



Guotai Junan International Holdings Limited
國泰君安國際控股有限公司

(incorporated in Hong Kong with limited liability 於香港註冊成立的公司)
Stock Code 股份代號 : 1788



Risk Management Creates **VALUE**

風險管理創造價值



ANNUAL REPORT 2016 年報



封面故事

時代變遷，資訊科技日新月異，經濟發展突飛猛進。現今的商業經營環境有如博弈，千變萬化，倍具挑戰。

國泰君安國際控股有限公司的專業團隊具有豐富的投資管理經驗和專業精神，集智慧、經驗、熱誠和堅持於一身，在變局中運籌帷幄，全盤部署，精心地為客戶提供多元化金融服務和產品，同時有效而全面地控制風險，為客戶和股東創造價值，穩步奠定勝局。





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勝局

專業，精準，誠信，深識而遠慮，創新而穩健，勇闖業務高峰而嚴格管控風險，這是國泰君安國際為自身立下的目標和要求，也是我們對投資者和客戶的承諾。

每走一步，都留下我們醞釀、深思、勇氣和睿智的印記。我們專業的投資管理團隊通過精心策劃，客觀分析，融入豐富的實踐經驗，為客戶度身定制投融資服務和金融產品，以應對不斷變化的市場環境，優化客戶和投資者的回報。

國泰君安國際以一貫嚴謹穩健的經營風格，無懼市場波動和各種挑戰，穩操勝局。





里程碑

一九九五年

- 國泰君安(香港)有限公司註冊成立。
- 國泰君安證券(香港)有限公司成為聯交所成員並開展業務。

一九九七年

- 國泰君安期貨(香港)有限公司開始業務。



二零零一年

- 香港證券的網上交易平台推出。

二零零八年

- 為首個在深圳證券交易所A股及B股上市的試點公司完成保薦工作及在香港首次公開發售集資。

二零零九年

- 美國證券的網上交易平台推出。
- 取得中國證監會批准中國B股交易資格。

二零一二年

- 我們推出首隻RQFII基金：國泰君安巨龍人民幣基金－國泰君安巨龍中國固定收益基金。
- 為一家中國企業完成B股轉H股及H股在聯交所主板上市。

二零一三年

- 我們推出首隻在盧森堡發行的公募基金：White Fleet – Guotai Junan Sunrise Emerging Market Fixed Income Total Return Fund。

二零一四年

- 為控股股東國泰君安的境外投資完成發行境外美元計值公司債券。

二零零三年

- 期貨業務的網上交易平台推出。

二零零四年

- 為首個在深圳證券交易所A股上市的試點公司完成保薦工作及在香港首次公開發售集資。

二零零七年

- 我們的首個香港證監會授權基金：國泰君安投資基金－國泰君安大中華增長基金推出。



二零一零年

- 取得中國證監會批准香港上市。
- 國泰君安國際控股有限公司註冊成立並於聯交所主板上市。
- 國泰君安外匯有限公司開始提供槓桿式外匯交易服務。

二零一一年

- 我們已展開一級美國預託證券服務。

二零一五年

- Guotai Junan International Asset Management (Singapore) Pte. Limited於新加坡開展資產管理業務。



二零一六年

- 國泰君安國際控股有限公司發行300,000,000美元的次級永續證券，國泰君安證券(香港)有限公司為唯一配售代理。
- 國泰君安融資有限公司獲國泰君安證券股份有限公司委任為其建議於聯交所發售H股的聯席保薦人之一。
- 國泰君安國際分別獲Moody's Investor Service及Standard & Poor's Global Ratings評為「Baa2/Prime-2」及「BBB/A-2」評級。

公司概況

香港堪稱全球活躍大都市，藉此國泰君安國際控股有限公司（「國泰君安國際」或「本公司」或「我們」）立足本港，成為連接中國及全球企業與投資者的橋樑。本公司提供一系列創新金融產品及服務，以滿足中國內地及海外公司和投資者的融資需求，並助他們把握投資機會。

國泰君安國際為獲中國證券監督管理委員會（「中國證監會」）批准將股份透過首次公開發售（「首次公開發售」）於香港聯合交易所有限公司（「聯交所」）主板上市的首家中資證券經紀行。一九九五年成立於香港，我們提供五大核心業務服務：(i) 證券、期貨、期權及槓桿式外匯交易買賣及經紀服務；(ii) 企業融資；(iii) 資產管理；(iv) 借貸及融資及(v) 金融產品、做市及投資業務。近年來由於本公司的借貸及融資、企業融資、固定收益、結構性產品及做市業務的快速發展，本公司實現業務多元化，並將其重心從傳統型收費經紀業務轉向綜合財富管理業務，提供一系列度身定制金融產品及服務，為投資者帶來最大回報。我們的專業團隊對中港資本市場有深厚認知和了解，並已建立良好聲譽，為香港、中國及全球投資者提供優質融資服務及定制金融產品。

利用成熟的網絡平台，我們為客戶提供綜合性服務，涉及全球證券、衍生工具及槓桿式外匯交易、首次公開發售認購、孖展融資、股票報價、市場資訊及研究報告等。我們強大的專業網上交易工具（包括移動應用）支持8個主要國際證券市場及超過20個期貨及期權市場的網上交易，以及8個主要貨幣對及21個相關組合的槓桿式外匯交易。

本公司通過有效的風控系統將風險管理滲透到各業務線，以盡可能降低風險，從而為股東及投資者帶來最大回報。於二零一六年，國泰君安國際分別獲Moody's Investor Service及Standard & Poor's Global Ratings評為「Baa2/Prime-2」及「BBB/A-2」評級。國泰君安國際亦被Asia Risk Magazine評譽為「二零一六年度最佳券商」。儘管近年來經歷股市動蕩及經濟放緩，國泰君安國際的利潤穩步增長，二零一二年至二零一六年間保持雙位數股本回報率，超越同行競爭對手，在業界首屈一指。

我們的控股股東國泰君安證券股份有限公司（「國泰君安」）（上海證券交易所股票代碼：601211）為中國最大證券公司之一，主要由上海國際集團有限公司擁有。憑藉母公司強大的品牌優勢、廣泛的客戶基礎及充沛的資本支持，我們在國泰君安的國際發展戰略中發揮重要作用，為其國際化擴張開闢道路。

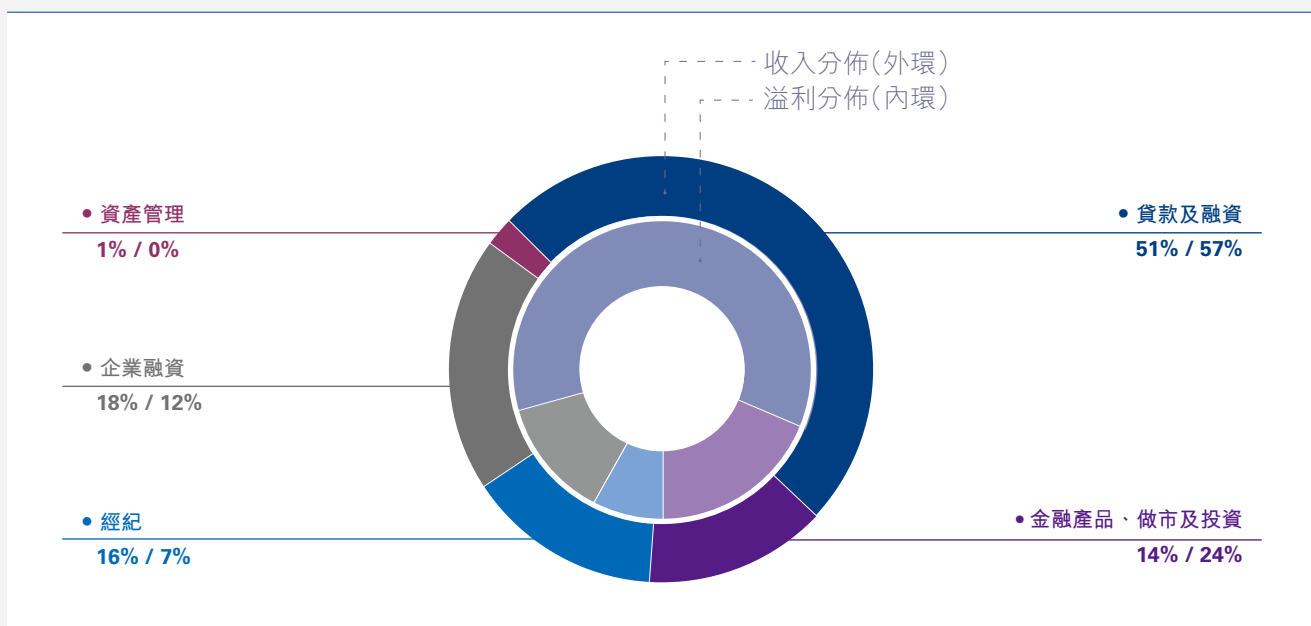
展望未來，我們將會持續擴展及投資於我們的現有平台及客戶群，力求成為區內領先的金融服務及產品企業集團。憑藉我們有效的風險管理系統及廣泛的金融服務和創新產品，我們將會竭力為客戶堅守「誠信、親和、專業、創新」的服務承諾。

財務摘要

截至十二月三十一日止年度

	二零一六年 千港元	二零一五年 千港元	變動 %
費用及佣金收入			
— 經紀	393,000	719,945	-45.4%
— 企業融資	456,649	281,447	62.3%
— 資產管理	28,487	53,092	-46.3%
貸款及融資收入	1,297,278	1,076,018	20.6%
金融產品、做市及投資收益	343,773	146,106	135.3%
收益	2,519,187	2,276,608	10.7%
年內溢利	1,026,087	1,015,433	1.0%
本公司普通股股權持有人應佔溢利	969,139	1,013,541	-4.4%
每股基本盈利(港仙)	14.1	14.9	-5.4%
每股攤薄盈利(港仙)	13.9	14.6	-4.8%
每股股息(港仙)	7.5	7.5	0%
每股普通股權益值(港元)(附註)	1.18	1.11	6.3%

二零一六年收入及溢利分佈



附註：

根據於二零一六年十二月三十一日的6,902,496,742股股份(二零一五年：6,857,378,801股股份)，即6,965,301,142股已發行及繳足股份減去62,804,400股按本公司股份獎勵計劃持有的股份(二零一五年：6,934,308,201股已發行及繳足股份減去76,929,400股按本公司股份獎勵計劃持有的股份)計算。

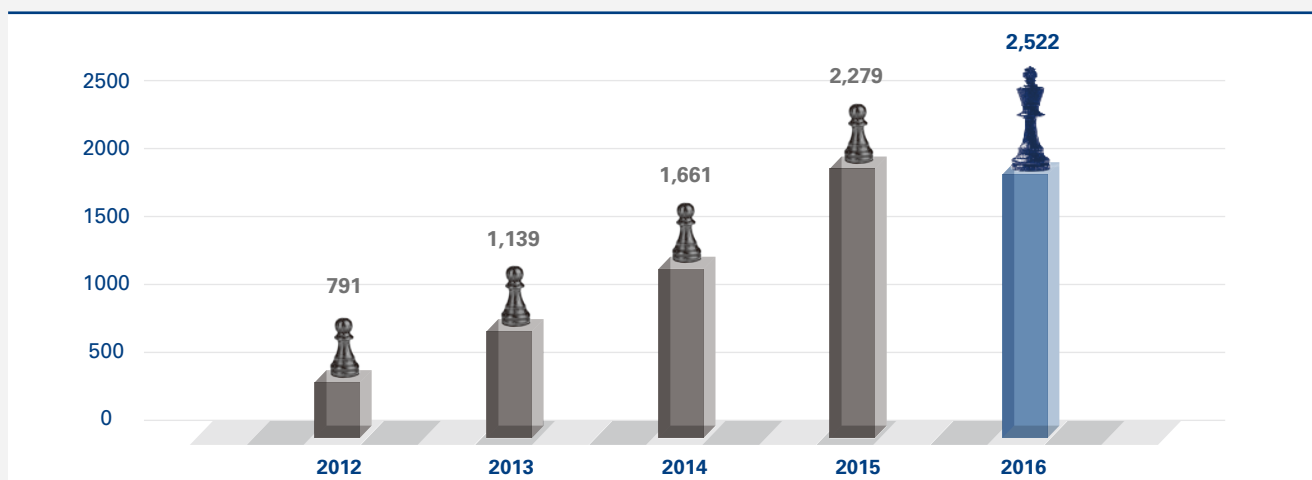
財務概要

本集團過去五個財政年度的刊發業績及資產與負債概要載列如下：

	截至十二月三十一日止年度				
	二零一六年 千港元	二零一五年 千港元	二零一四年 千港元	二零一三年 千港元	二零一二年 千港元
收益及其它收入	2,521,795	2,278,507	1,661,041	1,139,368	790,740
除稅前溢利	1,188,607	1,168,122	929,216	619,526	355,402
年內溢利	1,026,087	1,015,433	801,915	537,758	307,150
本公司普通股股權持有人應佔溢利	969,139	1,013,541	799,791	536,398	307,003

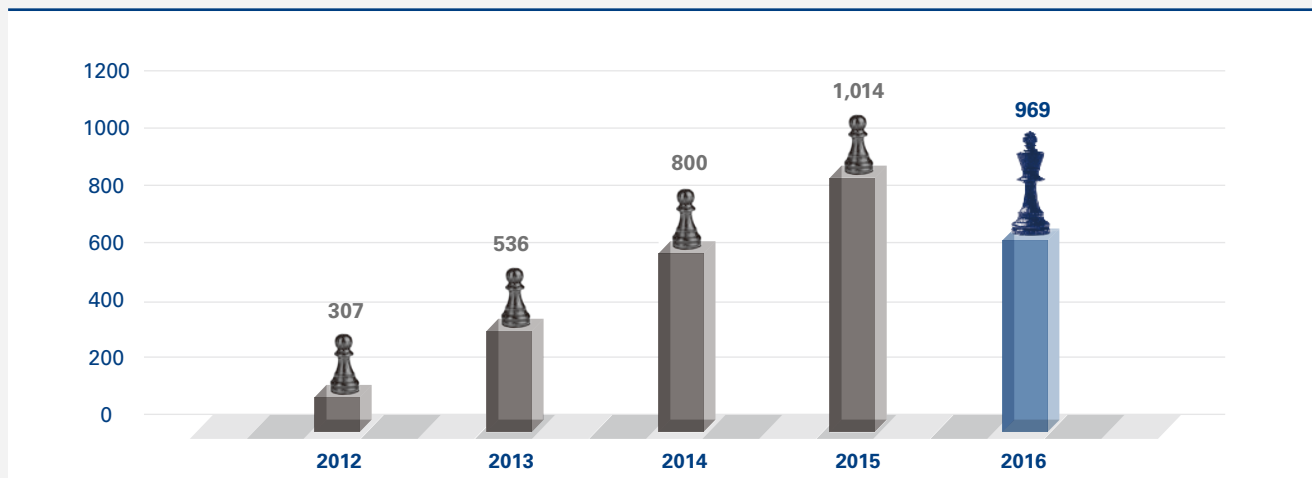
收益及其它收入

(百萬港元)



本公司普通股股權持有人應佔溢利

(百萬港元)



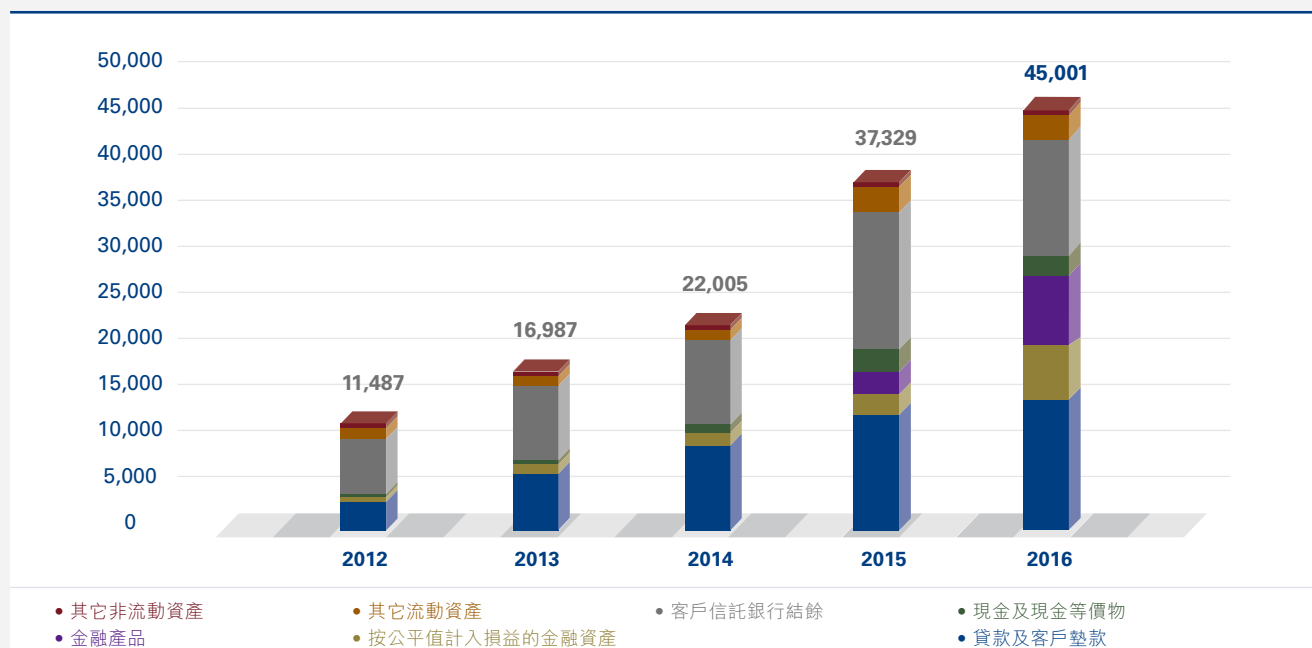
資產與負債

於十二月三十一日

	二零一六年 千港元	二零一五年 千港元	二零一四年 千港元	二零一三年 千港元	二零一二年 千港元
貸款及客戶墊款	14,538,144	12,375,857	9,099,164	6,005,392	3,058,102
按公平值計入損益的金融資產	5,888,774	2,197,965	1,353,089	983,717	482,220
金融產品	7,424,551	2,429,123	-	-	-
反向回購協議應收款項	480,782	509,695	-	-	-
衍生金融工具	122,001	24,952	1,766	-	-
現金及現金等價物	1,964,398	2,408,666	889,286	485,295	384,554
客戶信託銀行結餘	12,400,917	14,662,991	9,009,909	7,966,841	5,883,941
其它流動資產	1,671,466	2,199,578	1,130,166	1,020,404	1,130,404
其它非流動資產	509,712	520,608	521,501	525,092	547,516
資產總額	45,000,745	37,329,435	22,004,881	16,986,741	11,486,737
銀行借款	(8,911,433)	(7,855,662)	(4,462,719)	(3,386,113)	(739,820)
已發行債務證券	(5,823,241)	(2,358,088)	(171,123)	(324,706)	(86,000)
按公平值計入損益的金融負債	(3,485,520)	(505,340)	-	-	-
回購協議的債項	(930,958)	(400,517)	-	-	-
衍生金融工具	(130,083)	(29,766)	(1,766)	-	-
其他負債	(15,185,676)	(18,544,805)	(10,304,059)	(9,328,605)	(7,261,152)
非控股權益	(11,951)	(11,693)	(9,801)	(7,677)	(6,317)
股東資金	10,521,883	7,623,564	7,055,413	3,939,640	3,393,448

資產結構

(百萬港元)





主席報告書

致各位股東：

本人欣然向各位股東報告，二零一六財務年度，儘管市場大幅波動、黑天鵝事件迭出，本集團經營業績超越市場及業內表現，盈利較去年同期仍錄得小幅增長，保持了良好的增長態勢，而普通股股東權益回報率、盈利增長率等財務指標持續在行業佔據領導地位。

截至二零一六年十二月三十一日止，本集團本財政年度除稅後溢利在2015年基礎上小幅增長1%至10.26億港元，創歷史新高。董事會建議派付末期股息每股0.045港元，連同中期股息每股0.03港元，本年度派發股息總額為每股0.075港元。

集團在動蕩市場環境下持續取得穩健成長的業績，顯示了我們卓越的風險管理能力。二零一六年公司獲風控領域權威雜誌《亞洲風險》Asia Risk評選為「2016亞洲風險管理大獎」之「年度最佳券商」，充分體現了本公司在業內的領導地位和突出的核心競爭力。

業績回顧

二零一六年是香港資本市場大幅波動的一年，也是本公司經受市場考驗、取得良好業績的一年。受到內地A股市場熔斷機制事件及美元加息預期下資本流出趨勢加強兩方面因素的影響，香港證券市場承壓較重，二零一六年全年平均每日成交金額為同比下跌37%；首次公開招股集資金額同比下跌26%；募集資金總額同比下跌56%。香港證券行業的收入和盈利出現明顯下滑。

面對困難，本集團加大了企業融資、固定收益、融資借貸、金融產品、做市交易等業務的資源投入，取得良好業績。集團投行業務實力不斷提升，全年共協助21間企業完成首次公開發行，協助企業在一級市場籌資超過570億港幣，在二級市場籌資超過27億港幣；並成功完成了47個債券項目，協助客戶在債務資本市場籌資超過850億港幣。經紀和信用業務方面，憑藉對中港資本市場的專業認知和良好的市場聲譽，集團持續擴大客戶基礎，經紀業務市場佔有率顯著提升，全年平均孖展貸款餘額和利息收入保持

可觀增長。期內集團金融產品、做市交易收入增長較快，為收入成長做出貢獻。在推動收入增長的同時，我們持續加強成本及費用管理，保持了盈利穩健、可持續增長。

在同業業績明顯下滑的市場背景下，公司取得持續增長的可喜業績，主要得益於集團自成立以來高度重視風險管理的發展戰略和管理文化。二零一六年，面對複雜多變的市場環境，我們在集團層面建立實施了全面風險管理框架、制度和系統，風控能力進一步提高。集團在年內分別獲得穆迪和標普授予「Baa2/Prime-2」評級及「BBB/A-2」評級，體現了評級機構對我們多年來奉行審慎風險管理、保持低風險取向、穩健經營策略的高度認可和充分肯定。

根據估值比率和債務資金成本分析，風控能力的提升有效地降低了集團加權平均資金成本，彰顯了推動風險中性收入的增長策略對於降低收入波動性、提高盈利穩定性的戰略價值。

前景展望

展望二零一七年，美元仍處於加息通道，美元在特朗普政府促進出口策略導向下雖出現短期調整，但中期看仍是走強趨勢，香港、內地市場和其它新興市場面臨資金流出衝擊。此外，特朗普新政府上臺後中美貿易摩擦加大，英國退歐事件後續發展的衝擊不明，法德兩國大選結果難料，預期2017年全球市場波動加強。

內地經濟在十九大後有望走出谷底，但增速將受到美國政策調整等外部因素影響，預計內地貨幣政策維持穩健中性，積極財政政策是重要的政策選項，總體上我們對內地經濟發展形勢持謹慎樂觀觀點。

二零一七年內地企業海外併購與國際化發展引發的融資需求、內地居民海外資產配置需求日益增長、一帶一路國家戰略加快實施三大因素將為我們業務增長帶來現實機會。公司作為國泰君安的大型海外業務平臺，憑藉母公司強勁支持，將以母公司H股IPO為契機深化跨境投融资服務，在豐富香港市場服務的基礎上，努力開拓東南亞等新興國際市場，提升綜合金融服務能力，為企業、機構和個人客戶提供多樣化金融產品選擇和高質量融資解決方案。

各位股東，我們將在2017年繼續發揮風控體系、交易平臺、專業人才、創新能力等方面的核心優勢，進一步擴大客戶基礎，豐富產品組合，健全服務體系，優化收入結構，致力於為股東創造更大價值。

閻峰博士，太平紳士

國泰君安國際控股有限公司

主席兼行政總裁

二零一七年二月十七日



管理層 討論與分析

業績及概覽

我們欣然向股東報告，本集團截至二零一六年十二月三十一日止年度取得除稅後溢利1,026.1百萬港元(二零一五年：1,015.4百萬港元)，較二零一五年同期輕微增加1.0%。於回顧年度，本集團的金融產品、做市及投資、企業融資以及貸款及融資業務成為增長動力，導致相應收入分別增長135.3%、62.3%及20.6%。

董事會建議就截至二零一六年十二月三十一日止年度派付末期股息每股0.045港元。連同中期股息每股0.03港元，本年度宣派的股息合共為每股0.075港元。

市場回顧

宏觀環境

二零一六年，市場不明朗因素激增，市場表現與信心大受影響。美國總統大選及英國脫歐等全球事件為全球金融市場帶來不明朗因素及令波幅擴大，並導致美國與其他國家的市場表現背馳。在美國，隨著國內生產總值增長率及失業率持續改善，股市表現理想，道瓊斯工業平均指數上漲13.4%至19,762點。於去年十二月美國總統大選後，美國聯邦公開市場委員會宣佈加息0.25%。在歐洲，經濟復甦步伐仍然緩慢。難民問題成為該地區多個國家的難題。英國脫歐公投支持英國脫歐以及意大利修憲公投導致金融市場愈趨緊張。

中國方面，中央政府正面對經濟增長放緩、消費力減弱、房地產價格上漲及金融市場表現疲弱等眾多問題。年內人民幣兌美元已貶值約7%。中國人民銀行推出多項措施控制人民幣外流，同時鼓勵人民幣回籠。此外，中國監管部門亦推出各項措施加強對金融市場的監管力度。

市場

二零一六年香港股市跌宕起伏。恒生指數於二零一六年年初大幅下跌，其後於第二及第三季度有所反彈。於二零一六年年底，恒生指數收報22,001點，與去年同期相比增長0.4%。然而，香港股市的平均每日成交額下跌至669億港元，與二零一五年的1,056億港元相比減少36.6%。悲觀的市場情緒亦影響到香港的首次公開發售市場，於二零一六年僅有126間新上市公司，相比二零一五年的138間新上市公司減少8.7%。

