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IMAGI INTERNATIONAL HOLDINGS LIMITED
意馬國際控股有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 585)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement of Imagi International Holdings Limited (the “**Company**”) dated 6 November 2019 (the “**Announcement**”) in relation to the issue of the Notes by Imagi Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company. All terms used herein have the same meaning as defined in the Announcement, unless otherwise defined.

* *For identification purpose only*

The Board is pleased to announce that the Notes are listed on the SGX-ST on 19 December 2019. Please refer to the attached introductory document in relation to the Notes (the “**Introductory Document**”), which is available on the website of SGX-ST.

The posting of the Introductory Document on the website of the Stock Exchange is only for the purpose of facilitating equal dissemination of information to investors in Hong Kong and compliance with Rule 13.10B of the Listing Rules, and not for any other purposes.

The Introductory Document does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities.

The Introductory Document must not be regarded as an inducement to subscribe for or purchase any securities of the Company, and no such inducement is intended. No investment decision should be based on the information contained in the Introductory Document.

By Order of the Board
Imagi International Holdings Limited
Kitchell Osman Bin
Acting Chairman

Hong Kong, 23 December 2019

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

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

Independent Non-executive Directors:

Dr. Santos Antonio Maria
Mr. Miu Frank H.
Ms. Liu Jianyi
Mr. Chan Hak Kan
Mr. Ngai Wai Kin

INTRODUCTORY DOCUMENT DATED 19 DECEMBER 2019

IMAGI HOLDINGS LIMITED

HK\$1,000,000,000 10.00 per cent. Guaranteed Notes due 2022

Guaranteed by

Imagi International Holdings Limited

NOTICE TO INVESTORS

This Introductory Document is issued in connection with the listing and quotation of the Notes (as defined herein) on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) by way of an introduction (the “Introduction”) of, and contains certain information with regard to, the HK\$1,000,000,000 10.00 per cent. Guaranteed Notes due 2022 issued by Imagi Holdings Limited (the “Issuer”) and guaranteed by Imagi International Holdings Limited (the “Guarantor”) (the “Notes”, which expression shall, except where otherwise indicated, include any further Notes issued in accordance with Condition 13 (*Further Issues*) of the Terms and Conditions of the Notes (the “Terms and Conditions”) and consolidated and forming a single series with the Notes). In addition, this Introductory Document also contains summary descriptions of the Issuer and the Guarantor.

HK\$1,000,000,000 principal amount of the Notes were issued on 13 November 2019 and are constituted by a deed of covenant dated 13 November 2019 (as amended or supplemented from time to time, the “Deed of Covenant”) entered into by the Issuer and are subject to and with the benefit of (a) a deed of guarantee dated 13 November 2019 (as amended or supplemented from time to time, the “Deed of Guarantee”) entered into by the Guarantor and (b) a fiscal agency agreement dated 13 November 2019 (as amended or supplemented from time to time, the “Agency Agreement”) between the Issuer, the Guarantor, Bank of Communications Co., Ltd. Hong Kong Branch (a joint stock company incorporated in the People’s Republic of China with limited liability) as registrar (the “Registrar”, which expression includes any successor registrar appointed from time to time in connection with the Notes), Bank of Communications Co., Ltd. Hong Kong Branch (a joint stock company incorporated in the People’s Republic of China with limited liability) as fiscal agent (the “Fiscal Agent”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Bank of Communications Co., Ltd. Hong Kong Branch (a joint stock company incorporated in the People’s Republic of China with limited liability) as the transfer agent (the “Transfer Agent”, which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes) and Bank of Communications Co., Ltd. Hong Kong Branch (a joint stock company incorporated in the People’s Republic of China with limited liability) as the paying agent (together with the Fiscal Agent, the “Paying Agents”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). The Notes were subscribed for by certain investors pursuant to a subscription agreement dated 6 November 2019 between the Issuer, the Guarantor and the initial investors.

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Introductory Document. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Notes, the Issuer, the Guarantor, their respective subsidiary companies (if any), or their respective associated companies (if any).

There is no offering of the Notes in connection with the Introduction in Singapore or elsewhere and no person should take the Introduction or this Introductory Document to be an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Fiscal Agent, the Agents (“Agents” refers to the Paying Agents, Transfer Agent and Registrar, and any other agents who may be appointed by the Issuer and the Guarantor in connection with the Notes) or the initial investors to purchase or acquire any of the Notes.

This Introductory Document does not contain any financial information or any business description (other than a summary description of the Issuer and the Guarantor) of the Issuer and the Guarantor. The Guarantor’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”), and in accordance with applicable requirements of the SEHK, the Guarantor prepares and publishes audited consolidated financial statements and unaudited interim six month financial statements which are available on the Guarantor’s website. The financial statements as at and for the years ended 31 December 2018 and 31 December 2017 and extracted from the Guarantor’s 2018 annual report are attached at Appendix A and the interim financial statements as at and for the six months ended 30 June 2019 and 30 June 2018 and extracted from the Guarantor’s 2019 interim report are attached at Appendix B.

This Introductory Document does not purport to nor does it contain all information in relation to the Issuer, the Guarantor, or the Notes that any individual prospective investor may deem appropriate prior to making an investment decision in relation to the Notes.

Hong Kong Exchanges and Clearing Limited and the SEHK take no responsibility for the contents of this Introductory Document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Introductory Document.

Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this Introductory Document and confirm, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

No person has been authorised to give any information or to make any representation other than those contained in this Introductory Document and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Fiscal Agent or the Agents.

None of the Fiscal Agent, the Agents, or the initial investors, or any person who controls any of them, or their respective directors, officers, employees, agents, advisers or affiliates has separately verified the information contained in this Introductory Document. None of the Fiscal Agent, the Agents, or the initial investors, or any person who controls any of them, or any of their respective directors, officers, employees, agents, advisers or affiliates, makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information contained in this Introductory Document.

To the fullest extent permitted by law, none of the Fiscal Agent, the Agents, or the initial investors, or any person who controls any of them, or any of their respective directors, officers, employees, agents, advisers or affiliates, accepts any responsibility for the contents of this Introductory Document. None of the Fiscal Agent, the Agents, or the initial investors, or any person who controls any of them, or any of their respective directors, officers, employees, agents, advisers or affiliates, undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Introductory Document nor to advise any investor or potential investor in the Notes of any information coming to their attention.

This Introductory Document (or any part hereof) is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Fiscal Agent, the Agents or the initial investors that any recipient of this Introductory Document should purchase or acquire any of the Notes. A prospective purchaser shall make its own assessment based on information that it deems appropriate of the foregoing and other relevant matters including the financial condition, business, affairs, prospects and creditworthiness of the Issuer, the Guarantor and their respective subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition, business and affairs and its appraisal of the creditworthiness of the Issuer, the Guarantor and their respective subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Issuer, the Guarantor, the Fiscal Agent, the Agents, the initial investors or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Introductory Document (or any part hereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Introductory Document (or such part hereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Introductory Document (or such part hereof).

The delivery of this Introductory Document (or any part hereof) shall not, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, financial condition, business, operating results or general affairs of the Issuer, the Guarantor or any of their respective subsidiaries or associated companies (if any) or in the information herein since the date hereof, the date of such information, or the date on which this Introductory Document has been most recently amended or supplemented. Save as expressly stated herein, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, the Guarantor or any of their respective subsidiaries (if any) or associated companies (if any).

Any announcements or notices to investors in relation to the Notes (if any) may be made via SGXNet (where if made, such announcements or notices are available on the website of the SGX-ST at www.sgx.com).

The distribution and publication of this Introductory Document in certain jurisdictions may be restricted by law. Any person(s) to whom this is sent shall not distribute or cause to be distributed this Introductory Document in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to purchase or acquire any of the Notes consult their own legal, tax and other advisers before purchasing or acquiring the Notes.

The contents of this Introductory Document have not been reviewed by any regulatory authority in Singapore, Hong Kong or elsewhere. The Notes and the Guarantee have not been approved or disapproved by the United States Securities and Exchange Commission (the “SEC”), any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Introductory Document. Any representation to the contrary is a criminal offence in the United States.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered, sold or delivered within the United States, except in accordance with Regulation S under the Securities Act (“Regulation S”). For a further description of certain restrictions on the sale and resale of the Notes, see the “*Selling Restrictions*” and “*Transfer Restrictions*” sections below.

In connection with Section 309B of the SFA and the Securities and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

FORWARD LOOKING STATEMENTS

This Introductory Document may contain “forward-looking statements”. These forward-looking statements relate to events that are subject to known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements, expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. A number of factors could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements.

In some cases, you can identify forward-looking statements by such terminology as “may”, “will”, “should”, “could”, “would”, “expect”, “intend”, “plan”, “anticipate”, “going forward”, “ought to”, “seek”, “project”, “forecast”, “believe”, “estimate”, “predict”, “potential” or “continue” or the negative of these terms or other comparable terminology. Such statements reflect the views of our management only as at the date of this Introductory Document with respect to future events, operations, results, liquidity and capital resources and are not guarantees of future performance and some of which may not materialise or may change. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements. In addition, unanticipated events may adversely affect the actual results we achieve. Important factors that could cause actual results to differ materially from our expectations are disclosed under “*Investment Considerations*”.

In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Introductory Document might not occur and the actual results of the Issuer or the Guarantor could differ materially from those anticipated in these forward-looking statements. Accordingly, undue reliance should not be placed on these forward-looking statements.

These forward-looking statements speak only as at the date of this Introductory Document. The Issuer and the Guarantor expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

CERTAIN TERMS AND CONVENTIONS

When we use the terms “we,” “us,” “our,” the “Group”, and words of similar import, we are referring to the Guarantor itself, or to the Guarantor and its subsidiaries and associated companies (if any), as the context requires.

Unless otherwise specified or the context otherwise requires, references to “Hong Kong” are to the Hong Kong Special Administrative Region of the PRC, “PRC” are to the People’s Republic of China (excluding, for the purposes of this Introductory Document only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan), “U.S.” or “United States” are to the United States of America, “Hong Kong dollars”, “HK dollars” and “HK\$” are to the lawful currency of Hong Kong, “U.S. dollars” or “U.S.\$” are to the lawful currency of the United States, “GBP” are to the lawful currency of the United Kingdom and references to “EUR” are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

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SUMMARY OF THE TERMS OF THE NOTES

The following is a summary of the principal features of the Notes and the Guarantee. For a summary of the provisions relating to the Notes whilst in global form, see “Summary of Provisions Relating to the Notes in Global Form” below. Terms defined under the Terms and Conditions or elsewhere in this Introductory Document shall have the same respective meanings in this summary. The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Introductory Document.

Issuer	Imagi Holdings Limited, Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110.
Guarantor	Imagi International Holdings Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
The Notes	HK\$1,000,000,000 10.00 per cent. Guaranteed Notes due 2022 (the Notes, which expression shall, except where otherwise indicated, include any further Notes issued in accordance with Condition 13 (<i>Further Issues</i>) of the Terms and Conditions and consolidated and forming a single series with the Notes).
Initial Closing Date	13 November 2019
Maturity Date	13 November 2022
Issue Price	100 per cent. of the principal amount of the Notes.
Interest	10.00 per cent. per annum, payable semi-annually in arrears on 13 May and 13 November in each year beginning on 13 May 2020.
Status	The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 6(g) (<i>Limitation on Liens</i>) of the Terms and Conditions) unsecured obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Guarantee	<p>The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the “Guarantee”) constitutes direct, general, unconditional, unsubordinated and (subject to Condition 6(g) (<i>Limitation on Liens</i>) of the Terms and Conditions) unsecured obligations of the Guarantor which will at all times rank at least <i>pari passu</i> with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.</p> <p>The Guarantor is the parent company of the Issuer and more about the Guarantor’s operations can be found at “<i>Description of the Guarantor</i>”.</p>
Negative Pledge and Covenants	<p>The Notes and the terms and conditions of the Notes contain certain limitations on the ability of the Guarantor and its restricted subsidiaries to:</p> <ul style="list-style-type: none">• incur or guarantee additional indebtedness;

- declare dividends on their capital stock or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of restricted subsidiaries;
- guarantee indebtedness by restricted subsidiaries;
- enter into transactions with shareholders or affiliates;
- create liens;
- enter into sale and leaseback transactions;
- sell assets;
- effect a consolidation or merger; or
- engage in business other than a permitted business.

The Notes and the terms and conditions of the Notes also require the Issuer to remain a wholly-owned restricted subsidiary of the Guarantor.

These covenants are subject to a number of important qualifications and exceptions as further described in the Terms and Conditions.

Events of Default

Customary events of default provisions, with cross acceleration threshold being HK\$50 million.

For a description of those events that permit acceleration of the Notes, see Condition 8 (*Events of Default*) of the Terms and Conditions below.

Upon the occurrence of an event of default, the holders of the Notes (“**Noteholders**”) holding not less than 25% of the aggregate principal amount of the outstanding Notes may declare the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued and unpaid interest.

Final Maturity.....

Unless the Notes have been exchanged, redeemed or purchased and cancelled, the Notes will be redeemed by the Issuer on 13 November 2022 (the “**Maturity Date**”) at 100 per cent. of their principal amount.

Redemption for De-listing

Event.....

At any time following a De-listing Event (as defined below), any Noteholder shall have the right, at such Noteholder’s option, to require the Issuer to redeem all but not some of that Noteholder’s Notes at 101% of their principal amount, together with accrued and unpaid interest to but excluding the settlement date of such De-listing Event put.

A “**De-listing Event**” occurs if and when the ordinary shares of the Guarantor cease to be listed and admitted to trading on the Stock Exchange of Hong Kong Limited (other than (i) a suspension applied for by the Guarantor in relation to a notifiable transactions under the Listing Rules of the Stock Exchange of Hong Kong Limited, or (ii) in any other cases, a temporary suspension of trading for not more than twenty (20) consecutive trading days).

Redemption at the Option of the Issuer

The Issuer may, at any time after the date falling six months after the Issue Date, upon prior notice, redeem the Notes, in whole or in part, at the redemption prices set forth below (expressed as percentages of principal amount), plus accrued and unpaid interest to but excluding the date fixed for redemption:

Six-month period beginning 13 May 2020	102%
Twelve-month period beginning 13 November 2020	101.5%
Twelve-month period beginning 13 November 2021	101%

Drag-along Redemption..... If 90% or more in principal amount of the Notes then outstanding has been redeemed due to Change of Control or De-listing Event, the Issuer may, upon prior notice, redeem at its option the remaining Notes as a whole at their principal amount, together with accrued and unpaid interest to but excluding the date of such redemption as further described in the Terms and Conditions.

Redemption for Change of Control..... At any time following the occurrence of a Change of Control, any Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Change of Control Put Settlement Date (as defined in the Terms and Conditions) at 101 per cent. of their principal amount, together with accrued interest to, but excluding the Change of Control Put Settlement Date, as further described in Condition 5(c) (*Redemption for Change of Control*) of the Terms and Conditions.

Gaming Redemption If the gaming authority in which the Issuer, the Guarantor or any of their respective Subsidiaries conducts or proposes to conduct gaming operations requires that a person who is a holder or the beneficial owner of the Notes be licensed, qualified or found suitable under applicable gaming laws and such holder or beneficial owner fails to apply or become licensed or qualified or is found unsuitable, the Issuer shall have the right at its option to require such person to dispose of its Notes or beneficial interest therein or to redeem such Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest on the Notes redeemed, to but excluding the earlier of the redemption date or the date of the finding of unsuitability or failure to comply as further described in the Terms and Conditions.

Withholding Taxes All payments under or in respect of the Notes shall be made without deduction of or withholding for or on account of any present or future taxes imposed or levied by or on behalf of the British Virgin Islands, Bermuda or Hong Kong or any political subdivision thereof, or any authority thereof or therein having power to tax, unless such deduction or withholding is compelled by law. In the event that any such deduction or withholding is compelled, the Issuer or, as the case may be, the Guarantor shall pay additional amounts in respect thereof, subject to certain exceptions as further described in the Terms and Conditions.

Tax Redemption The Issuer may redeem in whole, but not in part, the Notes, at its option, at any time, on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and to the Noteholders in accordance with the Terms and Conditions at a redemption price of 100 per cent. of

their principal amount as at the relevant redemption date together with interest accrued but unpaid to such date (if any), if the Issuer or the Guarantor satisfies the Fiscal Agent immediately prior to the giving of such notice that (a) it has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or Bermuda or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 6 November 2019, and (b) such obligation cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional tax amounts were a payment in respect of the Notes then due or (as the case may be) a demand under the Guarantee of the Notes were then made, as further described in the Terms and Conditions.

Further Issues	The Issuer may from time to time without the consent of holders of the Noteholders create and issue further Notes.
Governing Law	The Notes, the Deed of Covenant, the Deed of Guarantee and the Agency Agreement are governed by English law.
Ratings	The Notes will not be rated.
Form and Denomination	The Notes are in registered form in the denomination of HK\$1,500,000 and integral multiples of HK\$10,000 in excess thereof.
Fiscal Agent	Bank of Communications Co., Ltd. Hong Kong Branch, 20 Pedder Street, Central Hong Kong
Paying Agent, Transfer Agent and Registrar	Bank of Communications Co., Ltd. Hong Kong Branch, 20 Pedder Street, Central Hong Kong
Listing	Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The Notes are traded on the SGX-ST in a minimum board lot size of HK\$500,000 with a minimum of 3 lots to be traded in a single transaction for so long as the Notes are listed on the SGX-ST.
	For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption in the event that a Global Certificate is exchanged for definitive Certificates. In addition, in the event that a Global Certificate is exchanged for definitive Certificates, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the paying agent in Singapore.
Clearing Systems	The Notes are represented by beneficial interests in the Global Note Certificate in registered form, which is registered in the name of a nominee for, and deposited with a common depository for, Euroclear Bank SA/NV and Clearstream Banking S.A. Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by, Euroclear and

Clearstream. Except as described herein, certificates for Notes will not be issued in exchange for interests in the Global Note Certificate.

**Clearing and Security
Identification**.....

The Notes have been accepted for clearing by Euroclear Bank SA/NV and Clearstream Banking S.A., Luxembourg under the following Common Code and International Securities Identification Number:

Common Code: 205384634

ISIN: XS2053846346

**Legal Entity Identifier of the
Issuer**

254900XS0ICRCMQD6Z59

Transfer Restrictions

The Notes have not been and will not be registered under the Securities Act or any other applicable securities laws and will be subject to customary restrictions on transfer and resale. Please refer to “*Transfer Restrictions*” below.

Selling Restrictions

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Introductory Document or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, neither the Notes may be offered or sold, directly or indirectly, and neither this document nor any offering material or advertisements in connection with the Notes may be distributed or published, by the Issuer, the Guarantor or the initial investors in or from any country or jurisdiction, except in compliance with all applicable rules and regulations of any such country or jurisdiction. Please refer to “*Selling Restrictions*” below.

INVESTMENT CONSIDERATIONS

Notwithstanding that this Introductory Document does not contain all information in relation to the Issuer, the Guarantor, the Notes or the Guarantee that any individual prospective investor may deem appropriate prior to making an investment decision in relation to the Notes, prior to making such a decision, prospective investors of the Notes should carefully consider all the information set forth in this Introductory Document including the investment considerations set forth below. THIS INTRODUCTORY DOCUMENT ONLY SETS OUT LIMITED INVESTMENT CONSIDERATIONS RELATING TO THE BUSINESSES OF THE ISSUER AND THE GUARANTOR, and the investment considerations set out below do not purport to be complete or comprehensive in terms of all the investment considerations that may be involved in the businesses of the Issuer, the Guarantor and the Group or any decision to purchase, own or dispose of the Notes. There may also be additional investment considerations which the Issuer or the Guarantor are currently unaware of or which are not disclosed herein, which may also impair the businesses, financial condition, performance or prospects of the Issuer, the Guarantor, or the Group or affect the market price of, liquidity and/or trading in, the Notes. The inability of the Issuer or the Guarantor to pay principal, interest or other amounts or fulfil other obligations on or in connection with the Notes or the Guarantee of the Notes may occur for other reasons and the Issuer and the Guarantor do not represent that the statements below regarding the investment considerations in connection with holding the Notes are exhaustive. Terms used in this section and otherwise not defined shall have the meanings given to them in "Terms and Conditions of the Notes".

Limitations of this Introductory Document

This Introductory Document does not contain any financial information or business description (other than a summary description of the Issuer and Guarantor) of the Issuer, the Guarantor and the Group. This Introductory Document does not purport to nor does it contain all information in relation to the Issuer, the Guarantor or the Notes that any individual prospective investor may deem appropriate prior to making an investment decision in relation to the Notes.

This Introductory Document (or any part hereof) is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Group, the Fiscal Agent or the Agents that any recipient of this Introductory Document or any such other document or information (or such part thereof) should purchase or acquire any of the Notes. Each person receiving this Introductory Document acknowledges that such person has not relied on any of the Issuer, the Guarantor, the Group, the Fiscal Agent or the Agents or any person affiliated with each of them in connection with its investigation of the accuracy of the information contained herein or of any additional information considered by it to be necessary in connection with its investment decision.

Any recipient of this Introductory Document contemplating purchasing or acquiring any of the Notes should determine for itself the relevance of the information contained herein and any such other document or information (or any part thereof) and its investment should be, and shall be deemed to be, based solely upon its own independent investigation of the business, operations condition (financial or otherwise) and affairs, and its own appraisal of the prospects and creditworthiness of the Issuer, the Guarantor, the Group, the Terms and Conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved.

Investment Considerations relating to the Guarantor

There may be limited publicly available information about the Group.

The Guarantor is a company publicly listed on the SEHK, and accordingly, the Guarantor is required to publicly disclose certain reports and information relating to the Group to the SEHK in accordance with the listing rules of the SEHK. However, there is no obligation on the Guarantor to make any information available to the Noteholders at any time, except to the extent required under the Terms and Conditions of the Notes. To the extent that purchasers of the Notes rely or intend to rely on such publicly available information, they should have regard to the scope and extent of the disclosure requirements that are

imposed by applicable Hong Kong law and regulations on the Guarantor, in particular, the listing rules of the SEHK, and assess the relevance and adequacy of such publicly available information accordingly. There can be no assurance that the publicly available information relating to the Group is or will be complete or current for the purposes of assisting a prospective investor in making an investment decision in relation to the Notes and the Guarantee of the Notes.

Global and regional economic factors may have an adverse impact on the Group's operations

The Group's businesses and investments are highly dependent on economic and market conditions globally. The global credit markets have experienced unfavourable financial or economic conditions, such as those caused in recent years by global economic factors. There remains a concern that a return of the debt crisis in Europe as well as rumours or threats or actual terrorist attacks or conflicts globally will have a detrimental effect on the global financial system. The global economic downturn has in the past led to decreases in market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally. Significant uncertainty remains surrounding the impact of a referendum held in the United Kingdom in June 2016 where it voted to leave the European Union ("Brexit") on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. A lack of clarity over the process for managing Brexit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets worldwide.

In addition, any potential cessation, fluctuation or disturbance of world trade causing disruption of the financial markets or the finance industry as a whole may also adversely affect the Group's business operations and financial position. The U.S. and the PRC have recently been involved in disputes over trade barriers that have threatened to escalate into a trade war between the countries. Both countries have implemented tariffs on certain imported products from the other, casting uncertainty over tariffs and barrier to entry for products on both sides. Sustained tension, or an escalation of tensions, between the U.S. and the PRC over trade policies could significantly undermine the stability of the global economy. Any severe or prolonged slowdown or instability in the global economy may materially and adversely affect the Group's business, operational results and financial condition.

Any deterioration in the financial markets may contribute to a slowdown in the global economy, including in the growth forecasts, and may lead to significant declines in employment, household wealth, consumer demand and lending. These events have had, or may have, a significant adverse impact on economic growth and may adversely impact the Group investment holdings and financial services businesses due to adverse changes in market conditions and investment opportunities.

In addition, changes in the global credit and financial markets have recently diminished the availability of credit and led to an increase in the cost of financing. The Group may face difficulty in accessing the financial markets, which could make it more difficult or expensive to obtain funding in the future. If the Group is unable to raise finance at a reasonable cost, this may adversely impact the Group's financial condition and therefore the ability of the Issuer to satisfy its obligations under the Notes and/or the Guarantor's ability to satisfy its obligations under the Guarantee of the Notes.

Further, in connection with the Group's proposed acquisition in the United Kingdom, as described in "*Description of the Guarantor – Recent Developments of the Group – Gaming Business*", the Group may, in the future be affected, the state of the United Kingdom's markets. Economic conditions in the United Kingdom may therefore materially impact the Group. The uncertainty surrounding Brexit and the impact of Brexit on the economy in the United Kingdom, including but not limited to any potential or actual volatility in the exchange rate of the British pound, may adversely affect the Group's business and financial condition, and therefore have an adverse impact on the ability of the Issuer to satisfy its obligations under the Notes and/or the Guarantor's ability to satisfy its obligations under the Guarantee of the Notes.

Civil unrest in Hong Kong could have an adverse impact on the Guarantor's business, financial condition, operating results and prospects

Civil unrest and an uncertain political environment in Hong Kong may impact Hong Kong's economy. Protests or demonstrations causing disruption to businesses and commercial activities, such as the recent protests that have taken place in Hong Kong, may adversely affect overall business activity in Hong Kong, which in turn may have a negative impact on the Group.

There may be significant fluctuations in the Group's results of operations

The Group's revenue may fluctuate significantly from period to period primarily due to the nature of its businesses, limited number of investments and businesses it undertakes at any one time, and certain other factors that are beyond its control. The Group's revenue, net profit/loss, expenses and results of operations have varied significantly in the past and may continue to fluctuate significantly from period to period in the future (including losses during certain periods). Such fluctuation may adversely affect the Group's business, results of operations and financial condition, and therefore have an adverse impact on the ability of the Issuer to satisfy its obligations under the Notes and/or the Guarantor's ability to satisfy its obligations under the Guarantee of the Notes.

The Group operates in highly competitive industries

The Group's principal business operations face significant competition across the markets in which it operates. New market entrants and intensified price competition among existing market players could adversely affect the Group's business prospects, financial condition or results of operations, which may impact on the ability of the Issuer to satisfy its obligations under the Notes and/or the Guarantor's ability to satisfy its obligations under the Guarantee of the Notes.

The Group may not be able to implement its future business plans for growth successfully, and the proposed acquisition by the Group may place a significant burden on its management and operational and financial resources

The future success of the Group depends to an extent on its ability to execute its strategy as it seeks to expand its business either organically or through acquisitions of, or investments in, other businesses. The successful implementation of such plans will depend on a number of factors that may or may not be within the Group's control, including but not limited to the Group's ability to manage its development and investment plans, integrate any acquired businesses and mitigate any unforeseen difficulties which may arise in the acquisition and developments processes in relation to both its development and investment projects, including but not limited to any unforeseen regulatory, licensing, litigation, tax and other liabilities.

In addition, the growth of the Group has placed, and is expected to continue to place, a significant burden on the Group's management, operational and financial resources. As a result, failure to appropriately enhance group-wide administrative, operational and financial and compliance management systems in a timely manner may result in a material adverse impact on the Group's business, financial condition and results of operations. Risks may increase when the Group expands into new jurisdictions or markets, as managing the growth of a geographically diverse business involves significant challenges. New jurisdictions and markets also pose challenges related to integration and compliance with local regulations.

On 24 July 2019, we announced that Project Martini Limited, an indirect wholly owned subsidiary of the Guarantor, has entered into a sale and purchase agreement pursuant to which it conditionally agreed to acquire the entire issued share capital of Les Ambassadeurs Club Limited, the owner of an exclusive and distinguished gaming club in the United Kingdom. As with any significant acquisition, the Group anticipates it will confront a number of risks and challenges in integrating and managing a new business in a new geographic location. There can be no assurance that the acquisition of the Group will not be delayed or that it will be completed at all, or that the Group will be able to effectively assimilate and manage the business of such acquired company. Furthermore, the gaming industry is a highly regulated industry. Current laws, such as licensing requirements and other regulatory obligations, including with

respect to anti-money laundering, could change or become more stringent. Any such adverse developments in the regulation or taxation of the gaming industry or our ability to comply with such regulations could significantly increase our costs or otherwise adversely affect the Group's business, results of operations and financial condition.

There is no assurance that the Group's future plans will be successfully implemented. If the Group fails to implement the above-mentioned plans, its overall expansion and business strategy may be adversely affected, which in turn may have a material adverse effect on the Group's business, financial condition and results of operations. This in turn may have an adverse impact on the ability of the Issuer to satisfy its obligations under the Notes.

The Group's investments have exposure to credit risk, counterparty risk and risks inherent in the financial markets generally

Unfavourable financial or economic environments, including the continued global financial uncertainties, have had and may continue to have an adverse impact on investors' confidence and global financial markets. Increasing uncertainties in financial markets could adversely affect the Group's investments and financial services business, and therefore financial condition and results of operations in ways including, but not limited to, the following:

- the value of the Group's investments in securities may significantly decrease;
- the Group may be exposed to credit risk with respect to its investments; and
- financial assets held by the Group may also be subject to price fluctuations.

The Group's operations are subject to legal and regulatory considerations

The operations of the Group are subject to various laws and regulations in the jurisdictions in which the Group's operations are located. From time to time, changes in law and regulations or the implementation thereof may require the Group to obtain additional approvals, permits and licences from the relevant authorities for the conduct of its operations. In such event, the Group may incur additional expenses to comply with such requirements. This will in turn affect the Group's financial performance as its business costs will increase.

Furthermore, the Group may not be able to obtain such approvals, permits or licences or there can be no assurance that such approvals, permits or licences will be granted to the Group promptly or at all. If the Group experiences delays in obtaining, or is unable to obtain, such required approvals, permits or licences, it may have an adverse effect on the Group's business, results of operations, financial condition and prospects.

Legislation enacted in Bermuda in response to the European Union's review of harmful tax competition could adversely affect our operations

Pursuant to the Economic Substance Act 2018 (as amended) of Bermuda (the "ES Act") that came into force on 1 January 2019, a registered entity other than an entity which is resident for tax purposes in a certain jurisdiction outside Bermuda that is not on the European Union's list of non-cooperative jurisdictions for tax purposes (a "non-resident entity") that carries on as a business any one or more of the "relevant activities" referred to in the ES Act must comply with economic substance requirements. The ES Act may require in-scope Bermuda entities which are engaged in such "relevant activities" to be directed and managed in Bermuda, have an adequate level of qualified employees in Bermuda, incur an adequate level of annual expenditure in Bermuda, maintain physical offices and premises in Bermuda or perform core income-generating activities in Bermuda. The list of "relevant activities" includes carrying on as a business any one or more of: banking, insurance, fund management, financing, leasing, headquarters, shipping, distribution and service centre, intellectual property and holding entities.

Based on the ES Act currently, for so long as the Guarantor is a non-resident entity, it is not required to satisfy any such economic substance requirements other than providing the Bermuda Registrar of Companies annually information on the jurisdiction in which it claims to be resident for tax purposes together with sufficient evidence to support that tax residence. Although it is presently anticipated that the ES Act will have little material impact on the Guarantor or its operations, as the legislation is new and remains subject to further clarification and interpretation, it is not currently possible to ascertain the precise impact of the ES Act on the Issuer.

Legislation enacted in the British Virgin Islands as to Economic Substance may affect our operations

Pursuant to the Economic Substance (Companies and Limited Partnerships) Act, 2018 of the British Virgin Islands (“BVI ES Act”) that came into force on 1 January 2019, a “legal entity” carrying on “holding business” (which is one of the “relevant activities” as defined in the BVI ES Act and means purely holding equity participations in other entities and only earning dividends and capital gains), is required to establish economic substance in the British Virgin Islands unless it is tax resident in another jurisdiction (other than a “blacklisted” jurisdiction). According to the BVI ES Act, a business company may be considered as outside the definition of “holding business” if it carries on any other business (for example, owns properties), even if part of its business is holding equity participants in other entities and earning dividends and capital gains.

To the extent any BVI company is a legal entity carrying on “holding business”, such BVI company will be subject to reduced economic substance under the BVI ES Act.

As a result of the introduction of this legislation, any of our BVI subsidiaries, including the Issuer of the Notes, may be required to be directed and managed in the British Virgin Islands, have an adequate number of qualified employees in the British Virgin Islands, incur an adequate level of expenditure in the British Virgin Islands, maintain physical offices or premises in the British Virgin Islands or perform core income-generating activities in the British Virgin Islands. To the extent that we are required to increase our economic substance in the British Virgin Islands to satisfy the requirements as set out in the BVI ES Act, it could result in additional costs that could adversely affect our financial condition or results of our operations.

We are awaiting further guidance as may be issued by the BVI government to clarify certain definitions and requirements in the BVI ES Act and will make all endeavours to comply with the economic substance requirements under the BVI ES Act. In the event that any of our BVI subsidiaries, including the Issuer of the Notes, is required to have substance in the BVI according to the BVI ES Act but fails to satisfy such requirements, such BVI subsidiary may initially be subject to penalty in accordance with the BVI ES Act.

Risks Relating to the Notes and the Guarantee of the Notes

The Group has indebtedness and contingent liabilities and may incur further additional indebtedness and contingent liabilities in the future

The Group now has, and will continue to have indebtedness and incur contingent liabilities. Such indebtedness and contingent liabilities could have important consequences, including the following:

- exposing the Guarantor to risks arising from increases in interest rates;
- limiting the Guarantor’s ability to satisfy its obligations under its debts;
- increasing the Guarantor’s vulnerability to adverse general economic and industry conditions;
- requiring the Guarantor and the relevant subsidiary to dedicate a substantial portion of their cash flow from operations to servicing and repaying such indebtedness, thereby

reducing the availability of cash flow to fund working capital, capital expenditures and other general corporate purposes;

- limiting the Group's flexibility in planning for, or reacting to, changes in its businesses and the industries in which it operates;
- placing the Group at a competitive disadvantage compared to its competitors with less debt by comparison;
- limiting, along with the financial and other restrictive covenants of the relevant subsidiary's indebtedness, among other things, the Group's ability to borrow additional funds; and
- increasing the cost of additional financing.

Furthermore, if the Guarantor or the relevant member of the Group is unable to comply with the restrictions and covenants in its current or future debt or other agreements, there could be a default under the terms of such agreements. In the event of a default under such agreements, the holders of the debt could terminate their commitments to lend to the Guarantor or the relevant members of the Group, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing arrangements entered into by the Guarantor or the relevant members of the Group contain cross-acceleration or cross-default provisions. As a result, a default under one debt agreement may cause the acceleration of debt or result in a default under other debt agreements. If any of these events occur, there can be no assurance that the Group's assets and cash flow would be sufficient to repay in full all of such indebtedness, or that the Group would be able to find alternative financing on acceptable terms or at all.

The Issuer was established primarily for the purpose of raising finance for the Group and has no business activities save for the issuance of debt securities

The Issuer was established mainly for the purpose of raising finance for the Group and will on-lend the net proceeds from the issuance of the Notes to the Guarantor and/or any other members of the Group. The Issuer does not and will not have any business activities other than the issue of debt securities, and its ability to make payments under the Notes will depend on receipt of timely remittance of funds from the Guarantor and/or other members of the Group.

Risks associated with the Guarantor's holding company structure

The Issuer and the Guarantor may require cash from subsidiaries in order to meet its payment obligations under the Notes or the Guarantee, as the case may be. The Guarantor is a holding company that operates through subsidiaries and joint ventures. It is principally a holding company with limited operations of its own. The Guarantor depends, to a significant extent, upon the receipt of dividends and/ or the repayment of shareholders' loans from its subsidiaries and associates to meet its overhead expenses and to make payments with respect to its obligations, including its obligations under the Guarantee of the Notes, and in order to provide funds to its subsidiaries and associates. The ability of subsidiaries and associates of the Guarantor to pay dividends and/or repay shareholders' loans to their respective shareholders (including the Guarantor) is subject to the performance and cash flow requirements of such subsidiaries and associates and to applicable law and restrictions contained in debt instruments of such subsidiaries and associates, if any. The Guarantor's obligations under the Guarantee of the Notes will be effectively subordinated to all existing and future obligations of its direct and indirect subsidiaries and associates, other than the Issuer. All claims of creditors of these subsidiaries and associates, including trade creditors, lenders and all other creditors, will have priority as to the assets of such entities over claims of the Guarantor and its creditors, including Noteholders as beneficiaries of the Guarantee of the Notes. No assurance can be given that the Guarantor will have sufficient cash flow from dividends and/or the repayment of shareholders' loans to satisfy its obligations, including its obligations under the Guarantee of the Notes or otherwise to enable the

Issuer to make payments under the Notes, or that its subsidiaries and associates will pay dividends and/or repay shareholders' loans at all.

The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 6(g) (*Limitation on Liens*)) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Guarantee of the Notes constitutes direct, general, unconditional, unsubordinated and (subject to Condition 6(g) (*Limitation on Liens*)) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will rank above the Noteholders' claims with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Noteholders rateably with all of the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are insufficient assets remaining to pay all these creditors, then principal, interest or other sums payable under all or a portion of the Notes then outstanding would remain unpaid.

The Notes and the Guarantee of the Notes are unsecured obligations

As the Notes and the Guarantee of the Notes are unsecured obligations, their repayment may be compromised if:

- the Guarantor or the Issuer enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's or the Guarantor's secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's and the Guarantor's assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Notes.

The Notes may not be a suitable investment for all investors

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with a measured appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Notes unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Notes must determine the suitability of an investment in the Notes in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Introductory Document or any applicable supplement;

- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the currency in which the potential investor's financial activities are principally denominated;
- (iv) understands thoroughly the terms and conditions of the Notes and is familiar with the behavior of any relevant indices and financial markets; and
- (v) is able to evaluate (either alone or with the help of a financial adviser) possible economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) Notes can be used as security for various types of financing, and (iii) other restrictions apply to its purchase of any Notes. Financial institutions shall consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable laws, regulations and rules.

Changes in interest rates may have an adverse effect on the price of the Notes

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

As the Notes will carry a fixed interest rate, the trading price of the Notes will consequently vary with the fluctuations in the Hong Kong dollar interest rates. If the Noteholders propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

If the Group is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the terms of these agreements, which could cause the repayment of the Group's debt to be accelerated

If the Group is unable to comply with the restrictions and covenants in the Notes or its future financing and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the relevant debt could terminate their commitments to lend to the Group, accelerate the debt obligation and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, certain debt agreements, including the Notes, may contain cross-acceleration or cross-default provisions. As a result, default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under other debt agreements. If any of these events should occur, there can be no assurance that the Group's assets and cash flow would be sufficient to repay in full all indebtedness, or that alternative financing could be found. Even if alternative financing can be obtained, there can be no assurance that it would be on terms that are favourable or acceptable to the Group.

The Issuer may not be able to repurchase or redeem the Notes

The Issuer may (and at maturity, will) be required to redeem all of the Notes upon occurrence of certain events as set out in the Terms and Conditions, including upon a Change of Control. If any such event

were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer or the Guarantor would constitute an event of default under the Notes, which may also constitute a default under the terms of the Group's other indebtedness.

The Notes will be represented by the Global Note Certificate and holders of a beneficial interest in the Global Note Certificate must rely on the procedures of the Clearing Systems

The Notes will be represented by beneficial interests in the Global Note Certificate. The Global Note Certificate will be deposited with a common depository for Euroclear and Clearstream (each, a "Clearing System" and together, the "Clearing Systems"). Except in the circumstances described in the Global Note Certificate, investors will not be entitled to receive individual Note certificates. The Clearing Systems will maintain records of the beneficial interests in the Global Note Certificate. While the Notes are represented by the Global Note Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by the Global Note Certificate, the Issuer, or failing which, the Guarantor will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in the Global Note Certificate must rely on the procedures of the Clearing Systems to receive payments under the Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificate.

Holders of beneficial interests in the Global Note Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the Clearing Systems to appoint appropriate proxies.

The Issuer may issue additional Notes in the future

The Issuer may, from time to time, and without prior consultation of the Noteholders, create and issue further Notes or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Notes.

An active trading market may not develop for the Notes, and there are restrictions on the resale of the Notes

The Notes are a new issue of securities with no established trading market. Although an application has been made to the SGX-ST for the listing of the Notes on the SGX-ST, there can be no assurance that the Issuer will obtain or be able to maintain a listing on the SGX-ST, or that, if listed, a liquid trading market will develop. In addition, the liquidity of the trading market in the Notes, and the market price quoted for the Notes, may be adversely affected by changes in the overall market for securities and by changes in the Group's financial performance or prospects of companies in its industry in general. As a result, there can be no assurance that an active trading market will develop or be maintained for the Notes. If a market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected.

The price of the Notes following the listing may be volatile

The price and trading volume of the Notes may be highly volatile. The Notes may trade at prices that are higher or lower than the price at which the Notes have been issued. The price at which the Notes trade depends on many factors, including:

- prevailing interest rates and interest rate volatility;
- the Group's results of operations, financial condition and future prospects;
- changes in the real property industry and competition;
- the market conditions for similar securities; and
- general economic conditions (nationally or internationally).

Any such developments may result in large and sudden changes in the trading volume and price of the Notes. There can be no assurance that these developments will not occur in the future.

The Notes are subject to optional redemption by the Issuer and may have a lower market value than Notes that cannot be redeemed

In the event that the Issuer would be obliged to increase the amounts payable in respect of the Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, Bermuda or Hong Kong or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

A change in English law which governs the Notes may adversely affect Noteholders

The Terms and Conditions of the Notes are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Notes.

The insolvency laws of the British Virgin Islands, Bermuda and other local insolvency laws may differ from the insolvency laws of other jurisdictions with which the Noteholders are familiar

As the Issuer and the Guarantor are incorporated under the laws of the British Virgin Islands and Bermuda respectively, any insolvency proceedings relating to the Issuer or, as the case may be, the Guarantor, regardless of where they were brought, would likely involve (in the case of the Issuer) British Virgin Islands and (in the case of the Guarantor) Bermuda insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of insolvency laws in other jurisdictions with which the Noteholders are familiar.

Investors in the Notes may be subject to foreign exchange risks

The Notes are denominated and payable in Hong Kong dollars. An investor who measures investment returns by reference to a currency other than Hong Kong dollars would be subject to foreign exchange risks by virtue of an investment in the Notes, due to, among other things, economic, political and other factors over which the Group has no control. Depreciation of the Hong Kong dollar against such currency

could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Notes.

TERMS AND CONDITIONS OF THE NOTES

The following terms and conditions (the “Conditions”) of the Notes (subject to amendment and except for the sentences in italics) will be endorsed on the Definitive Certificates issued in respect of the Notes.

The 10.00 per cent. Guaranteed Notes due 2022 in an aggregate principal amount of HK\$1,000,000,000 (the “Notes”, which expression includes any further notes issued pursuant to Condition 13 (*Further Issues*) and forming a single series therewith) of Imagi Holdings Limited (the “Issuer”) are constituted by a deed of covenant dated 13 November 2019 (as amended or supplemented from time to time, the “**Deed of Covenant**”) entered into by the Issuer and are subject to and with the benefit of (a) a deed of guarantee dated 13 November 2019 (as amended or supplemented from time to time, the “**Deed of Guarantee**”) entered into by Imagi International Holdings Limited (the “**Guarantor**”) and, (b) a fiscal agency agreement dated 13 November 2019 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Guarantor, Bank of Communications Co., Ltd. Hong Kong Branch (a joint stock company incorporated in the People’s Republic of China with limited liability) as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), Bank of Communications Co., Ltd. Hong Kong Branch (a joint stock company incorporated in the People’s Republic of China with limited liability) as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Bank of Communications Co., Ltd. Hong Kong Branch (a joint stock company incorporated in the People’s Republic of China with limited liability) as the transfer agent (the “**Transfer Agent**”, which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes) and Bank of Communications Co., Ltd. Hong Kong Branch (a joint stock company incorporated in the People’s Republic of China with limited liability) as the paying agent (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). References herein to the “**Agents**” are to the Registrar, the Fiscal Agent, the Transfer Agents and the Paying Agents and any reference to an “**Agent**” is to any one of them. Certain provisions of these terms and conditions (the “**Conditions**”) are summaries of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee and subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee applicable to them. Copies of the Agency Agreement, the Deed of Covenant and Deed of Guarantee are available for inspection by Noteholders during normal business hours (being between 9:00 a.m. and 3:00 p.m. Hong Kong time) from Monday to Friday (other than public holidays) at the Specified Office (as defined in the Agency Agreement) of the Fiscal Agent and each Paying Agent, upon prior written notice and satisfactory proof of holding.

1. Form, Denomination, Status and Guarantee

- (a) *Form and denomination:* The Notes are in registered form in minimum denominations of HK\$1,500,000 and integral multiples of HK\$10,000 in excess thereof (each, an “**Authorised Denomination**”). The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage.
- (b) *Status of the Notes:* The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 6(g) (*Limitation on Liens*)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (c) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the “**Guarantee of the Notes**”) constitutes direct, general, unconditional, unsubordinated and (subject to Condition 6(g) (*Limitation on Liens*)) unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations

of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

*Upon issue, the Notes will be evidenced by a global note certificate (the “**Global Note Certificate**”) substantially in the form scheduled to the Agency Agreement. The Global Note Certificate will be registered in the name of a nominee for, and deposited with, a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”), and will be exchangeable for individual Note Certificates (as defined below) only in the circumstances set out therein.*

2. Register, Title and Transfers

- (a) *Register:* The Registrar will maintain a register (the “**Register**”) in respect of the Notes outside the United Kingdom in accordance with the provisions of the Agency Agreement. In these Conditions, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly. A certificate (each, a “**Note Certificate**”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title:* The Holder of each Note shall (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder.
- (c) *Transfers:* Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) the Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however*, that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor. No transfer of title to a Note will be valid unless and until entered on the Register.

Upon any changes to the beneficial ownership of any Notes, the Noteholders effecting such changes are under an obligation to: (i) notify the Issuer and the Guarantor of any such changes, promptly but in any event not later than 14 business days (as defined below) from the date of such changes being effective and (ii) to procure the transferee of such Notes to agree at the time of or prior to such changes to undertake to the Issuer and the Guarantor in writing to comply with the obligations set out in (i) and (ii) of this clause as if it were such Noteholder affecting the changes to the beneficial ownership of the Notes.

- (d) *Registration and delivery of Note Certificates:* Within five (5) business days of the surrender of a Note Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (free of charge to the Holder and at the Issuer’s (failing which the Guarantor’s) expense airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business**

day” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

- (e) *No charge*: The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but upon payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer, the Registrar or (as the case may be) such Transfer Agent may require) in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods*: A Noteholder may not require a transfer of a Note to be registered:
 - (i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes;
 - (ii) during the period of 15 days ending on any date on which Notes are called for redemption by the Issuer at its option pursuant to Condition 5(b) (*Redemption for tax reasons*) or Condition 5(e) (*Redemption at the option of the Issuer*); and
 - (iii) after a Change of Control Put Exercise Notice or a De-listing Event Put Exercise Note has been delivered in respect of the relevant Note(s) in accordance with Condition 5(c) (*Redemption for Change of Control*) or Condition 5(d) (*Redemption for De-listing Event*), as the case may be.
- (g) *Regulations concerning transfers and registration*: All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Fiscal Agent and the Registrar. A copy of the current regulations will be made available for inspection by the Registrar at its Specified Office for Noteholders during normal business hours (being between 9:00 a.m. and 3:00 p.m. Hong Kong time) following prior written request and satisfactory proof of holding.
- (h) *Appointment of paying agents in certain locations*: If and for so long as the Notes are listed on the Singapore Exchange Securities Trading Limited or its successor (the “**SGX-ST**”) or such other applicable stock exchanges, and the rules of the SGX-ST (or of such other applicable stock exchanges) so require, in the event that a Global Note Certificate is exchanged for a Definitive Certificate, the Issuer will appoint and maintain a paying agent in Singapore (or in other locations as such other applicable stock exchanges may require) where the Notes may be presented or surrendered for payment or redemption. In the event that a Global Note Certificate is exchanged for a Definitive Certificate an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST (or such other applicable stock exchanges) and such announcement will include all material information with respect to the delivery of the Definitive Certificate, including details of the paying agent in Singapore (or in other locations as such other applicable stock exchanges may require) by way of an announcement to the SGX-ST (or such other applicable stock exchanges), for so long as the Notes are listed on the SGX-ST (or such other applicable stock exchanges).

3. Interest

The Notes bear interest from 13 November 2019 (the “**Issue Date**”) at the rate of 10.00 per cent. per annum, (the “**Rate of Interest**”) payable semi-annually in arrear on 13 May and 13 November in each year (each, an “**Interest Payment Date**”), beginning on 13 May 2020, subject as provided in Condition 4 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at the Rate of Interest (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on

behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment to the relevant Noteholder under these Conditions).

Interest in respect of any Interest Period (as defined below) shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Authorised Denomination of such Note divided by the Calculation Amount, where “**Calculation Amount**” means HK\$10,000 and “**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period divided by 365 (the number of days to be calculated on the basis of a year of 365 days with the actual number of days within the relevant month).

In the Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

4. Payments

- (a) *Principal*: Payments of principal shall be made by transfer to a HK dollar account maintained by the payee with a bank in Hong Kong and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest*: Payments of interest shall be made by transfer to a HK dollar account maintained by the payee with a bank in Hong Kong and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days*: Where payment is to be made by transfer to a HK dollar account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day, unless it would thereby fall into the next calendar month in which event it shall be brought forward to the business day immediately preceding the due date.) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. In this paragraph, “**business day**” means any day on which banks are open for general business (including dealings in foreign currencies) in Hong Kong and in the city in which the relevant Paying Agent has its Specified Office and, in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).
- (e) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register

and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

- (f) *Record date*: Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

*So long as the Notes are represented by the Global Note Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the Global Certificate), each payment in respect of the Global Certificate will be made to the person shown as the Noteholder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

5. Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 13 November 2022 (the "**Maturity Date**"), subject as provided in Condition 4 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders, the Registrar and the Fiscal Agent (which notice shall be irrevocable) at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption, if:
- (i) (A) the Issuer has or will become obliged to pay or withhold additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 6 November 2019; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay or withhold additional amounts as provided or referred to in Condition 7 (*Taxation*) or the Guarantee of the Notes, as the case may be, as a result of any change in, or amendment to, the laws or regulations of Bermuda or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 6 November 2019; and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent an Officers' Certificate of the Issuer stating that the circumstances referred to in (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed an Authorised Signatory of the Guarantor stating that the circumstances referred to in (ii)(A) and (ii)(B) above prevail and setting out details of such circumstances. *Upon the*

expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption for Change of Control*: At any time following the occurrence of a Change of Control, the Holder of any Note will have the right, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Notes on the Change of Control Put Settlement Date (as defined below) at 101 per cent. of their principal amount, together with accrued interest to, but excluding the Change of Control Put Settlement Date. To exercise such right, the holder of the relevant Note must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the Specified Office of any Paying Agent (a "**Change of Control Put Exercise Notice**"), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 14 (*Notices*), the Registrar and the Fiscal Agent. The "**Change of Control Put Settlement Date**" shall be the 14th day after the expiry of such period of 30 days as referred to above.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Change of Control Put Exercise Notices delivered as aforesaid.

The Issuer shall give notice to Noteholders in accordance with Condition 14 (*Notices*) and to the Fiscal Agent and the Registrar in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 5(c) (*Redemption for Change of Control*). The Agents shall not be required to take any steps to monitor or ascertain whether a Change of Control has occurred and shall not be responsible or liable to the Noteholders, the Issuer or Guarantor or any other person for any loss arising from any failure to do so.

In this Condition 5(c) (*Redemption for Change of Control*):

a "**Change of Control**" occurs when:

- (i) any Person or Persons acting together acquires Control of the Guarantor; or
- (ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Guarantor or the successor entity.

"**Control**" means the acquisition or control of more than 30.0 per cent. of the voting rights of the issued share capital of the Guarantor or the right to appoint and/or remove all or the majority of the members of the Guarantor's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise and the terms "**Controlling**" and "**Controlled**" shall have meanings correlative to the foregoing.

a "**Person**", as used in this Condition 5(c) (*Redemption for Change of Control*), includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

- (d) *Redemption for De-listing Event*: At any time following the occurrence of a De-listing Event, the Holder of any Note will have the right, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Notes on the De-listing Event Put Settlement Date (as defined below) at 101 per cent. of their principal amount, together with accrued interest to, but excluding the De-listing Event Put Settlement Date. To

exercise such right, the holder of the relevant Note must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the Specified Office of any Paying Agent (a “**De-listing Event Put Exercise Notice**”), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a De-listing Event, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 14 (*Notices*), the Registrar and the Fiscal Agent. The “**De-listing Event Put Settlement Date**” shall be the 14th day after the expiry of such period of 30 days as referred to above.

A De-listing Event Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the De-listing Event Put Exercise Notices delivered as aforesaid.

The Issuer shall give notice to Noteholders in accordance with Condition 14 (*Notices*) and to the Fiscal Agent and the Registrar in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a De-listing Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 5(c) (*Redemption for De-listing Event*). The Agents shall not be required to take any steps to monitor or ascertain whether a De-listing Event has occurred and shall not be responsible or liable to the Noteholders, the Issuer or Guarantor or any other person for any loss arising from any failure to do so.

