項 | 14,558 | — | — | — | — | 14,558 |
| Issuing expenses of placing of new shares | 配售新股份之發行開支 | (655) | — | — | — | — | (655) |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 65,092 | 225,806 | 2,499 | 571 | (161,221) | 132,747 |
| Loss for the year | 年度虧損 | — | — | — | — | (92,093) | (92,093) |
| Other comprehensive expense | 其他全面開支 | — | — | — | (712) | — | (712) |
| Total comprehensive expense for the year | 年度全面開支 | — | — | — | (712) | (92,093) | (92,805) |
| Proceeds from placing of new shares | 配售新股份之所得款項 | 3,821 | — | — | — | — | 3,821 |
| Issuing expenses of placing of new shares | 配售新股份之發行開支 | (427) | — | — | — | — | (427) |
| Recognition of share-based payments | 確認以股份付款 | — | — | 858 | — | — | 858 |
| Lapse of share options | 購股權失效 | — | — | (1,185) | — | 1,185 | — |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 68,486 | 225,806 | 2,172 | (141) | (252,129) | 44,194 |

Note: The amount represents amount transfer from the share premium upon reduction of share premium amount. The detail of reasons and effect of share premium reduction were set out in the circular of the Company dated 30 September 2015.

附註：該金額指於削減股份溢價賬時，轉撥自股份溢價的金額。有關削減股份溢價的理由及影響之詳情載於本公司日期為二零一五年九月三十日之通函。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

36. PARTICULARS OF SIGNIFICANT SUBSIDIARIES

Particulars of the significant subsidiaries of the Company as at 31 December 2018 and 2017 were as follows:

36. 主要附屬公司之詳情

於二零一八年及二零一七年十二月三十一日，本公司主要附屬公司之詳情載列如下：

| Name of company 公司名稱 | Place of incorporation 註冊成立地點 | Nominal value of issued ordinary share capital/registered paid-up capital 已發行普通股股本面值／註冊繳足資本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要業務 |
|--|----------------------------------|--|--|----------------|------------------------------|
| | | | Direct 直接 | Indirect 間接 | |
| Nicefield Asia Limited 力輝亞洲有限公司 | Hong Kong 香港 | HK\$1 1港元 | — | 100% | Asset holding 持有資產 |
| New Spark International Limited 新星輝國際有限公司 | Hong Kong 香港 | HK\$1 1港元 | 100% | — | Investment holding 投資控股 |
| Greater Sino Venture Limited | British Virgin Islands 英屬處女群島 | US\$100 100美元 | 100% | — | Investment holding 投資控股 |
| Zhuhai Sky First Investment Limited* 珠海市天晉股權投資有限公司 | PRC 中國 | Registered capital: RMB10,000,000/ Paid-up capital: about RMB2,580,000 註冊資本： 人民幣10,000,000元／ 已付資本： 約人民幣2,580,000元 | — | 100% | Investment holding 投資控股 |
| Shenzhen Qianhai Marvel Sino Project Investment Limited* 深圳前海聯華項目投資有限公司 | PRC 中國 | Registered capital: RMB30,000,000/ Paid-up capital: Nil 註冊資本： 人民幣30,000,000元／ 已付資本： 無 | — | 100% | Investment holding 投資控股 |

* For identification only
* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

37. PLEDGE OF ASSETS

At 31 December 2018, the office premise with a carrying amount of approximately HK\$10,915,000 (2017: approximately HK\$11,445,000) was pledged for an instalment loan. As at 31 December 2017, the Group's obligation under a finance lease was secured by the Group's title to the leased assets, which had carrying amount of approximately HK\$3,569,000. The pledge was released during the year ended 31 December 2018 upon the maturity of the finance lease.

38. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share at the end of the reporting period is based on the net assets of approximately HK\$142,041,000 (2017: HK\$182,075,000) and approximately 655,122,000 (2017: 545,952,000) ordinary shares of HK\$0.10 each in issue at 31 December 2018. The net asset value per share as at 31 December 2018 is HK\$0.22 (2017: HK\$0.33).

39. DIVIDEND

The board of directors does not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: nil).

40. APPROVAL FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 March 2019.

37. 資產抵押

於二零一八年十二月三十一日，賬面值約為10,915,000港元(二零一七年：約11,445,000港元)之辦公室物業已就一筆分期貸款而抵押。於二零一七年十二月三十一日，本集團之融資租賃承擔以本集團賬面值約3,569,000港元之租賃資產所有權作抵押。截至二零一八年十二月三十一日止年度，該抵押於融資租賃到期後解除。

38. 每股資產淨值

於報告期末之每股資產淨值乃根據於二零一八年十二月三十一日之資產淨值約142,041,000港元(二零一七年：182,075,000港元)及約655,122,000股(二零一七年：545,952,000股)每股面值0.10港元之已發行普通股計算。於二零一八年十二月三十一日之每股資產淨值為0.22港元(二零一七年：0.33港元)。

39. 股息

董事會不建議就截至二零一八年十二月三十一日止年度派付末期股息(二零一七年：無)。

40. 批准綜合財務報表

綜合財務報表乃經董事會於二零一九年三月二十九日批准及授權刊發。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

Summary of the results, assets and liabilities of the Group for the last five years is as follows: 本集團於過去五年內之業績、資產及負債概要如下：

| | | For the year ended 31 December 截至十二月三十一日止年度 | | | | |
|---|--------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 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 |
| Results | 業績 | | | | | |
| Loss before income tax | 除所得稅前虧損 | (53,840) | (45,339) | (74,015) | (47,986) | (85,768) |
| Income tax expenses | 所得稅開支 | — | — | — | — | (4) |
| Loss for the year attributable to owners of the Company | 本公司擁有人應佔年內虧損 | (53,840) | (45,339) | (74,015) | (47,986) | (85,772) |
| | | As at 31 December 於十二月三十一日 | | | | |
| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 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 |
| Assets and liabilities | 資產及負債 | | | | | |
| Total assets | 資產總值 | 152,081 | 194,322 | 218,134 | 255,704 | 254,332 |
| Total liabilities | 負債總額 | (10,040) | (12,247) | (14,117) | (23,404) | (1,581) |
| Total equity | 權益總額 | 142,041 | 182,075 | 204,017 | 232,300 | 252,751 |

OUR PRE-IPO INVESTMENT

我們的首次公開 發售前投資

China Oriented International Holdings Limited is a provider of driving training services in China.

One of its driving school is Tong Tai School which offers driving training services for preparation for driving tests of both large and small vehicles.

向中國國際有限公司是一家於中國的駕駛培訓服務供應商。

通泰駕校提供有關大型車輛及小型車輛駕駛考試備考的駕駛培訓服務。





CHINA INTERNET INVESTMENT FINANCE HOLDINGS LIMITED
中國互聯網投資金融集團有限公司

(Continued into Bermuda with limited liability)

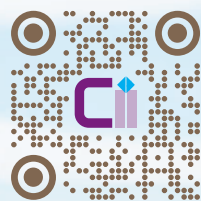
(於百慕達存續之有限公司)

(Stock Code 股份代號 : 810)

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