



**國泰君安國際**  
GUOTAI JUNAN INTERNATIONAL

Stock Code 股份代號 : 1788

# **穩健 創富** **PRUDENCE AND PROSPERITY**

INTERIM REPORT 2018 中期報告



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# Corporate Information

## Board of Directors

### Executive Directors

Dr. YIM Fung (*Chairman*)  
Mr. WONG Tung Ching  
Ms. QI Haiying  
Mr. LI Guangjie

### Non-executive Directors

Dr. XIE Lebin  
Mr. LIU Yiyong

### Independent Non-executive Directors

Dr. FU Tingmei  
Dr. SONG Ming  
Mr. TSANG Yiu Keung  
Professor CHAN Ka Keung Ceajer  
(*appointed on 22 August 2018*)

### Members of Audit Committee

Mr. TSANG Yiu Keung (*Chairman*)  
Dr. FU Tingmei  
Dr. SONG Ming

### Members of Remuneration Committee

Dr. FU Tingmei (*Chairman*)  
Dr. SONG Ming  
Mr. TSANG Yiu Keung  
Dr. XIE Lebin

### Members of Nomination Committee

Dr. SONG Ming (*Chairman*)  
Dr. YIM Fung  
Mr. TSANG Yiu Keung

### Members of Risk Committee

Dr. YIM Fung (*Chairman*)  
Ms. QI Haiying  
Mr. LIU Yiyong  
Dr. FU Tingmei  
Dr. SONG Ming  
Mr. TSANG Yiu Keung

## Company Secretary

Ms. FENG Zheng Yao Helen

## Registered Office

27/F, Low Block  
Grand Millennium Plaza  
No. 181 Queen's Road Central  
Hong Kong

## Auditors

Ernst & Young  
Certified Public Accountants

## Solicitors

Li & Partners, Solicitors

## Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
No. 183 Queen's Road East  
Wanchai, Hong Kong

## Principal Bankers

Bank of China (Hong Kong) Limited  
Standard Chartered Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking  
Corporation Limited

## Stock Code

The Stock Exchange of Hong Kong Limited	01788
Bloomberg	1788 HK
Reuters	1788.HK
Ticker Symbol for ADR Code	GTIJY
ISIN	HK0000065869
SEDOL	B3W1335 HK

## Company's Website

[www.gtjai.com](http://www.gtjai.com)

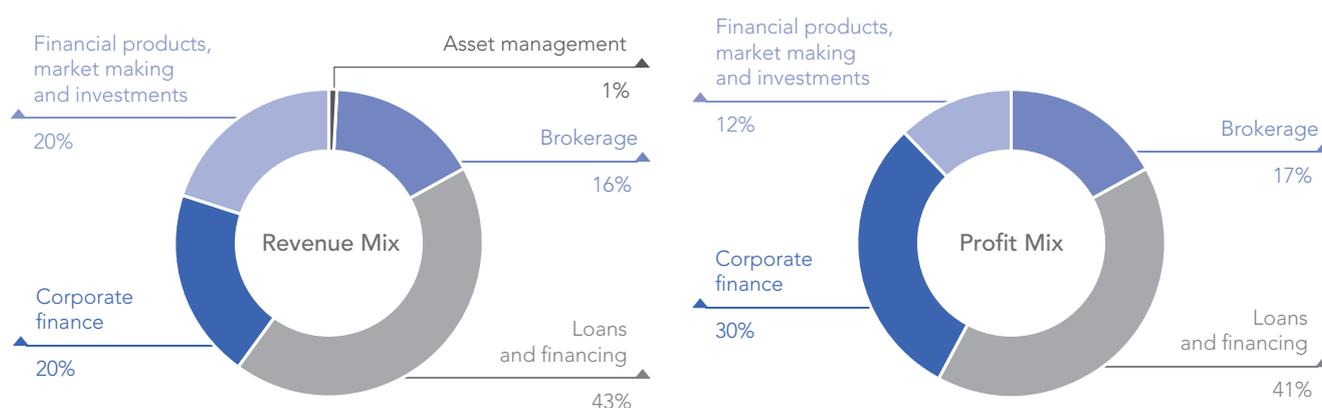
## Investor Relations Contact

[enquiry@gtjas.com.hk](mailto:enquiry@gtjas.com.hk)

# Financial Highlights

	For the six months ended 30 June		Change
	2018 HK\$'000	2017 HK\$'000	
Fee and commission income			
– brokerage	271,437	289,210	–6.1%
– corporate finance	335,355	441,590	–24.1%
– asset management	10,561	14,513	–27.2%
Income from loans and financing	716,824	641,556	11.7%
Gain from financial products, market making and investments	344,038	173,089	98.8%
Revenue	1,678,215	1,559,958	7.6%
Profit for the period	541,691	726,052	–25.4%
Profit attributable to ordinary equity holders of the Company	506,841	673,507	–24.7%
Profit attributable to ordinary equity holders of the Company (after excluding the contributions from the listing of parent company in 2017)	506,841	446,334	13.6%
Basic earnings per share (HK cents)	6.73	9.74	–30.9%
Diluted earnings per share (HK cents)	6.71	9.67	–30.6%
Equity per ordinary share (HK\$) <sup>(Note)</sup>	1.41	1.20	17.5%
Dividend per share (HK cents)	3.3	4.5	–26.7%
Dividend payment ratio <sup>(Note)</sup>	50%	46%	4 p.p.

## Revenue and Profit Mix in First Half of 2018



### Note:

It was calculated based on 7,643,666,690 shares (30 June 2017: 6,920,877,674 shares) as at 30 June 2018, being 7,715,373,090 shares issued and fully paid less 71,706,400 shares held under the Company's share award scheme (30 June 2017: 6,993,765,074 shares issued and fully paid less 72,887,400 shares held under the Company's share award scheme).

# Management Discussion and Analysis

## Review of Macro-economy and Financial Market

During the period under review, the global economy continued to recover in general, of which the economic data of the United States ("US") stayed positive with interest rates rose in March and June respectively. At the same time, due to the escalation of the Sino-US trade war, the exchange rate of Renminbi ("RMB") weakened against US dollar since June. Despite the uncertain economic situation from home and abroad, Chinese economy exerted great resilience during the period under review. Driven by the consumer market, the rate of Gross Domestic Product ("GDP") growth in China reached 6.8%, the unemployment rate remained at a low level, and other major economic performance indicators remained steady.

At the Fifth National Financial Work Conference in 2017, the government emphasised that they would focus on preventing systematic financial risks and deepening financial reform for future economy. In the first half of this year, the local regulatory bodies in China continued to implement the measures of "deleveraging" and aimed to build the economy in a "high quality" manner, the scale of domestic aggregate financing was significantly adjusted. Meanwhile, the trade war between China and the US loomed since March, the market held negative expectations on the future growth of domestic exports and the economy. Under the influence of multiple factors, respective market risks and credit risks gradually emerged in China, causing financial market fluctuations.

In respect of the stock market, affected by various factors of the outbound market, the Hong Kong Hang Seng Index experienced significant fluctuations during the first half after a brief rise in January this year. As at the end of June, the Hang Seng Index closed at 28,955, representing an increase of 12.4% as compared with the corresponding period of last year, whereas a decrease of 3.2% as compared with the end of 2017. The Hang Seng Mid Cap Index recorded a decrease of 10.0% as compared with the end of 2017. Meanwhile, the average daily trading volume of the Hong Kong stock market increased by 67.0% to approximately HK\$126.6 billion for the first half of 2018.

In respect of initial public offering ("IPO"), the reform of listing regime under the Stock Exchange of Hong Kong Limited (the "Stock Exchange") led to a new breakthrough. Pursuant to the Consultation Paper on a Listing Regime for Companies from Emerging and Innovative Sectors, the corresponding rules amendments (the "New Rules") came into effect in April, where companies with weighted voting right structure and pre-profit biotech companies are allowed to be listed on the Stock Exchange. Thereafter, it is expected that more companies from these sectors will be listed on the Stock Exchange, further diversifying the industrial spread of Hong Kong listed companies, which in turn will directly benefit the overall market by bringing more opportunities to the financial industry.

## Results Overview

Guotai Junan International Holdings Limited (the "Company", and its subsidiaries, the "Group" or "we") recorded a total profit attributable to equity holders of the Company ("Profit Attributable to Shareholders") of approximately HK\$507 million (2017: HK\$674 million) for the six months ended 30 June 2018, representing a decrease of approximately 25% as compared with the same period of 2017. Excluding the effect of income (particularly on brokerage and corporate finance businesses) arising from the listing of our parent company in the first half of last year, the Profit Attributable to Shareholders for the first half of this year increased by 13.6%. In spite of the volatile domestic and outbound financial market, the advantages of business diversification of the Group are prominent, as Profit Attributable to Shareholders maintained steady and healthy growth. During the period under review, income from the Group's financial products business increased significantly, representing a growth of approximately 271% year-on-year.

## Management Discussion and Analysis

The board of directors of the Company ("Board") has declared an interim dividend of HK\$0.033 per ordinary share of the Company ("Share(s)") for the six months ended 30 June 2018 (2017: HK\$0.045 per Share).

	For the six months ended 30 June			
	2018		2017	
	HK\$'000	%	HK\$'000	%
Fee and commission income				
– brokerage	271,437	16.2	289,210	18.5
– corporate finance	335,355	20.0	441,590	28.3
– asset management	10,561	0.6	14,513	1.0
Income from loans and financing	716,824	42.7	641,556	41.1
Gain from financial products, market making and investments	344,038	20.5	173,089	11.1
	<b>1,678,215</b>	<b>100.0</b>	1,559,958	100.0

### Brokerage

In the first half of 2018, the Group's brokerage business recorded a total revenue of approximately HK\$271 million (2017: approximately HK\$289 million). Excluding the effect of income of the Company arising from the listing of our parent company in the first half of 2017, the brokerage income grew by 40.4% year-on-year (2017: approximately HK\$193 million), among which the commission income from securities trading in the Hong Kong market soared by 60% to approximately HK\$155 million.

The breakdown of the revenue of brokerage business is set out below:

	For the six months ended 30 June			
	2018		2017	
	HK\$'000	%	HK\$'000	%
Securities	227,302	83.7	248,282	85.8
Futures and options	13,688	5.1	13,812	4.8
Handling income	23,447	8.6	17,793	6.2
Leveraged foreign exchange	1,489	0.6	1,500	0.5
Insurance	5,511	2.0	7,823	2.7
	<b>271,437</b>	<b>100.0</b>	289,210	100.0

Although the Hong Kong stock market encountered certain fluctuations during the period under review, new products and services launched by the Group in the second half of last year, such as the preferential financing rate, "Jun Hong Wealth Management Club (君弘財富管理俱樂部)" service, and the upgraded mobile trading platform of "Tradego (交易寶)", were very popular and have attracted many quality customers. The number of the Group's professional investors (i.e. those with investible assets of over US\$1 million) has increased steadily to 1,758 (2017: 1,080) in the first half of 2018, with average account balance increasing by nearly 54% to approximately HK\$38.03 million as compared with the same period of last year.

## Management Discussion and Analysis

### Corporate Finance

Our corporate finance business covers debt capital markets, equity capital markets and consultancy and financial advisory services. A breakdown of the revenue of corporate finance business is set out below:

	For the six months ended 30 June			
	2018		2017	
	HK\$'000	%	HK\$'000	%
Placing, underwriting and sub-underwriting commissions				
– debt capital markets	258,439	77.1	147,579	33.4
– equity capital markets	59,875	17.9	231,963	52.5
Consultancy and financial advisory fees	17,041	5.0	62,048	14.1
	<b>335,355</b>	<b>100.0</b>	441,590	100.0

During the period under review, the Group continued to maintain its leading position in the Hong Kong debt capital market. We have participated in 76 debt issuance activities (2017: 30 debt issuance activities), and assisted corporations in fund raising of nearly HK\$165.3 billion. The Group's income arising from debt capital markets substantially increased by 75% to approximately HK\$258 million (2017: approximately HK\$148 million). The debt capital markets team of the Group ranked second in the Asia (ex-Japan) G3 Corporate High-Yield Bond Underwriter League (亞洲(除日本外)G3貨幣高收益債承銷商排行榜) of Bloomberg Asia (in terms of the issuance amount).

In the first half of 2018, the equity capital market team of the Group has completed five IPO projects, including the listing of Bank of Gansu Co., Ltd., which ranked third in the market in terms of capital raising amount. According to statistic data of Dealogic, in the first half of 2018, the Company ranked fourth in fund raising among the Hong Kong IPO bookrunners.

### Loans and Financing

The income arising from the overall loan and financing business increased steadily by 12% to approximately HK\$717 million (2017: approximately HK\$642 million) for the first half of 2018.

The Company took the lead in adjusting margin loan business in last year by reducing the proportion of collaterals with low liquidity and market value, so as to improve its overall quality of net assets. In the first half of this year, such adjustment has been well executed, as a result, the proportion of Hang Seng Index stocks and blue-chip stocks among the collaterals held increased significantly. During the period under review, notwithstanding the interest income arising from margin loan business slightly decreased by 7% to approximately HK\$476 million, management considered that such decrease resulting from business restructure was within expectations. For the second half of this year, the Group will continue to provide attractive financing products to retail and high net worth clients by taking advantage of our relatively low funding cost. The Group is confident to develop these businesses steadily and healthily in the future.

## Management Discussion and Analysis

Among the diversified businesses that guaranteed stable income, the Group recorded significant increase in interest income arising from term loans, IPO loans and securities borrowing and lending business during the period under review. Particularly, interest income arising from IPO loan business soared around 18 times year-on-year to approximately HK\$9.56 million (2017: approximately HK\$510 thousand). As mentioned above, with its advantages on funding cost, the pricing of IPO loan products launched by the Group since the second half of 2017 was highly competitive with positive client feedback constantly.

The market fluctuations provided opportunities to the securities borrowing and lending business of the Group. As of 30 June 2018, the interest income arising from securities borrowing and lending business of the Group recorded a year-on-year increase of 485% to approximately HK\$35.61 million (2017: approximately HK\$6.09 million).

A breakdown of the revenue of loans and financing business is set out below:

	For the six months ended 30 June			
	2018		2017	
	HK\$'000	%	HK\$'000	%
Margin loans	475,575	66.4	513,000	80.0
Term loans	71,525	10.0	35,308	5.5
Securities borrowing and lending	35,611	5.0	6,090	0.9
Reverse repurchase agreements	11,082	1.5	1,419	0.2
IPO loans	9,558	1.3	509	0.1
Banks and others	113,473	15.8	85,230	13.3
	<b>716,824</b>	<b>100.0</b>	641,556	100.0

### Financial Products

During the period under review, the overall income of the Group's financial products, market making and investment business increased by 99% year-on-year to approximately HK\$344 million (2017: approximately HK\$173 million). In particular, the financial product business, as one of the fast-growing businesses in recent years, achieved impressive performance with a significant increase in income of 271% year-on-year. Taking the advantages on its leading credit ratings as well as well-established partnerships with major international financial institutions, the Group refined its product competitiveness and business strength, which enabled itself to provide diversified and tailor-made financial products for corporations, institutions and high net worth clients.

### Results of Financial Position

The Group's total assets increased by 11% to HK\$81,712 million as at 30 June 2018 (31 December 2017: HK\$73,960 million).

The Group's total liabilities increased by 12% to HK\$70,252 million as at 30 June 2018 (31 December 2017: HK\$62,969 million).

The equity attributable to holders of ordinary shares increased by 25% to HK\$10,780 million (31 December 2017: HK\$8,608 million) as at 30 June 2018. The leverage ratio (means total assets less accounts payable to clients divided by total equity) was 5.8 times as at 30 June 2018 (31 December 2017: 5.5 times).

## Management Discussion and Analysis

### Liquidity, Financial Resources and Capital Structure

As at 30 June 2018, the net current assets of the Group decreased by 18% to HK\$8,598 million (31 December 2017: HK\$10,436 million). The Group's current ratio was 1.12 times as at 30 June 2018 (31 December 2017: 1.17 times). The Group's gearing ratio (means the sum of bank borrowings and debt securities in issue at amortised cost divided by total equity) was 1.71 times as at 30 June 2018 (31 December 2017: 1.79 times).

The Group had a net cash inflow of HK\$255 million (2017 cash inflow: HK\$248 million) for the period ended 30 June 2018 and the Group's bank balance was HK\$2,467 million as at 30 June 2018 (31 December 2017: HK\$2,213 million). As at 30 June 2018, the Group had outstanding bank borrowings of HK\$9,763 million (31 December 2017: HK\$13,782 million), which were obtained through facilities with a number of banks.

To obtain further capital for the Group's business development, on 24 January 2018, the Company, Guotai Junan Holdings Limited (the "Vendor" and the Company's substantial shareholder) and Guotai Junan Securities (Hong Kong) Limited, as a placing agent and a wholly-owned subsidiary of the Company, entered into a placing and subscription agreement (the "Agreement"). Pursuant to the Agreement, the Vendor placed a total of 700,000,000 existing Shares it held to not less than six independent placees at the placing price of HK\$2.85 per Share on 29 January 2018, and the Company allotted and issued 700,000,000 new Shares to the Vendor at the subscription price of HK\$2.85 per Share under the general mandate on 6 February 2018 (the "Placing"). The net proceeds raised from the Placing was approximately HK\$1,987 million (being the proceeds of the Placing less issuing expenses of approximately HK\$8.1 million), equivalent to a net subscription price of approximately HK\$2.84 per Share. The closing price of the Share on the last trading day immediate prior to signing of the Agreement, as quoted on the Stock Exchange, was HK\$3.09 per Share. As of 30 June 2018, the Company has applied approximately 78% and 22% of the net proceeds from the Placing as working capital for its financial products, market making and investment business and loans and financing business respectively.

On 3 July 2018, the Company successfully renewed the Medium Term Note Programme of HK\$15,000,000,000 (or the equivalent in other currencies at the date of issue) pursuant to which both listed and unlisted notes may be issued. The structured notes issued by the Group in the first half of 2018 in relation to financial products amounted to HK\$14,483 million (31 December 2017: HK\$10,479 million) and the notes outstanding as at 30 June 2018 were HK\$9,784 million (31 December 2017: HK\$5,885 million).

Taking into account the un-utilized facilities from various financial institutions and large portion of un-issued limit of the above-mentioned note programmes, we believe our operating cash flow is adequate and sufficient to finance our recurring working capital requirements and to meet any investment opportunities that may arise in the near future.

The Group monitors its capital structure from time to time to ensure the compliance of the capital requirements under the Securities and Futures (Financial Resources) Rules (Cap. 571N) for its licensed subsidiaries and to support the development of new business. All licensed corporations within the Group have complied with their respective liquid capital requirements during the period and up to the date of this report.

Save as disclosed above, there were no other equity or debt instruments issued by the Group for the six months ended 30 June 2018.

### Material Acquisitions, Disposals and Significant Investments

For the six months ended 30 June 2018, the Group had not made any material acquisitions and disposal of subsidiaries and associated companies. As at 30 June 2018, the Group did not hold any significant investments.

### Charges on the Group's Assets

No asset of the Group was subject to any charge as of 30 June 2018 and 31 December 2017.

### Operating Lease Commitments, Capital Commitments and Other Commitments

Details of operating lease commitments, capital commitments and other commitments of the Group are set out in note 27 to the Interim Financial Information.

## OUTLOOK AND FUTURE PLANS

### Core Competitiveness of the Group

**Prominent brand advantages and excellent risk management capabilities.** Guotai Junan Securities Co., Ltd., our parent company, is currently one of the top brokerage firms in China and enjoys high reputation and recognition among the domestic financial market and clients. The Company is one of the earliest mainland brokers tapping into Hong Kong. In recent years, based on its rapid development, the Company has continuously developed innovative services and products, in the meantime putting efforts in enhancing comprehensive risk management capabilities. In the past two years, the Group has been granted a number of awards such as "Securities Company of the Year", "Excellence Award" in the categories of "Risk Management" and "Securities House of the Year" by renowned magazines such as *Bloomberg Businessweek* and *Asia Risk*.

**Leading credit ratings and outstanding advantages in funding cost.** The Group has been assigned "Baa2" and "BBB+" credit rating by Moody's Investor Service and Standard & Poor's Global Ratings respectively, achieving the top ratings among the Chinese financial institutions in Hong Kong. As the Group continuously explored new financing channels with its high credit ratings, its funding cost was favourable than the average level of the industry, benefiting the profitability of diversified products and services and paving a solid path for the success of wealth management business.

**Comprehensive business lines with excellent professional teams.** In recent years, the Group has successfully transformed from a traditional brokerage firm to a financial services company by providing comprehensive quality products and services. We engaged in five core businesses, including (i) brokerage; (ii) corporate finance; (iii) loans and financing; (iv) asset management; (v) financial products, market making and investments. With rapid development of Chinese financial institutions in Hong Kong, a large number of high-caliber financial talents from worldwide have been attracted to those institutions. Currently, the talents of the Group are further specialised, diversified and globalised with extensive experience in serving domestic and global financial market. As of the end of June 2018, over 41% of the Company's employees held a master degree or higher. The Company has maintained its leading position in the financial market on its service capability and coverage, supported by our excellent professional staff with international experience and expertise.

**Strong and solid customer base with high-end customers growing rapidly.** Rooted in Hong Kong over two decades and leveraging on its quality products, as well as strong brand advantages, the Company has laid a solid foundation in serving high-end clients, including a range of large domestic and foreign corporations, fast growing companies, professional financial institutional clients and ever-increasing high net worth individuals. The Company is well recognised for devoting to offering products and services tailor-made for various client needs. The maturity of global financial market is conducive to expansion of the industry and the Company's business in long run, and investors will increase their demands in high quality products and services constantly, which will in turn increase the number of high-end clients steadily as expected.

## Management Discussion and Analysis

### Business Outlook

In the second half of 2018, global capital market is expected to be affected by various factors such as Sino-US trade disputes and the expectation of continuous US interest rate hikes, and Hong Kong's stock market will also be expected to fluctuate in a certain degree. On the other hand, with the New Rules implemented by the Stock Exchange in the first half of this year, it is expected that the number of "New Economy" companies and bio-pharmaceutical enterprises in Hong Kong market will continue to increase in the second half of this year, which will have a direct positive impact on the financial industry in Hong Kong. Meanwhile, with the steady improvement of the quality of listed companies in general, investors prefer investing in companies with high quality earnings growth, as well as stocks and bonds with good liquidity as expected. As trading in the Hong Kong stock market will be more vigorous in medium and long term, positive influence on brokerage business can be expected.