In this Condition 5(c) (*Redemption for De-listing Event*):

A “**De-listing Event**” occurs if and when the ordinary shares of the Guarantor cease to be listed and admitted to trading on the Stock Exchange of Hong Kong Limited (other than (i) a suspension applied for by the Guarantor in relation to a notifiable transactions under the Listing Rules of the Stock Exchange of Hong Kong Limited, or (ii) in any other cases, a temporary suspension of trading for not more than twenty (20) consecutive trading days).

- (e) *Redemption at the option of the Issuer*: The Issuer may, at any time after 13 May 2020, on giving not less than 30 days’ nor more than 60 days’ notice to the Noteholders, the Registrar and the Fiscal Agent (which shall be irrevocable), redeem the Notes, in whole, or in part, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest on the Notes redeemed, to but excluding the applicable redemption date, if redeemed during the period indicated below:

<u>Period</u>	<u>Percentage</u>
Six-month period beginning 13 May 2020	102.000
Twelve-month period beginning 13 November 2020	101.500
Twelve-month period beginning 13 November 2021	101.000

Any such redemption may, at the discretion of the Issuer, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer’s discretion, the redemption date may be delayed until such time (*provided, however*, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as so delayed. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Guarantor’s obligations with respect to such redemption may be performed by another Person.

- (f) *Drag-along redemption:* If 90 per cent. or more in principal amount of the Notes then outstanding has been redeemed pursuant to Condition 5(c) (*Redemption for Change of Control*) or Condition 5(d) (*Redemption for De-listing Event*), the Issuer may, on not less than 30 or more than 60 days' notice (which shall be irrevocable) to the Noteholders, the Registrar and the Fiscal Agent given within 30 days after the relevant redemption date, redeem, at its option, the remaining Notes as a whole at their principal amount, together with interest accrued and unpaid to (but excluding) the date of such redemption. Such notice to the Noteholders shall specify the date fixed for redemption, the redemption price and the manner in which redemption will be effected.
- (g) *Gaming redemption:* Each Noteholder, by accepting a Note, shall be deemed to have agreed that if the Gaming Authority in which the Issuer, the Guarantor, or any of their Subsidiaries conducts or proposes to conduct gaming operations which requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable Gaming Laws, such holder or beneficial owner, as the case may be, shall apply for a license, qualification or a finding of suitability within the required time period. If such Person fails to apply or become licensed or qualified or is found unsuitable, the Issuer shall have the right, at its option:
- (i) to require such Person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of the Issuer's election or such earlier date as may be requested or prescribed by such Gaming Authority; or
 - (ii) to redeem such Notes, which redemption may be less than 30 days following the notice of redemption if so requested or prescribed by the applicable Gaming Authority, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest on the Notes redeemed, to but excluding the earlier of the redemption date or the date of the finding of unsuitability or failure to comply.

The Issuer shall notify the Registrar in writing of any such redemption as soon as practicable. Neither the Issuer nor the Registrar shall be responsible for any costs or expenses any Noteholder may incur in connection with such Noteholder's application for a license, qualification or a finding of suitability.

For the purpose of this Condition 5(g) (*Gaming redemption*) the terms below have the meanings shown below.

"Gaming Authority" means, in any jurisdiction in which the Issuer, the Guarantor or any of their Subsidiaries manages or conducts or proposes to manage or conduct, any casino, gaming business or activities, the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities of the Issuer, the Guarantor or any of their Subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws.

"Gaming Laws" means all applicable constitutions, treatises, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities (currently conducted or proposed to be conducted) of the Issuer, the Guarantor or any of their Subsidiaries (in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities).

- (h) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 6(e) (*Redemption at the option of the Issuer*), each Note shall be redeemed

in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant redemption date bears to the aggregate principal amount of outstanding Notes on such date.

- (i) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (g) (*Gaming redemption*) above. If there is more than one notice of redemption given in respect of any Note (which shall include any notice given by the Issuer pursuant to Condition 5(b) (*Redemption for tax reasons*), any Change of Control Put Exercise Notice given by a Noteholder pursuant to Condition 5(c) (*Redemption for Change of Control*)) and any De-listing Event Put Exercise Notice given by a Noteholder pursuant to Condition 5(d) (*Redemption for De-listing Event*)) the notice given first in time shall prevail and in the event of two or more notices being given on the same date, the first to be given shall prevail.
- (j) *Purchase*: The Issuer, the Guarantor or any of their respective Subsidiaries, the holding company of the Issuer or the Guarantor or any other Subsidiaries of such holding company may at any time purchase Notes in the open market or otherwise and at any price.
- (k) *Cancellation*: All Notes which are redeemed by the Issuer, the Guarantor or any of their respective Subsidiaries, the holding company of the Issuer or the Guarantor or any other Subsidiaries of such holding company shall be cancelled and may not be reissued or resold.
- (l) *No verification by Agents*: None of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption and shall not be liable to the Issuer, the Guarantor, the Noteholders or any other person for not doing so.

6. Covenants

So long as any Note remains outstanding:

- (a) *Limitation on Indebtedness and Preferred Stock*
 - (i) The Guarantor will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), and the Guarantor will not permit any Restricted Subsidiary to issue Preferred Stock; *provided however*, that the Guarantor and the Issuer may Incur Indebtedness (including Acquired Indebtedness) and any Restricted Subsidiaries other than the Issuer may Incur Permitted Subsidiary Indebtedness if, after giving effect to the Incurrence of such Indebtedness or Permitted Subsidiary Indebtedness and the receipt and application of the proceeds therefrom, (i) no Default has occurred and is continuing, (ii) the Debt-to-Asset Ratio of the Guarantor would be not greater than 0.9 to 1.00 and the Consolidated Tangible Net Worth of the Guarantor would not be less than HK\$200,000,000 (or the Dollar Equivalent thereof). Notwithstanding the foregoing, the Guarantor will not permit any Restricted Subsidiary to Incur any Disqualified Stock (other than Disqualified Stock held by the Guarantor or a Restricted Subsidiary, so long as it is so held).
 - (ii) Notwithstanding Condition 6(a)(i), the Guarantor and, to the extent provided below, any Restricted Subsidiary may Incur each and all of the following (“**Permitted Indebtedness**”):
 - (A) Indebtedness under the Notes (including excluding any Additional Notes issued in accordance with Condition 13 (*Further Issues*)) and the Guarantee thereof;
 - (B) Indebtedness of the Guarantor or any Restricted Subsidiary outstanding on the Issue Date excluding Indebtedness permitted under Condition 6(a)(ii)(C);

- (C) Indebtedness of the Guarantor or any Restricted Subsidiary owed to the Guarantor or any Restricted Subsidiary; *provided that* (x) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Guarantor or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this Condition 6(a)(ii)(C); and (y) if the Guarantor is the obligor on such Indebtedness and the Issuer is not the obligee on such Indebtedness, such Indebtedness must expressly be subordinated in right of payment to the Guarantee; and if the Issuer is the obligor on such Indebtedness and the Guarantor is not the obligee, such Indebtedness must be expressly subordinated in right of payment to the Notes;
- (D) Indebtedness (“**Permitted Refinancing Indebtedness**”) of the Guarantor or any Restricted Subsidiary issued in exchange for, or the net proceeds of which are used to refinance or refund, then outstanding Indebtedness Incurred under Condition 6(a)(i), Condition 6(a)(ii)(A), Condition 6(a)(ii)(B), Condition 6(a)(ii)(D), Condition 6(a)(ii)(K), Condition 6(a)(ii)(M), Condition 6(a)(ii)(N), Condition 6(a)(ii)(O) or Condition 6(a)(ii)(P) in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided that* (i) Indebtedness the proceeds of which is used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or the Guarantee shall only be permitted under this Condition 6(a)(ii)(D) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or the Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or the Guarantee, (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or the Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or the Guarantee at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or the Guarantee and (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (iii) the Indebtedness of the Guarantor or the Issuer may be refinanced pursuant to this Condition 6(a)(ii)(D) only by means of any Indebtedness of the Guarantor or the Issuer;
- (E) Indebtedness Incurred by the Guarantor or any Restricted Subsidiary pursuant to Hedging Obligations entered into in the ordinary course of business and designed solely to protect the Guarantor or any Restricted Subsidiary from fluctuations in interest rates, currencies or the price of commodities, and not for speculation;
- (F) Indebtedness Incurred by the Guarantor or any Restricted Subsidiary constituting reimbursement obligations with respect to workers’ compensation claims or self-insurance obligations or bid, performance or surety bonds or completion or performance guarantees to any Person in the ordinary course of business;

- (G) Indebtedness Incurred by the Guarantor or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit, trade guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Guarantor or such Restricted Subsidiary, as applicable, of a demand for reimbursement;
- (H) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Guarantor or any Restricted Subsidiary pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Restricted Subsidiary, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided that* the maximum aggregate liability in respect of all such Indebtedness in the nature of such guarantee shall at no time exceed the gross proceeds actually received from the sale of such business, assets or Restricted Subsidiary;
- (I) Indebtedness arising from the honouring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however,* that such Indebtedness is extinguished within five (5) business days of Incurrence;
- (J) Guarantees by the Guarantor or the Issuer of Indebtedness of the Guarantor or a Restricted Subsidiary, or Guarantees by any Restricted Subsidiary (other than the Issuer) of Indebtedness of any other Restricted Subsidiary (other than the Issuer); *provided that,* the Indebtedness guaranteed is permitted to be Incurred under the Conditions; *provided further that,* if such guarantee is of Subordinated Indebtedness, such guarantee shall be subordinated to the Notes;
- (K) Indebtedness of the Guarantor or any Restricted Subsidiary with a maturity of one year or less used by the Guarantor or any Restricted Subsidiary for working capital; *provided that* the aggregate principal amount of Indebtedness Incurred under this Condition 6(a)(ii)(K) (together with refinancings thereof) does not exceed HK\$80,000,000 (or the Dollar Equivalent thereof);
- (L) Indebtedness of the Guarantor or any Restricted Subsidiary in an aggregate principal amount outstanding at any time pursuant to this Condition 6(a)(ii)(L) (together with refinancings thereof) not to exceed HK\$100,000,000 (or the Dollar Equivalent thereof);
- (M) the incurrence by Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings, vendor financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of acquisition, design, construction, installation, development or improvement of property, plant or equipment or other assets used in the business of the Guarantor or any of its Restricted Subsidiaries (including the purchase of Capital Stock of any Persons holding such property, plant, equipment or other assets that is, or will upon such purchase become, a Restricted Subsidiary); *provided that,* the

aggregate principal amount of all Indebtedness Incurred under this Condition 6(a)(ii)(M) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness that was permitted to be Incurred under Conditions 6(a)(ii)(N), 6(a)(ii)(O), 6(a)(ii)(P) and 6(a)(ii)(Q) and the refinancings thereof, but excluding any guarantee Incurred under such Conditions and this Condition 6(a)(ii)(M) to the extent the amount of such guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35.0% of the Total Assets (or the Dollar Equivalent thereof); *provided further that*, such Indebtedness shall be Incurred no later than 180 days after such acquisition, design, construction, installation, development or improvement;

- (N) the Acquired Indebtedness of the Guarantor or Indebtedness assumed or acquired in compliance with a transaction governed by, and effected in accordance with, the covenant set forth under Condition 6(j) or the Acquired Indebtedness of any Restricted Subsidiary Incurred and outstanding on the date on which such Restricted Subsidiary becomes Restricted Subsidiary; *provided, however*, that such Indebtedness was not incurred in connection with, or in contemplation of, such transaction; *provided further that*, the aggregate principal amount of all Indebtedness Incurred under this Condition 6(a)(ii)(N) (together with refinancings thereof) and the aggregate principal amount outstanding of Indebtedness that was permitted to be Incurred under Conditions 6(a)(ii)(M), 6(a)(ii)(O), 6(a)(ii)(P) and 6(a)(ii)(Q) (and the refinancings thereof), but excluding any guarantee Incurred under such Conditions and this Condition 6(a)(ii)(N) to the extent the amount of such guarantee is otherwise reflected in such aggregate principal amount, does not exceed an amount equal to 35.0 % of the Total Assets (or the Dollar Equivalent thereof);
- (O) Indebtedness Incurred by the Guarantor or any Restricted Subsidiary constituting a guarantee of Indebtedness of any Person engaged in a Permitted Business (other than the Guarantor or a Restricted Subsidiary); *provided that* the aggregate of all Indebtedness Incurred under this Condition 6(a)(ii)(O) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness that was permitted to be Incurred under Conditions 6(a)(ii)(M), 6(a)(ii)(N), 6(a)(ii)(P) and 6(a)(ii)(Q) and the refinancings thereof, but excluding any guarantee Incurred under such Conditions and this Condition 6(a)(ii)(O) to the extent the amount of such guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to 35.0 % of Total Assets (or the Dollar Equivalent thereof);
- (P) Indebtedness Incurred by the Guarantor or any Restricted Subsidiary under Credit Facilities; *provided that* on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this Condition 6(a)(ii)(P) (together with refinancings thereof and the aggregate principal amount outstanding of Indebtedness that was permitted to be Incurred under Conditions 6(a)(ii)(M), 6(a)(ii)(N), 6(a)(ii)(O) and 6(a)(ii)(Q) and the refinancings thereof, but excluding any guarantee Incurred under such Conditions and this Condition 6(a)(ii)(P) to the extent the amount of such guarantee is otherwise reflected in such aggregate principal amount does not exceed an amount equal to 35.0 per cent. of Total Assets; and

- (Q) Indebtedness of the Guarantor or any Restricted Subsidiary Incurred for the purpose of the Guarantor's or such Restricted Subsidiary's financial, money-lending, trust, insurance and securities business; provided that (i) the Incurrence of such Indebtedness is consistent with standard industry practices in the financial, money-lending, trust, insurance and securities business and (ii) such Indebtedness is incurred in accordance with the business license of the Guarantor's or such Restricted Subsidiary's (as the case may be) and is in compliance with the rules and regulations issued by the Securities and Futures Commission of Hong Kong and all other applicable laws and regulatory requirements, *provided further* that, the aggregate principal amount of all Indebtedness Incurred under this Condition 6(a)(ii)(Q) (together with refinancings thereof) and the aggregate principal amount outstanding of Indebtedness that was permitted to be Incurred under Conditions 6(a)(ii)(M), 6(a)(ii)(N), 6(a)(ii)(O) and 6(a)(ii)(P) (and the refinancings thereof), but excluding any guarantee Incurred under such Conditions and this Condition 6(a)(ii)(Q) to the extent the amount of such guarantee is otherwise reflected in such aggregate principal amount, does not exceed an amount equal to 35.0% of the Total Assets (or the Dollar Equivalent thereof); and
- (R) Indebtedness assumed or acquired by the Guarantor or a Restricted Subsidiary in connection with the Les Ambassadeurs Club Acquisition, which, in any event, shall not exceed £36 million (or the Hong Kong dollar equivalent thereof).

For purposes of determining compliance with this Condition 6(a), in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described under the proviso in Condition 6(a)(i) and in Condition 6(a)(ii), the Guarantor or the Issuer, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness.

- (iii) Notwithstanding the foregoing, the counterparty in respect of any Hedging Obligation secured by a Lien entered into by the Guarantor or any of its Restricted Subsidiaries may not be an Affiliate of the Guarantor or any such Restricted Subsidiary.
- (iv) With respect to any HK dollar-denominated restriction on the incurrence of Indebtedness, the HK dollar equivalent principal amount (or accreted value, as applicable) of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided that* if such Indebtedness is incurred to renew, refund, refinance, replace, defease or discharge other Indebtedness denominated in a foreign currency, and such renewal, refunding, refinancing, replacement, defeasance or discharge would cause the applicable HK dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date thereof, such HK dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount (or accreted value, as applicable) of such Indebtedness does not exceed the principal amount (or accreted value, as applicable) of such Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.
- (v) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Guarantor or any Restricted Subsidiary of the Guarantor may incur pursuant to this Condition 6(a) shall not be deemed to be exceeded solely as a result of fluctuations in currency exchange rates or currency values.

(b) *Limitation on Restricted Payments*

The Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in Conditions 6(b)(i) to 6(b)(iv) (both inclusive) below being collectively referred to as “**Restricted Payments**”):

- (i) declare or pay any dividend or make any distribution on or with respect to the Guarantor’s or any Restricted Subsidiary’s Capital Stock (other than dividends or distributions payable or paid solely in shares of the Guarantor’s or any Restricted Subsidiary’s Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Guarantor or any Wholly-Owned Restricted Subsidiary;
- (ii) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Guarantor or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Guarantor held by any Persons other than the Guarantor or any Wholly- Owned Restricted Subsidiary;
- (iii) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or the Guarantee (excluding any intercompany Indebtedness between or among the Guarantor and any Wholly-Owned Restricted Subsidiary); or
- (iv) make any Investment, other than a Permitted Investment, unless, at the time of, and after giving effect to, the proposed Restricted Payment:
 - (A) no Default or Event of Default has occurred and is continuing or would occur as a result of such Restricted Payment;
 - (B) the Guarantor could, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least HK\$1.00 of Indebtedness under the proviso in the first sentence of Condition 6(a)(i); and
 - (C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Guarantor and its Restricted Subsidiaries, shall not exceed the sum (without duplication) of:
 - (1) 50.0 per cent. of the aggregate amount of the Consolidated Net Income of the Guarantor (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter during which the Notes are first issued and ending on the last day of the Guarantor’s most recently ended fiscal quarter for which consolidated financial statements of the Guarantor (which the Guarantor shall use its best efforts to compile in a timely manner) are available (which may include internal consolidated financial statements); plus
 - (2) 100% of the aggregate Net Cash Proceeds received by the Guarantor after the Issue Date as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Restricted Subsidiary of the Guarantor, including any such Net Cash Proceeds received upon (x) the conversion of any Indebtedness

(other than Subordinated Indebtedness) of the Guarantor into Capital Stock (other than Disqualified Stock) of the Guarantor, or (y) the exercise by a Person who is not a Restricted Subsidiary of the Guarantor of any options, warrants or other rights to acquire Capital Stock of the Guarantor (other than Disqualified Stock), in each case excluding the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Guarantor; plus

- (3) the amount by which Indebtedness of the Guarantor or any of its Restricted Subsidiaries is reduced on the Guarantor's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Guarantor) subsequent to the Issue Date of any Indebtedness of the Guarantor or any of its Restricted Subsidiaries convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Guarantor (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Guarantor upon such conversion or exchange); plus
- (4) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Issue Date in any Person resulting from (w) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Guarantor or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after the Issue Date, (x) the unconditional release of a guarantee provided by the Guarantor or a Restricted Subsidiary after the Issue Date of an obligation of another Person, (y) to the extent that an Investment made after the Issue Date was, or after such date, or is sold or otherwise liquidated or repaid for cash, the lesser of (A) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (B) the initial amount of such Investment, or (z) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Guarantor or a Restricted Subsidiary after the Issue Date in any such Person or Unrestricted Subsidiary; plus
- (5) HK\$150,000,000 (or the Dollar Equivalent thereof).

The foregoing provision shall not be violated by reason of:

- (I) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the related date of declaration or giving of the redemption notice, as the case may be if, at said date of declaration or at the date of declaration or notice, the dividend or redemption payment would have complied with the preceding paragraph;
- (II) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Guarantor with the Net Cash Proceeds of, or in exchange for, a substantially

concurrent Incurrence of Permitted Refinancing Indebtedness;

- (III) the redemption, repurchase or other acquisition of Capital Stock of the Guarantor, (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution (other than from a Restricted Subsidiary) or sale (other than to a Subsidiary of the Guarantor) of, shares of Capital Stock (other than Disqualified Stock) of the Guarantor or (or options, warrants or other rights to acquire such Capital Stock); *provided that* the amount of any such Net Cash Proceeds that is utilised for any such Restricted Payment will be excluded from Condition 6(b)(iv)(C)(2) hereof; *provided further that* any item that has been excluded pursuant to Condition 6(b)(iv)(C)(2) hereof will not be excluded again as a result of the proviso in this Condition 6(b)(iv)(C)(5)(III);
- (IV) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Guarantor in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Guarantor) of, shares of Capital Stock (other than Disqualified Stock) of the Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided that* the amount of any such Net Cash Proceeds that are utilised for any such Restricted Payment will be excluded from Condition 6(b)(iv)(C)(2), *provided further that* any item that has been excluded pursuant to Condition 6(b)(iv)(C)(2) will not be excluded again as a result of the proviso in this Condition 6(b)(iv)(C)(5)(IV);
- (V) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis, or on a basis more favourable to the Guarantor and/or its Restricted Subsidiaries, to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held directly, or indirectly through Restricted Subsidiaries, by the Guarantor;
- (VI) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Guarantor or any Restricted Subsidiary held by an employee benefit plan of the Guarantor or any Restricted Subsidiary, any current or former officer, director, consultant, or employee of the Guarantor or any Restricted Subsidiary (or permitted transferees, estates or heirs of any of the foregoing); *provided that* the aggregate consideration paid for all such repurchased, redeemed, acquired or retired Capital Stock shall not exceed HK\$40,000,000 (or the Dollar Equivalent thereof); or
- (VII) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for

Capital Stock of the Guarantor, *provided that* any such cash payment shall not be for the purpose of evading this Condition 6(b) (as determined in good faith by the Board of Directors of the Guarantor);;

provided that, in the case of Conditions 6(b)(iv)(C)(5)(II), 6(b)(iv)(C)(5)(III) and 6(b)(iv)(C)(5)(IV) above, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment permitted pursuant to Condition 6(b)(iv)(C)(5)(I) shall be included in calculating whether Condition 6(b)(iv)(C) has been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Guarantor or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this Condition 6(b) will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an Independent Financial Advisor if the Fair Market Value exceeds HK\$80,000,000 (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in an amount in excess of HK\$80,000,000 (or the Dollar Equivalent thereof), the Guarantor will deliver to the Agents an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Condition 6(b) were computed, together with a copy of any fairness opinion or appraisal required by the Conditions.

- (c) *Limitation on dividend and other payment restrictions affecting Restricted Subsidiaries*
- (i) Except as provided below, the Guarantor will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (A) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Guarantor or any of its Restricted Subsidiaries;
 - (B) pay any Indebtedness or other obligation owed to the Guarantor or any other Restricted Subsidiary;
 - (C) make loans or advances to the Guarantor or any of its Restricted Subsidiaries; or
 - (D) sell, lease or transfer any of its property or assets to the Guarantor or any of its Restricted Subsidiaries.

provided that for the avoidance of doubt the following shall not be deemed to constitute such an encumbrance or restriction: (i) the priority of any Preferred Stock issued in compliance with Condition 6(a) in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Guarantor or any Restricted Subsidiary to other Indebtedness Incurred by the Guarantor or any Restricted Subsidiary; and (iii) the provisions contained in documentation governing Indebtedness requiring transactions between or among the Guarantor and any Restricted Subsidiary or between or among any Restricted Subsidiary to be on fair and reasonable terms or on an arm's length basis.

- (ii) Condition 6(c)(i) does not apply to any encumbrances or restrictions existing under or by reason of:
- (A) existing in agreements as in effect on the Issue Date, or in the Notes, the Guarantee, the Deed of Covenant, the Deed of Guarantee and any amendments, restatements, modifications, supplements, extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided that* the encumbrances and restrictions in any such amendments, restatements, modifications, supplements, extensions, refinancings, renewals or replacements, taken as a whole, are no more restrictive in any material respect to the Noteholders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;
 - (B) existing under or by reason of applicable law, rule, regulation or order;
 - (C) with respect to any Person or the property or assets of such Person acquired by the Guarantor or any Restricted Subsidiary existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any amendments, restatements, modifications, supplements, extensions, refinancings, renewals or replacements thereof; *provided that* encumbrances and restrictions in any such amendment, restatement, modification, supplement extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Noteholders than those encumbrances or restrictions that are then existing and that are being amended, restated, modified, supplemented, extended, refinanced, renewed or replaced;
 - (D) that otherwise would be prohibited by the provision described in Condition 6(c)(i)(D), if they arise, or are agreed to in the ordinary course of business, and that (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or licence, (ii) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Guarantor or any Restricted Subsidiary not otherwise prohibited by the Conditions or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Guarantor or any Restricted Subsidiary in any manner material to the Guarantor or any Restricted Subsidiary;
 - (E) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by Conditions 6(a), 6(d) and 6(i) hereof;
 - (F) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness of the type permitted under Conditions 6(a) hereof if, as determined by the Board of Directors, the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Issuer or the Guarantor to make any required payment on the Notes and, any amendments, restatements, modifications, supplements, extensions, refinancings, renewals or replacements of any of the foregoing

agreements; *provided that* the encumbrances and restrictions in any such amendments, restatements, modifications, supplements, extensions, refinancings, renewals or replacements, taken as a whole, are no more restrictive in any material respect to the Noteholders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

- (G) existing in customary provisions in shareholders' agreements, joint venture agreements and other similar agreements permitted under the Conditions, to the extent such encumbrance or restriction relates to the activities or assets of the Guarantor or a Restricted Subsidiary that is a party to such agreements and if (as determined in good faith by the Board of Directors) (i) the encumbrances or restrictions are customary for a shareholders, joint venture or similar agreement of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially and adversely affect the ability of the Issuer to make the required payments on the Notes or the Guarantor to make the required payments on the Guarantee; or
- (H) existing with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of the Conditions at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its subsidiaries or the property or assets of such Subsidiary or its subsidiaries, and any amendments, restatements, modifications, supplements, extensions, refinancing, renewals or replacements thereof; *provided that* the encumbrances and restrictions in any such amendment, restatement, modification, supplement, extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Noteholders than those encumbrances or restrictions that are then in effect and that are being amended, restated, modified, supplemented, extended, refinanced, renewed or replaced.

(d) *Limitation on sales and issuances of capital stock in Restricted Subsidiaries*

The Guarantor will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell, any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

- (i) to the Guarantor or a Wholly-Owned Restricted Subsidiary, or in the case of a Restricted Subsidiary that is not Wholly Owned, *pro rata* to its shareholders or incorporators or on a basis more favourable to the Guarantor and its Restricted Subsidiaries;
- (ii) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Guarantor or a Wholly-Owned Restricted Subsidiary;
- (iii) the issuance and sale of the Capital Stock of a Restricted Subsidiary other than the Issuer if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the Condition 6(b) hereof if made on the date of such issuance or sale and provided that the Guarantor complies with Condition 6(i) hereof;

- (iv) the issuance or sale of Capital Stock of a Restricted Subsidiary other than the Issuer (which remains a Restricted Subsidiary after any such issuance or sale); *provided that* the Guarantor or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with Condition 6(i) hereof.

(e) *Limitation on issuances of guarantees by Restricted Subsidiaries*

The Guarantor will not permit any Restricted Subsidiary (other than the Issuer) directly or indirectly, to guarantee any Public Indebtedness of the Guarantor or the Issuer (“**Guaranteed Indebtedness**”), unless: (1)(a) such Restricted Subsidiary simultaneously executes and delivers a supplemental deed of guarantee to the Deed of Guarantee providing for an unsubordinated subsidiary guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim, or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Guarantor or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its guarantee, until the Notes have been paid in full; or (2) such guarantee and such guarantee Indebtedness are permitted by Conditions 6(a)(ii)(B) or 6(a)(ii)(C) hereof.

If the Guaranteed Indebtedness (a) ranks *pari passu* in right of payment with the Notes or the Guarantee, then the guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Guarantee, or (b) is subordinated in right of payment to the Notes or the Guarantee, then the guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Guarantee, at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Guarantee.

(f) *Limitation on transactions with shareholders and Affiliates*

The Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of (a) any holder (or any Affiliate of such holder) of 10.0 per cent. or more of any class of Capital Stock of the Guarantor or (b) any Affiliate of the Guarantor or any Restricted Subsidiary (each an “**Affiliate Transaction**”), unless:

- (i) the Affiliate Transaction is on fair and reasonable terms that are no less favourable to the Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm’s-length transaction by the Guarantor or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Guarantor or any Restricted Subsidiary; and
- (ii) the Guarantor delivers to the Agents:
 - (A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of HK\$40,000,000 (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers’ Certificate of the Guarantor certifying that such Affiliate Transaction complies with this Condition 6(f) and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and
 - (B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of HK\$80,000,000 (or the Dollar Equivalent thereof), in addition to the Board Resolution required in Condition 6(f)(ii)(A) above, an opinion as to the fairness to the Guarantor or such Restricted Subsidiary of such

Affiliate Transaction from a financial point of view issued by an Independent Financial Advisor.

The foregoing limitation does not limit, and shall not apply to:

- (1) the payment of reasonable and customary regular compensation fees and expenses to directors of the Guarantor who are not employees of the Guarantor;
- (2) transactions between or among the Guarantor and any of its Wholly-Owned Restricted Subsidiaries or between or among Wholly-Owned Restricted Subsidiaries of the Guarantor;
- (3) any Restricted Payment if permitted by Condition 6(b) hereof;
- (4) any issuance or sale of Capital Stock (other than Disqualified Stock) of the Guarantor;
- (5) the payment of compensation to officers and directors of the Guarantor or any Restricted Subsidiary pursuant to an employee stock or share option scheme; and
- (6) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Guarantor solely because of the Guarantor owns, directly or indirectly or through one or more of its Restricted Subsidiaries, an Equity Interest in, or Controls, such person.

In addition, the requirements of Condition 6(f)(ii) shall not apply to (i) Investments (other than Permitted Investments) not prohibited by Condition 6(b), (ii) Investments in any Person made under clause (q) of the definition of “**Permitted Investments**”; *provided that* such Investment is on a *pro rata* basis (or on a basis more favourable to the Guarantor or the Issuer, than on a *pro rata* basis) to the interest the Guarantor or any of its Restricted Subsidiary has in such Person at the time of such Investment as compared to the other shareholders or partners of such Person, (iii) transactions pursuant to agreements in effect on the Issue Date, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Guarantor and its Restricted Subsidiaries than the original agreement in effect on the Issue Date, and (iv) any transaction between or among any of the Guarantor, a Wholly-Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly-Owned Restricted Subsidiary or between or among the Guarantor or a Restricted Subsidiary on the one hand and an Unrestricted Subsidiary or Associate on the other hand; *provided that* in the case of (iv), (x) such transaction is entered into in the ordinary course of business and (y) none of the shareholders or partners (other than the Guarantor or a Restricted Subsidiary) of such Restricted Subsidiary, Unrestricted Subsidiary or Associate is a Person described in clause (x) or (y) of the first paragraph of this Condition 6(f) (other than by reason of such shareholder or partner being a director or officer of such Restricted Subsidiary or Unrestricted Subsidiary or Associate).

(g) *Limitation on Liens*

The Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are secured equally and rateably with the Indebtedness secured by such Lien.

(h) *Limitation on Sale and Leaseback Transactions*

The Guarantor will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided that* the Guarantor or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

- (i) the Guarantor or any Restricted Subsidiary could have (a) incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under Condition 6(a) and (b) incurred a Lien to secure such Indebtedness pursuant to Condition 6(g), in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;
- (ii) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and
- (iii) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Guarantor or any Restricted Subsidiary, as the case may be, applies the proceeds of such transaction in compliance with, Condition 6(i).

(i) *Limitation on Asset Sales*

The Guarantor will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

- (i) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;
- (ii) the consideration received by the Guarantor or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets sold or disposed of; and
- (iii) at least 75 per cent. of the consideration received consists of cash or Temporary Cash Investments or Replacement Assets; *provided that* in the case of an Asset Sale in which the Guarantor or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of HK\$80,000,000 (or the Dollar Equivalent thereof), the Guarantor shall deliver to the Agents an opinion as to the fairness to the Guarantor or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an Independent Financial Advisor.

For purposes of this Condition 6(i), each of the following will be deemed to be cash:

- (A) any liabilities, as shown on the Guarantor's most recent consolidated balance sheet, of the Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or the Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, set-off, novation or similar agreement that releases the Guarantor or such Restricted Subsidiary from further liability; and
- (B) any securities, notes or other obligations received by the Guarantor or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Guarantor or such

Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Guarantor (or the applicable Restricted Subsidiary, as the case may be) may apply an amount equal to such Net Cash Proceeds to:

- (1) permanently repay Senior Indebtedness of the Guarantor or any Indebtedness of a Restricted Subsidiary (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Guarantor or a Restricted Subsidiary; or
- (2) acquire Replacement Assets.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in (i) and (ii) in the immediately preceding paragraph will constitute “**Excess Proceeds**”. Excess Proceeds of less than HK\$80,000,000 (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceeds HK\$80,000,000 (or the Dollar Equivalent thereof), within 10 days thereof, the Guarantor must make an offer to purchase (in accordance with this Condition 6(i)) the Notes having a principal amount equal to:

- (I) accumulated Excess Proceeds, multiplied by
- (II) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale,

rounded down to the nearest HK\$1,000. The offer price in any offer to purchase the Notes will be equal to 100 per cent. of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an offer to purchase the Notes, the Guarantor may use those Excess Proceeds for any purpose not otherwise prohibited by the Conditions. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in such offer to purchase exceeds the amount of Excess Proceeds, the Issuer will select the Notes (and such other *pari passu* Indebtedness) to be purchased on a *pro rata* basis based on the principal amount of Notes and such other *pari passu* Indebtedness tendered. Upon completion of each offer to purchase the Notes, the amount of Excess Proceeds will be reset to zero.

Pending applications of the Net Cash Proceeds or Excess Proceeds pursuant to this Condition 6(i), such Net Cash Proceeds or Excess Proceeds shall be invested in Temporary Cash Investments.

- (j) *Limitation on consolidation and merger*

None of the Issuer or the Guarantor will consolidate, amalgamate or merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and the Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

- (i) the Issuer or the Guarantor, as the case may be, shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "**Surviving Person**") shall be a corporation organised and validly existing under the laws of Bermuda, the British Virgin Island or Hong Kong and shall expressly assume, by a supplemental deed of covenant to the Deed of Covenant or a supplemental deed of guarantee to the Deed of Guarantee (as the case may be), all the obligations of the Issuer, or the Guarantor, as the case may be, under the Deed of Covenant, the Deed of Guarantee and the Notes, the Guarantee, to which it is a party, as the case as may be, and the Deed of Covenant, the Deed of Guarantee and the Notes and the Guarantee, as the case may be, shall remain in full force and effect;
- (ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;
- (iii) immediately after giving effect to such transaction on a *pro forma* basis, the Guarantor or the Surviving Person of the Guarantor, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Guarantor immediately prior to such transaction;
- (iv) immediately after giving effect to such transaction on a *pro forma* basis, the Guarantor or the Surviving Person of the Guarantor, as the case may be, could Incur at least HK\$1.00 of Indebtedness under the proviso in the first sentence of Condition 6(a)(i); and
- (v) the Issuer or the Guarantor, delivers to the Agents (a) an Officers' Certificate of the Issuer or the Guarantor, as the case may be, (attaching the arithmetic computations to demonstrate compliance with Conditions 6(j)(iii) and 6(j)(iv)) and (b) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental deed of guarantee or supplemental deed of covenant (as the case may be) complies with this Condition 6(j) and that all conditions precedent provided for herein relating to such transaction have been complied with.

(k) *Limitation on business activities*

The Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than a Permitted Business; *provided, however*, that the Guarantor or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Business as long as any Investment therein was not prohibited when made by Condition 6(b).

(l) *Designation of Restricted and Unrestricted Subsidiaries*

For so long as any of the Notes remain outstanding, the Guarantor (or a Surviving Person of the Guarantor) shall at all times be designated and construed as a Restricted Subsidiary.

- (i) Subject to the aforesaid, the Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided that* (a) No Default shall have occurred, or be continuing at the time of or after giving effect to such designation; (b) neither the Guarantor nor any Restricted Subsidiary guarantees or provides credit support for the Indebtedness of such Restricted Subsidiary; (c)

such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Guarantor or the Issuer; (d) such Restricted Subsidiary does not own any Disqualified Stock of the Guarantor or Disqualified Stock or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or Lien on any property of the Guarantor or any Restricted Subsidiary, if such Disqualified Stock or Preferred Stock or Indebtedness could not be Incurred under Condition 6(a) or such Lien would violate Condition 6(g); (e) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated as Unrestricted Subsidiaries in accordance with this paragraph; and (f) the Investment deemed to have been made thereby in such newly designated Unrestricted Subsidiary and each other newly designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by Condition 6(b); and

- (ii) The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided that* (a) no Default shall have occurred or be continuing at the time of or after giving effect to such designation; (b) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by Condition 6(a); (c) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by Condition 6(g); and (d) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary).

- (m) *Government approvals and licences; compliance with law*

The Guarantor will, and will cause each Restricted Subsidiary to (1) obtain and maintain in full force and effect all governmental approvals, authorisations, consents, permits, concessions and licences as are necessary to engage in the Permitted Business, (2) preserve and maintain good and valid title to its properties and assets (including land use rights) free and clear of any Liens other than Permitted Liens and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except in each case to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (a) the business, results of operations or prospects of the Guarantor and its Restricted Subsidiaries taken as a whole or (b) the ability of the Issuer or the Guarantor to perform its obligations under the Notes, the Guarantee, the Conditions, the Deed of Covenant or the Deed of Guarantee.

- (n) *Anti-layering*

Neither the Guarantor nor the Issuer will Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes, on substantially identical terms. The restrictions set forth in this Condition 6(n) do not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or guarantees securing or in favour of some but not all of such Indebtedness.

- (o) *Provision of financial information*

- (i) So long as any of the Notes remain outstanding, the Guarantor will deliver to the Agents and, upon request, furnish to the Noteholders as soon as they are available but in any event not more than ten (10) calendar days after they are filed with HKEX or any other recognised exchange on which the Guarantor's Common Stock at any time is listed for trading, true and correct copies of any annual and

semi-annual financial reports, filed by the Guarantor with such exchange; *provided further* that, if at any time the Common Stock of the Guarantor ceases to be listed for trading on a recognised exchange, the Guarantor will deliver to the Agents and furnish to the Noteholders:

(A) as soon as they are available, but in any event within 120 days after the end of the fiscal year of the Guarantor, copies of its financial statements (on a consolidated basis) in respect of such financial year (including a statement of income, balance sheet, cash flow statement and the notes thereto) audited by a member firm of an internationally or nationally recognised firm of independent accountants; and

(B) as soon as they are available, but in any event within 90 days after the end of the second financial quarter of the Guarantor, copies of its financial statements (on a consolidated basis) in respect of such half-year period (including a statement of income, balance sheet, cash flow statement and the notes thereto) reviewed by a member firm of an internationally or nationally recognised firm of independent accountants.

(ii) In addition, so long as any of the Notes remain outstanding, the Guarantor will provide to the Agents (a) within 120 days after the close of each financial year, an Officers' Certificate of the Guarantor stating Debt-to-Asset Ratio and the Consolidated Tangible Net Worth as of the end of such financial year and showing in reasonable detail the calculation of the Debt-to-Asset Ratio and the Consolidated Tangible Net Worth, including the arithmetic computations of each component of the Debt-to-Asset Ratio and the Consolidated Tangible Net Worth; and (b) as soon as practical and in any event within 30 days after the Issuer or the Guarantor becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate of the Guarantor setting forth the details of the Default, and the action which the Issuer or the Guarantor, as the case may be, proposes to take with respect thereto.

(p) *Covenants in respect of the Issuer*

Notwithstanding anything contained in these Conditions or the Agency Agreement to the contrary:

(i) The Issuer shall not engage in any business activity or undertake any other activity, except any activity relating to Permitted Business; and

(ii) The Issuer (or any surviving person of the Issuer) shall at all times remain a Wholly Owned Restricted Subsidiary of the Guarantor unless the Guarantor (or a surviving person of the Guarantor) is a surviving person of the Issuer.

(q) *Listing of the Notes:* the Issuer undertakes to use commercially reasonable efforts to list or cause to be listed, the Notes, on the SGX-ST, or on another recognised securities exchange, other than the Stock Exchange of Hong Kong Limited, as determined by the Issuer in its absolute discretion, within six months from the Issue Date, or such other longer periods as the Issuer may, in its absolute discretion, deem fit.

For the purpose of this Condition 6 (*Covenants*) certain terms below have the meanings shown below.

“Acquired Indebtedness” means with respect to any specified Person:

(a) Indebtedness of any other Person existing at the time such other Person is amalgamated with or merged with or into or becomes a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(b) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

“**Affiliate**” means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (1) or (2). For purposes of this definition, “**control**” (including, with correlative meanings, the terms “**controlling**”, “**controlled by**” and “**under common control with**”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“**Asset Disposition**” means the sale or other disposition by the Guarantor or any Restricted Subsidiary (other than to the Guarantor or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary or (2) all or substantially all of the assets that constitute a division or line of business of the Guarantor or any Restricted Subsidiary.

“**Asset Sale**” means any sale, transfer or other disposition (including by way of merger, consolidation or a Sale and Leaseback Transaction) of any of its property or assets (including any sale or issuance of Capital Stock of a Restricted Subsidiary, but not an Unrestricted Subsidiary) in one transaction or a series of related transactions by the Guarantor or any Restricted Subsidiary to any Person; *provided, however*, that “**Asset Sale**” shall not include:

- (a) sales or other dispositions of inventory, receivables and other current assets (including properties under development for sale and completed properties for sale and any stock and securities held by the Guarantor or any Restricted Subsidiaries for their financial, money-lending, trust, insurance and securities business) in the ordinary course of business;
- (b) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under Condition 6(b) (Limitation on Restricted Payments);
- (c) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of HK\$20,000,000 (or the Dollar Equivalent thereof) in any transaction or series of related transactions;
- (d) any sale, transfer, assignment or other disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Guarantor or its Restricted Subsidiaries;
- (e) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;
- (f) a transaction covered by Condition 6(j) (Limitation on consolidation and merger);
- (g) any sale, transfer or other disposition by the Guarantor or any of its Restricted Subsidiaries, including the sale or issuance by the Guarantor or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Guarantor or any Restricted Subsidiary.

“**Associate**” means any corporation, association or other business entity of which at least 20 per cent. of the Capital Stock and the Voting Stock is owned, directly or indirectly, by the Guarantor or any Restricted Subsidiary.

“**Attributable Indebtedness**” means, in respect of a Sale and Leaseback Transaction, at the time of determination, the present value, discounted at the interest rate implicit in such Sale and Leaseback Transaction determined in accordance with GAAP, of the total obligations of the lessee for rental payments during the remaining term of the lease in such Sale and Leaseback Transaction, including any period for which such lease has been extended or may, at the option of the lessor, be

extended; *provided, however*, that if such Sale and Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of Capital Lease Obligation.

“Average Life” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“Board of Directors” means the board of directors elected or appointed by the stockholders of the Guarantor to manage the business of the Guarantor or any committee of such board duly authorized to take the action purported to be taken by such committee.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorised to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

“Capital Stock” means, with respect to any Person, any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting) equity of such Person, whether outstanding on the Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalised Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalised on the balance sheet of such Person.

“Capitalised Lease Obligations” means at the time any determination is to be made, the amount of the liability in respect of a Capitalised Lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“Commodity Hedging Agreement” means any spot, forward or option, commodity price protection agreements or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

“Common Stock” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding at the Issue Date, and include, without limitation, all series and classes of such common stock or ordinary shares.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided that* the following items shall be excluded in computing Consolidated Net Income (without duplication):

- (a) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that:
 - (i) subject to the exclusion contained in clause (e) below, the Guarantor’s equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Guarantor or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (c) below); and

- (ii) the Guarantor's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent funded with cash or other assets of the Guarantor or Restricted Subsidiaries;
- (b) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Guarantor or any Restricted Subsidiary or all or substantially all of the property and assets of such Person are acquired by the Guarantor or any Restricted Subsidiary;
- (c) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;
- (d) the cumulative effect of a change in accounting principles;
- (e) any net after-tax gains realised on the sale or other disposition of (a) any property or assets of the Guarantor or any Restricted Subsidiary which is not sold in the ordinary course of its business or (b) any Capital Stock of any Person (including any gains by the Guarantor realised on sales of Capital Stock of the Guarantor or any Restricted Subsidiary);
- (f) any translation gains and losses due solely to fluctuations in currency values and related tax effects; and
- (g) any net after-tax extraordinary or non-recurring gains.

“Consolidated Net Worth” means, at any date of determination, Consolidated Net Worth of the Guarantor as set forth on the most recently available semi-annual or annual consolidated financial statements of the Guarantor prepared in accordance with GAAP (which the Guarantor shall use its best efforts to compile in a timely manner), plus, to the extent not included, any Preferred Stock of the Guarantor, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Guarantor or any Restricted Subsidiary, each item to be determined in conformity with GAAP.

“Consolidated Tangible Net Worth” means, at any date of determination, the Consolidated Net Worth of the Guarantor as set forth on the most recently available semi-annual or annual consolidated financial statements of the Guarantor prepared in accordance with GAAP (which the Guarantor shall use its best efforts to compile in a timely manner), less any amount shown in respect of goodwill or other intangible assets and any Fair Market Value gains or losses on the Notes.

“Credit Facilities” means one or more of the facilities or arrangements with one or more banks or other lenders or institutions providing for revolving credit loans, term loans, receivables financings (including without limitation through the sale of receivables or assets to such institutions or to special purpose entities formed to borrow from such institutions against such receivables or assets or the creation of any Liens in respect of such receivables or assets in favor of such institutions), letters of credit or other Indebtedness, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledge agreements, security agreements and collateral documents, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders or institutions or other banks, lenders or institutions or otherwise, and whether provided under any original Credit Facility or one or more other credit agreements, indentures,

financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term “**Credit Facility**” shall include any agreement (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder (*provided that* such increase is permitted under the covenant described under Condition 6(a) (*Limitation on Indebtedness and Preferred Stock*) or (4) otherwise altering the terms and conditions thereof.

“**Currency Agreement**” means any foreign exchange forward contract, currency swap agreement, currency option agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

“**Debt-to-Asset Ratio**” means, with respect to any specified Person as of any date of determination, the ratio of (1) the Total Indebtedness of such Person to (2) the Total Assets of such Person.

“**Default**” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“**Disqualified Stock**” means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is 183 days after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the date that is 183 days after the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the Notes; *provided that* any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the Stated Maturity of the Notes shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favourable to the holders of such Capital Stock than the provisions contained in Condition 6(i) (*Limitation on Asset Sales*) and Condition 5(c) (*Redemption for Change of Control*) and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Guarantor’s repurchase of the Notes as are required to be redeemed or repurchased pursuant to Condition 6(i) (*Limitation on Asset Sales*) and Condition 5(c) (*Redemption for Change of Control*).

“**Dollar Equivalent**” means, in the case of any monetary amount in a currency other than HK dollars, at any time for the determination thereof, the amount of HK dollars obtained by converting such foreign currency involved in such computation into HK dollars at the base rate for the purchase of HK dollars with the applicable foreign currency as quoted by The Hong Kong Association of Banks on the date of determination.

“**Fair Market Value**” means the price that would be paid in an arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors of the Guarantor, whose determination shall be conclusive if evidenced by a Board Resolution.

“**GAAP**” means the Hong Kong Financial Reporting Standards as in effect from time to time. All ratios and computations contained or referred to in this Conditions shall be computed in conformity with GAAP applied on a consistent basis.

“**Hedging Obligations**” of any Person means the obligations of such Person pursuant to any Commodity Hedging Agreement, Interest Rate Agreement, Currency Agreement or agreements with respect to one or more options or other derivative transactions entered into in connection with the issuance of convertible Indebtedness.

“**HKEX**” means The Stock Exchange of Hong Kong Limited;

“**Incur**” means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided that* (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares or Preferred Stock or Disqualified Stock shall not be considered an Incurrence of Indebtedness. The terms “**Incurrence**”, “**Incurred**” and “**Incuring**” have meanings correlative with the foregoing.

“**Indebtedness**” means, with respect to any Person (without duplication):

- (a) all indebtedness of such Person for borrowed money;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;
- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (e) all Capitalised Lease Obligations and Attributable Indebtedness;
- (f) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided that the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;
- (g) all Indebtedness of other Persons guaranteed by such Person, to the extent such Indebtedness is guaranteed by such person;
- (h) to the extent not otherwise included in this definition, Hedging Obligations; and
- (i) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

Notwithstanding the foregoing, Indebtedness shall not include (i) deferred revenue arising from provision of goods and services provided during the ordinary course of business; (ii) any capital commitment, pre- sale receipts, deposits of advances from customers or any contingent obligations to refund payments (including deposits or advances) to customers (or any guarantee thereof) in the ordinary course of business, (iii) obligations of the Guarantor, Issuer or a Restricted Subsidiary to pay the deferred and unpaid purchase price of property or services due to suppliers of equipment or other assets (including parts thereof) not more than one year after such property is acquired or such services are completed and the amount of unpaid purchase price retained by the Guarantor or any Restricted Subsidiary in the ordinary course of business in connection with an acquisition of equipment or other assets pending full operation or contingent on certain conditions during a warranty period of such equipment or assets in accordance with the terms of the acquisition; *provided*, in the case of clause (ii) or (iii), such is not reflected on the balance sheet for the Guarantor or any Restricted Subsidiary (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet).

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the

maximum liability upon the occurrence of the contingency giving rise to the obligation, *provided that*:

- (a) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortised portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP,
- (b) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be “**Indebtedness**” so long as such money is held to secure the payment of such interest, and
- (c) the amount of Indebtedness with respect to any Hedging Obligation shall be (A) zero if it could be Incurred pursuant to Condition 6(a)(ii)(E) (*Limitation on Indebtedness and Preferred stock*) or (B) be equal to the net amount payable by such Person if it could not be Incurred pursuant to such Condition.

“**Independent Financial Advisor**” means a reputable licensed and qualified financial advisor, investment bank, appraisal firm or accounting firm appointed by the Issuer or Guarantor and notified in writing to the Agents, *provided that* such advisor or firm is not an Affiliate of the Guarantor.

“**Interest Rate Agreement**” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates, convert a fixed rate of interest into a floating rate of interest, convert a floating rate of interest into a different floating rate of interest, or lower interest currently paid on Indebtedness of any Person.

“**Investment**” means:

- (a) any direct or indirect advance, loan or other extension of credit to another Person;
- (b) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);
- (c) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or
- (d) any guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person. “**Invest**”, “**Investing**” and “**Invested**” shall have corresponding meanings.

For the purposes of the provisions of Condition 6(b) (*Limitation on Restricted Payments*) and Condition 6(l) (*Designation of Restricted and Unrestricted Subsidiaries*): (a) the Guarantor will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Guarantor’s proportional interest in the Fair Market Value of the assets (net of liabilities owed to any Person other than the Guarantor or a Restricted Subsidiary and that are not guaranteed by the Guarantor or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, (b) if the Guarantor or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of any direct or indirect Restricted Subsidiary of the Guarantor such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary the Guarantor will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Capital Stock of such Person not sold or disposed of and (c) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

“**Les Ambassadeurs Club Acquisition**” means the conditional acquisition by a subsidiary of the Guarantor of the entire issued share capital in Les Ambassadeurs Club Limited, a private company

incorporated in England and Wales with limited liability (formerly known as Drivemade Limited), along with the related ancillary transactions to such acquisition.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

“Net Cash Proceeds” means:

- (a) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of:
- (b) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;
- (c) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Guarantor and its Restricted Subsidiaries, taken as a whole;
- (d) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale; and
- (e) appropriate amounts to be provided by the Guarantor or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and
- (f) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“Officers’ Certificate” means a certificate signed by an executive officer of the Issuer or the Guarantor (as applicable);

“Opinion of Counsel” means a written opinion from legal counsel of recognised standing that meets the requirements of the Conditions.

“Permitted Business” means any business conducted or proposed to be conducted (as disclosed in the Guarantor’s publicly available filings on HKEX prior to the Issue Date including, but without limitation, any related casino operations as referenced in the announcement made by the Guarantor on 24 July 2019) by the Guarantor and its Restricted Subsidiaries on the Issue Date and other businesses reasonably related or ancillary thereto.