業務回顧

本集團的業務包括經紀、企業融資、資產管理、貸款及融資以及金融產品、做市及投資。於二零一六年，本集團的業務表現各有不同。儘管經紀及資產管理業務受市況波動及去年異常高的比較基準數字影響，其他業務分部均表現亮麗。截至二零一六年十二月三十一日止年度，本集團的收益增加10.7%至2,519.2百萬港元(二零一五年：2,276.6百萬港元)。收益明細載列如下：

	截至十二月三十一日止年度			
	二零一六年		二零一五年	
	千港元	%	千港元	%
費用及佣金收入				
— 經紀	393,000	15.6	719,945	31.6
— 企業融資	456,649	18.1	281,447	12.4
— 資產管理	28,487	1.2	53,092	2.3
貸款及融資收入	1,297,278	51.5	1,076,018	47.3
金融產品、做市及投資收益	343,773	13.6	146,106	6.4
收益	2,519,187	100.0	2,276,608	100.0

管理層討論與分析

經紀

二零一六年，經紀業務面對重重挑戰。繼二零一五年年中的股災後，今年初開始中國便發生熔斷機制事件，導致中港兩地股市再度下跌。隨著越來越多的中國內地券商進入香港證券行業，來自內地同業的市場競爭日益激烈。大部分公司正尋求跨境商機。此外，中國內地收緊貨幣流出限制，為內地投資者進行海外投資設置障礙。鑒於本集團面臨巨大挑戰，本集團的經紀收益減少45.4%至393.0百萬港元(二零一五年：719.9百萬港元)。經紀業務的收益明細載列如下：

	截至十二月三十一日止年度			
	二零一六年		二零一五年	
	千港元	%	千港元	%
證券	301,318	76.7	628,792	87.3
期貨及期權	44,084	11.2	42,946	6.0
手續費收入	36,396	9.3	39,085	5.4
槓桿外匯	2,068	0.5	2,363	0.3
財務規劃及保險產品	9,134	2.3	6,759	1.0
	393,000	100.0	719,945	100.0

儘管經紀業務收入直接受到市場活動的影響，我們認為擴大客戶基礎是業務成功的關鍵。我們定期組織投資研討會以增加客戶人數。截至二零一六年十二月三十一日止年度，我們成功招攬逾10,000名新客戶。可靠高效的網上交易系統對於擴大我們的業務(尤其是零售客戶)至關重要。於回顧年度，77%的經紀佣金來自我們網上交易系統所執行的交易，71%的經紀佣金來自個人投資者。

股票市場的波動導致截至二零一六年十二月三十一日止年度期貨及期權成交量增加。截至二零一六年十二月三十一日止年度，期貨及期權經紀佣金收入增加2.6%至44.1百萬港元(二零一五年：42.9百萬港元)。截至二零一六年十二月三十一日止年度，槓桿外匯業務收入為2.1百萬港元(二零一五年：2.4百萬港元)，較去年減少12.5%。

我們致力於通過與其他有經驗的市場參與者合作發展財務規劃及保險產品服務。截至二零一六年十二月三十一日止年度，財務規劃及保險產品服務收入增加35.1%至9.1百萬港元(二零一五年：6.8百萬港元)。

截至二零一六年十二月三十一日止年度，來自經紀業務之手續費收入減少6.9%至36.4百萬港元(二零一五年：39.1百萬港元)。

企業融資

企業融資業務是我們於二零一六年的重點業務之一。年內，企業融資業務收入增加62.3%至456.6百萬港元(二零一五年：281.4百萬港元)。我們的企業融資業務涉及債務資本市場、股票資本市場以及顧問及融資諮詢服務。企業融資業務收益明細載列如下：

	截至十二月三十一日止年度			
	二零一六年		二零一五年	
	千港元	%	千港元	%
配售、承銷及分承銷佣金				
—債務資本市場	250,249	54.8	63,583	22.6
—股票資本市場	113,180	24.8	121,844	43.3
顧問及融資諮詢費	93,220	20.4	96,020	34.1
	456,649	100.0	281,447	100.0

我們致力於向香港、中國乃至全球的客戶提供全方位的優質企業交易諮詢服務以及債務及股票資本市場服務。我們的企業融資諮詢服務包括擔任香港主板及創業板證券上市申請的保薦人以及提供企業融資及合規諮詢服務。債務及股票資本市場服務提供於一級及二級市場承銷及配售等多種分銷渠道。

二零一六年，由於企業發行人及投資者的需求強勁，香港債務資本市場活動非常活躍。年內，我們在香港參與47項債券發行活動(二零一五年：19項債務發行活動)，通過香港債務資本市場協助企業籌資854億港元。截至二零一六年十二月三十一日止年度，債務資本市場所得收入增加293.6%至250.2百萬港元(二零一五年：63.6百萬港元)。

二零一六年香港股票資本市場活動非常疲弱。年內，新上市公司僅有126家，較二零一五年的138家新上市公司減少8.7%。截至二零一六年十二月三十一日止年度，通過首次公開發售籌集的資金為1,948億港元，較二零一五年的2,631億港元減少26.0%。香港股票資本市場籌集的資金總額僅為4,867億港元，較二零一五年的11,156億港元減少56.4%。

截至二零一六年十二月三十一日止年度，在一級市場，我們擔任8項首次公開發售的保薦人、19項首次公開發售的賬簿管理人、1項首次公開發售的分承銷商及1項首次公開發售的牽頭經辦人。在二級市場，我們擔任9次配售活動的配售代理。我們在香港一級及二級市場協助企業籌資分別合共超過571億港元及27億港元(二零一五年：分別為283億港元及67億港元)。然而，於二零一六年，我們的股票資本市場活動收入減少7.1%至113.2百萬港元(二零一五年：121.8百萬港元)。

回顧年度內，我們獲委任為24個融資諮詢項目的財務顧問及擔任42個項目的合規顧問。截至二零一六年十二月三十一日止年度，顧問及融資諮詢服務所得收入輕微減少2.9%至93.2百萬港元(二零一五年：96.0百萬港元)。

管理層討論與分析

資產管理

我們向個人客戶、私募基金及公募基金提供一系列資產管理服務，包括投資組合管理、提供投資意見及交易執行。截至二零一六年十二月三十一日止年度，資產管理業務收入減少46.3%至28.5百萬港元(二零一五年：53.1百萬港元)。

貸款及融資

自本集團於二零一零年上市以來，貸款及融資業務一直是我們的增長動力。截至二零一六年十二月三十一日止年度，儘管市況低迷，但我們的貸款及融資業務收入增加20.6%至1,297.3百萬港元(二零一五年：1,076.0百萬港元)。貸款及融資業務收入明細載列如下：

	截至十二月三十一日止年度			
	二零一六年		二零一五年	
	千港元	%	千港元	%
孖展貸款	1,106,342	85.3	924,121	85.9
定期貸款	72,993	5.6	39,350	3.7
證券借貸	19,316	1.5	26,549	2.5
首次公開發售貸款	199	0.0	5,684	0.5
反向回購協議	461	0.0	167	0.0
銀行及其他	97,967	7.6	80,147	7.4
	1,297,278	100.0	1,076,018	100.0

由於人民幣流動資金流出限制收緊，中國內地投資者在進行境外投資時傾向於增加槓桿。平均孖展貸款餘額大幅增加22.0%至13,350.1百萬港元(二零一五年：10,944.3百萬港元)，而來自孖展貸款的收入增加19.7%至1,106.3百萬港元(二零一五年：924.1百萬港元)。

除孖展貸款業務外，本集團亦從事其他定期貸款業務以滿足客戶的其他融資需求，包括提供併購融資。定期貸款所得收入增加85.5%至73.0百萬港元(二零一五年：39.4百萬港元)。

本集團亦從事證券借貸業務。截至二零一六年十二月三十一日止年度，證券借貸業務所得利息收入減少27.2%至19.3百萬港元(二零一五年：26.5百萬港元)。

金融產品、做市及投資

本集團因業務發展、構建金融產品及做市業務而持有金融資產。經歷二零一五年年中市場暴跌後，投資者風險承受水平有所轉變，並尋求具有可接受槓桿水平的低風險投資產品。本集團根據客戶需要及風險承受水平出售個性化金融產品。因此，金融產品業務所得收入增加237.9%至116.1百萬港元(二零一五年：34.4百萬港元)。本集團亦提供債券及交易所交易基金做市服務以提高企業債券及交易所交易基金的流動性。年內，做市服務所得收入增加27.8%至131.1百萬港元(二零一五年：102.6百萬港元)。本集團投資目的主要是為支持企業融資及機構業務發展。年內，投資所得收入為96.6百萬港元(二零一五年：9.2百萬港元)，較上年度增加951.1%。

財務狀況業績

本集團於二零一六年十二月三十一日的總資產增加20.6%至45,000.7百萬港元(二零一五年：37,329.4百萬港元)。

本集團於二零一六年十二月三十一日的總負債增加16.1%至34,466.9百萬港元(二零一五年：29,694.2百萬港元)。

於二零一六年十二月三十一日，普通股股東應佔權益增加7.2%至8,175.2百萬港元(二零一五年：7,623.6百萬港元)。於二零一六年十二月三十一日，槓桿比率(指總資產減應付客戶賬款除權益總額)增加5.9%至3.07倍(二零一五年：2.90倍)。

流動資金、財務資源及股本架構

於二零一六年十二月三十一日，本集團的流動資產淨值增加17.3%至11,854.2百萬港元(二零一五年：10,106.8百萬港元)。於二零一六年十二月三十一日，本集團的流動比率為1.37倍(二零一五年：1.38倍)。

為向本集團業務發展提供資源及加強其股本架構，二零一六年六月十五日，本公司向合共5名投資者(即興證國際證券有限公司、中國石油財務(香港)有限公司、南方廣發海外1號資產管理計劃、國泰君安金融控股有限公司及浦銀國際投資管理有限公司)發行3億美元的次級永續證券(「永續證券」)。永續證券以面值發行，所得款項用作為本集團一般營運資金。永續證券的初始分派率為年率4.5%。分派於每半年期末時支付，首次分派日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僅可由本公司決定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。

截至二零一六年十二月三十一日止年度，本集團有淨現金流出445.0百萬港元(二零一五年：淨現金流入1,519.5百萬港元)，本集團於二零一六年十二月三十一日的銀行結餘為1,964.4百萬港元(二零一五年：2,408.7百萬港元)。於二零一六年十二月三十一日，本集團有未償還銀行借款共8,911.4百萬港元(二零一五年：7,855.7百萬港元)，該等借款乃通過與多間銀行進行的融資獲得。回顧年度內，本集團成功更新中期票據計劃(「中期票據計劃」)，其中可發行上市及非上市票據。除就為數5,647.5百萬港元(二零一五年：1,929.0百萬港元)的金融產品發行的結構性票據外，於二零一六年十二月三十一日，未償還之票據為175.7百萬港元(二零一五年：429.0百萬港元)。於二零一六年十二月三十一日的資產負債比率(指銀行及其他借款與權益總額之比例)為0.86倍(二零一五年：1.09倍)。考慮到從各類金融機構獲得的未動用融資及中期票據計劃下大量未發行票據額度，本集團的經營現金流足以為週期性營運資金需求以及將來的投資機會撥付資金。

本集團監控其股本架構，確保旗下持牌附屬公司遵守證券及期貨(財政資源)規則(香港法例第571N章)的資本規定並配合新業務的發展。於年內及截至本報告日期，本集團旗下所有持牌法團均符合其各自的流動資金水平規定。

除上文所披露的資料外，於年內及年末，本公司並無發行其他股本或債務工具。

管理層討論與分析

前景及未來計劃

展望未來，本集團的目標是發展高資產值個人及機構投資者市場。我們將專注於擴大高資產值個人客戶群，包括企業家及高級管理人員。我們堅持可持續發展步伐，堅持保守風險文化，採取差異化競爭策略，穩步提高我們核心業務的市場份額。

我們認為，高效卓越的管理架構、核心人才及創新能力能夠為本集團之業務創造價值。本集團將一如既往地盡力提升其核心競爭力，為股東帶來最大回報。

重大收購、出售及重大投資

截至二零一六年十二月三十一日止年度，本集團並無作出任何涉及附屬公司及聯營公司的重大收購及出售。於二零一六年十二月三十一日，本集團並無持有任何重大投資。

本集團的資產質押

於二零一六年及二零一五年十二月三十一日，本集團的資產概無作出任何質押。

經營租賃承擔、資本承擔及其他承擔

本集團的經營租賃承擔、資本承擔及其他承擔詳情載於財務資料附註36。

僱員及薪酬政策

員工乃屬本公司取得成功不可或缺的一部分。本公司參考現行市價及個人專長向僱員提供具競爭力的薪酬待遇。於二零一六年十二月三十一日，我們共有382名僱員(不包括自僱客戶主任)。薪金會每年進行檢討，酌情花紅會參考本集團及個人表現按年度基準派發。購股權及股份獎勵已授予董事(「董事」)及僱員，以表揚及肯定其已對或將會對本集團所作出的貢獻。本集團提供的其他福利包括強制性公積金計劃及醫療與牙科保險。

風險管理

本集團已識別其營運中存在策略風險、信貸風險、流動資金風險、市場風險、營運風險、法律及合規風險、聲譽風險、集中風險及未知的風險。

策略風險

鑒於我們營運所在的監管及競爭環境嚴峻，加上金融服務業之新產品及技術飛速發展，本集團面對重大策略風險。

策略風險隱含於每個前線單位，且其他六個主要風險類別均可影響策略風險。

我們透過以下原則管理策略風險：

- 我們於策略規劃流程中主動衡量策略風險—年度策略規劃流程專門應對多種形式的策略風險。
- 我們根據自身的整體風險偏好制定策略—我們的策略規劃符合風險偏好。
- 我們追蹤策略規劃的表現及分析全年進展—執行管理團隊持續監察全年的業務表現以評估策略風險及發現早期預警信號，以便主動管理有關風險。

策略規劃與資本規劃、財務營運規劃及風險偏好一起由董事會每年審批。重大策略舉措，例如資本行動、重大收購及資產剝離，由執行委員會審批。

策略風險的透明度對有效的風險管理至關重要。前線單位每月向執行管理層提供有關其業務表現的追蹤更新。有關相對財務營運規劃的表現、風險偏好及相對同業表現的分析將在定期更新時考慮在內。

信貸風險

當公司與借款人或對手方達成或訂立協議時即形成信貸風險。信貸風險為借款人或對手方無法或未能履行其合約責任所產生的潛在虧損。我們的信貸風險主要來自以下三個方面：

- 發行人風險，我們持有發行公司的債券或證券。
- 結算風險，證券或貨幣交付與付款的時間錯配風險。
- 對手方風險，交易對手方在最終結算交易現金流量之前或會出現拖欠或信譽惡化。

貸款及融資活動

本集團已成立資產負債管理與投資委員會(負責設置總貸款及信貸限額)、信貸委員會(負責監督股權孖展融資業務)及風險委員會(負責獨立監督所有信貸風險參數及限額)。風險管理部負責提供孖展融資政策的主要輸入數據、制定風險參數、設置關鍵風險關口、聯合批准重大信貸交易，及執行獨立的風險監察及限額提升。

信貸委員會成員包括行政總裁、負責人員、財務總監及融資融券部門主管。信貸委員會已指派融資融券部負責批核每位客戶的信貸限額及孖展限額。融資融券部門負責向買賣超出限額的孖展客戶發出補倉通知。任何超出的數額均須根據虧絀報告填補妥當。有關虧絀報告每日由融資融券部門監察。未能補倉的客戶將被斬倉。信貸委員會亦負責批准可接納作為孖展抵押的股份及孖展貸款比率。獲批准的孖展抵押股份名單將由信貸委員會審閱並在其認為有需要時作出修訂。

本集團亦向客戶批授定期貸款，因而可能產生信貸風險。本集團通過對潛在貸款投資進行詳盡分析，將相關風險減至最低，並委派專業人士監管及監察貸款投資的表現。

給予客戶的貸款及墊款，供認購新股的首次公開發售貸款，一般自提取日期起一個星期內支付。倘客戶未能於首次公開發售分配結果公佈後於特定寬免期內支付差額部分，則會觸發強迫性清倉行為。

就本集團對債務證券的投資而言，風險管理部門採用外部信貸評級(如標準普爾及穆迪或其同行評級)進行信貸風險管理，亦會透過使用本集團內部評級工具進行補充性評估。

本集團實益擁有的銀行結餘皆存於信譽良好的大型商業銀行。以獨立賬戶持有的客戶信託銀行結餘則存於香港認可金融機構。

管理層討論與分析

經紀業務

客戶應收款項指因證券買賣產生的客戶應收款項，一般享有付款交貨支付期，介乎一至三日。本集團授予信貸期高達相關證券交易的結付日期（一般為T + 1日至T + 3日）。所有信貸限額的申請須由信貸經理審閱並交由信貸委員會成員審批。融資融券部門會根據客戶逾期欠款逐個決定是否對其執行強迫清倉行為。逾期報告由信貸委員會定期審查。

本集團就期貨、期權及槓桿式外匯交易僅接受現金形式的保證金。倘客戶的即期倉位超逾其交易限額時，則不許進行任何交易。風險管理部門對期貨、期權及槓桿式外匯合約的保證金及每份期貨、期權及槓桿式外匯合約的所需保證金總和作及時的監控。倘保證金出現虧絀，則會向客戶追繳保證金。倘客戶未能支付追繳保證金，本公司會強制性對客戶進行斬倉。

來自經紀及交易商的應收款項存置於由監管機構規管的大型金融機構。

聯交所及其他結算所的應收賬目及其他資產主要存放於信貸風險甚微的監管機構。

資產管理及企業融資

資產管理及企業融資服務所產生應收賬目均屬於信貸評級及／或信譽良好的交易對手方。該等交易對手方的信貸風險屬可管理範圍內。

減值及撥備政策

本集團的信貸及風險管理政策要求至少每月或在特定情況或市況下更為頻繁地對個別未清償款項進行審查。本集團會為所有個別賬戶於結算日產生的虧損進行撥備評估。評估通常考慮持有的抵押物以及個別賬戶的預期可收回金額。一般情況下，當客戶未能達到補倉規定且客戶的抵押品不足以抵付未清償貸款結餘時，公司將會為減值撥備。

流動資金風險

流動資金風險為可能無法履行資產負債表內或表外到期的合約及或然財務責任。我們的所有營運及活動均會影響我們的流動資金風險狀況。由於我們透過不同法律實體提供產品或服務滿足客戶需求，我們接受與客戶交易有關的資產或負債的相關流動資金風險，包括注資及或然責任。

資產負債管理與投資委員會為監督流動資金風險的主要機構，而財務部則負責每日監察及控制流動資金風險

風險管理的首要目標為確保公司能夠隨時（包括於危難時期）履行所有合約及或然財務責任。我們透過業務線及資產負債管理措施以及法律實體注資策略等為當前及未來前瞻管理資金流。我們透過銀行貸款、永續債券發行、供股及中期票據計劃等方法多元化地提供短期及長期資金來源。

本集團的業務單位須遵守監管機構各項法定流動資金規定。本集團設有監控系統，以確保其維持充足流動資金撥付其財務責任，並且遵守相關證券及期貨（財務資源）規則（香港法例第571N章）。作為保障措施，本集團持有備用銀行融資，以應付其業務的任何應急需要。

市場風險

市場風險為市況變動可能對資產或負債的價值產生不利影響或以其他方式對盈利造成負面影響的風險。市場風險包括價格風險及利率風險。

價格風險為交易倉位組合或為分散風險而訂立的責任之價值變動對當前或預期盈利或資本形成的風險。該等組合一般面對每日的價格波動，並主要按市值計價基準入賬。此風險絕大部分來自利率、外匯、股權、商品及信貸市場的做市、交易及平倉活動。

此外，本集團亦由於孖展融資業務、期貨及槓桿式外匯經紀業務的市場風險，而在市場大幅下滑時面對潛在的信貸虧損。本集團的承銷承擔亦將於市場波動時受到影響。

利率風險為利率變動對當前或預期盈利或資本形成的風險。

風險委員會及資產負債管理與投資委員會聯合設置風險偏好及限額，並監督資產負債表管理及投資。風險部門每日識別、計量、監察及控制匯總市場風險，並定期向風險委員會匯報。

本集團已制定政策及程序監察及控制日常及一般業務過程中產生的價格風險，並將應需要進行壓力測試。

本集團評估主要風險敞口、設置及監察限額以確保其符合本集團的風險偏好。於證券孖展融資業務，本集團根據相關抵押品的風險特徵就各種股票制定貸款與價值比率的標準基準。本集團亦就固定收益做市及交易組合設置倉位或虧損限額。於期貨及外匯經紀業務，本集團已制定最低初始保證金及維持保證金，以控制客戶風險。

內部風險管理系統每日生成所有業務單位的市場風險報告。風險管理部門每月向風險委員會匯報所有業務線的匯總風險、限額動用及超額概要，以及重大集中風險。

營運風險

營運風險乃由於內部流程、人員及系統不足或失效或因外部事件而產生的虧損風險。其可發生於本集團任何環節，而不限於結算或營運職能部門。其影響可超出財務虧損，並可能導致聲譽風險。營運虧損事件可與以下七個類別的任意一個有關：內部欺詐，外部欺詐，僱用實務及工作場所安全，客戶、產品及業務實務，實物資產損害，業務中斷及系統故障，以及執行、交付及流程管理。網絡安全風險為金融行業興起的主要營運風險，包括分散式拒絕服務攻擊、攻擊含有交易記錄的系統及透過內部系統的受損披露受限制及機密的重大非公開資料。

鑒於營運風險乃本集團每一項活動的固有風險，我們依賴全體僱員合力創造一個有效的內部控制環境及管理各自職務的營運風險。營運風險必須作為我們的日常活動由全體僱員進行管理。我們已制定風險及控制自評（「風險及控制自評」）流程，作為鼓勵全體僱員捕捉個別業務及匯總營運風險的主要手段，當中涉及：

- 識別主要業務活動及檢討內部控制
- 計及外部環境變動的影響後重新評估營運風險概況

管理層討論與分析

管理層級別的风险委員會為監督企業營運風險的主要機構。此外，我們已成立中央營運風險工作小組，作為所有營運風險事宜的主要受理單位，其成員涵蓋前線單位、風險、審核、合規、資訊科技、結算、財務、法律及人力資源部門。若干控制部門被指派為特定類別營運風險的主要協調單位。於企業層面，營運風險工作小組乃作為跨部門機構識別、評估、監察、控制及匯報營運風險。

營運風險乃向風險委員會匯報。報告內容包括來自營運風險工作小組及所有控制部門的主要發現。其為公司的營運風險評估及可行動項目提供全面的概覽。

法律及合規風險

法律風險主要包括來自以下各項的財務風險及聲譽風險：(i)有缺陷的合約、文件或交易架構，可能導致本集團面對合約或法律索償；(ii)無法或未能有效管理訴訟或其他爭議解決程序；及(iii)合規風險的法律後果。該等風險亦可由法律變更引起。

合規風險為我們的誠信受損的風險，即未能(或感知的未能)遵從我們的價值觀及合規風險相關的法律、法規以及與業務單位所提供的特定金融服務有關的標準，其或會損害我們的聲譽及導致法律或監管制裁及／或財務虧損。

我們透過一套集成的控制系統及針對外部及內部風險的流程管理法律及合規風險。業務及支持單位負責整個集團的法律及合規風險的主動識別、管理及升級。法律及合規部門負責制定公司範圍的政策及程序，並對業務及支持單位提供獨立的考查及監督。

風險委員會為監督法律及合規風險的主要機構，而法律及合規職能部門則負責識別、評估、減輕及控制合規風險。

法律及合規風險的透明度對有效的風險管理至關重要。法律及合規職能部門定期就主要合規風險編製報告，以供風險委員會及董事會審閱。

聲譽風險

聲譽風險乃負面感知公司的經營手法可能由於無法建立新的或維持現有顧客／客戶關係而對其盈利能力或營運造成不利影響之潛在因素。聲譽風險與所有風險類別一起於風險管理流程中進行評估。

我們透過已訂立的政策及控制於業務及風險管理流程中管理聲譽風險。於各個前線單位，主要透過以下措施減輕聲譽風險：

- 新產品審批流程，以識別潛在的聲譽風險
- 客戶挑選及盡職審查流程，以確保在接納客戶之前評估所有主要風險。

執行委員會及風險委員會對聲譽風險提供主要監督。於前線單位層面，包含以下類別元素或特徵的業務活動一般應視為須經該等委員會適當審批：

- 呈現重大法律、監管及標題風險的業務活動
- 違反或偏離公司政策
- 有關客戶身份、洗錢及潛在犯罪活動的憂慮

最終，為保障本集團的聲譽，對聲譽風險的監察及監督乃整合至整體管治流程，並落在全體僱員的身上。

聲譽風險的透明度對有效的風險管理至關重要。我們定期透過月度風險報告向風險委員會匯報聲譽風險及主要風險指標。

集中風險

集中風險指超出風險承受水平及／或可能產生重大虧損以致威脅本集團的表現、狀況或聲譽的任何單一風險敞口或一組類似的關聯風險敞口。集中度可就個別風險敞口、行業、國家、地理區域、產品、資產類別及任何其他符合本集團有關集中風險定義的類別(例如年期、貨幣、資金來源、市場基礎設施／供應商)而產生。

本集團擁有多條業務線，包括經紀、孖展融資、企業融資、資產管理以及銷售及交易。一般的集中度來自孖展融資及企業融資業務的股票或客戶，以及貫穿銷售及交易及資產管理的發行人／行業集中。

風險管理部門定期監察主要及相關集中風險，並向風險委員會匯報以供審閱。

我們於定期的組合匯報中報告集中風險。我們已就相關及重大集中度設置風險偏好及限額，以保證於我們持續努力確保集中度獲有效識別、計量、監察及控制的過程中在不同業務或風險類別凸顯的風險有適當的可視度。

未知風險

未知風險指我們無法識別或甚至不能知悉我們實際上正面臨若干風險的狀況。這通常被稱為「未知未知」(unknown unknowns)，需要公司持續審視及考查其自身對風險的識別及評估，以及建立濃厚的風險文化，鼓勵公開辯論及適當的彙報升級流程。