Under the US interest rate hike cycle, the RMB exchange rate may remain under pressure in the second half of this year, likely resulting in strong demand for overseas assets allocation, overseas financing and credit business from the mainland corporations, institutions and high-end individuals. With the gradual maturity of needs from high net worth clients in terms of return on investment, product liquidity and risk management, the Group believes that there are great opportunities for overseas wealth management products and services. Therefore, in the second half of this year, the Group plans to expand the wealth management service team in order to attract more high net worth clients and provide more competitive wealth management products and services by leveraging its core edges, such as the cost advantage in funding, the accumulated quality customer base and the internationalised professional team.

In addition to the "New Economy" companies to be listed in Hong Kong, the Group will exert its shrewd market insight and rapid execution capability of its professional teams in providing solutions to corporate clients in various market conditions. With the deepening of domestic deleveraging measures, credit and market risks may still exist, and business opportunities such as mergers and acquisitions and asset restructuring may gradually emerge accordingly. The Group will closely monitor the market changes and provide respective opinions and services in a timely manner.

In addition, following the MSCI (Morgan Stanley Capital International) Index included A-shares, the intention of overseas funds entering in the mainland market, the Chinese companies' demands on overseas financing, investment, mergers and acquisitions, as well as the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and the financing demand of the Belt and Road Initiative will bring us more opportunities.

Looking forward, the Company will continue to strengthen its risk management control and elevate the risk-adjusted return on equity. Meanwhile, the Company will persist in "Strong and Quality" growth to reward the ongoing support from our clients and investors with stable compound growth.

### Employees And Remuneration Policies

Staff is an integral part of the success of the Company. Competitive remuneration packages are offered to employees by reference to prevailing market rate and individual merits. As at 30 June 2018, we had 438 employees in total (excluding self-employed account executives). Salaries are reviewed on an annual basis and discretionary bonus is paid on annual basis with reference to the Group's performance and individual performance. Share options and Share awards have been granted to the directors and employees in recognition and acknowledgement of their contributions made to or to be made to the Group. Other benefits offered by the Group include mandatory provident fund scheme and medical and dental insurance. Details of the remuneration are set out in note 5 of the Interim Financial Information.

### Risk Management

The Group believes that risk management capabilities are essential to its core competitiveness as a financial services provider. Given our business diversification in recent years, the Group is exposed to growing types of risk, including credit risk, market risk, concentration risk, liquidity risk, strategic risk, operational risk, legal and compliance risk, reputational risk and unknown risk. The Company attaches an equally high degree of importance to prevention, management and handling of risks in all aspects.

The Board has established and delegated the Risk Committee to oversee the overall risk framework and the potential risks, review the Group's risk management strategies, and provide reports and suggestions to the Board. The management-tier committees, such as the Asset Liability and Investment Committee ("ALCO") and the Credit Committee, shall report to the Risk Committee on all potential material risks when identified, changes and the respective risk mitigation actions taken to enhance the risk management process. The Risk Committee holds meeting at least twice each year to review the effectiveness of the risk management structure and policies and material risk issues. The management will, when necessary, report to the Board at any time on the material risk matters which may affect the Group's performance.

#### Credit Risk

There is credit risk when the Group commits to, or enters into, an agreement with any borrower or counterparty.

The Group manages credit risk by conducting risk assessment on any borrower or counterparty, which may include assessing their repayment sources, underlying collaterals, and the expected impact of current and future economy on the borrower or counterparty.

The Risk Committee has designated ALCO to set the total loan and credit limits, whereas the Credit Committee to oversee the equity margin financing business and the Risk Management Committee to provide independent supervision of all credit risk metrics and limits.

The Risk Management Department is responsible for formulating credit risk policies, designing risk metrics, setting key risk thresholds, approving material credit transactions, and performing independent risk monitoring and limit management. The Risk Management Department analyses and monitors credit risk from different perspectives, including the level of individual customers and the group level. The Group assesses the key credit risk exposure under both normal and stress scenarios, and manages credit risk by establishing and monitoring loan exposure/credit limits and internal credit ratings.

Should borrowers and counterparties fail to fulfill their obligations, the Group would take immediate action to eliminate losses. Detailed procedures for recovery of losses are set forth in each business department's operational manual. Where losses are unlikely to be recovered and provisions for impairment of expected losses are required pursuant to relevant accounting standards, such provisions for impairment would be set out in the financial statements of the Group.

## Management Discussion and Analysis

### Market Risk

The Group is exposed to market risk, which refers to the risk on the changes of fair value or future cash flows of a financial instrument due to market price fluctuations. Market risk is originated from open positions in interest rate, currency and equity products, all of which are exposed to the volatility of general and specific market movements such as interest rates, foreign exchange rates and equity prices.

In response to this risk, the ALCO shall give recommendations on the risk appetite and tolerance to the Risk Committee, and oversee the balance sheet management and investment. The Risk Management Department is responsible for day-to-day identification, measurement, monitoring, control the overall market risk, and report back to the Risk Committee on a regular basis. The Group has established policies and procedures for monitoring and controlling the pricing risk which is originated from the ordinary and usual course of business. Stress tests are conducted on a regular and case by case basis.

### Operational Risk

Operational risk refers to losses resulting from inadequate or ineffective internal processes, personnels and systems, or from other events. Since operational risk is embodied in every activities within the Group, the Group relies on all employees to create an effective internal control environment and manage operational risk within their respective roles. Operational risk must be managed by all employees as part of our day-to-day activities.

The Risk Management Committee is the primary body to oversee the corporate operational risk, while the operational risk working group (“OPWG”) is responsible for all operational risk issues. At the corporate level, OPWG serves as a cross-departmental team for identification, assessment, monitoring, controlling and reporting of operational risk. The Risk Management Department reports to the Risk Committee on key findings, including those from OPWG.

### Liquidity Risk

The Group considers that liquidity risk is originated from the Company’s inability to meet contractual or contingent financial obligations when they fall due. Such risk also involves all operations and activities. Hence, ALCO is designated to oversee liquidity risk and the Risk Management Department, Finance Department and Treasury Department are designated to perform daily monitoring and control of liquidity position.

The primary objective of risk management is to ensure that the Group can meet all contractual and contingent financial obligations. The Group has asset and liability management measures in place in managing its liquidity through its diversified sources of funding (both short-term and long-term), such as bank loans, perpetual securities issuance, rights issue, placement, and medium term note program, etc. The Group’s licensed subsidiaries are subject to specific statutory liquidity requirements as prescribed in the Securities and Futures (Financial Resources) Rules (Cap.571N of the Laws of Hong Kong). The Group has put in place a monitoring system to ensure that it maintains sufficient liquidity to fund its financial obligations. As a safeguard measure, the Group has also maintained stand-by banking facilities to meet any emergent operational needs.

### Legal and Compliance Risks

Legal risk includes the financial and reputational impacts on the Company which is originated from (1) defective contracts, documents or deal structures which may lead to contractual or legal claims against the Group; (2) the inability or failure to manage litigation or other dispute proceedings effectively; and (3) legal consequences of compliance risk. This risk can also be caused by change of laws.

Compliance risk refers to the risk of impairment of our integrity. It is originated from failure to comply with our values and compliance risk-related laws, regulations and standards relating to specific financial services provided by the business units, which may damage our reputation and lead to legal or regulatory sanctions and/or financial losses.

The Group manages legal and compliance risks through a comprehensive set of control systems and procedures to deal with external and internal risks. Business and operational departments are responsible for proactive identification and management of legal and compliance risks within the Group. Legal Department and Compliance Department are responsible for setting policies and procedures for the Company and providing independent supervision on and guidance to business departments. The Risk Committee is the primary body to oversee the legal and compliance risks, while Legal Department and Compliance Departments prepare reports on key risks regularly for the Risk Committee's and the Board's review.

### Concentration Risk

Concentrations can arise with respect to specific exposures, industries, countries, geographic regions, products, asset classes, and any other category that within the Group's definition of concentration risk (such as tenor, currency, funding source, market infrastructure or issuer). The Group has multiple business lines including brokerage, margin financing, financial products, corporate finance, asset management, and sales and trading.

The Risk Management Department monitors the key and relevant concentration risk regularly and reports the material ones to the Risk Committee. Risk appetite and tolerance are set for relevant and material concentrations and concentration risk is identified, measured, monitored and controlled continuously and effectively.

### Strategic Risk

Strategic risk refers to factors which may affect the development direction, corporate culture, competitiveness or corporate efficiency of an enterprise as a whole. Such risk is embedded in every operating unit while other key types of risk may also affect strategic risk. We manage strategic risk by the following principles: (1) proactively consider strategic risk during the strategic planning process; (2) set strategies within the context of our overall risk appetite; and (3) monitor the performance of our strategic plan and analyse the yearly progress.

Our strategic plan, capital plan, financial operating plan and risk appetite are reviewed and approved annually by the Board. Major strategic actions, such as capital activities, material acquisitions and disposals must be reviewed and approved by the Executive Committee (which comprises the executive Directors) and the Board.

## Management Discussion and Analysis

### Reputational Risk

Reputational risk refers to negative public opinions or comments in relation to the Company's operations, management and other behaviors or external events, which cause/may cause damage of, and adverse impact on, the Company's reputation and brand image ultimately.

The Group will continue to proactively optimize its policies, systems and process of reputational risk management by adhering to the principles of comprehensiveness, transparency, prospective and effectiveness. By inclusion of reputational risk management into its comprehensive risk management system, the Company ensures preventive approach and contingency plan of reputational risk are in place. The Company applies accurate identification, prudent assessment, dynamic monitoring, promptly response and total control on reputational risk in terms of management and operations, with an aim to prevent any incidents that may affect the reputation of the Company.

### Unknown Risk

Unknown risk refers to a situation where we are unable to identify or not even aware of certain risks which we are exposed to. Such risks are generally referred to as "unknown unknowns" and the Company requires to continuously review and examine its risk identification and assessment ability, and cultivate a robust risk culture (i.e. managing risk is everyone's duties) and encourage discussions and recommendations on risk management.

# Other Information

## Interim Dividend

The Board has declared an interim dividend of HK\$0.033 per Share for the six months ended 30 June 2018 (the "Interim Dividend") to the shareholders whose names appear on the register of members of the Company on 7 September 2018. The Interim Dividend will be payable on 26 September 2018.

## Closure of Register of Members

The register of members of the Company will be closed from Thursday, 6 September 2018 to Friday, 7 September 2018 (both days inclusive) for ascertaining shareholders' entitlement to the Interim Dividend, during which period no transfer of Shares will be registered. In order to qualify for the Interim Dividend, all duly completed transfer documents, accompanied by the relevant Share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, No.183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 5 September 2018.

## Directors' and Chief Executives' Interests in the Shares and Underlying Shares of the Company or Any Associated Corporations

As at 30 June 2018, the interests and short positions of the directors of the Company (the "Director(s)") and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) ("SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long position in the Shares and underlying shares of the Company

Name of Director	Capacity	Number of Shares	Number of awarded Shares <sup>(Note 1)</sup>	Number of underlying shares in relation to share options	Total	Percentage of Shares in issue <sup>(Note 2)</sup>
YIM Fung	Personal interest	64,979,955	3,638,000	800,000	69,417,955	0.90
WONG Tung Ching	Personal interest	8,598,564	3,811,000	800,000	13,209,564	0.17
QI Haiying	Personal interest	1,612,000	2,962,000	9,800,000	14,374,000	0.19
LI Guangjie	Personal interest	7,351,970	2,131,000	800,000	10,282,970	0.13
FU Tingmei	Personal interest	1,512,096	—	—	1,512,096	0.02
SONG Ming	Personal interest	1,512,096	—	—	1,512,096	0.02
TSANG Yiu Keung	Personal interest	1,512,096	—	—	1,512,096	0.02

## Other Information

### Notes:

1. The awarded Shares were unvested and held by the trustee of the Share Award Scheme. Details are set out in paragraph headed "Share Award Scheme" under this section and note 25 to the Interim Financial Information.
2. The percentage was calculated based on 7,715,373,090 Shares in issue on 30 June 2018.

Save as disclosed above, as at 30 June 2018, none of the Directors or chief executives of the Company had any interests or short positions in Shares, underlying shares or debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## Share-based Compensation Scheme

The Company operates two equity-settled share-based compensation schemes including a share option scheme (the "Share Option Scheme") and a share award scheme (the "Share Award Scheme"). Details of which are set out in the paragraphs below.

### Share Option Scheme

The Company adopted the Share Option Scheme on 19 June 2010. The purpose of the Share Option Scheme is to provide the people working for the interests of the Group with an opportunity to obtain equity interest in the Company, thus linking their interests with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

The participants of the Share Option Scheme are the directors (whether executive or non-executive and whether independent or not) and employees of the Group who, in the absolute opinion of the Board, have contributed to the Company or the Group.

The total number of Shares that may be issued upon exercise of all share options granted and to be granted must not in aggregate exceed 10% of the Shares in issue at the date of adoption of the Share Option Scheme (i.e. 164,000,000 Shares). As at the date of this interim report, the total number of Shares available for issue (including share options lapsed) under the Share Option Scheme was 13,383,393, representing approximately 0.17% of the Shares in issue.

The maximum number of Shares issued and to be issued upon exercise of share options granted and to be granted (including both exercised, cancelled and outstanding options) pursuant to the Share Option Scheme and any other share option schemes to: (A) each participant in the 12-month period up to and including the date of grant, shall not exceed 1% of the total number of Shares in issue; and (B) a participant who is a substantial shareholder or an independent non-executive Director, or any of their respective associates in the 12-month period up to and including the date of grant (i) representing in aggregate shall not exceed 0.1% of the total number of Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of each grant, shall not in excess of HK\$5,000,000. Any further grant of share options in excess of the above limits is subject to shareholders' approval in general meeting.

The exercise period of share option granted under the Share Option Scheme is determined by the Board at its absolute discretion, and shall expire no later than the 10th anniversary of date on which the share option is granted.

There is neither any minimum period for which a share option must be held, nor any performance target which required to be achieved before the share option can be exercised unless otherwise determined by the Board and specified at the time of the offer.

The consideration for the acceptance of the grant shall be remitted in favour of the Company within 28 days from the date of offer or other period as may be determined by the Board.

The exercise price of share options is determined by the Board in its absolute discretion, and shall be at least the higher of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of offer; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five consecutive days on which Shares are traded on the Stock Exchange immediately preceding the date of offer.

The Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption (i.e. 18 June 2020) unless otherwise terminated in accordance with the terms stipulated therein.

Movements of the share options under the Share Option Scheme for the six months ended 30 June 2018 are set out as follows:

Name of participants	Number of share options					At 30 June 2018	Exercise price (HK\$)	Date of grant <sup>(Note 2)</sup>	Exercise period <sup>(Note 2)</sup>
	At 1 January 2018	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
<b>Directors</b>									
YIM Fung	800,000	—	—	—	—	800,000	2.440	13/07/2017	13/07/2018–12/07/2027
WONG Tung Ching	800,000	—	—	—	—	800,000	2.440	13/07/2017	13/07/2018–12/07/2027
QI Haiying	9,000,000 <sup>(Note 1)</sup>	—	—	—	—	9,000,000	4.854 <sup>(Note 1)</sup>	11/06/2015	11/06/2016–10/06/2025
	800,000	—	—	—	—	800,000	2.440	13/07/2017	13/07/2018–12/07/2027
LI Guangjie	800,000	—	—	—	—	800,000	2.440	13/07/2017	13/07/2018–12/07/2027
	<b>12,200,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>12,200,000</b>			
<b>Employees</b>									
	6,920,960 <sup>(Note 1)</sup>	—	(3,024,192)	—	—	3,896,768	0.827 <sup>(Note 1)</sup>	24/04/2012	10/06/2012–09/06/2021
<b>(in aggregate)</b>	40,465,948 <sup>(Note 1)</sup>	—	(6,668,413)	—	—	33,797,535	1.264 <sup>(Note 1)</sup>	10/01/2014	10/01/2015–09/01/2024
	4,500,000 <sup>(Note 1)</sup>	—	—	—	(4,500,000)	—	4.854 <sup>(Note 1)</sup>	11/06/2015	11/06/2016–10/06/2025
	6,800,000	—	—	—	(400,000)	6,400,000	2.440	13/07/2017	13/07/2018–12/07/2027
	<b>58,686,908</b>	<b>—</b>	<b>(9,692,605)</b>	<b>—</b>	<b>(4,900,000)</b>	<b>44,094,303</b>			
<b>Total</b>	<b>70,886,908</b>	<b>—</b>	<b>(9,692,605)</b>	<b>—</b>	<b>(4,900,000)</b>	<b>56,294,303</b>			

Details of the weighted average closing price of the Shares immediately before the dates on which the share options were exercised during the period are set out in note 24 of the Interim Financial Information.

## Other Information

### Notes:

1. The number of outstanding share options and the exercise price may be subject to adjustment in case of reorganization of the capital structure of the Company. Pursuant to the announcements dated 29 September 2014 and 9 July 2015, the Company adjusted respectively the number of outstanding share options and the exercise price with reference to the terms of the Share Option Scheme and the supplementary guidance attached to the letter of the Stock Exchange relating to share option scheme dated 5 September 2005.
2. In respect of the share options granted on 24 April 2012, one-third of the share options shall be vested evenly on 10 June 2012, 10 June 2013 and 10 June 2014 and exercisable until 9 June 2021.

In respect of the share options granted on 10 January 2014, one-third of the share options shall be vested evenly on 10 January 2015, 10 January 2016 and 10 January 2017 and exercisable until 9 January 2024.

In respect of the share options granted on 11 June 2015, one-third of the share options shall be vested evenly on 11 June 2016, 11 June 2017 and 11 June 2018 and exercisable until 10 June 2025.

In respect of the share options granted on 13 July 2017, one-third of the share options shall be vested evenly on 13 July 2018, 13 July 2019 and 13 July 2020 and exercisable until 12 July 2027.

### Share Award Scheme

The Company adopted the Share Award Scheme on 27 October 2011 (as amended on 30 October 2014 and 25 November 2015 subsequently) and shall be valid until 26 October 2021 unless otherwise terminated by the Board.

The purposes of the Share Award Scheme are (i) to recognize the contributions by certain employees and directors of any member of the Group and to give incentives thereto in order to retain them for the continuing operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

The maximum number of Shares which can be awarded under the Share Award Scheme is 10% of the Shares in issue as at the adoption date (i.e. 164,000,000 Shares), and the maximum number of the Shares which may be awarded to a grantee in the 12-month period up to and including the date of award shall not in aggregate exceed 1% of the Shares in issue on the adoption date (i.e. 16,400,000 Shares).

When a grantee has satisfied all vesting conditions, which might include performance, operating and financial targets and other criteria, determined by the Board at the time of making the award and become entitled to the Shares forming the subject of the award, the trustee shall then transfer respective awarded Shares to that employee or director at no cost.

No payment to purchase Shares shall be made, and no instruction to acquire Shares shall be given, to the trustee of the Share Award Scheme where any Director is in possession of inside information in relation to the Company or where dealing in securities by Directors are prohibited under any codes or rules and applicable laws from time to time.

Before the Shares are transferred to the grantee, the voting rights and powers of any Shares held by the trust shall be exercised by the trustee who shall abstain from voting.

As of 30 June 2018, the Company had awarded in aggregate of 126,619,000 Shares since 27 October 2011, representing 77.2% of the limit of the Share Award Scheme.

During the period, 34,804,000 Shares were awarded and 1,831,000 Shares were lapsed and 447,000 Shares were vested. As at 30 June 2018, 56,619,000 Shares were unvested. Details of the Share Award Scheme are set out in notes 25 and 26 to the Interim Financial Information.

Save as disclosed above, for the six months ended 30 June 2018, none of the Company or any of its subsidiaries was a party to any arrangement to enable Directors to acquire benefits by means of acquisition of Shares in, or debt securities (including debentures) of, the Company or its associated corporations and none of the Directors, their spouses or children under the age of 18 had any rights to subscribe for equity or debt securities of the Company or its associated corporations, or had exercised any such rights.

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

So far as is known to any Director or chief executives of the Company, as at 30 June 2018, the following persons (not being a Director) who had interests or short positions in the Shares or underlying shares of the Company which had been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity	Number of Shares (Long positions)	Percentage of Shares in issue <sup>(Note 2)</sup>
Guotai Junan Holdings Limited	Beneficial owner	4,706,091,800	61.00
Guotai Junan Financial Holdings Limited <sup>(Note 1)</sup>	Interested in controlled corporation	4,706,091,800	61.00
Guotai Junan Securities Co., Ltd. <sup>(Note 1)</sup>	Interested in controlled corporation	4,706,091,800	61.00

Notes:

- Guotai Junan Holdings Limited is a wholly-owned subsidiary of Guotai Junan Financial Holdings Limited, which in turn is a wholly-owned subsidiary of Guotai Junan Securities Co., Ltd and accordingly, Guotai Junan Financial Holdings Limited and Guotai Junan Securities Co., Ltd. are deemed to be interested in these 4,706,091,800 Shares.
- The percentage was calculated based on 7,715,373,090 Shares in issue on 30 June 2018.

## Other Information

Save as disclosed above, as at 30 June 2018, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying shares of the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### Disclosure Pursuant to Rule 13.21 of the Listing Rules

On 21 August 2017, the Company (as guarantor) and Guotai Junan (Hong Kong) Limited, a wholly-owned subsidiary of the Company (as borrower), entered into a facility agreement with a group of financial institutions (as lenders) (the "Lenders") in respect of a HK\$/US\$ dual currency revolving loan facility in an aggregate amount equal to HK\$8,000 million (the "Loan") for a term of 3 years (the "Facility Agreement"). Under the Facility Agreement, it will be an event of default if Guotai Junan Securities Co., Ltd., the controlling shareholder of the Company, is not, or ceases (directly or indirectly) to be the single largest legal and beneficial holder of Shares or does not, or cease to, control the Company. In case of an event of default occurred, the Lenders may, by notice to borrower: (i) cancel all or part of the Loan; and/or (ii) declare all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement be immediately due and payable; and/or (iii) declare that all or part of the Loan become payable on demand.

### Compliance with the Corporate Governance Code

The Company has adopted all principles and code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "Corporate Governance Code") as its own code of corporate governance. Save as disclosed below, the Company has complied with all code provisions as set out in the Corporate Governance Code throughout the period from 1 January 2018 to 30 June 2018.

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, whereas the roles of chairman and chief executive officer of the Company are performed by Dr. YIM Fung. The Directors believe that Dr. YIM can provide with strong and consistent leadership in the development and execution of the Group's business strategies which is beneficial to the Group.

### Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in the Appendix 10 of the Listing Rules regarding securities transactions by its Directors. On specific enquiries made by the Company, all Directors confirmed that they have fully complied with the required standard set out in the Model Code throughout the period from 1 January 2018 to 30 June 2018.

### Purchase, Sale or Redemption of the Company’s Securities

On 24 May 2018, the Company had accepted all the subordinate perpetual securities (the “Securities”) valid tenders for purchase of an aggregate principal amount of US\$255,000,000, the price payable per US\$1,000 principal amount of the Securities equals to US\$1,000 together with accrued distribution payments. As at the date of this report, an aggregate principal amount of US\$45,000,000 of the Securities is outstanding.

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2018 other than acting as an agent for the trustee of the Company’s Share Award Scheme.

### Change of Information of Directors

Dr. YIM Fung was appointed as a member of HKTDC Mainland Business Advisory Committee and a deputy director of International Strategic Committee of Securities Association of China on 1 April 2018 and 4 April 2018 respectively.

Professor CHAN Ka Keung Ceajer was appointed as an independent non-executive director of the Company on 22 August 2018.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### Remuneration Committee

The Remuneration Committee was established on 19 June 2010 and currently comprises three independent non-executive Directors, namely Dr. Fu Tingmei (Chairman), Dr. Song Ming and Mr. Tsang Yiu Keung; and one non-executive Director, namely Dr. XIE Lebin. The primary responsibilities of Remuneration Committee are, among other things, setting remuneration policy of the Group and making recommendation to the Board on remuneration packages of all Directors and senior management.

## Other Information

### Audit Committee

The Audit Committee was established on 19 June 2010 and currently comprises three independent non-executive Directors, namely Mr. Tsang Yiu Keung (Chairman), Dr. Song Ming and Dr. Fu Tingmei. The chairman of Audit Committee has professional accounting qualification.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including review of the unaudited consolidated interim financial information for the six months ended 30 June 2018 and this interim report. The Group's external auditor has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### Nomination Committee

The Nomination Committee was established on 19 June 2010 and currently comprises two independent non-executive Directors, namely Dr. SONG Ming (Chairman) and Mr. TSANG Yiu Keung; and one executive Director, namely Dr. YIM Fung. The primary responsibilities of Nomination Committee are, amongst other things, to make recommendations to the Board on appointment of Directors and its succession planning.

### Risk Committee

The Risk Committee was established on 17 June 2016 and currently comprises two executive Directors, namely Dr. YIM Fung (Chairman) and Ms. QI Haiying; one non-executive Director, namely Mr. LIU Yiyong; and three independent non-executive Directors, namely Dr. Fu Tingmei, Dr. Song Ming and Mr. Tsang Yiu Keung. The primary responsibilities of Risk Committee are, among other things, to supervise and manage the overall risk appetite and tolerance and risk management framework of the Group.

By order of the Board

**YIM Fung**

*Chairman*

Hong Kong, 22 August 2018

# FINANCIAL STATEMENTS

財務報告



# Report on Review of Interim Financial Information

## 中期財務資料審閱報告



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TO THE BOARD OF DIRECTORS OF  
GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED  
(Incorporated in Hong Kong with limited liability)

### Introduction

We have reviewed the interim financial information set out on pages 48 to 116, which comprises the condensed consolidated statement of financial position of Guotai Junan International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致國泰君安國際控股有限公司董事會

(於香港註冊成立的有限公司)

### 引言

我們已審閱載於第48至116頁的中期財務資料，當中包括國泰君安國際控股有限公司（「貴公司」）及其附屬公司（以下合稱「貴集團」）於二零一八年六月三十日的簡明綜合財務狀況表與截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表以及其他解釋附註。根據香港聯合交易所有限公司主板證券上市規則規定，中期財務資料的報告須遵照上市規則內相關條文以及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）編製。

貴公司董事須負責根據香港會計準則第34號編製及呈列本中期財務資料。我們的責任是根據我們的審閱對本中期財務資料作出總結。我們的報告按照我們雙方所協定的聘任條款，僅向董事會（作為一個整體）作出報告，而概不作其他用途。我們概不會就本報告的內容向任何其他人士負責或承擔責任。

## Report on Review of Interim Financial Information 中期財務資料審閱報告

### Scope of Review

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

*Certified Public Accountants*  
Hong Kong

22 August 2018

### 審閱範圍

我們按照香港會計師公會頒佈的香港審閱工作準則第2410號「實體獨立核數師對中期財務資料之審閱」的規定執行審閱工作。審閱中期財務資料包括對負責財務會計事項的主要人員進行查詢，及實施分析性及其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核的範圍，故我們不能保證會知悉在審核中可能發現的所有重大事項。因此，我們不會發表審核意見。

### 結論

根據我們的審閱，我們沒有注意到有任何事項，令我們相信中期財務資料在所有重大方面未有按照香港會計準則第34號編製。

執業會計師  
香港

二零一八年八月二十二日

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 簡明綜合損益及其他全面收益表

		For the six months ended 30 June 截至六月三十日止六個月		
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元	
		Notes 附註		
Revenue	收入	4	1,678,215	1,559,958
Other income	其他收入		1,100	1,149
Revenue and other income	收入及其他收入		1,679,315	1,561,107
Staff costs	員工成本	5	(286,315)	(338,102)
Commission to account executives	客戶主任佣金		(40,510)	(27,832)
Depreciation	折舊		(18,363)	(19,674)
Other operating expenses	其他經營開支		(368,796)	(141,701)
Operating profit	經營溢利		965,331	1,033,798
Finance costs	融資成本	6	(328,345)	(162,568)
Profit before tax	除稅前溢利	7	636,986	871,230
Income tax expense	所得稅開支	8	(95,295)	(145,178)
<b>Profit for the period</b>	<b>期內溢利</b>		<b>541,691</b>	726,052
<b>Other comprehensive income for the period, net of tax</b>	<b>期內其他全面收益，扣除稅項</b>			
– Exchange difference on translation of foreign exchange	– 外匯匯兌差額		713	(1,140)
<b>Total comprehensive income for the period</b>	<b>期內全面收益總額</b>		<b>542,404</b>	724,912

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 簡明綜合損益及其他全面收益表

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
		Notes 附註	
<b>Profit for the period attributable to:</b> <b>應佔期內溢利：</b>			
Owners of the parent	母公司擁有人		725,952
– Holders of ordinary shares	– 普通股持有人		673,507
– Holders of other equity instrument	– 其他權益工具持有人		52,445
Non-controlling interests	非控股權益		100
			<b>541,691</b>
<b>Total comprehensive income for the period attributable to:</b> <b>應佔期內全面收益總額：</b>			
Owners of the parent	母公司擁有人		724,812
– Holders of ordinary shares	– 普通股持有人		672,367
– Holders of other equity instrument	– 其他權益工具持有人		52,445
Non-controlling interests	非控股權益		100
			<b>542,404</b>
<b>Earnings per share attributable to ordinary equity holders of the parent</b> <b>母公司普通股股東應佔每股盈利</b>			
– Basic (in HK cents)	– 基本(以港仙計)	10(a)	9.74
– Diluted (in HK cents)	– 攤薄(以港仙計)	10(b)	9.67

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

			As at 30 June 2018 於二零一八年 六月三十日	As at 31 December 2017 於二零一七年 十二月三十一日
		Notes 附註	Unaudited 未經審核 HK\$'000 千港元	Audited 經審核 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備		464,074	480,006
Intangible assets	無形資產		2,823	2,823
Deferred tax assets	遞延稅項資產		79,682	50,745
Other assets	其他資產		5,759	13,174
Loans and advances to customers	給予客戶的貸款及墊款	11	2,338,820	29,918
<b>Total non-current assets</b>	<b>非流動資產總額</b>		<b>2,891,158</b>	576,666
<b>Current assets</b>	<b>流動資產</b>			
Loans and advances to customers	給予客戶的貸款及墊款	11	10,637,844	15,553,655
Receivable from reverse repurchase agreements	反向回購協議應收款項	16	2,755,803	1,513,177
Accounts receivable	應收款項	13	5,639,792	4,347,402
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		422,424	120,252
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	14	41,618,544	37,170,762
– Financial assets held for trading and investments	– 持作買賣及投資的金融資產		11,421,618	8,924,271
– Financial products	– 金融產品		30,196,926	28,246,491
Derivative financial instruments	衍生金融工具	15	62,066	110,461
Tax recoverable	可收回稅項		6,786	7,495
Client trust bank balances	客戶信託銀行結餘		15,209,739	12,348,012
Cash and cash equivalents	現金及現金等價物		2,467,498	2,212,502
<b>Total current assets</b>	<b>流動資產總額</b>		<b>78,820,496</b>	73,383,718
<b>Current liabilities</b>	<b>流動負債</b>			
Accounts payable	應付款項	17	(19,478,477)	(16,952,250)
Other payables and accrued liabilities	其他應付款項及應計負債		(191,445)	(473,094)
Derivative financial instruments	衍生金融工具	15	(15,388)	(27,722)
Bank borrowings	銀行借款	18	(9,763,433)	(13,781,721)
Debt securities in issue	已發行債務證券	19	(24,266,846)	(16,363,891)
– At amortised cost	– 按攤銷成本		(9,783,925)	(5,885,015)
– Designated at fair value through profit or loss	– 指定按公平值計入損益		(14,482,921)	(10,478,876)
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債	20	(8,383,716)	(9,008,776)
Obligations under repurchase agreements	回購協議的債項	21	(7,912,196)	(6,244,957)
Tax payable	應付稅項		(211,095)	(94,899)
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>(70,222,596)</b>	(62,947,310)
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>8,597,900</b>	10,436,408
<b>Total assets less current liabilities</b>	<b>資產總額減流動負債</b>		<b>11,489,058</b>	11,013,074

## Condensed Consolidated Statement of Financial Position

### 簡明綜合財務狀況表

		Notes 附註	As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債		(28,975)	(21,648)
			(28,975)	(21,648)
<b>Net assets</b>	<b>資產淨值</b>		<b>11,460,083</b>	10,991,426
<b>Equity</b>	<b>權益</b>			
Share capital	股本	23	8,125,489	6,118,060
Other reserve	其他儲備		(1,236,460)	(1,236,460)
Currency translation reserve	貨幣換算儲備		(236)	(949)
Share-based compensation reserve	以股份為基礎補償儲備		84,178	64,973
– Share option reserve	– 購股權儲備	24	34,316	40,769
– Share award reserve	– 股份獎勵儲備	25	49,862	24,204
Shares held under the share award scheme	按股份獎勵計劃持有的股份	26	(202,619)	(181,281)
Retained profits	保留溢利		4,009,921	3,843,743
Equity attributable to holders of the ordinary shares	普通股股東應佔權益		<b>10,780,273</b>	8,608,086
Equity attributable to holders of other equity instrument	其他權益工具持有人應佔權益	22	<b>350,788</b>	2,346,794
Equity attributable to owners of the parent	母公司擁有人應佔權益		<b>11,131,061</b>	10,954,880
Non-controlling interests	非控股權益		<b>329,022</b>	36,546
<b>Total equity</b>	<b>權益總額</b>		<b>11,460,083</b>	10,991,426

Dr. YIM Fung  
閻峰博士  
Director  
董事

Mr. LI Guangjie  
李光杰先生  
Director  
董事

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

Equity attributable to owners of the parent  
母公司擁有人應佔權益

		Share capital	Other reserve	Currency translation reserve	Share option reserve	Share award reserve	Shares held under	Retained profits	Other equity instrument	Total	Non-controlling interests	Total equity
							the share award scheme					
		股本	其他儲備	貨幣換算儲備	購股權儲備	股份獎勵儲備	股份獎勵計劃項下持有的股份	保留溢利	其他權益工具	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Unaudited	未經審核											
Balance at 1 January 2018	於二零一八年一月一日的結餘	6,118,060	(1,236,460)	(949)	40,769	24,204	(181,281)	3,843,743	2,346,794	10,954,880	36,546	10,991,426
Total comprehensive income for the period	期內全面收益總額	—	—	713	—	—	—	506,841	43,879	551,433	(9,029)	542,404
Shares issued upon placement of shares (Note 23)	配售股份而發行的股份(附註23)	1,992,848	—	—	—	—	—	—	—	1,992,848	—	1,992,848
Capital contribution from minority interests	少數股東權益注資	—	—	—	—	—	—	—	—	—	301,505	301,505
Recognition of equity-settled share-based payments (Note 5)	確認為以權益計算以股份為基礎的付款(附註5)	—	—	—	1,677	26,752	—	—	—	28,429	—	28,429
Purchase of shares held under the share award scheme (Note 26)	購買股份獎勵計劃項下持有的股份(附註26)	—	—	—	—	—	(23,588)	—	—	(23,588)	—	(23,588)
Vesting of shares for the share award scheme (Notes 25 and 26)	股份獎勵計劃歸屬股份(附註25及26)	—	—	—	—	(1,094)	2,250	(1,182)	—	(26)	—	(26)
Shares issued upon exercise of share options under the share option scheme (Note 24)	購股權計劃項下行使購股權而發行的股份(附註24)	14,581	—	—	(3,651)	—	—	—	—	10,930	—	10,930
Transfer of share option reserve upon the forfeiture of share options	購股權失效而轉讓購股權儲備	—	—	—	(4,479)	—	—	4,479	—	—	—	—
Perpetual securities distribution	永續證券分派	—	—	—	—	—	—	—	(58,790)	(58,790)	—	(58,790)
Perpetual securities redemption	永續證券贖回	—	—	—	—	—	—	—	(1,981,095)	(1,981,095)	—	(1,981,095)
Final dividend for 2017 (Note 9)	支付二零一七年年末股息(附註9)	—	—	—	—	—	—	(343,960)	—	(343,960)	—	(343,960)
Balance at 30 June 2018	於二零一八年六月三十日的結餘	8,125,489	(1,236,460)	(236)	34,316	49,862	(202,619)	4,009,921	350,788	11,131,061	329,022	11,460,083

## Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

Equity attributable to owners of the parent  
母公司擁有人應佔權益

		Share capital	Other reserve	Currency translation reserve	Share option reserve	Share award reserve	Shares held	Retained profits	Other equity instrument	Total	Non-controlling interests	Total equity
							under the share award scheme					
		股本	其他儲備	貨幣換算儲備	購股權儲備	股份獎勵儲備	股份獎勵計劃項下持有的股份	保留溢利	其他權益工具	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Unaudited	未經審核											
Balance at 1 January 2017	於二零一七年一月一日的結餘	6,054,025	(1,236,460)	599	48,266	40,636	(214,323)	3,482,455	2,346,685	10,521,883	11,951	10,533,834
HKFRS 9 adjustment on retained earnings	根據香港財務報告準則第9號對保留溢利作出調整	—	—	—	—	—	—	(263,787)	—	(263,787)	—	(263,787)
Total comprehensive income for the period	期內全面收益總額	—	—	(1,140)	—	—	—	673,507	52,445	724,812	100	724,912
Capital contribution from minority interests	少數股東權益注資	—	—	—	—	—	—	—	—	—	1,561	1,561
Recognition of equity-settled share-based payments (Note 5)	確認為以權益計算以股份為基礎的付款(附註5)	—	—	—	3,149	32,787	—	—	—	35,936	—	35,936
Purchase of shares held under the share award scheme (Note 26)	購買股份獎勵計劃項下持有的股份(附註26)	—	—	—	—	—	(29,995)	—	—	(29,995)	—	(29,995)
Vesting of shares for the share award scheme (Notes 25 and 26)	股份獎勵計劃歸屬股份(附註25及26)	—	—	—	—	(6,301)	4,035	2,050	—	(216)	—	(216)
Shares issued upon exercise of share options under the share option scheme (Note 24)	購股權計劃項下行使購股權而發行的股份(附註24)	46,680	—	—	(10,702)	—	—	—	—	35,978	—	35,978
Perpetual securities distribution	永續證券分派	—	—	—	—	—	—	—	(52,375)	(52,375)	—	(52,375)
Final dividend for 2016 (Note 9)	支付二零一六年末期股息(附註9)	—	—	—	—	—	—	(311,380)	—	(311,380)	—	(311,380)
Balance at 30 June 2017	於二零一七年六月三十日的結餘	6,100,705	(1,236,460)	(541)	40,713	67,122	(240,283)	3,582,845	2,346,755	10,660,856	13,612	10,674,468

# Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
		Notes 附註	
<b>Net cash flows used in operating activities</b>	<b>經營活動所用現金流量淨額</b>	28	<b>(3,643,053)</b> (743,126)
<b>Cash flows from investing activities</b>	<b>投資活動現金流量</b>		
Purchases of property, plant and equipment	購買物業、廠房及設備		<b>(2,383)</b> (11,541)
Net cash flows used in investing activities	投資活動所用現金流量淨額		<b>(2,383)</b> (11,541)
<b>Cash flows from financing activities</b>	<b>融資活動現金流量</b>		
Dividend paid to shareholders	支付股東股息	9	<b>(343,986)</b> (311,596)
Capital contribution from minority interest holders	少數股東權益注資		<b>301,505</b> 1,561
Proceeds from issuance of debt securities	發行債務證券所得款項		<b>22,835,494</b> 6,384,056
Repayment of debt securities	償還債務證券		<b>(14,932,539)</b> (3,902,593)
Net payment of bank loans	銀行貸款付款淨額		<b>(4,018,288)</b> (1,578,583)
Redemption of perpetual securities	贖回永續證券	22	<b>(1,981,095)</b> —
Perpetual securities distribution	永續證券分派		<b>(58,790)</b> (52,375)
Proceeds from shares issued upon placement of shares	因配售股份而發行股份所得款項	23	<b>1,992,848</b> —
Net proceeds from the issuance of shares upon exercise of share options	因購股權獲行使而發行股份所得款項淨額	24	<b>10,930</b> 35,978
Purchase of shares held under the share award scheme	購買股份獎勵計劃項下持有的股份	26	<b>(23,588)</b> (29,995)
Net cash flows from financing activities	融資活動現金流量淨額		<b>3,782,491</b> 546,453
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物增加／(減少)淨額</b>		<b>137,055</b> (208,214)
Cash and cash equivalents at beginning of period (excluding time deposits with original maturity more than three month)	期初現金及現金等價物(不包括原到期日多於三個月的定期存款)		<b>2,108,512</b> 1,954,398
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		<b>665</b> (1,140)
Effect of impairment allowance on cash and cash equivalents, net	減值撥備對現金及現金等價物的影響淨額		<b>(21)</b> (11)
Cash and cash equivalents at end of period	期末現金及現金等價物		<b>2,246,211</b> 1,745,033

## Condensed Consolidated Statement of Cash Flows

### 簡明綜合現金流量表

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		Unaudited	Unaudited
		未經審核	未經審核
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
<b>Analysis of balances of cash and cash equivalents</b>	<b>現金及現金等價物的結餘分析</b>		
Cash and bank balances	現金及銀行結餘	1,826,211	1,658,033
Non-pledged time deposits with original maturity of less than three months when acquired	回收時原到期日不足三個月的未抵押定期存款	420,000	87,000
Cash and cash equivalents as stated in the statement of cash flow	現金流量表所列之現金及現金等價物	2,246,211	1,745,033
Non-pledged time deposits with original maturity more than three months when acquired	回收時原到期日超過三個月的未抵押定期存款	221,287	16,000
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列之現金及現金等價值物	2,467,498	1,761,033

# Notes to the Interim Financial Information

## 中期財務資料附註

### 1. General Information

Guotai Junan International Holdings Limited (the “Company”) was incorporated on 8 March 2010 in Hong Kong with limited liability under the Hong Kong Companies Ordinance (the “Companies Ordinance”) and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 July 2010. The registered office address of the Company is 27th Floor, Low Block, Grand Millennium Plaza, 181 Queen’s Road Central, Hong Kong. The Company is an investment holding company and its subsidiaries are principally engaged in brokerage, corporate finance, asset management, loans and financing, financial products, market making and investments.

The Company’s immediate holding company and ultimate holding company are Guotai Junan Holdings Limited (“GJHL”) incorporated in the British Virgin Islands and Guotai Junan Securities Company Limited (“Guotai Junan”) incorporated in the People’s Republic of China, respectively.

This unaudited interim financial information is presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated.

This unaudited interim financial information was approved by the Board of Directors (the “Board”) for issue on 22 August 2018.

### 1. 一般資料

國泰君安國際控股有限公司(「本公司」)為於二零一零年三月八日根據香港公司條例(「公司條例」)在香港註冊成立的有限公司，本公司的股份於二零一零年七月八日在香港聯合交易所有限公司(「聯交所」)主板上市。本公司註冊辦事處的地址為香港皇后大道中181號新紀元廣場低座27樓。本公司為投資控股公司，其附屬公司主要從事經紀、企業融資、資產管理、貸款及融資、金融產品、做市及投資業務。

本公司的直接控股公司及最終控股公司分別為於英屬處女群島註冊成立的國泰君安控股有限公司(「國泰君安控股」)及於中華人民共和國註冊成立的國泰君安證券股份有限公司(「國泰君安」)。

除非另有說明，未經審核中期財務資料乃以千港元(千港元)呈列。

未經審核中期財務資料於二零一八年八月二十二日由董事會(「董事會」)批准刊發。

## 2. Basis of Preparation and Changes in Accounting Policies

The unaudited interim financial information for the six months ended 30 June 2018 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The unaudited interim financial information should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the year ended 31 December 2017 that is included in the Interim Report 2018 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The accounting policies and basis of preparation applied in the preparation of the unaudited interim financial information and the use of certain critical accounting judgments and estimates are the same as those used in the audited consolidated financial statements for the year ended 31 December 2017 disclosed in the 2017 annual report of the Company, except for the adoption of new standards effective as of 1 January 2018. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## 2. 編製基準及會計政策變動

截至二零一八年六月三十日止六個月的未經審核中期財務資料乃根據香港會計師公會（「香港會計師公會」）頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」編製。未經審核中期財務資料應與本集團截至二零一七年十二月三十一日止年度經審核綜合財務報表（根據香港財務報告準則（「香港財務報告準則」）編製）一併閱讀。

二零一八年中報所載用作比較的截至二零一七年十二月三十一日止年度的財務資料並不構成本公司該年度的法定年度綜合財務報表，惟有關資料乃摘錄自該等財務報表。有關根據公司條例第436條須予披露的該等法定財務報表的進一步資料如下：

本公司已根據公司條例第662(3)條及附表6第3部規定，向公司註冊處處長呈交截至二零一七年十二月三十一日止年度的財務報表。

本公司核數師已就該等財務報表提交報告。該核數師報告並無保留意見；並無載有核數師在不就其報告出具保留意見的情況下，以強調的方式促請注意的任何事項；亦不載有根據公司條例第406(2)條、第407(2)或(3)條作出的陳述。

除由於採納於二零一八年一月一日生效的新準則外，編製未經審核中期財務資料所用會計政策及編製基準以及若干主要會計判斷及估計與本公司二零一七年年報所披露截至二零一七年十二月三十一日止年度經審核綜合財務報表所用者相同。本公司並無提早採納已頒佈惟尚未生效的任何其他準則、詮釋或修訂。

## Notes to the Interim Financial Information 中期財務資料附註

### 2. Basis of Preparation and Changes in Accounting Policies (continued)

Several amendments and interpretations apply for the first time in 2018, but do not have an impact on the unaudited interim financial information of the Group.

#### HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 supersedes HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company adopted HKFRS 15 using the modified retrospective approach. The Company has performed a detailed assessment on the impact of the adoption of HKFRS 15 and the standard did not have significant impact on the unaudited interim financial information of the Company.

### 2. 編製基準及會計政策變動 (續)

若干修訂及詮釋於二零一八年首次採用，但並無對本集團的未經審核中期財務資料產生影響。

#### 香港財務報告準則第15號客戶合約收入

香港財務報告準則第15號取代香港會計準則第11號*建築合約*、香港會計準則第18號*收入*及相關詮釋，且其應用於客戶合約產生的所有收入，除非該等合約屬於其他準則範圍。新準則確立一個五步模式，以來自客戶合約的收入入賬。根據香港財務報告準則第15號，收入按能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取的代價金額進行確認。該準則要求實體作出判斷，並計及將該模式的各步應用於其客戶合約時的所有相關事實及情況。該準則亦訂明將獲得合約的額外成本及與履行合約直接相關的成本入賬。

本公司以經修改追溯方式採用香港財務報告準則第15號。本公司已對採用香港財務報告準則第15號的影響進行詳盡評估，且該準則並無對本公司的未經審核中期財務資料產生重大影響。

## 2. Basis of Preparation and Changes in Accounting Policies (continued)

### HK(IFRIC) Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's unaudited interim financial information.

### Amendments to HKFRS 2 Classification and Measurement of Share-based Payment Transactions

The HKICPA issued amendments to HKFRS 2 *Share-based Payment* that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Company's accounting policy for cash-settled share based payments is consistent with the approach clarified in the amendments. In addition, the Company has no share-based payment transaction with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Company's unaudited interim financial information.

## 2. 編製基準及會計政策變動 (續)

### 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

該詮釋澄清，於終止確認預付代價相關的非貨幣性資產或非貨幣性負債的情況下，就釐定於初步確認有關資產、開支或收入(或其中部分)所用的即期匯率時，交易日期為實體初步確認預付代價而產生的非貨幣性資產或非貨幣性負債之日。倘出現多次提前收支付款，則實體須釐定每次支付或收取預付代價的交易日期。該詮釋並無對本公司的未經審核中期財務資料產生任何影響。

### 香港財務報告準則第2號(修訂本)以股份為基礎付款的交易的分類及計量

香港會計師公會頒佈的香港財務報告準則第2號以股份為基礎付款的修訂闡述了三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為滿足預扣稅義務而以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。於採用時，實體須在不重列以往期間的情況下應用該等修訂，惟倘實體選擇採納全部三項修訂並符合其他準則時，則可以追溯應用。本公司有關以現金結算以股份為基礎付款的會計政策與修訂所澄清的方法一致。此外，本公司並無為滿足預扣稅義務而進行以股份為基礎付款交易(附有淨額結算特質)，亦無對其以股份為基礎付款交易的條款及條件作出任何修改。因此，該等修訂並無對本公司的未經審核中期財務資料產生任何影響。

## Notes to the Interim Financial Information

### 中期財務資料附註

### 3. Operating Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's senior executive management and in accordance with HKFRSs. The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's operating segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other operating segments.

Details of each of the operating segments are as follows:

- (a) the brokerage segment engages in the provision of securities, futures and options and leveraged foreign exchange dealing and broking as well as insurance brokerage services to customers;
- (b) the corporate finance segment engages in the provision of advisory services, placing and underwriting services of debt and equity securities;
- (c) the asset management segment engages in asset management, including fund management and the provision of investment advisory services;
- (d) the loans and financing segment engages in the provision of margin financing and securities borrowing and lending to margin customers, initial public offering ("IPO") loans, other loans to customers and bank deposits;
- (e) the financial products, market making and investments segment represents fund and equity investments, structuring of financial products as well as trading and market making of debt securities, exchange traded funds and derivatives; and
- (f) the "others" segment mainly represents rental income and the provision of information channel services.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties.

### 3. 經營分部資料

經營分部報告的方式按照香港財務報告準則與向本集團高級行政管理人員提供的內部報告一致。本集團的經營業務乃按營運性質及所提供服務分開組織及管理。本集團旗下各經營分部均為提供服務的策略業務單位，其服務所承受風險及回報有別於其他經營分部。

有關各經營分部的詳情概述如下：

- (a) 經紀分部從事向客戶提供證券、期貨、期權及槓桿外匯買賣及經紀以及保險經紀業務；
- (b) 企業融資分部從事提供諮詢服務、債務及股本證券的配售及承銷服務；
- (c) 資產管理分部從事資產管理，包括基金管理以及提供投資諮詢服務；
- (d) 貸款及融資分部從事向客戶提供孖展融資及證券借貸、向客戶提供首次公開發售（「首次公開發售」）貸款、其他貸款及銀行存款；
- (e) 金融產品、做市及投資分部指基金及股本投資、結構性金融產品以及債務證券、交易所交易基金及衍生工具買賣及做市業務；及
- (f) 「其他」分部主要指租金收入及提供資訊渠道服務。

各分部之間的交易（如有）乃參照向第三方收取的價格而進行。

Notes to the Interim Financial Information  
中期財務資料附註

3. Operating Segment Information (continued)

The unaudited segment results of the Group for the six months ended 30 June 2018 are as follows:

3. 經營分部資料(續)

本集團截至二零一八年六月三十日止六個月的未經審核分部業績如下：

		Brokerage	Corporate finance	Asset management	Loans and financing	Financial products, market making and investments	Others	Total
		經紀	企業融資	資產管理	貸款及融資	金融產品、 做市及投資	其他	總計
		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
Segment revenue and other income:	分部收入及其他收入：							
Sales to external customers	銷售予對外客戶	271,437	335,355	10,561	716,824	344,038	1,100	1,679,315
Inter-segment sales	分部之間銷售	—	—	—	—	—	—	—
<b>Total</b>	<b>總計</b>	<b>271,437</b>	<b>335,355</b>	<b>10,561</b>	<b>716,824</b>	<b>344,038</b>	<b>1,100</b>	<b>1,679,315</b>
Segment results	分部業績	108,275	196,949	(8,803)	264,376	76,189	—	636,986
Income tax expense	所得稅開支							(95,295)
<b>Profit for the period</b>	<b>期內溢利</b>							<b>541,691</b>
Other segment information:	其他分部資料：							
Depreciation	折舊	3,773	4,968	903	6,712	2,007	—	18,363
Finance costs	融資成本	8,381	—	—	158,373	161,591	—	328,345

## Notes to the Interim Financial Information 中期財務資料附註

### 3. Operating Segment Information (continued)

The unaudited segment results of the Group for the six months ended 30 June 2017 are as follows:

		Brokerage	Corporate finance	Asset management	Loans and financing	Financial products, market making and investments	Others	Total
		經紀	企業融資	資產管理	貸款及融資	金融產品、 做市及投資	其他	總計
		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
Segment revenue and other income:	分部收入及其他收入：							
Sales to external customers	銷售予對外客戶	289,210	441,590	14,513	641,556	173,089	1,149	1,561,107
Inter-segment sales	分部之間銷售	—	—	—	—	—	—	—
<b>Total</b>	<b>總計</b>	<b>289,210</b>	<b>441,590</b>	<b>14,513</b>	<b>641,556</b>	<b>173,089</b>	<b>1,149</b>	<b>1,561,107</b>
Segment results	分部業績	155,158	244,533	(1,400)	352,545	120,394	—	871,230
Income tax expense	所得稅開支							(145,178)
<b>Profit for the period</b>	<b>期內溢利</b>							<b>726,052</b>
Other segment information:	其他分部資料：							
Depreciation	折舊	3,739	8,346	956	6,633	—	—	19,674
Finance costs	融資成本	15	—	—	127,533	35,020	—	162,568

### 3. 經營分部資料 (續)

本集團截至二零一七年六月三十日止六個月的未經審核分部業績如下：

Notes to the Interim Financial Information  
中期財務資料附註

4. Revenue

An analysis of revenue is as follows:

4. 收入

收入的分析如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
Brokerage:	經紀：		
Securities	證券	227,302	248,282
Futures and options	期貨及期權	13,688	13,812
Handling income	手續費收入	23,447	17,793
Leveraged foreign exchange	槓桿外匯	1,489	1,500
Insurance	保險	5,511	7,823
		<b>271,437</b>	289,210
Corporate finance:	企業融資：		
Placing, underwriting and sub-underwriting commission	配售、承銷及分承銷佣金		
– Debt securities	– 債務證券	258,439	147,579
– Equity securities	– 股本證券	59,875	231,963
Consultancy and financial advisory fee income	顧問及融資諮詢費收入	17,041	62,048
		<b>335,355</b>	441,590
Asset management:	資產管理：		
Management fee income	管理費收入	6,327	14,403
Performance fee income	表現費收入	4,234	110
		<b>10,561</b>	14,513
Loans and financing:	貸款及融資：		
Interest and handling income from margin loans	孖展貸款的利息及手續費收入	475,575	513,000
Interest and handling income from term loans	定期貸款的利息及手續費收入	71,525	35,308
Interest income from securities borrowing and lending	證券借貸利息收入	35,611	6,090
Interest income from reverse repurchase agreements	反向回購協議利息收入	11,082	1,419
Interest income from IPO loans	首次公開發售貸款利息收入	9,558	509
Interest income from banks and others	銀行及其他利息收入	113,473	85,230
		<b>716,824</b>	641,556

## Notes to the Interim Financial Information 中期財務資料附註

### 4. Revenue (continued)

### 4. 收入(續)

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
Financial products, market making and investments:	金融產品、做市及投資：		
Trading (loss)/gain on debt securities	債務證券交易(虧損)/收益		
– Listed securities	– 上市證券	(281,524)	41,110
– Unlisted securities	– 非上市證券	(12,645)	(464)
Interest income from debt securities	債務證券的利息收入		
– Listed securities	– 上市證券	230,775	101,161
– Unlisted securities	– 非上市證券	18,648	927
Trading gain on exchange traded funds	交易所交易基金交易收益	474	138
Trading loss on equity securities	股本證券交易虧損	(42,941)	(48,968)
Trading (loss)/gain on unconsolidated investment funds	非合併投資基金交易(虧損)/收益	(4,326)	6,656
Net gain on foreign exchange	外匯收益淨額	26,599	2,663
Net gain/(loss) on financial assets at fair value through profit or loss	按公平值計入損益的金融資產的收益/(虧損)淨額	16,407	(39,097)
Interest income from unlisted financial assets at fair value through profit or loss	按公平值計入損益的非上市金融資產的利息收入	2,127	1,540
Dividend income	股息收入	3,567	3,176
Net income on structured financial products	結構性金融產品收入淨額	386,877	104,247
		344,038	173,089
		1,678,215	1,559,958

Notes to the Interim Financial Information  
中期財務資料附註

5. Staff Costs

5. 員工成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
Staff costs (including directors' remuneration):	員工成本(包括董事酬金):		
Salaries, bonuses and allowances	薪金、花紅及津貼	253,821	298,449
Share-based compensation expenses	以股份為基礎補償開支		
– Share option scheme	– 購股權計劃	1,677	3,149
– Share award scheme	– 股份獎勵計劃	26,752	32,787
Pension scheme contributions	退休金計劃供款	4,065	3,717
		286,315	338,102

6. Finance Costs

6. 融資成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
Bank borrowings and overdrafts	銀行借貸及透支	148,870	137,389
Debt securities in issue	已發行債務證券	88,188	3,912
Securities borrowing and lending	證券借貸	1,621	68
Financial instruments at fair value through profit or loss	按公平值計入損益的金融工具		
– Listed debt securities held for trading	– 持作買賣的上市債務證券	38,624	8,635
Repurchase agreements	回購協議	45,137	7,451
Others	其他	5,905	5,113
		328,345	162,568

## Notes to the Interim Financial Information 中期財務資料附註

### 7. Profit before Tax

The Group's profit before tax is arrived at after charging/  
(crediting):

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
Professional and consultancy fees	專業及諮詢費	32,544	32,025
Information service expense	資訊服務開支	13,578	12,749
Repairs and maintenance (including system maintenance)	維修及維護(包括系統維護)	21,285	17,254
Marketing, advertising and promotion expenses	市場推廣、廣告及宣傳開支	2,917	3,723
Minimum lease payments under operating leases	經營租賃項下最低租金付款	2,682	2,525
Foreign exchange difference, net	外匯淨差額	46,101	(3,510)
Other commission expenses	其他佣金開支	9,522	19,872
Net impairment charge on loans and advances to customers	給予客戶貸款及墊款減值淨額	188,169	12,516
Net impairment charge on accounts receivable	應收款項減值淨額	6,947	1,512
Net reversal of impairment on other financial assets and loan commitments	撥回其他金融資產及貸款承擔的 減值淨額	(503)	(15,961)

### 8. Income Tax Expense

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
Current, Hong Kong	即期·香港		
– Charge for the period	– 期內開支	117,903	141,237
Deferred	遞延	(22,608)	3,941
Total tax charge for the period	期內稅項開支總額	95,295	145,178

### 7. 除稅前溢利

本集團的除稅前溢利乃經扣減/(計  
入)以下各項後得出：

### 8. 所得稅開支

## 8. Income Tax Expense (continued)

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

## 9. Proposed Interim/Final Dividend

The Board has declared an interim dividend of approximately HK\$252,241,000 or HK\$0.033 per ordinary share (2017: HK\$311,439,000 or HK\$0.045 per ordinary share) after the adjustment of excluding the dividend for the shares held under the share award scheme of the Company amounting to approximately HK\$2,366,000 (2017: HK\$3,280,000) for the six months ended 30 June 2018. The interim dividend proposed after the reporting date has not been recognised as a liability in the unaudited interim financial information at the end of the reporting period.

The Board recommended a final dividend of HK\$0.045 per ordinary share for the year ended 31 December 2017 on 16 March 2018 and paid the final dividend of approximately HK\$343,960,000 on 15 June 2018, as further adjusted to include the dividend for shares issued under the Company's general mandate and share option scheme approximately HK\$436,000 and the dividend for the shares held and vested shares under the share award scheme amounting to HK\$466,000 and HK\$15,000 respectively.

## 10. Earnings per Share Attributable to Ordinary Equity Holders of the Parent

The calculations of the basic and diluted earnings per share are based on:

### (a) Basic earnings per share

The calculation of basic earnings per share for the period ended 30 June 2018 is based on the profit attributable to ordinary equity holders of the parent of HK\$506,841,000 (2017: HK\$673,507,000) and the weighted average number of ordinary shares in issue less shares held under the Company's share award scheme of 7,525,941,000 (2017: 6,914,909,000) during the period.

## 8. 所得稅開支(續)

香港利得稅乃就期內在香港產生的估計應課稅溢利按稅率16.5% (二零一七年：16.5%)撥備。

## 9. 建議中期／末期股息

董事會已就截至二零一八年六月三十日止六個月宣派中期股息約252,241,000港元或每股普通股0.033港元(二零一七年：311,439,000港元或每股普通股0.045港元)，並已減除根據本公司股份獎勵計劃持有股份的股息金額約2,366,000港元(二零一七年：3,280,000港元)作為調整。報告日期後建議派發的中期股息尚未於報告期末在未經審核中期財務資料內確認為一項負債。

董事會於二零一八年三月十六日建議派發截至二零一七年十二月三十一日止年度末期股息每股普通股0.045港元，並於二零一八年六月十五日派付末期股息約343,960,000港元；而其中調整包括計入按本公司一般授權及購股權計劃增發股份之股息約436,000港元，以及根據股份獎勵計劃分別持有並歸屬股份之股息466,000港元及15,000港元。

## 10. 母公司普通股股東應佔每股盈利

每股基本及攤薄盈利乃基於下列方式計算：

### (a) 每股基本盈利

截至二零一八年六月三十日止期間，每股基本盈利乃根據期內母公司普通股股東應佔溢利506,841,000港元(二零一七年：673,507,000港元)及已發行普通股的加權平均數減按本公司股份獎勵計劃持有的股份共7,525,941,000股(二零一七年：6,914,909,000股)計算。

**Notes to the Interim Financial Information**  
**中期財務資料附註**

**10. Earnings per Share Attributable to Ordinary Equity Holders of the Parent** *(continued)*

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of diluted earnings per share is as follows:

**10. 母公司普通股股東應佔每股盈利** (續)

(b) 每股攤薄盈利

每股攤薄盈利乃按母公司普通股股東應佔期內溢利計算。計算時所用的普通股加權平均數乃指計算每股基本盈利所採用的期內已發行普通股數目，以及假設所有潛在攤薄普通股被視為獲行使或轉換為普通股時已按零代價發行的普通股加權平均數。

每股攤薄盈利計算如下：

**For the six months ended**  
**30 June**  
**截至六月三十日止六個月**

<b>2018</b>	<b>2017</b>
<b>二零一八年</b>	<b>二零一七年</b>
<b>Unaudited</b>	<b>Unaudited</b>
<b>未經審核</b>	<b>未經審核</b>
<b>HK\$'000</b>	<b>HK\$'000</b>
<b>千港元</b>	<b>千港元</b>

Profit attributable to ordinary equity holders of the parent (in HK\$'000)	母公司普通股股東應佔溢利 (以千港元計)	<b>506,841</b>	673,507
Weighted average number of ordinary shares in issue less shares held for the share award scheme used in the basic earnings per share calculation (in '000)	用於計算每股基本盈利的已發行普通股的加權平均數減按股份獎勵計劃持有的股份 (以千計)	<b>7,525,941</b>	6,914,909
Effect of dilution — weighted average number of ordinary shares:	攤薄影響 — 普通股的加權平均數：		
Share options under the share option scheme (in '000)	購股權計劃項下的購股權 (以千計)	<b>11,782</b>	33,079
Awarded shares under the share award scheme (in '000)	股份獎勵計劃項下的獎勵股份 (以千計)	<b>12,795</b>	16,473
Number of ordinary shares for the purpose of diluted earnings per share (in '000)	就每股攤薄盈利而言的普通股數目 (以千計)	<b>7,550,518</b>	6,964,461
Diluted earnings per share (in HK cents)	每股攤薄盈利 (以港仙計)	<b>6.71</b>	9.67

**Notes to the Interim Financial Information**  
**中期財務資料附註**

**11. Loans and Advances to Customers**

**11. 給予客戶的貸款及墊款**

		As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Non-current	非流動		
Term loans to customers	給予客戶的定期貸款	2,340,000	29,918
Less: impairment	減：減值	(1,180)	—
		<b>2,338,820</b>	29,918
<hr/>			
Current	流動		
Margin loans	孖展貸款	9,859,708	12,917,920
Term loans to customers	給予客戶的定期貸款	532,792	3,021,883
IPO loans	首次公開發售貸款	741,629	18,705
Less: impairment	減：減值	(496,285)	(404,853)
		<b>10,637,844</b>	15,553,655
<hr/>			
		<b>12,976,664</b>	15,583,573

## Notes to the Interim Financial Information 中期財務資料附註

### 11. Loans and Advances to Customers (continued)

The movements in the expected credit loss (“ECL”) impairment allowance on loans and advances to customers are as follows:

		12-month ECL 十二個月的 預期信貸損失 Unaudited 未經審核 HK\$'000 千港元	Lifetime ECL not credit- impaired 並無信貸減值 的預期年限 信貸損失 Unaudited 未經審核 HK\$'000 千港元	Lifetime ECL credit- impaired 已信貸減值的 預期年限 信貸損失 Unaudited 未經審核 HK\$'000 千港元	Total 總計 Unaudited 未經審核 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	7,685	—	397,168	404,853
Transferred to lifetime ECL credit-impaired	轉撥至已信貸減值的預期年 限信貸損失	(164)	—	164	—
Charged to profit or loss	扣除自損益	10,477	2,981	174,711	188,169
Amount written off	撤銷金額	—	—	(95,557)	(95,557)
As at 30 June 2018	於二零一八年六月三十日	17,998	2,981	476,486	497,465

		12-month ECL 十二個月的 預期信貸損失 Audited 經審核 HK\$'000 千港元	Lifetime ECL not credit- impaired 並無信貸減值 的預期年限 信貸損失 Audited 經審核 HK\$'000 千港元	Lifetime ECL credit- impaired 已信貸減值的 預期年限 信貸損失 Audited 經審核 HK\$'000 千港元	Total 總計 Audited 經審核 HK\$'000 千港元
As at 1 January 2017	於二零一七年一月一日	—	—	93,828	93,828
Adjustment on adoption of HKFRS 9	因採納香港財務報告準則第9 號而調整	21,854	—	214,492	236,346
Transferred to lifetime ECL credit-impaired	轉撥至已信貸減值的預期年 限信貸損失	(5)	—	5	—
Charged/(credited) to profit or loss	扣除自/(計入)損益	(14,164)	—	88,843	74,679
As at 31 December 2017	於二零一七年十二月三十一日	7,685	—	397,168	404,853

Save as disclosed above, all loans and advances to customers were neither past due nor credit-impaired as at 30 June 2018 and 31 December 2017.

The impairment charged to profit or loss included interest income on credit-impaired margin loans of HK\$95,187,000 (2017: HK\$9,580,000) for the six months ended 30 June 2018.