“Permitted Investment” means:

- (a) any Investment in the Guarantor or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become

a Restricted Subsidiary that is primarily engaged in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to the Guarantor or a Restricted Subsidiary that is primarily engaged in a Permitted Business;

- (b) Temporary Cash Investments;
- (c) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (d) stock, obligations or securities received in satisfaction of judgments;
- (e) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;
- (f) any Investment pursuant to a Hedging Obligation entered into in the ordinary course of business (and not for speculation) and designed solely to protect the Guarantor or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates;
- (g) receivables owing to the Guarantor or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (h) any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Dispositions made in compliance with Condition 6(i) (*Limitation on Asset Sales*);
- (i) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of Permitted Liens or made in connection with Liens permitted under Condition 6(g) (*Limitation on Liens*);
- (j) repurchase of the Notes and the Guarantee;
- (k) Investments in securities of trade creditors, trade debtors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;
- (l) Advances to contractors or suppliers for the acquisition of assets or consumables or services in the ordinary course of business that are recorded as deposits or prepaid expenses on the Guarantor's consolidated balance sheets;
- (m) Investments consisting of prepayments for inventory, supplies, materials and equipment or prepayment under licenses or leases of intellectual property or services, in any case, in the ordinary course of business;
- (n) Investments consisting of licensing of intellectual property in the ordinary course of business;
- (o) deposits made by the Guarantor or any of its Restricted Subsidiaries in the ordinary course of business in order to comply with statutory or regulatory obligations to maintain deposits for the workers' compensation claims, unemployment insurance or other types of social security and other purposes specified by statute or regulations from time to time.
- (p) advances or deposits made by the Guarantor or any of its Restricted Subsidiaries to contractors and suppliers for the acquisition or construction of assets or acquisition of consumables or services in the ordinary course of business;
- (q) any Investment (including any deemed Investment upon the redesignation of a Restricted Subsidiary as an Unrestricted Subsidiary or upon the sale of Capital Stock of a Restricted

Subsidiary) by the Guarantor or any Restricted Subsidiary in any Person (other than a Restricted Subsidiary); provided that:

- (i) the aggregate of all Investments made under this clause since the Issue Date shall not exceed in aggregate an amount equal to 15.0 per cent. of Total Assets. Such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made under this clause since the Issue Date resulting from:
 - (A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause, in each case to the Guarantor or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income),
 - (B) the unconditional release of a guarantee provided by the Guarantor or a Restricted Subsidiary after the Issue Date under this clause of an obligation of any such Person,
 - (C) to the extent that an Investment made after the Issue Date under this clause is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and the initial amount of such Investment, not to exceed, in each case, the amount of Investments made by the Guarantor or a Restricted Subsidiary after the Issue Date in any such Person pursuant to this clause, or
 - (D) to the extent that an Investment is made after the Issue Date under this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary, such Investment, if applicable, shall thereafter be deemed to have been made pursuant to clause (l) of the definition of “**Permitted Investments**” and not this clause;
- (ii) the Person into which such Investment is made is primarily engaged in a Permitted Business;
- (iii) if a shareholder or partner (other than the Guarantor or a Restricted Subsidiary) in such Person in which such Investment was made pursuant to this clause is a Person described in clauses (a) or (b) of the first paragraph of Condition 6(f) (*Limitation on transaction with shareholders and Affiliates*) (other than solely as a result of acting as an officer or director of the Guarantor or a Restricted Subsidiary or an Unrestricted Subsidiary), such Investment complies with Condition 6(f)(i); and
- (iv) no Default has occurred and is continuing or would occur as a result of such Investment;

For the avoidance of doubt, the value of each Investment made pursuant to this clause shall be valued at the time such Investment is made; and Investments made by the Guarantor or any Restricted Subsidiaries in the ordinary course of the Guarantor’s or such Restricted Subsidiaries’ financial, money-lending, trust, insurance and securities business; provided that such investment is made in accordance with the business license of the Guarantor or such Restricted Subsidiaries and is in compliance with the rules and regulations issued by the Securities and Futures Commission of Hong Kong and all other applicable laws and regulatory requirements.

“Permitted Liens” means:

- (a) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (b) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (c) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers’ acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);
- (d) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Guarantor or its Restricted Subsidiaries relating to such property or assets;
- (e) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Guarantor and its Restricted Subsidiaries, taken as a whole;
- (f) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person (i) becomes a Restricted Subsidiary or (ii) is merged with or into or consolidated with the Guarantor or any Restricted Subsidiary; provided that such Liens do not extend to or cover any property or assets of the Guarantor or any Restricted Subsidiary other than those of the Person that becomes a Restricted Subsidiary or is merged with or into or consolidated with the Guarantor or a Restricted Subsidiary; provided further that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;
- (g) Liens in favour of the Guarantor or any Restricted Subsidiary;
- (h) Liens arising from the attachment or rendering of a final judgment or order against the Guarantor or any Restricted Subsidiary that does not give rise to an Event of Default;
- (i) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof or liens in favour of any bank having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Guarantor or any Restricted Subsidiary on deposit with or in possession of such bank incurred in the ordinary course of business which do not provide security for borrowed money;
- (j) Liens securing Indebtedness under Hedging Obligations permitted to be incurred under Condition 6(a)(ii)(E); provided that (i) Indebtedness relating to any such Hedging Obligation is, and is permitted under Condition 6(g) (*Limitation on Liens*);
- (k) Liens existing on the Issue Date;
- (l) (Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under Condition 6(a)(ii)(D) hereof; provided that such Liens do not extend to or cover any property or assets of the Guarantor or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;

- (m) any interest or title of a lessor in the property subject to any operating lease;
- (n) Liens securing Indebtedness permitted under Condition 6(a)(ii)(M) hereof; provided that (i) such Liens extend to or cover only the equipment, property or asset whose purchase, or the personal property whose development, construction or improvement, is to be financed with such Indebtedness, as the case may be, and (ii) such Liens are created no later than 180 days after the acquisition of such equipment, property or asset or the completion of development, construction or improvement of such personal property, as the case may be; provided that, in the case of clause (i), such Lien may cover other property or assets (instead of or in addition to such item of property and improvements) if (x) such Lien is incurred in the ordinary course of business and (y) the aggregate book value of property or assets (as reflected in the most recent available consolidated financial statements of the Guarantor (which may be internal consolidated financial statements) or, if any such property or assets have been acquired since the date of such financial statements, the cost of such property or assets) subject to Liens incurred pursuant to this clause (n) does not exceed 130% of the aggregate principal amount of Indebtedness secured by such Liens;
- (o) Easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favour of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Guarantor or any Restricted Subsidiary;
- (p) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers' compensation claims and other purposes specified by statute in the ordinary course of business and not securing Indebtedness of the Guarantor or any Restricted Subsidiary;
- (q) Security given in the ordinary course of business (and not in connection with the borrowing of money or the obtaining of credit) to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or governmental or other authority in connection with the operation of the Guarantor and its Restricted Subsidiaries;
- (r) Liens on deposits made in order to secure the performance of the Guarantor or any of its Restricted Subsidiaries in connection with the acquisition of real property or land use rights by the Guarantor or any of its Restricted Subsidiaries in the ordinary course of business and not securing Indebtedness of the Guarantor or any Restricted Subsidiary;
- (s) Liens securing Indebtedness Incurred under Condition 6(a)(ii)(K) (*Limitation on Indebtedness and Preferred Stock*);
- (t) Liens securing Indebtedness Incurred under Condition 6(a)(ii)(O) (*Limitation on Indebtedness and Preferred Stock*);
- (u) Liens placed on the Capital Stock of any non-Wholly Owned Subsidiary or joint venture in the form of a transfer restriction, purchase option, call or similar right of a third part joint venture partner;
- (v) Liens securing Indebtedness of Restricted Subsidiaries (other than the Issuer) permitted under Condition 6(a) (*Limitation on Indebtedness and Preferred Stock*); provided that such Liens may not extend to any property or assets of the Guarantor or the Issuer other than the Capital Stock of such Restricted Subsidiaries;
- (w) Liens provided that the maximum amount of Indebtedness secured in the aggregate at any time pursuant to this clause does not exceed HK\$80,000,000 (or the Dollar Equivalent thereof); and
- (x) Liens securing Indebtedness Incurred under Condition 6(a)(ii)(Q) (*Limitation on Indebtedness and Preferred Stock*).

“Permitted Subsidiary Indebtedness” means Indebtedness of the Restricted Subsidiaries other than the Issuer; provided that, on the date of Incurrence of such Indebtedness, and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness (excluding any Indebtedness of any Restricted Subsidiary other than the Issuer permitted under Conditions 6(a)(ii)(C), 6(a)(ii)(E) or 6(a)(ii)(J) does not exceed an amount equal to 15.0% of Total Assets (or the Dollar Equivalent thereof).

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Preferred Stock” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“Public Indebtedness” means any bonds, debentures, notes or similar debt securities issued in a public offering or a private placement (other than the Notes) to professional investors.

“Replacement Assets” means, on any date, property or assets (other than current assets) of a nature or type or that are used in a Permitted Business, and for the purposes of Condition 6(i)(iii), shall include Capital Stock of any Person holding such property or assets, which is primarily engaged in a Permitted Business and will upon the acquisition by the Guarantor or any Restricted Subsidiary of such Capital Stock, become a Restricted Subsidiary.

“Restricted Subsidiary” means any Subsidiary of the Guarantor other than an Unrestricted Subsidiary. For the avoidance of doubt, the Issuer is a Restricted Subsidiary. On the Issue Date, all of the Subsidiaries of the Guarantor are Restricted Subsidiaries.

“Sale and Leaseback Transaction” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Guarantor, Issuer or any Restricted Subsidiary transfers such property to another Person and the Guarantor, issuer or any Restricted Subsidiary leases it from such Person.

“Senior Indebtedness” of the Guarantor or any Restricted Subsidiary, as the case may be, means all Indebtedness of the Guarantor or such Restricted Subsidiary, as relevant, whether outstanding on the Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to the Notes or, in respect of the Guarantor, the Guarantee; provided that Senior Indebtedness does not include (1) any obligation to the Guarantor or any Restricted Subsidiary or (2) Indebtedness Incurred in violation of these Conditions.

“Stated Maturity” means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

“Subordinated Indebtedness” means any Indebtedness of the Guarantor which is contractually subordinated or junior in right of payment to the Notes pursuant to a written agreement to such effect.

“Subsidiary” means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

“Temporary Cash Investment” means any of the following:

- (a) direct obligations of the United States of America, any state of the European Economic Area, the People’s Republic of China and Hong Kong or any agency thereof or obligations fully and unconditionally guaranteed by the United States of America, any state of the European Economic Area, the People’s Republic of China and Hong Kong or any agency thereof, in each case maturing within one year;
- (b) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organised under the laws of the United States of America or any state thereof, any state of the European Economic Area, the United Kingdom, Canada, Korea or Hong Kong, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of HK\$800,000,000 (or the Dollar Equivalent thereof) and has outstanding debt which is rated “A” (or such similar equivalent rating) or higher by at least one nationally recognised statistical rating organisation (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;
- (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) above entered into with a bank or trust company meeting the qualifications described in clause (b) above;
- (d) commercial paper, maturing not more than 180 days after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Guarantor) organised and in existence under the laws of the United States of America, any state thereof or any foreign country recognised by the United States of America with a rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-1” (or higher) according to S&P;
- (e) securities, maturing within one year of the date of acquisition thereof, issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof or Hong Kong and rated at least “A” by S&P or Moody’s;
- (f) any money market fund that has at least 95% of its assets continuously invested in investments of the types described in clauses 0 through (e) above;
- (g) time deposit accounts, certificates of deposit and money market deposits with any bank or financial institution organised under the laws of the Hong Kong, the United Kingdom or any other regions where the Guarantor or any Restricted Subsidiary conducts Permitted Business;
- (h) demand or time deposit accounts, certificates of deposit, overnight or call deposits and money market deposits with (i) The Bank of East Asia Limited, China Construction Bank Corporation, Chong Hing Bank Limited, DBS Bank Limited, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited and Julius Baer AG and any escrow bank account established as required by the terms of the Les Ambassadeurs Club Acquisition (ii) any other bank, trust company or other financial institutions organized under the laws of Hong Kong, the People’s Republic of China, the United Kingdom or United States whose long term debt is rated as high as or higher than any of those banks listed in clause (i) or (iii) any other bank, trust company or other financial institution organized under the laws of Hong Kong, the People’s Republic of China, the United Kingdom or United States; provided that, in the case of clause (iii) of this paragraph, such deposits do not exceed HK\$80,000,000 (or the Dollar Equivalent thereof) with any single

bank or HK\$120,000,000 (or the Dollar Equivalent thereof) in the aggregate on any date of determination;

- (i) structured deposit products with any bank or trust company organised under the laws of Hong Kong, the United Kingdom or United States or any other regions where the Guarantor or any Restricted Subsidiary conducts Permitted Business that (a) are 100% principal protected if held to maturity (which shall not be more than one year) and (b) can be withdrawn at any time with no more than six months' notice; and
- (j) investment products that are principal protected with any bank or financial institution organized under the laws of Hong Kong or the United Kingdom if held to maturity (which shall not be more than one year) and can be withdrawn at any time with no more than six months' notice.

“Total Assets” means, as of any date, the total consolidated assets of the Guarantor and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Guarantor (which the Guarantor shall use its best efforts to compile on a timely manner) are available (which may be internal consolidated financial statements); *provided that*;

- (a) only with respect to Condition 6(a)(ii)(M), Total Assets shall be calculated after giving pro forma effect to include the cumulative value of all equipment, property or assets (including Capital Stock), the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and calculation of Total Assets thereunder, in each case as of such date, as measured by the purchase price or cost therefore or budgeted cost provided in good faith by the Guarantor or any of its Restricted Subsidiaries to the bank or other similar financial instructional lender providing such Indebtedness;
- (b) only with respect to Condition 6(a)(ii)(O), Total Assets shall be calculated after giving pro forma effect to include the consolidated assets of any Restricted Subsidiary on the date such Restricted Subsidiary becomes a Restricted Subsidiary and any other change to the consolidated assets of the Guarantor as a result of such Person becoming a Restricted Subsidiary measured in accordance with GAAP; and
- (c) only with respect to clause (q) of the definition of **“Permitted Investment,”** Total Assets shall be calculated after giving pro forma effect to include the cumulative value of all of the Investments made pursuant to such clause as of such date, as measured by the purchase price or cost therefor.

“Total Indebtedness” means, for any Person as of any date of determination, an amount equal to the aggregate principal amount (or accreted value, as applicable) (without duplication) of all Indebtedness of such Person and its Restricted Subsidiaries on a consolidated basis outstanding at such time with all Hedging Obligations valued at the net amount that the same are reflected as a liability upon the most recent balance sheet (Indebtedness referred to in a footnote to financial statements and not otherwise reflected as a liability on the balance sheet will not be deemed to be reflected on such balance sheet) of the specified Person prepared in accordance with GAAP plus all Disqualified Stock issued by such Person and its Restricted Subsidiaries (to the extent not held by such Person or a Restricted Subsidiary) valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends; plus any Preferred Stock issued by the Restricted Subsidiaries of such Person (other than the Issuer) (to the extent not held by such Person or a Restricted Subsidiary) valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

“Trade Payables” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and payables within 180 Business Days.

“**Unrestricted Subsidiary**” means (1) any Subsidiary of the Guarantor that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided herein and (2) any Subsidiary of an Unrestricted Subsidiary.

“**Wholly-Owned**” means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director’s qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly-Owned Subsidiaries of such Person.

7. **Taxation**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, Bermuda or Hong Kong or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (a) *Other connection:* held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or, as the case may be, payments made by the Guarantor by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
- (b) *Presentation more than 30 days after the Relevant Date:* where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in Hong Kong by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the British Virgin Islands, Bermuda and/or Hong Kong, references in these Conditions to the British Virgin Islands, Bermuda and/or Hong Kong shall be construed as references to the British Virgin Islands, Bermuda and/or (as the case may be) Hong Kong and/or such other jurisdiction.

None of the Agents shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Noteholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

8. Events of Default

If any of the following events occurs:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within seven days of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Deed of Covenant or the Guarantee of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor; or
- (c) *Cross-acceleration of Issuer, Guarantor or Subsidiary*:
 - (i) any Indebtedness of the Issuer, the Guarantor or any of their respective Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes due and payable prior to its Stated Maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or
 - (iii) the Issuer, the Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;
provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds HK\$50,000,000 (or Dollar Equivalents thereof); or
- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) for the payment of any amount is rendered against the Issuer, the Guarantor or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or substantially all of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary; or
- (f) *Insolvency, etc.*: (i) the Issuer, the Guarantor or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any Material Subsidiary or the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary is appointed (or application for any such appointment is made), (iii) the Issuer, the Guarantor or any Material Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer, the Guarantor or any Material Subsidiary ceases or threatens to cease to carry on all or materially all of its business; or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any Material Subsidiary (otherwise than, in the case of a Material Subsidiary only, for the purposes of or pursuant to amalgamation, reorganisation or restructuring whilst solvent); or

- (h) *Government intervention*: (i) all or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Issuer, the Guarantor or any of their respective Subsidiaries is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets and revenues; or
- (i) *Failure to take action etc*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, the Deed of Covenant and the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Note Certificates, the Deed of Covenant or the Deed of Guarantee admissible in evidence in the courts of the British Virgin Islands and Bermuda is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Deed of Covenant or the Deed of Guarantee; or
- (k) *Guarantee not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (l) *Analogous event*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (h) (*Government intervention*) above,

then Noteholders holding not less than 25 per cent. of the aggregate principal amount of the outstanding Notes may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor, declare the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given by the Issuer to all other Noteholders.

The Agents need not do anything to ascertain whether any Event of Default has occurred and will not be responsible to Noteholders or any other person for any loss arising from any failure by it to do so, and, unless and until an Agent otherwise has notice in writing to the contrary, that Agent may assume that (i) no such event has occurred and (ii) that the Issuer and the Guarantor are performing all of their respective obligations under the Agency Agreement and the Conditions.

For the purpose of this Condition 8 (*Events of Default*), “**Material Subsidiary**” shall mean any Subsidiary of the Guarantor:

- (a) whose profit (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries), whose gross revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represent not less than 5.0 per cent. of the consolidated profit, consolidated gross revenue, or, as the case may be, the consolidated gross assets of the Guarantor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the Guarantor; *provided that*:
 - (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the Guarantor relate for the purpose of applying each of the foregoing tests, the reference to the Guarantor’s latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such Subsidiary had been shown therein by reference to its then

latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the Guarantor;

- (ii) if at any relevant time in relation to the Guarantor or any Subsidiary no financial statements are prepared and audited, its gross revenue and gross assets (consolidated, if applicable) shall be determined on the basis of pro forma consolidated financial statements (consolidated, if applicable) prepared for this purpose; and
 - (iii) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Guarantor; or
- (b) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, *provided that* on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (a) above.

A report by an authorised signatory of the Guarantor that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor and the Noteholders.

9. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date. The Agents shall not be responsible or liable for any amounts so prescribed.

10. Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar and the Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Guarantor and/or the Registrar may require.

Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11. Agents

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Specified Offices of the initial Agents are defined in the Agency Agreement. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or fiscal agent and additional or successor paying agents and transfer agents.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders by the Issuer.

12. Meetings of Noteholders; Modification

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including, any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment, to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, the Guarantor or any other person or body corporate formed or to be formed, to change the currency in which amounts due in respect of the Notes are payable, to amend the terms of the Guarantee of the Notes, to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution or to amend the definition of Reserved Matter (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum.

In addition, a resolution in writing signed by or on behalf of Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders, holding not less than 66.66 per cent. in nominal amount of the Notes outstanding, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

- (b) *Modification:* The Notes, these Conditions, the Deed of Covenant and the Deed of Guarantee may be amended without the consent of the Noteholders to correct a manifest error or any such modification which is of a formal, minor or technical nature, or which is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders. Any actions taken by the Issuer or the Guarantor in relation to the listing of the Notes on the SGX-ST, or on another recognized securities exchange, may be taken without the consent of the Noteholders. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders. Any modification shall be binding on the Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 14 (*Notices*).

13. Further Issues

The Issuer may from time to time pursuant to the Agency Agreement, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in

all respects (or in all respects except for the issue date and the date for, and amount of, the first payment of interest) so as to form a single series with the Notes.

14. Notices

Notices to the Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail (at the Issuer's, failing which, the Guarantor's expense) at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the Global Certificate), notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by these Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

15. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

16. Governing Law and Jurisdiction

16.1 Governing Law

The Agency Agreement, the Deed of Guarantee, the Deed of Covenant and the Notes and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Guarantee, the Deed of Covenant or the Notes are governed by, and construed in accordance with, English law.

16.2 Submission to Jurisdiction

- (a) The Hong Kong courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes (a “**Dispute**”) and each of the Issuer and the Guarantor in relation to any Dispute submits to the exclusive jurisdiction of the Hong Kong courts.
- (b) For the purposes of this Condition, each of the Issuer and Guarantor waives any objection to the Hong Kong courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

16.3 Service of Process

Each of the Issuer and the Guarantor agrees that process in any proceedings before the Hong Kong courts in relation to any Dispute may be served on it by being delivered to the Issuer or Guarantor at Imagi International Holdings Limited, Room 2205-09, 22nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong and agrees that, in the event of the Issuer and the Guarantor ceases to have a place of business in Hong Kong where process may be validly served, each of the Issuer and the Guarantor will immediately appoint a person as its agent for service of process in Hong Kong in respect of any Dispute. Each of the Issuer and the Guarantor agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

16.4 Other Documents and the Guarantor

Each of the Issuer and, where applicable, the Guarantor have in the Agency Agreement, the Deed of Covenant and the Deed of Guarantee submitted to the jurisdiction of the Hong Kong courts and process may be served in a manner substantially similar to those set out above.

17. Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Global Note Certificate contains the following provisions which apply to the Notes in respect of which they are issued while they are represented by the Global Note Certificate, some of which modify the effect of the Terms and Conditions. Terms defined in the Terms and Conditions have the same meaning in the paragraphs herein.

The Notes will be represented by a Global Note Certificate which will be registered in the name of a nominee for, and deposited with, a common depository for Euroclear and Clearstream.

For so long as the Notes are represented by the Global Note Certificate and such Global Note Certificate is held on behalf of a clearing system, subject as provided in the Agency Agreement, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream as to the holder of a particular aggregate principal amount of the Notes (each an “Accountholder”) (in which regard any certificate or other document issued by Euroclear or Clearstream as to the aggregate principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of such aggregate principal amount of such Notes for all purposes other than with respect to any payments on the Notes, for which purpose the registered Noteholder shall be deemed to be the holder of such aggregate principal amount of the Notes in accordance with and subject to the terms of the Global Note Certificate. Each Accountholder must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment made to the registered Noteholder.

The Global Note Certificate will become exchangeable in whole, but not in part, for Individual Note Certificates if (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates shall be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered Noteholder of the Global Note Certificate, Euroclear and/or Clearstream, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Note Certificate at the Specified Office of the Registrar. Such exchange shall be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Noteholder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been issued and delivered by 5:00 p.m. in the city in which the Fiscal Agent has its specified office (“Local Time”) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Note Certificate; or
- (b) any of the Notes evidenced by the Global Note Certificate has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the Noteholder of the Global Note Certificate on the due date for payment in accordance with the terms of the Global Note Certificate, then, at 5:00 p.m. (Local Time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (Local Time) on such due date (in the case of (b) above) the Accountholder shall acquire Direct Rights in accordance with the Deed of Covenant dated 13 November 2019 (the “Deed of Covenant”), without prejudice to the rights which the Noteholder may have under the Global Note Certificate.

Notices: Notwithstanding Condition 14 (*Notices*), so long as the Global Note Certificate is held on behalf of Euroclear, Clearstream or any other clearing system (an “Alternative Clearing System”), notices to Noteholders represented by the Global Note Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream or (as the case may be) such Alternative Clearing System.

USE OF PROCEEDS

The net proceeds from the issuance of the Notes, after deducting the fees and other expenses payable in connection with the issuance of the Notes, are HK\$987,500,000. The Group currently intends to use the net proceeds from the issuance of the Notes for general corporate purposes, including but not limited to the funding, in whole or in part, of the conditional acquisition by a subsidiary of the Guarantor of the entire issued share capital in Les Ambassadeurs Club Limited, a private company incorporated in England and Wales with limited liability (formerly known as Drivemade Limited). For more details on this acquisition, see “*Description of the Guarantor – Recent Developments of the Group – Gaming Business*”. The Guarantor may adjust its development plans in response to future events and developments, such as changes in general market conditions, the outlook for the Guarantor’s business, and its directors may reallocate the use of the proceeds with a view to obtaining the optimal benefit for the Group.

DESCRIPTION OF THE ISSUER

Set out below is a brief description of the Issuer. Each of the Issuer, the Guarantor and the initial investors does not accept any responsibility for the completeness or sufficiency of the information set out below.

Formation

Imagi Holdings Limited is a BVI business company limited by shares incorporated under the BVI Business Companies Act, 2004 (as amended), of the British Virgin Islands (BVI Company Number: 2017463). It was incorporated in the British Virgin Islands on 10 July 2019. Its registered office is at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110. The Issuer is a wholly-owned subsidiary of the Guarantor.

Business Activity

The Issuer was established with unrestricted capacity and powers as set out in its memorandum of association. The Issuer does not sell any products or provide any services and it has undertaken no business activities since its date of incorporation, other than those incidental to its incorporation and establishment as a directly wholly-owned subsidiary of the Guarantor and those incidental to the issuance of the Notes.

Financial Statements

Under British Virgin Islands law, the Issuer is not required to publish interim or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements. The Issuer is, however, required to keep proper records and underlying documentation, including accounts, that are sufficient to show and explain its transactions and which will enable the financial position of the Issuer to be determined with reasonable accuracy.

Directors and Officers

The directors of the Issuer are Mr. Kitchell Osman Bin, Mr. Shimazaki Koji and Ms. Choi Ka Wing and each of their business addresses is Rooms 2205-09, 22nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong. None of the directors of the Issuer holds any shares or options to acquire shares of the Issuer. The Issuer does not have any employees and has no subsidiaries.

Capitalisation

The issued share capital of the Issuer consists of one share at U.S. \$1.00, which is held by the Guarantor.

DESCRIPTION OF THE GUARANTOR

Set out below is a brief description of the Guarantor. Each of the Issuer, the Guarantor and the initial investors does not accept any responsibility for the completeness or sufficiency of the information set out below.

Introduction and Corporate Information

The Guarantor is an exempted company with limited liability incorporated in Bermuda, with its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its corporate headquarters in Hong Kong is located at Rooms 2205-09, 22nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong. The Guarantor's shares are listed on the Main Board of the SEHK under the Stock Code: 585. The Group is principally engaged in integrated financial services, investment holdings, the computer graphic imaging business and the cultural and entertainment business.

Corporate Structure

The Guarantor's direct and indirect consolidated subsidiaries as of 30 November 2019 are listed as follows:

Name of subsidiary	Place of incorporation or registration/ operations	Paid up issued share capital	Proportion of ownership interest and voting power held by the Guarantor		Principal activities
			Directly %	Indirectly %	
China Resources Enterprise Ltd.	BVI	US\$1	100	-	Inactive
Comanche Limited	BVI	HK\$1	100	-	Intermediate holding
Dai Gor Capital Ltd.	BVI	HK\$750,014,141.40	-	100	Inactive
Divine Kings Limited	BVI	HK\$864,832,564.46	100	-	Intermediate holding
Hurricane Fly Limited	BVI	HK\$1	-	100	Intermediate holding
Imagi Character Licensing B.V.	Netherlands	EUR18,100	-	100	Sub-licensing of intellectual property rights in respect of CGI animation pictures
Imagi Core Company Limited	Hong Kong	HK\$1	-	100	Provision of administrative services
Imagi Crystal Limited	Hong Kong	HK\$1	-	100	Holding and licensing of intellectual property rights in respect of CGI animation pictures
Imagi Holdings Limited	BVI	US\$1	100	-	Issuance of the Notes
Imagi Holdings Limited	Hong Kong	HK\$1	100	-	Inactive
Imagi International Development Limited	Cayman Islands	US\$1	100	-	Intermediate holding
Imagi International Development Limited	Marshall Islands	US\$1	100	-	Inactive
Imagi International Holdings Limited	BVI	US\$1	100	-	Intermediate holding
Imagi Management Limited	Hong Kong	HK\$1	-	100	Provision of administrative services
Imagi Management Services Limited	BVI	HK\$1	-	100	Provision of administrative services
Imagi Platinum Limited	Hong Kong	HK\$1	-	100	Holding and licensing of intellectual property rights in respect of CGI animation pictures
Imagi Wealth Limited	Hong Kong	HK\$1	-	100	Investment in securities
Infinite Lake Limited	BVI	HK\$61,500,000	100	-	Inactive

Intellect Fund Finance Limited	Hong Kong	HK\$1	-	100	Inactive
John & Wong Securities Company Limited	Hong Kong	HK\$250,000,000	-	100	Securities brokerage
Longtop Enterprises Limited	Hong Kong	HK\$134,500,778	-	90.91	Money lending
Macallan Fine Holdings Ltd.	BVI	HK\$1	100	-	Intermediate holding
Magmagous Corporation	BVI	US\$1	100	-	Inactive
Main Events Inc.	BVI	US\$1	100	-	Inactive
Project Martini Limited	United Kingdom	GBP1	-	100	Investment in the Target Company
Raytheon Investments Ltd.	BVI	US\$100	100	-	Intermediate holding
Sky Field Holdings Limited	BVI	US\$1	100	-	Intermediate holding
Step Goal Limited	BVI	US\$1	100	-	Intermediate holding
Turbo Money Investments Limited	BVI	US\$4	-	100	Investment in film rights
Unimagi Investment Limited	BVI	HK\$750,000,000	-	100	Trading of securities
Unimagi Investment Limited (HK)	Hong Kong	HK\$1	-	100	Inactive

Business Overview

The Guarantor was incorporated in Bermuda. The Guarantor's business initially focused on computer graphic imaging ("CGI"), with its first theatrical movie TMNT, an Asian animation film, released in March 2007. The second full feature motion picture, Astro Boy, was released worldwide in October 2009. However, the Guarantor decided to suspend efforts on the production side of the business, while retaining efforts on the distribution side of the CGI business, as owner of the intellectual property rights of the feature film, Astro Boy, and a TV series (Zentrix). In 2019, the Guarantor also made investments in the film industry by taking minority interests in new film productions.

In recent years the Guarantor has expanded its business focus from its computer graphic imaging business to include integrated financial services comprising investment holdings and proprietary trading, the provision of securities trading, brokerage and other investment services, money lending services, and cultural and entertainment businesses, as described below.

Securities investments and proprietary trading

The Guarantor initially focused on investment holdings, including investing in corporate bonds listed in Hong Kong and other markets. To further expand its investment business, the Guarantor began conducting its short-term proprietary trading business through Unimagi Investment Limited, the Guarantor's indirect wholly-owned subsidiary in 2016.

Brokerage and related services

In order to expand into the brokerage business, on 28 February 2017 the Guarantor acquired the entire issued share capital of John & Wong Securities Company Limited ("John & Wong"), an established brokerage firm. John & Wong is an indirect wholly-owned subsidiary of the Guarantor. Throughout 2018 John & Wong actively recruited personnel to undertake additional services and was granted additional licences to engage in Type 2 (dealing in future contracts), Type 4 (advisory on securities), Type 5 (advisory on future contracts) and Type 9 (asset management) regulated business from the Securities and Futures Commission of Hong Kong (the "SFC").

Money lending business

Prior to 2018 the Guarantor offered money lending via Imagination Holding Limited, a 50-50 joint venture company (the “JV Company”), which offered money lending services to clients through the JV Company’s indirect wholly-owned licensed money lender, Simagi Finance Company Limited.

The Guarantor decided to conduct its own money lending operations, and as a result, on 2 February 2018 the Guarantor disposed of its 50% shareholding in the JV Company to its joint venture partner, Bob May Incorporated, for HK\$150 million. Completion of the disposal occurred on 23 April 2018. In preparation for the development of the money lending business under control of the Group, on 22 March 2018, the Guarantor acquired Longtop Enterprises Limited, a licensed moneylender which has since been conducting the Group’s money lending business.

Recent Developments of the Group – Gaming Business

While the Guarantor devotes most of its efforts to developing the integrated financial services, investment holdings and CGI businesses described above, the Guarantor continues to explore and pursue new additional attractive business opportunities that would benefit the Guarantor and its shareholders.

In this regard, on 24 July 2019 Project Martini Limited (“Martini”), an indirect wholly owned subsidiary of the Guarantor, entered into a sale and purchase agreement, pursuant to which it conditionally agreed to acquire the entire issued share capital of Les Ambassadeurs Club Limited (the “Target Company”) for a consideration of GBP122,000,000 (equivalent to approximately HK\$1,206.1 million). The Guarantor has unconditionally and irrevocably guaranteed the performance by Martini of its obligations under the sale and purchase agreement. Completion is expected to take place in the first quarter of 2020. Les Ambassadeurs Club is an exclusive and distinguished gambling club in the United Kingdom and located in the heart of London’s Mayfair district. The Guarantor believes the acquisition of the Target Company is an exceptional opportunity to gain a foothold in the exclusive London casino market.

Financial Information

The Guarantor prepares its consolidated financial statements in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”). Its financial year end is 31 December. In accordance with applicable requirements of the SEHK, the Guarantor prepares and publishes audited consolidated financial statements and unaudited interim six month financial statements which are available on the Guarantor’s website. The financial statements as at and for the years ended 31 December 2018 and 31 December 2017 and extracted from the Guarantor’s 2018 annual report are attached at Appendix A and the interim financial statements as at and for the six months ended 30 June 2019 and 30 June 2018 and extracted from the Guarantor’s 2019 interim report are attached at Appendix B.

Management and Employees

Executive Directors

Mr. Kitchell Osman Bin, a Canadian citizen, completed his high-school education in Hong Kong and undergraduate studies in Canada. Mr. Kitchell had obtained a honorary diploma from Pickering College in Canada. Mr. Kitchell studied Economics in the University of Toronto, Canada. Mr. Kitchell is a veteran investor mainly in Hong Kong equity markets with over 20 years’ experience. Mr. Kitchell had been an investor managing a private family fund. Mr. Kitchell had been (i) an executive director, chief executive officer and chairman of Unity Investments Holdings Limited (stock code: 913) for the period from January 2005, January 2006 and January 2008 respectively to December 2014; and (ii) an executive director of Mission Capital Holdings Limited (currently known as CMBC Capital Holdings Limited, stock code: 1141) for the period from January 2015 to July 2015, all of which are companies listed on the main board of the SEHK.

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

913) for the period from December 2013 to November 2014, all of which are companies listed on the main board of the SEHK.

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

Independent Non-executive Directors

Dr. Santos Antonio Maria holds a Ph. D. degree in Business Administration from the Nueva Ecija University of Science & Technology in the Philippines, a Master's degree in Management Studies from University of Northumbria at Newcastle, United Kingdom and a Master's degree in Criminal Justice from the Tarlac State University, the Philippines. He is a fellow of the Chartered Management Institute, United Kingdom. Dr. Santos retired from the Hong Kong Police Force in January 2012 after more than 30 years of service there. Apart from volunteering for community services, he is currently a director and shareholder of A.M. Santos & Company Limited (a private company principally engaged in providing financial consultancy services) and Advance Tactics Service Limited (a private company principally engaged in providing personal and commercial risk management consultant services in Hong Kong and PRC). During the past five years, Dr. Santos had been (i) an executive director and an acting chairman of China Solar Energy Holdings Limited (stock code: 155) for the period from October 2014 and December 2014 respectively to May 2015; and (ii) an independent non-executive director of Willie International Holdings Limited (currently known as Mason Group Holdings Limited, stock code: 273) for the period from August 2012 to April 2016, all of which are companies listed on the main board of the SEHK. Dr. Santos is presently an independent non-executive director of Auto Italia Holdings Limited (stock code: 720) and Code Agriculture (Holdings) Limited (stock code: 8202), both are companies listed on the main board of the SEHK.

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

Ms. Liu Jianyi holds a master of Business Administration in Johnson At Cornell University and a bachelor of System Engineering in The Chinese University of Hong Kong. Ms. Liu is currently working as a director of a corporate financial services institution and has extensive management experience in corporate finance and equity funds. Ms. Liu had been an independent non-executive director of Inno-Tech Holdings Limited (stock code: 8202), a company listed on the GEM board of the SEHK, for the period from March 2015 to December 2018.

Mr. Chan Hak Kan graduated from the Department of Government and Public Administration of The Chinese University of Hong Kong in 1997 and completed a master's program and obtained a master's degree in law and public affairs from The Chinese University of Hong Kong in 2003. Mr. Chan was elected as a member of the Legislative Council of Hong Kong for three consecutive terms in 2008, 2012 and 2016. Prior to becoming a member of the Legislative Council, he was appointed as special assistant to the Chief Executive of Hong Kong. Mr. Chan was granted Chief Executive's Commendation for Community Service in 2005, was appointed as a Justice of the Peace in 2012 and received a Bronze Bauhinia Star in 2016. Mr. Chan is currently a member of

the Legislative Council of Hong Kong, a vice chairman of the Democratic Alliance for the Betterment and Progress of Hong Kong, deputy convenor of the Pro-Establishment Camp of the Legislative Council, and member of Xiamen Chinese People's Political Consultative Conference. He is also currently a chairman of the Panel on Security of the Legislative Council. Mr. Chan is presently an independent non-executive director of Xinyi Automobile Glass Hong Kong Enterprises Limited (stock code: 8328) and Oshidori International Holdings Limited (stock code: 622), a company listed on the GEM board of the SEHK and main board of the SEHK respectively.

Mr. Ngai Wai Kin holds a Professional Diploma in Accountancy from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University), a Bachelor of Laws (Hons) degree from the University of London and a Master of Laws degree from the City University of Hong Kong. Mr. Ngai is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia respectively. Mr. Ngai is also a barrister in England and Wales and a barrister in Hong Kong. Mr. Ngai has over 20 years' experience in the finance and accounting field in both Hong Kong and Australia. Mr. Ngai has been working in a legal firm for the past 10 years.

Senior Management

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

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

Employees and Share Option Scheme

As at 30 June 2019, the Group employed 27 employees in addition to the directors.

The Guarantor adopted a share option scheme on 16 August 2002 (the "2002 Scheme"). Pursuant to an ordinary resolution passed at an annual general meeting held on 11 June 2012, the Guarantor terminated the 2002 Scheme and adopted a new share option scheme (the "2012 Scheme"), the purpose of both the 2002 Scheme and the 2012 Scheme are to reward eligible participants who have contributed or are expected to contribute to the Group and to encourage the participants to work towards enhancing the value of the Guarantor and its shares for the benefit of the Guarantor and its shareholders as a whole.

Legal Proceedings

For the year ended 31 December 2018, the Group was not aware that the Guarantor or its subsidiaries was involved in any litigation which would have a material adverse effect on the business, results of operations or financial position of the Group.

EXCHANGE RATES

Hong Kong

The Hong Kong dollar is freely convertible into other currencies, including the U.S. dollar. Since October 17, 1983, the Hong Kong dollar has been linked to the U.S. dollar at the rate of HK\$7.80 to US\$1.00. Under existing Hong Kong law, there are no foreign exchange controls or other laws, decrees or regulations that affect the remittance of dividend payments to nonresidents. The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (the "Basic Law"), which came into effect on July 1, 1997, provides that no foreign exchange control policies shall be applied in Hong Kong.

The market exchange rate of the Hong Kong dollar against the U.S. dollar continues to be determined by the forces of supply and demand in the foreign exchange market. However, against the background of the fixed rate system which applies to the issuance and withdrawal of Hong Kong currency in circulation, the market exchange rate has not deviated significantly from the level of HK\$7.80 to US\$1.00. In May 2005, the Hong Kong Monetary Authority broadened the 22-year-old trading band from the original rate of HK\$7.80 per U.S. dollar to a rate range of HK\$7.75 to HK\$7.85 per U.S. dollar. The Hong Kong government has indicated its intention to maintain the link within that rate range. Under the Basic Law, the Hong Kong dollar will continue to circulate and remain freely convertible. The Hong Kong government has also stated that it has no intention of imposing exchange controls in Hong Kong and that the Hong Kong dollar will remain freely convertible into other currencies, including the U.S. dollar. However, no assurance can be given that the Hong Kong government will maintain the link at HK\$7.80 to US\$1.00 or at all.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Hong Kong dollars as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated:

Period	Noon Buying Rate			
	End	Average ¹	High	Low
	(HK\$ per US\$1.00)			
2013	7.7539	7.7564	7.7654	7.7503
2014	7.7531	7.7553	7.7669	7.7495
2015	7.7507	7.7519	7.7686	7.7495
2016	7.7534	7.7617	7.827	7.7505
2017	7.8128	7.7949	7.8267	7.754
2018	7.8305	7.8376	7.8499	7.8043
May 2019.....	7.8387	7.8478	7.8497	7.8387
June 2019.....	7.8103	7.8260	7.8430	7.8080
July 2019	7.8275	7.8133	7.8275	7.7956
August 2019	7.8403	7.8420	7.8469	7.8266
September 2019.....	7.8401	7.8350	7.8425	7.8177
October 2019	7.8376	7.8421	7.8454	7.8371
November 2019.....	7.8267	7.8279	7.8365	7.8208

¹ Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

TAXATION RELATING TO THE NOTES

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretation thereof in effect as at the date of this Introductory Document all of which are subject to changes and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. It is emphasised that neither the Issuer, the Guarantor nor any other persons involved in the Notes accepts responsibility for any tax effects or liabilities resulting from the purchase, holding or disposal of the Notes.

Bermuda

Tax

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Guarantor or by its shareholders who are resident outside Bermuda. The Guarantor has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to the Guarantor or to any of its operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Guarantor in respect of real property owned or leased by the Guarantor in Bermuda.

Stamp duty

As an exempted company, the Guarantor is exempt from all stamp duties except on transactions involving "Bermuda property". This term relates essentially to real and personal property physically situated in Bermuda, including shares in local (as opposed to exempted) companies. None of the Guarantor, the shareholders and the Noteholders, as the case may be (other than persons ordinarily resident in Bermuda), are subject to stamp duty or other similar duty in relation to the Notes (including the transfer thereof).

British Virgin Islands

Tax

As a company incorporated under the BVI Business Companies Act 2004 (as amended), the Issuer is exempt from all provisions of the Income Tax Act (as amended) of the British Virgin Islands (including with respect to all dividends, interests, rents, royalties, compensation and other amounts payable by the Issuer to persons who are not persons resident in the British Virgin Islands). Capital gains realised with respect to any shares, debt obligations or other securities of the Issuer by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Act (as amended) of the British Virgin Islands. No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the British Virgin Islands with respect to any shares, debt obligations or other securities of the Issuer, save for interest payable to or for the benefit of an individual resident in the European Union. The Issuer is required to pay an annual government fee which is determined by reference to the amount of shares the Issuer is authorised to issue.

Stamp duty

No stamp duty is payable in the British Virgin Islands on a transfer of shares, debt obligations or other securities of the Issuer, provided that the Issuer and its subsidiaries (if any) do not own an interest in any land in the British Virgin Islands.

Hong Kong

The following summary of certain Hong Kong tax consequences of the purchase, ownership and disposition of the Notes is based upon laws, regulations, decisions and practice now in effect, all of which are subject to change

(possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Notes should consult their own tax advisers concerning the application of Hong Kong tax laws to their particular situation as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap.112) of Hong Kong (the “Inland Revenue Ordinance”), as it is currently applied in the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or
- (b) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong and such interest is derived from Hong Kong; or
- (c) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a corporation) carrying on a trade, profession or business in Hong Kong and such interest is derived from Hong Kong and is in respect of the funds of the trade, profession or business; or
- (d) in relation to a corporation, other than a financial institution, interest on the Notes arises through or from carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance), even if the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to profits tax.

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and where the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired or disposed of. Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (as defined in section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or redemption of the Notes will be subject to profits tax.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “Commission’s proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult their legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes have been sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

By purchasing the Notes, each purchaser will be deemed to have made the following acknowledgements, representations to, and agreements with, the Issuer and the Guarantor:

- (1) Each purchaser understands and acknowledges that:
 - the Notes have not been and will not be registered under the Securities Act or any other applicable securities laws;
 - the Notes are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and
 - the Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.
- (2) Each purchaser represents that it is not an affiliate (as defined in Rule 144 under the Securities Act) of the Issuer or the Guarantor, that it is not acting on the Issuer or Guarantor's behalf, and it is purchasing the Notes in an offshore transaction in accordance with Regulation S.
- (3) Each purchaser acknowledges that none of the Issuer, the Guarantor, or any person representing the Issuer or the Guarantor has made any representation to it with respect to the Issuer, the Guarantor or the Notes, other than the information contained in this introductory document. Each purchaser agrees that it has had access to such financial and other information concerning the Issuer, the Guarantor and the Notes as it has deemed necessary in connection with its decision to purchase the Notes.
- (4) Each purchaser represents that it is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act.
- (5) Each purchaser agrees that it will inform each person to whom it transfers the Notes of any restrictions on transfer of such Notes.
- (6) Each purchaser understands and agrees that the Notes will be represented by the Global Note Certificate and that transfers thereto are restricted as described under "*Summary of Provisions Relating to the Notes in Global Form*".
- (7) Each purchaser understands and agrees that if in the future it decides to resell, pledge or otherwise transfer any Notes represented by the Global Note Certificate or any beneficial interest in any Notes represented by the Global Note Certificate, such Notes may be resold, pledged or transferred only in accordance with the requirements of the legends set forth in paragraph 8 below.
- (8) Each purchaser understands that the Notes represented by the Global Note Certificate will bear a legend to the following effect unless otherwise agreed to by the Issuer and the holder thereof:

THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED HEREBY MAY BE

REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS.

- (9) Each purchaser acknowledges and agrees: i) to notify the Issuer and the Guarantor in writing, upon any changes to the beneficial ownership of Notes held by it, promptly but in any event not later than 14 business days from the date of such changes being effective, and (ii) to procure the transferee of such Notes to agree at the time of or prior to such changes to undertake to the Issuer and the Guarantor in writing to comply with the obligations set out in (i) and (ii) of this paragraph.
- (10) Each purchaser acknowledges that the Issuer, the Guarantor and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. Each purchaser agrees that if any of the acknowledgments, representations or agreements it is deemed to have made by its purchase of the Notes is no longer accurate, it will promptly notify the Issuer and the Guarantor. If a purchaser is purchasing any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgments, representations and agreements on behalf of each account.

SELLING RESTRICTIONS

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Introductory Document or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, neither the Notes may be offered or sold, directly or indirectly, and neither this Introductory Document nor any other offering material or advertisements in connection with the Notes may be distributed or published, by the Issuer or the Guarantor in or from any country or jurisdiction, except in compliance with all applicable rules and regulations of any such country or jurisdiction.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

United Kingdom

Any purchaser of the Notes has represented, warranted and undertaken, or will represent, warrant and undertake that:

- (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

PRIIPs Regulation Prohibition of Sales to European Economic Area Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Hong Kong

The Notes may not be offered or sold in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and no advertisement, invitation or document relating to the Notes may be issued may be in the possession for the purposes of issue, of any person, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

This Introductory Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, this Introductory Document and any other document or material in connection with the offer or sale, or invitation for purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore), as modified from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are purchased or acquired under Section 275 of the SFA by a relevant person which is:

- (1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (3) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (4) where no consideration is or will be given for the transfer;
- (5) where the transfer is by operation of law;
- (6) as specified in Section 276(7) of the SFA; or
- (7) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

British Virgin Islands

No invitation will be made directly or indirectly to the public or any member of the public in the British Virgin Islands or any natural person resident or citizen to the British Virgin Islands to purchase any of the Notes and the Notes may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by British Virgin Islands law.

Bermuda

This Introductory Document, the Notes and any other document relating to the Notes are not subject to, and have not received approval from either the Bermuda Monetary Authority or the Registrar of Companies in Bermuda and no statement to the contrary, explicit or implicit, is authorised to be made in this regard. For the purposes of the Companies Act 1981 of Bermuda (as amended), the Notes being offered hereby are being offered

on a private basis to investors who satisfy the criteria outlined in any of the documents relating to the Notes and the Notes may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda (as amended). Non-Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorised to do so under applicable Bermuda legislation and engaging in the activity of offering or marketing the securities being offered in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda.

APPENDIX A
ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

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

		Notes	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		附註		
Brokerage related commission and clearing fee income	經紀相關佣金及結算費收入	8	2,227	1,140
Dividend income from held-for-trading investments	持作買賣投資之股息收入	8	20,577	751
Interest income on loans receivable and margin clients	應收貸款及保證金客戶之利息收入	8	3,479	-
Royalty income	專利費收入	8	256	264
Net realised losses from sales of listed equity investments classified as held-for-trading	出售分類為持作買賣的上市股本投資之已變現虧損淨額	8	(8,050)	(92,573)
			18,489	(90,418)
Other income	其他收入	9	2,479	5,393
Other gain/(loss)	其他收益/(虧損)	10	6,390	(18,265)
Impairment loss on goodwill	商譽之減值虧損		-	(5,878)
Impairment loss on intangible assets	無形資產之減值虧損		-	(2,072)
Impairment loss on available-for-sale investments	可供出售投資之減值虧損		-	(64,638)
Net realised losses from sales of listed equity investments classified as fair value through profit or loss	出售分類為透過損益按公平值列賬的上市股本投資之已變現虧損淨額		(8,075)	-
Losses from changes in fair value of financial assets classified as held-for-trading	分類為持作買賣財務資產之公平值變動虧損		(106,674)	(236,238)
Administrative expenses	行政支出		(33,203)	(36,423)
Loss from operations	經營虧損		(120,594)	(448,539)
Finance costs	財務成本	11	(832)	(158)
Share of profit/(loss) of a joint venture	應佔一間合營企業溢利/(虧損)		3,521	(3,308)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

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

		Notes	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		附註		
Loss before tax	除稅前虧損	13	(117,905)	(452,005)
Income tax credit	所得稅抵免	14	342	10,967
Loss for the year	年內虧損		(117,563)	(441,038)
Other comprehensive expense	其他全面開支			
Items that may be reclassified subsequently to profit or loss:	其後或會重新分類至損益之項目：			
Exchange differences arising on translation of foreign operations	換算境外經營業務所產生之兌換差額		224	(440)
Net loss on revaluation of available-for-sale investments	重估可供出售投資之虧損淨額		-	(64,351)
Impairment loss on available-for-sale investments reclassified to profit or loss	重新分類至損益的可供出售投資之減值虧損		-	64,638
Net loss on debt securities at fair value through other comprehensive income (recycling)	透過其他全面收入按公平值列賬的債務證券之虧損淨額(回收)		(1,524)	-
Net movement in investment revaluation reserve during the year recognised in other comprehensive income	於年內其他全面收入確認的投資重估儲備變動淨額		(1,524)	287
Other comprehensive expense for the year	年內其他全面開支		(1,300)	(153)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 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
Total comprehensive expense for the year 年內全面開支總額		(118,863)	(441,191)
Loss for the year attributable to owners of the Company 本公司擁有人應佔年內虧損		(117,563)	(441,038)
Total comprehensive expense for the year attributable to owners of the Company 本公司擁有人應佔年內全面開支總額		(118,863)	(441,191)
		2018 二零一八年	2017 二零一七年
Loss per share 每股虧損			
Basic and diluted (HK cents per share) 基本及攤薄 (每股港仙)	17	(17)	(66)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018
於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	2,165	2,626
Goodwill	商譽	19	–	–
Intangible assets	無形資產	20	859	859
Other financial assets	其他財務資產	21	6,562	51,178
Other non-current assets	其他非流動資產	22	1,500	1,500
Interest in a joint venture	於一間合營企業之權益	23	–	139,381
Prepayment for film rights	電影版權預付款項	24	3,900	–
			14,986	195,544
Current assets	流動資產			
Accounts receivable	應收賬款	25	4,928	943
Other receivables, deposits and prepayments	其他應收款項、按金及預 付款	26	3,296	2,184
Loans receivable	應收貸款	27	16,516	–
Held-for-trading investments	持作買賣投資	28	549,022	432,023
Convertible notes receivable	應收可換股票據	29	18,864	19,293
Bank balances – trust accounts	銀行結餘 – 信託賬戶	30	4,177	5,209
Bank balances and cash	銀行結餘及現金	31(a)	104,244	134,477
			701,047	594,129
Current liabilities	流動負債			
Accounts payable	應付賬款	32	4,444	6,081
Borrowings	借貸	33	43,268	–
Other payables and accruals	其他應付款項及應計費用		3,137	3,263
			50,849	9,344
Net current assets	流動資產淨值		650,198	584,785
Total assets less current liabilities	總資產減流動負債		665,184	780,329
Non-current liability	非流動負債			
Deferred tax liability	遞延稅項負債	34	142	484
Net assets	資產淨值		665,042	779,845

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

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
Capital and reserves	股本及儲備			
Share capital	股本	35(a)	27,677	27,577
Reserves	儲備	35(b)	637,365	752,268
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		665,042	779,845

The consolidated financial statements on pages 61 to 238 were approved and authorised for issue by the board of directors on 22 March 2019 and are signed on its behalf by:

第61至238頁之綜合財務報表已於二零一九年三月二十二日獲董事會批准及授權刊發，並由下列董事代表簽署：

**Mr. Kitchell Osman Bin
Kitchell Osman Bin**先生
Director
董事

Mr. Shimazaki Koji
嶋崎幸司先生
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Attributable to owners of the Company
本公司擁有人應佔

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Attributable to owners of the Company
本公司擁有人應佔

		Share capital 股本 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Merger reserve 合併儲備 HK\$'000 千港元	Translation reserve 換算儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total equity 總權益 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	27,577	1,800,639	909	3,021	1,845	287	(3,980)	(1,050,453)	779,845
Loss for the year	年內虧損	-	-	-	-	-	-	-	(117,563)	(117,563)
Exchange differences arising on translation of foreign operations	換算境外經營業務所產生之兌換差額	-	-	-	224	-	-	-	-	224
Net loss on revaluation of debt securities	重估債務證券之虧損淨額	-	-	-	-	-	(1,524)	-	-	(1,524)
Other comprehensive income/ (expense) for the year	年內其他全面收入/(開支)	-	-	-	224	-	(1,524)	-	-	(1,300)
Total comprehensive income/ (expense) for the year	年內全面收入/(開支)總額	-	-	-	224	-	(1,524)	-	(117,563)	(118,863)
Exercise of shares options	行使購股權	100	5,805	-	-	(1,845)	-	-	-	4,060
At 31 December 2018	於二零一八年十二月三十一日	27,677	1,806,444	909	3,245	-	(1,237)	(3,980)	(1,168,016)	665,042

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
	Notes 附註		
OPERATING ACTIVITIES	經營活動		
Loss before tax	除稅前虧損	(117,905)	(452,005)
Adjustments for:	經下列調整：		
Share of (profit)/loss of a joint venture	應佔一間合營企業(溢利)/虧損	(3,521)	3,308
Impairment loss on available-for-sale investments	可供出售投資之減值虧損	21(a) —	64,638
Impairment loss on goodwill	商譽之減值虧損	19 —	5,878
Impairment loss on intangible assets	無形資產之減值虧損	20 —	2,072
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	41(c) —	7
Realised losses from sales of listed equity investments classified as held-for-trading	出售分類為持作買賣的上市股本投資之已變現虧損	8 6,130	87,589
Losses from changes in fair value of financial assets classified as held-for-trading	分類為持作買賣財務資產之公平值變動虧損	106,674	236,238
Gain on initial recognition of available-for-sale investments	初步確認可供出售投資之收益	10 —	(3,402)
Finance costs	財務成本	11 832	158
Dividend income from available-for-sale investments	可供出售投資之股息收入	9 —	(1,512)
Interest income on debt securities	債務證券之利息收入	9 (678)	(350)
Interest income on convertible notes receivable	應收可換股票據之利息收入	9 (1,740)	(1,753)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		Notes	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		附註		
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	10	44	168
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18	798	1,614
Gain on disposal of a joint venture	出售一間合營企業之收益	10	(7,098)	-
Fair value loss on convertible notes receivable	應收可換股票據之公平值虧損	10	429	47,706
Net realised losses from sales of listed equity investments classified as fair value through profit or loss	出售分類為透過損益按公平值列賬的上市股本投資之已變現虧損淨額		8,075	-
Gain on derecognition of day-one gain on convertible notes	終止確認可換股票據之第一天收益之收益	10	-	(25,700)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量		(7,960)	(35,346)
Increase in loans receivable	應收貸款增加		(16,516)	-
(Increase)/decrease in accounts receivable	應收賬款(增加)/減少		(3,985)	1,046
(Increase)/decrease in other receivables, deposits and prepayments	其他應收款項、按金及預付款(增加)/減少		(1,112)	18,921
Decrease in amount due from a joint venture	應收一間合營企業款項減少		-	71
Proceeds from disposal of held-for-trading investments	出售持作買賣投資所得款項		326,413	500,016
Purchases of held-for-trading investments	購買持作買賣投資		(556,216)	(667,228)
Prepayment for film rights	電影版權之預付款項		(3,900)	-
Decrease in other payables and accruals	其他應付款項及應計費用減少		(126)	(3,746)

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
	Notes 附註		
Decrease/(increase) in bank balances – trust accounts	銀行結餘—信託賬戶 減少/(增加)	1,032	(3,179)
(Decrease)/increase in accounts payable	應付賬款(減少)/增加	(1,637)	2,001
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用之現金淨額	(264,007)	(187,444)
INVESTING ACTIVITIES	投資活動		
Acquisition of a subsidiary	收購一間附屬公司	–	(508)
Proceeds from disposal of a joint venture	出售一間合營企業 所得款項	150,000	–
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	–	51,490
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	–	30,085
Purchase of property, plant and equipment	購買物業、廠房及設備	(381)	(809)
Investment in available-for-sale investments	於可供出售投資之投資	–	(7,800)
Proceed from disposal of listed equity investments classified as fair value through profit or loss	出售分類為透過損益公平 值列賬的上市股本證券 所得款項	35,017	–
Interest income on debt securities	債務證券之利息收入	678	350
Interest income on convertible notes receivable	應收可換股票據之利息收入	1,740	1,753
Dividend income from available-for-sale investments	可供出售投資之股息收入	–	1,512

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
		Notes 附註		
NET CASH GENERATED FROM INVESTING ACTIVITIES	投資活動產生之現金淨額		187,054	76,073
FINANCING ACTIVITIES	融資活動			
Net proceeds from borrowings – margin loans	借貸—保證金貸款所得款項淨額		43,268	–
Proceeds from exercise of share options	行使購股權所得款項		4,060	–
Interest paid	已付利息	11	(832)	(158)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	融資活動產生／(使用)之現金淨額		46,496	(158)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額		(30,457)	(111,529)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等值項目		134,477	246,446
Effect of foreign exchange rate changes	匯率變動之影響		224	(440)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日之現金及現金等值項目			
Represented by bank balances and cash	指銀行結餘及現金	31(a)	104,244	134,477

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. GENERAL

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

The Company acts as an investment holding company. During the Year under Review, the Group were principally engaged in integrated financial services, investment holdings, computer graphic imaging (“CGI”), cultural and entertainment business. The integrated financial services were comprised of securities investments and proprietary trading, the provision of securities brokerage services, margin financing services and money lending services. Details of principal activities of its subsidiaries are set out in note 44.