此風險主要透過建立濃厚的風險文化(規定管理風險是每個人的職責)及強烈的所有權意識來減輕。我們鼓勵公開辯論所有風險及有效考查不同的團隊及職能部門。此外，管理委員會(其主要職責為管理策略風險)負責定期審閱識別風險的主要假設。另外，內部審核職能部門於執行審核時對所有業務的隱藏風險作出獨立評估。



企業管治報告

本公司董事會(「董事會」)致力維持本集團內高水平的企業管治常規，亦採用各類措施以確保維持高標準。本公司於截至二零一六年十二月三十一日止年度採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載企業管治守則(「企業管治守則」)所載的守則條文，作為其本身的企業管治守則。截至二零一六年十二月三十一日止年度，除本報告所披露之偏離情況外，本公司已遵守企業管治守則所載的所有守則條文。

本公司董事(「董事」)致力維持本公司的企業管治，以確保公司設有正式及具透明度的程序，保障並盡量優化本公司股東的利益。

本報告載列有關本公司於截至二零一六年十二月三十一日止年度所採納及遵守的企業管治常規的詳細討論。

董事會

董事會深信，一套均衡的企業管治架構，能讓本公司更有效地控制業務風險，從而確保本公司的業務是為其股東及其他權益持有人的最佳利益而營運。董事會主要的責任是為本集團制定整體策略計劃及關鍵政策、監察財務表現、有效監督管理、風險管理及評估、控制業務營運及確保穩健的企業管治以及遵守法律及監管規定。董事會成員均盡忠職守，並忠誠地為提高股東長遠的利益行事。

董事會組成

董事會現時合共由七名董事組成：

執行董事：	閻峰博士(主席) 王冬青先生 祁海英女士 李光杰先生
獨立非執行董事：	傅廷美博士 宋敏博士 曾耀強先生

董事履歷(包括與本公司董事會成員、高級管理層及主要股東(定義見上市規則)之關係)載於本年報第38至39頁之「董事及高級管理層之履歷」。本公司董事名單及彼等之職位及職能刊登於本公司網站(www.gtja.com.hk)及聯交所網站。

獨立非執行董事

獨立非執行董事於會計或其他領域均擁有公認的經驗及專長，可為董事會提供寶貴意見。彼等的初步委任年期由二零一零年六月十九日開始為期三年，並於二零一三年及二零一六年分別續期三年。

董事會成員間概無任何關係。根據上市規則的規定，本公司已接獲各獨立非執行董事書面確認其獨立於本公司。本公司認為，所有獨立非執行董事根據上市規則於截至二零一六年十二月三十一日止年度均屬獨立。

主席及行政總裁

閻峰博士自二零一二年八月二十四日起一直兼任主席及行政總裁職務。閻博士於二零零零年加入本集團並一直負責本集團的整體業務管理，彼於證券行業擁有逾25年經驗。此安排雖然與企業管治守則條文A.2.1的要求有所偏離，但董事認為，將該兩項職能集中於同一人士，可為本集團提供強大一致的領導，方便本集團業務策略的發展及執行，對本集團有利。儘管主席及行政總裁的責任由同一人擔當，但所有重大決策均由董事會決議通過或經諮詢董事會成員及本公司高級管理層後作出。董事會有三名獨立非執行董事，董事認為已有足夠的權力平衡，且現有的安排可維持本公司管理層的強勢地位。

企業管治報告

董事會程序

本公司每年至少舉行四次董事會例行會議，每季度不少於一次，並會於必要時另行召開特別會議。

召開董事會例行會議的通知會於最少14天前發出，讓所有董事皆有機會出席。各會議的議程及隨附有關的董事會文件均於會議前提呈予全體董事傳閱。高級管理行政人員不時會獲邀出席董事會會議，於會上作出陳述及／或回答董事會的任何提問。

公司秘書會協助董事會編製會議議程，本公司各董事可藉此將任何須予決定的事宜載入議程。如任何董事被認為在任何討論事宜中有利益衝突，則有關董事將不會被計作有關會議的法定人數。董事會及各董事會委員會的會議記錄均會詳盡記載。所有草擬的會議記錄均會在提呈會議主席批准之前交予出席會議的人士批閱。

截至二零一六年十二月三十一日止年度，董事會舉行了五次會議，而各名董事個人出席情況載列如下：

董事姓名	出席會議次數	出席率
閻峰博士	5/5	100%
王冬青先生	5/5	100%
祁海英女士	5/5	100%
李光杰先生	5/5	100%
傅廷美博士	5/5	100%
宋敏博士	5/5	100%
曾耀強先生	5/5	100%

董事會會議為討論本集團業務策略，審議財務及營運表現，批准本集團全年及中期業績，討論企業管治及風險管理事項，審閱本集團政策及常規以確保其遵守法律及監管規定，及審閱適用於董事及僱員的守則而舉行。

年內，主席及獨立非執行董事在並無執行董事及管理層出席的情況下舉行了一次會議，以討論及回顧執行董事及管理層的表現以及現行制度及監管是否足以保障本集團及股東利益。

所有董事均可獲得董事會文件及相關材料。各董事對董事會會議上討論之任何事宜所持有之不同意見，均會清晰反映在會議記錄中。完整會議記錄由公司秘書保管，董事可通過發出合理通知於辦公時間隨時查閱有關會議記錄。

所有董事均有權就其履行之職責尋求獨立專業意見，費用由本公司承擔。

委任及重選董事

各執行董事及獨立非執行董事已與本公司訂立指定年期的服務協議或委任書，並須於本公司股東週年大會（「股東週年大會」）上告退及膺選連任。根據本公司組織章程細則，三分之一的董事（若人數並非三或三的倍數，則為最接近並不少於三分之一的人數）將輪值告退，每名董事須至少每三年於股東週年大會上輪值告退一次。每年須告退的董事為自其上次獲重選連任或委任以來任職時間最長的董事。

董事會多元化

董事會已制定一套董事會多元化政策，有關政策登載於本公司網站。

為使董事會成員具備多樣的觀點與角度，本公司的政策是在決定董事的委任及續任時考慮多項因素，此等因素包括性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年資。

就職培訓及持續發展

本公司為各董事提供個人化的就職培訓、培訓及發展。於委任時，每名新董事均接受全面及按其需要而設的就職培訓，當中涵蓋（其中包括）有關本集團的運作及業務資料、董事會及其主要委員會的職責及責任、本公司的企業管治架構及常規、以及相關規例及法規等多個範疇。本公司持續為全體董事提供所需的培訓，讓彼等知悉有關本集團業務的進展、《上市規則》及其他適用的法律、規則及規例的最新發展，從而確保董事的知識和技能獲得持續提升。提供該等培訓的費用由本公司負責。

董事培訓及專業發展

截至二零一六年十二月三十一日止年度，各名董事所接受培訓的個別記錄載列如下：

董事姓名	持續專業發展計劃類別
執行董事	
閻峰博士	A
王冬青先生	A
祁海英女士	A
李光杰先生	A
獨立非執行董事	
傅廷美博士	A
宋敏博士	A
曾耀強先生	A

附註：A = 出席研討會

企業管治報告

企業管治職能

董事會負責履行以下企業管治職責：

- (a) 制定及檢討本公司的企業管治政策及常規；
- (b) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；及
- (d) 檢討本公司遵守上市規則附錄十四(企業管治守則)的情況。

年內，董事會已檢討及履行上述企業管治職能。

董事委員會

董事會目前設有四個委員會，包括審核委員會、薪酬委員會、提名委員會及風險委員會。該等委員會皆有不同角色，並會根據各自的職權範圍履行其職責，協助董事會監督高級管理層的若干職能。

審核委員會

董事會的審核委員會於二零一零年六月十九日成立。該委員會僅包括獨立非執行董事：

獨立非執行董事：

曾耀強先生(主席)

傅廷美博士

宋敏博士

該委員會主席擁有專業會計資格。該委員會審閱本集團的財務資料，監察外部審計的成效及對本公司外部核數師的委任、薪酬、聘任條款及其獨立性進行監督。該委員會定期召開會議，以審議財務匯報程序、由執行董事處理的部分業務，尤其一些關連交易及持續關連交易(如有)，並在中期及末期財務報表呈交予董事會及股東週年大會進行批核前對其進行審閱，亦審議本集團的內部監控及風險管理系統的有效性，包括內部審計職能及表現。該委員會職權範圍的副本已刊載於本公司網站(www.gtja.com.hk)及聯交所網站。

截至二零一六年十二月三十一日止年度，該委員會召開了四次會議，委員會成員的個人出席情況載列如下：

董事姓名	出席會議次數	出席率
曾耀強先生	4/4	100%
傅廷美博士	4/4	100%
宋敏博士	4/4	100%

審核委員會於年內履行的主要工作包括：

- (a) 審閱本集團截至二零一六年十二月三十一日止年度及截至二零一六年六月三十日止六個月之財務業績及報告；
- (b) 與外部核數師進行檢討及討論，以確保本集團的財務報表乃按照香港普遍採納之會計準則編製；
- (c) 檢討外部核數師之獨立性及客觀性、其審計服務範疇及應付外部核數師之相關審計費用供董事會批核；
- (d) 與外部核數師舉行會議，商討其審計策略及評估本集團內部監控之充足性；
- (e) 檢討外部核數師之法定審計計劃及委聘書；
- (f) 審閱外部核數師之報告並就於二零一七年股東週年大會上續聘核數師向董事會作出建議；
- (g) 檢討並與高級管理層討論本集團之內部監控、風險管理事宜及內部審計職能及表現，包括年度審計計劃、內部審計部之人力及資源、內部審計報告中提出的結論及建議，及相關審計建議之落實情況；
- (h) 審閱本集團之持續關連交易及外部核數師報告；及
- (i) 檢討及更新其職權範圍。

薪酬委員會

薪酬委員會於二零一零年六月十九日成立。該委員會現時包括3名董事：

獨立非執行董事：	傅廷美博士(主席)
	宋敏博士
	曾耀強先生

企業管治報告

該委員會的職責包括遵照上市規則及本公司的組織章程細則制訂本集團的薪酬政策、釐定董事及高級管理層的薪酬方案。董事一概不得自行釐定其薪酬方案。該委員會每年最少召開一次會議，並按其職權範圍履行職責。該委員會獲提供足夠的資源以履行其職責。該委員會主席會向董事會匯報其意見及建議，以供考慮及批准。該委員會職權範圍的全文可於本公司網站(www.gtja.com.hk)及聯交所網站查閱。

截至二零一六年十二月三十一日止年度，該委員會召開了一次會議審議並討論了本集團的薪酬事務。該委員會成員的個人出席情況載列如下：

董事姓名	出席會議次數	出席率
傅廷美博士	1/1	100%
宋敏博士	1/1	100%
曾耀強先生	1/1	100%

提名委員會

提名委員會於二零一零年六月十九日成立。該委員會現時包括3名董事：

獨立非執行董事：	宋敏博士(主席) 曾耀強先生
執行董事：	閻峰博士

該委員會的主要責任包括就委任董事及董事繼任計劃向董事會作出建議。在作出建議時，該委員會會考慮各方面因素，包括但不限於董事的性別、年齡、文化及教育背景或專業經驗。該委員會職權範圍的全文可於本公司網站(www.gtja.com.hk)及聯交所網站查閱。

截至二零一六年十二月三十一日止年度，該委員會召開了一次會議審議並討論了董事的委任及繼任計劃。該委員會成員的個人出席情況載列如下：

董事姓名	出席會議次數	出席率
宋敏博士	1/1	100%
曾耀強先生	1/1	100%
閻峰博士	1/1	100%

風險委員會

風險委員會於二零一六年六月十七日成立。該委員會現時包括5名董事：

執行董事：	閻峰博士(主席) 祁海英女士
獨立非執行董事：	傅廷美博士 宋敏博士 曾耀強先生

風險委員會的主要責任包括就本集團之整體風險狀況及承受能力、風險管理架構及系統以及其他高層次風險相關事宜(包括政策、程序及控制)向董事會作出建議。於成立風險委員會前，審核委員會負責檢討本集團之整體風險。該委員會職權範圍的全文可於本公司網站(www.gtja.com.hk)及聯交所網站查閱。

截至二零一六年十二月三十一日止年度，該委員會召開了兩次會議。該委員會成員的個人出席情況載列如下：

董事姓名	出席會議次數	出席率
閻峰博士	2/2	100%
祁海英女士	2/2	100%
傅廷美博士	2/2	100%
宋敏博士	2/2	100%
曾耀強先生	2/2	100%

風險委員會於年內履行之主要職責包括：

- (a) 檢討風險委員會之責任及批准職權範圍；
- (b) 就批准本集團之整體風險架構及風險狀況作出檢討並向董事會作出建議；
- (c) 檢討及批准本集團之風險管理框架；
- (d) 審閱風險管理部就企業風險提交之報告；
- (e) 檢討本集團之高層次風險相關事宜；及
- (f) 檢討及評估本集團風險管理架構及風險管理政策及程序之充足性及有效性。

企業管治報告

向管理層轉授權力

本公司的管理層團隊(「管理層」)由董事會的執行董事領導，並已獲轉授權力及授權以履行本集團的日常管理及營運工作、制訂業務政策、對關鍵業務事宜作出決策，以及不時行使董事會轉授的其他權力及授權。管理層須就本集團的營運向董事會承擔全部責任。

本公司對董事會向管理層轉授權力已訂明清晰指引。部分權力須由董事會保留行使權，包括但不限於：

- 刊發本公司的全年及中期業績；
- 向股東大會提出股息分派建議；
- 有關財政政策、會計政策及薪酬政策的主要事宜；
- 檢討內部監控系統及風險管理框架；
- 主要集團架構或董事會成員的變動；
- 須獲股東批准的建議交易(例如：關連交易、須予公佈的交易等)；及
- 資本重組及本公司發行新證券。

問責及審計

財務匯報

董事會知悉須於各財政期間，負責編製可真實公平反映本集團財務狀況的財務報表。於編製截至二零一六年十二月三十一日止年度的財務報表時，董事選擇並貫徹地應用適當的會計政策，作出審慎、公平和合理的判斷及估計，並按持續營運的基準編製財務報表。董事負責存置合理準確地披露本集團財務狀況的適當會計記錄。在採納財務報表及相關會計政策前，相關財務資料均經外部核數師及管理層討論，然後提交審核委員會審閱。

外部核數師

截至二零一六年十二月三十一日止年度，安永會計師事務所獲委任為本集團的外部核數師。已付／應付外部核數師的酬金載列如下：

所提供服務	已付／應付費用 (千港元)
核數服務	2,046
中期審閱	673
稅務及其他諮詢服務	3,760
	6,479

內部監控

董事會知悉其須監督本集團之風險管理及內部監控系統，並通過審核委員會及風險委員會定期檢討其有效性。為推動經營有效性及效率，以及確保符合相關法律法規，本集團強調良好內部監控系統之重要性，此亦為減低本集團風險必不可缺之要素。本集團之內部監控系統旨在就避免重大的失實陳述或損失提供合理而非絕對的保證，以及管理並消除經營系統失誤及未能達成業務目標的風險。董事會持續檢討內部監控系統以確保其在保護重大資產及識別業務風險方面能提供實際而有效之保證。本集團致力於識別、監控及管理與其業務活動相關之風險，並已實施一項實際可行和行之有效之監控系統(包括清晰界定權限之管理結構)、完善的風險管理系統以及通過董事會審核委員會及風險委員會定期檢討本集團之表現。董事會已檢討內部監控系統之有效性，並認為於截至二零一六年十二月三十一日止年度採納之內部監控系統屬完善及有效，足以保障股東投資利益及本公司資產。

內部審計

本公司的獨立內部審計隊伍擔當著重要的角色，監控本集團的企業管治及向董事會客觀保證管理層具備及運作一套完善的內部監控系統。內部審計隊伍的主管直接向審核委員會報告審計事宜。內部審計隊伍採納以風險為基礎的方式，來評估監控環境的風險水平，徵詢但獨立於管理層的意見，用以計劃每年的內部審計時間表，並且將審計計劃提交予審核委員會批准。內部審計隊伍主管每季會向審核委員會提交報告及提供有關本集團內部監控環境的意見。每年的審計工作計劃涵蓋本集團營運業務的主要活動及過程。此外，內部審計隊伍亦會就審核委員會及管理層所界定的特別範疇進行特別審計。審核委員會已檢討內部審計部門的員工資源、資格及經驗，以及員工的培訓計劃及預算的充足性，且認為員工資源屬充足，員工具資格履行其職務及責任，且回顧年內內部審計職能之表現令人滿意。

企業管治報告

風險管理

董事會整體負責評估及釐定本集團為達成戰略目標所願承擔的風險性質及程度，並維持完善的風險管理系統，定期檢討其有效性。

本公司已建立一個具備明確職責等級及報告程序的組織架構，以識別、控制及報告主要風險事宜。本公司已設立由高級管理層成員組成的管理級別之若干委員會，以監督本集團日常營運之風險事宜及內部監控。本集團之業務經營單位(作為風險負責人)負責識別、評估、降低及監控其自身業務的風險，並定期向有關委員會報告有關風險管理情況(如適用)。董事會已於二零一六年六月十七日成立風險委員會並採納其職權範圍。董事會授權風險委員會監督本集團之整體風險架構及狀況以及高層次風險事宜，審議本集團之風險管理策略並作出指示及建議(如適用)。上述管理級別委員會將向風險委員會匯報其所識別之所有重大風險、重要變動及為提升風險管理流程之問責制及質素而採取的相關風險降低行動等。董事會透過該系統定期掌握可能對本集團之表現造成影響之重大風險。本集團可能承受之風險載於本年報第18至23頁。

風險委員會已批准本集團之風險管理框架，該框架涵蓋風險文化及管治、風險狀況及限制、主要風險類別及針對每種類別風險之管理流程。風險管理框架乃本集團整體風險管理系統及流程之剛要，協助董事會識別及評估主要風險之性質及程度、本集團應對其業務及外部環境變化之能力，以及管理層持續進行風險監控及相關內部監控措施之範圍及成效。

檢討風險管理及內部監控之有效性

截至二零一六年十二月三十一日止年度，董事會已透過風險委員會及審核委員會對本集團風險管理及內部監控系統的有效性進行年度檢討，包括重大財務、營運及合規控制事宜，並認為本集團之風險管理及內部監控系統為有效及充足。審核委員會亦已對本集團內部審計員工及會計及財務匯報員工的資源、資格及經驗以及員工的培訓計劃進行年度檢討，並認為員工資源屬充足，員工具資格履行其職務及責任。

董事會認為，於回顧年度及截至本年報刊發日期，現存的風險管理系統及內部監控系統乃屬穩健及有效，足以保障股東、客戶及僱員利益以及本集團的資產，且本集團之內部監控已符合企業管治守則之相關守則條文。

處理及發佈內幕消息

就根據上市規則及香港法例第571章證券及期貨條例中處理及發佈內幕消息的要求而言，本集團已採取不同程序及措施，包括提高本集團內幕消息的保密意識、向有關董事和僱員發送禁售期和證券交易限制的通知、只限對需要知情的指定人員傳播消息以及嚴格遵守證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」。

董事進行證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易的操守守則。本公司已就任何不遵守標準守則的事宜向所有董事作出特定查詢。全體董事確認彼等於截至二零一六年十二月三十一日止年度一直遵守載於標準守則內的規定標準。

公司秘書

公司秘書，馮正堯女士(「馮女士」)是本公司的僱員，由董事會委任。馮女士負責安排董事會的程序，促進董事會成員之間及與股東和與管理層之間的溝通。馮女士承諾每年接受至少十五小時相關的專業培訓，以更新其技能及知識。

與股東的溝通

董事會認為與所有股東保持良好溝通實屬重要。本公司提倡與其機構及私人投資者進行雙向溝通。有關本公司活動的詳盡資料已載於其網站(www.gtja.com.hk)以及中期報告及本年報內，本公司股東可獲提供電子版本或印刷版本的中期報告及年報。

電子版本通訊

我們鼓勵股東選擇收取電子版本股東文件。任何股東均可於任何時間以書面通知本公司之香港股份過戶登記處，或發送電子郵件至guotaijunan.ecom@computershare.com.hk，列明姓名、住址及要求更改收取所有股東文件的語言或方式。收取電子版本文件將會促進環境保護。

年報

本年報有中、英文版本，並登載於本公司網站。如欲收取本年報之印刷本，股東可聯絡本公司之香港股份過戶登記處，聯繫方式如下：

香港中央證券登記有限公司

香港灣仔皇后大道東183號合和中心17M樓

Email: guotaijunan.ecom@computershare.com.hk

如本年報之中英文本有任何歧義，概以英文本為準。

企業管治報告

股東週年大會

股東週年大會為董事會與本公司股東提供直接溝通的寶貴平台。董事會主席及審核、提名、薪酬及風險委員會的主席連同外部核數師將會出席並回應股東問題。股東週年大會通函於會議前至少20個完整工作日向全體股東派發。有關各個別議題的獨立決議案會於股東大會上提呈，並根據上市規則以投票方式表決。投票表決結果刊載於本公司及聯交所網站。本公司與股東的所有往來企業通訊均會載於本公司網站(www.gtja.com.hk)以供股東查閱。

二零一六年股東週年大會已於二零一六年五月十九日舉行。與會董事的出席記錄載列如下：

董事姓名	出席／股東大會次數
閻峰博士	1/1
王冬青先生	1/1
祁海英女士	1/1
李光杰先生	1/1
傅廷美博士	1/1
宋敏博士	1/1
曾耀強先生	1/1

組織章程文件

本公司之組織章程細則於二零一六年度概無變動。組織章程細則的最新版本登載於公司網站(www.gtja.com.hk)及聯交所網站。

股東權利

股東召開股東特別大會

根據《公司條例》第566至568條，佔全體有權在股東大會上表決的成員的總投票權不少於5%的股東，可要求本公司董事安排召開股東特別大會（「股東特別大會」）。股東應向本公司董事會或公司秘書提出經其認證之書面請求（本公司註冊地址為香港皇后大道中181號新紀元廣場低座27樓），當中須列明開會目的，股東的持股資料、其詳細聯絡資料以及有關任何具體交易／事宜的建議及其憑證文件。

如本公司的董事在該請求書存放日期起計21天內，未有妥為安排在股東特別大會通知發出日期後28天內召開股東特別大會，則該等股東或佔該等全體股東一半以上總表決權的股東，可自行召開股東特別大會，但如此召開的股東特別大會不得在上述日期起計三個月屆滿後舉行。

由股東召開的股東特別大會，須盡可能以接近本公司的董事召開股東大會的方式召開。

股東於股東大會上提呈建議的程序

如股東擬於股東大會上提呈決議案，必須根據公司條例第580及615條的規定進行。任何持有最少佔全體有權於股東大會上表決的股東的總表決權2.5%的股東數目(或最少50名於股東大會上有權投票的股東)，可書面要求本公司傳閱其將會被正當提呈及有意於股東週年大會上提呈的決議案；以及傳閱其有關於股東大會上提呈的決議案的陳述。上述請求書必須由提出的人士認證及必須存放於本公司的註冊辦事處，地址為香港皇后大道中181號新紀元廣場低座27樓，並請註明「公司秘書收」，(i)如要求傳閱將於股東週年大會提呈的決議案，則本公司須於股東週年大會前不少於六個星期收妥上述要求；或(ii)如屬要求傳閱於股東大會提呈的決議案的陳述則本公司須於股東大會前不少於七天收妥該要求。

本公司股東提名董事程序可於本公司網站<http://www.gtja.com.hk>閱覽。

股東向董事會提出查詢的程序

股東可隨時以書面形式經公司秘書轉交彼等的查詢及關注事項予本公司董事會，本公司註冊地址為香港皇后大道中181號新紀元廣場低座27樓。公司秘書將轉交股東的查詢及關注事項予董事會及／或本公司相關董事會委員會(倘合適)，以便回覆股東的提問。



董事履歷

執行董事

閻峰，54歲，為本集團主席兼行政總裁。閻博士於一九九三年加入國泰君安，並於二零零零年加入本集團，負責本集團的整體業務管理事務。閻博士在證券業擁有逾二十五年經驗。閻博士為高級經濟師，持有中國社會科學院研究生院經濟學博士學位及清華大學環境工程學學士學位。閻博士亦為本公司控股股東國泰君安控股有限公司及國泰君安金融控股有限公司的董事，同時擔任於聯交所上市的北京城建設計發展集團股份有限公司(股份代號：1599)的獨立非執行董事以及深圳國際控股有限公司(股份代號：152)的非執行董事。閻博士為中國人民政治協商會議內蒙古自治區第十屆和第十一屆委員會委員；並在完成香港中資證券業協會第三屆和第四屆會長任期後擔任該會永遠名譽會長。此外，他現擔任香港中華總商會董事。閻博士於二零一三年七月被委任為太平紳士。

王冬青，45歲，為本集團執行董事、副行政總裁及企業融資及股票資本市場部主管。王先生於二零零零年十月加入本集團，負責本集團企業融資及股票資本市場業務的整體業務及營銷事務。王先生於二零零一年獲University of Lincolnshire & Humberside (現稱University of Lincoln)工商管理碩士學位，於一九九二年獲深圳大學國際貿易高等文憑。

祁海英，35歲，為本集團執行董事及副行政總裁。祁女士於二零零四年至二零一二年任職於中國證券監督管理委員會深圳監管局，從事證券公司及上市公司監管工作。祁女士於二零一二年四月加入國泰君安證券股份有限公司，先後擔任合規部和戰略管理部副總經理，於二零一五年三月五日被委任為本公司執行董事兼副行政總裁。祁女士持有中國對外經貿大學國際經濟與貿易學士學位及倫敦政治經濟學院金融經濟學碩士學位。

李光杰，48歲，為本集團執行董事兼銷售團隊主管。李先生於二零零一年十一月加入本集團，負責監督及管理本集團的銷售團隊。彼於會計、審計、稅務及資產評估方面擁有逾二十五年經驗。李先生於深圳金鵬會計師事務所開始其事業，出任評估部門副主管。李先生持有深圳大學經濟學學士學位及中央財經大學經濟學碩士學位。彼亦為經濟師、中國註冊會計師協會會員及中國註冊稅務師協會會員。