### 11. 給予客戶的貸款及墊款(續)

給予客戶的貸款及墊款的預期信貸損失(「預期信貸損失」)減值撥備變動如下：

		12-month ECL 十二個月的 預期信貸損失 Unaudited 未經審核 HK\$'000 千港元	Lifetime ECL not credit- impaired 並無信貸減值 的預期年限 信貸損失 Unaudited 未經審核 HK\$'000 千港元	Lifetime ECL credit- impaired 已信貸減值的 預期年限 信貸損失 Unaudited 未經審核 HK\$'000 千港元	Total 總計 Unaudited 未經審核 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	7,685	—	397,168	404,853
Transferred to lifetime ECL credit-impaired	轉撥至已信貸減值的預期年 限信貸損失	(164)	—	164	—
Charged to profit or loss	扣除自損益	10,477	2,981	174,711	188,169
Amount written off	撤銷金額	—	—	(95,557)	(95,557)
As at 30 June 2018	於二零一八年六月三十日	17,998	2,981	476,486	497,465

		12-month ECL 十二個月的 預期信貸損失 Audited 經審核 HK\$'000 千港元	Lifetime ECL not credit- impaired 並無信貸減值 的預期年限 信貸損失 Audited 經審核 HK\$'000 千港元	Lifetime ECL credit- impaired 已信貸減值的 預期年限 信貸損失 Audited 經審核 HK\$'000 千港元	Total 總計 Audited 經審核 HK\$'000 千港元
As at 1 January 2017	於二零一七年一月一日	—	—	93,828	93,828
Adjustment on adoption of HKFRS 9	因採納香港財務報告準則第9 號而調整	21,854	—	214,492	236,346
Transferred to lifetime ECL credit-impaired	轉撥至已信貸減值的預期年 限信貸損失	(5)	—	5	—
Charged/(credited) to profit or loss	扣除自/(計入)損益	(14,164)	—	88,843	74,679
As at 31 December 2017	於二零一七年十二月三十一日	7,685	—	397,168	404,853

除上文所披露者外，於二零一八年六月三十日及二零一七年十二月三十一日，所有給予客戶的貸款及墊款既未逾期亦無信貸減值。

計入損益的減值包括截至二零一八年六月三十日止六個月已信貸減值孖展貸款利息收入為95,187,000港元(二零一七年：9,580,000港元)。

## 11. Loans and Advances to Customers (continued)

### Margin financing operations

The Group provides customers with margin financing for securities transactions, which are secured by customers' securities held as collateral. The maximum credit limit granted for each customer is based on the customer's financial background and the quality and value of the related collateral. The Group seeks to maintain strict control over its outstanding receivables and the Credit and Risk Management Department will monitor credit risks.

Margin loans to customers are secured by the underlying pledged securities, bear interest at a rate with reference to the Hong Kong dollar prime rate and are repayable on demand. The carrying values of margin loans approximate to their fair values. No ageing analysis is disclosed as, in the opinion of the directors of the Company (the "Directors"), an ageing analysis does not give additional value in view of the nature of the margin loan business. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. As at 30 June 2018, the total value of securities pledged as collateral in respect of the margin loans was approximately HK\$34,525 million (31 December 2017: HK\$49,575 million) based on the market value of the securities as at the end of the reporting period.

### Term loans to customers

The Group also provides term loans to customers. In determining the interest rates, reference is made to the credit standing of the relevant customers and the quality and value of the collateral pledged. The term loans granted to customers amounted to HK\$2,827,128,000 (31 December 2017: HK\$3,034,201,000), and the accrued interest amounted to HK\$45,664,000 (31 December 2017: HK\$36,305,000) as at 30 June 2018. The carrying amounts of the term loans to customers approximate to their fair values.

## 11. 給予客戶的貸款及墊款(續)

### 孖展融資業務

本集團就證券交易向客戶提供孖展融資，以客戶的證券作為抵押品擔保。每名客戶的最高信貸額度乃以客戶的財務背景及所持相關抵押品的質素及價值為基準。本集團擬對其未清償應收款項保持嚴格控制，且信貸及風險管理部門將監控信貸風險。

客戶孖展貸款以相關已抵押證券擔保，參考港元最優惠利率計息，並按要求償還。孖展貸款的賬面值與其公平值相若。由於本公司董事（「董事」）認為，鑒於孖展貸款業務的性質，賬齡分析並不會提供額外價值，故概無披露賬齡分析。授予孖展客戶的信貸融資額乃根據本集團接納的抵押證券貼現市值釐定。於二零一八年六月三十日，按報告期末的證券市值計算，作為孖展貸款抵押品的已抵押證券總值約為34,525百萬港元（二零一七年十二月三十一日：49,575百萬港元）。

### 給予客戶的定期貸款

本集團亦向客戶提供定期貸款。於釐定利率時，會參考相關客戶的信貸狀況以及所抵押的抵押品質素及價值。於二零一八年六月三十日授予客戶的定期貸款為數2,827,128,000港元（二零一七年十二月三十一日：3,034,201,000港元），應計利息為45,664,000港元（二零一七年十二月三十一日：36,305,000港元）。客戶定期貸款的賬面值與其公平值相若。

## Notes to the Interim Financial Information 中期財務資料附註

### 12. Loan to Director

Loan to director, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Name	At	Maximum	At	Maximum	At	Collateral held
	30 June	amount	31 December	amount	1 January	
	2018	outstanding	and	outstanding	2017	
		during	1 January	during the	2017	
		the period	2018	prior year	2017	
			於二零一七年			
			十二月三十一日			
姓名	於二零一八年	期內最高	及二零一八年	往年內最高	於二零一七年	持有抵押品
	六月三十日	未償還金額	一月一日	未償還金額	一月一日	
	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	
Mr. Li Guangjie 李光杰先生	—	533	—	1,933	—	Marketable securities 有價證券

The loan granted to a director bear interest at the Hong Kong dollar prime rate plus 3% per annum and have no fixed terms of repayment.

### 12. 給予董事的貸款

根據香港公司條例第383(1)(d)條及公司(披露董事利益資料)規例第3部規定，給予董事的貸款披露如下：

授予董事的貸款乃按港元最優惠利率加每年3%計息，且無固定償還期限。

Notes to the Interim Financial Information  
中期財務資料附註

13. Accounts Receivable

(a) Analysis of accounts receivable

The carrying values of accounts receivable arising from the course of business of the Group are as follows:

13. 應收款項

(a) 應收款項的分析

本集團業務過程中所產生的應收款項賬面值如下：

		As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Accounts receivable arising from brokerage	經紀業務應收款項		
– cash and custodian clients	– 現金及託管客戶	221,547	187,406
– the Stock Exchange and other clearing houses	– 聯交所及其他結算所	1,783,853	893,259
– brokers and dealers	– 經紀及交易商	3,185,148	2,868,570
Accounts receivable arising from insurance brokerage services	保險經紀業務應收款項		
– cash and custodian clients	– 現金及託管客戶	36	168
Accounts receivable arising from securities borrowing and lending	證券借貸業務應收款項		
– brokers and dealers	– 經紀及交易商	72,091	123,444
Accounts receivable arising from corporate finance, asset management, financial products, market making and investments	企業融資、資產管理、金融產品、做市及投資業務應收款項		
– corporate clients, investment funds and others	– 企業客戶、投資基金及其他	411,272	318,692
		<b>5,673,947</b>	4,391,539
Less: impairment	減：減值	<b>(34,155)</b>	(44,137)
		<b>5,639,792</b>	4,347,402

## Notes to the Interim Financial Information 中期財務資料附註

### 13. Accounts Receivable (continued)

(a) Analysis of accounts receivable (continued)

The movements in the impairment allowance on accounts receivable are as follows:

		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Audited 經審核 HK\$'000 千港元
At 1 January	於一月一日	44,137	16,960
Restated on adoption of HKFRS 9	因採納香港財務報告準則 第9號而重列	—	4,515
Impairment charged to profit or loss during the period	期內計入損益的減值	7,692	22,720
Impairment reversed during the period	期內減值撥回	(745)	(98)
Exchange difference	匯兌差額	21	40
Amounts written off	撇銷金額	(16,950)	—
At 30 June 2018/31 December 2017	於二零一八年六月三十日/ 二零一七年十二月三十一日	34,155	44,137

### 13. 應收款項(續)

(a) 應收款項的分析(續)

應收款項減值撥備變動如下：

Notes to the Interim Financial Information  
中期財務資料附註

13. Accounts Receivable (continued)

(b) Accounts receivable neither past due nor credit-impaired

		Accounts receivable from the Stock Exchange and other clearing houses		Accounts receivable from corporate clients, investment funds and others		Accounts receivable from insurance brokerage	Total
		現金及託管客戶應收款項	聯交所及其他結算所應收款項	經紀及交易商應收款項	企業客戶、投資基金及其他應收款項	保險經紀應收款項	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Unaudited	未經審核						
As at 30 June 2018	於二零一八年六月三十日						
Neither past due nor credit-impaired	既未逾期亦未產生信貸減值	199,369	1,783,853	3,257,239	309,174	36	5,549,671
Less: impairment	減：減值	(100)	(859)	(476)	(126)	—	(1,561)
		199,269	1,782,994	3,256,763	309,048	36	5,548,110
Audited	經審核						
As at 31 December 2017	於二零一七年十二月三十一日						
Neither past due nor credit-impaired	既未逾期亦未產生信貸減值	155,884	893,259	2,992,014	218,220	168	4,259,545
Less: impairment	減：減值	(78)	(423)	(1,151)	(110)	—	(1,762)
		155,806	892,836	2,990,863	218,110	168	4,257,783

Accounts receivable from cash and custodian clients which are neither past due nor impaired represent unsettled client trades on various securities exchanges transacted on the last two to three business days prior to the period/year end date. No aging analysis is disclosed as, in the opinion of the Directors, an ageing analysis does not give additional value in view of the nature of these accounts receivable.

13. 應收款項(續)

(b) 既未逾期亦未產生信貸減值的應收款項

既未逾期亦無減值的現金及託管客戶應收款項指於期/年結日前兩至三個營業日在多個證券交易所進行之未結算客戶貿易交易。由於董事認為就該等應收款項的性質而言，賬齡分析不會提供額外價值，因此並無披露賬齡分析資料。

## Notes to the Interim Financial Information 中期財務資料附註

### 13. Accounts Receivable (continued)

(c) Accounts receivable past due but not credit-impaired

		Accounts receivable from cash and custodian clients 現金及託管客戶 應收款項 HK\$'000 千港元	Accounts receivable from the Stock Exchange and other clearing houses 聯交所及其他結算所 應收款項 HK\$'000 千港元	Accounts receivable from brokers and dealers 經紀及交易商 應收款項 HK\$'000 千港元	Accounts receivable from corporate clients, investment funds and others 企業客戶、投資基金及其他 應收款項 HK\$'000 千港元	Accounts receivable from insurance brokerage 保險經紀 應收款項 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Unaudited	未經審核						
As at 30 June 2018	於二零一八年六月三十日						
Past due less than 3 months	逾期三個月以內	22,012	—	—	6,708	—	28,720
Past due 3 to 12 months	逾期三至十二個月	—	—	—	—	—	—
Past due over 12 months	逾期十二個月以上	—	—	—	—	—	—
Less: impairment	減：減值	(5,943)	—	—	(796)	—	(6,739)
		16,069	—	—	5,912	—	21,981
Audited	經審核						
As at 31 December 2017	於二零一七年十二月三十一日						
Past due less than 3 months	逾期三個月以內	17,670	—	—	76,949	—	94,619
Past due 3 to 12 months	逾期三至十二個月	—	—	—	—	—	—
Past due over 12 months	逾期十二個月以上	—	—	—	—	—	—
Less: impairment	減：減值	(4,771)	—	—	(15,107)	—	(19,878)
		12,899	—	—	61,842	—	74,741

Accounts receivable from cash and custodian clients which are past due but not impaired represent client trades on various securities exchanges which are unsettled beyond the settlement date. When the cash and custodian clients failed to settle on the settlement date, the Group has the rights to force-sell the collateral underlying the securities transactions. The outstanding accounts receivable from cash and custodian clients as at 30 June 2018 and 31 December 2017 were considered past due but not impaired after taking into consideration the recoverability from the collateral. The collateral held against these receivables is publicly traded securities.

### 13. 應收款項(續)

(c) 已逾期但未信貸減值的應收款項

已逾期但未減值的現金及託管客戶應收款項指於多個證券交易所進行於結算日期後仍未結算的客戶交易所涉及的款項。倘現金及託管客戶未能於結算日期償付款項，本集團有權強制出售與證券交易相關的抵押品。經考慮抵押品的可收回性後，於二零一八年六月三十日及二零一七年十二月三十一日的未結清現金及託管客戶應收款項被視為已逾期但未減值。就該等應收款項持有的抵押品為可公開買賣的證券。

Notes to the Interim Financial Information  
中期財務資料附註

13. Accounts Receivable (continued)

(c) Accounts receivable past due but not credit-impaired (continued)

Accounts receivable from corporate clients and investment funds which are past due but not impaired represent receivables arising from asset management, corporate finance, advisory and underwriting services which have not yet been settled by clients after the Group's normal credit period. The outstanding accounts receivable from corporate clients and investment funds as at 30 June 2018 and 31 December 2017 were considered not to be impaired as the credit rating and reputation of trade counterparties were sound.

(d) Credit-impaired accounts receivable

		Accounts receivable from cash and custodian clients	Accounts receivable from the Stock Exchange and other clearing houses	Accounts receivable from brokers and dealers	Accounts receivable from corporate clients, investment funds and others	Accounts receivable from insurance brokerage	Total
		現金及託管客戶應收款項	聯交所及其他結算所應收款項	經紀及交易商應收款項	企業客戶、投資基金及其他應收款項	保險經紀應收款項	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Unaudited	未經審核						
As at 30 June 2018	於二零一八年六月三十日						
Credit-impaired accounts receivable	信貸減值應收款項	166	—	—	95,390	—	95,556
Less: impairment	減：減值	(100)	—	—	(25,755)	—	(25,855)
		66	—	—	69,635	—	69,701
Audited	經審核						
As at 31 December 2017	於二零一七年十二月三十一日						
Credit-impaired accounts receivable	信貸減值應收款項	13,852	—	—	23,523	—	37,375
Less: impairment	減：減值	(13,785)	—	—	(8,712)	—	(22,497)
		67	—	—	14,811	—	14,878

Accounts receivable from cash and custodian clients are considered impaired when clients fail to settle according to the settlement terms after taking into consideration the recoverability of collateral.

13. 應收款項(續)

(c) 已逾期但未信貸減值的應收款項(續)

已逾期但未減值的企業客戶及投資基金應收款項指源自資產管理、企業融資、諮詢及包銷服務且於本集團給予的一般信貸期後客戶尚未結算的應收款項。於二零一八年六月三十日及二零一七年十二月三十一日，尚未結清的企業客戶及投資基金應收款項被視作未減值，原因為交易對手有穩健信用評級及聲譽。

(d) 信貸減值應收款項

經考慮抵押品的可收回性後，若客戶未能根據結算條款進行結算，現金及託管客戶應收款項會被視為減值。

## Notes to the Interim Financial Information 中期財務資料附註

### 14. Financial Assets at Fair Value through Profit or Loss

### 14. 按公平值計入損益的金融資產

		As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Financial assets held for trading	持作買賣的金融資產		
– Listed equity securities	– 上市股本證券	153,952	423,450
– Listed debt securities	– 上市債務證券	9,948,419	7,517,668
– Unlisted debt securities	– 非上市債務證券	787,831	532,603
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產		
– Listed fund investments	– 上市基金投資	—	23,249
– Unlisted fund investments (Note (a))	– 非上市基金投資(附註(a))	382,717	238,399
– Unlisted convertible promissory debt instruments	– 非上市可換股承兌債務工具	125,261	69,310
– Other financial instruments	– 其他金融工具	23,438	119,592
Financial products (Note (b))	金融產品(附註(b))	30,196,926	28,246,491
Total financial assets at fair value through profit or loss	按公平值計入損益的金融資產 總額	41,618,544	37,170,762

(a) The Group invested in unconsolidated investment funds for capital appreciation and investment income. The interests held by the Group are in the form of participating shares which provide the Group with the share of returns from the investment funds, but not any decision making power nor any voting right. Given that the Group only held the beneficial interests without holding any voting right or substantial decision making power as principal, these investments are classified as financial assets at fair value through profit or loss.

(a) 本集團投資於非合併投資基金以獲得資本增值及投資收入。本集團以參股形式持有權益，其使本集團可分享投資基金所得回報，但並無任何決策權或任何投票權。鑒於本集團僅持有實益權益而並無任何投票權或如委託人有重大決策權，該等投資分類為按公平值計入損益的金融資產。

## Notes to the Interim Financial Information 中期財務資料附註

### 14. Financial Assets at Fair Value through Profit or Loss (continued)

- (b) The financial products invested by the Group included listed equity investments, listed debt investments, unlisted fund investments, unlisted equity investments and derivatives. As at 30 June 2018, cash collateral of HK\$747.7 million (31 December 2017: HK\$567.4 million) and securities collateral of HK\$257.9 million (31 December 2017: HK\$855.0 million) were placed to the counterparties.

The financial products acquired by the Group are primarily driven by customers' investment needs and used as hedging instruments for structured notes issued under the MTN Programme (Note 19) or derivative instruments acquired by customers (Notes 15 and 20). As a result, the variable return of these financial products is not significant.

### 15. Derivative Financial Instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period/year end and are not indicative of market risk or credit risk.

		Fair value 公平值		
		Notional amount 名義金額 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
<b>As at 30 June 2018</b>	<b>於二零一八年六月三十日</b>			
Cross currency swap	交叉貨幣掉期	2,172,756	5,339	—
Interest rate swap	利率掉期	2,305,971	4,158	(1,377)
Foreign exchange forward	遠期外匯	1,728,355	39,748	(8,998)
Index futures	指數期貨	10,721	—	(126)
Options	期權	400,801	1,033	(4,248)
Warrants	認股權證	620,679	2,413	(558)
Equity swap	股權掉期	4,523	—	(81)
Credit default swap	信貸違約掉期	784,850	9,375	—
		<b>8,028,656</b>	<b>62,066</b>	<b>(15,388)</b>

### 14. 按公平值計入損益的金融資產(續)

- (b) 本集團投資的金融產品包括上市股本投資、上市債務投資、非上市基金投資、非上市股本投資及衍生工具。於二零一八年六月三十日，存放於交易對手的現金抵押為747.7百萬港元(二零一七年十二月三十一日：567.4百萬港元)及證券抵押為257.9百萬港元(二零一七年十二月三十一日：855.0百萬港元)。

因應客戶投資需要，本集團透過中期票據計劃發行結構性票據(附註19)或與客戶訂立衍生工具(附註15及20)，而該等金融產品是作為客戶投資的對沖工具。故此該等金融產品之可變回報不大。

### 15. 衍生金融工具

下表呈列記錄為資產或負債的衍生金融工具的公平值連同其名義金額。所記錄的名義總金額為衍生工具指數的金額，並為衍生工具價值計量變動的基準。名義金額表明於本期／年末未完成的交易量，既不是市場風險亦非信貸風險的指標。

## Notes to the Interim Financial Information 中期財務資料附註

### 15. Derivative Financial Instruments (continued)

		Notional amount 名義金額 HK\$'000 千港元	Fair value 公平值	
			Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
As at 31 December 2017	於二零一七年 十二月三十一日			
Cross currency swap	交叉貨幣掉期	1,950,525	1,522	—
Interest rate swap	利率掉期	1,438,486	778	(10,405)
Foreign exchange forward	遠期外匯	3,382,001	69,122	(4,541)
Index futures	指數期貨	3,727	—	(270)
Option	期權	1,330,206	17,049	(5,492)
Warrant	認股權證	967,890	9,262	—
Equity swaps	股權掉期	988,374	11,687	(7,014)
Credit default swap	信貸違約掉期	781,630	1,041	—
		10,842,839	110,461	(27,722)

The Group entered into International Swaps and Derivatives Association, Inc. ("ISDA") master netting agreements or similar agreements with substantially all of its derivative counterparties. Where legally enforceable, these master netting agreements give the Group the right to offset cash collateral paid or received with the same counterparty. As at 30 June 2018, amounts of cash collateral of HK\$142.9 million and HK\$100.5 million were paid to and received from respective counterparties (31 December 2017: HK\$106.7 million and HK\$24.0 million), which were included in "accounts receivable and accounts payable arising from brokerage — brokers and dealers" in Notes 13 and 17 respectively.

### 15. 衍生金融工具(續)

本集團與幾乎所有衍生工具交易方訂立國際掉期及衍生品協會 (International Swaps and Derivatives Association, Inc.) (「ISDA」) 淨額抵銷總協議或類似協議。在依法可強制執行情況下，該等淨額抵銷總協議賦予本集團權利抵銷與相同交易方的已付或已收現金抵押品。於二零一八年六月三十日，已付及已收相關交易方之現金抵押品金額分別為142.9百萬港元及100.5百萬港元(二零一七年十二月三十一日：106.7百萬港元及24.0百萬港元)，分別載於附註13及17的「經紀業務應收款項及應付款項—經紀及交易商」。

## 16. Receivable from Reverse Repurchase Agreements

The receivable from reverse repurchase agreements arises when the securities are bought by the Group with a concurrent agreement to resell at a specified later date and price. These securities are not recognised in the Group's consolidated statement of financial position as the counterparty retains substantially all risks and returns of the securities. The amount paid by the Group is recognised as receivable. In the event of default by the counterparty, the Group has the right to sell the underlying securities for settling the outstanding receivable.

As at 30 June 2018, the outstanding amount paid for the reverse repurchase agreements was HK\$2,755,803,000 (31 December 2017: HK\$1,513,177,000) and was recognised as receivable from reverse repurchase agreements.

The fair value of financial liabilities held for trading received as collateral for the outstanding receivable was HK\$2,672,195,000 (31 December 2017: HK\$1,726,882,000).

## 17. Accounts Payable

Accounts payable arising from brokerage	經紀業務應付款項		
– clients	– 客戶	15,352,423	13,128,476
– brokers and dealers	– 經紀及交易商	1,010,800	1,895,561
– the Stock Exchange and other clearing houses	– 聯交所及其他結算所	1,295,179	374,634
Accounts payable arising from securities borrowing and lending	證券借貸業務應付款項	971,854	1,479,445
Accounts payable arising from corporate finance, asset management, financial products, market making, investments and others	企業融資、資產管理、金融產品、做市、投資及其他業務應付款項	847,693	72,857
Accounts payable arising from insurance brokerage services	保險經紀業務應付款項	528	1,277
		<b>19,478,477</b>	<b>16,952,250</b>

## 16. 反向回購協議應收款項

反向回購協議之應收款項在本集團購買證券時產生，連帶同時訂立協議以按指定其後日期及價格轉售。該等證券並無於本集團綜合財務狀況表中確認，因為對手方保留該等證券的絕大部分風險及回報。本集團已付款項確認為應收款項。倘對手方違約，本集團有權出售相關證券以結算未結清的應收款項。

於二零一八年六月三十日，就反向回購協議支付的未結清款項為2,755,803,000港元(二零一七年十二月三十一日：1,513,177,000港元)，並確認為反向回購協議應收款項。

以已收持作買賣之金融負債之公平值2,672,195,000港元作為未結清應收款項之質押(二零一七年十二月三十一日：1,726,882,000港元)。

## 17. 應付款項

As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
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## Notes to the Interim Financial Information 中期財務資料附註

### 17. Accounts Payable (continued)

The majority of the accounts payable are repayable on demand except for certain accounts payable to clients which represent margin deposits received from clients for their trading activities in the normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

The Group has a practice to satisfy all the requests for payment within one business day. No ageing analysis is disclosed as, in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of these businesses.