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is also the functional currency of the Company.

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

(a) Overview

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group’s financial statements:

HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
HK(IFRIC)-Int 22	Foreign currency transactions and advance consideration

1. 一般資料

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

本公司為投資控股公司。於回顧年度，本集團主要從事綜合金融服務、投資控股、電腦造像（「電腦造像」）、文化及娛樂業務。綜合金融服務包括證券投資及自營交易、提供證券經紀服務、保證金融服務及放債服務。其附屬公司之主要業務詳情載於附註44。

綜合財務報表以本公司功能貨幣港元（「港元」）呈列。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

(a) 概覽

香港會計師公會（「香港會計師公會」）已頒佈多項於本集團本會計期間首次生效的新訂香港財務報告準則及香港財務報告準則修訂。其中下列進展與本集團的財務報表有關：

香港財務報告準則第9號	財務工具
香港財務報告準則第15號	來自客戶合約之收入
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

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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(a) Overview (continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, except for the amendments to HKFRS 9, Prepayment features with negative compensation which have been adopted at the same time as HKFRS 9.

(b) HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

HKFRS 9 replaces HKAS 39, Financial instruments: recognition and measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

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）

(a) 概覽（續）

本集團並無應用本會計期間尚未生效之任何新準則或詮釋，惟香港財務報告準則第9號修訂，具有負補償的提前還款特性已與香港財務報告準則第9號同時採納除外。

(b) 香港財務報告準則第9號財務工具，包括香港財務報告準則第9號修訂本，具有負補償的提前還款特性

香港財務報告準則第9號取代香港會計準則第39號財務工具：確認及計量。其載列財務資產、財務負債及買賣非財務項目的部分合約之確認及計量規定。

本集團已按照過渡規定對二零一八年一月一日存在的項目追溯應用香港財務報告準則第9號。本集團已將首次確認的累計影響確認為對二零一八年一月一日的期初權益的調整。因此，比較資料繼續按照香港會計準則第39號報告。

早前會計政策變動的性質及影響以及過渡法的進一步詳情載列如下：

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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

(continued)

(i) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (“FVOCI”) and at fair value through profit or loss (“FVPL”). These supersede HKAS 39’s categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

The following table shows the original measurement categories for each class of the Group’s financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

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）

(b) 香港財務報告準則第9號財務工具，包括香港財務報告準則第9號修訂本，具有負補償的提前還款特性（續）

(i) 財務資產及財務負債的分類

香港財務報告準則第9號將財務資產分為三個主要分類類別：按攤銷成本計量、透過其他全面收入按公平值列賬（「透過其他全面收入按公平值列賬」）及透過損益按公平值列賬（「透過損益按公平值列賬」）。其取代香港會計準則第39號有關持有至到期投資、貸款及應收款項、可供出售財務資產及透過損益按公平值列賬的財務資產的類別。香港財務報告準則第9號項下財務資產的分類基於管理財務資產的業務模式及其合約現金流量特點。根據香港財務報告準則第9號，嵌入主合約為該準則範圍內財務資產的合約的衍生工具不與主合約分開。相反，混合工具整體就分類進行評估。

下表列示本集團各類財務資產根據香港會計準則第39號的原始計量類別，並將該等財務資產按照香港會計準則第39號釐定的賬面值與按照香港財務報告準則第9號釐定者對賬。

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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

(continued)

(i) Classification of financial assets and financial liabilities (continued)

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）

(b) 香港財務報告準則第9號財務工具，包括香港財務報告準則第9號修訂本，具有負補償的提前還款特性（續）

(i) 財務資產及財務負債的分類（續）

		HKAS 39 carrying amount at 31 December 2017	Reclassification	Remeasurement	HKFRS 9 carrying amount at 1 January 2018
		於二零一七年 十二月三十一日 香港會計準則 第39號賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	重新計量 HK\$'000 千港元	於二零一八年 一月一日 香港 財務報告準則 第9號賬面值 HK\$'000 千港元
Financial assets carried at amortised cost	按攤銷成本列賬的 財務資產				
Bank balances and cash	銀行結餘及現金	134,477	-	-	134,477
Bank balances – trust accounts	銀行結餘－信託賬戶 accounts	5,209	-	-	5,209
Accounts receivable	應收賬款	943	-	-	943
Other receivables	其他應收款項	405	-	-	405
		141,034	-	-	141,034
Financial assets measured at FVOCI (recycling)	透過其他全面收入 按公平值列賬的 財務資產（回收）				
Debt securities (note (i))	債務證券（附註(i)）	-	8,086	-	8,086

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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

(continued)

(i) Classification of financial assets and financial liabilities (continued)

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）

(b) 香港財務報告準則第9號財務工具，包括香港財務報告準則第9號修訂本，具有負補償的提前還款特性（續）

(i) 財務資產及財務負債的分類（續）

	HKAS 39 carrying amount at 31 December 2017	Reclassification	Remeasurement	HKFRS 9 carrying amount at 1 January 2018
	於二零一七年 十二月三十一日 香港會計準則 第39號賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	重新計量 HK\$'000 千港元	於二零一八年 一月一日 香港 財務報告準則 第9號賬面值 HK\$'000 千港元
Financial assets carried at FVPL	透過損益按公平值列賬的財務資產			
Convertible notes receivable (note (iii))	19,293	-	-	19,293
Equity securities not held for trading (note (ii))	-	43,092	-	43,092
Held-for-trading investments (note (iii))	432,023	-	-	432,023
	451,316	43,092	-	494,408
Financial assets classified at available-for-sale under HKAS 39 (notes (i), (ii))	根據香港會計準則第39號分類為可供出售的財務資產（附註(i)、(ii)）			
	51,178	(51,178)	-	-

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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

(continued)

(i) Classification of financial assets and financial liabilities (continued)

Notes:

- (i) Under HKAS 39, debt securities were classified as available-for-sale financial assets. They are classified as at FVOCI (recycling) under HKFRS 9.
- (ii) Under HKAS 39, equity securities not held for trading were classified as available-for-sale financial assets. These equity securities are classified as at FVPL under HKFRS 9, unless they are eligible for and designated at FVOCI by the Group.
- (iii) Held-for-trading investments and convertible notes receivable were classified as financial assets at FVPL under HKAS 39. These assets continue to be measured at FVPL under HKFRS 9.

For an explanation of how the Group classifies and measures financial assets and recognises related gains and losses under HKFRS 9, see accounting policy notes in notes 3(m), (n)(i), (o) and (p).

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）

(b) 香港財務報告準則第9號財務工具，包括香港財務報告準則第9號修訂本，具有負補償的提前還款特性（續）

(i) 財務資產及財務負債的分類（續）

附註：

- (i) 根據香港會計準則第39號，債務證券分類為可供出售財務資產。其根據香港財務報告準則第9號分類為透過其他全面收入按公平值列賬（回收）。
- (ii) 根據香港會計準則第39號，並非持作買賣的股本證券分類為可供出售財務資產。該等股本證券根據香港財務報告準則第9號分類為透過損益按公平值列賬，除非符合資格且被本集團指定為透過其他全面收入按公平值列賬。
- (iii) 持作買賣投資及應收可換股票據根據香港會計準則第39號分類為透過損益按公平值列賬的財務資產。該等資產根據香港財務報告準則第9號繼續透過損益按公平值列賬計量。

有關本集團如何根據香港財務報告準則第9號分類及計量財務資產並確認相關收益及虧損的解釋，請參閱附註3(m)、(n)(i)、(o)及(p)中的會計政策附註。

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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

(continued)

(i) Classification of financial assets and financial liabilities (continued)

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 January 2018.

(ii) Credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the expected credit loss (“ECL”) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the new ECL model to the following items:

- financial assets measured at amortised cost (including bank balances – trust accounts, bank balances and cash, loans receivable, accounts receivable and other receivables); and

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）

(b) 香港財務報告準則第9號財務工具，包括香港財務報告準則第9號修訂本，具有負補償的提前還款特性（續）

(i) 財務資產及財務負債的分類（續）

所有財務負債的計量類別仍然相同。所有財務負債於二零一八年一月一日的賬面值未受首次應用香港財務報告準則第9號影響。

於二零一八年一月一日，本集團並無指定或終止指定任何財務資產或財務負債透過損益按公平值列賬。

(ii) 信貸虧損

香港財務報告準則第9號以預期信貸虧損（「預期信貸虧損」）模型取代香港會計準則第39號中的「已產生虧損」模型。預期信貸虧損模型要求持續計量與財務資產有關的信貸風險，因此確認預期信貸虧損的時間早於根據香港會計準則第39號中「已產生虧損」會計模型進行確認。

本集團對以下項目應用新預期信貸虧損模型：

- 按攤銷成本計量的財務資產（包括銀行結餘－信託賬戶、銀行結餘及現金、應收貸款、應收賬款及其他應收款項）；及

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 REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

(b) HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

(continued)

(ii) Credit losses (continued)

- debt securities measured at FVOCI (recycling).

For further details on the Group’s accounting policy for accounting for credit losses, see note 3(n)(i).

(iii) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

- Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in accumulated losses and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

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）

(b) 香港財務報告準則第9號財務工具，包括香港財務報告準則第9號修訂本，具有負補償的提前還款特性（續）

(ii) 信貸虧損（續）

- 透過其他全面收入按公平值列賬的債務證券（回收）。

有關本集團關於信貸虧損會計處理的會計政策的進一步詳情，請參閱附註3(n)(i)。

(iii) 過渡

因採納香港財務報告準則第9號而導致的會計政策變動已追溯應用，以下所述者除外：

- 與比較期間有關的資料未予重列。因採納香港財務報告準則第9號而導致的財務資產賬面值差額於二零一八年一月一日的累計虧損及儲備確認。故此，就二零一七年呈列的資料繼續根據香港會計準則第39號報告，因此可能無法與本期間比較。

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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

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

(b) HKFRS 9, Financial instruments, including the amendments to HKFRS 9, Prepayment features with negative compensation

(continued)

(iii) Transition (continued)

- The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of HKFRS 9 by the Group):
 - the determination of the business model within which a financial asset is held.
- If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

(c) HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specified the accounting for construction contracts.

The adoption of HKFRS 15 does not have any material impact on the financial position and the financial result of the Group.

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）

(b) 香港財務報告準則第9號財務工具，包括香港財務報告準則第9號修訂本，具有負補償的提前還款特性（續）

(iii) 過渡（續）

- 以下評估乃基於二零一八年一月一日（本集團首次應用香港財務報告準則第9號之日）存在的事實及情況作出：
 - 釐定持有財務資產的業務模式。
- 如於首次應用日期評估自初步確認起信貸風險是否已大幅增加將涉及過度成本或努力，則就該財務工具確認終生預期信貸虧損。

(c) 香港財務報告準則第15號來自客戶合約之收入

香港財務報告準則第15號為確認來自客戶合約之收入及部分成本建立了一個綜合框架。香港財務報告準則第15號取代香港會計準則第18號收入（涵蓋因銷售貨品及提供服務而產生的收入）及香港會計準則第11號建築合約（指明建築合約的會計處理）。

採納香港財務報告準則第15號對本集團的財務狀況及財務業績並無重大影響。

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

(d) HK(IFRIC)-Int 22, Foreign currency transactions and advance consideration

This interpretation provides guidance on determining “the date of the transaction” for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that “the date of the transaction” is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC)-Int 22 does not have any material impact on the financial position and the financial result of the Group.

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）

- (d) 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
該詮釋提供有關就釐定因實體以外幣收取或支付預付代價的交易所產生的相關資產、開支或收入（或其中一部分）首次確認時使用的匯率而釐定「交易日期」的指引。

該詮釋澄清，「交易日期」為因支付或收取預付代價而產生的非貨幣資產或負債首次確認之日。如在確認相關項目前多次支付或收取款項，每次付款或收款的交易日期應以該方式釐定。採納香港（國際財務報告詮釋委員會）—詮釋第22號對本集團的財務狀況及財務業績並無重大影響。

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3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

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

3. 主要會計政策

(a) 合規聲明

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the “Group”).

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

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

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

3. 主要會計政策 (續)

(b) 財務報表的編製基準

截至二零一八年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)。

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

編製財務報表使用的計量基準為歷史成本法，惟其他財務資產、持作買賣投資及應收可換股票據(見附註3(m))按公平值入賬除外(如下文所載會計政策解釋)。

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

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

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

(c) Subsidiaries

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

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

3. 主要會計政策 (續)

(b) 財務報表的編製基準 (續)

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

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

(c) 附屬公司

附屬公司為本集團控制的實體。當本集團透過參與實體業務而享有或有權取得該實體的可變回報且有能力透過其於該實體的權力影響該等回報金額時，本集團對該實體擁有控制權。在評估本集團是否具有權力時，僅考慮(本集團及其他方持有的)實質權利。

於附屬公司的投資自控制開始之日起至控制終止之日止綜合入綜合財務報表。集團內部公司間的結餘、交易及現金流以及因集團內部公司間交易產生的任何未變現溢利，已於編製綜合財務報表時悉數對銷。因集團內部公司間交易產生的未變現虧損按與未變現收益相同的方式對銷，但僅以無減值證據者為限。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Subsidiaries (continued)

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

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 3(m)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 3(n)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

3. 主要會計政策 (續)

(c) 附屬公司 (續)

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

當本集團喪失附屬公司的控制權時，作為出售該附屬公司的全部權益入賬，因此產生的收益或虧損於損益確認。於控制權喪失日期在該前附屬公司保留的任何權益按公平值確認，該金額視為財務資產(見附註3(m))初步確認時的公平值或(如適用)於聯營公司或合營企業初步確認時的成本。

在本公司財務狀況表中，於附屬公司的投資按成本減去減值虧損(見附註3(n)(ii))入賬，除非投資分類為持作出售(或計入分類為持作出售的組別)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Revenue recognition

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

Brokerage related commission income and clearing fee income are recognised on a trade date basis when the relevant transactions are executed.

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

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

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

Income from the sales of equity securities is recognised on a trade date basis.

3. 主要會計政策 (續)

(d) 收入確認

收入按已收或應收代價之公平值計量。

經紀相關佣金及結算費收入在訂立相關交易時按交易日期確認。

來自投資的股息收入在收取付款的股東權利已確立時確認。

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

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

銷售股本證券之收入按交易日期確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Property, plant and equipment

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

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

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

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

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

3. 主要會計政策 (續)

(e) 物業、廠房及設備

物業、廠房及設備於綜合財務狀況表以成本值減其後累計折舊及其後累計減值虧損(如有)列賬。

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

歷史成本包括收購項目直接產生的開支。

倘資產的賬面值高於其估計可收回金額，則其賬面值即時撇減至可收回金額。

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Leasing

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

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

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

3. 主要會計政策 (續)

(f) 租賃

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Leasing (continued)

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

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

3. 主要會計政策 (續)

(f) 租賃 (續)

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Foreign currencies

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

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

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

3. 主要會計政策 (續)

(g) 外幣

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

換算貨幣項目所產生兌換差額於產生期間於損益中確認。

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Foreign currencies (continued)

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

(h) Retirement benefit costs

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

(i) Equity-settled share-based payment transactions

Share options granted to employees

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

3. 主要會計政策 (續)

(g) 外幣 (續)

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

(h) 退休福利成本

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

(i) 以權益結算之股權支付交易

授予僱員之購股權

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Equity-settled share-based payment transactions (continued)

Share options granted to individuals other than employees

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

At the end of each reporting period, the Group revises its estimate of the number of options that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

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

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

3. 主要會計政策 (續)

(i) 以權益結算之股權支付交易 (續)

授予僱員以外的個人之購股權

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

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

於授出日期即時歸屬之已授出購股權之公平值即時於損益支銷。

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Taxation

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

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

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

3. 主要會計政策 (續)

(j) 稅項

所得稅支出指即期應繳稅項及遞延稅項之總和。

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Taxation (continued)

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

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

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

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

3. 主要會計政策 (續)

(j) 稅項 (續)

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

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Taxation (continued)

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

(k) Business combinations and goodwill

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

3. 主要會計政策 (續)

(j) 稅項 (續)

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

(k) 業務合併及商譽

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Business combinations and goodwill

(continued)

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

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

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

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

3. 主要會計政策 (續)

(k) 業務合併及商譽 (續)

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

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Business combinations and goodwill

(continued)

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

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

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

3. 主要會計政策 (續)

(k) 業務合併及商譽 (續)

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(I) Intangible assets

Intangible assets acquired separately

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

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

3. 主要會計政策 (續)

(I) 無形資產

單獨收購的無形資產

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(I) Intangible assets (continued)

Intangible assets acquired separately (continued)

CGI animation pictures

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

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

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

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

3. 主要會計政策 (續)

(I) 無形資產 (續)

單獨收購的無形資產 (續)

電腦造像動畫

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

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(I) Intangible assets (continued)

Intangible assets acquired separately (continued)

Intangible assets acquired in a business combination

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

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

Trading rights

Trading rights represent the eligibility rights to trade on or through the Stock Exchange and Hong Kong Futures Exchange Limited with indefinite useful lives. They are carried at cost less accumulated impairment losses. The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading rights are considered by the management of the Group as having an indefinite useful life because they are expected to contribute to net cash flows indefinitely. The trading rights will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

3. 主要會計政策 (續)

(I) 無形資產 (續)

單獨收購的無形資產 (續)

業務合併中收購的無形資產

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

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

交易權

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(l) Intangible assets (continued)

Film rights

Film right investments are the Group's investments in film production project which entitles the Group to share certain percentage of income to be generated from the related film based on the proportion of investments amounts as specified in respective film right investments agreements.

Film right investments are stated at cost, less any identified impairment loss. The costs of film right investments are recognised as expenses in cost of sales upon the entitlement of income in accordance with respective film right investment agreements.

Derecognition of intangible assets

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

(m) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries and joint ventures, are set out below.

3. 主要會計政策 (續)

(l) 無形資產 (續)

電影版權

電影版權投資指本集團於電影製作項目的投資，該投資令本集團可按各電影版權投資協議指明的投資金額比例分享相關電影產生的一定百分比的收入。

電影版權投資按成本減任何已識別的減值虧損入賬。電影版權投資的成本在按照各電影版權投資協議獲得收入時於銷售成本中確認為開支。

終止確認無形資產

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

(m) 於債務及股本證券的其他投資

本集團有關於債務及股本證券的投資(於附屬公司及合營企業的投資除外)的政策載列如下。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Other investments in debt and equity securities (continued)

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 6(c). These investments are subsequently accounted for as follows, depending on their classification.

(a) Policy applicable from 1 January 2018

Investments other than equity investments
Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 3(d)).

3. 主要會計政策 (續)

(m) 於債務及股本證券的其他投資 (續)

於債務及股本證券的投資於本集團承諾購買／出售投資之日確認／終止確認。投資初步按公平值加上直接應佔的交易成本入賬，惟透過損益按公平值列賬的投資除外，其交易成本直接於損益確認。有關本集團如何釐定財務工具公平值的解釋，請參閱附註6(c)。該等投資其後按下列方式列賬，視乎其類別而定。

(a) 自二零一八年一月一日起適用的政策

除股本投資以外的投資
本集團持有的非股本投資分為以下計量類別之一：

- 攤銷成本(如投資乃為收取純粹為本金及利息付款的合約現金流量而持有)。投資的利息收入使用實際利率法計算(見附註3(d))。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Other investments in debt and equity securities (continued)

(a) Policy applicable from 1 January 2018 (continued)

Investments other than equity investments (continued)

- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

3. 主要會計政策 (續)

(m) 於債務及股本證券的其他投資 (續)

(a) 自二零一八年一月一日起適用的政策 (續)

除股本投資以外的投資 (續)

- 透過其他全面收入按公平值列賬－回收(如投資的合約現金流量僅包括本金及利息付款，且持有投資的業務模式之目標同時透過收取合約現金流量及出售而實現)。公平值變動於其他全面收入確認，惟預期信貸虧損、利息收入(使用實際利率法計算)及外匯收益及虧損於損益確認。當投資終止確認時，於其他全面收入累計的金額由權益回收至損益。

- 透過損益按公平值列賬(如投資不符合按攤銷成本計量或透過其他全面收入按公平值列賬(回收)的標準)。投資公平值變動(包括利息)於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Other investments in debt and equity securities (continued)

(a) Policy applicable from 1 January 2018 (continued)

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy.

3. 主要會計政策 (續)

(m) 於債務及股本證券的其他投資 (續)

(a) 自二零一八年一月一日起適用的政策 (續)

股本投資

於股本證券的投資分類為透過損益按公平值列賬，除非股本投資並非持作買賣，且投資首次確認時本集團選擇將投資指定為透過其他全面收入按公平值列賬(不回收)，令公平值的後續變動於其他全面收入確認。該選擇乃逐項工具作出，但只能在投資從發行人角度符合權益的釋義時作出。作出該選擇時，於其他全面收入累計的金額仍然留在公平值儲備中(不回收)，直到投資被出售。出售時，於公平值儲備累計的金額(不回收)轉入保留盈利，不透過損益回收。來自於股本證券的投資之股息(不論分類為透過損益按公平值列賬或透過其他全面收入按公平值列賬)按照該政策於損益確認為其他收入。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Other investments in debt and equity securities (continued)

(b) Policy applicable prior to 1 January 2018

Investments in securities held for trading were classified as financial assets measured at FVPL. Any attributable transaction costs were recognised in profit or loss as incurred. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in profit or loss.

Dated debt securities that the Group had the positive ability and intention to hold to maturity were classified as held-to-maturity securities. Held-to-maturity securities were stated at amortised cost (for impairment see note 3(n)(i) – policy applicable prior to 1 January 2018).

Investments which did not fall into any of the above categories were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments and interest income from debt securities calculated using the effective interest method were recognised in profit or loss in accordance with the policies set out in note 3(d). Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired (see note 3(n)(i) – policy applicable prior to 1 January 2018), the cumulative gain or loss recognised in equity was reclassified to profit or loss.

3. 主要會計政策 (續)

(m) 於債務及股本證券的其他投資 (續)

(b) 於二零一八年一月一日前適用的政策

於持作買賣證券的投資分類為透過損益按公平值列賬的財務資產。任何應佔的交易成本於產生時在損益確認。於各報告期末，公平值重新計量，產生的任何收益或虧損於損益確認。

本集團有積極能力及意向持有至到期的有期債務證券分類為持有至到期證券。持有至到期證券按攤銷成本列賬(有關減值，請參閱附註3(n)(i) – 於二零一八年一月一日前適用的政策)。

不屬於上述任何類別的投資分類為可供出售財務資產。於各報告期末，公平值重新計量，產生的任何收益或虧損於其他全面收入確認，並於權益中公平值儲備內分開累計(回收)。來自股本投資的股息收入及使用實際利率法計算的來自債務證券的利息收入分別按照附註3(d)所載政策於損益確認。債務證券產生的外匯收益及虧損亦於損益確認。當投資終止確認或減值時(見附註3(n)(i) – 於二零一八年一月一日前適用的政策)，於權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)

(n) Credit losses and impairment of assets

(i) Credit losses from financial instruments

(a) Policy applicable from 1 January 2018

The Group recognises a loss allowance for ECLs on the following items:

- financial assets measured at amortised cost (including bank balances – trust accounts, bank balances and cash, loans receivable, accounts receivable and other receivables); and
- debt securities measured at FVOCI (recycling).

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值

(i) 財務工具信貸虧損

(a) 自二零一八年一月一日起適用的政策

本集團就以下項目的預期信貸虧損(預期信貸虧損)確認虧損撥備：

- 按攤銷成本計量的財務資產(包括銀行結餘-信託賬戶、銀行結餘及現金、應收貸款、應收賬款及其他應收款項)；及
- 透過其他全面收入按公平值列賬的債務證券(回收)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued)

Financial assets measured at fair value, including held-for-trading investments and convertible notes receivable, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(a) 自二零一八年一月一日起適用的政策 (續)

按公平值計量的財務資產(包括持作買賣投資及應收可換股票據), 且毋須進行預期信貸虧損評估。

預期信貸虧損的計量

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損按所有預期現金缺額(即按照合約應付本集團的現金流量與本集團預計收到的現金流量之間的差額)的現值計量。

就未提取貸款承諾而言, 預期現金缺額按(i)如貸款承諾持有人提取貸款時應付本集團的合約現金流量與(ii)如貸款提取時本集團預計收到的現金流量之間的差額計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued)

Measurement of ECLs (continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, accounts receivable and other receivables: effective interest rate determined at initial recognition or an approximation thereof.
- variable-rate financial assets: current effective interest rate.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(a) 自二零一八年一月一日起適用的政策 (續)
預期信貸虧損的計量 (續)

預期現金缺額使用以下貼現率貼現(如貼現影響重大):

- 固定利率財務資產、應收賬款及其他應收款項：首次確認時釐定的實際利率或其約數。
- 浮動利率財務資產：當期實際利率。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued) Measurement of ECLs (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(a) 自二零一八年一月一日起 適用的政策 (續) 預期信貸虧損的計量 (續)

估計預期信貸虧損時考慮的最長期間為本集團面臨信貸風險的最長合約期間。

在計量預期信貸虧損時，本集團考慮無需過度成本或努力即可獲得的合理並有支持的資料。這包括有關過往事件、現行狀況及未來經濟狀況預測的資料。

預期信貸虧損按以下任一基準計量：

- 12個月預期信貸虧損：為預期因報告日期後12個月內可能違約事件產生的虧損；及
- 全期預期信貸虧損：為預期因預期信貸虧損模型適用的項目的預計年期內所有可能違約事件產生的虧損。

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截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued)

Measurement of ECLs (continued)

Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECLs under the simplified approach. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs (i.e. Stage 1: 12-month ECL) unless there has been a significant increase in credit risk of the financial instrument since initial recognition under the general approach, in which case the loss allowance is measured at an amount equal to lifetime ECLs (i.e. Stage 2: lifetime ECL without credit-impaired; Stage 3: lifetime ECL with credit-impaired). Definitions of Stage 1, Stage 2, and Stage 3 are detailed in note 6(b)(iv).

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損

(續)

(a) 自二零一八年一月一日起適用的政策 (續)

預期信貸虧損的計量 (續)

應收賬款之虧損撥備始終按簡化方法下的等於全期預期信貸虧損的金額計量。該等財務資產的預期信貸虧損基於本集團的歷史信貸虧損經驗使用撥備總表估計，並就債務人特定因素及對報告日期現行及預測整體經濟狀況的評估作出調整。

就所有其他財務工具而言，本集團確認等於12個月預期信貸虧損的虧損撥備（即第1階段：12個月預期信貸虧損），除非一般方法下財務工具的信貸風險自首次確認起大幅增加，在此情況下，虧損撥備按等於全期預期信貸虧損的金額計量（即第2階段：無信貸減值的全期預期信貸虧損；第3階段：有信貸減值的全期預期信貸虧損）。第1階段、第2階段及第3階段的定義詳情列於附註6(b)(iv)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. 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.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(a) 自二零一八年一月一日起適用的政策 (續)

信貸風險大幅增加

在評估自首次確認起財務工具的信貸風險是否大幅增加時，本集團將財務工具於報告日期評估的發生違約的風險與於首次確認日期評估的發生違約的風險進行比較。在進行該評估時，本集團認為，以下情況下發生違約事件：(i) 借款人不大有可能向本集團悉數支付信貸義務，而本集團並無採取行動(如變現保證(如持有任何保證))的追索權；或(ii)財務資產逾期90日。本集團考慮合理並有支持的定量及定性資料，包括過往經驗及無需過度成本或努力即可獲得的前瞻性資料。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued)

Significant increases in credit risk (continued)

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(a) 自二零一八年一月一日起適用的政策 (續) 信貸風險大幅增加 (續)

具體而言，在評估信貸風險自首次確認起是否大幅增加時考慮以下資料：

- 未能於合約到期日支付本金或利息；
- 財務工具的外部或內部信用評級(如有)實際或預計會嚴重惡化；
- 債務人的經營業績實際或預計會嚴重惡化；及
- 技術、市場、經濟或法律環境出現對債務人履行對本集團的義務之能力具有不利影響的現有或預測變動。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued)

Significant increases in credit risk (continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(a) 自二零一八年一月一日起適用的政策 (續) 信貸風險大幅增加 (續)

視乎財務工具的性质而定，對信貸風險大幅增加的評估按個別或整體基準進行。當評估按整體基準進行時，財務工具基於共有信貸風險特點(如逾期狀況及信貸風險評級)進行。

預期信貸虧損於各報告日期重新計量，以反映財務工具的信貸風險自首次確認起的變動。預期信貸虧損金額的任何變動於損益確認為減值收益或虧損。本集團就所有財務工具確認減值收益或虧損，並透過虧損撥備賬戶相應調整賬面值，惟透過其他全面收入按公平值列賬(回收)的債務證券投資除外，其虧損撥備於其他全面收入確認，並於公平值儲備中累計(回收)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued)

Basis of calculation of interest income

Interest income recognised in accordance with note 3(d) 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 the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(a) 自二零一八年一月一日起適用的政策 (續) 利息收入的計算基準

按照附註3(d)確認的利息收入基於財務資產的總賬面值計算，除非財務資產已信貸減值，在此情況下，利息收入基於財務資產的攤銷成本（即總賬面值減虧損撥備）計算。

於各報告日期，本集團評估財務資產是否已信貸減值。當發生一項或多項事件，對財務資產的估計未來現金流量具有負面影響時，即財務資產已信貸減值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued)

Basis of calculation of interest income (continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(a) 自二零一八年一月一日起適用的政策 (續)

利息收入的計算基準 (續)

財務資產已信貸減值的證據包括以下可觀察事件：

- 債務人出現嚴重財政困難；
- 違反合約，如未能支付或拖欠利息或本金；
- 借款人很可能破產或進行其他財務重組；
- 技術、市場、經濟或法律環境出現對債務人具有不利影響的重大變動；或
- 抵押物之活躍市場因發行人的財政困難而消失。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(a) Policy applicable from 1 January 2018 (continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(b) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an “incurred loss” model was used to measure impairment losses on financial assets not classified as at FVPL (e.g. accounts receivable, other receivables and available-for-sale investments). Under the “incurred loss” model, an impairment loss was recognised only when there was objective evidence of impairment.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(a) 自二零一八年一月一日起適用的政策 (續)

撇銷政策

如並無收回的現實可能性，財務資產的總賬面值予以(部分或悉數)撇銷。當本集團認定債務人並無資產或收入來源可產生充足現金流在撇銷時償還款項時，一般屬此情況。

隨後收回早前撇銷的資產，於收回產生期間的損益中確認為減值撥回。

(b) 於二零一八年一月一日前適用的政策

於二零一八年一月一日前，使用「已產生虧損」模型計量並非分類為透過損益按公平值列賬的財務資產(如應收賬款、其他應收款項及可供出售投資)之減值虧損。根據「已產生虧損」模型，減值虧損僅在有減值的客觀證據時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(b) Policy applicable prior to 1 January 2018 (continued)

Objective evidence of impairment included:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(b) 於二零一八年一月一日前適用的政策 (續)

減值的客觀證據包括：

- 債務人出現嚴重財政困難；
- 違反合約，如未能支付或拖欠利息或本金；
- 借款人很可能面臨破產或其他財務重組；
- 技術、市場、經濟或法律環境出現對債務人具有不利影響的重大變動；及
- 於權益工具的投資之公平值大幅或長期下跌至低於其成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(b) Policy applicable prior to 1 January 2018 (continued)

If any such evidence existed, an impairment loss was determined and recognised as follows:

- For accounts receivable and other receivables and other financial assets carried at amortised cost, impairment loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting was material. This assessment was made collectively where these financial assets shared similar risk characteristics, such as similar past due status, and had not been individually assessed as impaired. Future cash flows for financial assets which were assessed for impairment collectively were based on historical loss experience for assets with credit risk characteristics similar to the collective group.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(b) 於二零一八年一月一日前適用的政策 (續)

如存在任何相關證據，則按下文所述釐定並確認減值虧損：

- 就應收賬款及其他應收款項以及按攤銷成本列賬的其他財務資產而言，如貼現的影響重大，減值虧損按資產的賬面值與估計未來現金流量的現值(以財務資產的原來實際利率貼現)之間的差額計量。如該等財務資產具有相似的風險特點(如逾期狀況類似)，且未個別評估為減值，則進行整體評估。進行整體減值評估的財務資產之未來現金流量，基於信貸風險特點與整體組合類似的資產之過往虧損經驗。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(b) Policy applicable prior to 1 January 2018 (continued)

If any such evidence existed, an impairment loss was determined and recognised as follows: (continued)

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

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(b) 於二零一八年一月一日前適用的政策 (續)

如存在任何相關證據，則按下文所述釐定並確認減值虧損：(續)

倘於隨後期間，減值虧損金額減少，而有關減少客觀上與確認減值虧損之後發生的事件有關，則減值虧損透過損益撥回。只有在不會導致資產的賬面值超過倘若過往年度未確認減值虧損的情況下可釐定者時，才確認減值虧損撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(b) Policy applicable prior to 1 January 2018 (continued)

If any such evidence existed, an impairment loss was determined and recognised as follows: (continued)

When the recovery of a trade debtor or other financial assets carried at amortised cost was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable as written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(b) 於二零一八年一月一日前適用的政策 (續)

如存在任何相關證據，則按下文所述釐定並確認減值虧損：(續)

當應收賬款或按攤銷成本計量的其他財務資產的可收回性被認為存疑但並非很小時，相關減值虧損使用撥備賬戶入賬。當本集團相信收回的可能性很小時，被視為無法收回的金額直接從該等資產的總賬面值撇銷。隨後收回早前從撥備賬中扣除的款項於撥備賬戶撥回。撥備賬戶的其他變動及隨後收回早前直接撇銷的款項於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(b) Policy applicable prior to 1 January 2018 (continued)

- For available-for-sale investments, the cumulative loss that had been recognised in the fair value reserve (recycling) was reclassified to profit or loss. The amount of the cumulative loss that was recognised in profit or loss was the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities were not reversed through profit or loss. Any subsequent increase in the fair value of such assets was recognised in other comprehensive income.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(b) 於二零一八年一月一日前適用的政策 (續)

- 就可供出售投資而言，已於公平值儲備確認的累計虧損(回收)重新分類至損益。於損益確認的累計虧損金額為收購成本(扣除任何本金償還及攤銷)與現時公平值(減去早前於損益確認的該資產任何減值虧損)之間的差額。

就可供出售股本證券於損益確認的減值虧損不透過損益撥回。其後該等資產之公平值增加於其他全面收入確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial instruments (continued)

(b) Policy applicable prior to 1 January 2018 (continued)

Impairment losses recognised in profit or loss in respect of available-for-sale debt securities were reversed if the subsequent increase in fair value could be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances were recognised in profit or loss.

(ii) Impairment of other non-current assets

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

- property, plant and equipment;
- goodwill;
- intangible assets;
- other non-current assets;
- interest in a joint venture;
- prepayment for film rights; and
- investments in subsidiaries and a joint venture in the Company's statement of financial position.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(i) 財務工具信貸虧損 (續)

(b) 於二零一八年一月一日前適用的政策 (續)

如其後公平值增加客觀上可與確認減值虧損後發生的事件有關聯，則就可供出售債務證券於損益確認的減值虧損予撥回。在此情況下，撥回減值虧損於損益確認。

(ii) 其他非流動資產減值

於各報告期末檢討內部及外部資料來源，以識別是否有跡象表明下列資產可能已減值或(商譽除外)早前確認的減值虧損不再存在或可能已減少：

- 物業、廠房及設備；
- 商譽；
- 無形資產；
- 其他非流動資產；
- 於一間合營企業之權益；
- 電影版權預付款項；及
- 本公司財務狀況表中於附屬公司及一間合營企業的投資。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(ii) Impairment of other non-current assets (continued)

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

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

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(ii) 其他非流動資產減值 (續)

如存在任何該等跡象，則估計該資產的可收回金額。此外，就商譽、尚不可使用的無形資產及具有無限可使用年期的無形資產而言，可收回金額乃每年估計(不論是否存在減值跡象)。

- *可收回金額的計算*
資產的可收回金額為公平值減出售成本與使用價值兩者中的較高值。在評估使用價值時，估計未來現金流量按反映當前市場對貨幣時間值及該項資產特定風險之評估的除稅前貼現率折算成現值。如一項資產並未產生基本獨立於其他資產的現金流入，可收回金額就獨立產生現金流入的最小資產組別(即現金產生單位)釐定。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

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

- *Reversals of impairment losses*
In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(ii) 其他非流動資產減值 (續)

- *減值虧損的確認*
如一項資產或其所屬現金產生單位的賬面值超過其可收回金額，則於損益確認減值虧損。就現金產生單位確認的減值虧損，首先減少分配予現金產生單位（或單位組別）的任何商譽之賬面值，其後再按比例減少該單位（或單位組別）中其他資產的賬面值，惟資產的賬面值不會減少至低於其個別公平值減銷售成本（如可衡量）及使用價值（如可釐定）。

- *減值虧損的撥回*
就商譽外的資產而言，如用於釐定可收回金額的估計發生有利的變化，則撥回減值虧損。商譽的減值虧損不予撥回。

撥回減值虧損以過往年度未確認減值虧損的情況下可釐定的資產賬面值為限。撥回減值虧損於確認撥回的年度計入損益。

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For the year ended 31 December 2018
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Credit losses and impairment of assets

(continued)

(iii) *Interim financial reporting and impairment*

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim Financial Reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 3(n)(i) and (ii)).

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

3. 主要會計政策 (續)

(n) 資產信貸虧損及減值 (續)

(iii) 中期財務報告及減值

根據上市規則，本集團須遵照香港會計準則第34號「中期財務報告」就每個財政年度首六個月編製中期財務報告。於中期期末，本集團應用與財政年度（見附註3(n)(i)及(ii)）末相同的減值測試、確認及撥回標準。

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(o) Loans receivable, accounts and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables that are held for collection of contractual cash flows where cash flows represent solely payments of principal and interest which are not designated at FVPL, are stated at amortised cost using the effective interest method less allowance for credit losses (see note 3(n)(i)).

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 3 (n)(i).

(q) Accounts and other payables

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

3. 主要會計政策 (續)

(o) 應收貸款、應收賬款及其他應收款項

應收款項在本集團擁有無條件收取代價的權利時確認。如支付代價到期前只需要時間推移，則收取代價的權利為無條件。如收入在本集團擁有無條件收取代價的權利前已確認，則該款項呈列為合約資產。

應收款項持作收回合約現金流量，而合約流量僅用於支付本金及利息，且並非指定為透過損益按公平值列賬之應收款項使用實際利率模型按攤銷成本減去信貸虧損撥備入賬(見附註3(n)(i))。

(p) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、銀行及其他金融機構的活期存款，以及購入後於三個月內到期可隨時轉換為已知金額現金的短期高流通性且價值變動風險較小的投資。現金及現金等值項目乃根據附註3(n)(i)所載政策評估預期信貸虧損。

(q) 應付賬款及其他應付款項

應付賬款及其他應付款項初步按公平值確認，且隨後按攤銷成本入賬，除非貼現的影響不大，在此情況下則按成本入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(r) Interest-bearing borrowings

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

(s) Related parties

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

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

3. 主要會計政策 (續)

(r) 計息借貸

計息借貸初步按公平值減應佔交易成本確認。於初步確認後，計息借貸乃按攤銷成本以初步確認金額與於借貸期於損益確認之贖回價值之間之任何差額(連同任何應付利息及費用)使用實際利息法列賬。

(s) 有關連人士

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Related parties (continued)

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

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. 主要會計政策 (續)

(s) 有關連人士 (續)

(b) 一個實體如適用以下任何條件，則與本集團有關聯：

- (i) 該實體與本集團為同一集團的成員公司(指各自的母公司、附屬公司及同系附屬公司互相有關連)。
- (ii) 一個實體為另一個實體之聯營公司或合營企業(或另一個實體所屬集團的成員公司的聯營公司或合營企業)。
- (iii) 兩個實體均為同一第三方之合營企業。
- (iv) 一個實體為第三方實體之合營企業，而另一個實體為該第三方實體之聯營公司。
- (v) 該實體為本集團或與本集團有關聯之實體為其僱員福利而設立之退休福利計劃。
- (vi) 該實體受(a)項中所指明的人士控制或共同控制。
- (vii) (a)(i)項中所指明的人士對該實體有重大影響力，或該人士是該實體(或是該實體的母公司)的主要管理人員的成員。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Related parties (continued)

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

- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

(t) Segment reporting

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

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

3. 主要會計政策 (續)

(s) 有關連人士 (續)

(b) 一個實體如適用以下任何條件，則與本集團有關聯：
(續)

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

一名人士的近親屬指預期可能影響該人士與該實體的往來或受此影響的家庭成員。

(t) 分部報告

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Joint venture

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 3(k) and 3(n)(ii)). Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

3. 主要會計政策 (續)

(u) 合營企業

合營企業指本集團或本公司與其他方根據合約同意分享安排的控制權，並對安排的資產淨值享有權利的安排。

於合營企業的投資按權益法計入綜合財務報表，除非其分類為持作出售(或計入分類為持作出售的組別)。根據權益法，投資初步按成本入賬，並就本集團應佔被投資公司的可識別資產淨值於收購日期的公平值超出投資成本的部分(如有)作出調整。投資成本包括購買價、收購投資直接應佔的其他成本，以及構成本集團股本投資一部分的對合營企業的任何直接投資。此後，投資就本集團應佔被投資公司的資產淨值於收購後的變動以及有關投資的任何減值虧損作出調整(見附註3(k)及3(n)(ii))。收購日期超出成本的任何部分、本集團應佔被投資公司的收購後除稅後業績以及年內任何減值虧損於綜合損益表確認，而本集團應佔被投資公司其他全面收入的收購後除稅後項目於綜合損益及其他全面收入表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Joint venture (continued)

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

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

In all other cases, when the Group ceases to have significant influence over joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 3(m)).

In the Company's statement of financial position, investments in joint venture are stated at cost less impairment losses (see note 3(n)(ii)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

3. 主要會計政策 (續)

(u) 合營企業 (續)

當本集團應佔虧損超過其於合營企業的權益時，本集團的權益減少為零，並終止確認進一步虧損，除非本集團已產生法定或推定義務或已代表被投資公司作出付款。就此而言，本集團的權益為按權益法計算的投資賬面值，連同實質上構成本集團於合營企業的淨投資一部分的任何其他長期權益。

本集團與其合營企業之間交易產生的未變現溢利及虧損以本集團於被投資公司的權益為限進行抵銷，除非未變現虧損提供所轉讓資產減值的客觀證據，在此情況下，則即時於損益確認。

在所有其他情況下，當本集團不再對合營企業具有重大影響或共同控制時，作為出售於被投資公司的全部權益入賬，因此產生的收益或虧損於損益確認。於喪失重大影響或共同控制之日在該前被投資公司保留的任何權益按公平值確認，該金額被視為財務資產初步確認時的公平值(見附註3(m))。

於本公司財務狀況表中，於合營企業的投資按成本減去減值虧損入賬(見附註3(n)(ii))，除非分類為持作出售(或計入分類為持作出售的出售組別)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(v) Borrowing costs

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

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

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

(w) Offsetting financial instruments

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

3. 主要會計政策 (續)

(v) 借貸成本

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

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

所有其他借貸成本於產生期間在損益確認。

(w) 抵銷財務工具

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

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(a) Impairment of goodwill

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

As at 31 December 2018, the carrying amount of the goodwill is Nil (2017: Nil), net of accumulated impairment of HK\$5,878,000 (2017: HK\$5,878,000). Details of the recoverable amount calculation are disclosed in note 19.

4. 估計不確定因素的主要來源

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

(a) 商譽減值

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

於二零一八年十二月三十一日，商譽的賬面值為零(二零一七年：零)，扣除累計減值5,878,000港元(二零一七年：5,878,000港元)。計算可收回款項之詳情於附註19披露。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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

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

As at 31 December 2018, the carrying amount of the trading rights held in the Stock Exchange is HK\$859,000 (2017: HK\$859,000).

(c) Valuation of convertible notes receivable

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

As at 31 December 2018, the carrying amount of the convertible notes receivable is HK\$18,864,000 (2017: HK\$19,293,000).

4. 估計不確定因素的主要來源 (續)

(b) 於聯交所持有的交易權估計減值

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

於二零一八年十二月三十一日,於聯交所持有的交易權之賬面值為859,000港元(二零一七年:859,000港元)。

(c) 應收可換股票據的估值

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

於二零一八年十二月三十一日,應收可換股票據的賬面值為18,864,000港元(二零一七年:19,293,000港元)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(d) Income tax expenses

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

As at 31 December 2018, the carrying amount of the tax payable is Nil (2017: Nil).

(e) Business combination

On 28 February 2017, the Group acquired the entire equity interest in John & Wong Securities Company Limited ("John & Wong"). As at 28 February 2017 (date of acquisition), the goodwill and intangible assets allocated to the Group are HK\$5,878,000 and HK\$2,931,000 respectively. John & Wong is engaged in the provision of securities brokerage services to clients. Intangible assets acquired by the Group in the acquisition include trading rights held in the Stock Exchange. The residual portion of the purchase consideration was allocated as goodwill, which represents the balance of the purchase consideration over the fair value of identifiable net assets acquired by the Group. The purchase price allocation has involved significant management judgement and estimation, such as the valuation methodologies, budgeted gross profit margins, the discount rate and the growth rate adopted. Further details are given in note 40(b) to the financial statements.

4. 估計不確定因素的主要來源 (續)

(d) 所得稅開支

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

於二零一八年十二月三十一日，應付稅項的賬面值為零(二零一七年：零)。

(e) 業務合併

於二零一七年二月二十八日，本集團收購宏昌証券有限公司(「宏昌」)的全部股權。於二零一七年二月二十八日(收購日期)，分配予本集團的商譽及無形資產分別為5,878,000港元及2,931,000港元。宏昌從事向客戶提供證券經紀服務。本集團於收購中獲得的無形資產包括於聯交所持有的交易權。購買代價的剩餘部分分配為商譽，指購買代價餘額超出本集團收購的可識別淨資產公平值的部分。購買價分配涉及管理層重大判斷及估計，如所採用的估值方法、預算毛利率、貼現率及增長率。進一步詳情載列於財務報表附註40(b)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(f) Estimated impairment of prepayment for film rights

At the end of the reporting period, the management of the Group assesses the recoverability of prepayment for film rights based on the contract terms on agreements, estimated budget of the proposed production and the progress on how the prepayment has been used.

Based on the management's assessment on the recoverability of prepayment of film rights, the directors of the Company determined that no impairment provision to be charged to prepayment of film rights during the year ended 31 December 2018 (2017: Nil).

(g) Measurement of the ECL for loans receivable

The ECL calculations for loans receivable are outputs of complex models with a number of significant assumptions about future economic conditions and credit behavior (the likelihood of customers defaulting and the resulting losses) regarding the choice of variable inputs and their interdependencies. Further details are set out in notes 6(b)(iv) and 27.

At 31 December 2018, the carrying amount of loans receivable of the Group is HK\$16,516,000 (2017: Nil).

(h) Measurement of the ECL for accounts receivable

The measurement of the ECL for accounts receivable is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (the likelihood of customers defaulting and the resulting losses). Further details are set out in notes 6(b)(iv) and 25.

At 31 December 2018, the carrying amount of accounts receivable of the Group is HK\$4,928,000 (2017: HK\$943,000).

4. 估計不確定因素的主要來源 (續)

(f) 電影版權預付款項的估計減值

於報告期末，本集團管理層根據協議的合約條款、建議製作的預算估計及預付款項的使用進展，評估電影版權預付款項的可收回性。

根據管理層對電影版權預付款項可收回性的評估，本公司董事釐定，截至二零一八年十二月三十一日止年度毋須就電影版權預付款項作出減值撥備(二零一七年：零)。

(g) 應收貸款預期虧損撥備的計量

應收貸款的預期虧損撥備乃基於複雜模型作出，且附有有關可變輸入數據選擇及其相互依賴性的未來經濟狀況及信貸行為(客戶違約並產生虧損的可能性)的重大假設。進一步詳情載於附註6(b)(iv)及27。

於二零一八年十二月三十一日，本集團應收貸款的賬面值為16,516,000港元(二零一七年：零)。

(h) 應收賬款預期虧損撥備的計量

應收賬款的預期虧損撥備計量為需要使用關於未來經濟狀況及信貸行為(客戶違約並產生虧損的可能性)的複雜模型及重大假設的領域。進一步詳情載於附註6(b)(iv)及25。

於二零一八年十二月三十一日，本集團應收賬款的賬面值為4,928,000港元(二零一七年：943,000港元)。

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5. CAPITAL RISK MANAGEMENT

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

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

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with share capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt. For the subsidiary licensed by the SFC, the Group ensures this licensed subsidiary maintains a liquid capital level adequate to support the level of activities with sufficient buffer to accommodate for increases in liquidity requirements arising from potential increases in the level of business activities. During the year ended 31 December 2018, this licensed subsidiary complied with the liquid capital requirements under the FRR at all times.