獨立非執行董事

傅廷美，50歲，為獨立非執行董事。傅博士在投資、財務、法律和業務管理方面擁有廣泛的經驗。於一九九二年至二零零三年，他在香港多家投資銀行公司參與多項企業融資交易，包括出任百富勤融資有限公司董事，以及擔任法國巴黎百富勤融資有限公司副董事總經理及其後晉升董事總經理。傅博士現時從事私人投資業務。他現時亦擔任北京控股有限公司(股份代號：392)、中糧包裝控股有限公司(股份代號：906)、中國郵政儲蓄銀行股份有限公司(股份代號：1658) (該銀行自二零一六年九月二十八日起於聯交所上市)、華潤醫藥集團有限公司(股份代號：3320) (該公司自二零一六年十月二十八日起於聯交所上市)及中糧肉食控股有限公司(股份代號：1610)(該公司自二零一六年十一月一日起於聯交所上市)的獨立非執行董事，該等公司均於於聯交所上市。傅博士畢業於倫敦大學，分別於一九八九年和一九九三年獲法律碩士和博士學位。

宋敏，55歲，為獨立非執行董事。宋博士於銀行監管及管理、金融市場、及宏觀經濟研究領域擁有逾二十三年經驗。宋博士現擔任香港大學中國金融研究中心主任及香港大學經濟及工商管理學院教授。宋博士持有俄亥俄州立大學經濟學博士學位、華中科技大學數學理科碩士學位及浙江大學數學理科學士學位。宋博士為聯邦制藥國際控股有限公司(股份代號：3933)、五洲國際控股有限公司(股份代號：1369)及長城環亞控股有限公司(原南潮控股有限公司)(股份代號：583)的獨立非執行董事，上述公司均於聯交所上市。此外，宋博士為天地源股份有限公司(於上海證券交易所上市)的獨立董事。

曾耀強，63歲，為獨立非執行董事。曾先生為專業會計師及香港會計師公會、英國特許公認會計師公會及英國特許秘書及行政人員公會資深會員。曾先生曾於畢馬威會計師事務所任職逾二十七年，於二零零三年退休時為銀行業務高級合夥人。曾先生為力勁科技集團有限公司(聯交所上市公司，股份代號為558)、中信銀行(國際)有限公司(於香港的持牌銀行)及中信國際金融控股有限公司獨立非執行董事。曾先生持有香港理工大學會計學高級文憑。

高級管理人員

黃天禮，55歲，自二零一二年四月獲委任為本集團首席財務總監。黃先生於一九九八年七月加盟本集團。彼於審計及財務行業擁有逾三十四年經驗。加入本集團之前，彼曾在多間跨國公司(包括畢馬威會計師事務所、文華東方酒店集團、雷曼兄弟及E.D.&F. Man Group)任職。黃先生持有香港中文大學法學博士學位，香港中文大學工商管理碩士學位及澳洲麥考瑞大學應用金融碩士學位。彼亦為香港會計師公會資深會員、英國特許公認會計師公會資深會員及英格蘭及威爾士特許會計師協會會員。黃先生為國泰君安(香港)有限公司、國泰君安財務(香港)有限公司及國泰君安金融產品有限公司的董事。

董事會報告

董事會欣然呈報本公司及其附屬公司(合稱「本集團」)於截至二零一六年十二月三十一日止年度的報告連同經審核財務報表。

主要業務活動及業務回顧

本公司為投資控股公司，而其附屬公司主要從事證券、期貨、期權及槓桿式外匯買賣及經紀、企業融資、資產管理、貸款及融資、金融產品、做市及投資業務。本年度本集團主要業務性質並沒有重大改變。

香港法例第622章《公司條例》附表5規定提供的進一步業務回顧討論和分析(包括本集團面對的主要風險、不明朗因素以及本集團業務可能出現的未來發展)列於本年報第12至23頁所載的管理層討論與分析。該討論構成本董事會報告的一部分。

業績及股息

本集團於截至二零一六年十二月三十一日止年度的業績載於本年報第125頁的綜合損益及其他全面收益表。

董事宣派中期股息每股0.03港元，另建議向於二零一七年六月五日名列本公司股東名冊的股東派付末期股息每股0.045港元。股息將會於二零一七年六月十九日或其前後派付。

分部資料

有關本集團收益及分部業績的詳細分部資料載列於第172頁至第176頁的財務報表附註4內。

財務概要

本集團於截至二零一六年十二月三十一日止五個財政年度的刊發業績、資產、負債及非控股權益概要載於本年報第7頁至第9頁。



附屬公司詳情

本公司附屬公司詳情載於本年報第132頁至第134頁所載的財務報表附註1。

股本和股本相關協議

於年內，本公司的股本變動詳情載於本年報第209頁所載的財務報表附註31。

股本相關協議詳情載於本報告「以股份為基礎的薪酬計劃」部分。

可分發儲備

於二零一六年十二月三十一日，本公司可供分派儲備根據香港公司條例第291、297及299節條文計量達314,868,000港元，其中313,439,000港元擬作年內末期股息。

捐贈

於年內，本集團慈善捐贈金額為52,000港元。

主要客戶及供應商

截至二零一六年十二月三十一日止年度，本集團五大客戶收益佔本集團的總收益低於30%。本集團為金融服務供應商，因此，董事會認為，無需披露本集團供應商詳情。

本公司董事或任何彼等的聯繫人或任何股東（就董事所知悉擁有發行人股本5%以上者）概無於本集團五大客戶中擁有任何實益權益。

買賣或贖回本公司上市證券

除為國泰君安股份獎勵計劃（「股份獎勵計劃」）的受託人擔任代理外，本公司或任何附屬公司於截至二零一六年十二月三十一日止年度概無買賣或贖回任何本公司的上市證券。

董事

於年內及截至本年報日期，本公司董事如下：

執行董事

閻峰博士
王冬青先生
祁海英女士
李光杰先生

獨立非執行董事

傅廷美博士
宋敏博士
曾耀強先生

董事會報告

董事資料變更

李生先生於二零一六年二月二十四日辭任本公司執行董事及公司秘書職務。

傅廷美博士獲委任為下列聯交所上市公司之獨立非執行董事：

- 中國郵政儲蓄銀行股份有限公司(股份代號：1658)(一家自二零一六年九月二十八日起於聯交所上市之銀行)，自二零一六年五月一日起生效；
- 中糧肉食控股有限公司(股份代號：1610)(一家自二零一六年十一月一日起於聯交所上市之公司)，自二零一六年五月二十三日起生效；及
- 華潤醫藥集團有限公司(股份代號：3320)(一家自二零一六年十月二十八日起於聯交所上市之公司)，自二零一六年六月二十日起生效。

宋敏博士獲委任為長城環亞控股有限公司(前稱南潮控股有限公司)(一家聯交所上市公司，股份代號：583)之獨立非執行董事，自二零一六年十一月四日起生效。

除上文所披露者外，概無其他資料須根據上市規則第13.51B(1)條予以披露。

董事服務合約

概無董事與本公司訂立年期可能超過3年的服務合約，或本公司須給予1年以上之通知期或支付相等於1年以上酬金的賠償或其他付款以終止該合約的服務合約。

董事酬金詳情載於本年報第218頁至223頁綜合財務報表附註37。

根據本公司章程細則第99條，每名董事須至少每三年輪值告退一次。於每屆股東週年大會上，三分之一的在任董事(若人數並非三或三的倍數，則最接近三分之一之人數)將告退並有資格膺選連任。因此，王冬青先生、傅廷美博士及宋敏博士須輪值告退。彼等將於應屆股東週年大會上願膺選連任。

本公司已收到傅廷美博士、宋敏博士及曾耀強先生的年度獨立性確認書。於年報日期，本公司仍認為彼等為獨立人士。一般而言，每一名獨立非執行董事的任期為三年，惟全部三名獨立非執行董事須根據本公司的組織章程細則輪值告退。

董事於合約中的權益

截至二零一六年十二月三十一日止年度，董事概無於本公司或其任何附屬公司簽訂並對本集團的業務有重大影響的任何合約中直接或間接擁有任何重大權益。

附屬公司董事

截至二零一六年十二月三十一日止年度及直至本年報日期，本公司附屬公司之董事由下列人士擔任：

附屬公司名稱	董事姓名
國泰君安(香港)有限公司	閻峰，李光杰，黃天禮，李生(於二零一六年二月二十四日辭任)，王冬青
國泰君安資產管理(亞洲)有限公司	閻峰，袁軍平
國泰君安融資有限公司	王冬青，邱迪怡，黃嘉賢，羅廣信
國泰君安財務(香港)有限公司	李光杰，黃天禮，汪俊紅
國泰君安金融產品有限公司	祁海英，黃天禮，端木震宇(於二零一七年一月十八日獲委任)
國泰君安基金管理有限公司	閻峰，祁海英，張高波，陳立德，袁軍平，TAN Koon Seng
國泰君安期貨(香港)有限公司	陳家驊，黎啟雄
國泰君安外匯有限公司	陳家驊，楊子峰
國泰君安證券(香港)有限公司	王冬青，祁海英，李光杰，李明權，張金暉
Guotai Junan International (Singapore) Holdings Pte. Limited	閻峰，祁海英，TAN Koon Seng
Guotai Junan International Asset Management (Singapore) Pte. Limited	閻峰，祁海英，TAN Koon Seng
Guotai Junan International Securities (Singapore) Pte. Limited	祁海英，TAN Koon Seng，LEE Oon Har(於二零一七年一月五日辭任)，OEI Su Chi Ian(於二零一七年一月十八日獲委任)，代波(於二零一七年三月三日獲委任)

董事會報告

董事及主要行政人員於本公司或任何相聯法團的股份及相關股份的權益

於二零一六年十二月三十一日，董事或其聯繫人於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股本中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所，或根據證券及期貨條例第352條規定已登記於該條例所述登記冊，或根據聯交所證券上市規則(「上市規則」)附錄十所載標準守則規定知會本公司及聯交所之權益或淡倉如下：

於本公司普通股及相關股份的長倉

董事姓名	長／淡倉	所持股份數目	所持獎勵 股份數目	股本衍生 工具下所持 相關股份 的數目	總數	佔本公司 已發行 股份總數 概約百分比
閻峰	長倉	55,792,357	4,568,000	4,787,598	65,147,955	0.94%
王冬青	長倉	5,549,382	3,487,000	2,521,182	11,557,564	0.17%
祁海英	長倉	579,000	1,157,000	9,000,000	10,736,000	0.15%
李光杰	長倉	4,867,076	1,391,000	1,259,894	7,517,970	0.11%
傅廷美	長倉	1,512,096	—	—	1,512,096	0.02%
宋敏	長倉	1,512,096	—	—	1,512,096	0.02%
曾耀強	長倉	1,512,096	—	—	1,512,096	0.02%

除上文披露者外，於二零一六年十二月三十一日，董事或本公司主要行政人員概無於本公司或其任何相聯法團的股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所，或根據證券及期貨條例第352條規定須登記於該條例所述登記冊，或根據標準守則規定須知會本公司及聯交所的權益或淡倉。

以股份為基礎的薪酬計劃

本公司設立兩項以股份為權益結算基礎的薪酬計劃，包括一項購股權計劃（「購股權計劃」）及股份獎勵計劃，旨在協助招攬、挽留及激勵主要員工。計劃的合資格參與者包括本公司董事（包括獨立非執行董事）及本集團的其他僱員。

購股權計劃

本公司設立購股權計劃（「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。

因行使根據購股權計劃授出的所有購股權而可發行的股份總數合共不得超過在購股權計劃批准當日本公司已發行股份的10%。於任何十二個月期間內可根據購股權向該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%。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。

授予本公司董事或主要行政人員，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十年之日為止。

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授出日期在聯交所的收市價；及(ii)本公司股份於緊接授出日期前五個交易日在聯交所的平均收市價。

截至二零一六年十二月三十一日止年度，30,992,941份購股權已獲行使，年內緊接行使日期前的加權平均股價為2.57港元。截至二零一六年十二月三十一日止年度，由於僱員辭職，行使價為每股1.264港元的1,007,915份購股權於歸屬日期前失效。

董事會報告

截至二零一六年十二月三十一日止年度，購股權計劃項下的購股權變動如下：

參與者姓名	授出日期	授出的 購股權	授出日期 的行使價 (港元)	緊接 授出日期前 的股價 (港元)	於		於		緊接 行使日期前 的平均股價 (港元)	購股權 行使價 (港元)
					二零一六年 一月一日 持有的 購股權	年內行使	二零一六年 十二月 三十一日 持有的 購股權	年內失效		
<i>董事</i>										
閻峰	24/4/2012	6,000,000	2.50	2.51	—	—	—	—	無	0.827
	10/1/2014	4,750,000	3.82	3.72	9,575,196	(4,787,598)	—	4,787,598	2.40	1.264
王冬青	24/4/2012	3,000,000	2.50	2.51	—	—	—	—	無	0.827
	10/1/2014	2,500,000	3.82	3.72	5,042,364	(2,521,182)	—	2,521,182	2.02	1.264
祁海英	11/6/2015	3,000,000	14.56	13.62	9,000,000	—	—	9,000,000	無	4.854
李光杰	24/4/2012	1,500,000	2.50	2.51	—	—	—	—	無	0.827
	10/1/2014	1,250,000	3.82	3.72	2,779,682	(1,519,788)	—	1,259,894	3.08	1.264
李生*	24/4/2012	1,500,000	2.50	2.51	—	—	—	—	無	0.827
	10/1/2014	1,250,000	3.82	3.72	2,519,790	(2,519,790)	—	—	2.04	1.264
傅廷美	24/4/2012	500,000	2.50	2.51	—	—	—	—	無	0.827
宋敏	24/4/2012	500,000	2.50	2.51	—	—	—	—	無	0.827
曾耀強	24/4/2012	500,000	2.50	2.51	—	—	—	—	無	0.827
僱員	24/4/2012	26,500,000	2.50	2.51	13,057,248	(1,300,000)	—	11,757,248	3.10	0.827
	10/1/2014	40,250,000	3.82	3.72	86,792,827	(18,344,583)	(1,007,915)	67,440,329	2.68	1.264
	11/6/2015	1,500,000	14.56	13.62	4,500,000	—	—	4,500,000	無	4.854
合計	24/4/2012	40,000,000	2.50	2.51	13,057,248	(1,300,000)	—	11,757,248	3.10	0.827
	10/1/2014	50,000,000	3.82	3.72	106,709,859	(29,692,941)	(1,007,915)	76,009,003	2.55	1.264
	11/6/2015	4,500,000	14.56	13.62	13,500,000	—	—	13,500,000	無	4.854

* 李生先生於二零一六年二月二十四日辭任董事。

股份獎勵計劃

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，否則計劃將自該日期起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根據股份獎勵計劃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）。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過本公司於採納日期已發行股本的1%（即16,400,000股）。

倘獲選僱員符合本公司董事會於授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。

當本公司任何董事持有未發佈之有關本公司股價敏感性資料或董事買賣本公司股票不時受到任何準則，規則以及任何其他適用法律禁止時，本公司不得向股份獎勵計劃之受託人發出購買股票之資金和指令。

獨立受託人有權行使根據股份獎勵計劃持有的任何股份的所有投票權及權力，惟獨立受託人將放棄投票權。

截至二零一六年十二月三十一日，本公司共授出65,187,000股獎勵股份，代表股份獎勵計劃中的39.7%。

根據股份獎勵計劃可授予的獎勵股份的剩餘數量為98,813,000股，相當於截至二零一六年十二月三十一日的本公司已發行股份總數6,965,301,142股的1.42%。

於二零一六年十二月三十一日授出及未歸屬的獎勵股份的詳情如下：

授出獎勵股的日期	每股平均	授出獎勵 股份數目	歸屬獎勵 股份數目	失效獎勵 股份數目	未歸屬獎勵	
	公平值 (港元)				股份數目	歸屬日期
15/4/2015	3.29	34,653,000	(23,271,000)	(516,000)	10,866,000	30/11/2017
18/4/2016	2.79	27,987,000	(8,997,000)	(538,000)	8,871,000	30/11/2017
					884,000	30/11/2018
					58,000	4/10/2017
					58,000	4/10/2018
					209,000	31/3/2017
					208,000	31/3/2018
					208,000	31/3/2019

截至二零一六年十二月三十一日止年度，1,141,000股獎勵股份由於僱員辭職而於歸屬日期前失效。

董事會報告

截至二零一六年十二月三十一日止年度，股份獎勵計劃項下的獎勵股份變動如下：

參與者名稱	於 二零一六年 一月一日 的獎勵股份	年內授出	年內失效	年內歸屬	於 二零一六年 十二月 三十一日 的獎勵股份	歸屬日期
董事						
閻峰	9,141,000	2,344,000	—	(6,917,000)	3,787,000 781,000	30/11/2017 30/11/2018
王冬青	4,158,000	2,778,000	—	(3,449,000)	2,561,000 926,000	30/11/2017 30/11/2018
祁海英	—	1,736,000	—	(579,000)	579,000 578,000	30/11/2017 30/11/2018
李光杰	1,185,000	1,389,000	—	(1,183,000)	928,000 463,000	30/11/2017 30/11/2018
李生*	990,000*	—	—	(990,000)	— —	— —
僱員	16,719,000	19,740,000	(1,054,000)	(19,151,000)	209,000 58,000 11,883,000 208,000 58,000 6,092,000 208,000	31/3/2017 4/10/2017 30/11/2017 31/3/2018 4/10/2018 30/11/2018 31/3/2019
總計	32,193,000	27,987,000	(1,054,000)	(32,268,000)	209,000 58,000 19,737,000 208,000 58,000 8,840,000 208,000	31/3/2017 4/10/2017 30/11/2017 31/3/2018 4/10/2018 30/11/2018 31/3/2019

* 李生先生於二零一六年二月二十四日辭任董事一職。已授予李先生的990,000股獎勵股份於二零一六年二月二十四日全數歸屬。

股份獎勵計劃的詳情載於財務報表附註33。

董事購入股份或債權證的權利

除上文披露的購股權計劃及股份獎勵計劃外，截至二零一六年十二月三十一日止年度，本公司或其任何附屬公司概無簽訂任何協議，以讓董事通過購入本公司或任何其他法團的股份或債務證券(包括債權證)而獲利；董事、其配偶或18歲以下子女亦概無認購本公司證券的任何權利，或已行使任何此等權利。

主要股東及其他人士於股份及相關股份的權益及淡倉

於二零一六年十二月三十一日，下列人士(並非本公司董事)於本公司的股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部的條文已向本公司披露，或記錄於根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉如下：

本公司普通股

股東名稱	股份數目		佔本公司已發行股份總數 概約百分比	
	長倉	淡倉	長倉	淡倉
上海國際集團有限公司(附註)	4,527,057,800	無	64.99%	無
國泰君安證券股份有限公司(附註)	4,527,057,800	無	64.99%	無
國泰君安金融控股有限公司(附註)	4,527,057,800	無	64.99%	無
國泰君安控股有限公司	4,527,057,800	無	64.99%	無

附註：國泰君安控股有限公司由國泰君安金融控股有限公司全資擁有，而國泰君安金融控股有限公司則為國泰君安證券股份有限公司的全資附屬公司。國泰君安證券股份有限公司受控於上海國際集團有限公司。因此，國泰君安金融控股有限公司、國泰君安證券股份有限公司及上海國際集團有限公司被視為於本公司股份中擁有與國泰君安控股有限公司所擁有者相同的權益。

除上文所披露者外，於二零一六年十二月三十一日，概無任何人士(不包括本公司董事或主要行政人員)知會本公司其於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露，或記錄於根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉。

除下文所披露的持續關連交易外，年內，本公司並無訂立或存在任何與本公司或其附屬公司全部或重大部分業務的管理或行政有關的合約。

董事會報告

關連交易

於二零一六年十一月四日，國泰君安融資有限公司(本公司間接全資附屬公司)與國泰君安(其中包括)簽訂保薦人委任協議。據此，國泰君安同意聘請國泰君安融資有限公司擔任國泰君安於聯交所建議發售H股的其中一位聯席保薦人。國泰君安融資有限公司將收取500,000美元作為擔任其中一位聯席保薦人的費用。

於二零一七年二月二十四日，國泰君安證券(香港)有限公司(本公司間接全資附屬公司)與國泰君安簽訂委任備忘錄。據此，國泰君安已有條件地同意聘請國泰君安證券(香港)有限公司及／或其關聯公司擔任國泰君安於聯交所建議發售H股的其中一位承銷商。該交易須根據上市規則之規定獲本公司獨立股東批准後，方可作實。國泰君安應付國泰君安證券(香港)有限公司及國泰君安將予委任的建議發售的其他承銷商的承銷佣金總額估計將不會超過654.65百萬港元。

持續關連交易

於二零一六年四月六日，本公司與國泰君安訂立服務總協議(「服務總協議」)，據此，本公司及國泰君安均同意，或促使其成員公司，根據服務總協議所載條款向對方提供多項服務，由二零一六年一月一日起至二零一八年十二月三十一日止期間生效，為期三年。服務涵蓋下列類別交易所產生之服務：

- (a) 經紀交易；
- (b) 投資管理和顧問服務交易；
- (c) 諮詢服務交易；及
- (d) 企業融資交易。

根據服務總協議，本集團成員公司和國泰君安集團之成員公司於服務總協議期限內，將不時就提供服務訂立個別補充協議。補充協議有關服務及價格的條款應經公平協商並於日常業務過程中按一般商業條款釐定，且不遜於從獨立第三方可獲取或由獨立第三方提供的價格和條款。

就服務總協議項下擬進行之持續關連交易而言，截至二零一六年、二零一七年及二零一八年十二月三十一日止三個財政年度之年度上限及二零一六年各自收取／支付的實際金額列示如下：

	截至二零一六年 十二月三十一日 止財政年度 (百萬港元)	年度上限 截至二零一七年 十二月三十一日 止財政年度 (百萬港元)	截至二零一八年 十二月三十一日 止財政年度 (百萬港元)	二零一六年 實際金額 (百萬港元)
就以下項目所產生的本集團應佔收入年度上限及二零一六年實際金額：				
(1) 向國泰君安集團成員公司提供之 經紀服務	50	50	50	1.7
(2) 向國泰君安集團成員公司提供之 投資管理和顧問服務	10	10	10	–
(3) 向國泰君安集團成員公司提供之 諮詢服務	10	10	10	–
(4) 向國泰君安集團成員公司提供之 企業融資服務	10	10	10	–
總和：	80	80	80	1.7
就以下項目所產生的本集團開支之年度上限及二零一六年實際金額：				
(1) 由國泰君安集團成員公司提供之 經紀服務	30	30	30	2.5
(2) 由國泰君安集團成員公司提供之 投資管理及顧問服務	10	10	10	–
(3) 由國泰君安集團成員公司提供之 諮詢服務	30	30	30	19.4
(4) 由國泰君安集團成員公司提供之 企業融資服務	10	10	10	–
總和：	80	80	80	21.9

董事會報告

於二零一六年十一月十六日，根據服務總協議，本公司全資附屬公司國泰君安(香港)有限公司與國泰君安諮詢服務(深圳)有限公司簽訂補充協議，據此，國泰君安諮詢服務(深圳)有限公司將向國泰君安(香港)有限公司提供有關宏觀經濟信息、市場資訊及上市公司發展等諮詢服務。根據補充協議，國泰君安(香港)有限公司應付截至二零一六年十二月三十一日止年度之建議年度諮詢費不超過21百萬港元。二零一七年及二零一八年的建議年度諮詢費將透過訂立另一項補充協議單獨協定。截至二零一六年十二月三十一日止年度付予國泰君安諮詢服務(深圳)有限公司的諮詢費總額約為19百萬港元，上述金額亦載於本年報第226頁至第231頁財務報表附註40。

本集團進行的持續關連交易納入財務報表附註40所載之交易內。

本公司獨立非執行董事已審閱該等持續關連交易，並確認該等交易乃：

- (i) 於本集團日常及一般業務過程中產生；
- (ii) 按一般商業條款或按不遜於本集團向獨立第三方提供及／或獲得的條款進行；及
- (iii) 根據規管交易的相關協議按公平合理及符合本公司股東整體利益的條款訂立。

根據上市規則第14A.56條，董事委任本公司核數師按照香港會計師公會頒佈的香港鑒證業務準則第3000號的「非審核或審閱過往財務資料之鑒證工作」(「HKSAE 3000」)，並參照香港會計師公會頒佈的實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」(「PN740」)就上述持續關連交易作出報告。

核數師已按照HKSAE 3000並參照PN740的規定向董事報告，該等交易：

- (i) 已經本公司董事會批准；
- (ii) 乃按照本公司的定價政策進行；
- (iii) 乃按照規管該等交易的相關協議進行；及
- (iv) 未超出本公司於二零一六年四月六日刊發的公佈所披露的相關上限。

根據上市規則第13.21條的披露事項

於二零一四年一月二十九日，本公司(作為擔保人)及其全資附屬公司國泰君安(香港)有限公司(作為借款人)就一項循環貸款及一項定期貸款與若干財務機構(作為貸款方)簽訂一項總額33億港元的貸款協議(「貸款協議A」)，為期三年。

於二零一五年四月二十九日，本公司(作為擔保人)及其全資附屬公司國泰君安(香港)有限公司(作為借款人)就一項循環貸款及一項定期貸款與若干財務機構(作為貸款方)簽訂一項總額105億港元的貸款協議(「貸款協議B」，連同貸款協議A，統稱「貸款協議」)，為期三年。

根據貸款協議，若本公司的控股股東國泰君安證券股份有限公司並不或不再直接或間接持有本公司51%或以上的合法及實益權益，將構成違約事件。倘出現違約事件，貸款方可向借款人發出通知：(i)取消全部或部分貸款；及／或(ii)宣佈全部或部分貸款連同應計利息及根據貸款協議應計或尚未償還的所有其他金額即時到期及須予償還；及／或(iii)宣佈全部或部分貸款須按要求償還。

發行3億美元的次級永續證券

於二零一六年六月八日，本公司作為發行人、國泰君安(香港)作為配售代理及各認購方(興證國際證券有限公司、中國石油財務(香港)有限公司、南方廣發海外1號資產管理計劃、國泰君安金融控股有限公司以及浦銀國際投資管理有限公司)就本金總額為300,000,000美元的次級永續證券訂立認購協議。