Accounts payable to clients also included those payables placed in trust accounts with authorised financial institutions of HK\$15,210 million (31 December 2017: HK\$12,348 million), Hong Kong Futures Exchange Clearing Corporation Limited and other futures dealers totalling HK\$218 million as at 30 June 2018 respectively (31 December 2017: HK\$274 million).

Accounts payable arising from insurance brokerage services included those payables in trust accounts with authorised institutions of HK\$528,000 as at 30 June 2018 (31 December 2017: HK\$1,277,000).

Accounts payable are non-interest-bearing except for the accounts payable to clients.

### 17. 應付款項(續)

大部分應付款項須於要求時償還，惟若干應付客戶款項(為日常業務過程中進行買賣活動收取客戶的保證金)除外。僅超出規定保證金的金額須按要求償還。

本集團慣於在一個營業日內清償所有付款要求。鑒於該等業務的性質，董事認為賬齡分析概無提供額外價值，故並無披露賬齡分析。

應付客戶的款項亦包括存放於認可金融機構信託賬戶的應付款項15,210百萬港元(二零一七年十二月三十一日：12,348百萬港元)，而於二零一八年六月三十日，香港期貨結算有限公司及其他期貨交易商合共218百萬港元(二零一七年十二月三十一日：274百萬港元)。

於二零一八年六月三十日，保險經紀業務應付款項包括認可機構信託賬戶的應付款項528,000港元(二零一七年十二月三十一日：1,277,000港元)。

除應付客戶的款項外，應付款項為免息。

Notes to the Interim Financial Information  
中期財務資料附註

18. Bank Borrowings

18. 銀行借款

		As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Current:	流動：		
Unsecured bank borrowings	無抵押銀行借款	9,763,433	13,781,721
Total bank borrowings	銀行借款總額	9,763,433	13,781,721
Denominated in:	計值貨幣：		
HK\$	港元	5,486,000	13,195,498
US\$	美元	4,277,433	586,223
		9,763,433	13,781,721

The Group's bank borrowings bear interest at the Interbank Offered Rate plus an interest spread.

本集團銀行借款均按銀行同業拆息加息差計息。

The carrying amounts of bank borrowings approximate to their fair values as the impact on discounting is not significant.

由於貼現影響並不重大，故銀行借款的賬面值與其公平值相若。

**Notes to the Interim Financial Information**  
**中期財務資料附註**

**19. Debt Securities in Issue**

**19. 已發行債務證券**

		As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
At amortised cost (Note (a)):	按攤銷成本(附註(a)):		
Listed unsecured medium-term notes	已上市無抵押中期票據	3,535,666	3,126,887
Unlisted unsecured medium-term notes	非上市無抵押中期票據	6,248,259	2,758,128
Designated at fair value through profit or loss:	指定按公平值計入損益:		
Structured notes issued in relation to financial products (Note (b))	已發行的金融產品相關之結構 性票據(附註(b))	14,482,921	10,478,876
		<b>24,266,846</b>	16,363,891
Unsecured medium-term notes denominated in:	按下列貨幣列值的無抵押中期 票據:		
US\$	美元	6,761,012	4,018,976
HK\$	港元	3,022,913	1,866,039
		<b>9,783,925</b>	5,885,015
Structured notes issued in relation to financial products denominated in:	按下列貨幣列值的已發行的金融 產品相關之結構性票據:		
EUR	歐元	71,279	133,771
HK\$	港元	1,308,925	963,892
US\$	美元	12,010,991	7,798,718
RMB	人民幣	1,091,726	1,582,495
		<b>14,482,921</b>	10,478,876
		<b>24,266,846</b>	16,363,891

## Notes to the Interim Financial Information 中期財務資料附註

### 19. Debt Securities in Issue (continued)

- (a) The outstanding balance of HK\$9,783.9 million as at 30 June 2018 (31 December 2017: HK\$5,885.0 million) stated at amortised cost represented unsecured notes issued by the Company under the Medium Term Note Programme (the "MTN Programme"). As at 30 June 2018, the debt securities in issue bore fixed interest rates ranging from 0.7% to 3.4% (31 December 2017: 0.9% to 2.8%). The carrying amounts of the debt securities in issue approximate to their fair values as the impact on discounting is not significant.
- (b) As at 30 June 2018, the outstanding balance of HK\$14,482.9 million (31 December 2017: HK\$10,478.9 million) represented unlisted structured notes which arose from selling structured products generally under the MTN Programme with underlying investments related to listed and unlisted equity investments, listed debt investments and unlisted fund investments.

The Group has not had any defaults of principal or interest, or any other breaches with respect to their liabilities for the six months ended 30 June 2018 (2017: Nil).

The debt securities in issue are repayable on demand and the Group has a practice to satisfy the request for redemption on the settlement date.

### 19. 已發行債務證券 (續)

- (a) 於二零一八年六月三十日，按攤銷成本列賬的未償還餘額9,783.9百萬港元(二零一七年十二月三十一日：5,885.0百萬港元)指本公司根據中期票據計劃(「中期票據計劃」)發行的無抵押票據。於二零一八年六月三十日，已發行債務證券按固定利率介乎0.7%至3.4%(二零一七年十二月三十一日：0.9%至2.8%)計息。由於對貼現的影響並不大，已發行債務證券的賬面值與其公平值相若。
- (b) 於二零一八年六月三十日，未償還餘額為14,482.9百萬港元(二零一七年十二月三十一日：10,478.9百萬港元)，指一般根據中期票據計劃銷售結構產品產生的非上市結構性票據，相關投資與上市及非上市股本投資、上市債務投資及非上市基金投資有關。

本集團於截至二零一八年六月三十日止六個月並無拖欠本金、利息或任何其他未履行其責任的情況(二零一七年：無)。

已發行債務證券須按要求償還，而本集團的慣例為在結付日期滿足贖回要求。

## Notes to the Interim Financial Information 中期財務資料附註

### 20. Financial Liabilities at Fair Value through Profit or Loss

### 20. 按公平值計入損益的金融負債

		As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Financial liabilities held for trading:	持作買賣的金融負債：		
– Listed equity securities	– 上市股本證券	5,925	6,634
– Listed debt securities	– 上市債務證券	3,011,159	1,573,357
Financial liabilities designated as at fair value through profit or loss	指定按公平值計入損益的金融負債		
– Financial products (Note)	– 金融產品(附註)	5,366,632	7,428,785
		<b>8,383,716</b>	<b>9,008,776</b>

Note: Included in the fair value in financial products are cash collateral of HK\$2,177 million (31 December 2017: HK\$2,177 million) received from counterparty.

The amount of change in fair value of financial liabilities at fair value through profit or loss, during the period and cumulatively, attributable to changes in own credit risk was insignificant.

附註：金融產品之公平值包括從對手方收取的現金抵押品2,177百萬港元(二零一七年十二月三十一日：2,177百萬港元)。

於本期間，因本身信貸風險變動累積而導致按公平值計入損益的金融負債公平值出現的金額變動並不重大。

## 21. Obligations under Repurchase Agreements

The obligations under repurchase agreements arise when the securities are sold by the Group with a concurrent agreement to repurchase at a specified later date and price. These securities are not derecognised from the Group's consolidated statement of financial position and are retained within the appropriate financial assets classification. The amount received by the Group is recognised as liabilities as the Group retains substantially all risks and returns of the securities.

As at 30 June 2018, the outstanding amount received from repurchase agreements was HK\$7,912,196,000 (31 December 2017: HK\$6,244,957,000) and was recognised as obligations under repurchase agreements.

The following table specifies the amount included within financial assets at fair value through profit or loss subject to repurchase agreements at the period end (Note 14).

## 21. 回購協議的債項

本集團根據回購協議出售證券，連帶同時訂立一項協議以按指定其後日期及價格回購證券。該等證券並無於本集團綜合財務狀況表中終止確認，並保留在適當金融資產分類內。本集團收取的款項確認為負債，原因是本集團保留證券的絕大部分風險及回報。

於二零一八年六月三十日，就回購協議收取的未結清款項為7,912,196,000港元(二零一七年十二月三十一日：6,244,957,000港元)，並確認為回購協議的債項。

下表載明於期末按公平值計入損益的金融資產中受回購協議規限的款項(附註14)。

		As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Financial assets held for trading	持作買賣的金融資產		
– Listed debt securities	– 上市債務證券	4,954,581	3,413,827
– Unlisted debt securities	– 非上市債務證券	298,557	228,758
Financial assets designated at fair value through profit or loss	指定按公平值計入損益的金融資產		
– Financial products	– 金融產品	5,371,542	4,443,574
		<b>10,624,680</b>	<b>8,086,159</b>

## Notes to the Interim Financial Information 中期財務資料附註

### 22. Other Equity Instrument

On 15 June 2016, the Company issued US\$300 million subordinated perpetual securities (the "Perpetual Securities") with an initial distribution rate of 4.5% per annum. Distributions are paid semi-annually in arrear and the first distribution date was 30 October 2016. The Company may, at its sole discretion, elect to defer any distribution. The Perpetual Securities do not have maturity date and are only callable at the Company's discretion on 30 April 2019 or on any distribution payment date after 30 April 2019. After 30 April 2019, the distribution rate will be reset to 3 year US swap rate plus 8% per annum. The Perpetual Securities constitute direct, unconditional, subordinated and unsecured obligations of the Company and are classified as equity instrument and recorded as equity in the consolidated statement of financial position.

Subsequently, the Company made an offer to repurchase the Perpetual Securities for cash on 4 May 2018. The price payable per US\$1,000 principle amount of the Perpetual Securities was US\$1,000 together with accrued distribution payments. Upon expiration of offer on 18 May 2018, Perpetual Securities of an aggregate notional amount of US\$255,000,000 were repurchased by the Company and an aggregate amount of US\$45,000,000 were remain outstanding. The amount as at 30 June 2018 included the accrued distribution payment.

### 23. Share Capital

At 1 January 2017	於二零一七年一月一日	6,965,301,142	6,054,025
Shares issued upon exercise of share options under the share option scheme (Note 24)	購股權計劃項下行使購股權而發行的股份(附註24)	40,379,343	64,035
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	<b>7,005,680,485</b>	<b>6,118,060</b>
Shares issued upon placing of shares	配售股份而發行的股份	<b>700,000,000</b>	<b>1,992,848</b>
Shares issued upon exercise of share options under the share option scheme (Note 24)	購股權計劃項下行使購股權而發行的股份(附註24)	<b>9,692,605</b>	<b>14,581</b>
At 30 June 2018	於二零一八年六月三十日	<b>7,715,373,090</b>	<b>8,125,489</b>

### 22. 其他權益工具

於二零一六年六月十五日，本公司發行3億美元的次級永續證券(「永續證券」)，初始分派率為年率4.5%。分派將於每半年期末時支付，首次分派日將為二零一六年十月三十日。本公司可全權自行選擇延遞任何分派。永續證券並無到期日且本公司僅可於二零一九年四月三十日或二零一九年四月三十日後的任何分派支付日自行贖回。二零一九年四月三十日後，分派率將重設為三年期美元掉期利率加年率8%。永續證券構成本公司的直接、無條件、後償及無抵押責任，並分類為權益工具，於綜合財務狀況表中錄作權益。

其後，本公司於二零一八年五月四日提呈要約以現金回購永續證券。每1,000美元本金額永續證券的應付價格為1,000美元加上應計分配付款。於二零一八年五月十八日要約截止後，本公司回購面值總額255,000,000美元的永續證券，尚未償還的總額為45,000,000美元。有關款項於二零一八年六月三十日計入應計分配付款。

### 23. 股本

Number of issued and fully paid shares 已發行及繳足股份數目	Share capital 股本 HK\$'000 千港元
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### 23. Share Capital (continued)

Pursuant to the placing and subscription agreement (the "Agreement") dated 24 January 2018, Guotai Junan Holdings Limited ("GJHL") agreed (i) to place 700,000,000 ordinary shares of the Company, through Guotai Junan Securities (Hong Kong) Limited, as the placing agent, to independent parties at the placing price of HK\$2.85 per placing share and (ii) to subscribe for same number of ordinary shares of the Company that GJHL has placed mentioned above at a subscription price of HK\$2.85 each. On 6 February, 2018, the Company allotted and issued 700,000,000 ordinary shares to GJHL at the subscription price of HK\$2.85 each. After deducting the expenses in connection with the top up placement, the increase in share capital attributable to the Group and the Company were HK\$1,993 million and HK\$1,987 million respectively.

### 24. Share Option Reserve

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of assisting in recruiting, retaining and motivating key staff members. The Board of Directors has the discretion to grant share options to employees and directors of any members of the Group, including independent non-executive directors. The Share Option Scheme became effective on 19 June 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date (i.e., 18 June 2020).

The total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the shares of the Company in issue at the date of approval of the Share Option Scheme (i.e. 164,000,000 shares). The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time (i.e. 16,400,000 shares). Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

### 23. 股本(續)

根據日期為二零一八年一月二十四日的配售及認購協議(「該協議」)，國泰君安控股有限公司(「國泰君安控股」)同意(i)透過國泰君安證券(香港)有限公司(作為配售代理)以每股配售股份2.85港元的配售價向獨立人士配售700,000,000股本公司普通股，及(ii)按每股2.85港元的認購價認購與上述國泰君安控股配售相同數目的本公司普通股。於二零一八年二月六日，本公司以每股2.85港元的認購價向國泰君安控股配發及發行700,000,000股的普通股。經扣除有關先舊后新配售的開支後，本集團及本公司應佔股本分別增加1,993百萬港元及1,987百萬港元。

### 24. 購股權儲備

本公司設有一項購股權計劃(「購股權計劃」)，旨在協助招攬、挽留及激勵主要員工。董事會可酌情向本集團任何成員公司的僱員及董事(包括獨立非執行董事)授出購股權。購股權計劃於二零一零年六月十九日生效，而除非另行取消或修訂，否則將自該日期起10年(即至二零二零年六月十八日)有效。

購股權計劃項下授出的所有購股權獲行使而發行的股份總數不能合計超過在購股權計劃批准日本公司已發行股份的10%(即164,000,000股股份)。於任何十二個月期間內可根據購股權向購股權計劃下的每名合資格參與者發行的最高股份數目乃限於本公司於任何時間已發行股份的1%(即16,400,000股股份)。任何超出此限額的進一步授出購股權須經股東於股東大會上批准。

## Notes to the Interim Financial Information 中期財務資料附註

### 24. Share Option Reserve (continued)

Share options granted to a director or chief executive of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and ends on a date which is not later than ten years from the date of offer of the share options.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

The expected volatility and the expected dividend yield reflect the assumptions that the historical volatility and the historical dividend yield, respectively, are indicative of future trends, which may not necessarily be the actual outcome.

For the period ended 30 June 2018, 1,900,000 and 3,000,000 share option were lapsed and forfeited respectively (2017: no share option was lapsed or forfeited) prior to the vesting date as a result of staff resignation.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

### 24. 購股權儲備(續)

授予本公司董事或行政總裁，或彼等任何聯繫人的購股權，均須事先獲得獨立非執行董事的批准。此外，於任何十二個月期間內授予本公司主要股東或獨立非執行董事，或彼等任何聯繫人的任何購股權，凡超過本公司於任何時間已發行股份的0.1%或其總值(根據本公司於授出日期之股價計算)超過5百萬港元，均須於股東大會上事先取得股東的批准。

授出購股權的要約可由承授人自要約日期起計二十八日內於支付名義代價合共1港元後接納。所授出購股權的行使期由董事釐定，最遲至自購股權要約日期起計滿10年之日為止。

購股權的行使價由董事釐定，惟不可低於以下最高者：(i)本公司股份於購股權要約日期在聯交所的收市價；及(ii)本公司股份於緊接要約日期前五個交易日在聯交所的平均收市價。

預期波幅及預期股息收益率反映過往波幅及過往股息收益率分別是未來趨勢指標的假設，而該指標不一定為實際結果。

截至二零一八年六月三十日止期間，由於員工辭職，1,900,000份及3,000,000份購股權於歸屬日期前已分別失效及沒收(二零一七年：概無購股權失效或沒收)。

購股權並無賦予持有人獲派股息或於股東大會上投票之權利。

Notes to the Interim Financial Information  
中期財務資料附註

24. Share Option Reserve (continued)

9,692,605 share options were exercised during the period ended 30 June 2018 (2017: 28,463,932 share options), resulting in the issue of 9,692,605 shares (2017: 28,463,932 shares) for a total cash consideration of HK\$10,930,000 (2017: HK\$35,978,000). An amount of HK\$3,651,000 (2017: HK\$10,702,000) was transferred from the share option reserve to the share capital account upon the exercise of the share options. The weighted average share price at the date of exercise for share options exercised during the period was HK\$2.41 per share (2017: HK\$2.51 per share).

For the period ended 30 June 2018, the Group has recognised an equity-settled share-based compensation expense of HK\$1,677,000 for the share options under the Share Option Scheme in profit or loss (2017: HK\$3,149,000).

Movements of share options outstanding under the Share Option Scheme during the period/year are as follows:

		30 June 2018 二零一八年六月三十日		31 December 2017 二零一七年十二月三十一日	
		Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目
At 1 January	於一月一日	2.071	70,886,908	1.692	101,266,251
Granted during the period/year	期/年內授出	—	—	2.440	10,000,000
Forfeited during the period/year	期/年內沒收	4.854	(3,000,000)	—	—
Lapsed during the period/year	期/年內失效	4.346	(1,900,000)	—	—
Exercised during the period/year	期/年內行使	1.128	(9,692,605)	1.212	(40,379,343)
At 30 June/31 December	於六月三十日/ 十二月三十一日	2.008	56,294,303	2.071	70,886,908

24. 購股權儲備(續)

截至二零一八年六月三十日止期間，有9,692,605份購股權獲行使(二零一七年：28,463,932份購股權)，導致發行9,692,605股股份(二零一七年：28,463,932股股份)，及換取現金代價總額10,930,000港元(二零一七年：35,978,000港元)。於購股權獲行使後，3,651,000港元(二零一七年：10,702,000港元)的款額由購股權儲備轉撥至股本賬。於期內獲行使的購股權於行使日期的加權平均股價為每股2.41港元(二零一七年：每股2.51港元)。

截至二零一八年六月三十日止期間，本集團已就購股權計劃項下的購股權於損益確認以權益結算以股份為基礎的補償開支1,677,000港元(二零一七年：3,149,000港元)。

期內/年內購股權計劃下尚未行使購股權的變動如下：

## Notes to the Interim Financial Information 中期財務資料附註

### 24. Share Option Reserve (continued)

At the end of the reporting period, the Company had 56,294,303 (31 December 2017: 70,886,908) share options outstanding under the Share Option Scheme, which represented approximately 0.73% (31 December 2017: 1.01%) of the Company's shares in issue as at 30 June 2018. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 56,294,303 additional ordinary shares of the Company and additional share capital of HK\$113,053,000 (before issuance expenses). The option periods of the share options are from 24 April 2012 to 9 June 2021, from 10 January 2014 to 9 January 2024, from 11 June 2015 to 10 June 2025 and from 13 July 2017 to 12 July 2027.

### 25. Share Award Reserve

On 27 October 2011, the Company adopted the share award scheme (the "Share Award Scheme") under which shares of the Company (the "Awarded Shares") may be awarded to selected employees (including directors) of any members of the Group (the "Selected Employees") pursuant to the terms of the scheme rules and trust deed of the Share Award Scheme. The Share Award Scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for 10 years from that date, i.e., 26 October 2021.

The aggregate number of the Awarded Shares permitted to be awarded under the Share Award Scheme throughout the duration of the Share Award Scheme is limited to 10% of the issued share capital of the Company as at the adoption date (i.e., 164,000,000 shares). The maximum number of the Awarded Shares which may be awarded to a Selected Employee in any 12-month period up to and including the date of award shall not in aggregate exceed 1% of the issued share capital of the Company as at the adoption date (i.e., 16,400,000 shares).

When a Selected Employee has satisfied all vesting conditions, which might include service and/or performance conditions, specified by the Board of Directors of the Company at the time of making the award and become entitled to the shares of the Company forming the subject of the award, the trustee shall transfer the relevant Awarded Shares to that employee at no cost.

### 24. 購股權儲備(續)

於報告期末，本公司有56,294,303份(二零一七年十二月三十一日：70,886,908份)購股權計劃下尚未行使的購股權，佔本公司於二零一八年六月三十日已發行股份約0.73%(二零一七年十二月三十一日：1.01%)。根據本公司目前的資本架構，若其餘購股權獲悉數行使，會導致本公司額外發行56,294,303股普通股，以及額外股本113,053,000港元(未扣除發行開支)。購股權的期權行使期間為二零一二年四月二十四日至二零二一年六月九日、二零一四年一月十日至二零二四年一月九日、二零一五年六月十一日至二零二五年六月十日及二零一七年七月十三日至二零二七年七月十二日。

### 25. 股份獎勵儲備

於二零一一年十月二十七日，本公司採納股份獎勵計劃(「股份獎勵計劃」)，據此，本公司股份(「獎勵股份」)可根據股份獎勵計劃的計劃規則及信託契據條款授予本集團任何成員公司的獲選僱員(包括董事)(「獲選僱員」)。股份獎勵計劃於採納日期生效，除非另行終止或修訂，否則將自該日期起10年(即至二零二一年十月二十六日)有效。

於股份獎勵計劃期間於股份獎勵計劃項下獲准授出的獎勵股份總數不得超過本公司於採納日期已發行股本的10%(即164,000,000股股份)。向獲選僱員授出的獎勵股份最高數目在由授出股份之日(包含此日)起計的任何十二個月內合共不得超逾本公司於採納日期已發行股本的1%(即16,400,000股股份)。

倘獲選僱員符合本公司董事會於作出有關獎勵時列明的全部歸屬條件(其中可能包括服務年期及/或表現的條件)，便可獲取有關獎勵的本公司股份，受託人須無償向該名僱員轉讓有關獎勵股份。

## Notes to the Interim Financial Information 中期財務資料附註

### 25. Share Award Reserve (continued)

The voting rights and powers of any shares held under the Share Award Scheme shall be exercised by the independent trustee who shall abstain from voting.