5. 資本風險管理

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

本集團之資本結構包含本公司擁有人應佔權益，當中包括已發行股本及各項儲備。

本公司董事定期檢討資本架構。於檢討中，本公司董事考慮資本成本及與股本相關之風險。根據本公司董事的推薦，本集團將透過支付股息、發行新股份及股份購回以及發行新債務而平衡其整體資本架構。就獲證監會發牌的附屬公司而言，本集團確保該持牌附屬公司將流動資金維持在足以支持活動的水平，並具有可容納因業務活動水平潛在增加產生的流動資金要求增加的充足緩衝。截至二零一八年十二月三十一日止年度期間，該持牌附屬公司一直遵守財政資源規則的流動資金規定。

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6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	財務資產		
At FVPL	透過損益按公平值列賬		
Held-for-trading investments	持作買賣投資	549,022	432,023
Convertible notes receivable	應收可換股票據	18,864	19,293
		567,886	451,316
At FVOCI	透過其他全面收入 按公平值列賬		
Other financial assets	其他財務資產	6,562	-
At amortised cost	按攤銷成本		
Other financial instruments	其他財務工具	130,423	141,034
Available-for-sale investments	可供出售投資	-	51,178
		704,871	643,528
Financial liabilities	財務負債		
At amortised cost	按攤銷成本	50,849	9,344

(b) Financial risk management objectives and policies

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

6. 財務工具

(a) 財務工具之分類

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
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(b) 財務風險管理目標及政策

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

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk

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

		Assets 資產	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
United State dollars ("USD")	美元(「美元」)	15,708	16,420
Euro ("EUR")	歐元(「歐元」)	695	119

Sensitivity analysis

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

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

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

敏感度分析

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

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

The following table details the Group's sensitivity to a 5% (2017: 5%) increase and decrease in EUR against 5% (2017: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items. A positive/negative number below indicates a decrease/(increase) in post-tax loss.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析 (續)

下表載列本集團對歐元兌港元上升及下跌5%(二零一七年: 5%)之敏感度詳情。5%(二零一七年: 5%)乃內部向主要管理人員呈報外幣風險時採用之敏感度比率, 指管理層對外幣匯率可能合理變動之評估。敏感度分析僅包括以外幣計值之尚未支付貨幣項目。下列正數/負數顯示除稅後虧損減少/(增加)。

		Assets 資產	
		2018 二零一八年	2017 二零一七年
		HK\$'000 千港元	HK\$'000 千港元
Increase in foreign exchange rates	匯率上升	35	6
Decrease in foreign exchange rates	匯率下跌	(35)	(6)

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate short term bank deposits (see note 31(a) for details of these short-term bank deposits), fixed-rate instruments measured at FVOCI (recycling) (see note 21 for details of these financial instruments), convertible notes receivable with fixed interest rate (see note 29) and borrowings (see note 33) for the years ended 31 December 2018 and 2017.

The management considers the fair value interest rate risks are insignificant and therefore no sensitivity analysis on such risks has been prepared.

(iii) Price risk

The Group is exposed to equity price risk through its investment in equity securities listed in Hong Kong, convertible notes receivable designated at FVTPL and debt securities listed in Singapore. The management manages its exposure by maintaining a portfolio of investments with different risk profiles.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險

截至二零一八年及二零一七年十二月三十一日止年度，本集團就定息短期銀行存款(有關該等短期銀行存款之詳情請參閱附註31(a))、透過其他全面收入按公平值列賬計量的定息工具(回收)(有關該等財務工具之詳情請參閱附註21)、定息應收可換股票據(請參閱附註29)及借貸(請參閱附註33)面臨公平值利率風險。

管理層認為公平值利率風險微不足道，故並無就有關風險編製敏感度分析。

(iii) 價格風險

本集團因投資香港上市股本證券、指定透過損益按公平值列賬的應收可換股票據及於新加坡上市的債務證券而面臨股價風險。管理層透過維持風險不同的投資組合而管理風險。

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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

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iii) Price risk (continued)

The Group's financial assets classified as held-for-trading investments and financial assets measured at FVOCI (recycling) are listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited, respectively. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Hang Seng Index and other industry indicators, as well as the Group's liquidity needs. Listed investments held in the FVOCI (recycling) portfolio have been chosen based on their long term growth potential and are monitored regularly for performance against expectation.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk arising from equity securities listed in Hong Kong, convertible notes receivable carried at FVTPL, and debt securities listed in Singapore at the end of the reporting period.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 價格風險 (續)

本集團分類為持作買賣投資及透過其他全面收入按公平值列賬計量的財務資產(回收)分別於聯交所及新加坡證券交易所有限公司上市。買賣交易證券的決定乃基於日常監察個別證券相比恒生指數的表現、其他行業指標及本集團流動資金需要作出。透過其他全面收入按公平值列賬的財務資產(回收)中持有的上市投資乃基於其長期增長潛力選擇，定期對照預期監察其表現。

敏感度分析

以下敏感度分析乃基於報告期末因香港上市股本證券、指定透過損益按公平值列賬的應收可換股票據以及於新加坡上市的債務證券產生的股價風險釐定。

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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

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iii) Price risk (continued)

Sensitivity analysis (continued)

If equity prices of convertible notes receivable had been 5% higher and assuming other inputs to the valuation model of convertible notes receivable and held constant, post-tax loss for the year ended 31 December 2018 would decrease by HK\$1,000 (2017: HK\$22,000). If the equity prices of convertible notes receivable had been 5% lower, the post-tax loss would increase by HK\$1,000 (2017: HK\$21,000) for the year.

At 31 December 2018, it is estimated that an increase/decrease of 5% (2017: 5%) in the fair value of the Group's held-for-trading investments with all other variables held constant would have decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$27,451,000 (2017: decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$21,601,000).

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 價格風險 (續)

敏感度分析 (續)

如應收可換股票據的股價上升5%，並假設應收可換股票據估值模型的其他輸入數據維持不變，截至二零一八年十二月三十一日止年度的除稅後虧損將減少1,000港元(二零一七年：22,000港元)。如應收可換股票據的股價下降5%，本年度的除稅後虧損將增加1,000港元(二零一七年：21,000港元)。

於二零一八年十二月三十一日，假設本集團持作買賣投資的公平值增加／減少5%(二零一七年：5%)，而所有其他可變因素維持不變，則本集團的除稅後虧損將減少／增加(及累計虧損將減少／增加) 27,451,000港元(二零一七年：本集團的除稅後虧損將減少／增加(及累計虧損將減少／增加) 21,601,000港元)。

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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

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iii) Price risk (continued)

Sensitivity analysis (continued)

At 31 December 2018, it is estimated that an increase/decrease of 5% (2017: 5%) in the fair value of the listed debt securities measured at FVOCI (recycling) with all other variables held constant would have increased/decreased in the Group's investment revaluation reserve by HK\$328,000 (2017: HK\$404,000).

At 31 December 2017, it is estimated that an increase/decrease of 5% in the fair value of the Group's equity securities classified as available-for-sale financial assets with all other variables held constant would have decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$2,155,000.

In the opinion of directors of the Company, the sensitivity analysis is unrepresentative of the price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 價格風險 (續)

敏感度分析 (續)

於二零一八年十二月三十一日，假設本集團分類為透過其他全面收入按公平值列賬計量的上市債務證券的公平值增加／減少5%（二零一七年：5%），而所有其他可變因素維持不變，則本集團的投資重估儲備將增加／減少328,000港元（二零一七年：404,000港元）。

於二零一七年十二月三十一日，假設本集團分類為可供出售財務資產的股本證券的公平值增加／減少5%，而所有其他可變因素維持不變，則本集團的除稅後虧損將減少／增加（及累計虧損將減少／增加）2,155,000港元。

本公司董事認為，敏感度分析不能代表價格風險，原因是報告期末的風險不反映年內的風險。

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綜合財務報表附註

For the year ended 31 December 2018
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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iv) Credit risk

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the financial assets as stated in the consolidated statement of financial position.

The Group reviews the recoverable amount of financial assets at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Group's credit risk is significantly reduced.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iv) 信貸風險

於二零一八年十二月三十一日，本集團因交易對手未能履行責任而使本集團須蒙受財務虧損所面對之最高信貸風險為於綜合財務狀況表所列財務資產之賬面值。

本集團於報告期末檢討財務資產的可收回金額，以確保就不可收回金額作出足夠的減值虧損撥備。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

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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

6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iv) Credit risk (continued)

(i) Credit risk arising from loan business

The Group has established relevant mechanism to cover credit risk in key operational phases of micro-finance business, including pre-lending evaluations, credit approval, and post-lending monitoring. The Group conducts customer acceptance and due diligence by the management in pre-lending evaluations. In the credit approval phase, all loan applications are subject to the assessment and approval of the Group's management. During the post-lending monitoring, the Group conducts inquiries to detect potential risks by evaluating various aspects, including but not limited to the customers' operational and financial conditions and other sources of repayment.

The Group adopts a loan risk classification approach to manage its loans and advances to customers portfolio risk. Loans and advances to customers are categorised into the following stages by the Group:

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iv) 信貸風險 (續)

(i) 貸款業務產生的信貸風險

本集團已建立相關機製，以涵蓋小額金融業務關鍵運營階段（包括貸前評估、信貸審批及貸後監督）的信貸風險。在貸前評估階段，本集團由管理層進行客戶接納及盡職調查。在信貸審批階段，所有貸款申請須由本集團管理層評估及批准。在貸後監督階段，本集團進行查詢，透過評估多個方面而發現潛在風險，包括但不限於客戶的經營及財務狀況與其他還款來源。

本集團採納貸款風險分類法管理其客戶貸款及墊款的組合風險。客戶貸款及墊款由本集團分類為以下階段：

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For the year ended 31 December 2018
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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iv) Credit risk (continued)

(i) Credit risk arising from loan business (continued)

Stage 1

Loans and advances to customers have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12 months expected credit losses (12-month ECLs).

Stage 2

Loans and advances to customers have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime expected credit losses (Lifetime ECLs non credit-impaired).

Stage 3

Loans and advances to customers that are in default and considered credit impaired (Lifetime ECLs credit-impaired).

The Group applies the new ECL model to measure the impairment loss of the loans and advances to customers.

The Group assessed that there is no significant loss allowance recognised in accordance with HKFRS 9 as at 31 December 2018.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iv) 信貸風險 (續)

(i) 貸款業務產生的信貸風險 (續)

第1階段

客戶貸款及墊款自產生起未出現信貸風險大幅增加，減值按12個月預期信貸虧損(12個月預期信貸虧損)基準確認。

第2階段

客戶貸款及墊款自產生起已出現信貸風險大幅增加，減值按終生預期信貸虧損(未信貸減值的全期預期信貸虧損)基準確認。

第3階段

客戶貸款及墊款已拖欠，被視為已信貸減值(已信貸減值的全期預期信貸虧損)。

本集團應用新預期信貸虧損模型計量客戶貸款及墊款的減值虧損。

經本集團評估，於二零一八年十二月三十一日，概無根據香港財務報告準則第9號確認重大虧損撥備。

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綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iv) Credit risk (continued)

(i) Credit risk arising from loan business (continued)

When a certain number of customers undertake the same business activities, stay in the same geographical locations, or bear similar economic features for their industries, their ability to fulfil contracts will be affected by the same economic changes. Concentration of credit risk reflects the sensitivity of the Group's operating results to a particular industry or geographic location. As the Group mainly conducts micro-finance business in Hong Kong, a certain level of geographical concentration risk exists for its loan portfolios in that it might be affected by changes of economic conditions. At 31 December 2018, the Group has only one (2017: Nil) customer from loan business, representing 100% (2017: Nil) of the loans receivable of the Group.

The maximum exposure to credit risk of loans and advances to customers for each stage is represented by the net carrying amount of each type of financial assets as at the end of the reporting periods. The details are set out in note 27.

Further quantitative data in respect of the Group's exposure to credit risk arising from loans business are disclosed in note 4(g) to these financial statements.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iv) 信貸風險 (續)

(i) 貸款業務產生的信貸風險 (續)

當一定數量的客戶從事相同的業務活動，停留在相同地區，或具有類似的行業經濟特點，其履行合約的能力將受到相同的經濟變動影響。信貸風險集中反映本集團經營業績對特定行業或地區的敏感度。由於本集團主要在香港經營小微金融業務，鑒於其可能受到經濟狀況變動影響，其貸款組合存在一定程度的地區集中風險。於二零一八年十二月三十一日，本集團僅擁有一位(二零一七年：無)貸款業務客戶，佔本集團應收貸款100%(二零一七年：無)。

客戶貸款及墊款於各階段的最高信貸風險為各類財務資產於報告期末的賬面淨值。詳情載列於附註27。

有關本集團因貸款業務產生的信貸風險的進一步量化數據披露於該等財務報表附註4(g)。

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綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iv) Credit risk (continued)

(ii) Credit risk arising from securities brokerage and margin financing business

In order to manage the credit risk in the accounts receivable due from clients arising from securities brokerage and margin financing business, individual credit evaluation are performed on all clients including cash and margin clients. Accounts receivable from cash clients relate to a wide range of customers who generally settle the accounts receivable in two days after trade date and are secured by the portfolio of securities of the cash clients, credit risk arising from the accounts receivable due from cash clients is therefore considered minimal. For margin clients, the Group normally obtains liquid securities as collateral based on the margin requirements. The margin requirement is closely monitored on a daily basis by the designated team. The Group measures loss allowances for accounts receivable at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer basis. Market conditions and adequacy of securities collateral and margin deposits of each margin account are monitored by management on a daily basis. Margin calls and forced liquidation are made where necessary.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iv) 信貸風險 (續)

(ii) 證券經紀及保證金融資業務產生的信貸風險

為管理證券經紀及保證金融資業務產生的應收客戶賬款的信貸風險，對所有客戶(包括現金及保證金客戶)進行個別信貸評估。應收現金客戶的賬款涉及一般於交易日期後兩日結算應收賬款的大量客戶，以現金客戶的證券組合抵押，因此，因應收現金客戶的賬款產生的信貸風險被視為極低。就保證金客戶而言，本集團一般根據保證金要求獲取具有流動性的證券作為抵押品。保證金要求由指定團隊每日密切監督。本集團按相等於全期預期信貸虧損之金額計量應收賬款虧損撥備，有關金額乃使用撥備矩陣計算得出。由於本集團之過往信貸經驗並未表明不同客戶分部之虧損模式存在重大差異，因此並無進一步區分本集團不同客戶群按逾期狀況計算之虧損撥備。市況與證券抵押品及各保證金賬戶的保證金按金的充足性由管理層每日監控，在必要時作出追加保證金通知及強制清盤。

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綜合財務報表附註

For the year ended 31 December 2018
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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iv) Credit risk (continued)

(ii) Credit risk arising from securities brokerage and margin financing business (continued)

The Group assessed that there is no significant loss allowance recognised in accordance with HKFRS 9 as at 31 December 2018.

In respect of accounts receivable from brokers and clearing houses, credit risks are considered to be low as the Group normally enters into transactions with brokers and clearing houses which are registered with regulatory bodies and enjoy sound reputation in the industry.

At 31 December 2018, the Group has certain concentrations of credit risk of 60% (2017: 100%) of the accounts receivable was due from the Group's largest debtor and 98% (2017: 100%) of the accounts receivable due from the Group's five largest debtors of the accounts receivable respectively.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iv) 信貸風險 (續)

(ii) 證券經紀及保證金融資業務產生的信貸風險 (續)

經本集團評估，於二零一八年十二月三十一日，概無根據香港財務報告準則第9號確認重大虧損撥備。

就應收經紀及結算所的賬款而言，信貸風險被認為較低，原因是本集團一般與經紀及結算所訂立交易，而彼等已向監管機構登記，在業內具有良好聲譽。

於二零一八年十二月三十一日，本集團擁有若干信貸集中風險，其中應收賬款之60% (二零一七年：100%) 來自本集團最大債務人及應收賬款之98% (二零一七年：100%) 來自本集團應收賬款之五大債務人。

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綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(iv) Credit risk (continued)

(iii) Other credit risk

The credit risk on the investment in debt securities listed in Singapore as at 31 December 2018 and 2017 is limited because the counterparty is corporation with good reputations.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, loans receivable, convertible notes receivable, accounts receivable and investment in debt securities listed in Singapore, the Group does not have any other significant concentration of credit risk.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(iv) 信貸風險 (續)

(iii) 其他信貸風險

於二零一八年及二零一七年十二月三十一日於新加坡上市的債務證券投資信貸風險有限，原因是訂約方為具有良好聲譽的公司。

流動資金的信貸風險有限，原因是對手方為獲國際信用評級機構授予較高信用評級的銀行。

除存放於高信用評級之多家銀行之流動資金、應收貸款、應收可換股票據、應收賬款及於新加坡上市的債務證券投資有信貸風險集中之情況外，本集團並無任何其他明顯集中之信貸風險。

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綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

(v) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(v) 流動資金風險

在管理流動資金風險時，本集團監察及維持管理層視為足夠之一定數量現金及現金等值項目，以為本集團業務提供財力及緩和現金流量波動之影響。

下表詳列本集團非衍生財務負債之餘下合約到期情況。該表根據本集團可能被要求付款之最早日期之財務負債之未貼現現金流量編製。

		Less than 1 month	Total undiscounted cash flows	Carrying amount at 31 December 2018
		一個月以內	未貼現現金 流量總額	於二零一八年 十二月三十一日 之賬面值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 31 December 2018	於二零一八年十二月三十一日			
Non-derivative financial liabilities	非衍生財務負債			
Accounts payable	應付賬款	4,444	4,444	4,444
Borrowings	借貸	43,268	43,268	43,268
Other payables and accruals	其他應付款項及應計費用	3,137	3,137	3,137
		50,849	50,849	50,849

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)
Market risk (continued)
(v) Liquidity risk (continued)

6. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(v) 流動資金風險 (續)

	Total	Carrying amount at
Less than 1 month	undiscounted cash flows	31 December 2017
一個月以內	未貼現現金流量總額	於二零一七年十二月三十一日之賬面值
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元

At 31 December 2017	於二零一七年十二月三十一日			
Non-derivative financial liabilities	非衍生財務負債			
Accounts payable	應付賬款	6,081	6,081	6,081
Other payables and accruals	其他應付款項及應計費用	3,263	3,263	3,263
		9,344	9,344	9,344

(c) Fair value measurements of financial instruments
Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

(c) 財務工具之公平值計量

本集團經常性按公平值計量之財務資產及財務負債之公平值

公平值級別

下表呈報於報告期末本集團按持續基準計量的財務工具之公平值(分為香港財務報告準則第13號公平值計量界定的三級公平值層級)。公平值計量分類的級別乃參考估值技術使用的輸入數據之可觀察性及重大性,按以下方式釐定:

- 第一級估值: 僅使用第一級輸入數據(即於計量日期活躍市場上相同資產或負債的未調整報價)計量的公平值。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis (continued)

Fair value hierarchy (continued)

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

Valuation process

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the finance department works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Financial controller reports to the board of directors semi-annually to explain the cause of fluctuations in the fair value of the assets or liabilities.

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

本集團經常性按公平值計量之財務資產及財務負債之公平值

(續)

公平值級別 (續)

- 第二級估值：僅使用第二級輸入數據(即不符合第一級計量的可觀察輸入數據)，不使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據指無市場數據的輸入數據。
- 第三級估值：使用重大不可觀察輸入數據計量的公平值。

估值程序

本集團財務部(由財務總監領導)負責釐定財務工具公平值計量的政策及程序。

在估計資產或負債的公平值時，本集團盡可能使用可獲得之市場可觀察資料。如並無第一級輸入數據，財務部與合資格外部估值師密切合作，制定適當的估值技術及模型輸入數據。財務總監每半年向董事會報告，解釋資產或負債公平值波動的原因。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Valuation process (continued)

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at 於以下日期之公平值		Fair value hierarchy 公平值層級	Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察輸入數據
	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元			
Other financial assets 其他財務資產					
- equity shares listed in Hong Kong, at fair value - 於香港上市的股份，按公平值	-	43,092	Level 1 第一級	Quoted market closing prices in an active market 活躍市場所報收市價	N/A 不適用
- debt securities listed in Singapore, at fair value - 於新加坡上市的債務證券，按公平值	6,562	8,086	Level 2 第二級	Quoted prices from financial institutions 採用來自金融機構之報價	N/A 不適用
Held-for-trading investments 持作買賣投資	549,022	432,023	Level 1 第一級	Quoted market closing prices in an active market 活躍市場所報收市價	N/A 不適用
Convertible notes receivable 應收可換股票據					
- issued by China Agri-Products Exchange Limited - 由中國農產品交易所有限公司發行	18,864	19,293	Level 3 第三級	Binomial model 二項式模型	Discount rate: 17.52% (2017: 14.65%) Volatility: 50.417% (2017: 63.298%) 貼現率: 17.52% (二零一七年: 14.65%) 波幅: 50.417% (二零一七年: 63.298%)
	574,448	502,494			

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

估值程序 (續)

本集團部分財務資產於各報告期末按公平值計量。下表提供釐定該等財務資產公平值的方法之資料(尤其是估值技術及所用輸入數據)。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Valuation process (continued)

During the years ended 31 December 2018 and 2017, there were no transfers between Level 1 and 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Note:

A 5% increase in volatility holding all other variables constant would increase the carrying amount of the convertible notes receivable by approximately HK\$1,000 (2017: approximately HK\$37,000). A 5% decrease in volatility holding all other variables constant would decrease the carrying amount of the convertible notes receivable by approximately HK\$1,000 (2017: approximately HK\$36,000).

A 5% increase in discount rate holding all other variables constant would decrease the carrying amount of convertible notes receivable by approximately HK\$1,860,000 (2017: approximately HK\$2,384,000). A 5% decrease in discount rate holding all other variables constant would increase the carrying amount of the convertible notes receivable by approximately HK\$2,177,000 (2017: approximately HK\$2,903,000).

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

估值程序 (續)

截至二零一八年及二零一七年十二月三十一日止年度，第一級與第二級之間並無轉撥，亦並無轉入或轉出第三級。本集團的政策為於公平值等級級別之間的轉撥產生期間確認。

附註：

波幅增加5%，所有其他可變因素維持不變，應收可換股票據的賬面值將增加約1,000港元（二零一七年：約37,000港元）。波幅減少5%，所有其他可變因素維持不變，應收可換股票據的賬面值將減少約1,000港元（二零一七年：約36,000港元）。

貼現率增加5%，所有其他可變因素維持不變，應收可換股票據的賬面值將減少約1,860,000港元（二零一七年：約2,384,000港元）。貼現率減少5%，所有其他可變因素維持不變，應收可換股票據的賬面值將增加約2,177,000港元（二零一七年：約2,903,000港元）。

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6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Valuation process (continued)

Reconciliation of Level 3 fair value measurement

Investment carried at FVPL

6. 財務工具 (續)

(c) 財務工具之公平值計量 (續)

估值程序 (續)

第三級公平值計量之對賬

透過損益按公平值列賬之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At the beginning of the year	於年初	19,293	43,466
Disposal through a disposal of a subsidiary	透過出售一間附屬公司而出售	-	(2,167)
Gain on derecognised of day-one gain	終止確認第一天收益之收益	-	25,700
Fair value loss recognised in profit or loss during the year	年內於損益確認的公平值虧損	(429)	(47,706)
At the end of the year	於年末	18,864	19,293
Net loss for the year included in profit or loss for investments designated at FVPL (included in other gain/(loss))	指定透過損益按公平值列賬之投資計入損益(計入其他收益/(虧損))的本年度虧損淨額	(429)	(22,006)

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

並非按公平值計量之財務資產及財務負債之公平值

本公司董事認為於綜合財務報表中按攤銷成本確認之其他財務資產與財務負債之賬面值與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (continued)

(d) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments that are either:

- offset in the Group's consolidated statement of financial position; or
- not offset in the consolidated statement of financial position as the offsetting criteria are not met.

Under the agreement of continuous net settlement made between the Group and the clearing house, the Group has a legally enforceable right to set off the money obligations receivable and payable with clearing house on the same settlement date and the Group intends to settle on a net basis.

In addition, the Group has a legally enforceable right to set off the accounts receivable and payables to cash clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to the clearing house and accounts receivable and payables to cash clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group and deposit placed with clearing house do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

6. 財務工具 (續)

(d) 抵銷財務資產及財務負債

下表所載披露包括受限於可執行總對銷安排或涵蓋類似財務工具的類似協議，並符合以下情況之一的財務資產及財務負債：

- 於本集團綜合財務狀況表內抵銷；或
- 由於不符合抵銷標準，未於本集團綜合財務狀況表內抵銷。

根據本集團與結算所訂立的持續淨額結算協議，本集團具有可依法執行的權利於相同結算日期抵銷應收及應付結算所的貨幣義務，本集團擬按淨額基準結算。

此外，本集團具有可依法執行的權利抵銷須於相同日期結算的應收及應付現金客戶的賬款，本集團擬按淨額基準結算。

除所抵銷的須於相同日期結算的結餘外，毋須於相同日期結算的應收／應付結算所款項及應收及應付現金客戶的款項、財務抵押品(包括本集團收取的現金及證券)以及存放於結算所的按金，不符合於綜合財務狀況表內抵銷的標準，原因是抵銷已確認款項的權利僅可在發生違約事件後執行。

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6. FINANCIAL INSTRUMENTS (continued)

(d) Offsetting financial assets and financial liabilities (continued)

(a) Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements

6. 財務工具 (續)

(d) 抵銷財務資產及財務負債 (續)

(a) 受限於抵銷、可執行總對銷安排或類似協議的財務資產

Related amounts
not offset in consolidated
statement of financial position
未於綜合財務狀況表內抵銷的相關款項

		Gross amounts of recognised financial liabilities set off	Net amount of financial assets presented				
		Gross amount of recognised financial assets	in the consolidated statement of financial position	in the consolidated statement of financial position	Financial instruments	Collateral received	Net amount
		已確認 財務資產總額	於綜合 財務狀況表內 抵銷的已確認 財務負債總額	於綜合 財務狀況表內 呈報的 財務資產淨額	財務工具	已收抵押品	淨額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2018	於二零一八年 十二月三十一日						
Financial assets	財務資產						
Accounts receivable	應收賬款	5,150	(222)	4,928	-	-	4,928
At 31 December 2017	於二零一七年 十二月三十一日						
Financial assets	財務資產						
Accounts receivable	應收賬款	3,257	(2,314)	943	-	-	943

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6. FINANCIAL INSTRUMENTS (continued)

(d) Offsetting financial assets and financial liabilities (continued)

(b) Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

6. 財務工具 (續)

(d) 抵銷財務資產及財務負債 (續)

(b) 受限於抵銷、可執行總對銷安排或類似協議的財務負債

Related amounts
not offset in consolidated
statement of financial position
未於綜合財務狀況表內抵銷的相關款項

		Gross amounts of recognised financial assets set off	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments	Collateral received	Net amount
	Gross amount of recognised financial liabilities	Gross amount of recognised financial liabilities	in the consolidated statement of financial position	of financial position		
	於綜合 財務狀況表內 已確認 財務負債總額	於綜合 財務狀況表內 抵銷的已確認 財務資產總額	於綜合 財務狀況表內 呈報的 財務負債淨額	財務工具	已收抵押品	淨額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2018	於二零一八年 十二月三十一日					
Financial liabilities	財務負債					
Accounts payable	應付賬款	4,666	(222)	4,444	-	-
						4,444
At 31 December 2017	於二零一七年 十二月三十一日					
Financial liabilities	財務負債					
Accounts payable	應付賬款	8,395	(2,314)	6,081	-	-
						6,081

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綜合財務報表附註

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7. SEGMENT REPORTING

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the directors of the Company who are also directors of all operating subsidiaries) (the "CODM"), for the purpose of resource allocation and performance assessment.

In previous years, the CODM reviewed the Group's result as a whole, which was solely generated from the purchase and sales of securities investments and securities brokerage services, for performance assessment. Therefore no separate segment information is prepared by the Group.

During the year ended 31 December 2018, the Group acquired a subsidiary which is engaged in money lending business. In addition, the Group commences to invest in film rights. Accordingly, the Group reorganises business units based on their services and the CODM regularly review revenue and results analysis of the Group by the reportable operating segments below.

- (a) trading of securities segment engages in the purchase and sale of securities investments and securities brokerage services;
- (b) provision of finance segment engages in the provision of financing services; and
- (c) entertainment segment engages in CGI business, entertainment business and investment in film rights.

The last years operating segment information was restated for aligning to current year's presentation.

7. 分部報告

本集團的經營分部乃根據向本集團主要營運決策者(本公司董事,彼等亦為所有營運附屬公司的董事)(「主要營運決策者」)呈報的資料釐定,以分配資源及評估表現。

於過往年度,主要營運決策者以整體形式審閱本集團的業績(完全產生自買賣證券投資及證券經紀服務)以進行表現評估。因此,本集團概無呈列單獨的分部資料。

截至二零一八年十二月三十一日止年度,本集團收購一間從事放債業務的附屬公司。此外,本集團開始投資電影版權。因此,本集團依據其服務確認業務單位,且主要營運決策者按如下可報告經營分部定期審閱本集團的收入及業績分析。

- (a) 證券買賣分部在香港從事買賣證券投資及證券經紀服務;
- (b) 提供融資分部在香港從事提供融資服務;及
- (c) 娛樂分部從事電腦造像業務、娛樂業務及電影版權投資。

過往年度經營分部資料已予重列,以與本年度呈列保持一致。

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7. SEGMENT REPORTING (continued)

All assets are allocated to reportable segments with the exception of the interest in a joint venture and other corporate assets. All liabilities are allocated to reportable segments other than deferred tax liability and other corporate liabilities.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank and other interest income (excluding interest income from the provision of finance), finance costs as well as head office and corporate expenses are excluded from such measurement.

Inter-segment transactions are made with reference to the prices used for services made to third parties at the then prevailing market prices.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2018 and 2017 is set out below.

7. 分部報告 (續)

所有資產分配至可報告分部，惟於一間合營企業之權益及其他企業資產除外。除遞延稅項負債及其他企業負債，所有負債分配至可報告分部。

管理層對本集團各經營分部的業績分別進行監控，以作出有關資源分配的決策及表現評估。分部表現乃根據用於計量經調整除稅前溢利的可報告分部溢利／(虧損)評估。經調整除稅前溢利按與本集團除稅前溢利一致的方式計量，惟該計量不包括銀行及其他利息收入(不包括提供融資的利息收入)、財務成本及總辦事處及企業開支。

分部間交易參考按當時現行市價提供予第三方的服務所使用的價格作出。

截至二零一八年及二零一七年十二月三十一日止年度來自客戶合約按時間劃分確認收入之收入分解與提供予本集團最高管理層用於資源分配及分部表現評估的有關本集團可報告分部的資料載列如下。

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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

7. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities For the year ended 31 December 2018

7. 分部報告 (續)

(a) 分部業績、資產及負債 截至二零一八年十二月三十一日止年度

		Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元	Provision of finance 提供融資 HK\$'000 千港元	Entertainment 娛樂 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Disaggregated by timing of revenue recognition	按收入確認的時間分解					
Point in time	時間點	14,824	-	-	-	14,824
Over time	於某一時間段	-	3,409	256	-	3,665
Revenue from external customers	來自外部客戶收入	14,824	3,409	256	-	18,489
Inter-segment revenue	來自分部間收入	-	-	-	-	-
		14,824	3,409	256	-	18,489
Segment results:	分部業績：	(105,944)	3,045	(786)	-	(103,685)
Reconciliation:	對賬：					
Share of profit of a joint venture	應佔一間合營企業之溢利					3,521
Other income and other gain	其他收入及其他收益					8,869
Depreciation	折舊					(798)
Finance costs	財務成本					(832)
Unallocated head office and corporate expenses	未分配總辦事處及企業開支					(24,980)
Consolidated loss before tax	除稅前綜合虧損					(117,905)

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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

7. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities
(continued)
For the year ended 31 December 2018
(continued)

7. 分部報告 (續)

(a) 分部業績、資產及負債 (續)

截至二零一八年十二月三十一日
止年度 (續)

		Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元	Provision of finance 提供融資 HK\$'000 千港元	Entertainment 娛樂 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets Unallocated head office and corporate assets	分部資產 未分配總辦事處及企業資產	587,120	16,560	4,198	-	607,878
						108,155
Total consolidated assets	綜合資產總額					716,033
Segment liabilities Deferred tax liability Unallocated head office and corporate liabilities	分部負債 遞延稅項負債 未分配總辦事處及企業負債	(47,817)	(34)	(671)	-	(48,522)
						(142)
						(2,327)
Total consolidated liabilities	綜合負債總額					(50,991)

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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

7. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities

(continued)

For the year ended 31 December 2017

7. 分部報告 (續)

(a) 分部業績、資產及負債 (續)

截至二零一七年十二月三十一日止
年度

		Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元	Provision of finance 提供融資 HK\$'000 千港元	Entertainment 娛樂 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Disaggregated by timing of revenue recognition	按收入確認的時間分解					
Point in time	時間點	(90,682)	-	-	-	(90,682)
Over time	於某一時間段	-	-	264	-	264
Revenue from external customers	來自外部客戶收入	(90,682)	-	264	-	(90,418)
Inter-segment revenue	來自分部間收入	-	-	-	-	-
		(90,682)	-	264	-	(90,418)
Segment results:	分部業績：	(395,894)	-	1,024	-	(394,870)
Reconciliation:	對賬：					
Share of loss of a joint venture	應佔一間合營企業之虧損					(3,308)
Other income and other loss	其他收入及其他虧損					(12,872)
Depreciation	折舊					(1,614)
Finance costs	財務成本					(158)
Unallocated head office and corporate expenses	未分配總辦事處及企業開支					(39,183)
Consolidated loss before tax	除稅前綜合虧損					(452,005)

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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

7. SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

For the year ended 31 December 2017 (continued)

		Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元	Provision of finance 提供融資 HK\$'000 千港元	Entertainment 娛樂 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets	分部資產	510,032	-	102	-	510,134
Unallocated head office and corporate assets	未分配總辦事處及企業資產					279,539
Total consolidated assets	綜合資產總額					789,673
Segment liabilities	分部負債	(6,263)	-	(60)	-	(6,323)
Deferred tax liability	遞延稅項負債					(484)
Unallocated head office and corporate liabilities	未分配總辦事處及企業負債					(3,021)
Total consolidated liabilities	綜合負債總額					(9,828)

7. 分部報告 (續)

(a) 分部業績、資產及負債 (續)

截至二零一七年十二月三十一日止年度 (續)

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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

7. SEGMENT REPORTING (continued)

(b) Geographical information

The geographical location of customers is based on the location at which the services rendered. Substantially, over 98% of the Group's revenue from external customers, non-current assets and capital expenditure are located in Hong Kong, no analysis on revenue from external customers and non-current assets by location are presented.

(c) Major customers

Included in revenue arising from major customers which individually accounted for over 10% of the Group's revenue for the year:

7. 分部報告 (續)

(b) 地區資料

客戶之地理位置乃按提供服務之地點劃分。實質上，本集團來自外部客戶之收入、非流動資產及資本開支逾98%位於香港，因此並無呈報按地點劃分的來自外部客戶之收入及非流動資產分析。

(c) 主要客戶

來自個別佔本集團本年度收益超過10%之主要客戶之收入包括：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trading of securities and securities brokerage	買賣證券及證券經紀		
Customer A	客戶A	1,305	-
Provision of finance	提供融資		
Customer B	客戶B	732	-
Customer C	客戶C	732	-
Customer D	客戶D	641	-

The Group's dividend income and net realised losses from sales of listed equity investments classified as held-for-trading are excluded from total revenue ("Adjusted Revenue") for the purpose of identifying major customers of the Group who accounted for over 10% of the Group's revenue.

For the year ended 31 December 2018, revenue from each of above Customers A to C accounted for 10% or more of the Group's Adjusted Revenue. For the year ended 31 December 2017, there was no customer who individually contributed over 10% of the Group's Adjusted Revenue.

本集團的股息收入及銷售分類為持作買賣的上市股本投資的已變現虧損淨額並未計入總收入(「經調整收入」)，以識別佔本集團收入逾10%的本集團主要客戶。

截至二零一八年十二月三十一日止年度，上述客戶A至C的收入均佔本集團經調整收入10%或以上。截至二零一七年十二月三十一日止年度，概無單獨為本集團經調整收入貢獻逾10%的客戶。

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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

8. REVENUE

8. 收益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Brokerage related commission and clearing fee income	經紀相關佣金及結算費收入	2,227	1,140
Dividend income from held-for-trading investments	持作買賣投資之股息收入	20,577	751
Interest income on loans receivable and margin clients	應收貸款及保證金客戶之利息收入	3,479	-
Royalty income	專利費收入	256	264
		26,539	2,155
Net realised losses from sales of listed equity investments classified as held-for-trading (note)	出售分類為持作買賣的上市股本投資之已變現虧損淨額 (附註)	(8,050)	(92,573)
		18,489	(90,418)

Note: During the year ended 31 December 2018, the Group disposed of held-for-trading securities at cost of HK\$332,543,000 (2017: HK\$587,605,000) at gross proceeds of HK\$326,413,000 (2017: HK\$500,016,000), incurring trading fee of HK\$1,920,000 (2017: HK\$4,984,000).

附註：截至二零一八年十二月三十一日止年度，本集團按成本332,543,000港元（二零一七年：587,605,000港元）出售持作買賣證券，所得款項總額為326,413,000港元（二零一七年：500,016,000港元），產生交易費用1,920,000港元（二零一七年：4,984,000港元）。

9. OTHER INCOME

9. 其他收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income on convertible notes receivable	應收可換股票據之利息收入	1,740	1,753
Interest income on debt securities	債務證券之利息收入	678	350
Dividend income from available-for-sale investments	可供出售投資之股息收入	-	1,512
Waive of tax penalty	豁免稅務罰款	-	1,528
Others	其他	61	250
		2,479	5,393

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10. OTHER GAIN/(LOSS)

10. 其他收益／(虧損)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fair value loss on convertible notes receivable	應收可換股票據之公平值虧損	(429)	(47,706)
Gain on disposal of a joint venture	出售一間合營企業之收益	7,098	-
Loss on disposal of a subsidiary (note 41(c))	出售一間附屬公司之虧損 (附註41(c))	-	(7)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(44)	(168)
Net foreign exchange (loss)/gain	匯兌淨(虧損)/收益	(235)	514
Gain on derecognition of day-one gain on convertible notes	終止確認可換股票據第一天收益之收益	-	25,700
Gain on initial recognition of available-for-sale investments	初步確認可供出售投資之收益	-	3,402
		6,390	(18,265)

11. FINANCE COSTS

11. 財務成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on borrowings (total borrowing costs on financial liabilities that are not at fair value through profit or loss)	借貸利息(並非按公平值計入損益之財務負債之總借貸成本)	832	158

12. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

12. 股息

截至二零一八年十二月三十一日止年度並無派發或擬派任何股息，自報告期末以來亦無擬派任何股息(二零一七年：無)。

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For the year ended 31 December 2018
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13. LOSS BEFORE TAX

Loss before tax has been arrived at after charging the following:

13. 除稅前虧損

除稅前虧損已扣除下列項目：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Auditor's remuneration	核數師酬金	1,200	1,200
Directors' emoluments (note 15)	董事酬金(附註15)	3,894	4,278
Other staff costs	其他員工成本		
– Salaries and allowance	– 薪金及津貼	13,142	14,388
– Contribution to retirement benefit scheme	– 退休福利計劃供款	383	403
Total staff costs	員工成本總額	17,419	19,069
Depreciation of property, plant and equipment	物業、廠房及設備折舊	798	1,614
Operating lease payments in respect of rental properties	租賃物業之營運租賃付款	3,331	4,653
Changes in fair value of financial assets classified as held-for-trading	分類為持作買賣的財務資產之公平值變動		
– Net realised losses from sales of listed equity investments	– 出售上市股本投資之已變現虧損淨額	8,050	92,573
– Unrealised losses from changes in fair value of listed equity investments	– 上市股本投資公平值變動之未變現虧損	106,674	236,238
		114,724	328,811

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For the year ended 31 December 2018
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14. INCOME TAX CREDIT

(a) Income tax credit recognised in profit or loss

14. 所得稅抵免

(a) 於損益確認的所得稅抵免

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Hong Kong Profits Tax	香港利得稅		
Current tax	即期稅項	-	-
Overprovision in respect of prior years	過往年度超額撥備	-	10,967
		-	10,967
Deferred tax	遞延稅項		
Origination and reversal of temporary difference (note 34)	確認及撥回暫時差額(附註34)	342	-
		342	10,967

The Group is subject to income tax on an entity basis on profits arising on derived from the jurisdictions in which the members domiciled and operate.

No provision for Hong Kong Profits Tax had been made in the financial statements as the Group did not have assessable profits arising in Hong Kong for the years ended 31 December 2018 and 2017.

Pursuant to rules and regulations of Bermuda and British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and BVI.

For the year ended 31 December 2017, Imagi Crystal Limited received a confirmation from the Hong Kong Inland Revenue Department. That confirmation stated that the impairment losses made on graphic imaging animation pictures in the previous years could be deductible. Accordingly, the Group reversed the tax provision of HK\$10,967,000 and the tax surcharge of HK\$1,528,000 for the year ended 31 December 2017.

本集團須按實體就產生自或源自成員公司的住所及經營所在司法權區的溢利繳納所得稅。

由於截至二零一八年及二零一七年十二月三十一日止年度本集團並無產生自香港的應課稅溢利，因此並無作出香港利得稅撥備。

根據百慕達及英屬處女群島(「英屬處女群島」)的規則及法規，本集團毋須在百慕達及英屬處女群島繳納任何所得稅。

截至二零一七年十二月三十一日止年度，意馬水晶有限公司收到香港稅務局的確認。該確認表示，過往年度就造像動畫作出的減值虧損可予扣除。因此，截至二零一七年十二月三十一日止年度本集團撥回稅項撥備10,967,000港元及稅項附加1,528,000港元。

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14. INCOME TAX CREDIT (continued)

(b) Reconciliation between tax credit and accounting loss at applicable tax rate:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(117,905)	(452,005)
Tax at the domestic income tax rate of 16.5%	按本地所得稅率16.5%計算之稅款	(19,454)	(74,581)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	22,502	77,962
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(4,806)	(5,956)
Tax effect of utilisation of unused tax losses previously not recognised	動用過往未確認之未動用稅項虧損之稅務影響	(356)	-
Tax effect of tax losses not recognised	尚未確認稅務虧損之稅務影響	1,772	2,575
Overprovision in respect of prior years	過往年度超額撥備	-	(10,967)
Income tax credit for the year	年內所得稅抵免	(342)	(10,967)

(c) At the end of the reporting period, the Group has unused tax losses of approximately HK\$442,729,000 (2017: HK\$434,141,000) available for offset against future profits. No deferred tax assets has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

14. 所得稅抵免 (續)

(b) 稅項抵免與按適用稅率計算之會計虧損對賬：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(117,905)	(452,005)
Tax at the domestic income tax rate of 16.5%	按本地所得稅率16.5%計算之稅款	(19,454)	(74,581)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	22,502	77,962
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(4,806)	(5,956)
Tax effect of utilisation of unused tax losses previously not recognised	動用過往未確認之未動用稅項虧損之稅務影響	(356)	-
Tax effect of tax losses not recognised	尚未確認稅務虧損之稅務影響	1,772	2,575
Overprovision in respect of prior years	過往年度超額撥備	-	(10,967)
Income tax credit for the year	年內所得稅抵免	(342)	(10,967)

(c) 於報告期末，本集團有未動用稅務虧損約442,729,000港元（二零一七年：434,141,000港元），可用以抵銷未來溢利。由於未來溢利來源不明朗，故並無確認遞延稅項資產。稅務虧損可予無限期結轉。

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15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation are as follows:

31 December 2018

15. 董事及主要行政人員酬金

董事酬金根據《香港公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露如下：

二零一八年十二月三十一日

		Contributions			
		Fees	Salaries and other benefits	to retirement benefit scheme	Total
		袍金	薪金及其他福利	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<i>Executive directors:</i>	執行董事：				
Mr. Kitchell Osman Bin	Kitchell Osman Bin先生	-	1,800	18	1,818
Mr. Shimazaki Koji	嶋崎幸司先生	-	780	18	798
Ms. Choi Ka Wing	蔡家穎女士	-	540	18	558
<i>Independent non-executive directors:</i>	獨立非執行董事：				
Dr. Santos Antonio Maria	杜東尼博士	240	-	-	240
Mr. Miu Frank H.	繆希先生	240	-	-	240
Ms. Liu Jianyi	劉簡怡女士	240	-	-	240
		720	3,120	54	3,894

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15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

31 December 2017

15. 董事及主要行政人員酬金 (續)

二零一七年十二月三十一日

		Fees	Salaries and other benefits	Contributions to retirement benefit scheme	Total
		袍金	薪金及其他福利	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Wong Yat Fai (note a)	王溢輝先生 (附註a)	-	300	6	306
Mr. Kitchell Osman Bin	Kitchell Osman Bin先生	-	1,800	18	1,818
Mr. Shimazaki Koji	嶋崎幸司先生	-	780	18	798
Ms. Choi Ka Wing	蔡家穎女士	-	540	18	558
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Chow Chi Wah Vincent (note b)	周志華先生 (附註b)	80	-	-	80
Dr. Kwong Kai Sing Benny (note c)	鄺啟成博士 (附註c)	80	-	-	80
Dr. Santos Antonio Maria	杜東尼博士	240	-	-	240
Mr. Miu Frank H.	繆希先生	240	-	-	240
Ms. Liu Jianyi (note d)	劉簡怡女士 (附註d)	158	-	-	158
		798	3,420	60	4,278

Notes:

附註：

- | | | | |
|-----|--|-----|-----------------------------|
| (a) | Mr. Wong Yat Fai resigned as an executive director on 10 April 2017. | (a) | 王溢輝先生於二零一七年四月十日辭任執行董事。 |
| (b) | Mr. Chow Chi Wah Vincent resigned as an independent non-executive director on 10 April 2017. | (b) | 周志華先生於二零一七年四月十日辭任獨立非執行董事。 |
| (c) | Dr. Kwong Kai Sing Benny resigned as an independent non-executive director on 4 May 2017. | (c) | 鄺啟成博士於二零一七年五月四日辭任獨立非執行董事。 |
| (d) | Ms. Liu Jianyi was appointed as an independent non-executive director on 4 May 2017. | (d) | 劉簡怡女士於二零一七年五月四日獲委任為獨立非執行董事。 |

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15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group and the emoluments for independent non-executive directors shown above were mainly for their services as directors of the Company. The Company do not have chief executive.

No directors of the Company waived any emoluments for both reporting years and no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, nor as compensation for loss of office during the years.

16. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments, three (2017: three) were employees who are not directors of the Company and the remainder are directors of the Company whose emoluments are included in the disclosures in note 15 above. The emoluments of these three (2017: three) highest paid employees were as follows:

15. 董事及主要行政人員酬金 (續)

上文所示執行董事之酬金主要包括彼等就管理本公司及本集團之業務提供服務的酬金，而獨立非執行董事之薪酬主要包括彼等作為董事提供服務的酬金。本公司並無行政總裁。

於兩個報告年度內，本公司董事概無放棄任何酬金。於該兩個年度內，本集團並無向本公司董事支付任何酬金以吸引其加入本集團或作為加入本集團之獎勵或作為彼等離職的賠償。

16. 僱員酬金

本集團最高薪酬之五名人士中，三名(二零一七年：三名)為本公司董事以外之僱員，餘下為本公司董事，其酬金於上文附註15內披露。上述三名(二零一七年：三名)最高薪酬僱員之酬金如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	2,290	2,916
Contributions to retirement benefit scheme	退休福利計劃供款	54	54
		2,344	2,970

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16. EMPLOYEES' EMOLUMENTS (continued)

Their emoluments were within the following bands:

		2018 二零一八年 Number of employee 僱員人數	2017 二零一七年 Number of employee 僱員人數
HK\$Nil to HK\$1,000,000	零港元至1,000,000港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	1
		3	3

16. 僱員酬金 (續)

上述人士之酬金介乎以下範圍：

17. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

17. 每股虧損

(a) 每股基本虧損

本公司擁有人應佔每股基本虧損乃基於以下數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss	虧損		
Loss for the purposes of basic loss per share	用於計算每股基本虧損之虧損	(117,563)	(441,038)
		2018 二零一八年	2017 二零一七年
Number of shares	股份數目		
Issued ordinary shares at 1 January	於一月一日之已發行普通股	689,421,572	4,548,172,578
Effect of shares issued	所發行股份之影響	-	139,010,959
Effect of share options exercised	所授出購股權之影響	842,466	-
Effect of share consolidations	股份合併之影響	-	(4,023,808,540)
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	690,264,038	663,374,997

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17. LOSS PER SHARE (continued)

(b) Diluted loss per share

For the years ended 31 December 2018 and 2017, diluted loss per share was the same as the basic loss per share because the exercises of the Company's share options outstanding during the year would have an anti-dilutive effect.

17. 每股虧損 (續)

(b) 每股攤薄虧損

截至二零一八年及二零一七年十二月三十一日止年度，每股攤薄虧損與每股基本虧損相同，原因是年內行使本公司未行使購股權將具有反攤薄影響。

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Leasehold improvements	Motor vehicles	Yacht and boat	Furniture, fixtures and equipment	Total
		租賃物業裝修	汽車	遊艇及快艇	傢俬、裝置及設備	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
COST	成本					
At 1 January 2017	於二零一七年一月一日	527	2,184	45,000	1,010	48,721
Additions	添置	-	-	250	559	809
Additions through acquisition of a subsidiary (note 40(b))	透過收購一間附屬公司而添置 (附註40(b))	-	94	-	60	154
Disposal of a subsidiary (note 41(c))	出售一間附屬公司(附註41(c))	-	-	(250)	-	(250)
Disposals	出售	-	(94)	(45,000)	(275)	(45,369)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	527	2,184	-	1,354	4,065
Additions	添置	165	-	-	216	381
Disposals	出售	(527)	-	-	(45)	(572)
At 31 December 2018	於二零一八年十二月三十一日	165	2,184	-	1,525	3,874

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18. PROPERTY, PLANT AND EQUIPMENT (continued)

18. 物業、廠房及設備 (續)

		Leasehold improvements	Motor vehicles	Yacht and boat	Furniture, fixtures and equipment	Total
		租賃物業裝修	汽車	遊艇及快艇	傢俬、裝置 及設備	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
DEPRECIATION AND IMPAIRMENT	折舊及減值					
At 1 January 2017	於二零一七年一月一日	287	255	14,220	185	14,947
Charge for the year	年內扣除	176	484	757	197	1,614
Eliminated on disposals of a subsidiary (note 41(c))	於出售一間附屬公司時對銷 (附註41(c))	-	-	(6)	-	(6)
Written back on disposals	出售時撥回	-	(47)	(14,971)	(98)	(15,116)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	463	692	-	284	1,439
Charge for the year	年內扣除	72	436	-	290	798
Written back on disposals	出售時撥回	(520)	-	-	(8)	(528)
At 31 December 2018	於二零一八年十二月三十一日	15	1,128	-	566	1,709
CARRYING VALUE	賬面值					
At 31 December 2018	於二零一八年十二月三十一日	150	1,056	-	959	2,165
At 31 December 2017	於二零一七年十二月三十一日	64	1,492	-	1,070	2,626

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18. PROPERTY, PLANT AND EQUIPMENT

(continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the shorter of the term of the lease, or 5 years
Motor vehicles	20%
Yacht and boat	10%
Furniture, fixtures and equipment	20%

18. 物業、廠房及設備 (續)

以上物業、廠房及設備項目乃以直線法按以下年率折舊：

租賃物業裝修	按有關租賃年期或五年期兩者之較短者
汽車	20%
遊艇及快艇	10%
傢俬、裝置及設備	20%

19. GOODWILL

19. 商譽

HK\$'000
千港元

Cost	成本	
At 1 January 2017	於二零一七年一月一日	-
Arising on acquisition of a subsidiary (note 40(b))	因收購一間附屬公司而產生 (附註40(b))	5,878
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、二零一八年一月一日及二零一八年十二月三十一日	5,878
Impairment	減值	
At 1 January 2017	於二零一七年一月一日	-
Impairment loss recognised in the year	年內確認的減值虧損	5,878
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、二零一八年一月一日及二零一八年十二月三十一日	5,878
Carrying value	賬面值	
At 31 December 2018 and 2017	於二零一八年及二零一七年十二月三十一日	-

Goodwill is allocated to the Group's CGU of the securities brokerage services business under the integrated financial services in Hong Kong.