次級永續證券發售價為次級永續證券本金額的100%。根據次級永續證券的條款及條件，次級永續證券賦予權利，從發行日期起按適用分派率(定義見下文)收取分派(各為「分派」)。次級永續證券的分派應每半年於各分派支付日期以美元支付。首次分派已於二零一六年十月三十日支付。

適用於次級永續證券的分派率(「分派率」)為：

- (i) 就自發行日期(包括該日)起至首個贖回日(二零一九年四月三十日，惟不包括該日)止期間，為初始分派率(年率4.5%)；及
- (ii) 就自首個贖回日(包括該日)起至緊隨下一個重設日(首個贖回日及首個贖回日後起計每滿三個曆年之各日，惟不包括該日)期間而言，為適用重設分派率(適用三年期美國掉期利率加8.0%)。

根據次級永續證券的條款及條件，本公司可選擇透過向次級永久證券持有人及受託人發出不少於30日及不多於60日的通知(該通知將不可撤回)，於下列日期贖回全部但非部分的次級永續證券：

- (i) 首個贖回日；或
- (ii) 首個贖回日後任何分派支付日(各為「贖回日」)。

上述任何有關通知期屆滿後，本公司須於有關贖回日，按證券的本金額連同截至(並不包括)該贖回結算日應計的任何分派(包括任何拖欠的分派款項及任何額外分派金額)，贖回次級永續證券。

發行次級永續證券的所得款項淨額(經扣除估計費用及開支後)約為2,329百萬港元。本公司已將次級永續證券的所得款項淨額用作一般營運資金用途。本公司可能因應市場情況變化而調整前述所得款項用途，重新分配所得款項用途。

董事會報告

董事於競爭業務中之權益

於二零一六年十二月三十一日，本公司董事會成員及彼等的聯繫人概無於其業務與本公司業務直接或間接構成競爭或可能構成競爭的實體中擁有任何權益。

獲准許的彌償

在公司條例(香港法例第622章)的規限下，根據公司組織章程細則每名董事均有權就其執行或履行其職務及／或在行使其權力及／或在涉及或關乎其職務、權力或職位有關的其他方面所可能遭受或招致的所有損失及法律責任，獲得從本公司資產中支付的彌償。在該條例許可範圍內，本公司已就本集團公司各董事或須面對在任何法律程序中進行辯護而招致的相關法律責任及費用投購保險。

公眾持股量的充足性

根據本公司可公開獲得的資料及據董事所知，於截至二零一六年十二月三十一日止年度及截至本報告日期，公眾至少持有本公司已發行股份總數的25%。

企業管治

本公司的企業管治原則及常規載於本報告第24頁至第37頁的企業管治報告內。

遵守相關法律及法規

於回顧年度內，據董事會及管理層所知，本集團並無重大違反或不遵守對本集團的業務及營運有重大影響的適用法律及法規。

環境、社會及管治報告及企業責任

本集團致力於在日常營運及管理中維持高水準的企業管治。管理層不斷努力維持本公司對社區及環境方面的責任意識，提高員工對社會環境責任整體意識，及鼓勵員工積極參與環境及社會活動，共同建立一個社會責任型及環境友好型社會。有關環境、社會及管治報告將於二零一七年五月中旬左右上載於本公司網站(www.gtja.com.hk)及聯交所網站。

核數師

財務報表已由安永會計師事務所審核，其將於二零一七年五月二十六日舉行的本公司應屆股東週年大會上告退並符合資格膺選連任。

獎項

本集團已獲授多個獎項並於市場上獲得廣泛認可。二零一六年的主要獎項如下：

獎項	主辦機構／媒體
2016亞洲風險管理大獎年度最佳券商	亞洲風險雜誌
香港上市公司100強一企業潛力獎	騰訊與財華社
「第十四屆中國財經風雲榜(海外)」[年度優秀券商]	和訊
2016年度離岸中資基金大獎最佳ETF參與證券商	彭博與香港中資基金業協會
2016卓越港股券商	騰訊
「2016中國融資上市公司大獎」[最佳IPO項目保薦人獎]／ 「最具投資價值獎」	中國融資
「2016金港股」：「最具投資價值上市公司」	智通財經與同花順財經

董事會報告

評級

於二零一六年八月四日，標普全球評級授予本公司「BBB」長期及「A-2」短期發行人信用評級，本公司的長期評級展望屬穩定。

於二零一六年九月五日，穆迪投資服務公司（「穆迪」）首次授予本公司Baa2長期發行人評級及Prime-2短期發行人評級，評級展望為負面。於二零一七年二月二十六日，穆迪對本公司長期發行人評級展望由負面調至穩定，而本公司長期及短期（本幣／外幣）發行人評級維持不變。同時，穆迪對本公司之單獨評估從ba2提升至ba1，反映本公司採用新方法後的財務指標表現穩健，而Baa2的長期發行人評級亦因穆迪假設於經濟低迷時期中國政府將提供較高程度的支持而提升兩個級別。

承董事會命

主席

閻峰博士，太平紳士

香港，二零一七年二月十七日

公司資料

董事會

執行董事

閻峰博士(主席兼行政總裁)

王冬青先生

祁海英女士

李光杰先生

獨立非執行董事

傅廷美博士

宋敏博士

曾耀強先生

審核委員會成員

曾耀強先生(主席)

傅廷美博士

宋敏博士

薪酬委員會成員

傅廷美博士(主席)

宋敏博士

曾耀強先生

提名委員會成員

宋敏博士(主席)

閻峰博士

曾耀強先生

風險委員會成員

閻峰博士(主席)

祁海英女士

傅廷美博士

宋敏博士

曾耀強先生

首席財務總監

黃天禮先生

公司秘書

馮正堯女士

註冊辦事處

香港

皇后大道中181號

新紀元廣場

低座27樓

核數師

安永會計師事務所

執業會計師

律師

李偉斌律師行

股份過戶登記處

香港中央證券登記有限公司

香港灣仔

皇后大道東183號

合和中心17M樓

主要往來銀行

中國銀行(香港)有限公司

渣打銀行(香港)有限公司

香港上海滙豐銀行有限公司

股份代號

香港聯合交易所 01788

彭博 1788 HK

路透社 1788.HK

美國預託憑證編號 GTIJY

ISIN參考編號 HK0000065869

SEDOL參考編號 B3W1335 HK

本公司網站

www.gtja.com.hk



COVER STORY

As time changes, Information Technology is ever-changing and the economy is developing by leaps and bounds, which make the current business environment full of changes and challenges, just like the process of playing games.

Guotai Junan International Holdings Limited has professional teams in possession of rich investment management experience and professionalism, a combination of wisdom, experience, loyalty and persistence. Our teams map out strategies with overall consideration amidst the changing conditions, and devise diversified financial products and services while keeping risks under effective and comprehensive control, thereby creating values and securing success for clients and shareholders.





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A person in a dark suit and a blue and red striped tie is playing chess. The chessboard is in the foreground, with several pieces visible, including a white king and a black king. The person's hand is visible on the left side, holding a black piece. The background is dark and out of focus.

SUCCESS

Professionalism, precision, good faith, foresight, innovation, prudence, and courageousness in ascending business peaks and stringent risk control are not only the objectives and requirements set by Guotai Junan International but also our commitments to investors and clients.

Every step is marked with our preparation, contemplation, courage and wisdom. In response to the changing market environment, our professional investment management teams will customize financial service and products with a view to optimizing returns for clients and investors by means of meticulous planning, objective analysis by utilizing their rich practice experience.

Guotai Junan International has been well standing against the market turbulence and challenges, and securing success with the consistent rigorous and prudent operation style.

MILESTONES

1995

- Guotai Junan (Hong Kong) Limited was incorporated.
- Guotai Junan Securities (Hong Kong) Limited became a member of the Stock Exchange and commenced business.

1997

- Guotai Junan Futures (Hong Kong) Limited commenced business.



2001

- Online trading platform for Hong Kong securities was launched.

2008

- Completed sponsorship and IPO fund raising in Hong Kong for the first pilot company whose A and B Shares were listed on the Shenzhen Stock Exchange.

2009

- Online trading platform for United States securities was launched.
- CSRC approval on China B shares trading qualification obtained.

2012

- We launched our first RQFII fund: Guotai Junan Great Dragon RMB Funds – Guotai Junan Great Dragon China Fixed Income Fund.
- Completed conversion of the B share into H share and the listing of H share on the Main Board of the Stock Exchange of a Chinese enterprise.

2013

- We launched our first public fund in Luxembourg: White Fleet – Guotai Junan Sunrise Emerging Market Fixed Income Total Return Fund.

2014

- Completed the issuance of offshore US-denominated corporate bonds for offshore investment for our controlling shareholder Guotai Junan.

2003

- Online trading platform for futures business was launched.

2004

- Completed sponsorship and IPO fund raising in Hong Kong for the first pilot company whose A Shares were listed on the Shenzhen Stock Exchange.

2007

- Our first SFC authorized fund: Guotai Junan Investment Funds – Guotai Junan Greater China Growth Fund was launched.



2010

- CSRC approval for Hong Kong listing was obtained.
- Guotai Junan International Holdings Limited was incorporated and listed on the Main Board of the Stock Exchange.
- Guotai Junan FX Limited commenced leveraged foreign exchange trading service.

2011

- Level 1 American Depository Receipt program was launched.

2015

- Guotai Junan International Asset Management (Singapore) Pte. Limited commenced asset management business in Singapore.



2016

- Guotai Junan International Holdings Limited issued US\$300 million Subordinated Perpetual Securities while Guotai Junan Securities (Hong Kong) Limited is the sole placing agent.
- Guotai Junan Capital Limited was appointed by Guotai Junan Securities Co., Ltd. as one of the joint sponsors in connection with its proposed offering of the H shares on the Stock Exchange.
- Guotai Junan International has been assigned “Baa2/Prime-2” and “BBB/A-2” rating from Moody’s Investor Service and Standard & Poor’s Global Ratings respectively.

CORPORATE PROFILE

Established in Hong Kong, one of the world's most vibrant global metropolises, Guotai Junan International Holdings Limited ("Guotai Junan International" or "the Company" or "We") serves as a bridge to connect enterprises and investors in China and the world. The Company provides a range of innovative financial products and services to facilitate financing and investment opportunities for Mainland Chinese and overseas companies and investors.

Guotai Junan International is the first Mainland-owned securities brokerage house with China Securities Regulatory Commission ("CSRC") approval to list its shares through initial public offering ("IPO") on the Main Board of the Stock Exchange of Hong Kong Limited ("Stock Exchange"). Established in Hong Kong in 1995, we provide our services in 5 core business areas: (i) dealing and broking in securities, futures, options and leveraged foreign exchange, (ii) corporate finance, (iii) asset management, (iv) loans and financing and (v) financial products, market making and investments. The Company has diversified its business lines in recent years due to rapid and successful development of loans and financing, corporate finance, fixed income, structured products and market-making businesses, and has shifted its focus from the traditional fee-based brokerage to wealth management with a wide range of tailored financial products and services to maximize returns for investors. Our team of dedicated professionals, who have in-depth knowledge and understanding of both China and Hong Kong capital markets, has established a solid reputation for providing high quality financial services and tailored financial products to investors in Hong Kong, China and across the world.

By means of a sophisticated online platform, we provide our clients with comprehensive services on global securities, derivative and leveraged foreign exchange trading, IPO subscriptions, margin financing, stock quotes, market news and research reports, etc. Our powerful online trading tools, including mobile application, support on-line trading in 8 major global stock markets and over 20 futures and options markets, as well as leveraged forex trading in 8 major currency pairs and 21 associated combinations.

The Company operates an effective risk management system for all lines of business to minimize risks and maximize returns for shareholders and investors. In 2016, Guotai Junan International has been assigned "Baa2/Prime-2" and "BBB/A-2" rating from Moody's Investor Service and Standard & Poor's Global Ratings respectively. Guotai Junan International was also named as "Securities House of the Year 2016" by Asia Risk Magazine. Despite turbulence in stock market and economic slowdown in recent years, Guotai Junan International has reported steady growth in profits, outperforming competitors with a double-digit return on equity from 2012 to 2016.

Our controlling shareholder, Guotai Junan Securities Co., Ltd. ("Guotai Junan") (Shanghai Stock Exchange stock code: 601211) is one of the China's largest securities houses, predominantly owned by Shanghai International Group Co, Ltd. Backed by parent company's strong support in respect of brand name, client network and significant capital, we play a major role in the international growth strategy of Guotai Junan, serving as the gateway for its international expansion.

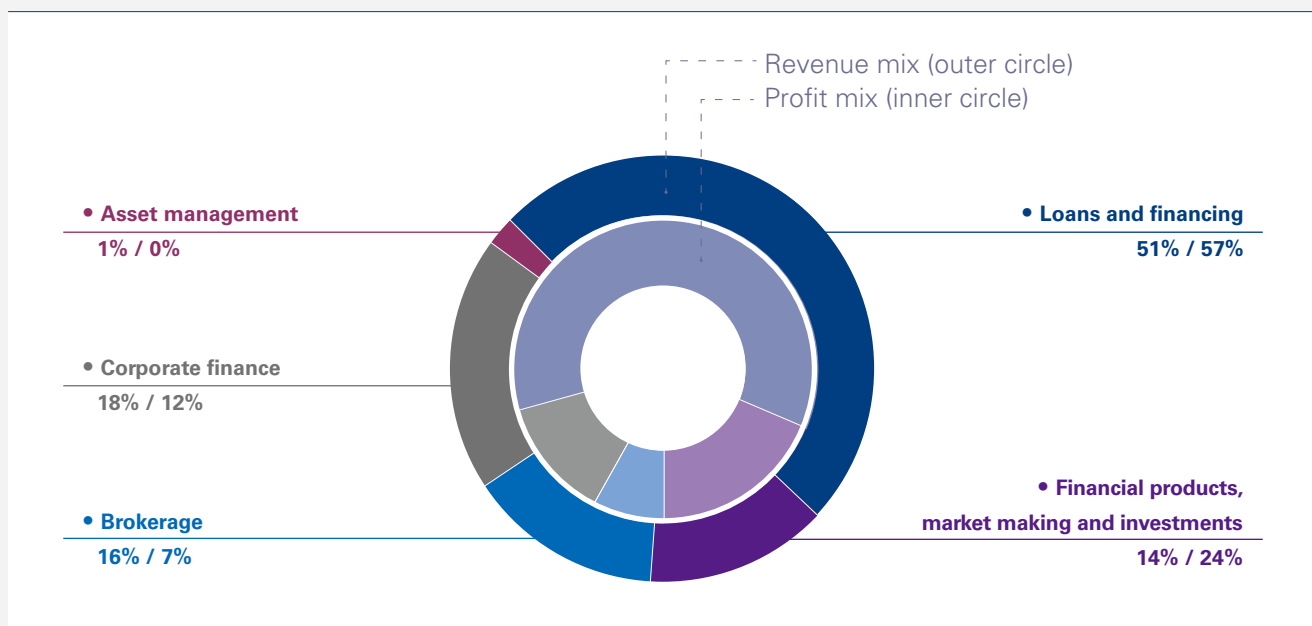
Looking into the future, we will continue to expand and invest in our existing platforms and customer profiles, and become a major regional financial services and products conglomerate. With our effective risk management system and wide range of financial services and innovative products, we will commit ourselves to serve clients with integrity, client focus, expertise and innovation.

FINANCIAL HIGHLIGHTS

For the year ended 31 December

	2016	2015	Change
	HK\$'000	HK\$'000	%
Fee and commission income			
– brokerage	393,000	719,945	-45.4%
– corporate finance	456,649	281,447	62.3%
– asset management	28,487	53,092	-46.3%
Income from loans and financing	1,297,278	1,076,018	20.6%
Gain from financial products, market making and investments	343,773	146,106	135.3%
Revenue	2,519,187	2,276,608	10.7%
Profit for the year	1,026,087	1,015,433	1.0%
Profit attributable to ordinary equity holders of the Company	969,139	1,013,541	-4.4%
Basic earnings per share (HK cents)	14.1	14.9	-5.4%
Diluted earnings per share (HK cents)	13.9	14.6	-4.8%
Dividend per share (HK cents)	7.5	7.5	0%
Equity per ordinary share (HK\$) (Note)	1.18	1.11	6.3%

2016 Revenue and profit mix



Note:

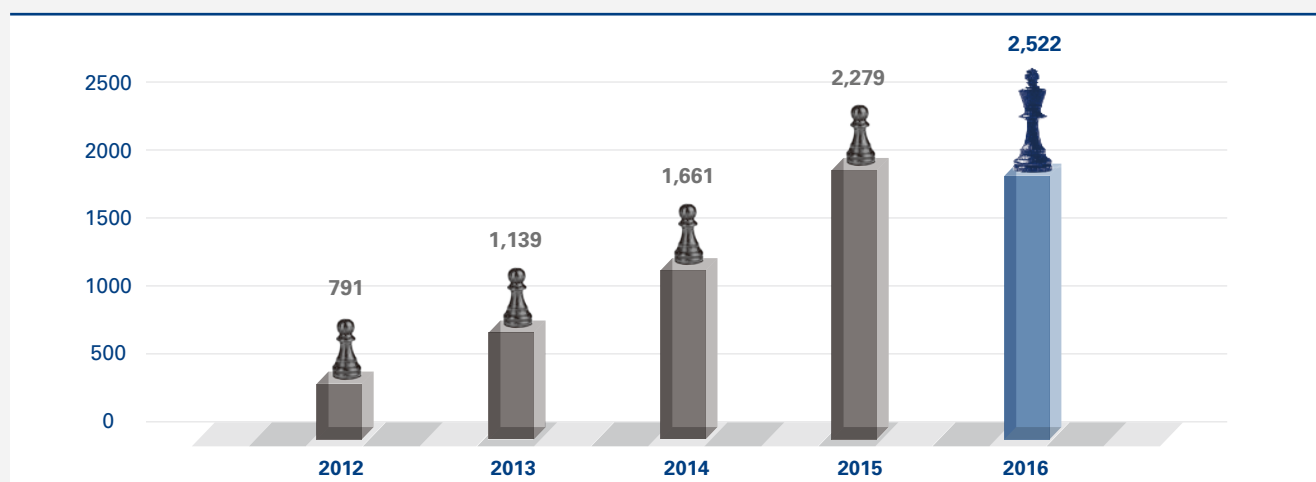
Based on 6,902,496,742 shares (2015: 6,857,378,801 shares) as at 31 December 2016, being 6,965,301,142 shares issued and fully paid less 62,804,400 shares held under the Company's share award scheme (2015: 6,934,308,201 shares issued and fully paid less 76,929,400 shares held under the Company's share award scheme).

FINANCIAL SUMMARY

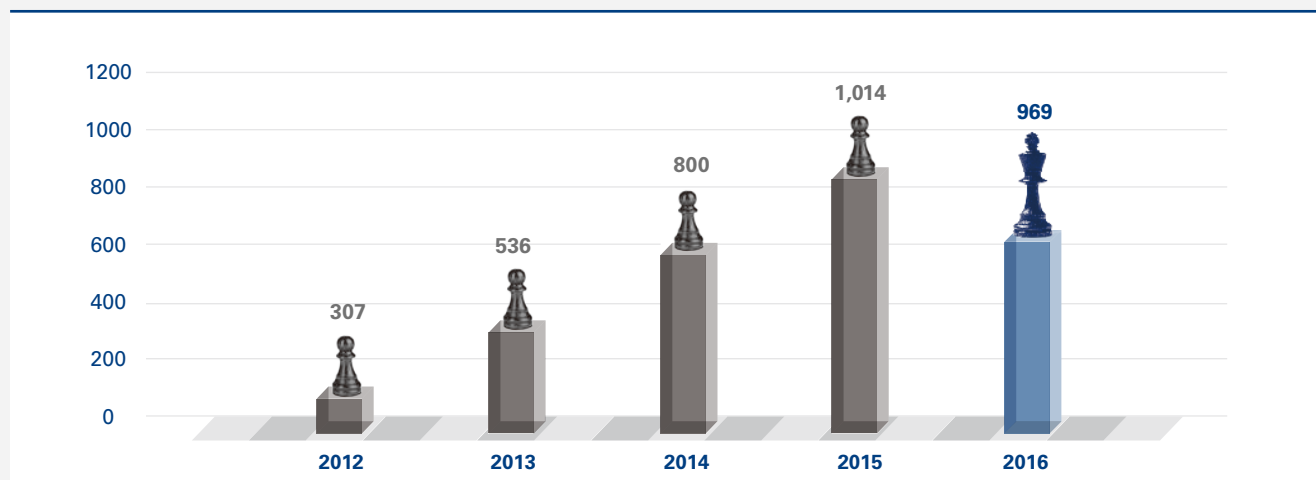
A summary of the published results and assets and liabilities of the Group for the last five financial years is set out below:

	For the year ended 31 December				
	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000
Revenue and other income	2,521,795	2,278,507	1,661,041	1,139,368	790,740
Profit before tax	1,188,607	1,168,122	929,216	619,526	355,402
Profit for the year	1,026,087	1,015,433	801,915	537,758	307,150
Profit attributable to ordinary equity holders of the Company	969,139	1,013,541	799,791	536,398	307,003

Revenue and other income
(HK\$mil)



Profit attributable to ordinary equity holders of the company
(HK\$mil)

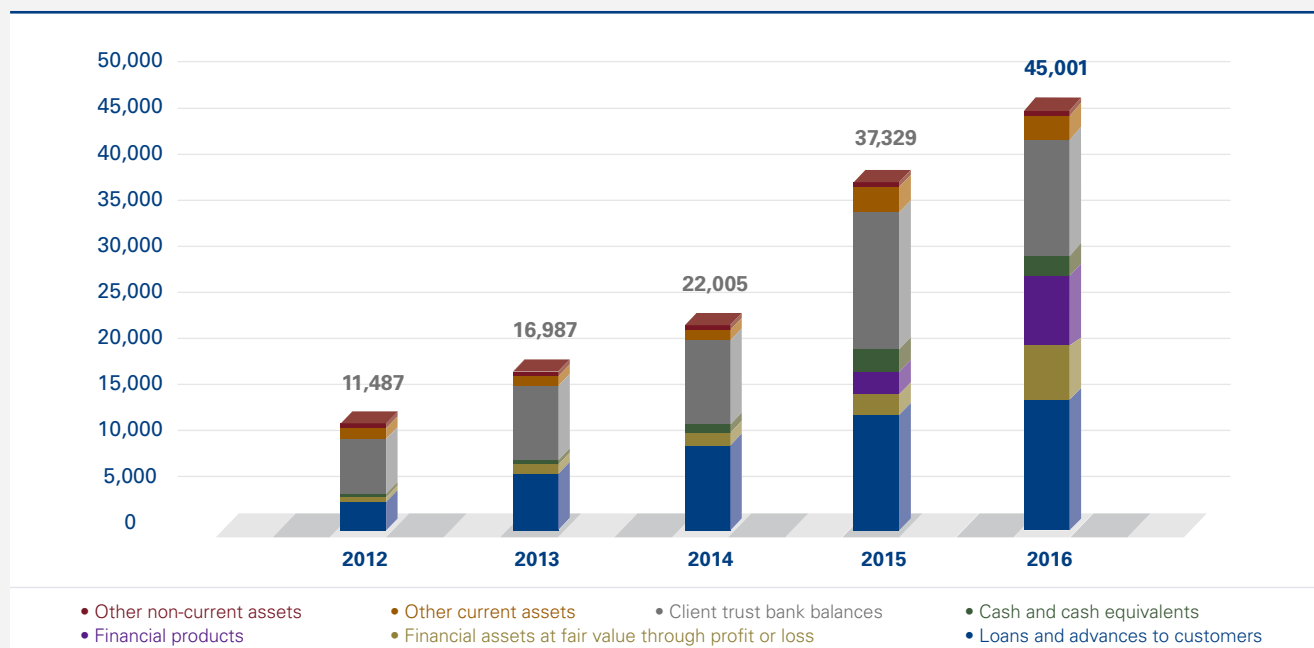


Assets and Liabilities

	As at 31 December				
	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000
Loans and advances to customers	14,538,144	12,375,857	9,099,164	6,005,392	3,058,102
Financial assets at fair value through profit or loss	5,888,774	2,197,965	1,353,089	983,717	482,220
Financial products	7,424,551	2,429,123	–	–	–
Receivable from reverse repurchase agreements	480,782	509,695	–	–	–
Derivative financial instruments	122,001	24,952	1,766	–	–
Cash and cash equivalents	1,964,398	2,408,666	889,286	485,295	384,554
Client trust bank balances	12,400,917	14,662,991	9,009,909	7,966,841	5,883,941
Other current assets	1,671,466	2,199,578	1,130,166	1,020,404	1,130,404
Other non-current assets	509,712	520,608	521,501	525,092	547,516
Total assets	45,000,745	37,329,435	22,004,881	16,986,741	11,486,737
Bank borrowings	(8,911,433)	(7,855,662)	(4,462,719)	(3,386,113)	(739,820)
Debt securities in issue	(5,823,241)	(2,358,088)	(171,123)	(324,706)	(86,000)
Financial liabilities at fair value through profit or loss	(3,485,520)	(505,340)	–	–	–
Obligations under repurchase agreements	(930,958)	(400,517)	–	–	–
Derivative financial instruments	(130,083)	(29,766)	(1,766)	–	–
Other liabilities	(15,185,676)	(18,544,805)	(10,304,059)	(9,328,605)	(7,261,152)
Non-controlling interests	(11,951)	(11,693)	(9,801)	(7,677)	(6,317)
Shareholders' fund	10,521,883	7,623,564	7,055,413	3,939,640	3,393,448

Asset Structure

(HK\$mil)





CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to report to you that the Group's operating results outperformed the market and its peers for the financial year of 2016, despite of the high volatility of the market and multiple events of "Black Swans". Earnings maintained the good momentum of growth with slight increase recorded as compared with the corresponding period of last year, and our financial indicators such as return on equity of ordinary equity holders and growth rate of earnings kept leading the industry.

For the year ended 31 December 2016, profit after tax of the Group recorded a slight growth of 1% from 2015 to HK\$1.026 billion during the financial year, reaching a new historical high level. The Board of Directors has recommended the payment of a final dividend of HK\$0.045 per share. Together with the interim dividend of HK\$0.03 per share, the aggregate dividend for the year will be HK\$0.075 per share.