Details of the Awarded Shares granted and unvested as at 30 June 2018 are set out below:

Date of Awarded Shares granted 授出獎勵股份的日期	Average fair value per share 每股平均公平值	Number of Awarded Shares granted 授出獎勵股份的數目	Number of Awarded Shares vested 已歸屬獎勵股份的數目	Number of Awarded Shares lapsed 已失效獎勵股份的數目	Number of Awarded Shares unvested 未歸屬獎勵股份的數目	Vesting dates 歸屬日期
18/4/2016	HK\$2.79 港元	27,987,000	(18,951,000)	(1,575,000)	58,000	4/10/2018
					7,403,000	30/11/2018
13/4/2017	HK\$2.44 港元	26,628,000	(9,960,000)	(1,373,000)	7,659,000	30/11/2018
					7,636,000	30/11/2019
13/4/2018	HK\$2.36 港元	34,804,000	(211,000)	(730,000)	11,343,000	30/11/2018
					11,282,000	30/11/2019
					11,238,000	30/11/2020

The Group has recognised a share-based compensation expense of HK\$26,752,000 for the Awarded Shares under the Share Award Scheme in profit or loss (2017: HK\$32,787,000). 447,000 Awarded Shares have been either transferred to the grantees or sold in accordance with their instructions at no cost (2017: 2,284,000) for the period ended 30 June 2018.

1,831,000 Awarded Shares lapsed prior to their vesting date as a result of staff resignations for the period ended 30 June 2018 (2017: 802,000 Awarded Shares).

After considering the number of shares which were granted in prior years, as at 30 June 2018, the total number of the Awarded Shares that can be awarded was 37,381,000 which represented approximately 0.48% of the Company's shares in issue as at 30 June 2018.

### 25. 股份獎勵儲備(續)

獨立受託人有權行使股份獎勵計劃項下持有的股份的所有投票權及權力，惟獨立受託人將放棄投票權。

於二零一八年六月三十日授出及未歸屬的獎勵股份的詳情載列如下：

本集團已就股份獎勵計劃項下的獎勵股份於損益確認以股份為基礎的補償開支26,752,000港元(二零一七年：32,787,000港元)。截至二零一八年六月三十日止期間，447,000股獎勵股份已無償轉讓予承授人或根據彼等的指示出售(二零一七年：2,284,000股)。

截至二零一八年六月三十日止期間，由於員工辭職，1,831,000股獎勵股份(二零一七年：802,000股獎勵股份)於歸屬日期前失效。

經考慮過往年度所授出之股份數目，於二零一八年六月三十日，可進行獎勵的獎勵股份總數為37,381,000股，約佔本公司於二零一八年六月三十日已發行股份的0.48%。

## Notes to the Interim Financial Information 中期財務資料附註

### 26. Shares Held under the Share Award Scheme

Movements of shares held under the Share Award Scheme during the period/year are as follows:

		30 June 2018 二零一八年六月三十日		31 December 2017 二零一七年十二月三十一日	
		HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目
At 1 January	於一月一日	181,281	61,800,400	214,323	62,804,400
Purchased during the period/year	期/年內購買	23,588	10,353,000	72,786	29,546,000
Vested and transferred out during the period/year	期/年內歸屬及轉出	(2,250)	(447,000)	(105,828)	(30,550,000)
At 30 June/31 December	於六月三十日/ 十二月三十一日	202,619	71,706,400	181,281	61,800,400

During the six months ended 30 June 2018, the trustee acquired 10,353,000 ordinary shares (31 December 2017: 29,546,000 ordinary shares) of the Company for the Share Award Scheme through purchases in the open market at a total cost, including related transaction costs of approximately HK\$23,588,000 (31 December 2017: HK\$72,786,000).

### 26. 股份獎勵計劃項下持有的股份

期內/年內根據股份獎勵計劃持有的股份的變動如下：

截至二零一八年六月三十日止六個月，受託人就股份獎勵計劃以總成本(包括相關交易成本)約23,588,000港元(二零一七年十二月三十一日：72,786,000港元)在公開市場買入10,353,000股本公司普通股(二零一七年十二月三十一日：29,546,000股普通股)。

## Notes to the Interim Financial Information 中期財務資料附註

### 27. Operating Lease Commitments, Capital Commitments and Other Commitments

As at 30 June 2018, the Group had total future minimum lease payables under non-cancellable operating leases falling due as follows:

		As at 30 June 2018 於二零一八年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Within one year	一年內	18,628	3,397
In the second to fifth years, inclusive	二年至五年(包括首尾兩年)	44,048	—
		<b>62,676</b>	<b>3,397</b>

#### Capital commitments

The Group had capital commitments for system upgrade and renovation of premises of approximately HK\$14,100,000 which were contracted but not provided for as at 30 June 2018 (31 December 2017: HK\$3,026,000).

#### Other commitments

The Group undertakes underwriting obligations on placing, IPO, takeover and merger activities and financial obligations to loan facilities granted to customers. As at 30 June 2018, the underwriting and financial obligations were approximately HK\$2,624 million and HK\$113 million respectively (31 December 2017: HK\$2,836 million and HK\$159 million) and an ECL allowance of HK\$67,000 (31 December 2017: HK\$13,000) was provided.

### 27. 經營租賃承擔、資本承擔及其他承擔

於二零一八年六月三十日，本集團根據不可撤銷經營租賃在下述期限內到期的未來應付最低租賃款項總額如下：

#### 資本承擔

本集團就系統升級及物業翻新作出資本承擔約14,100,000港元，該款項已訂約但並未於二零一八年六月三十日予以撥備(二零一七年十二月三十一日：3,026,000港元)。

#### 其他承擔

本集團為配售、首次公開發售、收購及合併活動提供承銷承諾及為授予客戶的貸款融資提供融資承諾。於二零一八年六月三十日，承銷及融資承諾分別約為2,624百萬港元及113百萬港元(二零一七年十二月三十一日：2,836百萬港元及159百萬港元)，並計提預期信貸損失撥備67,000港元(二零一七年十二月三十一日：13,000港元)。

**Notes to the Interim Financial Information**  
**中期財務資料附註**

**28. Cash Flows from Operating Activities**

**28. 經營活動產生的現金流量**

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		Unaudited	Unaudited
		未經審核	未經審核
		HK\$'000	HK\$'000
		千港元	千港元
Cash flows from operating activities	經營活動產生的現金流量		
Profit before income tax	除所得稅前溢利	636,986	871,230
Adjustments for:	經調整：		
Depreciation	折舊	18,363	19,674
Share-based compensation expenses	以股份為基礎的薪酬開支	28,429	35,936
Net impairment charge on loans and advances to customers	給予客戶的貸款及墊款減值支出淨額	188,168	12,516
Net impairment charge on accounts receivable	應收款項減值支出淨額	6,947	1,512
Foreign exchange difference on provision for impairment of accounts receivable	應收款項減值撥備的外匯差額	21	33
Net reversal of impairment charge on other financial assets and loan commitments	其他金融資產及貸款承擔減值支出撥回淨額	(504)	(15,961)
		<b>878,410</b>	924,940
Decrease/(increase) in other assets	其他資產減少/(增加)	7,415	(2,715)
Decrease in loans and advances to customers	給予客戶的貸款及墊款減少	2,418,741	2,326,541
Increase in accounts receivable	應收款項增加	(1,299,358)	(2,755,484)
Increase in receivable from reverse repurchase agreements	反向回購協議應收款項增加	(1,242,860)	(164,294)
Increase in obligations under repurchase agreements	回購協議的債務增加	1,667,239	2,491,241
(Increase)/Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項(增加)/減少	(302,575)	26,929
Increase in financial assets at fair value through profit or loss	按公平值計入損益的金融資產增加	(4,447,782)	(4,559,610)
Decrease/(increase) in derivative financial instruments	衍生金融工具減少/(增加)	36,061	(25,921)
(Decrease)/increase in financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債(減少)/增加	(625,060)	842,147
(Increase)/decrease in client trust bank balances	客戶信託銀行結餘(增加)/減少	(2,860,511)	673,905
Increase in time deposits with original maturity more than three months when acquired	回收時原到期日超過三個月之定期存款增加	(117,297)	(6,000)
Increase/(decrease) in accounts payable	應付款項增加/(減少)	2,526,227	(316,319)
(Decrease)/increase in other payables and accrued liabilities	其他應付款項及應計負債(減少)/增加	(281,703)	65,184
Provision for impairment on accounts receivables on adoption of HKFRS 9	因採納香港財務報告準則第9號而對應收款項作出減值撥備	—	(4,753)
Provision for impairment on client trust bank balance on adoption of HKFRS 9	因採納香港財務報告準則第9號而對客戶信託銀行結餘作出減值撥備	—	(22,332)
Provision for impairment on loan commitment on adoption of HKFRS 9	因採納香港財務報告準則第9號而對貸款承擔作出減值撥備	—	(149)
Provision for impairment on loans and advances to customers on adoption of HKFRS 9	因採納香港財務報告準則第9號而對給予客戶的貸款及墊款作出減值撥備	—	(236,346)
Provision for impairment on other receivables on adoption of HKFRS 9	因採納香港財務報告準則第9號而對其他應收款項作出減值撥備	—	(110)

**Notes to the Interim Financial Information**  
**中期財務資料附註**

**28. Cash Flows from Operating Activities** *(continued)*      **28. 經營活動產生的現金流量** *(續)*

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年	2017 二零一七年
		Unaudited 未經審核	Unaudited 未經審核
		HK\$'000 千港元	HK\$'000 千港元
Cash used in operations	經營業務動用現金	<b>(3,643,053)</b>	(743,146)
Hong Kong profits tax refund	已退回香港利得稅	—	20
<b>Net cash flows used in operating activities</b>	<b>經營活動的現金流出淨額</b>	<b>(3,643,053)</b>	(743,126)
Cash flows from operating activities included:	經營活動的現金流量包括：		
– Interest received	– 已收利息	<b>699,956</b>	631,062
– Interest paid	– 已付利息	<b>312,288</b>	167,052
– Dividend received	– 已收股息	<b>2,181</b>	1,794

## Notes to the Interim Financial Information

### 中期財務資料附註

#### 29. Related Party Transactions

- (a) In addition to the transactions and balances set out elsewhere in the unaudited interim financial information, the Group had the following material transactions with related parties during the period:

#### 29. 關聯方交易

- (a) 除未經審核中期財務資料其他章節所載的交易及結餘外，本集團於期內與關聯方進行以下重大交易：

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
	Notes 附註		
Commission expenses to the ultimate holding company	支付予最終控股公司的佣金開支	(852)	(1,123)
Commission expenses to the ultimate holding company for trading in RMB Qualified Foreign Institutional Investors (RQFII) account	就於人民幣合格境外機構投資者(RQFII)賬戶內交易支付予最終控股公司的佣金開支	(205)	(102)
Professional and consultancy fees paid to a fellow subsidiary	支付予同系附屬公司的專業及諮詢費	(15,000)	(9,320)
Commission income from a fellow subsidiary	自同系附屬公司收取的佣金收入	505	—
Commission income from an intermediate holding company	自中介控股公司收取的佣金收入	620	1,938
Commission income from the ultimate holding company	自最終控股公司收取的佣金收入	18	33
Underwriting fee and sponsor fee income from the ultimate holding company	自最終控股公司收取的包銷費及保薦費收入	—	176,304
Management fee income from a public fund managed by a wholly-owned subsidiary of the Company and invested by a fellow subsidiary and the intermediate holding company	自本公司全資附屬公司管理及同系附屬公司及中介控股公司投資的公募基金收取的管理費收入	2,846	2,721
Commission income from the public fund	自公募基金收取的佣金收入	268	83
Equity distribution on Perpetual Securities paid to the intermediate holding company	支付予中介控股公司的永續證券權益分派	(25,013)	(21,853)
Commission income and interest income from the directors and their close family members of the Group	自本集團董事及其緊密家族成員收取的佣金收入及利息收入	228	110

## 29. Related Party Transactions (continued)

(a) (continued)

Notes:

- (i) The commission expenses to the ultimate holding company were calculated based on the percentage of the transaction value stated in the Cooperation Agreement signed with a wholly-owned subsidiary of the Company.
- (ii) The commission expenses to the ultimate holding company were calculated based on the percentage of the transaction value through RQFII account as stated in the Cooperation Agreement signed with a wholly-owned subsidiary of the Company.
- (iii) The professional and consultancy fees paid to a fellow subsidiary for the provision of capital market information were charged at HK\$15,000,000 for the period ended 30 June 2018 (2017: HK\$9,320,000).
- (iv) The commission income received from the fellow subsidiary was based on the pricing stated in the signed brokerage agreement with wholly-owned subsidiaries of the Company.
- (v) The commission income received from the intermediate holding company was based on the pricing stated in the signed brokerage agreement with wholly-owned subsidiaries of the Company.
- (vi) The commission income received from the ultimate holding company was based on the pricing stated in the signed brokerage agreement with the wholly-owned subsidiary of the Company.
- (vii) The underwriting and sponsor fee income received from the ultimate holding company was based on the underwriting and sponsor agreement with the ultimate holding company.

## 29. 關聯方交易 (續)

(a) (續)

附註：

- (i) 支付予最終控股公司的佣金開支乃按與本公司的一家全資附屬公司簽立的合作協議列明的交易值百分比計算。
- (ii) 支付予最終控股公司的佣金開支乃按與本公司的一家全資附屬公司簽立的合作協議列明透過RQFII賬戶進行的交易值百分比計算。
- (iii) 截至二零一八年六月三十日止期間就同系附屬公司提供資本市場資料的專業及諮詢費支付15,000,000港元(二零一七年：9,320,000港元)。
- (iv) 自同系附屬公司收取的佣金收入按與本公司全資附屬公司簽立的經紀協議列明的定價收費。
- (v) 自中介控股公司收取的佣金收入按與本公司全資附屬公司簽立的經紀協議列明的定價收費。
- (vi) 自最終控股公司收取的佣金收入按與本公司一家全資附屬公司簽立的經紀協議列明的定價收費。
- (vii) 自最終控股公司收取的包銷及保薦費按與最終控股公司簽立的包銷及保薦協議收費。

## Notes to the Interim Financial Information 中期財務資料附註

### 29. Related Party Transactions (continued)

(a) (continued)

Notes: (continued)

- (viii) The management fee income received from the public fund managed by a wholly-owned subsidiary of the Company and invested by a fellow subsidiary and the intermediate holding company was charged based on the percentage prescribed in the investment management agreement.
- (ix) The commission income received from the public fund mentioned in note (viii) above was based on the percentage stated in the signed brokerage agreement with another wholly-owned subsidiaries of the Company.
- (x) The equity distribution on Perpetual Securities paid to the intermediate holding company was based on the initial distribution rate stated in the subscription agreement with the Company.
- (xi) The commission income and interest income received from the directors and their close family members of the Group was based on the pricing stated in the signed brokerage agreement with a wholly-owned subsidiary of the Company.
- (xii) Included in the Group's accounts receivable was a broker receivable due from the ultimate holding company of HK\$36,813,000 (31 December 2017: HK\$16,704,000) arising from dealing in securities as at 30 June 2018. The credit terms provided to the ultimate holding company were consistent with the practice of the securities dealing industry. The balance was unsecured, interest-free and receivable on the settlement day under the relevant market practices.
- (xiii) Included in the Group's accounts payable was a broker payable due to the ultimate holding company of HK\$5,143,000 (31 December 2017: HK\$6,723,000) arising from the dealing in securities as at 30 June 2018. The balance was unsecured, interest-free and payable on the settlement day under the relevant market practice.

### 29. 關聯方交易 (續)

(a) (續)

附註：(續)

- (viii) 自本公司一間全資附屬公司管理並由一間同系附屬公司及中介控股公司投資的公募基金收取的管理費收入按投資管理協議訂明的百分比收費。
- (ix) 自上述附註(viii)的公募基金收取的佣金收入按與本公司另一間全資附屬公司簽立的經紀協議列明的百分比收費。
- (x) 支付予中介控股公司的永續證券權益分派按與本公司訂立的認購協議列明的初始分派率分派。
- (xi) 自本集團董事及其緊密家族成員收取的佣金及利息收入按與本公司全資附屬公司簽立的經紀協議列明的定價收費。
- (xii) 本集團的應收款項包括於二零一八年六月三十日買賣證券產生的應收最終控股公司經紀應收款項36,813,000港元(二零一七年十二月三十一日：16,704,000港元)。向最終控股公司提供的信貸條款與證券買賣行業的慣例一致。根據相關市場慣例，該結餘為無抵押、免息及須於結算日支付。
- (xiii) 本集團的應付款項包括於二零一八年六月三十日買賣證券產生的應付最終控股公司經紀費用款項5,143,000港元(二零一七年十二月三十一日：6,723,000港元)。根據相關市場慣例，該結餘為無抵押、免息及於結算日支付。

## 29. Related Party Transactions (continued)

(a) (continued)

Notes: (continued)

- (xiv) Included the Group's accounts payable was the accounts payable due to the fellow subsidiary mentioned in note (iv) above of HK\$62,822,000 arising from dealing in securities and futures (31 December 2017: HK\$93,844,000). The balance is unsecured, interest-free and payable on demand.
- (xv) Included the Group's accounts payable was the accounts payable due to the intermediate holding company mentioned in note (v) above of HK\$9,345,000 arising from dealing in securities, futures and leveraged foreign exchange (31 December 2017: HK\$11,595,000). The balance is unsecured, interest-free and payable on demand.
- (xvi) Included the Group's accounts payable was the accounts payable due to the ultimate holding company mentioned in note (vi) above of nil amount arising from dealing in securities (31 December 2017: HK\$221,000). The balance is unsecured, interest-free and payable on demand.
- (xvii) Included in the Group's accounts receivable were management fee receivables due from public fund managed by the wholly-owned subsidiary mentioned in note (viii) above of HK\$462,000 (31 December 2017: HK\$438,000) arising from the provision of asset management services as at 30 June 2018. The balances were unsecured, interest-free and receivable monthly in arrears.
- (xviii) Included in the Group's accounts receivable from a public fund managed by the wholly-owned subsidiary mentioned in note (ix) above arising from dealing in securities was HK\$12,644,000 (31 December 2017: HK\$2,959,000) as at 30 June 2018.

## 29. 關聯方交易 (續)

(a) (續)

附註：(續)

- (xiv) 本集團的應付款項包括買賣證券及期貨產生的應付上述附註(iv)提及的同系附屬公司款項62,822,000港元(二零一七年十二月三十一日：93,844,000港元)。該結餘乃無抵押、免息及須於要求時支付。
- (xv) 本集團的應付款項包括因買賣證券、期貨及槓桿外匯產生的應付上述附註(v)提及的中介控股公司款項9,345,000港元(二零一七年十二月三十一日：11,595,000港元)。該結餘乃無抵押、免息及須於要求時支付。
- (xvi) 本集團的應付款項包括因買賣證券產生的應付上述附註(vi)提及的最終控股公司款項為零(二零一七年十二月三十一日：221,000港元)。該結餘乃無抵押、免息及須於要求時支付。
- (xvii) 本集團的應收款項包括於二零一八年六月三十日因提供資產管理服務產生的應收上述附註(viii)提及的全資附屬公司管理公募基金的管理費462,000港元(二零一七年十二月三十一日：438,000港元)。該結餘乃無抵押、免息及須每月支付。
- (xviii) 於二零一八年六月三十日，本集團應收款項包括因買賣證券產生的應收上述附註(ix)提及的全資附屬公司管理的公募基金款項12,644,000港元(二零一七年十二月三十一日：2,959,000港元)。

## Notes to the Interim Financial Information 中期財務資料附註

### 29. Related Party Transactions (continued)

(a) (continued)

Notes: (continued)

- (xix) Included in the Group's balance of Perpetual Securities mentioned in note (x) was nil amount as at 30 June 2018 (31 December 2017: HK\$971,125,000) owned by an intermediate holding company. The accrued distribution payable to the intermediate holding company was nil amount (31 December 2017: HK\$7,316,000).
- (xx) Included the Group's accounts receivables was the accounts receivables from the directors and their close family members of the Group mentioned in note (xi) above of HK\$4,535,000 arising from dealing in securities, futures and leveraged foreign exchange (31 December 2017: HK\$1,592,000). The balance is unsecured, interest-free and payable on demand.
- (xxi) Included the Group's accounts payable was the accounts payable due to the directors and their close family members of the Group mentioned in note (xi) above of HK\$13,646,000 arising from dealing in securities, futures and leveraged foreign exchange (31 December 2017: HK\$28,435,000). The balance is unsecured, interest-free and payable on demand.
- (xxii) Included the Group's accounts payable was the accounts payable due to immediate holding company of HK\$100,663,000 arising from dealing in securities (31 December 2017: nil). The balance is unsecured, interest-free and payable on demand.
- (xxiii) Included in the Group's prepayments, deposits and other receivables was a receivable from a fellow subsidiary of the Company mentioned in note (iii) above arising from the provision of professional and consultancy service amounting to HK\$3,125,000 (31 December 2017: nil) as at 30 June 2018.

### 29. 關聯方交易 (續)

(a) (續)

附註：(續)

- (xix) 本集團擁有附註(x)的永續證券結餘包括於二零一八年六月三十日由中介控股公司擁有的款項為零(二零一七年十二月三十一日：971,125,000港元)。應付中介控股公司的應計分派為零(二零一七年十二月三十一日：7,316,000港元)。
- (xx) 本集團的應收款項包括買賣證券、期貨及槓桿外匯產生的應收上述附註(xi)提及的本集團董事及其緊密家族成員款項4,535,000港元(二零一七年十二月三十一日：1,592,000港元)。該結餘乃無抵押、免息及須於要求時支付。
- (xxi) 本集團的應付款項包括買賣證券、期貨及槓桿外匯產生的應付上述附註(xi)提及的本集團董事及其緊密家族成員款項13,646,000港元(二零一七年十二月三十一日：28,435,000港元)。該結餘乃無抵押、免息及須於要求時支付。
- (xxii) 本集團的應付款項包括買賣證券產生的應付中介控股公司款項100,663,000港元(二零一七年十二月三十一日：無)。該結餘乃無抵押、免息及須於要求時支付。
- (xxiii) 於二零一八年六月三十日，本集團的預付款項、按金及應收款項包括提供專業及諮詢服務而產生的應收上述附註(iii)提及的一間本公司同系附屬公司款項3,125,000港元(二零一七年十二月三十一日：無)。

## Notes to the Interim Financial Information 中期財務資料附註

### 29. Related Party Transactions (continued)

- (b) The Group's ultimate holding company, Guotai Junan, is subject to the control of the PRC Government which also controls a significant portion of assets and entities in the PRC (collectively referred to as "state-owned enterprises"). Therefore, transactions with state-owned enterprises are regarded as related party transactions.