商譽分配至本集團於香港綜合金融服務項下證券經紀服務業務的現金產生單位。

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19. GOODWILL (continued)

Impairment test for CGU containing goodwill

For the impairment testing, goodwill arising from the acquisition of John & Wong and trading rights held in the Stock Exchange classified as “intangible assets” are allocated to the Group’s CGU of the securities brokerage services business under the integrated financial services in Hong Kong.

The recoverable amount of the CGU was based on its value in use and was determined with the assistance of Asset Appraisal Limited, an independent professional qualified valuer not connected to the Group. The calculation used cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate stated below which does not exceed the forecasts included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a discount rate stated below. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGU.

Key assumptions used for the value-in-use calculations are as follows:

Growth rate	增長率	3%
Gross profit margin	毛利率	75% – 81%
Discount rate	貼現率	16%

19. 商譽 (續)

含有商譽的現金產生單位減值測試

就減值測試而言，分類為「無形資產」的因收購宏昌及於聯交所持有的交易權產生的商譽，分配本集團於香港綜合金融服務項下證券經紀服務業務的現金產生單位。

現金產生單位的可收回金額基於使用價值，在中誠達資產評估顧問有限公司（一名獨立專業合資格估值師，與本集團並無關連）協助下釐定。計算使用基於管理層批准的涵蓋五年期間的財務預算作出的現金流預測。超過五年期間的現金流使用下述估計增長率（不超過行業報告中包含的預測）推算。所使用的增長率不超過現金產生單位經營所在業務的長期平均增長率。現金流使用下述貼現率貼現。所使用的貼現率為除稅前貼現率，反映與相關現金產生單位有關的特定風險。

使用價值計算所使用的主要假設如下：

2017
二零一七年

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19. GOODWILL (continued)

Impairment test for CGU containing goodwill (continued)

Management determined the budgeted gross margin based on past performance and its expectation for market development. The cash flow projections has taken into account the deteriorating financial performance of the securities brokerage services business due to the unfavourable changes in recent months and the actual net cash flows generating thereon worse than those estimated in the previous impairment assessment. Accordingly, the cash flow projections have been revised downwards.

At 31 December 2018, no impairment loss on goodwill (2017: HK\$5,878,000) and intangible assets (2017: HK\$2,072,000) was recognised by the Group.

19. 商譽 (續)

含有商譽的現金產生單位減值測試 (續)

管理層基於過往表現及對市場發展的預期釐定預算毛利率。現金流預測已考慮到，由於最近數月市場不利變動，證券經紀服務業務的財務表現轉差，其產生的實際現金流量淨額低於早前減值評估中的估計。因此，現金流預測已下調。

於二零一八年十二月三十一日，本集團就商譽(二零一七年：5,878,000港元)及無形資產(二零一七年：2,072,000港元)並無確認減值虧損。

20. INTANGIBLE ASSETS

20. 無形資產

		CGI animation pictures 電腦造像動畫 HK\$'000 千港元 (note a) (附註a)	Trading rights held in the Stock Exchange 於聯交所持有 的交易權 HK\$'000 千港元 (note b) (附註b)	Total 總額 HK\$'000 千港元
Cost	成本			
At 1 January 2017	於二零一七年一月一日	287,405	–	287,405
Addition through acquisition of a subsidiary (note 40(b))	透過收購一間附屬公司而添置(附註40(b))	–	2,931	2,931
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、二零一八年一月一日及二零一八年十二月三十一日	287,405	2,931	290,336

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20. INTANGIBLE ASSETS (continued)

20. 無形資產 (續)

		CGI animation pictures 電腦造像動畫 HK\$'000 千港元 (note a) (附註a)	Trading rights held in the Stock Exchange 於聯交所持有 的交易權 HK\$'000 千港元 (note b) (附註b)	Total 總額 HK\$'000 千港元
Accumulated amortisation and impairment 累計攤銷及減值				
At 1 January 2017	於二零一七年一月一日	287,405	-	287,405
Impairment loss recognised in the year	年內確認的減值虧損	-	2,072	2,072
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、二零一八年一月一日及二零一八年十二月三十一日	287,405	2,072	289,477
Carrying value 賬面值				
At 31 December 2018 and 2017	於二零一八年及二零一七年十二月三十一日	-	859	859

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20. INTANGIBLE ASSETS (continued)

Notes:

- CGI animation pictures were internally generated and stated at production costs incurred to date, including borrowing costs capitalised, less accumulated amortisation and impairment losses, if any.
- Trading rights was identified through acquisition of a subsidiary, John & Wong, and stated at cost less accumulated impairment losses, if any.
- At 31 December 2018, no impairment loss on intangible assets was recognised (2017: HK\$2,072,000).

20. 無形資產 (續)

附註：

- 電腦造像動畫由內部產生及按迄今為止已發生之製作成本列賬，包括撥充資本之借貸成本減累計攤銷及減值虧損（如有）。
- 交易權透過收購附屬公司宏昌而識別，按成本減累計減值虧損（如有）入賬。
- 於二零一八年十二月三十一日，並無確認無形資產之減值虧損（二零一七年：2,072,000港元）。

21. OTHER FINANCIAL ASSETS

21. 其他財務資產

		31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	1 January 2018 二零一八年 一月一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Financial assets measured at FVPL	透過損益按公平值列賬的財務資產			
Equity securities listed in Hong Kong not held for trading (note a)	並非持作買賣的香港上市股本證券 (附註a)	-	43,092	-
Financial assets measured at FVOCI (recycling)	透過其他全面收入按公平值列賬的財務資產 (回收)			
Debt securities listed in Singapore (note b)	新加坡上市債務證券 (附註b)	6,562	8,086	-
Available-for-sale financial assets	可供出售財務資產			
Equity shares listed in Hong Kong (note a)	香港上市股本證券 (附註a)	-	-	43,092
Debt securities listed in Singapore (note b)	新加坡上市債務證券 (附註b)	-	-	8,086
		-	-	51,178
Total	總計	6,562	51,178	51,178

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21. OTHER FINANCIAL ASSETS (continued)

Notes:

- (a) On 22 March 2017, the Company issued shares in exchange for the shares of Enerchina Holdings Limited, a company listed on the Stock Exchange with a fair value of HK\$107,730,000 at the acquisition date.

For the year ended 31 December 2017, the Group identified significant decline in the stock price of the shares, and recognised impairment loss in the amount of HK\$64,638,000 accordingly. At 31 December 2017, the fair value was HK\$43,092,000 and such investments are pledged to a financial institution to secure the margin facilities.

- (b) On 21 June 2017, the Group subscribed for senior notes issued by China Evergrande Group at an aggregated principal amount of USD1,000,000 (equivalent to HK\$7,800,000). The senior notes carry coupon rate of 8.75% per annum, payable semi-annually in arrears and mature on 28 June 2025. The senior notes are listed on the Singapore Exchange Securities Trading Limited.

21. 其他財務資產 (續)

附註：

- (a) 於二零一七年三月二十二日，本公司發行股份，以交換威華達控股有限公司（聯交所上市公司）的股份，於收購日期的公平值為107,730,000港元。

截至二零一七年十二月三十一日止年度，本集團發現股份的股價大幅下跌，因此確認減值虧損64,638,000港元。於二零一七年十二月三十一日，公平值為43,092,000港元，該等投資已抵押予一間金融機構，為保證金融資提供擔保。

- (b) 於二零一七年六月二十一日，本集團認購中國恒大集團發行的優先票據，本金總額為1,000,000美元（相當於7,800,000港元）。優先票據的票面利率為每年8.75%，須每半年期末支付，並將於二零二五年六月二十八日到期。優先票據於新加坡證券交易所有限公司上市。

22. OTHER NON-CURRENT ASSETS

22. 其他非流動資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Club debenture (note)	會籍債券 (附註)	1,300	1,300
Statutory deposits with the Stock Exchange	聯交所法定按金	200	200
		1,500	1,500

Note: The club debenture with indefinite useful life is tested for impairment annually and whenever there is an indication that it may be impaired. The directors of the Company are of the opinion that no impairment loss was identified with reference to market value.

附註：具有無限可使用年期之會籍債券每年及於出現減值跡象時進行減值測試。參考市值，本公司董事認為並無識別任何減值虧損。

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23. INTEREST IN A JOINT VENTURE

23. 於一間合營企業之權益

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost of interest in a joint venture 於一間合營企業權益之成本	-	150,000
Share of post-acquisition loss 分佔收購後虧損	-	(10,619)
	-	139,381

As at 31 December 2017, both the Company and Bob May Incorporated (“BMI”) held 50% equity interest in Imagination Holding Limited by contributing HK\$150,000,000 each as initial capital pursuant to a joint venture agreement dated on 26 February 2016, which has two wholly-owned subsidiaries namely Jocasta Ventures Ltd and Simagi Finance Company Limited.

Imagination Holding Limited, the joint venture in which the Group participates, is an unlisted corporate entity whose quoted market price is not available and engages in the provision of finance and money lending business.

On 2 February 2018, the Group entered into a sale and purchase agreement with its joint venture partner to dispose its whole interest in Imagination Holding Limited and its subsidiaries (the “Joint Venture”) at a cash consideration of HK\$150,000,000, after which date the Joint Venture was held for disposal. The disposal of Joint Venture was completed on 23 April 2018 and a gain on disposal of HK\$7,098,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2018.

於二零一七年十二月三十一日，本公司與Bob May Incorporated(「BMI」) 透過根據日期為二零一六年二月二十六日之合資協議各自注資150,000,000港元作為初步資本，本公司與BMI均持有Imagination Holding Limited的50%股權，Imagination Holding Limited有兩間全資附屬公司Jocasta Ventures Ltd及Simagi Finance Company Limited。

本集團參與的合營企業Imagination Holding Limited為一間非上市公司實體，並無市場報價，及從事提供融資及放債業務。

於二零一八年二月二日，本集團與其合營夥伴訂立一份買賣協議，以現金代價150,000,000港元出售於Imagination Holding Limited及其附屬公司(「該合營企業」)的全部權益，該日後該合營企業乃持作出售。出售該合營企業於二零一八年四月二十三日完成，出售收益7,098,000港元於截至二零一八年十二月三十一日止年度的綜合損益表確認。

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23. INTEREST IN A JOINT VENTURE (continued)

23. 於一間合營企業之權益 (續)

Name of joint venture 合營企業名稱	Country of incorporation 註冊成立國家	Principal place of business 主要營業地點	Proportion of ownership interest held by the Group 本集團持有之所有權權益比例	Proportion of voting rights held by the Group 本集團持有之投票權比例	Principally activity 主要業務
Imagination Holding Limited	Republic of the Marshall Islands 馬紹爾群島共和國	Hong Kong 香港	- (2017: 50%) (二零一七年: 50%)	- (2017: 50%) (二零一七年: 50%)	Investment holding 投資控股
Jocasta Ventures Ltd (wholly-owned subsidiary of Imagination Holding Limited) (Imagination Holding Limited 之全資附屬公司)	BVI 英屬處女群島	Hong Kong 香港	- (2017: 50%) (二零一七年: 50%)	- (2017: 50%) (二零一七年: 50%)	Intermediate holding 中介控股
Simagi Finance Company Limited (wholly-owned subsidiary of Jocasta Ventures Ltd) (Jocasta Ventures Ltd 之全資附屬公司)	Hong Kong 香港	Hong Kong 香港	- (2017: 50%) (二零一七年: 50%)	- (2017: 50%) (二零一七年: 50%)	Provision of finance and money lending business 提供融資及放債業務

Summarised financial information of the joint venture

Summarised financial information in respect of the Group's joint venture is set out below.

合營企業之財務資料概要

本集團合營企業之財務資料概要載列如下。

		2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	278,762
Included in the above assets:	計入上述資產：	
Cash and cash equivalents	現金及現金等值項目	150,397

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23. INTEREST IN A JOINT VENTURE

(continued)

Summarised financial information of the joint venture (continued)

23. 於一間合營企業之權益 (續)

合營企業之財務資料概要 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收入	7,123	13,689
Profit/(loss) and total comprehensive income/ (expense) for the year	溢利/(虧損)及年內全面收入/(開支)總額	7,043	(6,615)
Included in above profit/(loss):	計入上述溢利/(虧損):		
Interest income	利息收入	7,123	13,689
Impairment loss on available-for-sale investments (note)	可供出售投資之減值虧損 (附註)	-	(20,146)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

上述財務資料概要與於綜合財務報表內確認之於合營企業權益之賬面值之對賬：

		2017 二零一七年 HK\$'000 千港元
Net assets of the joint venture	合營企業之資產淨值	278,762
Proportion of the Group's ownership interest in the joint venture	本集團於合營企業之所有權益比例	50%
Carrying amount of the Group's interest in the joint venture	本集團於合營企業之權益之賬面值	139,381

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23. INTEREST IN A JOINT VENTURE

(continued)

Summarised financial information of the joint venture (continued)

Note: During the year ended 31 December 2017, the management of the joint venture company reversed the carrying amount of available-for-sale investments with reference to the business performance prepared by the investees' management. An impairment loss of HK\$20,146,000 in respect of available-for-sale investments has been recognised in profit or loss for the year ended 31 December 2017 in view of significant and prolonged decline in the carrying amount of available-for-sale investments.

24. PREPAYMENT FOR FILM RIGHTS

During the year ended 31 December 2018, the Group entered into an agreement with an independent third party and agreed to invest six films. The Group is entitled to share certain percentage of income to be generated from the films based on the proportion of investment amounts as specified in the agreement.

The Group prepaid HK\$3,900,000 in relation to the development of one of the proposed films. The prepayment will form part of the contribution by the Group for the production cost of the proposed film.

At 31 December 2018, the management of the Group considered that the carrying amounts of prepayment for film rights are recoverable from expected future income of related film rights. Accordingly, no impairment loss was recognised.

23. 於一間合營企業之權益 (續)

合營企業之財務資料概要 (續)

附註：截至二零一七年十二月三十一日止年度，合營企業管理層已參考被投資公司的管理層編製的業務表現檢討，並撥回可供出售投資的賬面值。鑒於可供出售投資的賬面值大幅且長期下跌，已於截至二零一七年十二月三十一日止年度的損益中就可供出售投資確認減值虧損20,146,000港元。

24. 電影版權預付款項

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Prepayment for film rights 電影版權預付款項	3,900	-

截至二零一八年十二月三十一日止年度，本集團與一名獨立第三方訂立一份協議，並同意投資六部電影。本集團有權按協議指明的投資金額比例分享電影產生的一定百分比的收入。

本集團已就製作其中一部建議電影預付3,900,000港元。預付款項將構成本集團對建議電影製作成本的注資的一部分。

於二零一八年十二月三十一日，本集團管理層認為，電影版權預付款項之賬面值可自相關電影版權之預期未來收益中收回。因此，並無確認減值虧損。

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25. ACCOUNTS RECEIVABLE

25. 應收賬款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Accounts receivable arising from securities brokerage business:	證券經紀業務產生之應收賬款：		
– Cash clients	– 現金客戶	269	883
– Margin clients	– 保證金客戶	4,501	–
		4,770	883
Accounts receivable arising from CGI business	電腦造像業務產生之應收賬款	158	60
		4,928	943

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the trade date, is as follows:

於報告期末的應收賬款按交易日期劃分的賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 90 days	90日內	4,928	943

At 31 December 2018, none (2017: none) of the Group's accounts receivable was considered to be impaired.

於二零一八年十二月三十一日，本集團應收賬款概無(二零一七年：無)被視為出現減值。

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25. ACCOUNTS RECEIVABLE (continued)

(a) Accounts receivable neither past due nor credit-impaired

The ageing analysis of the accounts receivable which are neither past due nor impaired as of the end the reporting period is as follows:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired 既未逾期亦無減值	4,928	943

Notes:

- (a) The normal settlement terms of accounts receivable from cash clients are two days after the trade date. Accounts receivable from cash clients are repayable on demand subsequent to the settlement date.
- (b) Accounts receivable from cash clients as at 31 December 2018 and 2017 relate to clients that have a good track record with the Group for whom there was no recent history of default.
- (c) The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

25. 應收賬款 (續)

(a) 概無逾期亦無信貸減值之應收賬款

於報告期末既未逾期亦無減值的應收賬款賬齡分析如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Neither past due nor impaired 既未逾期亦無減值	4,928	943

附註：

- (a) 應收現金客戶賬款的正常結算期限為交易日期後兩日。應收現金客戶之賬款須於結算日期後按要求償還。
- (b) 於二零一八年及二零一七年十二月三十一日應收現金客戶的賬款涉及於本集團具有良好往績記錄且近期並無拖欠歷史的客戶。
- (c) 當本集團現時具有依法可強制執行的權利抵銷若干應收賬款與應付賬款的餘額，並擬按淨額基準結算或同時變現餘額時，本集團將有關應收賬款與應付賬款抵銷。

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25. ACCOUNTS RECEIVABLE (continued)

Notes: (continued)

- (d) At 31 December 2018, except for margin loans receivable of HK\$4,501,000 (2017: Nil), which were secured by underlying equity securities amounted to approximately HK\$69,463,000 (2017: Nil), the Group did not hold any collateral or other credit enhancements over these balances.
- (e) Trading limits are set for margin customers. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise the credit risk. Overdue balances are regularly monitored by management.

25. 應收賬款 (續)

附註：(續)

- (d) 於二零一八年十二月三十一日，除應收保證金貸款4,501,000港元（二零一七年：無）以金額約69,463,000港元（二零一七年：無）的相關股本證券抵押外，本集團並無就該等結餘持有任何抵押品或其他信用增強措施。
- (e) 保證金客戶受買賣限額限制。本集團致力對其未收回應收賬款維持嚴謹之監控，以將信貸風險減至最低。管理層定期監察逾期結餘。

26. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

26. 其他應收款項、按金及預付款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other receivables	其他應收款項	558	405
Deposits and prepayments	按金及預付款	2,738	1,779
		3,296	2,184

The amounts are expected to be recovered or recognised as expenses within one year.

該等款項預期於一年內收回或確認為開支。

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27. LOANS RECEIVABLE

27. 應收貸款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loans receivable	應收貸款	16,516	-

Loans receivable represented receivables arising from the provision of finance business of the Group, and bears interest at rates ranging from 6% to 10% (2017: Nil) per annum. The Group did not hold any collateral or other credit enhancements over this balance.

應收貸款指本集團提供融資業務所產生之應收款項，按每年6%至10%（二零一七年：無）之利率計息。本集團並無就該結餘持有任何抵押品或其他信用增強措施。

Maturity profile

At the end of the reporting period, the maturity profile of loans receivable, based on maturity date, is as follows:

到期情況

於報告期末，應收貸款按到期日劃分的到期情況如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Due within 1 month or on demand	一個月內到期或按要求	16,516	-

At 31 December 2018, loans receivable that are neither past due nor impaired amounted to HK\$16,516,000 (2017: Nil). All loans receivable have been settled by the debtors subsequent to the end of the reporting period.

於二零一八年十二月三十一日，概無逾期亦無減值之應收貸款約為16,516,000港元（二零一七年：無）。所有應收貸款已於報告期末後由債務人結清。

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27. LOANS RECEIVABLE (continued)

Analysis of the gross carry amount of loans receivable is as follows:

27. 應收貸款 (續)

應收貸款的總賬面值分析如下：

	Stage 1 第1階段 HK\$'000 千港元	Stage 2 第2階段 HK\$'000 千港元	Stage 3 第3階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Gross carrying amount as at 1 January 2018 於二零一八年一月一日的總賬面值	-	-	-	-
New loans/financing originated 新增貸款／融資	299,409	-	-	299,409
Loans/financing derecognised or repaid during the year (other than write-offs) 年內終止確認或償還的貸款／融資（撇銷除外）	(282,893)	-	-	(282,893)
Gross carrying amount as at 31 December 2018 於二零一八年十二月三十一日的總賬面值	16,516	-	-	16,516

Definitions of Stage 1, Stage 2 and Stage 3 are detailed in note 6(b)(iv).

第1階段、第2階段及第3階段的定義詳情列於附註6(b)(iv)。

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28. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments represent the listed equity securities in Hong Kong of HK\$549,022,000 (2017: HK\$432,023,000). All listed equity securities in Hong Kong are pledged to financial institutions to secure margin financing facilities obtained. Details of the Group's top ten investments are as follows:

28. 持作買賣投資

持作買賣投資即香港上市股本證券549,022,000港元(二零一七年: 432,023,000港元)。所有香港上市股本證券已抵押予金融機構，作為保證金融資貸款之抵押。本集團前十名投資詳情如下：

Note	Stock code	Stock name	Number of	Closing price	Market value	Realised loss	Unrealised gain/(loss)	Approximate	Approximate	Number of
			shares held as at 31 December 2018	as at 31 December 2018	as at 31 December 2018			% to held-for-trading as at 31 December 2018	% shareholding in investee as at 31 December 2018	issued shares of investee as at 31 December 2018
附註	股份代號	股份名稱	於二零一八年十二月三十一日持有的股份數目	於二零一八年十二月三十一日的收市價 HK\$ 港元	於二零一八年十二月三十一日的市值 HK\$'000 千港元	已變現虧損 HK\$'000 千港元	未變現收益 / (虧損) HK\$'000 千港元	於二零一八年十二月三十一日佔持作買賣的概約百分比	於二零一八年十二月三十一日佔被投資公司股權的概約百分比	於二零一八年十二月三十一日被投資公司的已發行股份數目
(1)	622	Enerchina Holdings Limited 威華達控股有限公司	39,434,000	0.485	19,125	(3,942)	2,030	3.48%	0.68%	5,811,766,282
(2)	708	Evergrande Health Industry Group Limited 恒大健康產業集團有限公司	21,000,000	10.300	216,300	-	25,597	39.40%	0.24%	8,640,000,000
(3)	718	Tai United Holdings Limited 太和控股有限公司	70,000,000	0.285	19,950	-	(44,450)	3.63%	1.33%	5,250,019,852
(4)	887	Emperor Watch & Jewellery Limited 英皇鐘錶珠寶有限公司	50,750,000	0.230	11,673	-	(4,672)	2.13%	0.75%	6,779,458,129

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28. HELD-FOR-TRADING INVESTMENTS (continued)

28. 持作買賣投資 (續)

Note	Stock code	Stock name	Number of shares held as at	Closing price as at	Market value as at	Realised loss	Unrealised gain/(loss)	Approximate % to held-for-trading as at	Approximate % shareholding in investee as at	Number of issued shares of investee as at
			31 December 2018	31 December 2018	31 December 2018			31 December 2018	31 December 2018	31 December 2018
			於二零一八年十二月三十一日持有的股份數目	於二零一八年十二月三十一日的收市價	於二零一八年十二月三十一日的市值	已變現虧損	未變現收益 / (虧損)	於二零一八年十二月三十一日佔持作買賣的概約百分比	於二零一八年十二月三十一日佔被投資公司股權的概約百分比	於二零一八年十二月三十一日被投資公司的已發行股份數目
				HK\$ 港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元			
(5)	996	Carnival Group International Holdings Limited 嘉年華國際控股有限公司	175,000,000	0.145	25,375	(48,135)	(52,500)	4.62%	0.74%	23,774,780,585
(6)	997	Chinlink International Holdings Limited 普匯中金國際控股有限公司	40,000,000	0.850	34,000	-	(6,000)	6.19%	2.74%	1,461,609,692
(7)	1031	Kingston Financial Group Limited 金利豐金融集團有限公司	28,168,000	1.860	52,392	-	(4,771)	9.54%	0.21%	13,614,480,666
(8)	1224	C C Land Holdings Limited 中渝置地控股有限公司	54,740,242	1.890	103,459	-	6,397	18.84%	1.41%	3,882,334,668
(9)	1332	China Touyun Tech Group Limited 中國透雲科技集團有限公司	100,000,000	0.135	13,500	-	(14,000)	2.46%	1.02%	9,797,311,301
(10)	6060	ZhongAn Online P & C Insurance Co., Ltd. 眾安在綫財產保險股份有限公司	500,000	25.050	12,525	-	(1,575)	2.28%	0.11%	469,812,900

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

(1) Enerchina Holdings Limited (“Enerchina”) was incorporated in Bermuda. Enerchina is an investment holding company principally engages in investment holdings, trading and investment in securities, and the provisions of (i) securities brokerage services, (ii) placing and underwriting services, (iii) corporate finance advisory services, (iv) money lending services, (v) investment advisory and asset management services, and (vi) margin financing services. Enerchina operates through three segments: (i) financial services segment – the provision of securities brokerage and provision of financial, consultancy and corporate financial advisory services; (ii) securities trading and investments segment; and (iii) money lending segment. According to the latest published audited financial statements, Enerchina had net assets of approximately HK\$6,414 million attributed to its shareholders as at 31 December 2018.

(2) Evergrande Health Industry Group Limited (“Evergrande”) was incorporated in Hong Kong. The principal activities of Evergrande include “Internet+” community health management, international hospitals, elderly care and rehabilitation, medical cosmetology and anti-aging in PRC, and the investment in high technology new energy vehicle manufacture. Evergrande operates through two segments: (i) health management segment – “Internet+” community health management, international hospitals, elderly care and rehabilitation, medical cosmetology and anti-aging in PRC; and (ii) new energy vehicle segment – production and sale of new energy automotive planned launching various multi-type vehicle series including FF91 and FF81. According to the latest published unaudited financial statements, Evergrande had net assets of approximately RMB1,030 million attributed to its shareholders as at 30 June 2018.

28. 持作買賣投資 (續)

(1) 威華達控股有限公司(「威華達」)於百慕達註冊成立。威華達為一間投資控股公司，及主要從事投資控股、證券買賣及投資以及提供(i)證券經紀服務；(ii)配股及包銷服務；(iii)企業融資顧問服務；(iv)放債服務；(v)投資顧問及資產管理服務；及(vi)保證金融資服務。威華達透過三個分部經營：(i)金融服務分部－提供證券經紀及提供金融、顧問及企業融資顧問服務；(ii)證券買賣及投資分部；及(iii)放債分部。根據最新刊發的經審核財務報表，威華達於二零一八年十二月三十一日的股東應佔資產淨值約6,414,000,000港元。

(2) 恒大健康產業集團有限公司(「恒大」)於香港註冊成立。恒大業務主要包括於中國從事「互聯網+」社區健康管理、國際醫院、養老及康復產業和醫學美容及抗衰老，以及投資高科技新能源汽車製造。恒大透過兩個分部經營：(i)健康管理分部－於中國從事「互聯網+」社區健康管理、國際醫院、養老及康復產業，醫學美容及抗衰老；及(ii)新能源汽車分部－製造及銷售計劃推出的FF91及FF81等多系列多類型新能源汽車。根據最新刊發的未經審核財務報表，恒大於二零一八年六月三十日的股東應佔資產淨值約為人民幣1,030,000,000元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

(3) Tai United Holdings Limited (“Tai United”) was incorporated in Bermuda. The principal activities of Tai United include investment and asset management, financial services and other business. Tai United operates through seven segments which is organised into seven operating divisions: (i) financial services segment – fund investment, provision of securities and margin financing, trading and brokerage of futures contracts, asset management, money lending business and insurance brokerage service to customers in Hong Kong; (ii) securities investment segment – trading equity securities and derivatives in the PRC, Hong Kong and Singapore; (iii) commodity trading segment – trading of petrochemical products and metal-related products in Singapore; (iv) property investment segment – property investment and leasing of properties in the PRC, Hong Kong and the United Kingdom; (v) distressed debt asset management segment – managing of assets arising from acquisition of distressed debts assets in the PRC; (vi) mining and exploitation of natural resources segment – mining and production of tungsten resources activities in the Republic of Mongolia; and (vii) others segment – consists of trading of medical equipment and other general goods in the PRC. According to the latest published unaudited financial statements, Tai United had net assets of approximately HK\$5,056 million attributed to its shareholders as at 30 June 2018.

28. 持作買賣投資 (續)

(3) 太和控股有限公司(「太和」)於百慕達註冊成立。太和的業務主要包括投資及資產管理、金融服務及其他業務。太和透過七個分部經營業務，並成立七個經營分部：(i)金融服務分部－基金投資，於香港向客戶提供證券及保證金融資、期貨合約買賣及經紀、資產管理、放債業務及保險經紀服務；(ii)證券投資分部－於中國、香港及新加坡買賣股本證券及衍生工具；(iii)商品貿易分部－於新加坡買賣石化產品及金屬相關產品；(iv)物業投資分部－於中國、香港及英國之物業投資及租賃物業；(v)不良債務資產管理分部－於中國收購不良債務資產而產生之資產管理；(vi)採礦及勘察天然資源分部－於蒙古共和國之採礦及生產鎢礦資源活動；及(vii)其他分部－包括於中國買賣醫療設備及其他一般商品。根據最新刊發的未經審核財務報表，太和於二零一八年六月三十日的股東應佔資產淨值約為5,056,000,000港元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

- (4) Emperor Watch & Jewellery Limited (“Emperor Watch”) was incorporated in Hong Kong. Emperor Watch is a leading retailer of European-made internationally renowned watches, together with self-designed fine jewellery products under its own brand, “Emperor Jewellery”. Emperor Watch operates through two business segments: (i) sales of watch segment and (ii) sales of jewellery segment. According to the latest published audited financial statements, Emperor Watch had net assets of approximately HK\$4,465 million attributed to its shareholders as at 31 December 2018.
- (5) Carnival Group International Holdings Limited (“Carnival Group”) was incorporated in Bermuda. Carnival Group is an investment holding company principally engaged in theme based leisure and consumption business, focusing on the design, development and operation of integrated large-scale tourist complex projects in key cities in and outside PRC that comprise of theme parks, hotels, shopping and leisure facilities as well as other theme based consumption. Carnival Group operates through three segments: (i) property development and investment segment – developing residential and commercial properties in PRC and Hong Kong for sales and leasing; (ii) trading and investment business segment – investing on securities and financial instruments; and (iii) others segment – providing retail-related consultancy and management services, operating kids’ edutainment center, touring carnivals and operating restaurants in Hong Kong. According to the latest published unaudited financial statements, Carnival Group had net assets of approximately HK\$10,452 million attributed to its shareholders as at 30 June 2018.

28. 持作買賣投資 (續)

- (4) 英皇鐘錶珠寶有限公司(「英皇鐘錶」)於香港註冊成立。英皇鐘錶為享譽國際之歐洲製腕錶零售商之翹楚，並以旗下「英皇珠寶」品牌自主設計高級珠寶首飾。英皇鐘錶透過兩個業務分部經營：(i) 鐘錶銷售分部；及(ii)珠寶銷售分部。根據最新刊發的經審核財務報表，英皇鐘錶於二零一八年十二月三十一日的股東應佔資產淨值約為4,465,000,000港元。
- (5) 嘉年華國際控股有限公司(「嘉年華」)於百慕達註冊成立。嘉年華國際控股有限公司為一間投資控股公司，主要從事主題休閒及消費業務，集中於中國之主要城市及境外城市為設計、開發及經營一體化大型旅遊綜合項目，當中包括有主題公園、酒店、購物及休閒設施，以及其他主題消費項目。嘉年華透過三個分部經營：(i)物業發展及投資分部－在中國及香港發展住宅及商業物業用於銷售及租賃；(ii)買賣及投資業務分部－投資證券及金融工具；及(iii)其他分部－提供零售相關諮詢及管理服務、營運兒童教育娛樂中心、移動嘉年華會及於香港營運餐廳。根據最新刊發的未經審核財務報表，嘉年華於二零一八年六月三十日的股東應佔資產淨值約為10,452,000,000港元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

(6) Chinlink International Holdings Limited (“Chinlink”) was incorporated in Bermuda. Chinlink principally engages in provision of comprehensive financial services in Shaanxi Province and Hong Kong, international trading and supply chain finance businesses, investment and operating commercial properties and large-scale trade and logistics park in Shaanxi Province. Chinlink operates through six segments (i) international trading – trading of consumer goods and electronic components; (ii) property investment – leasing of property and provision of property management services; (iii) financing guarantee services – provision of corporate financing guarantee services and related consultancy services; (iv) finance lease services – provision of finance lease services; (v) financial advisory services – provision of financial advisory and asset management services; and (vi) logistics services – provision of logistic services. According to the latest published unaudited financial statements, Chinlink had net assets of approximately HK\$1,960 million attributed to its shareholders as at 30 September 2018.

28. 持作買賣投資 (續)

(6) 普匯中金國際控股有限公司(「普匯中金」)於百慕達註冊成立。普匯中金主要於陝西省及香港提供綜合金融服務、國際貿易及供應鏈金融業務，以及投資及營運位於陝西省的商業地產及大型商貿物流園。普匯中金透過六個分部營運：(i)國際貿易－消費品及電子元件貿易；(ii)物業投資－租賃物業及提供物業管理服務；(iii)融資擔保服務－提供企業融資擔保服務及有關諮詢服務；(iv)融資租賃服務－提供融資租賃服務；(v)財務顧問服務－提供財務顧問及資產管理服務；及(vi)物流服務－提供物流服務。根據最新刊發的未經審核財務報表，普匯中金於二零一八年九月三十日的股東應佔資產淨值約為1,960,000,000港元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

- (7) Kingston Financial Group Limited (“Kingston”) was incorporated in Bermuda. Kingston is principally engaged in the provision of financial services including securities brokerage, underwriting and placements, margin and initial public offering financing, corporate finance advisory services, futures brokerage and asset management services. Kingston also provides gaming and hospitality services in Macau. Kingston operates through three segments: (i) the financial services segment – providing financial services, including securities brokerage services, underwriting and placements services, margin and initial public offering financing services, corporate finance advisory services, futures brokerage and asset management services; (ii) hotel and gaming segment – operation and provision of hotel services, operation of restaurants in hotels, and provision of services to casino run by the licence holder Sociedade de Jogos de Macau, S.A. in hotels; and (iii) securities investment segment – trading of listed securities. According to the latest published unaudited financial statements, Kingston had net assets of approximately HK\$20,897 million attributed to its shareholders as at 30 September 2018.

28. 持作買賣投資 (續)

- (7) 金利豐金融集團有限公司(「金利豐」)於百慕達註冊成立。金利豐主要從事提供金融服務，包括證券經紀、包銷及配售、保證金及首次公開發售融資、企業融資顧問服務、期貨經紀及資產管理服務。金利豐亦於澳門提供博彩及酒店服務。金利豐透過三個分部經營：(i)金融服務分部－提供金融服務，包括證券經紀服務、包銷及配售服務、保證金及首次公開發售融資服務、企業融資顧問服務、期貨經紀及資產管理服務；(ii)酒店及博彩分部－經營及提供酒店服務、經營酒店內餐廳及向持牌人澳門博彩股份有限公司在酒店經營之賭場提供服務；及(iii)證券投資分部－買賣上市證券。根據最新刊發的未經審核財務報表，金利豐於二零一八年九月三十日的股東應佔資產淨值約為20,897,000,000港元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

- (8) C C Land Holdings Limited (“C C Land”) was incorporated in Bermuda. C C Land is principally engaged in property development and investment, as well as treasury investments. C C Land operates through two segments: (i) property development and investment segment – developing residential and commercial properties in United Kingdom, Australia and PRC for sales; and (ii) treasury investments segment – investments in securities and notes receivable and provision of financial services. According to the latest published unaudited financial statements, C C Land had net assets of approximately HK\$16,937 million attributed to its shareholders as at 30 June 2018.
- (9) China Touyun Tech Group Limited (“China Touyun”) was incorporated in Bermuda. China Touyun is an investment holding company principally engaged in provision of QR codes on product packaging and solutions and online advertising display services; the manufacture and sales of packaging products; and investments and trading in securities and money lending. China Touyun operates through three business segments: (i) QR codes business segment – provision of QR codes on product packaging and solution and advertising display services; (ii) packaging products segment – manufacturing and sale of watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units; and (iii) treasury investment segment – investment and trading in securities and money lending business. According to the latest published unaudited financial statements, China Touyun had net assets of approximately HK\$898 million attributed to its shareholders as at 30 June 2018.

28. 持作買賣投資 (續)

- (8) 中渝置地控股有限公司(「中渝置地」)於百慕達註冊成立。中渝置地主要從事物業開發及投資以及財務投資。中渝置地透過兩個分部經營：(i)物業開發及投資分部－在英國、澳洲及中國開發住宅及商用物業用於出售；及(ii)財務投資分部－投資證券及應收票據以及提供金融服務。根據最新刊發的未經審核財務報表，中渝置地於二零一八年六月三十日的股東應佔資產淨值約為16,937,000,000港元。
- (9) 中國透雲科技集團有限公司(「中國透雲」)於百慕達註冊成立。中國透雲為一間投資控股公司，主要從事提供產品包裝上的二維碼及解決方案以及線上廣告展示服務；包裝產品的生產及銷售；及證券投資及買賣業務以及放債。中國透雲主要透過三個業務分部經營：(i)二維碼業務分部－提供產品包裝上的二維碼及解決方案以及廣告展示服務；(ii)包裝產品分部－製造及銷售鐘錶盒、珠寶盒、眼鏡盒、包裝袋及小袋以及陳列用品；及(iii)財務投資分部－證券投資及買賣業務及放債業務。根據最新刊發的未經審核財務報表，中國透雲於二零一八年六月三十日的股東應佔資產淨值約為898,000,000港元。

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28. HELD-FOR-TRADING INVESTMENTS

(continued)

(10) ZhongAn Online P & C Insurance Co., Ltd. (“ZhongAn Online”) was incorporated in PRC. ZhongAn Online is an internet insurtech company principally engaged in provision of ecosystem-oriented insurance products and insurance information technology services to customers. ZhongAn Online operates through five major ecosystems segments: (i) health ecosystem segment; (ii) consumer finance ecosystem segment; (iii) auto ecosystem segment; (iv) lifestyle consumption ecosystem segment; and (v) travel ecosystem segment. According to the latest published unaudited financial statements, ZhongAn Online had net assets of approximately RMB16,483 million attributed to its shareholders as at 30 June 2018.

28. 持作買賣投資 (續)

(10) 眾安在綫財產保險股份有限公司(「眾安在綫」)於中國註冊成立。眾安在綫為一間互聯網保險科技公司，主要從事向客戶提供生態導向的保險產品及保險信息技術服務。眾安主要透過五個生態分部經營：(i)健康生態分部；(ii)消費金融生態分部；(iii)汽車生態分部；(iv)生活消費生態分部；及(v)貿易生態分部。根據最新刊發的未經審核財務報表，眾安在綫於二零一八年六月三十日的股東應佔資產淨值約為人民幣16,483,000,000元。

29. CONVERTIBLE NOTES RECEIVABLE

29. 應收可換股票據

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Convertible notes receivable – 應收可換股票據 – 指定透過 designated at FVTPL 損益按公平值列賬		
Convertible Note I 可換股票據一	18,864	19,293

Convertible notes receivable acquired are designated at fair value through profit or loss because the relevant financial assets constitute a group that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management and investment strategy, and information about the Group is provided internally on that basis to the Group's key management personnel.

所收購的應收可換股票據指定透過損益按公平值列賬，原因是根據一份書面的風險管理及投資策略，相關財務資產構成一個組別，其表現按公平值評估，有關本集團的資料在內部按該基準提供予本集團的主要管理人員。

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29. CONVERTIBLE NOTES RECEIVABLE

(continued)

Convertible Note I represented the fair value of an investment in convertible note issued by China Agri-Products Exchange Limited (“China Agri-Products”), a company listed on the Stock Exchange. The principal amount of the Convertible Note I is HK\$23,200,000, which can be converted into 58,000,000 ordinary shares of China Agri-Products at a conversion price of HK\$0.4 per share from the inception date until the date which is five business days preceding the maturity date on 18 October 2021. The Convertible Note I carried interest at 7.5% per annum, payable semi-annually on 19 April and 19 October of each calendar year. The Convertible Note I could be redeemed by China Agri-Products any date on or before maturity date at its principal amount.

On initial recognition, there was a day-one gain of approximately HK\$29,836,000 for Convertible Note I, which was deferred and amortised in the consolidated statement of profit or loss on a straight-line basis within the effective life of the Convertible Note I. Such gain was derecognised as at 31 December 2017 due to the significant fluctuation in the stock price amounting to HK\$25,700,000 (note 10).

During the year ended 31 December 2017, the Group disposed of the convertible notes issued by Up Energy Development Group Limited, a company listed on the Stock Exchange with a carrying amount of HK\$2,167,000 to an independent third party through the disposal of a subsidiary (note 41(b)).

For the year ended 31 December 2018, the fair value loss of the convertible notes receivable amounting to HK\$429,000 (2017: fair value loss of HK\$50,665,000, plus the amortisation of day-one gain for Convertible Note I of HK\$2,959,000) is recognised in “other gain/(loss)” in note 10.

29. 應收可換股票據 (續)

可換股票據一指於中國農產品交易有限公司(「中國農產品」, 為於聯交所上市的公司)發行的可換股票據之投資的公平值。可換股票據一的本金額為23,200,000港元, 可自開始日期起至到期日二零二一年十月十八日前五個營業日之日止期間, 按每股0.4港元的轉換價轉換成58,000,000股中國農產品普通股。應收可換股票據一按每年7.5%計息, 須於每曆年四月十九日及十月十九日每半年支付。可換股票據一可由中國農產品於到期日或之前任何日期按本金額贖回。

於初始確認時, 可換股票據一的第一天收益約為29,836,000港元, 且已遞延及於應收可換股票據一的有效期限內按直線法於綜合損益表中攤銷。於二零一七年十二月三十一日, 該收益25,700,000港元(附註10)因股價大幅波動而終止確認。

截至二零一七年十二月三十一日止年度, 本集團透過出售一間附屬公司(附註41(b)), 向一名獨立第三方出售賬面值為2,167,000港元的優派能源發展集團有限公司, 為聯交所上市的公司, 發行之可換股票據。

截至二零一八年十二月三十一日止年度, 應收可換股票據的公平值虧損429,000港元(二零一七年: 公平值虧損50,665,000港元加上應收可換股票據一的第一天收益攤銷2,959,000港元)於附註10的「其他收益/(虧損)」確認。

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30. BANK BALANCES – TRUST ACCOUNTS

The Group receives and holds monies deposited by clients and other institutions in the course of the conduct of the regulated activities of its securities brokerage business. These client's monies are maintained in one or more trust bank accounts. The Group has recognised the corresponding accounts payable to its respective clients and other institutions (note 32). However, the Group currently does not have an enforceable right to offset these payables with the deposits placed.

31. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(a) Bank balances and cash comprise:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	104,244	134,477

The bank balances and cash include short-term bank deposits with an original maturity of three months or less. The bank balances carry interest at market rates which are as follows:

		2018 二零一八年	2017 二零一七年
Range of interest rate per annum:	年利率範圍：		
Bank balances	銀行結餘	0.001% to 0.01%	0.001% to 0.01%

30. 銀行結餘—信託賬戶

本集團在經營證券經紀業務受規管活動過程中收取並持有客戶及其他機構存放的款項。該等客戶的款項於一個或多個信託銀行賬戶持有。本集團已確認應付各客戶及其他機構的賬款(附註32)。然而，本集團現時並無將該等應付款項與已存放按金相抵銷的執行權。

31. 銀行結餘及現金以及其他現金流資料

(a) 銀行結餘及現金包括：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank balances and cash	104,244	134,477

銀行結餘及現金包括原到期日為三個月或以下之短期銀行存款。按市場利率計息之銀行結餘如下：

		2018 二零一八年	2017 二零一七年
Range of interest rate per annum:	年利率範圍：		
Bank balances	銀行結餘	0.001% to 0.01%	0.001% to 0.01%

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31. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(continued)

(a) Bank balances and cash comprise: (continued)

At the end of the reporting period, included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the relevant group entities.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
USD	美元	8,984	8,265
EUR	歐元	555	908

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

31. 銀行結餘及現金以及其他現金流資料 (續)

(a) 銀行結餘及現金包括：(續)

於報告期末，銀行結餘及現金包括以下以有關集團實體功能貨幣以外貨幣計值之金額。

(b) 融資活動所產生的負債對賬

下表詳述本集團融資活動所產生的負債變動，包括現金流量及非現金流量導致的變動。融資活動所產生的負債指本集團綜合現金流量表中現金流量過往分類為或未來現金流將分類為融資活動所產生的現金流的負債。

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31. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

		Borrowings – margin loans	Total
		借貸 – 保證金貸款	總計
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January 2017	於二零一七年一月一日	–	–
Changes from financing cash flows:	融資現金流量變動：		
Margin loan interest paid	已付保證金貸款利息	(158)	(158)
Total changes from financing cash flows	融資現金流量變動總額	(158)	(158)
Other changes:	其他變動：		
Interest expenses	利息開支	158	158
		158	158
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	–	–
Changes from financing cash flows:	融資現金流量變動：		
Net proceeds from borrowings – margin loans	借貸 – 保證金貸款所得款項淨額	43,268	43,268
Margin loan interest paid	已付保證金貸款利息	(832)	(832)
Total changes from financing cash flows	融資現金流量變動總額	42,436	42,436
Other changes:	其他變動：		
Interest expenses	利息開支	832	832
		832	832
At 31 December 2018	於二零一八年十二月三十一日	43,268	43,268

31. 銀行結餘及現金以及其他現金流資料 (續)

(b) 融資活動所產生的負債對賬 (續)

**Borrowings –
margin loans**
借貸 – 保證金貸款
HK\$'000
千港元

Total
總計
HK\$'000
千港元

At 1 January 2017	於二零一七年一月一日	–	–
Changes from financing cash flows:	融資現金流量變動：		
Margin loan interest paid	已付保證金貸款利息	(158)	(158)
Total changes from financing cash flows	融資現金流量變動總額	(158)	(158)
Other changes:	其他變動：		
Interest expenses	利息開支	158	158
		158	158
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	–	–
Changes from financing cash flows:	融資現金流量變動：		
Net proceeds from borrowings – margin loans	借貸 – 保證金貸款所得款項淨額	43,268	43,268
Margin loan interest paid	已付保證金貸款利息	(832)	(832)
Total changes from financing cash flows	融資現金流量變動總額	42,436	42,436
Other changes:	其他變動：		
Interest expenses	利息開支	832	832
		832	832
At 31 December 2018	於二零一八年十二月三十一日	43,268	43,268

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32. ACCOUNTS PAYABLE

32. 應付賬款

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Accounts payable arising from securities brokerage business:		
– cash clients and clearing house	4,444	6,081

The settlement terms of accounts payable to cash clients and cleaning house are two days after trade date. Accounts payable to cash clients are repayable on demand subsequent to settlement date. No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable amounting to HK\$4,177,000 as at 31 December 2018 (2017: HK\$5,209,000) were payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of conducting the regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

應付現金客戶及結算所之賬款的結算日期為交易日期後兩日。應付現金客戶之賬款須於結算日期後按要求償還。由於本公司董事認為，鑑於該業務的性質，賬齡分析並無額外意義，故並無披露相關賬齡分析。

於二零一八年十二月三十一日的應付賬款4,177,000港元(二零一七年：5,209,000港元)須就於經營受規管活動的過程中收到並為客戶持有的信託及獨立銀行結餘支付予客戶。然而，本集團現時並無將該等應付款項與已存放按金相抵銷的執行權。

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33. BORROWINGS

As at 31 December 2018, the balance represents margin payables of HK\$43,268,000 (2017: Nil) from financial institutions bore interest at 12% (2017: Nil) per annum and were repayable on demand. The Group's held-for-trading investments with an aggregate fair value of approximately HK\$540,976,000 (2017: Nil) are pledged to that financial institutions to secure the utilised margin facilities.

34. DEFERRED TAX LIABILITY

The component of deferred tax liability recognised in the consolidated statement of financial position and movement during the year ended 31 December 2018 are as follow:

33. 借貸

於二零一八年十二月三十一日，結餘指來自金融機構的應付保證金43,268,000港元(二零一七年：無)，按每年12%(二零一七年：無)之利率計息且須按要求償還。本集團公平值總額約540,976,000港元(二零一七年：無)的持作買賣投資已抵押予該等金融機構，作為已動用保證金融資貸款之抵押。

34. 遞延稅項負債

截至二零一八年十二月三十一日止年度於綜合財務狀況表中確認的遞延稅項負債組成部分及變動如下：

		Temporary difference related to fair value adjustment on intangible asset – trading right 無形資產 之公平值調整有關 之暫時差額 – 交易權 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	–
Addition through acquisition of a subsidiary (note 40(b))	透過收購一間附屬公司添置 (附註40(b))	484
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	484
Credit to profit or loss (note 14(a))	計入損益 (附註14(a))	(342)
At 31 December 2018	於二零一八年十二月三十一日	142

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35. SHARE CAPITAL AND RESERVES

(a) Share capital

35. 股本及儲備

(a) 股本

		Nominal value 面值 HK\$ 港元	Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Authorised:	法定：			
At 1 January 2017	於二零一七年一月一日	0.005	200,000,000	1,000,000
Share consolidation (note ii)	股份合併 (附註ii)		(175,000,000)	–
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年 十二月三十一日、 二零一八年一月一日 及二零一八年 十二月三十一日	0.040	25,000,000	1,000,000
Issued and fully paid:	已發行及繳足：			
At 1 January 2017	於二零一七 年一月一日	0.005	4,548,173	22,741
Issued of new shares (note i)	發行新股份 (附註i)	0.005	60,000	300
Share consolidation (note ii)	股份合併 (附註ii)	0.005	4,608,173 (4,032,151)	23,041 –
Issue of new shares (note iii)	發行新股份 (附註iii)	0.040	576,022	23,041
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	0.040	689,422	27,577
Exercise of share options (note iv)	行使購股權 (附註iv)	0.040	2,500	100
As at 31 December 2018	於二零一八年 十二月三十一日	0.040	691,922	27,677

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35. SHARE CAPITAL AND RESERVES

(continued)

(a) Share capital (continued)

Notes:

- (i) On 28 February 2017, 60,000,000 shares were issued as part of the consideration for the acquisition of a subsidiary. The details are set out in note 40(b).
- (ii) Pursuant to an ordinary resolution passed by shareholders at the special general meeting held on 10 March 2017, the share consolidation of every eight issued and unissued shares of HK\$0.005 each into one consolidated share of HK\$0.04 each became effective on 13 March 2017 (the "Share Consolidation"). Details of the Share Consolidation were set out in the Company's announcement dated 26 January 2017 and 10 March 2017 and the circular dated 22 February 2017.
- (iii) Pursuant to the share swap agreement dated 16 March 2017, 113,400,000 ordinary shares were allotted at HK\$0.9 per share, which approximated the closing bid price of the Company's shares at the completion date of the share swap, and issued to a nominee of Enerchina Holdings Limited ("Enerchina") in exchange for 378,000,000 shares of Enerchina on 22 March 2017. Such shares are recorded as available-for-sale investments as detailed in note 21.
- (iv) During the year ended 31 December 2018, 2,500,000 ordinary shares of the Company of HK\$0.04 each were issued upon the exercise of 2,500,000 share options under share option scheme with proceeds of HK\$4,060,000. Share option reserve of HK\$1,845,000 was transferred to contributed surplus.

35. 股本及儲備 (續)

(a) 股本 (續)

附註：

- (i) 於二零一七年二月二十八日，60,000,000股股份作為收購一間附屬公司的代價一部分而發行。詳情載於附註40(b)。
- (ii) 根據股東於二零一七年三月十日舉行的股東特別大會上通過的普通決議案，每八股每股面值0.005港元的已發行及未發行股份合併為一股每股面值0.04港元的合併股份（「股份合併」）於二零一七年三月十三日生效。股份合併的詳情載於本公司日期為二零一七年一月二十六日及二零一七年三月十日之公告及日期為二零一七年二月二十二日之通函。
- (iii) 根據日期為二零一七年三月十六日之換股協議，於二零一七年三月二十二日，113,400,000股普通股按每股0.9港元（與換股完成日期本公司股份的收市報價相若）配發及發行予威華達控股有限公司（「威華達」）的一名代名人，以交換378,000,000股威華達股份。該等股份作為可供出售投資入賬（詳情見附註21）。
- (iv) 截至二零一八年十二月三十一日止年度，於根據購股權計劃行使2,500,000份購股權後本公司發行2,500,000股每股面值0.04港元的普通股，所得款項為4,060,000港元。1,845,000港元的購股權儲備已轉撥至繳入盈餘。

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35. SHARE CAPITAL AND RESERVES

(continued)

(b) Nature and purpose of reserves

- (i) Contributed surplus
Pursuant to section 46(2) of the Companies Act 1981 of Bermuda and with effect after passing of a special resolution at a special general meeting held on 29 August 2011, the Company's entire amount standing to the credit of the share premium account and the deemed contribution reserve account were cancelled (the "Share Premium Cancellation"). Upon the Share Premium Cancellation becoming effective, the directors of the Company authorised the transfer of the credit arising therefrom to the contributed surplus account of the Company and to set off the accumulated losses of the Company in a manner permitted by the laws of Bermuda and the bye-laws of the Company.
- (ii) Merger reserve
Merger reserve represents the difference between the nominal value of shares of subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition at the time of a previous corporate reorganisation.