The Group achieved a steady growth in a volatile market environment under our profound risk management skill. In 2016, the Company was recognised as the "Securities House of the Year" in "Asia Risk Management Awards 2016" by Asia Risk, an authoritative magazine in the field of risk control, fully reflecting the Company's leading positions in the industry and prominent core competitiveness.

Results Review

2016 was a year of roller-coaster movement in the capital market of Hong Kong. Against the market challenges, the Group stood firm and achieved fruitful results. Due to the combined impact of the circuit breaking mechanism incident in A share market and the increasing outflow of liquidity resulted from expected interest rate hike in US, Hong Kong securities market was under strong downside pressure. In 2016, the daily average turnover amount decreased YoY by 37%; funds raised through IPOs reduced YoY by 26%; gross proceeds reduced YoY by 56%. The revenue and profit in brokerage industry of Hong Kong has significantly decreased.

Faced with difficulties, the Group had increased resources in corporate finance, fixed income, loans and financing, financial products and market making business, and received rewarding results. Investment bank business of the Group had been strengthened. In primary market, we completed 21 IPO projects by which newly listed companies raised a fund over HK\$57 billion. In secondary market, the fund raised was more than HK\$2.7 billion. Upon completion of 47 bond issue projects, we assisted corporations on fund raising in a total of over HK\$85 billion in the debt capital market. For brokerage and margin loans business, the Group had been expanding customer base by leveraging its professional knowledge of and reputation in both China and Hong Kong capital markets, resulting in a sharp increase in market share in brokerage business and a remarkable

growth in the average balance and interest income of margin loans for the year. During the period, the revenues from financial products and market making business had a faster pace of growth and had a noticeable contribution to the Group. In order to maintain stable profit and sustainable growth while pursuing higher revenue, the Group would continue to strengthen cost and expenses management.

Under the backdrop of downside in peers performance, the Company achieved steady growths on account of the high priority on risk management rooted in our strategy of business development and management culture since the Group's incorporation. In 2016, in response to complicated and changing market environments, we increased our risk control capacity by implementation of comprehensive risk management frameworks, rules and systems at the Group level. During the year, Moody's and Standards & Poor's rated the Group as "Baa2/Prime-2" and "BBB/A-2" respectively. The ratings represented high recognitions and appreciations of the rating agencies on the Group's adoption of prudent risk management, low risk orientation and steady operational strategy.

According to the analysis of loan-to-value ratio and cost of debt capital, the improvement of risk control management had effectively reduced the Group's Weighted Average Cost of Capital (WACC). The tactical value of strategy of increasing risk neutral income had been materialized in the form of lowered revenue volatility and strengthened profit stability.

Outlook

Looking ahead in 2017, the US dollar will remain on the track of interest rate hike, and will maintain its upward trend in the middle term regardless of the short-term readjustment driven by Trump Administration's export promotion policy, imposing the liquidity outflow impact on Hong Kong, mainland China and other emerging markets. Moreover, the global market is expected to undergo more volatility in 2017 due to the expanding trade frictions between China and the United States since Donald Trump took office, the unclear impact from the follow-up development of Brexit and the unpredictable outcomes of the presidential elections of France and Germany.

After the 19th National Congress is concluded, the economy of the mainland China will hopefully bottom out. However, its economic growth rate will be affected by the shifts of American policy and other external factors. It is expected that China's monetary policy will remain prudent and neutral. And its proactive fiscal policy is an important option for the policymakers. In general, we hold a prudent and optimistic view about the prospect of China's economic growth.

In 2017, our business will witness more growth opportunities coming from three factors: the rising financing demand brought by overseas mergers and acquisitions and international development of the Mainland enterprises, Chinese residents' growing demand for overseas assets allocation and the rapid implementation of the government's One Belt and One Road Strategy. As a large-scale overseas business platform of Guotai Junan Securities Co.,Ltd., we have strong support from the parent company. We will take the opportunity of IPO for H shares of parent company in Hong Kong to further strengthen our own cross-boarder investing and financing services, and strive to explore the international emerging markets such as the Southeast Asia market in addition to enriching our services in Hong Kong market. Furthermore, we will improve our comprehensive ability in financial services in order to provide diversified financial products and high-quality financing solutions for our corporate, institutional and individual clients.

Dear shareholders, in 2017, we will continue to capitalise on our core advantages in risk management system, trading platform, professional personnel and innovation, and devote ourselves to further expanding our customer base, enriching product portfolio, further improving our services, and optimising income structure with a view to create more values for our shareholders.

Dr. YIM Fung, JP

Chairman and Chief Executive Officer

Guotai Junan International Holdings Limited

17 February 2017

MANAGEMENT DISCUSSION & ANALYSIS

Result and Overview

We are pleased to report to our shareholders that the Group achieved a profit after tax of HK\$1,026.1 million (2015: HK\$1,015.4 million) for the year ended 31 December 2016, representing a slight increase of 1.0% as compared to the corresponding year of 2015. During the year under review, the Group's financial products, market making and investments business, corporate finance business and loans and financing business became the growth drivers, resulting an increase in the corresponding income by 135.3%, 62.3%, and 20.6% respectively.

The Board of the Company has proposed a payment of final dividend of HK\$0.045 per share for the year ended 31 December 2016. Together with the interim dividend of HK\$0.03 per share, the dividend declared for the year amounts to a total of HK\$0.075 per share.

Market review

Macro environment

2016 was characterized by spikes of uncertainty which significantly impacted the market performance and confidence. Global events, such as the US presidential election and the Brexit, created uncertainties and increased volatility of the global financial market, resulted in the divergence of the market performance between the US and the rest of the world. In US, there were improvement in GDP growth rate and unemployment figures. The stock market preformed well and the Dow Jones Industrial Average Index went up by 13.4% to 19,762. In December last year, after the US presidential election, the US Federal Open Market Committee announced the increase of interest rate by 0.25%. In Europe, the pace of economic recovery remained slow. The refugee problem created burden to countries within the region. The Brexit Referendum voted for UK's exit and the Constitutional Referendum in Italy caused tension in the financial market.



In China, the Central Government was facing a number of issues, including the slowdown of the economic growth, weakening consumption power, property price inflation and the weak performance of the financial markets. The Renminbi (“RMB”) has been depreciated by around 7% against US dollar during the year. In order to control the outflow of RMB, the People’s Bank of China (“PBOC”) has introduced a number of measures while at the same time encouraging the inflow of the RMB. In addition, the Chinese regulators introduced various measures in strengthening the regulatory supervision over the financial market.

Markets

In 2016, the Hong Kong stock market was on roller coaster. The Hang Seng Index dropped significantly at the beginning of 2016, and subsequently recovered in the second and the third quarters. As at the end of 2016, the Hang Seng Index closed at 22,001, representing a year-on-year increase of 0.4%. However, the average daily turnover of the Hong Kong stock market dropped to HK\$66.9 billion, a decrease of 36.6% when compared with HK\$105.6 billion in 2015. The poor market sentiments also affected the IPO market in Hong Kong where there were only 126 newly listed companies in 2016, a decrease of 8.7 % when compared with 138 newly listed companies in 2015.

Business review

The Group’s businesses include brokerage, corporate finance, asset management, loans and financing as well as financial products, market making and investments. During the year of 2016, the performance of the Group’s business was diversified. While brokerage and asset management businesses were affected by the frustrating market conditions and the exceptionally high comparative base figures of last year, other business segments’ performances were outstanding. The revenue of the Group increased by 10.7% to HK\$2,519.2 million (2015: HK\$2,276.6 million) for the year ended 31 December 2016. A breakdown of the revenue has been listed below:

	For the year ended 31 December			
	2016		2015	
	HK\$'000	%	HK\$'000	%
Fee and commission income				
– brokerage	393,000	15.6	719,945	31.6
– corporate finance	456,649	18.1	281,447	12.4
– asset management	28,487	1.2	53,092	2.3
Income from loans and financing	1,297,278	51.5	1,076,018	47.3
Gain on financial products, market making and investments	343,773	13.6	146,106	6.4
Revenue	2,519,187	100.0	2,276,608	100.0

Management Discussion and Analysis

Brokerage

2016 was a tough year for brokerage business. After the market crash in the middle of 2015, the year started with the circuit breaking incident in China which caused both the China and Hong Kong stock markets to crash again. Market competition from mainland peers became furious as there was increasing number of mainland Chinese players entering into the Hong Kong securities industry. Most of them were looking for cross-border business opportunities. In addition, the tightening of currency outflow in mainland China created barrier for mainland investors in doing offshore investments. With tremendous difficulties in front of the Group, the brokerage revenue of the Group decreased by 45.4% to HK\$393.0 million (2015: HK\$719.9 million). The breakdown of the revenue of brokerage business is set out below:

	For the year ended 31 December			
	2016		2015	
	HK\$'000	%	HK\$'000	%
Securities	301,318	76.7	628,792	87.3
Futures and options	44,084	11.2	42,946	6.0
Handling income	36,396	9.3	39,085	5.4
Leveraged foreign exchange	2,068	0.5	2,363	0.3
Financial planning and insurance products	9,134	2.3	6,759	1.0
	393,000	100.0	719,945	100.0

Although brokerage income is directly affected by market activities, we consider that the expansion of client base is crucial to the success of the business. Investment conferences were regularly organized to expand our clientele and we successfully recruited over 10,000 new clients for the year ended 31 December 2016. A reliable and efficient online trading system is crucial for the expansion of our business, especially for retail clients. During the year under review, 77% of the brokerage commission was executed through our online trading system and 71% of the brokerage commission was generated from individual investors.

The volatility of the stock market enhanced the turnover in futures and options during the year ended 31 December 2016. The brokerage income from futures and options increased by 2.6% to HK\$44.1 million (2015: HK\$42.9 million) for the year ended 31 December 2016. The income from leveraged foreign exchange was HK\$2.1 million (2015: HK\$2.4 million) for the year ended 31 December 2016, representing a decrease of 12.5% as compared to last year.

We commit to develop the financial planning and insurance products services for our clients through co-operating with other experienced market participants. The income from financial planning and insurance products services increased by 35.1% to HK\$9.1 million (2015: HK\$6.8 million) for the year ended 31 December 2016.

The handling income from the brokerage business dropped by 6.9% to HK\$36.4 million (2015: HK\$39.1 million) for the year ended 31 December 2016.

Corporate Finance

Corporate finance business was one of the focus of our businesses in 2016. During the year, the revenue from corporate finance business increased by 62.3% to HK\$456.6 million (2015: HK\$281.4 million). Our corporate finance business covers debt capital markets, equity capital markets and consultancy and financial advisory services. A breakdown of the revenue for corporate finance business is set out below:

	For the year ended 31 December			
	2016		2015	
	HK\$'000	%	HK\$'000	%
Placing, underwriting and sub-underwriting commission				
– debt capital markets	250,249	54.8	63,583	22.6
– equity capital markets	113,180	24.8	121,844	43.3
Consultancy and financial advisory fee	93,220	20.4	96,020	34.1
	456,649	100.0	281,447	100.0

We endeavor to provide a range of high-quality advisory services on corporate transaction as well as debt and equity capital markets services to Hong Kong, China and international clients. Our corporate finance advisory services include acting as sponsor in the application for the listing of securities in the Main Board and the GEM Board in Hong Kong and the provision of corporate finance and compliance advisory services. The debt and equity capital market services provide a variety of distribution channels including underwriting and placements in primary and secondary markets.

In 2016, due to the strong demand from both corporate issuers and investors, the Hong Kong debt capital market activities were very active. During the year, we have participated in 47 debt issue exercises in Hong Kong (2015: 19 debt issue exercises), and assisted corporates to raise HK\$85.4 billion through the Hong Kong debt capital market. The income from debt capital markets increased by 293.6% to HK\$250.2 million (2015: HK\$63.6 million) for the year ended 31 December 2016.

The equity capital market activities in Hong Kong were very weak during 2016. There were only 126 newly listed companies during the year, a decrease of 8.7% when compared with the 138 newly listed companies in 2015. Funds raised through IPOs for the year ended 31 December 2016 was HK\$194.8 billion, a decrease of 26.0% when compared with HK\$263.1 billion in 2015. Total funds raised in the Hong Kong equity capital market was only HK\$486.7 billion, a decrease of 56.4% when compared with HK\$1,115.6 billion in 2015.

During the year ended 31 December 2016, we acted as the sponsor for 8 IPOs, bookrunner for 19 IPOs, the sub-underwriter for 1 IPO and lead manager for 1 IPO in the primary market. In the secondary market, we acted as placing agent for 9 placing exercises. We assisted corporations to raise a total of more than HK\$57.1 billion and HK\$2.7 billion respectively in primary and secondary markets in Hong Kong (2015: HK\$28.3 billion and HK\$6.7 billion respectively). However, our income from equity capital market activities dropped by 7.1% to HK\$113.2 million in 2016 (2015: HK\$121.8 million).

During the year under review, we were appointed as financial advisor for 24 financial advisory projects and as compliance advisor for 42 projects. The income generated from consultancy and financial advisory services slightly dropped by 2.9% to HK\$93.2 million (2015: HK\$96.0 million) for the year ended 31 December 2016.

Management Discussion and Analysis

Asset Management

We provide a series of asset management services including portfolio management, investment advice and transaction execution to individual clients, private and public funds. Income from asset management business decreased by 46.3% to HK\$28.5 million (2015: HK\$53.1 million) for the year ended 31 December 2016.

Loans and Financing

Our loans and financing business has been our growth driver since the listing of the Group in 2010. Despite the poor market conditions, the income from our loans and financing activities increased by 20.6% to HK\$1,297.3 million (2015: HK\$1,076.0 million) for the year ended 31 December 2016. A breakdown of the revenue of loans and financing business is set out below:

	For the year ended 31 December			
	2016		2015	
	HK\$'000	%	HK\$'000	%
Margin loans	1,106,342	85.3	924,121	85.9
Term loans	72,993	5.6	39,350	3.7
Securities borrowing and lending	19,316	1.5	26,549	2.5
IPO loans	199	0.0	5,684	0.5
Reverse repurchase agreements	461	0.0	167	0.0
Banks and others	97,967	7.6	80,147	7.4
	1,297,278	100.0	1,076,018	100.0

Due to the tightening of the liquidity outflow of RMB, mainland China investors preferred to increase the leverage when making offshore investments. The average margin loan balance significantly increased by 22.0% to HK\$13,350.1 million (2015: HK\$10,944.3 million) while the income from margin loan increased by 19.7% to HK\$1,106.3 million (2015: HK\$924.1 million).

Other than margin loan business, the Group also engaged in other term loan business to satisfy our customers' other financial needs, including the provision of merger and acquisition financing. The income from term loan increased by 85.5% to HK\$73.0 million (2015: HK\$39.4 million).

The Group also engaged in the securities borrowing and lending business. The interest income from securities borrowing and lending decreased by 27.2% to HK\$19.3 million (2015: HK\$26.5 million) for the year ended 31 December 2016.

Financial products, market making and investments

The Group holds financial assets for business development, provision of sophisticated financial products, and market making. After the market crash in the middle of 2015, investors' risk appetite changed and they looked for risk adverse investment products with acceptable level of leverage. The Group tailor-made financial products according to clients' needs and risk appetite. As a result, the income from financial products business increased by 237.9% to HK\$116.1 million (2015: HK\$34.4 million). The Group also engaged in debt and ETF market making services so as to facilitate the liquidity for corporate debts and ETFs. During the year, the income from market making services increased by 27.8% to HK\$131.1 million (2015: HK\$102.6 million). The Group also invests for the purpose of supporting the development of corporate finance and institutional businesses. During the year, the income from investments was HK\$96.6 million (2015: HK\$9.2 million), representing an increase of 951.1%.

Results of Financial Position

The Group's total assets increased by 20.6% to HK\$45,000.7 million (2015: HK\$37,329.4 million) as at 31 December 2016.

The Group's total liabilities increased by 16.1% to HK\$34,466.9 million (2015: HK\$29,694.2 million) as at 31 December 2016.

The equity attributable to holders of ordinary shares increased by 7.2% to HK\$8,175.2 million (2015: HK\$7,623.6 million) as at 31 December 2016. The leveraged ratio (defined as total assets less accounts payable to clients divided by total equity) increased by 5.9% to 3.07 times (2015: 2.90 times) as at 31 December 2016.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2016, the net current assets of the Group increased by 17.3% to HK\$11,854.2 million (2015: HK\$10,106.8 million). The Group's current ratio was 1.37 times as at 31 December 2016 (2015: 1.38 times).

In order to provide resources for the expansion of the Group's business and to strengthen its capital structure, on 15 June 2016, the Company issued US\$300 million subordinated perpetual securities (the "Perpetual Securities") to a total of 5 investors, namely China Industrial Securities International Brokerage Limited, CNPC Finance (HK) Limited, China Guangfa Bank – China Southern Fund – QDII1 – 17, Guotai Junan Financial Holdings Limited and SPDB International Investment Management Limited. The Perpetual Securities were issued at par and the proceeds were used for the general working capital. The Perpetual Securities bear an initial distribution rate of 4.5% per annum. Distributions are paid semi-annually in arrear and the first distribution date was on 30 October 2016. The Company may, at its sole discretion, elect to defer any distribution. The Perpetual Securities do not have any 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 instruments and are recorded as equity in the consolidated statement of financial position.

The Group had a net cash outflow of HK\$445.0 million (2015: net cash inflow of HK\$1,519.5 million) for the year ended 31 December 2016 and the Group's bank balance was HK\$1,964.4 million as at 31 December 2016 (2015: HK\$2,408.7 million). As at 31 December 2016, the Group had outstanding bank borrowings of HK\$8,911.4 million (2015: HK\$7,855.7 million) through facilities with various banks. During the year under review, the Group has successfully renewed the Medium Term Note Programme (the "MTN Programme") of which both listed and unlisted notes may be issued under the MTN Programme. Apart from the structured notes issued in relation to financial products amounting to HK\$5,647.5 million (2015: HK\$1,929.0 million), the notes outstanding as at 31 December 2016 was HK\$175.7 million (2015: HK\$429.0 million). The gearing ratio (defined as bank and other borrowings to total equity) was 0.86 times as at 31 December 2016 (2015: 1.09 times). Taking into account of the unutilized facilities from various financial institutions and the significant un-issued portion of the MTN Programme, we believe our operating cash flow remains adequate to finance our recurring working capital requirements as well as any investment opportunities that may arise in the near future.

The Group monitors its capital structure in order to ensure the compliance with 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 complied with their respective liquid capital requirements during the year and up to the date of this announcement.

Other than the information disclosed above, there were no other equity or debt instruments issued by the Company during the year and at the end of the year.

Management Discussion and Analysis

Outlook and Future Plans

Looking forward, the Group will target on the development of the high net worth individual and institutional investor markets. We will focus on the expansion of our high net worth individual customer base, including entrepreneurs and senior executives. We adhere to the path of sustainable development, insist on our conservative risk culture, adopt differentiated competition strategy and steadily increase the market share of our core businesses.

We believe that an efficient and effective risk management structure, core talents and innovative ability can create values to our business. The Group will continue to devote its best efforts to enhance the core competence and to maximize the return for shareholders.

Material Acquisitions, Disposals and Significant Investments

For the year ended 31 December 2016, the Group had not made any material acquisitions and disposal of subsidiaries and associated companies. As at 31 December 2016, 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 at 31 December 2016 and 2015.

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 36 to the financial information.

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 31 December 2016, we had 382 employees in total (excluding our selfemployed 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 award have been granted to the directors (the "Directors") and employees in recognition and acknowledgement of their contribution made or to be made to the Group. Other benefits offered by the Group include mandatory provident fund scheme and medical and dental insurance.

Risk Management

The Group has identified strategic, credit, liquidity, market, operational, legal and compliance, reputational, concentration, unknown risks existed within our operations.

Strategic Risks

The Group faces significant strategic risks due to the challenging regulatory and competitive environments in which we operate, in addition to the fast-paced development of new products and technologies in the financial services industry.

Strategic risk is embedded in every front line unit and other six major risk types can impact strategic risk.

We manage strategic risk through the following principles:

- We proactively consider strategic risk throughout the strategic planning process – the annual strategic planning process specifically addresses many forms of strategic risk.
- We set strategies within the context of our overall risk appetite – our strategic plans are consistent with risk appetite.
- We track the performance of the strategic plan and analyze progress throughout the year – the executive management team continuously monitors business performance throughout the year to assess strategic risk and find early warning signals so that risks can be proactively managed.

The strategic plan is reviewed and approved annually by the board of directors alongside the capital plan, financial operating plan and risk appetite. Significant strategic actions, such as capital actions, material acquisitions and divestitures are reviewed and approved by the executive committees.

Transparency around strategic risk is critical to effective risk management. Front line units provide tracking updates to executive management on their business performance on monthly basis. Regular updates take into account analysis of performance relative to the financial operating plan, risk appetite and performance relative to peers.

Credit Risk

Credit risk is created when the company commits to, or enters into, an agreement with a borrower or counterparty. Credit risk is the potential loss arising from the inability or failure of a borrower or counterparty to meet its contractual obligations. Our credit risk mainly arises from the following three sources:

- Issuer risk, we hold bonds or securities of issuing companies.
- Settlement risk, the risk of timing mismatch of securities or currency delivery versus payments.
- Counterparty risk, the counterparty to a transaction could default or deteriorate in creditworthiness before the final settlement of a transaction's cash flows.

Loans and financing activities

The Group has established Asset and Liability Management and Investment Committee (ALCO), which sets the total loan and credit limits, and Credit Committee, which oversees equity margin financing business, and Risk Committee, which provides independent supervision of all credit risk metrics and limits. Risk Management Department is responsible for providing key inputs to margin financing policies, designing risk metrics, setting key risk thresholds, jointly approving material credit transactions and performs an independent risk monitoring and limit overage escalation.

Members of the Credit Committee include, inter alia, the Chief Executive Officer, the Responsible Officers, the Chief Financial Officer and the Head of Equity Financing Department. The Credit Committee has further delegated to the Equity Financing Department to take charge in approving credit limit and margin limit of each client. The Equity Financing Department is responsible for making settlement calls when the trades of margin clients exceed their respective limits. Any such excess is required to be made good according to the deficiency report. The deficiency report will be daily monitored by the Equity Financing Department. Failure to meet margin calls may result in the liquidation of the client's positions. The Credit Committee is also responsible for approval of stocks acceptable as margin collateral and the margin-lending ratio. The list of approved margin collateral stocks will be reviewed and revised by the Credit Committee when necessary.

The Group also grants term loans to customers that may contain an element of credit risk. The Group minimizes such risk exposure by performing detailed credit analysis of potential loan investment, and dedicated professionals are assigned to oversee and monitor the performance of the loan investment.

Loans and advances to customers also include IPO loans for subscription of new shares which are normally settled within one week from the draw-down date. Forced liquidation action would be taken if the customers fail to settle their shortfall within specific period of tolerance after IPO allotment result announced.

For the Group's investment in debt securities, external credit rating such as Standard & Poor's and Moody's rating or their equivalents are used by the Risk Management Department for managing of the credit risk exposures as supplemented by the Group's own assessment through the use of internal ratings tools.

For the Group's bank balances which we beneficially own, they are deposited in respectable large commercial banks. For the client trust bank balances which are held in segregated accounts, they are deposited in authorized financial institutions in Hong Kong.

Management Discussion and Analysis

Brokerage

Accounts receivable from clients represents receivables from clients arising from dealing in securities, which normally had a delivery-against payment settlement term of 1 to 3 days. The Group allows a credit up to the settlement dates of the respective securities transactions (normally from T+1 to T+3 days). All application for the credit limit must be reviewed by Credit Manager and approved by any member of the Credit Committee. The Equity Financing Department determines whether forced liquidation action is to be taken against clients with overdue balances on case-by-case basis. The overdue report is regularly reviewed by the Credit Committee.

The Group only accepts margin deposit in the form of cash for futures, options and leveraged foreign exchange trading. No transaction is allowed to be executed if the current position of the customer exceeds its trading limit. The margin deposit placed and the aggregate of the required margin deposit of each futures, options and leveraged foreign exchange contract is timely monitored by the Risk Management Department. Margin call will be executed if there is a deficit in the margin deposit. Forced liquidation of the client's position will be executed if the customer fails to meet margin calls.

Accounts receivable from brokers and dealers are placed with large financial institutions which are governed by regulators.

Accounts receivable from the Stock Exchange and other clearing-houses and other assets which are mainly deposits placed with the regulators are considered to have minimal credit risk.

Asset management and corporate finance

Accounts receivable arising from asset management and corporate finance services are from trade counterparties with sound credit rating and/or reputation. The credit risk with these trade counterparties are considered to be manageable.

Impairment and provisioning policies

The Group's credit and risk management policy requires the review of individual outstanding amount at least monthly or more regularly depending on individual circumstances or market condition. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance sheet date on a case-by-case basis, and are applied to all individual accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account. Generally, impairment allowances will be recognised when clients failed to meet margin call requirements and clients' collateral are insufficient to cover their outstanding loan balances.

Liquidity Risk

Liquidity risk is the potential inability to meet contractual or contingent financial obligations, either on or off balance sheet, as they come due. All of our operations and activities impact our liquidity risk profile. As we serve our clients' needs by providing products or services across legal entities, we accept liquidity risk related to the asset or liabilities associated with client transactions, including both funded and contingent obligations.

ALCO is the primary body to supervise the liquidity risk while Finance Department performs daily monitoring and controlling of liquidity risk

The primary objective of risk management is to ensure the company can meet all contractual and contingent financial obligations at all times, including during periods of stress. We manage our liquidity position through lines of businesses and asset liability management activities, as well as through our legal entity funding strategy, on both a forward and current basis. We diversify our sources of funding, both short term and long term, through bank loans, perpetual bonds issuance, rights issue, MTN program etc.

The Group's operating units are subject to various statutory liquidity requirements as prescribed by the regulators. The Group has put in place monitoring system to ensure that it maintains adequate liquid capital to fund its financial obligations and to comply with the relevant Securities and Futures (Financial Resources) Rules (Cap.571N). As a safeguard, the Group has maintained stand-by banking facilities to meet any contingency in its operations.