Majority of the bank borrowings and deposits of the Group were entered into with state-owned banks. In addition, the Group enters into transactions with state-owned enterprises that relate to the Group's normal business activities, including but not limited to brokerage services, corporate finance business, asset management business, loan and financing business and investment holding and market making business. These transactions are entered into in the ordinary course of business at arm's length and under the normal commercial terms and conditions as to those that would have been entered into with non-state-owned enterprises, which were not considered individually significant in accordance with HKAS 24.

- (c) Compensation of key management personnel of the Group:

### 29. 關聯方交易 (續)

- (b) 本集團最終控股公司國泰君安由中國政府控制，而中國政府亦控制中國國內重大之資產及企業(統稱為「國有企業」)。因此，本集團與國有企業訂立之交易均被視為關連方交易。

本集團大部分銀行借款及存款均為與國有銀行訂立。此外，本集團與國有企業進行與本集團日常業務活動有關的交易，包括但不限於經紀服務、企業融資業務、資產管理業務、貸款及融資業務、投資控股及做市業務。該等交易乃於日常業務過程中公平地按與非國有企業進行的交易類似的正常商業條款及條件進行，並按照香港會計準則第24號沒有被視為個別重大交易。

- (c) 本集團主要管理人員薪酬：

#### For the six months ended 30 June

#### 截至六月三十日止六個月

		2018 二零一八年 Unaudited 未經審核 HK\$'000 千港元	2017 二零一七年 Unaudited 未經審核 HK\$'000 千港元
Salaries and allowances	薪金及津貼	7,091	7,047
Equity-settled share-based payments	以權益結算以股份為基礎的 付款	8,184	11,551
Pension scheme contributions	退休金計劃供款	36	36
		<b>15,311</b>	18,634

## Notes to the Interim Financial Information 中期財務資料附註

### 30. Offsetting Financial Assets and Financial Liabilities

The Group currently has a legally enforceable right to set off the Continuous Net Settlement (CNS) money obligations receivable and trade payables with HKSCC and it intends to settle on a net basis as accounts receivable from or accounts payable to the Stock Exchange. The net amount of CNS money obligations receivable or payable with HKSCC and the guarantee fund placed in HKSCC do not meet the criteria for offsetting in the financial statements and the Group does not intend to settle the balances on a net basis.

### 30. 抵銷金融資產與金融負債

本集團目前擁有合法可執行權利抵銷與香港結算的持續淨額交收(持續淨額交收)應收賬與交易應付款項，並擬按淨額基準作為應收或應付聯交所賬款結算。與香港結算的持續淨額交收應收賬或應付賬的淨額及存於香港結算的保證基金並不符合於財務報表內抵銷的標準，因而本集團不擬按淨額基準結算有關結餘。

		Gross amount of recognised financial assets/ (liabilities)	Gross amount of recognised financial liabilities offset in the financial statements	Net amount of financial liabilities reflected in the financial statements	Related amounts not set off in the statement of financial position	Net
		已確認金融資產/ (負債)總額	抵銷已確認金融(資產)/ 負債總額	於財務報表呈列的金融負債淨額	並未於財務狀況表抵銷的有關金額	淨額
		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
<b>As at 30 June 2018, unaudited</b>	<b>於二零一八年六月三十日，未經審核</b>					
CNS money obligations receivable	持續淨額交收應收賬	791,348	(791,348)	—	—	—
CNS money obligations payable	持續淨額交收應付賬	(1,123,533)	791,348	(332,185)	—	(332,185)
<b>As at 31 December 2017, audited</b>	<b>於二零一七年十二月三十一日，經審核</b>					
CNS money obligation receivable	持續淨額交收應收賬	895,209	(895,209)	—	—	—
CNS money obligation payable	持續淨額交收應付賬	(1,074,870)	895,209	(179,661)	—	(179,661)

The “net amount of financial liabilities reflected in the financial statements”, as set out above, is included in “accounts receivable and accounts payable arising from brokerage — the Stock Exchange and other clearing houses” in Note 13 and Note 17 respectively.

上文所載的「於財務報表呈列的金融負債淨額」包括在附註13及附註17「經紀業務應收款項及應付款項—聯交所及其他結算所」。

### 31. Fair Value Measurements of Financial Instruments

#### Group's valuation process

The Level 1 and Level 2 fair value of financial assets are measured by reference to quoted market prices and brokers' quotes respectively. For Level 3 fair value, the Group has engaged an independent valuer to perform the valuation of financial assets for financial reporting purposes. Such valuation report would be sent to the Accounting Department and the Audit Committee for discussion at least twice per annum, which is in line with the Group's reporting dates.

The Accounting Department regularly reviews significant unobservable inputs and valuation adjustments including broker quotes used to measure the fair values of financial assets. Changes in Level 2 and Level 3 fair values are analysed for the fair value movement at each reporting date.

### 31. 金融工具的公平值計量

#### 本集團的估值流程

第1級及第2級金融資產的公平值乃分別參考市場報價及經紀報價計量。就第3級公平值而言，本集團已委聘獨立估值師對金融資產進行估值，以作財務申報目的。該估值報告將每年至少兩次(與本集團的報告日期一致)呈送予會計部及審核委員會，以供討論。

會計部定期審閱用於計量金融資產公平值的重大無法觀察參數及估值調整(包括經紀報價)。第2級及第3級公平值變動於各報告日期進行分析以了解公平值動態。

## Notes to the Interim Financial Information 中期財務資料附註

### 31. Fair Value Measurements of Financial Instruments (continued)

#### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### Assets measured at fair value:

		Quoted prices in active markets 活躍市場報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可觀察參數 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大無法觀察參數 (Level 3) (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets held for trading	持作買賣金融資產	153,952	—	—	153,952
– Listed equity securities	– 上市股本證券	—	—	—	—
– Listed debt securities	– 上市債務證券	—	9,948,419	—	9,948,419
– Unlisted debt securities	– 非上市債務證券	—	787,831	—	787,831
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	—	—	—	—
– Listed fund investments	– 上市基金投資	—	—	—	—
– Unlisted fund investments	– 非上市基金投資	—	382,717	—	382,717
– Unlisted convertible promissory debt instruments	– 非上市可換股承兌債務工具	—	69,608	55,653	125,261
– Other financial instruments	– 其他金融工具	—	23,438	—	23,438
– Financial products	– 金融產品	2,768,692	22,839,034	4,589,200	30,196,926
Derivative financial instruments	衍生金融工具	—	62,066	—	62,066
		2,922,644	34,113,113	4,644,853	41,680,610

### 31. 金融工具的公平值計量 (續)

#### 公平值等級

下表闡明本集團金融工具的公平值計量等級：

#### 按公平值計量的資產：

#### Fair value measurement using 採用以下各項的公平值計量

		Quoted prices in active markets 活躍市場報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可觀察參數 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大無法觀察參數 (Level 3) (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets held for trading	持作買賣金融資產	153,952	—	—	153,952
– Listed equity securities	– 上市股本證券	—	—	—	—
– Listed debt securities	– 上市債務證券	—	9,948,419	—	9,948,419
– Unlisted debt securities	– 非上市債務證券	—	787,831	—	787,831
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	—	—	—	—
– Listed fund investments	– 上市基金投資	—	—	—	—
– Unlisted fund investments	– 非上市基金投資	—	382,717	—	382,717
– Unlisted convertible promissory debt instruments	– 非上市可換股承兌債務工具	—	69,608	55,653	125,261
– Other financial instruments	– 其他金融工具	—	23,438	—	23,438
– Financial products	– 金融產品	2,768,692	22,839,034	4,589,200	30,196,926
Derivative financial instruments	衍生金融工具	—	62,066	—	62,066
		2,922,644	34,113,113	4,644,853	41,680,610

Notes to the Interim Financial Information  
中期財務資料附註

31. Fair Value Measurements of Financial Instruments (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

As at 31 December 2017, audited

31. 金融工具的公平值計量(續)

公平值等級(續)

按公平值計量的資產:(續)

於二零一七年十二月三十一日,經審核

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets 活躍 市場報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可 觀察參數 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大無法 觀察參數 (Level 3) (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets held for trading	持作買賣金融資產				
– Listed equity securities	– 上市股本證券	423,450	—	—	423,450
– Listed debt securities	– 上市債務證券	—	7,517,668	—	7,517,668
– Unlisted debt securities	– 非上市債務證券	—	601,913	—	601,913
Financial assets at fair value through profit or loss	按公平值計入損益的 金融資產				
– Listed fund investments	– 上市基金投資	23,249	—	—	23,249
– Unlisted fund investments	– 非上市基金投資	—	238,399	—	238,399
– Other financial instruments	– 其他金融工具	—	119,592	—	119,592
– Financial products	– 金融產品	2,111,520	24,515,860	1,619,111	28,246,491
Derivative financial instruments	衍生金融工具	—	110,461	—	110,461
		2,558,219	33,103,893	1,619,111	37,281,223

**Notes to the Interim Financial Information**  
**中期財務資料附註**

**31. Fair Value Measurements of Financial Instruments** *(continued)*

Fair value hierarchy *(continued)*

*Liabilities measured at fair value:*

As at 30 June 2018, unaudited

**31. 金融工具的公平值計量** *(續)*

公平值等級 *(續)*

按公平值計量的負債：

於二零一八年六月三十日，未經審核

Fair value measurement using  
採用以下各項的公平值計量

		Quoted prices in active markets 活躍 市場報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可 觀察參數 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大無法 觀察參數 (Level 3) (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Debt securities in issue at fair value through profit and loss	按公平值計入損益的已發行債務證券	—	(9,538,640)	(4,944,281)	(14,482,921)
Financial liabilities held for trading	持作買賣的金融負債				
– Listed equity securities	– 上市股本證券	(5,925)	—	—	(5,925)
– Listed debt securities	– 上市債務證券	—	(3,011,159)	—	(3,011,159)
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債				
– Financial products	– 金融產品	—	(5,239,695)	(126,937)	(5,366,632)
Derivative financial instruments	衍生金融工具	—	(15,388)	—	(15,388)
		(5,925)	(17,804,882)	(5,071,218)	(22,882,025)

Notes to the Interim Financial Information  
中期財務資料附註

31. Fair Value Measurements of Financial Instruments (continued) 31. 金融工具的公平值計量(續)

Fair value hierarchy (continued)

公平值等級(續)

Liabilities measured at fair value: (continued)

按公平值計量的負債:(續)

As at 31 December 2017, audited

於二零一七年十二月三十一日,經審核

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets 活躍 市場報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可 觀察參數 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大無法 觀察參數 (Level 3) (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Debt securities in issue designated at fair value through profit and loss	指定按公平值計入損益的已發 行債務證券	—	(8,267,555)	(2,211,321)	(10,478,876)
Financial liabilities held for trading	持作買賣的金融負債				
– Listed equity securities	– 上市股本證券	(6,634)	—	—	(6,634)
– Listed debt securities	– 上市債務證券	—	(1,573,357)	—	(1,573,357)
Financial liabilities designated at fair value through profit or loss	指定按公平值計入損益的金融 負債				
– Financial products	– 金融產品	—	(7,428,785)	—	(7,428,785)
Derivative financial instruments	衍生金融工具	—	(27,722)	—	(27,722)
		(6,634)	(17,297,419)	(2,211,321)	(19,515,374)

## Notes to the Interim Financial Information 中期財務資料附註

### 31. Fair Value Measurements of Financial Instruments *(continued)*

#### (a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer or broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

#### (b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs used in the valuation for financial instruments are observable, the financial instruments are included in Level 2.

If one or more of the significant inputs are not based on observable market data, the financial instrument is included in Level 3.

There was no transfer of fair value measurement between Level 1 and Level 2 during the six months ended 30 June 2018 and the year ended 31 December 2017.

### 31. 金融工具的公平值計量(續)

#### (a) 第1級金融工具

於交投活躍市場買賣的金融工具公平值根據報告期末的市場報價計算。交投活躍的市場指可輕易及定期從交易所、交易商或經紀取得報價的市場，而該等報價代表按公平基準進行的實際及常規市場交易。本集團所持金融資產所用的市場報價為當時的買盤價。

#### (b) 第2級金融工具

並非於活躍市場(例如場外市場)買賣的金融工具公平值乃使用估值技術釐定。該等估值技術盡可能採用可觀察市場數據(如有)，盡量不依賴實體的特定估計。如金融工具估值所用的所有重大參數均為可觀察參數，該金融工具列入第2級。

倘有一個或多個重大參數並非以可觀察市場數據為基準，該金融工具列入第3級。

截至二零一八年六月三十日止六個月及截至二零一七年十二月三十一日止年度，概無公平值計量於第1級與第2級之間轉撥。

Notes to the Interim Financial Information  
中期財務資料附註

31. Fair Value Measurements of Financial Instruments (continued)

(c) Financial instruments in Level 3

The following tables present the changes in Level 3 instruments of financial instruments for the period ended 30 June 2018 and the year ended 31 December 2017.

Level 3 financial assets

For the period ended 30 June 2018, unaudited

		Unlisted convertible promissory debt instrument (Note 14) 非上市可換股 承兌債務工具 (附註14) HK\$'000 千港元	Unlisted convertible promissory note (Note 14) 非上市可換股 承兌票據 (附註14) HK\$'000 千港元	Unlisted fund investments (Note 14) 非上市 基金投資 (附註14) HK\$'000 千港元	Financial products (Note 14) 金融產品 (附註14) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年 一月一日	—	—	—	1,619,111	1,619,111
Purchases	購買	39,105	—	—	3,238,989	3,278,094
Net (loss)/gain recognised in profit or loss	於損益內確認的 (虧損)/收益 淨額	16,548	—	—	(268,900)	(252,352)
At 30 June 2018	於二零一八年 六月三十日	55,653	—	—	4,589,200	4,644,853

31. 金融工具的公平值計量(續)

(c) 第3級金融工具

下表呈列截至二零一八年六月三十日止期間及截至二零一七年十二月三十一日止年度，第3級金融工具的變動。

第3級金融資產

截至二零一八年六月三十日止  
期間，未經審核

**Notes to the Interim Financial Information**  
**中期財務資料附註**

**31. Fair Value Measurements of Financial Instruments** (continued)

(c) Financial instruments in Level 3 (continued)

Level 3 financial assets (continued)

For the year ended 31 December 2017, audited

(c) 第3級金融工具(續)

第3級金融資產(續)

截至二零一七年十二月三十一日  
止年度，經審核

		Unlisted convertible promissory note (Note 14) 非上市可換股承兌票據 (附註14) HK\$'000 千港元	Unlisted fund investments (Note 14) 非上市基金投資 (附註14) HK\$'000 千港元	Financial products (Note 14) 金融產品 (附註14) 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	115,184	51,701	1,172,317	1,339,202
Purchases	購買	—	—	238,204	238,204
Disposal	出售	(76,081)	(57,281)	—	(133,362)
Accrued interest income	應計利息收入	1,540	—	—	1,540
Receipt of interest income	收取利息收入	(1,546)	—	—	(1,546)
Net (loss)/gain recognised in profit or loss	於損益內確認的(虧損)/收益淨額	(39,097)	5,580	208,590	175,073
At 31 December 2017	於二零一七年十二月三十一日	—	—	1,619,111	1,619,111

Notes to the Interim Financial Information  
中期財務資料附註

31. Fair Value Measurements of Financial Instruments (continued)      31. 金融工具的公平值計量(續)

(c) Financial instruments in Level 3 (continued)

Level 3 financial liabilities

For the period ended 30 June 2018, unaudited

(c) 第3級金融工具(續)

第3級金融負債

截至二零一八年六月三十日止  
期間，未經審核

		Financial products (Note 20)	Debt securities in issue (Note 19)	Total
		金融產品 (附註20)	已發行 債務證券 (附註19)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	—	2,211,321	2,211,321
Sales/issuance	銷售/發行	78,210	3,050,756	3,128,966
Net (loss)/gain recognised in profit or loss	於損益確認的淨 (虧損)/收益	48,727	(317,796)	(269,069)
At 30 June 2018	於二零一八年 六月三十日	126,937	4,944,281	5,071,218

For the year ended 31 December 2017, audited

截至二零一七年十二月三十一日  
止年度，經審核

		Debt securities in issue (Note 19)
		已發行債務證券 (附註19)
		HK\$'000 千港元
At 1 January	於一月一日	1,172,317
Issuance	發行	830,414
Net gain recognised in profit or loss	於損益確認的淨收益	208,590
At 31 December 2017	二零一七年十二月三十一日	2,211,321

## Notes to the Interim Financial Information 中期財務資料附註

### 31. Fair Value Measurements of Financial Instruments (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2018 and 31 December 2017:

As at 30 June 2018

	Valuation technique 估值技術	Significant unobservable input 重大無法觀察參數	Average 平均	Sensitivity of the fair value to the input 公平值對參數的敏感度
Unlisted convertible promissory debt instrument	Market approach	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to revenue multiple – Enterprise value multiple	23 15.9	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$5.6 million or decreased by HK\$5.6 million, respectively
非上市可換股承兌債務工具	市場法	用於釐定項目公司估計股權價值的市場可資比較公司的定價倍數： – 市營率 – 企業價值倍數	23 15.9	相關股價上升或降低10%，公平值將分別增加5.6百萬港元或減少5.6百萬港元。
Financial products	Market approach	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to revenue multiple – Enterprise value multiple	23 15.9	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$16.7 million or decreased by HK\$16.7 million, respectively
金融產品	市場法	用於釐定項目公司估計股權價值的市場可資比較公司的定價倍數： – 市營率 – 企業價值倍數	23 15.9	相關股價上升或降低10%，公平值將分別增加16.7百萬港元或減少16.7百萬港元。
Financial products	Market approach	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to revenue multiple – Price to earnings multiple – Enterprise value to sales	3.1 25 3.2	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$102.1 million or decreased by HK\$102.1 million, respectively
金融產品	市場法	用於釐定項目公司估計股權價值的市場可資比較公司的定價倍數： – 市營率 – 市盈率 – 企業價值與銷售額比率	3.1 25 3.2	相關股價上升或降低10%，公平值將分別增加102.1百萬港元或減少102.1百萬港元。
Financial products	Market approach	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to book multiple – Price to earnings multiple	1.5 12.2	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$24.6 million or decreased by HK\$24.6 million, respectively
金融產品	市場法	用於釐定項目公司估計股權價值的市場可資比較公司的定價倍數： – 市賬率 – 市盈率	1.5 12.2	相關股價上升或降低10%，公平值將分別增加24.6百萬港元或減少24.6百萬港元。
Financial products	Recent transaction price	N/A	N/A	N/A
金融產品	近期交易價	不適用	不適用	不適用

### 31. 金融工具的公平值計量(續)

下文為金融工具於二零一八年六月三十日及二零一七年十二月三十一日估值的重大無法觀察參數概要：

於二零一八年六月三十日

Notes to the Interim Financial Information  
中期財務資料附註

31. Fair Value Measurements of Financial Instruments (continued) 31. 金融工具的公平值計量(續)

As at 30 June 2018 (continued)

於二零一八年六月三十日(續)

	Valuation technique 估值技術	Significant unobservable input 重大無法觀察參數	Average 平均	Sensitivity of the fair value to the input 公平值對參數的敏感度
Financial liabilities	Market approach	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to revenue multiple – Enterprise value multiple	23 15.9	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$16.7 million or decreased by HK\$16.7 million, respectively
金融負債	市場法	用於釐定項目公司估計股權價值的市場可資比較公司的定價倍數： – 市營率 – 企業價值倍數	23 15.9	相關股價上升或降低10%，公平值將分別增加16.7百萬港元或減少16.7百萬港元。
Debt securities in issue	Market approach	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to revenue multiple – Price to earnings multiple – Enterprise value to sales	3.1 25 3.2	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$102.1 million or decreased by HK\$102.1 million, respectively
已發行債務證券	市場法	用於釐定項目公司估計股權價值的市場可資比較公司的定價倍數： – 市營率 – 市盈率 – 企價值與銷售額比率	3.1 25 3.2	相關股價上升或降低10%，公平值將分別增加102.1百萬港元或減少102.1百萬港元。
Debt securities in issue	Market approach	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to book multiple – Price to earnings multiple	1.5 12.2	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$24.6 million or decreased by HK\$24.6 million, respectively
已發行債務證券	市場法	用於釐定項目公司估計股權價值的市場可資比較公司的定價倍數： – 市賬率 – 市盈率	1.5 12.2	相關股價上升或降低10%，公平值將分別增加24.6百萬港元或減少24.6百萬港元。
Debt securities in issue	Recent transaction price	N/A	N/A	N/A
已發行債務證券	近期交易價格	不適用	不適用	不適用

## Notes to the Interim Financial Information 中期財務資料附註

### 31. Fair Value Measurements of Financial Instruments (continued) 31. 金融工具的公平值計量(續)

As at 31 December 2017

於二零一七年十二月三十一日

	Valuation technique 估值技術	Significant unobservable input 重大無法觀察參數	Average 平均	Sensitivity of the fair value to the input 公平值對參數的敏感度
Financial products	Market approach	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to revenue multiple – Price to book multiple – Price to earnings multiple – Enterprise value to sales	8.8 2.5 56.6 9.7	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$138.1 million or decreased by HK\$138.1 million, respectively.
金融產品	市場法	用於釐定項目公司估計股權價值的市場可資比較公司的定價倍數： – 市營率 – 市賬率 – 市盈率 – 企業價值與銷售額比率	8.8 2.5 56.6 9.7	相關股價上升或降低10%，公平值將分別增加138.1百萬港元或減少138.1百萬港元。
Financial products	Recent transaction price	N/A	N/A	N/A
金融產品	近期交易價	不適用	不適用	不適用
Debt securities in issue	Market approach	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to revenue multiple – Price to book multiple – Price to earnings multiple – Enterprise value to sales	8.8 2.5 56.6 9.7	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$138.1 million or decreased by HK\$138.1 million, respectively.
已發行債務證券	市場法	用於釐定項目公司估計股權價值的市場可資比較公司的定價倍數： – 市營率 – 市賬率 – 市盈率 – 企業價值與銷售額比率	8.8 2.5 56.6 9.7	相關股價上升或降低10%，公平值將分別增加138.1百萬港元或減少138.1百萬港元。
Debt securities in issue	Recent transaction price	N/A	N/A	N/A
已發行債務證券	近期交易價格	不適用	不適用	不適用



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