35. 股本及儲備 (續)

(b) 儲備的性質及目的

- (i) 繳入盈餘賬
根據百慕達一九八一年公司法第46(2)條，自於二零一一年八月二十九日舉行之股東特別大會上之特別決議案獲通過起，本公司股份溢價賬及視作注資儲備賬全部進賬額已被註銷（「股份溢價註銷」）。於股份溢價註銷生效後，本公司董事授權將因股份溢價註銷而產生之進賬轉撥至本公司繳入盈餘賬，以百慕達法例及本公司之公司細則允許之方式抵銷本公司累計虧損。
- (ii) 合併儲備
合併儲備指於早前進行企業重組時所購入附屬公司股份面值與本公司就收購發行股份面值之差額。

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35. SHARE CAPITAL AND RESERVES

(continued)

(b) Nature and purpose of reserves (continued)

- (iii) Translation reserve
Translation reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. HK\$), which are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operations.
- (iv) Share option reserve
Share option reserve represents the recognition of share options of the Company determined at the date of grant of the share options.
- (v) Investment revaluation reserve
Investment revaluation reserve represents the cumulative fair value changes of available-for-sale investments until they are disposed of or impaired.
- (vi) Other reserve
Other reserve represents the difference between the amount by which the non-controlling interests are adjusted and the consideration paid for the acquisition of additional interest in Unimagi Investment Limited.

35. 股本及儲備 (續)

(b) 儲備的性質及目的 (續)

- (iii) 換算儲備
換算儲備指將本集團境外業務資產淨值從功能貨幣換算成本集團呈報貨幣(即港元)有關的匯兌差額,直接於其他全面收入確認,並累計於外幣換算儲備項下。外幣換算儲備中累計的匯兌差額在境外業務出售時重新分類至損益。
- (iv) 購股權儲備
購股權儲備指於購股權授出日期釐定的確認本公司購股權。
- (v) 投資重估儲備
投資重估儲備指可供出售投資在出售或減值前的累計公平值變動。
- (vi) 其他儲備
其他儲備指非控股權益的調整金額與就收購Unimagi Investment Limited額外權益而支付的代價之差額。

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36. SHARE-BASED PAYMENT TRANSACTIONS

On 16 August 2002, the Company adopted a share option scheme for the primary purpose of providing incentives to employees, executives or officers, directors of the Company or any of its subsidiaries and any business consultants, agents, legal or financial advisers or any supplier or provider of goods and services of the Company or any of its subsidiaries (the “Participants”) for their contribution to the Group (the “2002 Scheme”).

The 2002 Scheme was terminated on 11 June 2012 and a new share option scheme (the “2012 Scheme”) was adopted by the shareholder of the Company on the same date. All share option granted under 2002 Scheme remain effective until the end of the exercise period. The general terms and conditions of the two share option schemes are the same and listed as follow:

The directors of the Company may grant options to the Participants to subscribe for shares in the Company for a consideration of HK\$10 for each lot of share options granted. Options granted must be taken up within 28 days of date of grant. The exercise price is determined by the directors and shall not be less than the highest of:

- (i) the official closing price of the shares as stated in the daily quotation sheet of the Stock Exchange on the date of the grant which must be a business day;
- (ii) the average of the official closing prices of the shares as stated in the daily quotation sheet of the Stock Exchange for the 5 business days immediately preceding the offer date; and
- (iii) the nominal value of a share.

36. 以股份付款交易

於二零零二年八月十六日，本公司採納一項購股權計劃，主要目的在於獎勵對本集團作出貢獻之本公司或其任何附屬公司之僱員、行政人員或高級職員、董事及本公司或其任何附屬公司之任何業務顧問、代理、法律或財務顧問或貨品及服務之任何供應商（「參與人士」）（「二零零二年計劃」）。

二零零二年計劃於二零一二年六月十一日終止，本公司股東於同日採納一項新購股權計劃（「二零一二年計劃」）。所有根據二零零二年計劃授出之購股權仍然有效，直至行使期完結。兩份購股權計劃的一般條款及條件相同，列示如下：

本公司董事可向參與人士以按每批授出購股權10港元之代價授出購股權以認購本公司股份。已授出之購股權必須於授出日期起計二十八日內接納。行使價由董事釐定，惟不得低於下列最高者：

- (i) 股份於授出日期（必須為營業日）在聯交所每日報價表所報官方收市價；
- (ii) 股份緊接要約日期前五個營業日在聯交所每日報價表所報官方收市價之平均值；及
- (iii) 股份面值。

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36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The maximum number of shares in the Company in respect of which options may be granted under the 2012 Scheme when aggregated with any other share option scheme of the Company is not permitted to exceed 10% of the issued share capital of the Company as at 11 June 2012. Subject to the approval of the shareholders of the Company in general meeting and such other requirements prescribed under the Listing Rules from time to time, the directors of the Company may refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meetings. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2012 Scheme and any other share option scheme of the Company at any time shall not exceed 30% of the shares in issue from time to time.

No option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12-month period up to and including the date of grant exceeding 1% of total number of shares in issue at the date of grant.

Any further grant of options in excess of this 1% limit shall be subject to the approval of the shareholders in general meetings, with such Participant and his associates (as defined in the Listing Rules) abstaining from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

36. 以股份付款交易 (續)

根據二零一二年計劃授出之購股權涉及之本公司股份數目，當與本公司任何其他購股權計劃合併計算時，最多不得超過本公司於二零一二年六月十一日之已發行股本10%。待取得本公司股東在股東大會批准及符合上市規則項下不時訂明之其他規定後，本公司董事可隨時更新限額至本公司股東在股東大會批准當日已發行股份總數10%。儘管有上述規定，二零一二年計劃及本公司任何其他購股權計劃項下所有已授出但尚未行使之購股權獲行使而可能發行之股份，於任何時間均不得超過當時已發行股份30%。

倘於截至及包括授出日期止任何十二個月期間，已經向任何人士發行及基於已授出之所有購股權而可以向彼發行之本公司股份總數，超過授出日期已發行股份總數1%，則不得向該人士授出任何購股權。

倘進一步授出超過1%限額之購股權，則須取得股東在股東大會批准，而該參與人士及其聯繫人士(定義見上市規則)須放棄投票及/或須遵守上市規則不時生效之其他規定。倘向主要股東或獨立非執行董事授出之購股權超過本公司股本0.1%或價值超過5,000,000港元，則須事先取得本公司股東之批准。

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36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

There is no specific requirement that an option must be held for any minimum period before it can be exercised but the directors of the Company are empowered to impose at their discretion any such minimum period at the time of grant of any particular options. The period during which an option may be exercised will be determined by the directors at their absolute discretion, save that no option may be exercised more than 10 years from the date of grant.

The following table discloses movements of the share options held by directors and employees:

For the year ended 31 December 2018

	Grant date	Vesting period	Exercisable period	Number of shares issuable under options outstanding at 1/1/2018 於二零一八年一月一日根據購股權的未行使可發行的股份數目	截至二零一八年十二月三十一日止年度		Number of shares issuable under options outstanding at 31/12/2018 於二零一八年十二月三十一日根據購股權的未行使可發行的股份數目	Exercise price per share as at 31/12/2018 於二零一八年十二月三十一日的每股行使價
					Granted during the year 年內授出	Exercised during the year 年內行使		
Other than employees and directors	31/8/2016	N/A	31/8/2016 to 30/8/2021	2,500,000	-	(2,500,000)	-	N/A
並非僱員及董事	二零一六年八月三十一日	不適用	二零一六年八月三十一日至二零二一年八月三十日					不適用

36. 以股份付款交易 (續)

現時並無特別規定購股權須於行使前持有任何最短期限，惟本公司董事可行使酌情權於授出任何特定購股權時釐定須持有最短期限。購股權之行使期由董事按絕對酌情權釐定，惟購股權不得於授出日期十年後行使。

下表披露由董事及僱員持有之購股權數目變動詳情：

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36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

For the year ended 31 December 2017

	Grant date	Vesting period	Exercisable period	Number of shares issuable under options outstanding at 1/1/2017	Granted during the year	Exercised during the year	Adjusted for the share consolidation	Cancelled during the year	Number of shares issuable under options outstanding at 31/12/2017	Exercise price per share as at 31/12/2017
				於二零一七年一月一日根據購股權的未行使可發行的股份數目					於二零一七年十二月三十一日根據購股權的未行使可發行的股份數目	
	授出日期	歸屬期 (note c) (附註c)	可行使期間	股份數目	年內授出	年內行使	就股份合併進行調整 (note a) (附註a)	年內註銷 (note b) (附註b)	股份數目	十二月三十一日的每股行使價
Directors	13/5/2016	N/A	13/5/2016 to 12/5/2021	52,428,397	-	-	(45,874,848)	(6,553,549)	-	N/A
董事	二零一六年五月十三日	不適用	二零一六年五月十三日至二零二一年五月十二日							不適用
Employees	31/8/2016	N/A	31/8/2016 to 30/8/2021	84,000,000	-	-	(73,500,000)	(10,500,000)	-	N/A
僱員	二零一六年八月三十一日	不適用	二零一六年八月三十一日至二零二一年八月三十日							不適用
Other than employees and directors	31/8/2016	N/A	31/8/2016 to 30/8/2021	168,676,254	-	-	(147,591,722)	(18,584,532)	2,500,000	HK\$1.624
並非僱員及董事	二零一六年八月三十一日	不適用	二零一六年八月三十一日至二零二一年八月三十日							1.624港元 (note d) (附註d)
				305,104,651	-	-	(266,966,570)	(35,638,081)	2,500,000	

36. 以股份付款交易 (續)

截至二零一七年十二月三十一日止年度

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36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Notes:

- (a) The number of share options was adjusted for the share consolidation on 13 March 2017.
- (b) The number of share options was cancelled on 3 April 2017 and 5 April 2017.
- (c) The share options granted during the year ended 31 December 2017 vested on the date of grant.
- (d) The exercise price per share as at 31 December 2017 has been adjusted with effect of share consolidation.

Movements in the number of share options outstanding and their weighted average exercise prices for the years ended 31 December 2018 and 2017 are as follows:

36. 以股份付款交易 (續)

附註：

- (a) 購股權數目就二零一七年三月十三日的股份合併而調整。
- (b) 購股權數目於二零一七年四月三日及二零一七年四月五日註銷。
- (c) 截至二零一七年十二月三十一日止年度授出的購股權於授出日期歸屬。
- (d) 於二零一七年十二月三十一日的每股行使價就股份合併的影響而調整。

截至二零一八年及二零一七年十二月三十一日止年度未行使的購股權數目變動及其加權平均行使價如下：

		Weighted average exercise price	Number of shares issuable under options granted
		加權平均行使價 HK\$ 港元	根據已授出購股權可發行的股份數目
At 1 January 2017	於二零一七年一月一日	0.2240	305,104,651
Cancelled during the year	年內註銷	1.8042	(35,638,081)
Adjustment arising from:	因以下各項產生的調整：		
– Share consolidation	– 股份合併	–	(266,966,570)
Outstanding and exercisable at 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日未行使及可行使	1.6240	2,500,000
Exercised during the year	年內行使	1.6240	(2,500,000)
Outstanding and exercisable at 31 December 2018	於二零一八年十二月三十一日未行使及可行使	–	–

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36. SHARE-BASED PAYMENT TRANSACTIONS (continued)

2,500,000 (2017: Nil) share options were exercised during the year ended 31 December 2018.

At 31 December 2017, the weighted average remaining contractual life of the outstanding share options was 3.67 years.

37. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

Minimum lease payments paid under operating leases in respect of rented premises were approximately HK\$3,331,000 (2017: HK\$4,653,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under a non-cancellable operating lease which fall due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	2,756	2,053
In the second to fifth years inclusive	於第二至五年 (包括首尾兩年)	4,014	200
		6,770	2,253

The Group is the lessee in respect of two office premises. The leases typically run for an initial period of 1 to 3 years, with an option to renew the leases when all terms are renegotiated. None of the leases includes contingent rentals.

36. 以股份付款交易 (續)

截至二零一八年十二月三十一日止年度，2,500,000份購股權(二零一七年：無)獲行使。

於二零一七年十二月三十一日，未行使購股權的加權平均餘下合約期限為3.67年。

37. 承擔

(a) 營運租賃承擔

本集團作為承租人

根據營運租約就租賃物業支付之最低租金約為3,331,000港元(二零一七年：4,653,000港元)。

於報告期末，根據不可撤銷營運租約，本集團支付未來最低租金之承擔的到期情況如下：

本集團為兩項辦公物業之承租人。租約一般初步為期1至3年，可選擇在重新磋商所有條款後續期。概無租約包括或然租金。

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37. COMMITMENTS (continued)

(b) Commitments

37. 承擔 (續)

(b) 承擔

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Commitments in respect of the investment for film rights contracted for but not provided in the consolidated financial statements	16,500	-

已訂約但未於綜合財務報表中作出撥備的有關電影版權投資的承擔

38. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF Scheme for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme.

The total expenses recognised in profit or loss of HK\$437,000 (2017: HK\$463,000) represents contribution payable to the plan by the Group at rate specified in the rules of the plan.

38. 退休福利計劃

本集團根據強制性公積金計劃條例為所有香港合資格僱員設立強積金計劃。由獨立受託人控制下，強積金計劃的資產與本集團持有的基金是分開的。根據強積金計劃的規則，僱主及其僱員均須各自向該計劃按規則規定之比率供款。本集團就強積金計劃的唯一責任是根據計劃作出所需供款。

於損益中確認之總開支為437,000港元（二零一七年：463,000港元），乃指依照計劃所列明之比率計算之本集團應付計劃供款額。

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39. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other benefits	5,852	8,154
Contributions to pension schemes	113	168
	5,965	8,322

(b) Related party transaction

For the year ended 31 December 2017, the Company disposed of its indirect wholly-owned subsidiary, namely High Gear Holdings Limited, to Global Value Group Limited, a subsidiary of Enerchina Holdings Limited, of which Enerchina Holdings Limited is a substantial shareholder of the Company. Details of this disposal transaction is stated in note 41(c) to the consolidated financial statements.

39. 有關連人士交易

(a) 主要管理人員報酬

年內，董事及其他主要管理人員之酬金如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other benefits	5,852	8,154
Contributions to pension schemes	113	168
	5,965	8,322

(b) 有關連人士交易

截至二零一七年十二月三十一日止年度，本公司已將其間接全資附屬公司High Gear Holdings Limited出售予威華達控股有限公司的附屬公司Global Value Group Limited，威華達控股有限公司為本公司主要股東。出售交易的詳情列示於綜合財務報表附註41(c)。

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40. ACQUISITION OF SUBSIDIARIES

(a) For the year ended 31 December 2018

Longtop Enterprises Limited (“Longtop”)

During the year ended 31 December 2018, the Group acquired the entire interest in Longtop at a consideration of HK\$50,000 from an independent third party. Longtop is a licensed money lender, and authorised to engage in money lending activity. The acquisition was completed on 22 March 2018 and was accounted for as acquisition of assets because Longtop had no business on the completion date. Longtop commenced money lending business since May 2018.

(b) For the year ended 31 December 2017

John & Wong Securities Company Limited (“John & Wong”)

On 30 August 2016, the Company entered into an agreement with three independent third parties (the “Vendors”) to acquire the entire interest in John & Wong at a consideration of approximately HK\$14,500,000, of which approximately HK\$6,200,000 was settled by cash, the remaining consideration was settled by the Company by the issuance of 60,000,000 shares of the Company at fair value of HK\$6,480,000 which were issued and allotted on 28 February 2017 and share options granted to the former owners of John & Wong. John & Wong is a licensed corporation under the Securities and Futures Ordinance and authorised to engage in Type 1 activity, which are dealing in securities. The principal activities of John & Wong are the provision of securities brokerage services to clients. The management considers that such acquisition will enable the Group to expand the range of its principal activities to include the provision of financial services for diversification of business. The acquisition was completed on 28 February 2017.

40. 收購附屬公司

(a) 截至二零一八年十二月三十一日止年度

長泰企業有限公司（「長泰」）截至二零一八年十二月三十一日止年度，本集團以代價50,000港元向一名獨立第三方收購長泰的全部權益。長泰為持牌放債人及授權進行放債活動。收購於二零一八年三月二十二日完成並按收購資產入賬，原因是長泰於完成日期並無業務。長泰已自二零一八年五月起開展放債業務。

(b) 截至二零一七年十二月三十一日止年度

宏昌証券有限公司（「宏昌」）

於二零一六年八月三十日，本公司與三名獨立第三方（「賣方」）訂立一份協議，以收購宏昌的全部權益，代價約為14,500,000港元，其中約6,200,000港元已以現金結算，餘下代價已由本公司透過於二零一七年二月二十八日按公平值6,480,000港元發行及配發60,000,000股本公司股份及向宏昌的原擁有人授予購股權而結算。宏昌為證券及期貨條例項下持牌法團，獲授權從事第1類活動，即證券交易。宏昌的主要業務為向客戶提供證券經紀服務。管理層認為，該收購將令本集團可將主要業務範圍擴展至包括提供金融服務，以分散業務。收購於二零一七年二月二十八日完成。

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40. ACQUISITION OF SUBSIDIARIES

(continued)

(b) For the year ended 31 December 2017

(continued)

John & Wong Securities Company Limited ("John & Wong") (continued)

The following summarises the total consideration and the amounts of the assets acquired and liabilities assumed, as well as the amount of intangible asset and goodwill arising from the acquisition recognised at 28 February 2017 (the date of acquisition):

40. 收購附屬公司 (續)

(b) 截至二零一七年十二月三十一日止年度 (續)

宏昌証券有限公司 (「宏昌」) (續)

總代價及所收購資產及所承擔負債的金額，以及於二零一七年二月二十八日(收購日期)確認的因收購產生的無形資產及商譽金額概述如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	154
Intangible asset – trading rights (note 20)	無形資產－交易權 (附註20)	2,931
Accounts receivable	應收賬款	1,989
Deposits paid, prepayments and other receivables	已付按金、預付款及其他應收款項	415
Bank balances and cash	銀行結餘及現金	5,676
Bank balances – trust accounts	銀行結餘－信託賬戶	2,030
Accounts payable	應付賬款	(4,080)
Deferred tax liability	遞延稅項負債	(484)
Total identifiable net assets at fair value	可識別資產淨值總額，按公平值	8,631
Goodwill arising on acquisition (note 19)	收購時產生的商譽 (附註19)	5,878
Total consideration	總代價	14,509
Total consideration:	總代價：	
At acquisition date	於收購日期	
Cash and cash equivalents	現金及現金等值項目	6,184
Issuance of shares	發行股份	6,480
Share options granted to the former owners	授予前擁有人之購股權	1,845
		14,509

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40. ACQUISITION OF SUBSIDIARIES

(continued)

(b) For the year ended 31 December 2017

(continued)

John & Wong Securities Company Limited ("John & Wong") (continued)

The fair values and gross contractual amount of accounts receivable and other receivables as at the date of acquisition amounted to HK\$1,989,000 and HK\$415,000 respectively. No accounts receivable and other receivables were expected to be uncollectible.

40. 收購附屬公司 (續)

(b) 截至二零一七年十二月三十一日

止年度 (續)

宏昌証券有限公司 (「宏昌」) (續)

應收賬款及其他應收款項於收購日期之公平值及總合約金額分別為1,989,000港元及415,000港元。概無應收賬款及其他應收款項預期不可收回。

HK\$'000
千港元

Net cash outflow on acquisition:	收購時的現金流出淨額：	
Cash consideration paid	已付現金代價	(6,184)
Net cash acquired from the subsidiary	來自附屬公司的已獲得現金淨額	5,676
		(508)

The transaction costs of HK\$269,000 have been excluded from the consideration transferred and included in "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

交易成本269,000港元已從所轉讓代價中排除，並計入綜合損益及其他全面收入表的「行政支出」。

The goodwill arising from the acquisition of John & Wong is attributable to the future growth and profitability in relation to the provision of securities brokerage services to clients. None of the goodwill recognised is expected to be deductible for income tax purposes.

因收購宏昌產生的商譽來自有關向客戶提供證券經紀服務的未來增長及盈利。所確認的商譽預期概不可就所得稅進行扣除。

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綜合財務報表附註

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40. ACQUISITION OF SUBSIDIARIES

(continued)

(b) For the year ended 31 December 2017

(continued)

John & Wong Securities Company Limited **(“John & Wong”)** (continued)

John & Wong contributed HK\$1,071,000 to the Group's total revenue and approximately HK\$3,248,000 loss to the Group's loss after tax, for the period between the date of acquisition and the end of the reporting period.

If the acquisition of John & Wong had been completed on 1 January 2017, the Group's total revenue and loss after tax for the year would have been HK\$2,280,000 and HK\$441,613,000 respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of the total revenue and income and loss after tax of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is intended to be a projection of future results.

41. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2017

(a) Emperor Investments Limited (“Emperor Investments”)

On 23 January 2017, the Group completed the disposal of the entire interest in Emperor Investments, to an independent third party, for a consideration of HK\$20,000,000. Emperor Investments was principally engaged in holding of unlisted investments.

40. 收購附屬公司 (續)

(b) 截至二零一七年十二月三十一日

止年度 (續)

宏昌証券有限公司 (「宏昌」) (續)

於收購日期至報告期末期間，宏昌為本集團總收入貢獻1,071,000港元，並為本集團除稅後虧損帶來虧損約3,248,000港元。

如收購宏昌於二零一七年一月一日已完成，年內本集團的總收益以及除稅後虧損將分別為2,280,000港元及441,613,000港元。備考資料僅作說明用途，並不一定反映倘若收購於二零一七年一月一日已完成的情況下實際可實現的本集團總收益及收入以及除稅後虧損，亦並非擬用於預測未來業績。

41. 出售附屬公司

截至二零一七年十二月三十一日止年度

(a) Emperor Investments Limited (「Emperor Investments」)

於二零一七年一月二十三日，本集團完成向一名獨立第三方出售Emperor Investments的全部權益，代價為20,000,000港元。Emperor Investments主要從事持有非上市投資。

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截至二零一八年十二月三十一日止年度

41. DISPOSAL OF SUBSIDIARIES (continued) For the year ended 31 December 2017 (continued)

(a) Emperor Investments Limited (“Emperor Investments”) (continued)

Net assets disposed of: Available-for-sale investments	出售資產淨值： 可供出售投資	20,000
Gain/(loss) on disposal of a subsidiary 出售一間附屬公司之收益／(虧損)		-
		20,000
Satisfied by cash and cash equivalents 以現金及現金等值項目結算		20,000

An analysis of the net inflow of cash and cash equivalents during the year ended 31 December 2017 in respect of the disposal of a subsidiary is as follows:

截至二零一七年十二月三十一日止年度有關出售一間附屬公司的現金及現金等值項目流入淨額分析如下：

		HK\$'000 千港元
Cash consideration	現金代價	20,000
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary 有關出售一間附屬公司的現金及現金等值項目流入淨額		20,000

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41. DISPOSAL OF SUBSIDIARIES (continued) For the year ended 31 December 2017 (continued)

(b) Top Gate Holdings Ltd. ("Top Gate")

On 23 January 2017, the Company completed the disposal of the entire interest in Top Gate to an independent third party, for a consideration of HK\$31,000,000. Top Gate was principally engaged in holding of unlisted investments.

41. 出售附屬公司 (續) 截至二零一七年十二月三十一日止年度 (續)

(b) Top Gate Holdings Ltd. (「Top Gate」)

於二零一七年一月二十三日，本公司完成向一名獨立第三方出售 Top Gate 的全部權益，代價為 31,000,000 港元，Top Gate 主要從事持有非上市投資。

		HK\$'000 千港元
Net assets disposed of:	出售資產淨值：	
Available-for-sales investments	可供出售投資	28,650
Convertible notes receivable	應收可換股票據	2,167
Other receivables, deposits and prepayments	其他應收款項、按金及預付款	183
Gain/(loss) on disposal of a subsidiary	出售一間附屬公司之收益／(虧損)	-
		31,000
Satisfied by cash and cash equivalents	以現金及現金等值項目結算	31,000

An analysis of the net inflow of cash and cash equivalents during the year ended 31 December 2017 in respect of the disposal of a subsidiary is as follows:

截至二零一七年十二月三十一日止年度有關出售一間附屬公司的現金及現金等值項目流入淨額分析如下：

		HK\$'000 千港元
Cash consideration	現金代價	31,000
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一間附屬公司的現金及 現金等值項目流入淨額	31,000

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綜合財務報表附註

For the year ended 31 December 2018
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41. DISPOSAL OF SUBSIDIARIES (continued) For the year ended 31 December 2017 (continued)

(c) High Gear Holdings Limited (“High Gear”)

On 23 June 2017, the Group completed the disposal of the entire interest in High Gear to Global Value Group Limited (a subsidiary of Enerchina Holdings Limited), for a consideration of HK\$490,000. High Gear was principally engaged in holding of a marine facility.

41. 出售附屬公司 (續) 截至二零一七年十二月三十一日止年度 (續)

(c) High Gear Holdings Limited (「High Gear」)

於二零一七年六月二十三日，本集團完成向Global Value Group Limited(威華達控股有限公司之附屬公司)出售High Gear的全部權益，代價為490,000港元。High Gear主要從事持有一處船用設施。

HK\$'000
千港元

Net assets disposed of:	出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	244
Prepayment and deposits	預付款及按金	253
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	(7)
		490

Satisfied by cash and cash equivalents 以現金及現金等值項目結算 490

An analysis of the net inflow of cash and cash equivalents during the year ended 31 December 2017 in respect of the disposal of a subsidiary is as follows:

截至二零一七年十二月三十一日止年度有關出售一間附屬公司的現金及現金等值項目流入淨額分析如下：

HK\$'000
千港元

Cash consideration	現金代價	490
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一間附屬公司的現金及現金等值項目流入淨額	490

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42. MAJOR NON-CASH TRANSACTIONS

- (a) During the year ended 31 December 2017, the Company entered into share swap arrangements that both the Company and the counterparties issued new shares and exchanged with each other. Further details are set out in note 35(a)(iii).
- (b) During the year ended 31 December 2017, the Company acquired John & Wong whereby part of the considerations comprised of issuance of new shares and share options to the former owners of John & Wong. Further details of the acquisition is set out in note 40(b).

42. 主要非現金交易

- (a) 截至二零一七年十二月三十一日止年度，本公司訂立換股安排，本公司及對手方均發行新股份並互相交換。進一步詳情載於附註35(a)(iii)。
- (b) 截至二零一七年十二月三十一日止年度，本公司收購宏昌，據此，部分代價包括向宏昌的原擁有人發行新股份及購股權。進一步詳情載於附註40(b)。

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

43. 本公司財務狀況表及儲備

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,148	1,616
Investment in a joint venture	於一間合營企業之投資	-	142,689
Investments in subsidiaries	於附屬公司之投資	347,814	452,244
Club debenture	會籍債券	1,300	1,300
Amounts due from subsidiaries	應收附屬公司款項	-	162,226
		350,262	760,075
Current assets	流動資產		
Other receivables and prepayments	其他應收款項及預付款	9	503
Amounts due from subsidiaries	應收附屬公司款項	354,864	-
Bank balances and cash	銀行結餘及現金	4,444	21,980
		359,317	22,483

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43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

43. 本公司財務狀況表及儲備 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,317	2,998
Amounts due to subsidiaries	應付附屬公司款項	47,573	-
		49,890	2,998
Net current assets	流動資產淨值	309,427	19,485
Total assets less current liabilities	總資產減流動負債	659,689	779,560
Capital and reserves	資本及儲備		
Share capital	股本	27,677	27,577
Reserves	儲備	632,012	751,983
		659,689	779,560

Approved and authorised for issue by the board of directors on 22 March 2019.

由董事會於二零一九年三月二十二日批准及授權刊發。

**Mr. Kitchell Osman Bin
Kitchell Osman Bin**先生
Director
董事

Mr. Shimazaki Koji
嶋崎幸司先生
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

Movement of the Company's reserve

43. 本公司財務狀況表及儲備 (續)

本公司儲備之變動

		Contributed surplus	Share option reserve	Accumulated losses	Total
		繳入盈餘	購股權儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	1,694,668	31,262	(633,253)	1,092,677
Loss for the year	年內虧損	-	-	(446,665)	(446,665)
Cancellation of share options	註銷購股權	-	(29,417)	29,417	-
Share issued	已發行股份	105,971	-	-	105,971
At 31 December 2017 and at 1 January 2018	於二零一七年十二月三十一日 及於二零一八年一月一日	1,800,639	1,845	(1,050,501)	751,983
Loss for the year	年內虧損	-	-	(123,931)	(123,931)
Exercise of share options	行使購股權	5,805	(1,845)	-	3,960
At 31 December 2018	於二零一八年十二月三十一日	1,806,444	-	(1,174,432)	632,012

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44. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

The particulars of subsidiaries of the Company for the year ended 31 December 2018 are listed as follows:

44. 本公司附屬公司詳情

截至二零一八年十二月三十一日止年度，本公司主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或登記/營運地點	Paid up issued share capital 繳足已發行股本	Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
China Resources Enterprise Ltd.	BVI 英屬處女群島	USD1 1美元	100	-	Inactive 暫無營業
Comanche Limited	BVI 英屬處女群島	HK\$1 1港元	100	-	Intermediate holding 中介控股
Dai Gor Capital Ltd.	BVI 英屬處女群島	HK\$750,014,141.40 750,014,141.40港元	-	100	Inactive 暫無營業
Divine Kings Limited	BVI 英屬處女群島	HK\$864,832,564.46 864,832,564.46港元	100	-	Intermediate holding 中介控股
Hurricane Fly Limited	BVI 英屬處女群島	HK\$1 1港元	-	100	Intermediate holding 中介控股
Imagi Character Licensing B.V.	Netherlands 荷蘭	EUR18,100 18,100歐元	-	100	Sub-licensing of intellectual property rights in respect of CGI animation pictures 轉授有關電腦造像動畫的知識產權
Imagi Core Company Limited	Hong Kong 香港	HK\$1 1港元	-	100	Provision of administrative services 提供行政服務
Imagi Crystal Limited 意馬水晶有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Holding and licensing of intellectual property rights in respect of CGI animation pictures 持有及授權有關電腦造像動畫的知識產權

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44. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

The particulars of subsidiaries of the Company for the year ended 31 December 2018 are listed as follows: (continued)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或登記/營運地點	Paid up issued share capital 繳足已發行股本	Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Imagi Holdings Limited 意馬控股有限公司	Hong Kong 香港	HK\$1 1港元	100	-	Inactive 暫無營業
Imagi International Holdings Limited	BVI 英屬處女群島	USD1 1美元	100	-	Inactive 暫無營業
Imagi Management Limited 意馬管理有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Provision of administrative services 提供行政服務
Imagi Management Services Limited	BVI 英屬處女群島	HK\$1 1港元	-	100	Provision of administrative services 提供行政服務
Imagi Platinum Limited	Hong Kong 香港	HK\$1 1港元	-	100	Holding and licensing of intellectual property rights in respect of CGI animation pictures 持有及授權有關電腦造像動畫的知識產權
Imagi Wealth Limited 意馬匯富有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment in securities 證券投資
Infinite Lake Limited	BVI 英屬處女群島	HK\$61,500,000 61,500,000港元	100	-	Inactive 暫無營業
Intellefund Finance Limited	Hong Kong 香港	HK\$1 1港元	-	100	Inactive 暫無營業
John & Wong Securities Company Limited 宏昌證券有限公司	Hong Kong 香港	HK\$122,000,000 122,000,000港元	-	100	Securities brokerage 證券經紀

44. 本公司附屬公司詳情 (續)

截至二零一八年十二月三十一日止年度，本公司主要附屬公司詳情如下：(續)

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44. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

The particulars of subsidiaries of the Company for the year ended 31 December 2018 are listed as follows: (continued)

44. 本公司附屬公司詳情 (續)

截至二零一八年十二月三十一日止年度，本公司主要附屬公司詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或登記/營運地點	Paid up issued share capital 繳足已發行股本	Proportion of ownership interest and voting power held by the Company 本公司所持擁有權及投票權比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Longtop Enterprises Limited 長泰企業有限公司	Hong Kong 香港	HK\$120,327,722.24 120,327,722.24港元	-	100	Money lending 放債
Macallan Fine Holdings Ltd.	BVI 英屬處女群島	HK\$1 1港元	100	-	Intermediate holding 中介控股
Magmagous Corporation	BVI 英屬處女群島	USD1 1美元	100	-	Inactive 暫無營業
Main Events Inc.	BVI 英屬處女群島	USD1 1美元	100	-	Inactive 暫無營業
Raytheon Investments Ltd.	BVI 英屬處女群島	USD100 100美元	100	-	Inactive 暫無營業
Sky Field Holdings Limited 天域控股有限公司	BVI 英屬處女群島	USD1 1美元	100	-	Intermediate holding 中介控股
Step Goal Limited 階高有限公司	BVI 英屬處女群島	USD1 1美元	100	-	Intermediate holding 中介控股
Turbo Money Investments Limited	BVI 英屬處女群島	USD4 4美元	-	100	Investment in film rights 電影版權投資
Unimagi Investment Limited	BVI 英屬處女群島	HK\$750,000,000 750,000,000港元	-	100	Trading of securities 買賣證券
Unimagi Investment (HK) Limited	Hong Kong 香港	HK\$1 1港元	-	100	Inactive 暫無營業

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45. COMPARATIVE FIGURES

- (a) The Group has initially applied HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2(b).
- (b) In addition, for the year ended 31 December 2018, following the introduction of money lending business and investment in film rights, the presentation of certain items adopted in the consolidated statement of profit or loss and comprehensive income has been changed to reflect the Group's principal activities in a more appropriate manner.

The directors of the Company consider that it is appropriate to change the presentation of the consolidated statement of profit or loss and other comprehensive income and other comprehensive income so as to provide information that is reliable and more relevant to users of the financial statements. The directors of the Company also consider that the revised structure is likely to continue, so that comparability is not impaired.

This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any of the periods presented. The comparative figures have been reclassified to conform to current year's presentation.

45. 比較數字

- (a) 本集團已於二零一八年一月一日首次應用香港財務報告準則第9號。根據選定過渡法，未重列比較資料。會計政策變動的進一步詳情於附註2(b)披露。
- (b) 此外，截至二零一八年十二月三十一日止年度，於引入放債業務及電影版權投資後，綜合損益及其他全面收入表中採納的若干項目的呈列已予更改，以按更適當的方式反映本集團的主要業務。

本公司董事認為，為提供更可靠及對財務報表用戶更相關的資料，更改綜合損益及其他全面收入表的呈列屬適當。本公司董事亦認為，經修訂的結構可能持續，因此可比性不受影響。

該呈列更改對所呈列任何期間的報告溢利或虧損、總收入及開支或資產淨值並無影響。比較數字已重新分類，以與本年度呈列一致。

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

46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

A number of amendments and new standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted, however, the Group has not early adopted any new or amended standards in preparing this financial report.

The Group has the following updates to the information provided in the last annual financial statements about the possible impacts of the new standards issued but not yet effective which may have a significant impact on the Group's consolidated financial statements.

HKFRS 16, Leases

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

46. 截至二零一八年十二月三十一日止年 度已頒佈但尚未生效的修訂、新準 則及詮釋可能的影響

多項修訂及新準則於二零一八年一月一日後開始的年度期間生效，並允許提早應用，然而，本集團在編製本財務報告時並未提早採納任何新訂或經修訂準則。

就最近年度財務報表中提供的有關可能對本集團綜合財務報表造成重大影響的已頒佈但尚未生效的新準則之資料，本集團有以下最新資料。

香港財務報告準則第16號租賃

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

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

46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

HKFRS 16, Leases (continued)

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

46. 截至二零一八年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響 (續)

香港財務報告準則第16號租賃 (續)

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

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

46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

HKFRS 16, Leases (continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting models expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. As allowed by HKFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. In addition, the Group plans to elect the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets.

46. 截至二零一八年十二月三十一日止年 度已頒佈但尚未生效的修訂、新準 則及詮釋可能的影響 (續)

香港財務報告準則第16號租賃 (續)

香港財務報告準則第16號將主要影響本集團作為物業、廠房及設備(現時分類為營運租約)承租人的會計處理。應用新會計模型預期將令資產及負債增加，同時影響於租期內在損益表確認開支的時間。

香港財務報告準則第16號於二零一九年一月一日或之後開始的年度期間生效。按香港財務報告準則第16號所允許，本集團計劃使用實際權宜之計，豁免現有安排為租賃或包含租賃的早前評估。因此，本集團將僅於初步應用日期或之後訂立的合約應用香港財務報告準則第16號中租賃的新釋義。此外，本集團計劃選擇實際權宜之計，對短期租賃及低價值資產租賃不應用新會計處理模式。

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

46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

HKFRS 16, Leases (continued)

The Group plans to elect to use the modified retrospective approach for the adoption of HKFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019 and will not restate the comparative information. As disclosed in note 37, at 31 December 2018 the Group's future minimum lease payments under non-cancellable operating leases amount to \$6,770,000 for properties, the majority of which is payable either between 1 and 5 years after the reporting date. Upon the initial adoption of HKFRS 16, the opening balances of lease liabilities and the corresponding right-of-use assets will be adjusted to HK\$6,211,000 and HK\$6,010,000 respectively, after taking account the effects of discounting, as at 1 January 2019.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statement from 2019 onwards.

46. 截至二零一八年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋可能的影響 (續)

香港財務報告準則第16號租賃 (續)

就採納香港財務報告準則第16號，本集團計劃選擇使用經修訂追溯法，並且將初步應用的累計影響確認為於二零一九年一月一日權益期初結餘的調整，且不會重列比較資料。如附註37所披露，於二零一八年十二月三十一日，本集團的物業根據不可撤銷營運租約未來最低租金為6,770,000港元，大部分須予報告日期後一至五年內支付。於初步採納香港財務報告準則第16號時，經計及二零一九年一月一日之貼現影響後，租賃負債及相應使用權資產的期初結餘將分別調整至6,211,000港元及6,010,000港元。

除確認租賃負債及使用權資產外，本集團預期於初步採納香港財務報告準則第16號時將作出的過渡調整並不重大。然而，上述會計政策的預期變動可能對本集團自二零一九年以後的財務報表產生重大影響。

FINANCIAL SUMMARY

財務概要

RESULTS

業績

For the year ended 31 December

截至十二月三十一日止年度

		2014	2015	2016	2017	2018
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年
		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
Brokerage related commission and clearing fee income	經紀相關佣金及結算費收入	-	-	-	1,140	2,227
Dividend income from held-for-trading investments	持作買賣投資之股息收入	-	-	1,132	751	20,577
Interest income on loans receivable and margin clients	應收貸款及保證金客戶之利息收入	-	-	-	-	3,479
Royalty income	專利費收入	2,015	505	436	264	256
Net realised losses from sales of listed equity investments classified as held-for-trading	出售分類為持作買賣之上市股本投資之已變現虧損淨額	-	-	(30,360)	(92,573)	(8,050)
		2,015	505	(28,792)	(90,418)	18,489
Profit/(loss) before tax	除稅前溢利/(虧損)	3,455	(81,238)	(417,562)	(452,005)	(117,905)
Income tax (expense)/credit	所得稅(開支)/抵免	-	-	(10,967)	10,967	342
Profit/(loss) for the year	年內溢利/(虧損)	3,455	(81,238)	(428,529)	(441,038)	(117,563)
Profit/(loss) attributable to owners of the Company	本公司擁有人應佔溢利/(虧損)	3,455	(81,238)	(424,549)	(441,038)	(117,563)

FINANCIAL SUMMARY

財務概要

ASSETS AND LIABILITIES

資產及負債

At 31 December

於十二月三十一日

		2014	2015	2016	2017	2018
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年
		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
Total assets	資產總值	923,396	845,364	1,128,205	789,673	716,033
Total liabilities	負債總額	(3,042)	(3,983)	(17,976)	(9,828)	(50,991)
		920,354	841,381	1,110,229	779,845	665,042
Equity attributable to owners of the Company	本公司擁有人應佔權益	920,354	841,381	1,110,229	779,845	665,042

APPENDIX B
INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
		(unaudited) (未經審核)	(unaudited) (未經審核)
	Notes 附註		
Brokerage related commission and clearing fee income	經紀相關佣金及結算費收入	627	521
Dividend income from held-for-trading investments	持作買賣投資之股息收入	14,541	65
Interest income on loans receivable and margin clients	應收貸款及保證金客戶之利息收入	1,956	1,940
Royalty income	特許費收入	158	93
Net realised gain/(losses) from sales of listed equity investments classified as held-for-trading	出售分類為持作買賣的上市股本投資之已變現收益/(虧損)淨額	26,362	(16,195)
		43,644	(13,576)
Other income	其他收入	1,204	1,260
Other (loss)/gain	其他(虧損)/收益	(137)	6,972
Net realised losses from sales of listed equity investments classified as fair value though profit or loss	出售分類為透過損益按公平值列賬的上市股本投資之已變現虧損淨額	-	(8,061)
Losses from changes in fair value of financial assets classified as held-for-trading	分類為持作買賣財務資產之公平值變動虧損	(55,608)	(25,181)
Administrative expenses	行政支出	(21,606)	(15,241)
Loss from operations	經營虧損	(32,503)	(53,827)
Finance costs	財務成本	(1,552)	(19)
Share of profit of a joint venture	應佔一間合營企業之溢利	-	3,521
Loss before tax	除稅前虧損	(34,055)	(50,325)
Income tax credit	所得稅抵免	-	342
Loss for the period	期內虧損	(34,055)	(49,983)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
		(unaudited) (未經審核)	(unaudited) (未經審核)
Notes 附註			
Other comprehensive income/ (expense)			
Items that may be reclassified subsequently to profit or loss:			
	其後或會重新分類至損益之項目：		
	Exchange differences arising on translation a foreign operation	33	108
	換算境外經營業務所產生之兌換差額		
	Net profit/(loss) on debt securities at fair value through other comprehensive income (recycling)	371	(1,267)
	透過其他全面收入按公平值列賬的債務證券溢利/(虧損)淨額(回收)		
Other comprehensive income/ (expense) for the period		404	(1,159)
期內其他全面收入/(開支)			
Total comprehensive expense for the period		(33,651)	(51,142)
期內全面開支總額			
Loss for the period attributable to owners of the Company		(34,055)	(49,983)
本公司擁有人應佔期內虧損			
Total comprehensive expense for the period attributable to owners of the Company		(33,651)	(51,142)
本公司擁有人應佔期內全面開支總額			
Loss per share			
Basic and diluted			
	每股虧損		
	Basic and diluted (HK cents per share)	(5)	(7)
	基本及攤薄 (每股港仙)		
		12	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2019
於二零一九年六月三十日

			30 June 2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	6,994	2,165
Goodwill	商譽		-	-
Intangible assets	無形資產		859	859
Other financial assets	其他財務資產	14	6,933	6,562
Other non-current assets	其他非流動資產		1,500	1,500
Prepayment for film rights	電影版權預付款項		8,167	3,900
			24,453	14,986
Current assets	流動資產			
Accounts receivable	應收賬款	15	28,049	4,928
Other receivables, deposits and prepayments	其他應收款項、按金及 預付款項		3,865	3,296
Loans receivable	應收貸款	16	10,311	16,516
Held-for-trading investments	持作買賣投資	17	423,390	549,022
Convertible notes receivable	應收可換股票據	18	18,864	18,864
Bank balances – trust accounts	銀行結餘－信託賬戶	19	10,151	4,177
Bank balances and cash	銀行結餘及現金		129,565	104,244
			624,195	701,047
Current liabilities	流動負債			
Accounts payable	應付賬款	20	10,559	4,444
Borrowings	借貸	21	-	43,268
Lease liabilities	租賃負債	3(d)	2,506	-
Other payables and accruals	其他應付款項及 應計費用		1,769	3,137
			14,834	50,849
Net current assets	流動資產淨值		609,361	650,198
Total assets less current liabilities	總資產減流動負債		633,814	665,184

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2019
於二零一九年六月三十日

			30 June 2019 二零一九年 六月三十日	31 December 2018 二零一八年 十二月三十一日
		Notes 附註	HK\$'000 千港元 (unaudited) (未經審核)	HK\$'000 千港元 (audited) (經審核)
Non-current liabilities	非流動負債			
Deferred tax liability	遞延稅項負債	22	142	142
Lease liabilities	租賃負債	3(d)	2,482	-
			2,624	142
Net assets	資產淨值		631,190	665,042
Capital and reserves	股本及儲備			
Share capital	股本	23	27,677	27,677
Reserves	儲備		603,513	637,365
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		631,190	665,042

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Contributed surplus	Merger reserve	Translation reserve	Share option reserve	Investment revaluation reserve	Other reserve	Accumulated losses	Total equity
		股本	繳入盈餘	合併儲備	換算儲備	購股權儲備	投資重估儲備	其他儲備	累計虧損	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2019 (audited)	於二零一九年一月一日(經審核)	27,677	1,806,444	909	3,245	-	(1,237)	(3,980)	(1,168,016)	665,042
Impact on initial application of HKFRS 16	首次應用香港財務報告準則第16號的影響	-	-	-	-	-	-	-	(201)	(201)
At 1 January 2019 (adjusted)	於二零一九年一月一日(經調整)	27,677	1,806,444	909	3,245	-	(1,237)	(3,980)	(1,168,217)	664,841
Loss for the period	期內虧損	-	-	-	-	-	-	-	(34,055)	(34,055)
Exchange differences arising on translation a foreign operation	換算經營業務所產生之兌換差額	-	-	-	33	-	-	-	-	33
Net profit on revaluation of debt securities	重估債務證券之溢利淨額	-	-	-	-	-	371	-	-	371
Other comprehensive income for the period	期內其他全面收入	-	-	-	33	-	371	-	-	404
Total comprehensive expenses for the period	期內全面開支總額	-	-	-	33	-	371	-	(34,055)	(33,651)
At 30 June 2019 (unaudited)	於二零一九年六月三十日(未經審核)	27,677	1,806,444	909	3,278	-	(866)	(3,980)	(1,202,272)	631,190
At 1 January 2018 (audited)	於二零一八年一月一日(經審核)	27,577	1,800,639	909	3,021	1,845	287	(3,980)	(1,050,453)	779,845
Loss for the period	期內虧損	-	-	-	-	-	-	-	(49,983)	(49,983)
Exchange differences arising on translation a foreign operation	換算境外經營業務所產生之兌換差額	-	-	-	108	-	-	-	-	108
Net loss on revaluation of debt securities	重估債務證券之虧損淨額	-	-	-	-	-	(1,267)	-	-	(1,267)
Other comprehensive income/(expense) for the period	期內其他全面收入/(開支)	-	-	-	108	-	(1,267)	-	-	(1,159)
Total comprehensive expense for the period	期內全面開支總額	-	-	-	108	-	(1,267)	-	(49,983)	(51,142)
At 30 June 2018 (unaudited)	於二零一八年六月三十日(未經審核)	27,577	1,800,639	909	3,129	1,845	(980)	(3,980)	(1,100,436)	728,703

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

Six months ended 30 June
截至六月三十日止六個月

2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
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OPERATING ACTIVITIES	經營活動		
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	(17,815)	(14,435)
Increase in prepayment of film rights	電影版權預付款項增加	(4,267)	-
Increase in accounts receivable	應收賬款增加	(23,121)	(1,233)
Increase in other receivables, deposits and prepayments	其他應收款項、按金及預付款增加	(574)	(949)
Decrease/(increase) in loans receivable	應收貸款減少/(增加)	6,205	(181,578)
Increase in bank balances - trust accounts	銀行結餘－信託賬戶增加	(5,974)	(3,305)
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用(減少)/增加	(1,368)	15,150
Increase in accounts payable	應付賬款增加	6,115	2,515
Purchases of held-for-trading investments	購買持作買賣投資	(113,656)	(236,698)
Proceeds from disposal of held-for-trading investments	出售持作買賣投資所得款項	210,474	252,147
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	經營活動所得/(所用)現金淨額	56,019	(168,386)
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	1,209	1,211
Dividend received	已收股息	14,541	65
Acquisition of a subsidiary	收購一間附屬公司	-	(50)
Proceeds from disposal of a joint venture	出售一間合營企業所得款項	-	150,000
Proceeds from disposal of other financial assets	出售其他財務資產所得款項	-	35,154
Purchase of property, plant and equipment	購買物業、廠房及設備	(438)	(8)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

Six months ended 30 June
截至六月三十日止六個月

2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
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NET CASH GENERATED FROM INVESTING ACTIVITIES	投資活動所得現金淨額	15,312	186,372
FINANCING ACTIVITIES	融資活動		
Repayment of borrowings – margin loan	償還借貸 – 保證金貸款	(43,268)	–
Interest paid on borrowings	已付借貸利息	(1,397)	(2)
Capital element of lease rental paid	已付租賃租金的本金部分	(1,223)	–
Interest element of lease rental paid	已付租賃租金的利息部分	(155)	–
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(46,043)	(2)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加淨額	25,288	17,984
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	期初現金及現金等值項目	104,244	134,477
Effect of foreign exchange rate changes	匯率變動之影響	33	108
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	期末現金及現金等值項目		
Represented by bank balances and cash	指銀行結餘及現金	129,565	152,569

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

1. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), including compliance with Hong Kong Accounting Standard 34 “Interim financial reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 23 August 2019.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains the consolidated statement of financial position of the Group as of 30 June 2019, the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, condensed consolidated statement of cash flow for the six-month period ended 30 June 2019, and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. The interim financial report and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

1. 編製基準

本中期財務報告乃按照香港聯合交易所有限公司證券上市規則(「上市規則」)的適用披露條文編製，包括遵守香港會計師公會(「香港會計師公會」)頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。其於二零一九年八月二十三日獲授權刊發。

中期財務報告乃根據二零一八年年度財務報表中所採納之相同會計政策編製，惟預期將於二零一九年年度財務報表中反映的會計政策變動則除外。會計政策變動的詳情載於附註3。

編制符合香港會計準則第34號的中期財務報告需要管理層作出影響政策應用及按截至當前的年度基準所報告資產及負債、收入及開支金額的判斷、估計及假設。實際結果或會有別於該等估計。

本中期財務報告載有本集團於二零一九年六月三十日的綜合財務狀況表、截至二零一九年六月三十日止六個月期間的相關綜合損益及其他全面收益表、綜合權益變動表、簡明綜合現金流量表及選定說明附註。附註包括對理解本集團自二零一八年年度財務報表以來的財務狀況及表現變動屬重大的事件及交易之解釋。中期財務報告及其附註並不包括按照香港財務報告準則(「香港財務報告準則」)編製的全套財務報表所需的所有資料。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

1. BASIS OF PREPARATION (continued)

The interim financial report is unaudited, but has been reviewed by the Company's Audit Committee. The interim financial report has also been reviewed by Crowe (HK) CPA Limited in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the HKICPA.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the interim financial report for the six months ended 30 June 2019 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2018, except for the accounting policy changes that are expected to be reflected in the 2019 annual consolidated financial statements. Details of any changes in accounting policies are set out in note 3.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, "Leases", and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, Leases, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1. 編製基準(續)

中期財務報告未經審核，但已由本公司審核委員會審閱。中期財務報告亦已由國富浩華(香港)會計師事務所有限公司按照香港會計師公會頒佈的香港審閱工作準則第2410號「實體的獨立核數師對中期財務資料進行的審閱」進行審閱。

2. 主要會計政策

截至二零一九年六月三十日止六個月的中期財務報告使用的會計政策及計算方法與編製本集團截至二零一八年十二月三十一日止年度的綜合財務報表時所遵守者相同，惟預期將於二零一九年年度綜合財務報表中反映的會計政策變動則除外。會計政策變動的詳情載於附註3。

3. 會計政策變動

香港會計師公會已頒佈一項新訂香港財務報告準則－香港財務報告準則第16號「租賃」及多項於本集團本會計期間首次生效的香港財務報告準則修訂。

除香港財務報告準則第16號租賃外，概無進展對本中期財務報告內本期間或過往期間本集團業績及財務狀況之編製或呈列方式造成重大影響。本集團並無應用本會計期間尚未生效之任何新準則或詮釋。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

3. CHANGES IN ACCOUNTING POLICIES

(continued)

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, Leases, and the related interpretations, HK (IFRIC) – Int 4, “Determining whether an arrangement contains a lease”, HK (SIC) – Int 15, “Operating leases – incentives”, and HK (SIC) – Int 27, “Evaluating the substance of transactions involving the legal form of a lease”. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

3. 會計政策變動(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號租賃及相關詮釋、香港(國際財務報告詮釋委員會)–詮釋第4號「釐定安排是否包括租賃」、香港(詮釋常務委員會)–詮釋第15號「營運租約－優惠」及香港(詮釋常務委員會)–詮釋第27號「評估涉及租賃法律形式交易的實質」。該準則為承租人引入單一會計模型，要求承租人就所有租賃確認使用權資產及租賃負債，租期為12個月或以下的租賃(「短期租約」)及低價值租約除外。出租人會計處理要求沿用香港會計準則第17號，基本維持不變。

本集團已自二零一九年一月一日起首次應用香港財務報告準則第16號。本集團已選擇使用經修訂追溯法，並因此將首次應用的累計影響確認為對二零一九年一月一日的權益期初結餘的調整。比較資料未予重列，繼續按照香港會計準則第17號報告。

較早前會計政策的變動的性質及影響以及所應用過渡選擇權的進一步詳情載列如下：

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

3. CHANGES IN ACCOUNTING POLICIES

(continued)

(a) Changes in the accounting policies

(i) **New definition of a lease**

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

3. 會計政策變動(續)

(a) 會計政策變動

(i) **租賃的新定義**

租賃定義變動主要涉及控制權概念。香港財務報告準則第16號基於客戶是否在一段期間內控制所識別資產的使用來定義租賃，其可透過使用權的定義金額釐定。當客戶既有權指導已識別資產的使用，又有權從該使用中獲得絕大部分經濟利益時，即表示控制權已轉移。

本集團僅對於二零一九年一月一日或之後訂立或變更的合約應用香港財務報告準則第16號中租賃的新定義。對於二零一九年一月一日前訂立的合約而言，本集團已使用過渡性的實際權宜之計，沿用早前對現有安排是否為租賃或包含租賃的評估。

因此，早前根據香港會計準則第17號評估為租賃的合約，根據香港財務報告準則第16號繼續作為租賃入賬，而早前評估為非租賃服務安排的合約，繼續作為有效合約入賬。

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未經審核中期財務報告附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

3. CHANGES IN ACCOUNTING POLICIES

(continued)

(a) Changes in the accounting policies (continued)

(ii) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in note 13.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

3. 會計政策變動(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理

香港財務報告準則第16號取消了承租人將租約分類為營運租約或融資租約的要求(如香港會計準則第17號早前所要求)。取而代之,本集團須將其為承租人的所有租約資本化,包括早前根據香港會計準則第17號分類為營運租約的租約(短期租約及低價值資產租約除外)。就本集團而言,該等新資本化的租約主要涉及附註13所披露的物業、廠房及設備。

如合約包含租賃部分及非租賃部分,本集團已選擇不將非租賃部分分開,而是將所有租約的各租賃部分與任何相關非租賃部分區分作為單一租賃部分入賬。

如本集團就低價值資產訂立租約,本集團逐項租約決定是否將租約資本化。與未資本化的租約相關的租賃付款於租期內按系統化基準確認為開支。

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未經審核中期財務報告附註

For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

3. CHANGES IN ACCOUNTING POLICIES

(continued)

(a) Changes in the accounting policies (continued)

(ii) Lessee accounting (continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

3. 會計政策變動(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理(續)

如租約資本化，租賃負債初步按租期內應付租賃款項的現值確認，並使用租約隱含的利率或(如該利率無法可靠釐定)使用相關增量借貸利率貼現。初步確認後，租賃負債按攤銷成本計量，利息開支使用實際利率法計算。不依賴指數或利率的可變租賃付款不計入租賃負債的計量，因此於所產生的會計期間從損益扣除。

租約資本化時確認的使用權資產初步按成本計量，包括租賃負債的初始金額加上於開始日期或之前已作出的任何租賃付款，以及所產生的任何初始直接成本。(如適用)使用權資產的成本亦包括拆卸及拆除相關資產或將相關資產或其所在場地恢復原狀的估計成本(貼現至現值)，減去任何已收租金優惠。

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For the six months ended 30 June 2019
截至二零一九年六月三十日止六個月

3. CHANGES IN ACCOUNTING POLICIES

(continued)

(a) Changes in the accounting policies (continued)

(ii) Lessee accounting (continued)

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value;
- right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at fair value; and
- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. 會計政策變動(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理(續)

使用權資產隨後按成本減去累計折舊及減值虧損入賬，以下類型的使用權資產除外：

- 符合投資物業定義的使用權資產按公平值入賬；
- 與租賃土地及樓宇（本集團為租賃權益的登記擁有人）相關的使用權資產按公平值入賬；及
- 與租賃土地（土地權益作為存貨持有）相關的使用權資產按成本與可變現淨值中的較低者入賬。

當指數或利率變化導致未來租賃付款變化，或本集團對根據剩餘價值擔保預期待應付款項的估計變化，或因重新評估本集團是否合理確定能行使購買、延長或終止選擇權而變化時，租賃負債重新計量。當租賃負債按此方式重新計量時，對使用權資產的賬面值作出相應調整，或如使用權資產的賬面值已減少至零，則於損益入賬。

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies

Determining the lease term

As explained in the above accounting policies, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(c) Transitional impact

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019.