Market Risk

Market risk is the risk that changes in market conditions may adversely impact the value of assets or liabilities, or otherwise negatively impact earnings. Market risk is composed of price risk and interest rate risk.

Price risk is the risk to current or anticipated earnings or capital arising from changes in value of either portfolios of trading positions or obligations that entered into as part of distributing risks. These portfolios typically are subject to daily price movements and are accounted for primarily on a mark to market basis. This risk occurs most significantly from market making, dealing, and position taking in interest rate, foreign exchange, equity, commodities and credit markets.

In addition, the Group also faces potential credit loss due to market risk in margin financing business, futures and leveraged FX brokerage businesses when the market comes down drastically. The Group's exposure to underwriting commitments will also be affected at times of market volatility.

Interest rate risk is the risk to current or anticipated earnings or capital arising from movements in interest rates.

The Risk Committee and ALCO which jointly sets risk appetites and limits, and provide oversight of balance sheet management and investments. Risk Department performs day-to-day identification, measurement, monitoring and controlling of aggregated market risks and reports back to Risk Committee on a regular basis.

The Group has established policies and procedures for monitoring and controlling the price risk arising in the ordinary and usual course of business. Stress tests will be performed when necessary.

The Group assessed key exposures, setting and monitoring limits to ensure they are within the Group's risk appetite. In securities margin financing business, the Group sets out the standard benchmark loan-to-value ratios for various stocks based on the risk characteristics of the underlying collateral. Position or loss limits are set for fixed income market making and trading portfolios. In futures and FX brokerage business, minimum initial margin and maintenance margin are established to control our exposure to clients.

On a daily basis, market risk reports from all business units are produced by internal risk management systems. On a monthly basis, Risk Management Department reports to Risk Committee on aggregated risks across all business lines, limit utilization and overage summary, and material concentrated risks.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It can occur anywhere within the Group and is not limited to settlement or operations functions. Effects may extend beyond financial losses and may result in reputational risk. An operational loss event can be associated with any of the following seven categories: internal fraud, external fraud, employment practices and workplace safety, clients, products and business practices, damage to physical assets, business disruption and system failures, and execution, delivery and process management. Cyber security risk, a key emerging operational risk in financial industry, includes distributed denial of service attack, attack against systems containing transaction records and disclosure of restricted, and confidential, material nonpublic information via compromise of internal systems.

Since operational risk is inherent in every activity across the Group, we rely on all employees to contribute to an effective internal control environment and manage operational risk within their roles. Operational risk must be managed by all employees as part of our day-to-day activities. Our Risk and Control Self Assessment ("RCSA") process is established as a primary means to engage everyone in capturing our individual business and aggregate operational risk exposure, which entails:

- Identification of significant business activities and review of internal controls
- Reassessment of our operational risk profile given consideration to impacts from changes in the external environment

Management Discussion and Analysis

Management level Risk Committee is the primary body to supervise enterprise operational risk. In addition, a centralized Operational Risk Working Group (OPWG), with members from front line units, Risk, Audit, Compliance, IT, Settlement, Finance, Legal and Human Resources, is set up as the primary contact for all operational risk issues. Certain control departments are assigned as primary coordinator for specific categories of operational risk. At enterprise level, OPWG serves as a cross departmental body to identification, assessment, monitoring, controlling and reporting of operational risk.

Operational risk is reported to Risk Committee. This report includes key findings from OPWG and all control departments. It provides a panoramic view of the company's assessment of operational risk and actionable items.

Legal and Compliance Risks

Legal risk mainly includes the financial risk and reputational risk resulting from (i) defective contracts, documentation or transactional structures which may lead to contractual or legal claims against the Group; (ii) the inability or failure to effectively manage litigation or other dispute resolution proceedings; and (iii) legal consequences of the Compliance Risk. These risks can also be caused by change of law.

Compliance Risk is the risk of impairment of our integrity. It is a failure (or perceived failure) to comply with our values and the compliance risk-related laws, regulations and standards that are relevant to the specific financial services offered by a business unit, which could damage our reputation and lead to legal or regulatory sanctions and/or financial loss.

We manage legal and compliance risks through an integrated set of controls and processes that are responsive to external and internal risks. Business and support units are responsible for proactive identification, management and escalation of legal and compliance risks across the Group. Legal and Compliance Departments are responsible for setting companywide policies and procedures and provides an independent challenge and oversight to the business and support units.

Risk Committee is the primary body to provide oversight of legal and compliance risks while Legal and Compliance functions perform identification, assessment, mitigation and control of compliance risks.

Transparency of legal and compliance risk is critical to effective risk management. Legal and Compliance functions produce regular report on key compliance risks which are reviewed by Risk Committee and Board of Directors.

Reputational Risk

Reputational is the potential that negative perceptions of the company's conduct of business practices may adversely impact its profitability or operations through an inability to establish new or maintain existing customer/client relationships. Reputational risk is evaluated along with all of the risk categories and throughout the risk management process.

We manage reputational risk through established policies and controls in our businesses and risk management processes. In each front line unit, reputational risk is mitigated through key activities such as:

- New product review and approval process to identify potential reputational risks
- Client selection and due diligence process to ensure all key risks are assessed before client is on boarding.

Executive Committee and Risk Committee provide primary oversight of reputational risk. At front line unit level, generally business activities that contain the following types of elements or characteristics should be considered for appropriate approval from Committees:

- Business activities that presents significant legal, regulatory or headline risks
- Violation of, or deviation from, the company's policies
- Concerns about client identity, money laundering, potential criminal activity

Ultimately, to protect the Group's reputation, monitoring and oversight of reputational risk is integrated into the overall governance process, as well as the roles and accountabilities of all our employees.

Transparency around reputational risk is critical to effective risk management. We report reputational risks and key risk indicators to Risk Committee regularly through the monthly risk report.

Concentration Risk

Concentration risk refers to any single exposure or group of similar, correlated exposures that exceed risk tolerance levels and/or have the potential to produce losses large enough to threaten the Group's performance, condition or reputation. Concentrations can arise with respect to individual exposures, industries, countries, geographic regions, products, asset classes, and any other category that fits the Group's definition of concentration risk (e.g., tenor, currency, funding source, market infrastructure/vendors).

The Group has multiple business lines including brokerage, margin financing, corporate finance, asset management, and sales and trading. Typical concentrations arise from stocks or clients with margin financing and corporate finance businesses, and issuer/industry concentration across sales and trading and asset management.

Risk Management Department regularly monitors the key and relevant concentration risks and report to Risk committee for review.

We report on concentration risk in regular portfolio reporting. We have risk appetite and limits related to relevant and material concentrations to ensure appropriate visibility into risks that manifest themselves across businesses or risk types at part of our ongoing effort to ensure concentrations are effectively identified, measured, monitored and controlled.

Unknown Risk

Unknown risk refers to a situation where we are unable to identify, or not even being aware of, that we are actually taking some risks. This is often referred to as "unknown unknowns" and requires the company to continuously review and challenge its own identification and assessment of risks, and build up a strong risk culture which encourages open debate and proper escalation process.

This risk is primarily mitigated through building up strong risk culture which stipulates that managing risk is everyone's job and strong sense of ownership. We encourage open debate of all risks and effective challenge of different teams and functions. In addition, the management committees, which assume primary responsibility for managing strategic risk, are responsible for regularly reviewing key assumptions in identifying risks. Furthermore, internal audit function provides an independent assessment of hidden risks across all business in auditing exercises.



CORPORATE GOVERNANCE REPORT

The board of directors of the Company (the “Board”) is committed to maintain a high standard of corporate governance practices within the Group and has adopted various measures to ensure the maintenance of a high standard. The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its own code of corporate governance during the year ended 31 December 2016. For the year ended 31 December 2016, except for the deviations as disclosed in this report, the Company has complied with all the code provisions as set out in the CG Code.

The directors of the Company (the “Directors”) are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximize the interests of the shareholders of the Company.

This report sets out a detailed discussion of the corporate governance practices adopted and observed by the Company during the year ended 31 December 2016.

Board of Directors

The Board believes that a well-balanced corporate governance structure will enable the Company to better manage its business risks and thereby ensure the Company is run in the best interests of its shareholders and other stakeholders. The Board is primarily responsible for formulating overall strategic plans and key policies of the Group, monitoring its financial performance, maintaining effective oversight over the management, risks management and assessment, controls over business operations and ensuring good corporate governance and compliance with legal and regulatory requirements. The Board members are fully committed to their roles and have acted in good faith to maximise the shareholders’ value in the long run.

Board Composition

The Board currently comprises a total of 7 Directors:

Executive Directors:	Dr. YIM Fung (<i>Chairman</i>) Mr. WONG Tung Ching Ms. QI Haiying Mr. LI Guangjie
Independent Non-executive Directors:	Dr. FU Tingmei Dr. SONG Ming Mr. TSANG Yiu Keung

Biographies of Directors, which include relationships with the members of the Board, senior management and substantial shareholders (as defined in the Listing Rules) of the Company are set out in the “Biographies of the Directors and Senior Management” on pages 96 to 97 of this Annual Report. The list of Directors of the Company and their roles and functions is posted on the websites of the Company (www.gtja.com.hk) and the Stock Exchange.

Independent Non-executive Directors

The Independent Non-executive Directors are all with well recognised experience and expertise in accounting or other fields and can provide valuable advice to the Board. They were appointed for an initial term of three years commencing from 19 June 2010 and renewed for a further term of three years in 2013 and 2016 respectively.

There is no relationship between members of the Board. Pursuant to the requirement of the Listing Rules, the Company has received a written confirmation from each of the Independent Non-executive Directors of his independence to the Company. The Company considers that all the Independent Non-executive Directors were independent in accordance with the Listing Rules throughout the year ended 31 December 2016.

Chairman and Chief Executive Officer

Dr. YIM Fung has been performing both the roles of Chairman and Chief Executive Officer since 24 August 2012. Dr. YIM joined the Group in 2000 and has been responsible for the overall business management of the Group, he has over 25 years’ experience in the securities industry. Although this arrangement constitutes a deviation from code provision A.2.1 of the CG Code, the Directors consider that the vesting of two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group’s business strategies and is beneficial to the Group. While the responsibilities of Chairman and Chief Executive Officer are vested in one person, all major decisions are either made by the Board or in consultation with the Board members and the senior management of the Company. As there are three Independent Non-executive Directors in the Board, the Directors consider that there is sufficient balance of power and the current arrangement maintains a strong management position of the Company.

Corporate Governance Report

Board Process

Board meetings shall be held at least four times a year and no less than once every quarter. Additional Board meetings will be held as and when necessary.

Notice of at least 14 days is given for a regular Board meeting so as to give all Directors an opportunity to attend. Agenda accompanying Board papers for each meeting are circulated in full to all Directors before the meeting. Senior management members may, from time to time, be invited to attend the Board meetings for making presentation and/or answering any queries raised by the Board.

The Company Secretary will assist the Board in setting agenda for meetings, and each Director of the Company is given an opportunity to include any matters to be transacted in the agenda. Where any Director is considered to be having a conflict of interest in any transactions, the Director concerned will not be counted in the quorum of the relevant meeting. Minutes of meetings of the Board and the respective Board committees are recorded in details. All draft minutes are circulated to all those present at the meetings for comments before submission to the chairman of the meetings for approval.

For the year ended 31 December 2016, 5 board meetings were held and the individual attendance of each Director is set out below:

Name of Director	Number of meetings attended	Attendance rate
Dr. YIM Fung	5/5	100%
Mr. WONG Tung Ching	5/5	100%
Ms. QI Haiying	5/5	100%
Mr. LI Guangjie	5/5	100%
Dr. FU Tingmei	5/5	100%
Dr. SONG Ming	5/5	100%
Mr. TSANG Yiu Keung	5/5	100%

Board meetings were held to discuss the business strategies of the Group, review financial and operational performance, approve the annual and interim results of the Group, discuss the corporate governance and risk management matters, review the Group's policies and practices in compliance with legal and regulatory requirements, and review the codes applicable to directors and employees.

During the year, a meeting of the Chairman and the Independent Non-executive Directors without the presence of the Executive Directors and the management was held to discuss and review the performance of the Executive Directors and the management, and the adequacy of systems and controls in place to safeguard the interests of the Group and shareholders.

All Directors are entitled to have access to board papers and related materials. Where Directors hold different views in respect of any matter discussed at a Board meeting, the minutes will record the discussions clearly. Full minutes are being kept by the Company Secretary and such minutes are open for inspection at any time during office hours on reasonable notice by any Director.

All Directors are entitled to seek independent professional advice regarding their duties at the Company's expense.

Appointment and Re-election of Directors

Each of the Executive Directors and Independent Non-executive Directors has entered into a service agreement or a letter of appointment with the Company for a specific term. Such term is subject to re-election by the Company at annual general meeting (“AGM”) upon retirement. In accordance with the Articles of Association of the Company, one-third of the Directors or, if the number is not three or a multiple of three, then the number nearest to but not less than one-third, will retire from office by rotation and every Director shall be subject to retirement at annual general meeting at least once every three years. The Directors to retire every year will be those who have been longest in office since their last re-election or appointment.

Board Diversity

The Board has a board diversity policy, which is available on the Company’s website.

In order to achieve a diversity of perspectives among members of the Board, it is the policy of the Company to consider a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Induction and Ongoing Development

The Company provides each Director with personalized induction, training and development. On appointment, each new Director receives a comprehensive and tailored induction covering, among others, information about the Group’s operations and business, the roles and responsibilities of the Board and its key Committees, the Company’s governance structure and practices, and relevant rules and regulations. On an ongoing basis, all Directors attended trainings to keep themselves updated on the Group’s business and the latest developments to the Listing Rules and other applicable laws, rules and regulations and to ensure the continued enhancement of their knowledge and skills. Such trainings are provided at the Company’s expense.

Directors’ Training and Professional Development

The individual training record of each Director received for the year ended 31 December 2016 is set out below:

Name of Director	Type of continuous professional development programs
<i>Executive Directors</i>	
Dr. YIM Fung	A
Mr. WONG Tung Ching	A
Ms. QI Haiying	A
Mr. LI Guangjie	A
<i>Independent Non-executive Directors</i>	
Dr. FU Tingmei	A
Dr. SONG Ming	A
Mr. TSANG Yiu Keung	A

Notes: A = attending seminar

Corporate Governance Report

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties, including:

- (a) to develop and review the Company's policies and practice on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practice on compliance with legal and regulatory requirements; and
- (d) to review the Company's compliance with Appendix 14 to the Listing Rules (Corporate Governance Code).

During the year, the Board has reviewed and performed the above corporate governance functions.

Board Committees

Under the Board, there are 4 board committees, namely Audit Committee, Remuneration Committee, Nomination Committee and Risk Committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

Audit Committee

The Audit Committee of the Board was established on 19 June 2010. The Committee comprises only Independent Non-executive Directors:

Independent Non-executive Directors:	Mr. TSANG Yiu Keung (<i>Chairman</i>) Dr. FU Tingmei Dr. SONG Ming
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The Chairman of the Committee has professional accounting qualification. The Committee reviews financial information of the Group, monitors the effectiveness of the external audit and oversees the appointment, remuneration and terms of engagement of the Company's external auditor, as well as their independence. The Committee will meet regularly to review financial reporting process, certain business affairs managed by the Executive Directors in particular on connected transactions and continuing connected transactions, if any, to review the interim and final financial statements before their submission to the Board and the annual general meeting for approval and to review the effectiveness of the internal control and risk management system of the Group, including the internal audit function and performance. A copy of the terms of reference of the Committee has been posted on the Company's website (www.gtja.com.hk) and the Stock Exchange's website.

For the year ended 31 December 2016, the Committee met on 4 occasions and the individual attendance of the Committee members is set out below:

Name of Director	Number of meetings attended	Attendance rate
Mr. TSANG Yiu Keung	4/4	100%
Dr. FU Tingmei	4/4	100%
Dr. SONG Ming	4/4	100%

The major work performed by the Audit Committee during the year included:

- (a) reviewed the financial results and reports of the Group for the year ended 31 December 2016 and for the six months ended 30 June 2016;
- (b) reviewed and discussed with the external auditor to ensure that the Group's financial statements had been prepared in accordance with the accounting principles generally accepted in Hong Kong;
- (c) reviewed the independence and objectivity of the external auditor, the scope of audit services and related audit fees payable to the external auditor for the Board's approval;
- (d) met and discussed with the external auditor on the audit strategy and assessment of the sufficiency of the internal control of the Group;
- (e) reviewed the external auditor's statutory audit plan and engagement letter;
- (f) reviewed the report of the external auditor and made recommendations to the Board for their re-appointment at the 2017 annual general meeting;
- (g) reviewed and discussed with senior management about the internal control, risk management issues and the function and performance of internal audit of the Group, including the annual audit plan, the staffing and resources of Internal Audit Department, the audit findings and recommendations raised in the internal audit reports, and the implementation status of related audit recommendations;
- (h) reviewed the Group's continuing connected transactions and external auditor's report; and
- (i) reviewed and updated its Terms of Reference.

Remuneration Committee

The Remuneration Committee was established on 19 June 2010. The Committee currently comprises 3 Directors:

Independent Non-executive Directors:	Dr. FU Tingmei (<i>Chairman</i>) Dr. SONG Ming Mr. TSANG Yiu Keung
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Corporate Governance Report

The responsibilities of the Committee include setting remuneration policy of the Group and fixing remuneration packages of Directors and senior management in accordance with the Listing Rules and the Articles of Association of the Company. No Directors can determine their own remuneration packages. The Committee will meet at least once a year to discharge its responsibilities in accordance with its terms of reference. The Committee is provided with sufficient resources to discharge its duties. The Chairman of the Committee will report their findings and recommendations to the Board for consideration and approval. The full terms of reference of the Committee are available on the Company's website (www.gtja.com.hk) and the Stock Exchange's website.

For the year ended 31 December 2016, the Committee held one meeting to review and discuss remuneration matters of the Group. The individual attendance of the Committee members is set out below:

Name of Director	Number of meetings attended	Attendance rate
Dr. FU Tingmei	1/1	100%
Dr. SONG Ming	1/1	100%
Mr. TSANG Yiu Keung	1/1	100%

Nomination Committee

The Nomination Committee was established on 19 June 2010. The Committee currently comprises 3 Directors:

Independent Non-executive Directors:	Dr. SONG Ming (<i>Chairman</i>) Mr. TSANG Yiu Keung
Executive Director:	Dr. YIM Fung

The primary responsibilities of the Committee are, amongst other things, to make recommendations to the Board on appointment of Directors and succession planning for the Directors. When making recommendations, the Committee will consider a number of factors of the Directors, including but not limited to gender, age, cultural and educational background or professional experience. The full terms of reference of the Committee are available on the Company's website (www.gtja.com.hk) and the Stock Exchange's website.

For the year ended 31 December 2016, the Committee held one meeting to review and discuss appointment and succession planning of Directors. The individual attendance of the Committee members is set out below:

Name of Director	Number of meetings attended	Attendance rate
Dr. SONG Ming	1/1	100%
Mr. TSANG Yiu Keung	1/1	100%
Dr. YIM Fung	1/1	100%

Risk Committee

The Risk Committee was established on 17 June 2016. The Committee currently comprises 5 Directors:

Executive Director:	Dr. YIM Fung (<i>Chairman</i>) Ms. QI Haiying
Independent Non-executive Directors:	Dr. FU Tingmei Dr. SONG Ming Mr. TSANG Yiu Keung

The primary responsibilities of the Risk Committee are, among other things, to advise the Board on the Group's overall risk appetite and tolerance, risk management framework and system and other high level risk-related issues including policies, process and controls. Prior to establishment of the Risk Committee, the Audit Committee was responsible for reviewing the Group's overall risks. The full terms of reference of the Committee are available on the Company's website (www.gtja.com.hk) and the Stock Exchange's website.

For the year ended 31 December 2016, the Committee met on 2 occasions and the individual attendance of the Committee members is set out below:

Name of Director	Number of meetings attended	Attendance rate
Dr. YIM Fung	2/2	100%
Ms. QI Haiying	2/2	100%
Dr. FU Tingmei	2/2	100%
Dr. SONG Ming	2/2	100%
Mr. TSANG Yiu Keung	2/2	100%

The major duties performed by the Risk Committee during the year included:

- reviewed Risk Committee's responsibilities and approved the Terms of Reference;
- reviewed and recommended to the Board for approval on the overall risk framework and appetite of the Group;
- reviewed and approved Risk Framework of the Group;
- reviewed reports from Risk Management Department on enterprise risks;
- reviewed high level risk related issues of the Group; and
- reviewed and assessed adequacy and effectiveness of the Group's risk management framework and risk management policies and procedures.

Delegation to the Management

The management team of the Company (the “Management”) is led by the Executive Directors of the Board and has been delegated powers and authorities to carry out the day-to-day management and operation of the Group, formulate business policies, make decision on key business issues and exercise other powers and authorities delegated by the Board from time to time. The Management assumes full accountability to the Board for the operation of the Group.

The Company has clear direction on the Board’s delegation of powers to the Management. Some powers are reserved to the Board, including but not limited to:

- Publication of final and interim results of the Company;
- Proposing dividend distribution to the shareholders’ meeting;
- Major issues of treasury policy, accounting policy and remuneration policy;
- Review on internal control system and risk management framework;
- Changes to major group structure or Board composition;
- Proposed transaction requiring shareholders’ approval (e.g. connected transaction, notifiable transaction, etc.); and
- Capital restructuring and issue of new securities of the Company.

Accountability and Audit

Financial Reporting

The Board acknowledges its responsibility to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group. In preparing these financial statements for the year ended 31 December 2016, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for keeping proper accounting records which disclose the financial position of the Group with reasonable accuracy. Prior to the adoption of the financial statements and the related accounting policies, the relevant financial information is discussed between the external auditor and the Management, and then submitted to the Audit Committee for review.

External Auditor

During the year ended 31 December 2016, Ernst & Young was appointed as the external auditor of the Group. The remuneration paid/payable to the external auditor is set out as follows:

Services rendered	Fees paid/payable (HK\$'000)
Audit services	2,046
Interim review	673
Tax and other consultancy services	3,760
	6,479

Internal Control

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewed their effectiveness periodically through the Audit Committee and the Risk Committee. To facilitate the effectiveness and efficient operations and to ensure compliance with relevant laws and regulations, the Group emphasizes the importance of a sound internal control system which is also indispensable for mitigating the Group's risk exposures. The Group's system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of the business objectives. The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and identification of business risks. The Group is committed to the identification, monitoring and management of risks associated with business activities and has implemented a practical and effective control system which includes a defined management structure with limits of authority, a sound risk management system and periodic review of the Group's performance by the Audit Committee and the Risk Committee of the Board. The Board has conducted review of the effectiveness of the system of internal control and is of the view that the system of internal control adopted for the year ended 31 December 2016 is sound and is effective to safeguard the interests of the shareholders' investment and the Company's assets.

Internal Audit

The Company has an independent internal audit team, which plays an important role in monitoring the corporate governance of the Group and providing objective assurance to the Board that a sound internal control system is maintained and operated by the management. The head of the internal audit team directly reports to the Audit Committee on audit matters. By adopting a risk-based approach to evaluate risk level on control environment, the internal audit team makes their audit schedules annually in consultation with, but independent of, the Management, and the audit plan is submitted to the Audit Committee for approval. On a quarterly basis, the head of the internal audit team will present a report and express an opinion to the Audit Committee on the internal control environment of the Group. The annual audit work plan covers major activities and processes of the Group's operating business. Moreover, ad hoc reviews will be performed on specific areas of concern identified by the Audit Committee and the Management. The Audit Committee has reviewed the adequacy of resources, qualifications and experience of staff of the internal audit functions, and their training programmes and budget, and considered that the staffing is adequate and the staffs are competent to carry out their roles and responsibilities, and the performance of the internal audit function for the year under review was satisfactory.

Corporate Governance Report

Risk Management

The Board has overall responsibility for evaluating and determining the nature and extent of the risks that the Group is willing to take in achieving its strategic objectives, maintaining a sound system of risk management and also reviewing their effectiveness on regular basis.

The Company has established an organizational structure with defined levels of responsibility and reporting procedures to identify, control and report on the major risk issues. Several committees consisting of senior management members have been set up at management level to oversee risk issues and internal controls of the Group's daily operations. The operating units of the Group, as risk owners, identify, evaluate, mitigate and monitor their own risks, and report such risk management activities to such committee(s), where applicable, on a regular basis. The Board has established the Risk Committee on 17 June 2016 and has adopted its terms of reference, The Board delegated the Risk Committee to oversee the overall risk framework and appetite of the Group and the high level risk issues, considering the Group's risk management strategies and gives directions and recommendations where appropriate. All significant risks identified by the above-mentioned committees at management level, material changes and the associated mitigating actions to enhance the accountability and quality of the risk management process, etc. will be reported to the Risk Committee. The Board through this system is kept regularly apprised of significant risks that may impact on the Group's performance. The possible risk exposure of the Group is set out on pages 76 to 81 of this Annual Report.

The Risk Committee has approved the Risk Framework of the Group, setting out the risk culture and governance, risk appetite and limits, key risk types and risk management process for each type, etc.. The Risk Framework serves as an outline of the Group's overall risk management system and process, which facilitates the Board to identify and assess the nature and extent of significant risks, the Group's ability to respond to changes in its business and the external environment, as well as the scope and quality of Management's ongoing risk monitoring and related mitigating internal control measures.

Review of Risk Management and Internal Control Effectiveness

For the year ended 31 December 2016, the Board has conducted annual review of the effectiveness of the Group's risk management and internal control systems through the Risk Committee and the Audit Committee, covering the material financial, operational and compliance controls, and considered the Group's risk management and internal control systems effective and adequate. The Audit Committee has also annually reviewed the adequacy of resources, qualifications, experience and training programs of the Group's internal audit staff and accounting and financial reporting staff and considered that the staffing is adequate and the staffs are competent to carry out their roles and responsibilities.

The Board is of the view that the risk management system and the system of internal controls in place for the year under review and up to the date of issuance of this annual report is sound and effective and is sufficient to safeguard the interests of shareholders, customers and employees and the Group's assets, and the Group has complied with the relevant code provisions in the CG Code on internal control.