3. 會計政策變動(續)

(b) 應用上述會計政策時的關鍵會計判斷及估計不確定性的主要來源

釐定租期

如上述會計政策所解釋，租賃負債初步按租期內應付租賃款項的現值確認。於包括本集團可行使的續期選擇權的租約的開始日期釐定租期時，本集團考慮為本集團行使選擇權創造經濟激勵的所有相關因素及情況(包括有利條款、進行的租賃裝修及相關資產對本集團經營的重要性)，評估行使續期選擇權的可能性。當發生本集團控制範圍內的重大事件或重大情況變動時，租期重新評估。租期增加或減少將影響未來年度確認的租賃負債及使用權資產的金額。

(c) 過渡影響

於過渡至香港財務報告準則第16號之日(即二零一九年一月一日)，本集團釐定餘下租期的長度，並將早前分類為營運租約的租約的租賃負債按餘下租賃付款的現值(使用於二零一九年一月一日的相關增量借貸利率貼現)計量。

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(c) Transitional impact *(continued)*

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and
- (iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

3. 會計政策變動(續)

(c) 過渡影響(續)

為緩解向香港財務報告準則第16號的過渡，本集團於首次應用香港財務報告準則第16號之日應用以下確認豁免及實際權宜之計：

- (i) 本集團已選擇不對餘下租期於首次應用香港財務報告準則第16號之日起12個月內結束(即租期於二零一九年十二月三十一日或之前結束)的租約應用香港財務報告準則第16號有關確認租賃負債及使用權資產的規定；
- (ii) 計量於首次應用香港財務報告準則第16號之日的租賃負債時，本集團對具有合理相似特征的租約組合(即有關類似經濟環境中類似類別的相應資產的餘下租期相近的租約)應用單一貼現率；及
- (iii) 計量於首次應用香港財務報告準則第16號之日的使用權資產時，本集團依賴早前對於二零一八年十二月三十一日的繁冗合約條款的評估，作為進行減值評估的替代方式。

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(c) Transitional impact (continued)

The following table reconciles the operating lease commitments as disclosed in note 24 as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

Operating lease commitments at 31 December 2018	於二零一八年十二月三十一日的 營運租約承擔	6,770
Less: Total future interest expenses	減：未來利息開支總額	(559)
Lease liabilities recognised at 1 January 2019	於二零一九年一月一日確認的 租賃負債	6,211

The right-of-use assets in relation to leases previously classified as operating leases have been recognised as if HKFRS 16 had always been applied since the commencement date of the lease (other than discounting using the relevant incremental borrowing rate at the date of initial application of HKFRS 16). Any difference between the right-of-use asset recognised and the lease liability is recognised as an adjustment to the opening balance of equity at the date of initial application of HKFRS 16.

The Group presents right-of-use assets that do not meet the definition of investment property in “property, plant and equipment” and presents lease liabilities separately in the consolidated statement of financial position.

3. 會計政策變動(續)

(c) 過渡影響(續)

下表列示附註24披露的於二零一八年十二月三十一日的營運租約承擔與於二零一九年一月一日確認的租賃負債期初結餘的對賬：

1 January 2019
二零一九年
一月一日
HK\$'000
千港元

與早前分類為營運租約的租約有關的使用權資產已確認，猶如香港財務報告準則第16號自租約開始日期起始終應用(使用於首次應用香港財務報告準則第16號之日的相關增量借貸利率貼現除外)。所確認使用權資產與租賃負債之間的任何差額，作為對首次應用香港財務報告準則第16號之日的權益的期初結餘的調整確認。

本集團將不符合投資物業定義的使用權資產於「物業、廠房及設備」中呈列，並將租賃負債於綜合財務狀況表中分開呈列。

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(c) Transitional impact (continued)

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

3. 會計政策變動(續)

(c) 過渡影響(續)

下表概述採納香港財務報告準則第16號對本集團的綜合財務狀況表的影響：

		Carrying amount at 31 December 2018 於二零一八年 十二月三十一日 的賬面值 HK\$'000 千港元	Capitalisation of operating lease contracts 營運租約合約 資本化 HK\$'000 千港元	Carrying amount at 1 January 2019 於二零一九年 一月一日 的賬面值 HK\$'000 千港元
Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:	綜合財務狀況表中受採納香港財務報告準則第16號影響的項目：			
Property, plant and equipment	物業、廠房及設備	2,165	6,010	8,175
Total non-current assets	非流動資產總額	14,986	6,010	20,996
Lease liabilities (current)	租賃負債(即期)	-	2,445	2,445
Current liabilities	流動負債	50,849	2,445	53,294
Net current assets	流動資產淨值	650,198	(2,445)	647,753
Total assets less current liabilities	總資產減流動負債	665,184	3,565	668,749
Lease liabilities (non-current)	租賃負債(非即期)	-	3,766	3,766
Total non-current liabilities	非流動負債總額	142	3,766	3,908
Net assets	資產淨值	665,042	(201)	664,841
Accumulated losses	累計虧損	(1,168,016)	(201)	(1,168,217)
Total equity	總權益	665,042	(201)	664,841

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(c) Transitional impact (continued)

The analysis of the carrying value of the Group's right-of-use assets by class of underlying asset at the end of the reporting period and at the date of transition to HKFRS 16 is as follows:

Included in "property, plant and equipment":
Other properties leased for own use, carried at depreciated cost

計入「物業、廠房及設備」：
租作自用的其他物業，按折舊成本入賬

4,786

6,010

3. 會計政策變動(續)

(c) 過渡影響(續)

本集團的使用權資產於報告期末及過渡至香港財務報告準則第16號之日的賬面值按相關資產類別分析如下：

At 30 June 2019 於二零一九年 六月三十日 HK\$'000 千港元	At 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元
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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(d) Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period and at the date of transition to HKFRS 16 are as follows:

3. 會計政策變動(續)

(d) 租賃負債

本集團租賃負債於報告期末及過渡至香港財務報告準則第16號之日的餘下合約到期時間如下：

		At 30 June 2019 於二零一九年六月三十日		At 1 January 2019 於二零一九年一月一日	
		Present value of the minimum lease payments 最低租賃 付款之現值 HK\$'000 千港元	Total minimum lease payments 最低租賃 付款總額 HK\$'000 千港元	Present value of the minimum lease payments 最低租賃 付款之現值 HK\$'000 千港元	Total minimum lease payments 最低租賃 付款總額 HK\$'000 千港元
Within 1 year	一年內	2,506	2,756	2,445	2,756
After 1 year but within 2 years	一年後但於兩年內	2,482	2,636	2,567	2,756
After 2 years but within 5 years	兩年後但於五年內	-	-	1,199	1,258
		2,482	2,636	3,766	4,014
		4,988	5,392	6,211	6,770
Less: Total future interest expenses	減：未來利息開支總額		(404)		(559)
Present value of lease liabilities	租賃負債的現值	4,988		6,211	

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(e) Impact on the financial result, segment results and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a change on the reported loss from operations in the Group's consolidated statement of profit or loss, and other comprehensive income as compared to the results if HKAS 17 had been applied during the period.

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the cash flow statement.

The following tables may give an indication of the estimated impact of adoption of HKFRS 16 on the Group's financial result, segment results and cash flows for the six months ended 30 June 2019, by adjusting the amounts reported under HKFRS 16 in these interim financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply to 2019 instead of HKFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under HKAS 17.

3. 會計政策變動(續)

(e) 對本集團財務業績、分部業績及現金流量的影響

於二零一九年一月一日首次確認使用權資產及租賃負債後，本集團(作為承租人)須確認就租賃負債的未結清餘額應計的利息開支，以及使用權資產折舊，而非早前政策於租期內按直線法確認根據營運租約產生的租金開支。與本期間應用香港會計準則第17號的結果相比，這導致本集團綜合損益及其他全面收入表中所報經營虧損變動。

於現金流量表中，本集團(作為承租人)須將根據已資本化租約已付的租金分成本金部分及利息部分。該等部分分類為融資現金流出，與早前根據香港會計準則第17號分類為融資租約的租約處理方式類似，而非分類為經營現金流出(如香港會計準則第17號下營運租約)。儘管總現金流量未受影響，但採納香港財務報告準則第16號因此導致現金流量表中現金流量的呈列出現重大變動。

下表透過調整該等中期財務報表中根據香港財務報告準則第16號報告的金額，以計算在香港會計準則第17號於二零一九年繼續適用的情況下根據該被取代準則將確認的假設金額的估計，並透過將二零一九年的假設金額與二零一八年同期的實際金額(根據香港會計準則第17號編製)比較，列示採納香港財務報告準則第16號對本集團截至二零一九年六月三十日止六個月的財務業績及現金流量的估計影響。

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(e) Impact on the financial result, segment results and cash flows of the Group (continued)

3. 會計政策變動(續)

(e) 對本集團財務業績、分部業績及現金流量的影響(續)

		2019 二零一九年			2018 二零一八年	
		Deduct: Estimated amounts related to				
Amounts reported under HKFRS 16 (A)	Add back: HKFRS 16 depreciation and interest expense (B)	Add back: operating leases as if under HKAS 17 (note 1) (C)	Hypothetical amounts for 2019 as if under HKAS 17 (D=A+B-C)	Compared to amounts reported for 2018 under HKAS 17		
					與於	
					二零一九年	二零一八年
					假設金額	根據香港會計
					(猶如根據香	準則第17號
					港會計準則	報告的金額
					第17號)	相比
					(D=A+B-C)	
					HK\$'000	HK\$'000
					千港元	千港元

Financial result for the six months ended 30 June 2019 impacted by the adoption of HKFRS 16:	受採納香港財務報 告準則第16號影 響的截至二零一 九年六月三十日 止六個月的財務 業績：					
Loss from operations	經營虧損	(32,503)	1,224	1,378	(32,657)	(53,827)
Finance costs	財務成本	(1,552)	155	-	(1,397)	(19)
Loss before tax	除稅前虧損	(34,055)	1,379	1,378	(34,054)	(50,325)

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(e) Impact on the financial result, segment results and cash flows of the Group (continued)

3. 會計政策變動(續)

(e) 對本集團財務業績、分部業績及現金流量的影響(續)

		2019 二零一九年		2018 二零一八年		
		Amounts reported under HKFRS 16 (A)	Add back: HKFRS 16 depreciation and interest expense (B)	Deduct: Estimated amounts related to operating leases as if under HKAS 17 (note 1) (C)	Hypothetical amounts for 2019 as if under HKAS 17 (D=A+B-C)	Compared to amounts reported for 2018 under HKAS 17
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	與於二零一八年根據香港會計準則第17號報告的金額相比
Loss for the period	期內虧損	(34,055)	1,379	1,378	(34,054)	(49,983)
Reportable segment (loss)/profit (adjusted EBITDA) for the six months ended 30 June 2019 (note 5) impacted by the adoption of HKFRS 16:	受採納香港財務報告準則第16號影響的截至二零一九年六月三十日止六個月的可報告分部(虧損)/溢利(經調整EBITDA)(附註5):					
- Trading of securities and securities brokerage	- 買賣證券及證券經紀	(13,954)	600	680	(14,034)	(51,789)
- Provision of finance	- 提供融資	388	-	-	388	1,843
- Entertainment	- 娛樂	(167)	-	-	(167)	(263)

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(e) Impact on the financial result, segment results and cash flows of the Group (continued)

3. 會計政策變動(續)

(e) 對本集團財務業績、分部業績及現金流量的影響(續)

	2019 二零一九年			2018 二零一八年
	Estimated amounts related to operating leases as if under HKAS 17 (notes 1 & 2) (A)	Hypothetical amounts for 2019 as if under HKAS 17 (C=A+B) (B)	Compared to amounts reported under HKAS 17	
	根據香港財務 報告準則第16 號報告的金額 (A) HK\$'000 千港元	有關營運租約 的估計金額 (猶如根據香 港會計準則 第17號) (附註1及2) (B) HK\$'000 千港元	二零一九年 假設金額 (猶如根據 香港會計準則 第17號) (C=A+B) HK\$'000 千港元	與根據香港 會計準則 第17號報告 的金額相比 HK\$'000 千港元

Line items in the condensed consolidated statement of cash flow for the six months ended 30 June 2019 impacted by the adoption of HKFRS 16:	截至二零一九年六月三十日止六個月的簡明綜合現金流量表中受採納香港財務報告準則第16號影響的項目：				
Cash from/(used in) operations	經營所得/(所用) 現金	56,019	(1,378)	54,641	(168,386)
Net cash generated from/ (used in) operating activities	經營活動所得/(所用) 之現金淨額	56,019	(1,378)	54,641	(168,386)
Capital element of lease rental paid	已付融資租賃租金的本金部分	(1,223)	1,223	-	-
Interest element of lease rental paid	已付融資租賃租金的利息部分	(155)	155	-	-
Net cash used in financing activities	融資活動所用之現金淨額	(46,043)	1,378	(44,665)	(2)

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3. CHANGES IN ACCOUNTING POLICIES

(continued)

(e) Impact on the financial result, segment results and cash flows of the Group (continued)

Note 1: The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied in 2019. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied in 2019. Any potential net tax effect is ignored.

Note 2: In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if HKAS 17 still applied.

4. FINANCIAL INSTRUMENTS

Fair value measurements of financial instruments

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 “Fair Value Measurement”. The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

1. Level 1 valuations: Fair value measured using only Level 1 inputs, that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

3. 會計政策變動(續)

(e) 對本集團財務業績、分部業績及現金流量的影響(續)

附註1：「有關營運租約的估計金額」為對與在香港會計準則第17號於二零一九年仍然適用的情況下將分類為營運租約的租約有關的二零一九年現金流量金額的估計。該估計假設租金與現金流量之間並無差異，且於二零一九年訂立的所有新租約在香港會計準則第17號於二零一九年仍然適用的情況下將分類為營運租約。任何潛在的稅務影響淨額不予考慮。

附註2：在本影響表格中，該等現金流出由融資重新分類為經營，以計算香港會計準則第17號仍然適用的情況下經營活動所產生之現金淨額及融資活動所動用之現金淨額的假設金額。

4. 財務工具

財務工具之公平值計量

公平值級別

下表呈報於報告期末本集團按持續基準計量的財務工具之公平值(分為香港財務報告準則第13號「公平值計量」界定的三級公平值層級)。公平值計量分類的級別乃參考估值技術使用的輸入數據之可觀察性及重大性，按以下方式釐定：

1. 第一級估值：僅使用第一級輸入數據(即於計量日期活躍市場上相同資產或負債的未調整報價)計量的公平值。

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4. FINANCIAL INSTRUMENTS (continued)

Fair value measurements of financial instruments (continued)

Fair value hierarchy (continued)

2. Level 2 valuations: Fair value measured using Level 2 inputs, that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
3. Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group has a team headed by the financial controller to perform valuations for the financial instruments, including convertible notes receivable which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the directors and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the directors. Discussion of the valuation process and results with the financial controller, directors and the audit committee is held twice a year, to coincide with the reporting dates.

4. 財務工具(續)

財務工具之公平值計量(續)

公平值級別(續)

2. 第二級估值：僅使用第二級輸入數據(即不符合第一級計量的可觀察輸入數據)，不使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據指無市場數據的輸入數據。
3. 第三級估值：使用重大不可觀察輸入數據計量的公平值。

本集團設有一個由財務總監領導的團隊，對財務工具(包括分類為公平值層級第三級的應收可換股票據)進行估值。該團隊直接向董事及審核委員會報告。該團隊於每個中期及年度報告日期編製估值報告，分析公平值計量變動，該報告由董事審閱及批准。配合報告日期，每年兩次與財務總監、董事及審核委員會討論估值程序。

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4. FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

4. 財務工具(續)

本集團經常性按公平值計量之財務資產及財務負債之公平值

本集團部分財務資產於各報告期末按公平值計量。下表提供釐定該等財務資產公平值的方法之資料(尤其是估值技術及所用輸入數據)。

	Fair value as at		Fair value hierarchy	Valuation technique	Significant unobservable inputs
	30 June 2019	31 December 2018			
	二零一九年六月三十日	二零一八年十二月三十一日	公平值級別	估值技術	重大不可觀察輸入數據
	HK\$'000	HK\$'000			
	千港元	千港元			
	(unaudited)	(audited)			
	(未經審核)	(經審核)			

Other financial assets

其他財務資產

- debt securities listed in Singapore, at fair value	6,933	6,562	Level 2	Quoted prices from financial institutions	N/A
-於新加坡上市的債務證券，按公平值			第二級	金融機構報價	不適用
Held-for-trading investments	423,390	549,022	Level 1	Quoted market closing prices in an active market	N/A
持作買賣投資			第一級	活躍市場所報收市價	不適用

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4. FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

4. 財務工具(續)

本集團經常性按公平值計量之財務資產及財務負債之公平值(續)

	Fair value as at 於以下日期之公平值		Fair value hierarchy	Valuation technique	Significant unobservable inputs
	30 June 2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)			
Convertible notes receivable 應收可換股票據					
- issued by China Agri-Products Exchange Limited	18,864	18,864	Level 3	Binomial model	Discount rate: 16.19% (31 December 2018: 17.52%) Volatility: 50.057% (31 December 2018: 50.417%)
- 由中國農產品交易有限公司 發行			第三級	二項式模型	貼現率: 16.19% (二零一八年十二月 三十一日: 17.52%) 波幅: 50.057% (二零一八年十二月 三十一日: 50.417%)
	449,187	574,448			

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4. FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

During the six months ended 30 June 2019, there were no transfers between level 1 and 2, or transfers into or out of level 3 (2018: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Note:

A 5% increase in discount rate holding all other variables constant would decrease the carrying amount of convertible notes receivable by approximately HK\$1,696,000 (31 December 2018: approximately HK\$1,860,000). A 5% decrease in discount rate holding all other variables constant would increase the carrying amount of the convertible notes receivable by approximately HK\$1,952,000 (31 December 2018: approximately HK\$2,177,000).

A 5% increase in volatility holding all other variables constant would increase the carrying amount of the convertible notes receivable by approximately HK\$2,000 (31 December 2018: approximately HK\$1,000). A 5% decrease in volatility holding all other variables constant would decrease the carrying amount of the convertible notes receivable by approximately HK\$1,000 (31 December 2018: approximately HK\$1,000).

4. 財務工具(續)

本集團經常性按公平值計量之財務資產及財務負債之公平值(續)

截至二零一九年六月三十日止六個月，第一級與第二級之間並無轉撥，亦並無轉入或轉出第三級(二零一八年：無)。本集團的政策為於報告期末公平值級別之間的轉撥產生期間確認。

附註：

貼現率增加5%，所有其他可變因素維持不變，應收可換股票據的賬面值將減少約1,696,000港元(二零一八年十二月三十一日：約1,860,000港元)。貼現率減少5%，所有其他可變因素維持不變，應收可換股票據的賬面值將增加約1,952,000港元(二零一八年十二月三十一日：約2,177,000港元)。

波幅增加5%，所有其他可變因素維持不變，應收可換股票據的賬面值將增加約2,000港元(二零一八年十二月三十一日：約1,000港元)。波幅減少5%，所有其他可變因素維持不變，應收可換股票據的賬面值將減少約1,000港元(二零一八年十二月三十一日：約1,000港元)。

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4. FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)
Reconciliation of Level 3 fair value measurement
Investment at fair value through profit or loss

4. 財務工具(續)

本集團經常性按公平值計量之財務資產及財務負債之公平值(續)
第三級公平值計量之對賬
透過損益按公平值列賬之投資

		30 June 2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
At the beginning of the period/year	於期初／年初	18,864	19,293
Fair value loss recognised in profit or loss during the period/year	期內／年內於損益確認的公平值虧損	-	(429)
At the end of the period/year	於期末／年末	18,864	18,864
Net loss for the period/year included in profit or loss for investments designated as at fair value through profit or loss (included in other (loss)/gain)	指定透過損益按公平值列賬之投資計入損益(計入其他(虧損)／收益)的期內／年內虧損淨額	-	(429)

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recognised at amortised cost in the interim financial report approximate their fair values.

並非按公平值計量之財務資產及財務負債之公平值

本公司董事認為於中期財務報告中按攤銷成本確認之其他財務資產與財務負債之賬面值與其公平值相若。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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5. SEGMENT REPORTING

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the directors of the Company who are also directors of all operating subsidiaries) (the "CODM"), for the purpose of resource allocation and performance assessment.

The Group organises business units based on their services and the CODM regularly review revenue and results analysis of the Group by the reportable operating segments below.

- trading of securities segment engages in the purchase and sale of securities investments and securities brokerage services;
- provision of finance segment engages in the provision of financing services; and
- entertainment segment engages in computer graphic imaging ("CGI") business, entertainment business and investment in film rights.

All assets are allocated to reportable segments with the exception of the other corporate assets. All liabilities are allocated to reportable segments other than deferred tax liability and other corporate liabilities.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank and other interest income (excluding interest income from the provision of finance), finance costs as well as head office and corporate expenses are excluded from such measurement.

Inter-segment transactions are made with reference to the prices used for services made to third parties at the then prevailing market prices.

5. 分部報告

本集團的經營分部乃根據向本集團主要營運決策者(本公司董事,彼等亦為所有營運附屬公司的董事)(「主要營運決策者」)呈報的資料釐定,以分配資源及評估表現。

本集團按服務組織業務單位,且主要營運決策者根據以下可報告經營分部定期檢討本集團的收入及業績分析。

- 證券買賣分部從事買賣證券投資及證券經紀服務;
- 提供融資分部從事提供融資服務;及
- 娛樂分部從事電腦造像(「電腦造像」)業務、娛樂業務及電影版權投資。

所有資產分配至可報告分部,惟其他企業資產除外。所有負債分配至可報告分部,惟遞延稅項負債及其他企業負債除外。

管理層對本集團各經營分部的業績分別進行監控,以作出有關資源分配的決策及表現評估。分部表現乃根據用於計量經調整除稅前溢利的可報告分部溢利/(虧損)評估。經調整除稅前溢利按與本集團除稅前溢利一致的方式計量,惟該計量不包括銀行及其他利息收入(不包括提供融資的利息收入)、財務成本及總部及企業開支。

分部間交易參考按當時現行市價提供予第三方的服務所使用的價格作出。

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5. SEGMENT REPORTING (continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is set out below.

Segment results, assets and liabilities For the six months ended 30 June 2019 (unaudited)

5. 分部報告(續)

來自客戶合約按收入確認的時間劃分之收入分解與提供予本集團最高管理層用於資源分配及分部表現評估的有關本集團可報告分部的資料載列如下。

分部業績、資產及負債 截至二零一九年六月三十日止六個月 (未經審核)

		Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元	Provision of finance 提供融資 HK\$'000 千港元	Entertainment 娛樂 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Disaggregated by timing of revenue recognition</i>	<i>按收入確認的時間分解</i>					
Point in time	時間點	42,888	-	-	-	42,888
Over time	於某一時間段	-	598	158	-	756
Revenue from external customers	來自外部客戶收入	42,888	598	158	-	43,644
Inter-segment revenue	分部間收入	-	-	-	-	-
		42,888	598	158	-	43,644
Segment results:	分部業績：	(13,954)	388	(167)	-	(13,733)
<i>Reconciliation:</i>	<i>對賬：</i>					
Other income and other loss	其他收入及其他虧損					1,067
Depreciation	折舊					(1,619)
Finance costs	財務成本					(1,552)
Unallocated head office and corporate expenses	未分配總辦事處及企業開支					(18,218)
Consolidated loss before tax	除稅前綜合虧損					(34,055)

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5. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)
As at 30 June 2019 (unaudited)

5. 分部報告(續)

分部業績、資產及負債(續)
於二零一九年六月三十日(未經審核)

		Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元	Provision of finance 提供融資 HK\$'000 千港元	Entertainment 娛樂 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets	分部資產	495,342	10,355	8,353	-	514,050
Unallocated head office and corporate assets	未分配總辦事處及企業資產					134,598
Total consolidated assets	綜合資產總額					648,648
Segment liabilities	分部負債	(13,232)	(29)	(61)	-	(13,322)
Deferred tax liability	遞延稅項負債					(142)
Unallocated head office and corporate liabilities	未分配總辦事處及企業負債					(3,994)
Total consolidated liabilities	綜合負債總額					(17,458)

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5. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)
For the six months ended 30 June 2018 (unaudited)

5. 分部報告(續)

分部業績、資產及負債(續)
截至二零一八年六月三十日止六個月
(未經審核)

		Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元	Provision of finance 提供融資 HK\$'000 千港元	Entertainment 娛樂 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Disaggregated by timing of revenue recognition</i>	<i>按收入確認的時間分解</i>					
Point in time	時間點	(15,609)	-	-	-	(15,609)
Over time	於某一時間段	-	1,940	93	-	2,033
Revenue from external customers	來自外部客戶收入	(15,609)	1,940	93	-	(13,576)
Inter-segment revenue	分部間收入	-	-	-	-	-
		(15,609)	1,940	93	-	(13,576)
Segment results:	分部業績：	(51,789)	1,843	(263)	-	(50,209)
<i>Reconciliation:</i>	<i>對賬：</i>					
Share of profit of a joint venture	應佔一間合營企業之溢利					3,521
Other income and other gain	其他收入及其他收益					8,232
Depreciation	折舊					(414)
Finance costs	財務成本					(19)
Unallocated head office and corporate expenses	未分配總辦事處及企業開支					(11,436)
Consolidated loss before tax	除稅前綜合虧損					(50,325)

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5. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)

As at 31 December 2018 (audited)

5. 分部報告(續)

分部業績、資產及負債(續)

於二零一八年十二月三十一日(經審核)

		Trading of securities and securities brokerage 買賣證券及證券經紀 HK\$'000 千港元	Provision of finance 提供融資 HK\$'000 千港元	Entertainment 娛樂 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment assets	分部資產	587,120	16,560	4,198	-	607,878
Unallocated head office and corporate assets	未分配總辦事處及企業資產					108,155
Total consolidated assets	綜合資產總額					716,033
Segment liabilities	分部負債	(47,817)	(34)	(671)	-	(48,522)
Deferred tax liability	遞延稅項負債					(142)
Unallocated head office and corporate liabilities	未分配總辦事處及企業負債					(2,327)
Total consolidated liabilities	綜合負債總額					(50,991)

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6. REVENUE

6. 收益

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Brokerage related commission and clearing fee income	經紀相關佣金及結算費收入	627	521
Dividend income from held-for-trading investments	持作買賣投資之股息收入	14,541	65
Interest income on loans receivable and margin clients	應收貸款及保證金客戶之利息收入	1,956	1,940
Royalty income	特許費收入	158	93
		17,282	2,619
Net realised gain/(losses) from sales of listed equity investments classified as held-for-trading (note)	出售分類為持作買賣的上市股本投資之已變現收益/(虧損)淨額(附註)	26,362	(16,195)
		43,644	(13,576)

Note: During the six months ended 30 June 2019, the Group disposed of held-for-trading securities at cost of HK\$183,680,000 (2018: HK\$266,360,000) at gross proceeds of HK\$210,474,000 (2018: HK\$252,147,000), incurring trading fee of HK\$432,000 (2018: HK\$1,982,000).

附註：截至二零一九年六月三十日止六個月，本集團出售成本為183,680,000港元(二零一八年：266,360,000港元)的持作買賣證券，所得款項總額為210,474,000港元(二零一八年：252,147,000港元)，包括交易費用432,000港元(二零一八年：1,982,000港元)。

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7. OTHER INCOME

7. 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Interest income on convertible notes receivable	應收可換股票據之利息收入	863	863
Interest income on debt securities	債務證券之利息收入	341	337
Others	其他	-	60
		1,204	1,260

8. OTHER (LOSS)/GAIN

8. 其他(虧損)/收益

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
Gain on disposal of a joint venture	出售一間合營企業之收益	-	7,098
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	(9)
Net foreign exchange losses	匯兌淨虧損	(137)	(117)
		(137)	6,972

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9. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

9. 除稅前虧損

除稅前虧損已扣除下列項目：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
(a) Finance costs	(a) 財務成本		
Interest on borrowings	借貸利息	1,397	19
Interest on lease liabilities	租賃負債利息	155	-
Total interest expense on financial liabilities not at fair value through profit or loss		1,552	19
		並非透過損益按公平值列賬的財務負債的利息開支總額	
(b) Other items	(b) 其他項目		
Directors' emoluments	董事酬金		
- Fees	- 袍金	488	360
- Salaries and allowance	- 薪金及津貼	1,820	1,560
- Contribution to retirement benefit scheme	- 退休福利計劃供款	27	27
		2,335	1,947
Other staff costs	其他員工成本		
- Salaries and allowance	- 薪金及津貼	7,877	6,510
- Contribution to retirement benefit scheme	- 退休福利計劃供款	195	186
		8,072	6,696
Total staff costs	員工成本總額	10,407	8,643

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9. LOSS BEFORE TAX (continued)

9. 除稅前虧損(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
(b) Other items (continued)	(b) 其他項目 (續)		
Depreciation charge:	折舊費用：		
– owned property plant and equipment	– 自有物業廠房及設備	395	414
– right-of-use assets	– 使用權資產	1,224	–
Changes in fair value of financial assets classified as held-for-trading	分類為持作買賣的財務資產之公平值變動		
– Net realised (gain)/ losses from sales of listed equity investments	– 出售上市股本投資之已變現(收益)/虧損淨額	(26,362)	16,195
– Unrealised losses from changes in fair value of listed equity investments	– 上市股本投資公平值變動之未變現虧損	55,608	25,181
		29,246	41,376

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10. INCOME TAX CREDIT

Income tax credit recognised in profit or loss:

10. 所得稅抵免

於損益確認的所得稅抵免：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Hong Kong Profits tax:	香港利得稅：		
Current tax	即期稅項	-	-
Deferred tax	遞延稅項	-	(342)
		-	(342)

The Group is subject to income tax on an entity basis on profits arising on derived from the jurisdictions in which the members domiciled and operate.

No provision for Hong Kong Profits Tax had been made in the financial statements as the Group did not have assessable profits arising in Hong Kong during both periods.

Pursuant to rules and regulations of the Bermuda and British Virgin Island ("BVI"), the Group is not subject to any income tax in Bermuda and BVI.

本集團須按實體就產生自或源自成員公司的住所及經營所在司法權區的溢利繳納所得稅。

由於期間本集團並無產生自香港的應課稅溢利，因此並無於財務報表中作出香港利得稅撥備。

根據百慕達及英屬處女群島（「英屬處女群島」）的規則及法規，本集團毋須在百慕達及英屬處女群島繳納任何所得稅。

11. DIVIDEND

No dividend was paid or proposed during the period ended 30 June 2019, nor has any dividend been proposed since the end of the reporting period (2018: HK\$Nil).

11. 股息

截至二零一九年六月三十日止期間並無派發或擬派任何股息，自報告期末以來亦無擬派任何股息（二零一八年：零港元）。

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12. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

Loss	虧損		
Loss for the purposes of basic loss per share	用於計算每股基本虧損之虧損	(34,055)	(49,983)

Number of shares	股份數目		
Issued ordinary shares at 1 January and weighted average number of ordinary shares at 30 June	於一月一日之已發行普通股及於六月三十日之普通股加權平均數	691,921,572	689,421,572

(b) Diluted loss per share

For the six months ended 30 June 2019, the diluted loss per share was the same as the base loss per share, as there is no dilutive potential ordinary share in issue during the period.

For the six months ended 30 June 2018, the diluted loss per share was the same as the basic loss per share because the exercises of the Company's share option outstanding during the period would have anti-dilutive effect.

12. 每股虧損

(a) 每股基本虧損

本公司擁有人應佔每股基本虧損乃基於以下數據計算：

Six months ended 30 June	
截至六月三十日止六個月	
2019	2018
二零一九年	二零一八年
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

Six months ended 30 June	
截至六月三十日止六個月	
2019	2018
二零一九年	二零一八年
(unaudited)	(unaudited)
(未經審核)	(未經審核)

(b) 每股攤薄虧損

截至二零一九年六月三十日止六個月，每股攤薄虧損與每股基本虧損相同，原因是期內並無已發行攤薄潛在普通股。

截至二零一八年六月三十日止六個月，每股攤薄虧損與每股基本虧損相同，原因是期內行使本公司未行使購股權將具有反攤薄影響。

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13. PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

As discussed in note 3, the Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. Further details of the carrying value of the Group's right-of-use assets by class of underlying assets are set out in note 3.

(b) Acquisitions and disposal of owned assets

During the six months ended 30 June 2019, the Group acquired items of property, plant and machinery with a cost of HK\$438,000 (2018: HK\$8,000). Items of property, plant and equipment with carrying value of HK\$Nil (2018: HK\$9,000) were disposed of during the six months ended 30 June 2019 resulting in a loss on disposal of HK\$Nil (2018: HK\$9,000).

13. 物業、廠房及設備

(a) 使用權資產

如附註3所討論，本集團已使用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘，以確認與早前根據香港會計準則第17號分類為營運租約的租約有關的使用權資產。本集團使用權資產按相關資產類別劃分的賬面值的進一步詳情載列於附註3。

(b) 收購及出售自有資產

截至二零一九年六月三十日止六個月，本集團收購物業、廠房及機械項目，成本為438,000港元(二零一八年：8,000港元)。截至二零一九年六月三十日止六個月，賬面值為零港元(二零一八年：9,000港元)的物業、廠房及設備項目出售，產生出售虧損零港元(二零一八年：9,000港元)。

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14. OTHER FINANCIAL ASSETS

Other financial assets comprise:

14. 其他財務資產

其他財務資產包括：

	30 June 2019	31 December 2018
	二零一九年 六月三十日	二零一八年 十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
	(unaudited)	(audited)
	(未經審核)	(經審核)
Financial assets measured at fair value through other comprehensive income (recycling):		
Debt securities listed in Singapore (note)	6,933	6,562

Financial assets measured at fair value through other comprehensive income (recycling): 透過其他全面收入按公平值列賬計量的財務資產（回收）：

Debt securities listed in Singapore (note) 於新加坡上市的債務證券（附註）

Note: On 21 June 2017, the Group subscribed for senior notes issued by China Evergrande Group at an aggregated principal amount of US\$1,000,000 (equivalent to HK\$7,800,000). The senior notes carry coupon rate of 8.75% per annum, payable semi-annually in arrears and mature on 28 June 2025. The senior notes are listed on the Singapore Exchange Securities Trading Limited.

附註： 於二零一七年六月二十一日，本集團認購中國恒大集團發行的優先票據，本金總額為1,000,000美元（相當於7,800,000港元）。優先票據的票面利率為每年8.75%，須每半年期末支付，並將於二零二五年六月二十八日到期。優先票據於新加坡證券交易所有限公司上市。

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15. ACCOUNTS RECEIVABLE

15. 應收賬款

	30 June 2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Accounts receivable arising from securities brokerage business:		
因證券經紀業務產生的應收賬款：		
– Cash clients	280	269
– Margin clients	27,610	4,501
	27,890	4,770
Accounts receivable arising from CGI business	159	158
	28,049	4,928

The normal settlement terms of accounts receivable from margin clients arising from securities brokerage business are two days after the trade date. Accounts receivable from cash clients of securities brokerage business are repayable on demand subsequent to the settlement date. The credit period for customers of CGI business is generally 30 days.

因證券經紀業務產生的應收保證金客戶的賬款的正常結算期限為交易日期後兩日。應收證券經紀業務現金客戶之賬款須於結算日期後按要求償還。電腦造像客戶的信貸期一般為30日。

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15. ACCOUNTS RECEIVABLE (continued)

An aged analysis of the accounts receivable as at the end of the reporting period, based on the trade date, is as follows:

15. 應收賬款(續)

於報告期末的應收賬款按交易日期劃分的賬齡分析如下：

	30 June 2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Within 90 days	28,049	4,928

As at 30 June 2019, except for the carrying amount of margin clients of HK\$27,610,000 (31 December 2018: HK\$4,501,000), which were secured by underlying equity securities amounted to approximately HK\$201,030,000 (31 December 2018: approximately HK\$69,463,000), the Group did not hold any collateral or other credit enhancements over these balances. The collateral held can be repledged and can be sold at the Group discretion to settle any outstanding amount owed by margin clients.

於二零一九年六月三十日，除保證金客戶的賬面值27,610,000港元(二零一八年十二月三十一日：4,501,000港元)以金額約201,030,000港元(二零一八年十二月三十一日：約69,463,000港元)的相關股本證券抵押外，本集團並無就該等結餘持有任何抵押品或其他信用增強措施。所持抵押品可再次抵押，並可由本集團酌情出售，以清償保證金客戶結欠的任何未償還款項。

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16. LOANS RECEIVABLE

16. 應收貸款

		30 June 2019	31 December 2018
		二零一九年 六月三十日	二零一八年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Loans receivable	應收貸款	10,311	16,516

Loans receivable represented receivables arising from the provision of finance business of the Group, and bears interest at rates ranging from 7% to 8% (31 December 2018: 6% to 10%) per annum. The Group did not hold any collateral or other credit enhancements over this balance.

應收貸款指本集團提供融資業務所產生之應收款項，按每年7%至8%（二零一八年十二月三十一日：6%至10%）之利率計息。本集團並無就該結餘持有任何抵押品或其他信用增強措施。

Maturity profile

As at the end of the reporting period, the maturity profile of loans receivable, based on maturity date, is as follows:

到期情況

於報告期末，應收貸款按到期日劃分的到期情況如下：

		30 June 2019	31 December 2018
		二零一九年 六月三十日	二零一八年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Due within 1 month or on demand	一個月內或按要求到期	64	16,516
Due after 1 month but within 3 months	一個月後但三個月內到期	240	-
Due after 3 months but within 6 months	三個月後但六個月內到期	538	-
Due after 6 months but within 12 months	六個月後但十二個月內到期	9,469	-
		10,311	16,516

There has been no loans receivable were past due. The expected credit losses allowance of loans receivable is insignificant for the Group.

並無任何應收貸款已逾期。應收貸款的預期信貸虧損撥備對本集團而言並不重大。

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17. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments represent equity securities listed in Hong Kong. All listed equity securities in Hong Kong are pledged to financial institutions to secure margin financing facilities obtained.

17. 持作買賣投資

持作買賣投資指香港上市股本證券。所有香港上市股本證券已抵押予金融機構，為所取得的保證金融資信貸擔保。

18. CONVERTIBLE NOTES RECEIVABLE

18. 應收可換股票據

30 June 2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
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Convertible notes receivable	應收可換股票據	18,864	18,864
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The convertible notes receivable represented the fair value of an investment in convertible note issued by China Agri-Products Exchange Limited.

應收可換股票據指於中國農產品交易所有限公司發行的可換股票據之投資的公平值。

For the period ended 30 June 2019, the fair value gain of the convertible notes receivable amounting to approximately HK\$Nil (2018: HK\$Nil) is recognised with references to the valuation carried out by an independent qualified professional valuer.

截至二零一九年六月三十日止期間，應收可換股票據的公平值收益約零港元（二零一八年：零港元）參考獨立合資格專業估值師進行的估值確認。

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19. BANK BALANCES – TRUST ACCOUNTS

The Group receives and holds monies deposited by clients and other institutions in the course of the conduct of the regulated activities of its securities brokerage business. These client's monies are maintained in one or more trust bank accounts. The Group has recognised the corresponding accounts payable to its respective clients and other institutions. However, the Group currently does not have an enforceable right to offset these payables with the deposits placed.

19. 銀行結餘－信託賬戶

本集團在經營證券經紀業務受規管活動過程中收取並持有客戶及其他機構存放的款項。該等客戶的款項於一個或多個信託銀行賬戶持有。本集團已相應確認應向各客戶及其他機構支付的賬款。然而，本集團現時並無將該等應付款項與已存放按金相抵銷的執行權。

20. ACCOUNTS PAYABLE

20. 應付賬款

30 June 2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
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Accounts payable arising from securities brokerage business:	因證券經紀業務產生的應付賬款：
– cash clients and clearing house	– 現金客戶及結算所

10,559

4,444

The settlement terms of accounts payable to cash clients and clearing house are two days after trade date. Accounts payable to cash clients are repayable on demand subsequent to settlement date. No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

應付現金客戶及結算所之賬款的結算期限為交易日期後兩日。應付現金客戶之賬款須於結算日期後按的要求償還。由於本公司董事認為，鑒於該業務的性質，賬齡分析並無額外意義，故並無披露相關賬齡分析。

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21. BORROWINGS

As at 31 December 2018, the balance represents margin payables of approximately HK\$43,268,000 from financial institutions bore interests at 12% per annum and were repayable on demand. The Group's held-for-trading investments with an aggregate fair value of approximately HK\$540,976,000 are pledged to that financial institutions to secure the utilised margin facilities.

22. DEFERRED TAX LIABILITY

The component of deferred tax liability recognised in the consolidated statement of financial position and movement during the period are as follow:

21. 借貸

於二零一八年十二月三十一日，結餘指應付來自金融機構的保證金約43,268,000港元，按每年12%之利率計息，並須按要求償還。本集團公平值總額約540,976,000港元的持作買賣投資已抵押予該等金融機構，作為已動用保證金融資貸款之抵押。

22. 遞延稅項負債

期內於綜合財務狀況表中確認的遞延稅項負債組成部分及變動如下：

		Temporary differences related to fair value adjustment on intangible asset – trading right 與無形資產的公平值調整 有關的暫時差額 – 交易權 HK\$'000 千港元
At 1 January 2018 (audited)	於二零一八年一月一日 (經審核)	484
Credit to profit or loss	計入損益	(342)
At 31 December 2018 (audited), 1 January 2019 and 30 June 2019 (unaudited)	於二零一八年十二月三十一日 (經審核)、二零一九年一月一日 及二零一九年六月三十日 (未經審核)	142

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23. SHARE CAPITAL

23. 股本

		Nominal value 面值 HK\$ 港元	Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Authorised:	法定：			
At 1 January 2018, 31 December 2018, 1 January 2019 and 30 June 2019	於二零一八年一月一日、 二零一八年十二月 三十一日、二零一九年 一月一日及二零一九年 六月三十日	0.040	25,000,000	1,000,000
Issued and fully paid:	已發行及繳足：			
At 1 January 2018	於二零一八年一月一日	0.040	689,422	27,577
Exercise of share options	行使購股權	0.040	2,500	100
At 31 December 2018, 1 January 2019 and 30 June 2019	於二零一八年十二月 三十一日、二零一九年 一月一日及二零一九年 六月三十日		691,922	27,677

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24. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

As at 31 December 2018, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

Within one year	一年內	2,756
After one year but within five years	一年後但於五年內	4,014
		6,770

The Group is the lessee in respect of three office premises under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 3). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in note 3.

24. 承擔

(a) 營運租賃承擔

本集團作為承租人

於二零一八年十二月三十一日，根據不可撤銷營運租約，應付未來最低租金總額如下：

31 December
2018
二零一八年
十二月三十一日
HK\$'000
千港元
(audited)
(經審核)

本集團為早前根據香港會計準則第17號分類為營運租約的租約下三項辦公物業之承租人。本集團已使用經修訂追溯法首次應用香港財務報告準則第16號。根據該方法，本集團已調整於二零一九年一月一日的期初結餘，以確認與該等租約有關的租賃負債（見附註3）。自二零一九年一月一日起，未來租賃付款按照附註3所載政策於綜合財務狀況表中確認為租賃負債。

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24. COMMITMENTS (continued)

(b) Commitments

24. 承擔(續)

(b) 承擔

	30 June 2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Commitments in respect of the investment for film rights contracted for but not provided in the consolidated financial statements	14,100	16,500

Commitments in respect of the investment for film rights contracted for but not provided in the consolidated financial statements

已訂約但未於綜合財務報表中作出撥備的有關投資電影版權的承擔

25. SHARE-BASED PAYMENT TRANSACTIONS

On 16 August 2002, the Company adopted a share option scheme for the primary purpose of providing incentives to employees, executives or officers, directors of the Company or any of its subsidiaries and any business consultants, agents, legal or financial advisers or any supplier or provider of goods and services of the Company or any of its subsidiaries for their contribution to the Group (the "2002 Scheme").

The 2002 Scheme was terminated on 11 June 2012 and a new share option scheme (the "2012 Scheme") was adopted by the shareholder of the Company on the same date.

During the periods ended 30 June 2019 and 2018, no share option was granted to eligible persons under 2012 Scheme.

As at 30 June 2019 and 31 December 2018, there was no outstanding and exercisable share options granted to directors and employees of the Company under 2012 Scheme.

25. 以股份付款交易

於二零零二年八月十六日，本公司採納一項購股權計劃，主要目的在於獎勵對本集團作出貢獻之本公司或其任何附屬公司之僱員、行政人員或高級職員、董事及本公司或其任何附屬公司之任何業務顧問、代理、法律或財務顧問或貨品及服務之任何供應商（「二零零二年計劃」）。

二零零二年計劃於二零一二年六月十一日終止，本公司股東於同日採納一項新購股權計劃（「二零一二年計劃」）。

截至二零一九年及二零一八年六月三十日止期間，概無購股權根據二零一二年計劃授予合資格人士。

於二零一九年六月三十日及二零一八年十二月三十一日，概無根據二零一二年計劃授予本公司董事及僱員的購股權尚未行使及可行使。

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26. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Salaries and other benefits	薪金及其他福利	3,558	2,820
Contributions to pension schemes	退休金計劃供款	56	54
		3,614	2,874

27. ACQUISITION OF A SUBSIDIARY

During the six months ended 30 June 2018, the Group acquired the entire interest in Longtop Enterprises Limited ("Longtop") at a consideration of HK\$50,000 from an independent third party. Longtop is a licensed money lender and authorised to engage in money lending activity. The acquisition was completed on 22 March 2018.

26. 有關連人士交易

主要管理人員報酬

期內，董事及其他主要管理人員之酬金如下：

27. 收購一間附屬公司

截至二零一八年六月三十日止六個月，本集團以代價50,000港元向一名獨立第三方收購長泰企業有限公司（「長泰」）的全部權益。長泰為持牌放債人及獲授權進行放債活動。收購於二零一八年三月二十二日完成。

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28. DISPOSAL OF INTEREST IN A JOINT VENTURE

On 2 February 2018, the Group entered into a sale and purchase agreement with its joint venture partner to dispose its whole interest in Imagination Holding Limited and its subsidiaries (the “Joint Venture”) at a cash consideration of HK\$150,000,000, after which date the Joint Venture was held for disposal. The disposal of Joint Venture was completed on 23 April 2018 and a gain on disposal of HK\$7,098,000.

29. EVENT AFTER THE REPORTING PERIOD

On 24 July 2019, the Group entered a sale and purchase agreement with an independent third party (the “Vendor”) to acquire the entire issued capital of the Les Ambassadeurs Club Limited (the “Target Company”) and the sale loan representing the aggregate amount owed by the Target Company to the Vendor as at the completion date, at a consideration of £122,000,000 (equivalent to approximately HK\$1,206.1 million) (subject to adjustment). The principal activity of the Target Company is the operation of Les Ambassadeurs Club, which is a private members club located in London, United Kingdom that provides access to a high-end casino as well as luxury travel and concierge services. The transaction is subject to the shareholders’ approval and not yet complete as at the date of this report.

30. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 January 2019. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 3.

28. 出售於一間合營企業之權益

於二零一八年二月二日，本集團與其合營夥伴訂立一份買賣協議，以現金代價150,000,000港元出售於Imagination Holding Limited及其附屬公司（「該合營企業」）的全部權益，該日後該合營企業乃持作出售。出售該合營企業於二零一八年四月二十三日完成，出售收益為7,098,000港元。

29. 報告期後事項

於二零一九年七月二十四日，本集團與一名獨立第三方（「賣方」）訂立一份買賣協議，以收購Les Ambassadeurs Club Limited（「目標公司」）的全部已發行股本及待售貸款（相當於完成日期目標公司結欠賣方的總款項），代價為122,000,000英鎊（相當於約1,206,100,000港元）（可予調整）。目標公司的主要業務為經營Les Ambassadeurs Club，其為一個位於英國倫敦的私人會員俱樂部，提供高端賭場以及豪華旅行與禮賓服務。於本報告日期，該交易尚須股東批准及尚未完成。

30. 比較數字

本集團已於二零一九年一月一日首次應用香港財務報告準則第16號。根據選定過渡法，未重列比較資料。會計政策變動的進一步詳情於附註3披露。

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31. POSSIBLE IMPACT OF AMENDMENTS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2019

Up to the date of issue of these interim financial statements, the HKICPA has issued a number of amendments which are not yet effective for the six months ended 30 June 2019 and which have not been adopted in these interim financial statements. These include the following which may be relevant to the Group.

Amendments to HKAS 1 and HKAS 8,
Definition of material
香港會計準則第1號及香港會計準則第8號
修訂重大的定義

Amendments to HKFRS 3 “Business”
香港財務報告準則第3號修訂「業務」

* 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.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the interim financial statements for the six months ended 30 June 2019.

31. 截至二零一九年六月三十日止六個月已頒佈但尚未生效的修訂可能的影響

截至本中期財務報表刊發日期，香港會計師公會已頒佈多項於截至二零一九年六月三十日止六個月尚未生效及並未於本中期財務報表中採納的修訂。其中包括以下可能與本集團有關者。

Effective for accounting periods
beginning on or after
於以下日期或之後開始的會計期間生效

1 January 2020

二零二零年一月一日

1 January 2020*

二零二零年一月一日*

* 就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。

本集團正在評估該等發展於首次應用期間預期造成的影響。迄今為止，本集團的結論是，採納其不大可能對截至二零一九年六月三十日止六個月的中期財務報表造成重大影響。