Handling and dissemination of inside information

For the purpose of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the Group has taken various procedures and measures, including arousing the awareness to preserve confidentiality of inside information within the Group, sending blackout period and securities dealing restrictions notification to the relevant directors and employees, disseminating information to specified persons on a need-to-know basis and regarding closely to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors. The Company had made specific enquiry of all Directors regarding any non-compliance with the Model Code. All Directors confirmed that they have complied with the required standards as set out in the Model Code for the year ended 31 December 2016.

Company Secretary

The Company Secretary, Ms. FENG Zheng Yao Helen ("Ms. FENG") is an employee of the Company and is appointed by the Board. Ms Feng is responsible for facilitating the Board's processes and communications among Board members, with shareholders and with Management. She undertakes at least 15 hours of relevant professional training annually to update her skills and knowledge.

Communication with Shareholders

The Board recognizes the importance of good communications with all shareholders. The Company encourages two-way communications with both its institutional and private investors. Extensive information about the Company's activities is provided on its website (www.gtja.com.hk) and in its interim report and this annual report which are provided to shareholders of the Company in either electronic version or printed version.

Electronic Communications

Shareholders are encouraged to elect to receive shareholder documents electronically. Any shareholder may at any time send written notice to the Company c/o the Company's Hong Kong Share Registrar or via email at guotaijunan.ecom@computershare.com.hk specifying his/her name, address and request to change his/her choice of language or means of receipt of all shareholder documents. This will create environmental benefits.

Annual Report

This Annual Report is printed in English and Chinese and is available at the website of the Company. If any shareholder would like to have a printed version of this Annual Report, please contact the Company's Hong Kong Share Registrar at the contact given below:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Email: guotaijunan.ecom@computershare.com.hk

If there is a dispute between the Chinese and English version of this Annual Report, the English text shall prevail.

Annual General Meeting

The annual general meeting provides a valuable forum for direct communication between the Board and the Company's shareholders. The Chairman of the Board as well as Chairmen of the Audit, Nomination, Remuneration and Risk Committee together with the external auditor are present to answer shareholders' questions. The annual general meeting circulars are distributed to all shareholders at least 20 clear business days before the meeting. Separate resolutions are proposed at general meetings on each separate issue and voting of which is taken by poll pursuant to the Listing Rules. Any results of the poll are published on the Company's website and the Stock Exchange's website. All corporate communication with shareholders will be posted on the Company's website (www.gtja.com.hk) for shareholders' information.

The 2016 annual general meeting was held on 19 May 2016. The attendance record of the Directors at the meeting is set out below:

Name of Director	Attendance/ Number of general meetings
Dr. YIM Fung	1/1
Mr. WONG Tung Ching	1/1
Ms. QI Haiying	1/1
Mr. LI Guangjie	1/1
Dr. FU Tingmei	1/1
Dr. SONG Ming	1/1
Mr. TSANG Yiu Keung	1/1

Constitutional Documents

There was no change to the Company's Articles of Association during the year 2016. A copy of the latest version of the Articles of Association is posted on the websites of the Company (www.gtja.com.hk) and the Stock Exchange.

Shareholders' Rights

Convening an Extraordinary General Meeting by Shareholders

In accordance with sections 566 to 568 of the Companies Ordinance, shareholder(s) representing at least 5% of the total voting rights of all the members having a right to vote at general meeting may require the directors of the Company to convene an extraordinary general meeting ("EGM"). The shareholder shall make a written requisition authenticated by him/her to the Board or the Company Secretary of the Company at the registered address of the Company at 27/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong, specifying the objects of the meeting, the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

If the Directors of the Company do not within 21 days from the date of the deposit of the requisition proceed duly to call an EGM for a day not more than 28 days after the date on which the notice convening the EGM is given, the shareholder(s) concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, provided that the EGM so convened shall not be held after the expiration of 3 months from the said date.

The EGM convened by shareholders shall be convened in the same manner, as close as possible, as that in which general meetings are to be convened by the Directors of the Company.

Procedures for Putting Forward Proposals at General Meetings by Shareholders

Shareholders are requested to follow sections 580 and 615 of the Companies Ordinance for putting forward proposals at general meetings. Any number of shareholders representing at least 2.5% of the total voting rights of all shareholders having a right to vote at the general meeting, or at least 50 shareholders of the Company having a right to vote at the general meeting, may request in writing the Company to circulate resolutions which may properly be moved and are intended to be moved at an annual general meeting; and to circulate statements regarding resolutions proposed at general meetings. The requisition must be authenticated by the person(s) making it and should be deposited at the registered office of the Company at 27/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong for the attention of the Company Secretary where, (i) in the case of requisition for the circulation of resolutions to be moved at annual general meetings, the requisition must be received by the Company not later than 6 weeks before an annual general meeting; or (ii) in the case of requisition for the circulation of statements regarding resolutions proposed at general meetings, such requisition must be received by the Company not later than 7 days before the general meetings.

The procedures for nomination of Directors by the shareholders of the Company are available on the Company's website at <http://www.gtja.com.hk>.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board of the Company in writing through the Company Secretary at the registered address of the Company at 27/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong. The Company Secretary shall forward the shareholders' enquiries and concerns to the Board and/or relevant board committees of the Company, where appropriate, to answer the shareholders' questions.



BIOGRAPHIES OF THE DIRECTORS

Executive Directors

YIM Fung (閻峰), aged 54, is the Chairman and the Chief Executive Officer of our Group. Dr. Yim joined Guotai Junan in 1993 and joined our Group in 2000 and is responsible for the overall business management of our Group. Dr. Yim has over 25 years' experience in the securities industry. Dr. Yim is a senior economist and holds a doctorate in Economics from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) and a bachelor degree in Environmental Engineering from the Tsinghua University (清華大學). Dr. Yim is also a director of Guotai Junan Holdings Limited and Guotai Junan Financial Holdings Limited which are the controlling shareholders of the Company. Dr. Yim is currently also an independent non-executive director of Beijing Urban Construction Design & Development Group Co., Limited (stock code: 1599) and a non-executive director of Shenzhen International Holdings Limited (stock code: 152), both listed on the Stock Exchange. Dr. Yim is a member of the Inner Mongolia 10th and 11th National Committee of the Chinese People's Political Consultative Conference, PRC, and the Honorary Life Chairman of the Chinese Securities Association of Hong Kong, after being the Chairman of the 3rd and the 4th terms of office of the said Association. Currently he is also acting as a Director of The Chinese General Chamber of Commerce. Dr. Yim was appointed Justice of the Peace in July 2013.

WONG Tung Ching (王冬青), aged 45, is an executive director, the Deputy Chief Executive Officer and the head of the corporate finance and equity capital markets divisions of our Group. Mr. Wong joined our Group in October 2000 and is responsible for the overall business and marketing matters of corporate finance and equity capital markets business of our Group. Mr. Wong obtained a master degree in Business Administration from the University of Lincolnshire & Humberside (now known as the University of Lincoln) in 2001 and a higher diploma in International Trading from the Shenzhen University (深圳大學) in 1992.

QI Haiying (祁海英), aged 35, is an executive director and the Deputy Chief Executive Officer of our Group. Between 2004 and 2012, Ms. Qi worked in Shenzhen Supervision Bureau of the China Securities Regulatory Commission on regulatory supervision of securities companies and listed companies. Ms. Qi joined Guotai Junan Securities Co., Ltd in April 2012, holding a post of Deputy General Manager in the Compliance Department and the Strategic Management Department respectively. Ms. Qi was appointed as executive director and Deputy Chief Executive Officer of the Company on 5 March 2015. Ms. Qi holds a master degree of Financial Economics from London School of Economics and Political Science (LSE) and a bachelor degree of International Economy and Trade from the University of International Business and Economics (UIBE) in China.

LI Guangjie (李光杰), aged 48, is an executive director and the head of the sales house team of our Group. Mr. Li joined our Group in November 2001 and is responsible for the supervision and management of the Group's sales team. He has over 25 years' experience in accounting, audit, taxation and asset appraisal. Mr. Li started his career at Shenzhen Jinpeng Certified Public Accountants (深圳金鵬會計師事務所) as the deputy head of appraisal department. Mr. Li holds a bachelor degree in Economics from the Shenzhen University (深圳大學) and a master degree in Economics from the Central University of Finance and Economics (中央財經大學). He is also an economist, a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) and a member of the Chinese Certified Tax Agents Association (中國註冊稅務師協會).

Independent Non-Executive Directors

FU Tingmei (傅廷美), aged 50, is an independent non-executive director. Dr. Fu has extensive experiences in investment, finance, law and business management. Between 1992 and 2003, he conducted many corporate finance transactions in several investment banking firms based in Hong Kong, including serving as a director of Peregrine Capital Limited, and a deputy managing director and subsequently a managing director of BNP Paribas Peregrine Capital Limited. Dr. Fu is currently engaged in private investment business. He is currently also an independent non-executive director of Beijing Enterprises Holdings Limited (stock code: 392), CPMC Holdings Limited (stock code: 906), Postal Savings Bank of China Co., Ltd (stock code: 1658) (a bank listed on the Stock Exchange since 28 September 2016), China Resources Pharmaceutical Group Limited (stock code: 3320) (a company listed on the Stock Exchange since 28 October 2016) and COFCO Meat Holdings Limited (stock code: 1610) (a company listed on the Stock Exchange since 1 November 2016), all of which are companies listed on the Stock Exchange. Dr. Fu graduated from the University of London with a master degree and a doctorate degree in Law in 1989 and 1993, respectively.

SONG Ming (宋敏), aged 55, is an independent non-executive director. Dr. Song has over 23 years' experience in research of bank regulation and management, financial market, and macroeconomics. Dr. Song is the director of Centre for China Financial Research (CCFR) and a professor in Faculty of Business and Economics at the University of Hong Kong. Dr. Song holds a doctorate degree in Economics from Ohio State University, a master degree of Science in Mathematics from Huazhong University of Science and Technology (華中科技大學) and a bachelor degree of Science in Mathematics from Zhejiang University (浙江大學). Dr. Song is an independent non-executive director of United Laboratories International Holdings Limited (Stock code: 3933) and Wuzhou International Holdings Limited (stock code: 1369) and Great Wall Pan Asia Holdings Limited (formerly known as Armada Holdings Limited) (stock code: 583), all of which are companies listed on the Stock Exchange. In addition, Dr. Song is an Independent Director of Tande Co., Ltd, a company listed on the Shanghai Stock Exchange.

TSANG Yiu Keung (曾耀強), aged 63, is an independent non-executive director. Mr. Tsang is a professional accountant and a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and The Institute of Chartered Secretaries and Administrators. Mr. Tsang was with KPMG for more than 27 years, where he was a senior banking partner until he retired from the firm in 2003. Mr. Tsang is an independent non-executive director of L. K. Technology Holdings Limited (Stock code: 558), a company listed on the Stock Exchange, and China CITIC Bank International Limited, a licensed bank in Hong Kong and CITIC International Financial Holdings Limited. Mr. Tsang holds a higher diploma in Accountancy from the Hong Kong Polytechnic University.

Senior Management

WONG Tin Lai (黃天禮), aged 55, has been appointed Chief Financial Officer of our Group since April 2012. Mr. Wong joined our Group in July 1998. He has over 34 years' experience in auditing and finance industries. Prior to joining our Group, he had worked with a number of multinational corporations including KPMG Peat Marwick, Mandarin Oriental Hotel Group, Lehman Brothers and E.D.&F. Man Group. Mr. Wong holds a Juris Doctor degree from the Chinese University of Hong Kong, a master degree in Business Administration from the Chinese University of Hong Kong and a master degree in Applied Finance from Macquarie University Australia. He is also a fellow member of Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the Institute of Chartered Accountants in England and Wales. Mr. Wong is a director of Guotai Junan (Hong Kong) Limited, Guotai Junan Finance (Hong Kong) Limited and Guotai Junan Financial Products Limited.

REPORT OF THE DIRECTORS

The Board is pleased to present its report together with the audited financial statements of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2016.

Principal Activities and Business Review

The Company is an investment holding company and its subsidiaries are principally engaged in securities, futures, options and leveraged foreign exchange dealing and broking, corporate finance, asset management, loans and financing, financial products, market making and investments. There were no significant changes in the nature of the Group's principal activities during the year.

Further discussion and analysis of the business review as required by Schedule 5 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out on pages 70 to 81 of this annual report. The discussion forms part of this directors' report.

Results and Dividends

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 125 of this annual report.

The Directors declared an interim dividend of HK\$0.03 per share and proposed the payment of a final dividend of HK\$0.045 per share to the shareholders whose names appear on the register of members of the Company on 5 June 2017. The dividend will be payable on or about 19 June 2017.

Segment Information

Detailed segment information in respect of the Group's revenue and segment results are shown in note 4 to the financial statements on pages 172 to 176.

Financial Summary

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years ended 31 December 2016 is set out on pages 65 and 67 of this annual report.



Particular of Subsidiaries

Details of the Company's subsidiaries are set out in the note 1 to the financial statements which is set out on pages 132 to 134 of this annual report.

Share Capital and Equity-Linked Agreements

Details of movements in the share capital of the Company during the year are set out in note 31 to the financial statements which is set out on page 209 of this annual report.

Details of equity-linked agreements are included in the section "Shared-based Compensation Scheme" below.

Distributable Reserve

As at 31 December 2016, the Company's reserves available for distribution, calculated in accordance with the provisions of Sections 291, 297 and 299 of the Hong Kong Companies Ordinance, amounted to HK\$314,868,000 of which HK\$313,439,000 has been proposed as final dividend for the year.

Donations

During the year, the Group made charitable donations amounting to HK\$52,000.

Major Customers and Suppliers

For the year ended 31 December 2016, the revenue attributable to the five largest customers of the Group accounted for less than 30% of the Group's total revenue. The Group is a provider of financial services. In the opinion of the Board, it is therefore of no value to disclose details of the Group's suppliers.

None of the Directors or any of their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the issuer's share capital) had any beneficial interest in the Group's 5 largest customers.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2016 other than as an agent for the trustee of Guotai Junan Share Award Scheme (the "Share Award Scheme").

Directors

The Directors of the Company during the year and up to the date of this annual report are:

Executive Directors

Dr. YIM Fung

Mr. WONG Tung Ching

Ms. QI Haiying

Mr. LI Guangjie

Independent Non-executive Directors

Dr. FU Tingmei

Dr. SONG Ming

Mr. TSANG Yiu Keung

Report of the Directors

Changes of Information of Directors

Mr. LI Sang, Edward resigned as an Executive Director and Company Secretary of the Company on 24 February 2016.

Dr. FU Tingmei is appointed as an independent non-executive director of the following companies listed on the Stock Exchange:

- Postal Savings Bank of China Co., Ltd. (stock code: 1658) (a bank listed on the Stock Exchange since 28 September 2016) with effect from 1 May 2016;
- COFCO Meat Holdings Limited (stock code: 1610) (a company listed on the Stock Exchange since 1 November 2016) with effect from 23 May 2016; and
- China Resources Pharmaceutical Group Limited (stock code: 3320) (a company listed on the Stock Exchange since 28 October 2016) with effect from 20 June 2016.

Dr. SONG Ming is appointed as an independent non-executive director of Great Wall Pan Asia Holdings Limited (formerly known as Armada Holdings Limited), a company listed on the Stock Exchange with stock code 583, with effect from 4 November 2016.

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

Directors' Service Contracts

No Director has a service contract with the Company which is for a duration that may exceed 3 years or which requires the Company to, in order to terminate such contract, give a notice period of more than 1 year or pay compensation or make other payments equivalent to more than 1 year's emolument.

Details of Directors' emoluments are set out in note 37 to the consolidated financial statements which is set out on pages 218 to 223 of this annual report.

In accordance with Article 99 of the Articles of Association of the Company, every Director shall be subject to retirement by rotation at least once every three years. At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office and be eligible for re-selection. Accordingly, Mr. WONG Tung Ching, Dr. FU Tingmei and Dr. SONG Ming shall retire by rotation. They will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Dr. FU Tingmei, Dr. SONG Ming and Mr. TSANG Yiu Keung and as at the date of this annual report, still considers them to be independent. Generally, the term of office for each Independent Non-executive Director is for a period of 3 years, and all of the 3 Independent Non-executive Directors are subject to retirement by rotation in accordance with the Company's Articles of Association.

Directors' Interests in Contracts

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2016.

Directors of Subsidiaries

For the year ended 31 December 2016 and up to the date of this annual report, directors of the subsidiaries of the Company were as follows:

Name of Subsidiaries	Name of Directors
Guotai Junan (Hong Kong) Limited	YIM Fung, LI Guangjie, WONG Tin Lai, LI Sang, Edward (resigned on 24 February 2016), WONG Tung Ching
Guotai Junan Assets (Asia) Limited	YIM Fung, YUAN Junping
Guotai Junan Capital Limited	WONG Tung Ching, YAU Deirdre, WONG Anthony, LO Kwong Shun, Wilson
Guotai Junan Finance (Hong Kong) Limited	LI Guangjie, WONG Tin Lai, WANG Junhong
Guotai Junan Financial Products Limited	QI Haiying, WONG Tin Lai, DUANMU Zhenyu (appointed on 18 January 2017)
Guotai Junan Fund Management Limited	YIM Fung, QI Haiying, ZHANG Gaobo, CHAN Lap Tak Jeffrey, YUAN Junping, TAN Koon Seng
Guotai Junan Futures (Hong Kong) Limited	CHAN Ka Wah, LAI Kai Hung
Guotai Junan FX Limited	CHAN Ka Wah, YEUNG Tze Fung
Guotai Junan Securities (Hong Kong) Limited	WONG Tung Ching, QI Haiying, LI Guangjie, LEE Ming Chuan Eric, ZHANG Jinhui
Guotai Junan International (Singapore) Holdings Pte. Limited	YIM Fung, QI Haiying, TAN Koon Seng
Guotai Junan International Asset Management (Singapore) Pte. Limited	YIM Fung, QI Haiying, TAN Koon Seng
Guotai Junan International Securities (Singapore) Pte. Limited	QI Haiying, TAN Koon Seng, LEE Oon Har (resigned on 5 January 2017), OEI Su Chi lan (appointed on 18 January 2017), DAI Bo (appointed on 3 March 2017)

Directors' and Chief Executives' Interest in the Shares and Underlying Shares of the Company or any Associated Corporation

As at 31 December 2016, the interests and short positions of the Directors or their associates in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("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 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 ordinary shares and underlying shares of the Company

Name of director	Long/short positions	Number of Shares held	Number of awarded shares held	Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total number of shares in issue
YIM Fung	Long	55,792,357	4,568,000	4,787,598	65,147,955	0.94%
WONG Tung Ching	Long	5,549,382	3,487,000	2,521,182	11,557,564	0.17%
QI Haiying	Long	579,000	1,157,000	9,000,000	10,736,000	0.15%
LI Guangjie	Long	4,867,076	1,391,000	1,259,894	7,517,970	0.11%
FU Tingmei	Long	1,512,096	—	—	1,512,096	0.02%
SONG Ming	Long	1,512,096	—	—	1,512,096	0.02%
TSANG Yiu Keung	Long	1,512,096	—	—	1,512,096	0.02%

Save as disclosed above, as at 31 December 2016, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which had 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 entered 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.

Shared-Based Compensation Scheme

The Company operates two equity-settled share-based compensation schemes including a share option scheme (the “Share Option Scheme”) and the Share Award Scheme for the purpose of assisting in recruiting, retaining and motivating key staff members. Eligible participants of the schemes include the Company’s directors (including Independent Non-executive Directors) and other employees of the Group.

Share Option Scheme

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. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

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 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 grant.

30,992,941 share options were exercised for the year ended 31 December 2016 and the weighted average share price immediately preceding the exercise date during the year was HK\$2.57. For the year ended 31 December 2016, 1,007,915 share option with an exercise price of HK\$1.264 each lapsed prior to vesting date as a result of staff resignation.

Report of the Directors

Movements of the share options under the Share Option Scheme for the year ended 31 December 2016 are as follows:

Name of participants	Date of grant	Options granted	Exercise price of share options at date of grant (HK\$)	Share price immediately preceding the grant date (HK\$)	Options held at 1 January 2016	Exercised during the year	Lapsed during the year	Options held at 31 December 2016	Weighted average share price immediately preceding the exercise date (HK\$)	Exercise price of share options (HK\$)
<i>Directors</i>										
YIM Fung	24/4/2012	6,000,000	2.50	2.51	—	—	—	—	N/A	0.827
	10/1/2014	4,750,000	3.82	3.72	9,575,196	(4,787,598)	—	4,787,598	2.40	1.264
WONG Tung Ching	24/4/2012	3,000,000	2.50	2.51	—	—	—	—	N/A	0.827
	10/1/2014	2,500,000	3.82	3.72	5,042,364	(2,521,182)	—	2,521,182	2.02	1.264
QI Haiying	11/6/2015	3,000,000	14.56	13.62	9,000,000	—	—	9,000,000	N/A	4.854
LI Guangjie	24/4/2012	1,500,000	2.50	2.51	—	—	—	—	N/A	0.827
	10/1/2014	1,250,000	3.82	3.72	2,779,682	(1,519,788)	—	1,259,894	3.08	1.264
LI Sang, Edward*	24/4/2012	1,500,000	2.50	2.51	—	—	—	—	N/A	0.827
	10/1/2014	1,250,000	3.82	3.72	2,519,790	(2,519,790)	—	—	2.04	1.264
FU Tingmei	24/4/2012	500,000	2.50	2.51	—	—	—	—	N/A	0.827
SONG Ming	24/4/2012	500,000	2.50	2.51	—	—	—	—	N/A	0.827
TSANG Yiu Keung	24/4/2012	500,000	2.50	2.51	—	—	—	—	N/A	0.827
Employees	24/4/2012	26,500,000	2.50	2.51	13,057,248	(1,300,000)	—	11,757,248	3.10	0.827
	10/1/2014	40,250,000	3.82	3.72	86,792,827	(18,344,583)	(1,007,915)	67,440,329	2.68	1.264
	11/6/2015	1,500,000	14.56	13.62	4,500,000	—	—	4,500,000	N/A	4.854
In aggregate	24/4/2012	40,000,000	2.50	2.51	13,057,248	(1,300,000)	—	11,757,248	3.10	0.827
	10/1/2014	50,000,000	3.82	3.72	106,709,859	(29,692,941)	(1,007,915)	76,009,003	2.55	1.264
	11/6/2015	4,500,000	14.56	13.62	13,500,000	—	—	13,500,000	N/A	4.854

* Mr. LI Sang, Edward resigned as a director on 24 February 2016.

Share Award Scheme

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.

No payment to purchase shares shall be made to the trustee of the Share Award Scheme and no instructions to acquire shares shall be given to the trustee under the scheme where any Director of the Company is in possession of unpublished price sensitive information in relation to the Company or where dealings by Directors are prohibited under any code or rules and all applicable laws from time to time.

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.

As of 31 December 2016, the Company has granted in aggregate of 65,187,000 Awarded Shares which represents 39.7% of the limit of the Share Award Scheme.

The remaining number of the Awarded Shares can be awarded under the Share Award Scheme is 98,813,000, representing 1.42% of the total number of issued shares, 6,965,301,142 shares, of the Company as of 31 December 2016.

Details of the Awarded Shares granted and unvested as at 31 December 2016 are set out below:

Date of Awarded Shares granted	Average fair value per share (HK\$)	Number of Awarded Shares granted	Number of Awarded Shares vested	Number of Awarded Shares lapsed	Number of Awarded Shares unvested	Vesting date
15/4/2015	3.29	34,653,000	(23,271,000)	(516,000)	10,866,000	30/11/2017
18/4/2016	2.79	27,987,000	(8,997,000)	(538,000)	8,871,000	30/11/2017
					884,000	30/11/2018
					58,000	4/10/2017
					58,000	4/10/2018
					209,000	31/3/2017
					208,000	31/3/2018
					208,000	31/3/2019

1,141,000 Awarded Shares have lapsed prior to its vesting date as a result of staff resignation for the year ended 31 December 2016.

Report of the Directors

Movements of Awarded Shares under the Share Award Scheme for the year ended 31 December 2016 are as follows:

Name of participants	Awarded Shares at 1 January 2016	Granted during the year	Lapsed during the year	Vested during the year	Awarded Shares at 31 December 2016	Vesting date
<i>Directors</i>						
Yim Fung	9,141,000	2,344,000	—	(6,917,000)	3,787,000 781,000	30/11/2017 30/11/2018
Wong Tung Ching	4,158,000	2,778,000	—	(3,449,000)	2,561,000 926,000	30/11/2017 30/11/2018
Qi Haiying	—	1,736,000	—	(579,000)	579,000 578,000	30/11/2017 30/11/2018
Li Guangjie	1,185,000	1,389,000	—	(1,183,000)	928,000 463,000	30/11/2017 30/11/2018
LI Sang, Edward*	990,000*	—	—	(990,000)	— —	— —
Employees	16,719,000	19,740,000	(1,054,000)	(19,151,000)	209,000 58,000 11,883,000 208,000 58,000 6,092,000 208,000	31/3/2017 4/10/2017 30/11/2017 31/3/2018 4/10/2018 30/11/2018 31/3/2019
Total	32,193,000	27,987,000	(1,054,000)	(32,268,000)	209,000 58,000 19,737,000 208,000 58,000 8,840,000 208,000	31/3/2017 4/10/2017 30/11/2017 31/3/2018 4/10/2018 30/11/2018 31/3/2019

* Mr. LI Sang, Edward resigned as a director on 24 February 2016. 990,000 Awarded Shares of Mr. Li vested on 24 February 2016. Details of the Share Award Scheme are set out in note 33 to the financial statements.

Directors' Rights to Acquire Shares or Debenture

Save as the Share Option Scheme and the Share Award Scheme disclosed above, for the year ended 31 December 2016, the Company or any of its subsidiaries has not signed any agreements to enable the Directors to acquire benefits by means of the acquisition of shares in or debt securities (including debentures) of the Company or any other body corporate and none of the Directors, their spouses or children under the age of 18, had any rights to subscribe for securities of the Company, or had exercised any such rights.

Substantial Shareholders' and Other Person's Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2016, the following persons (not being a Director of our Company) have interests or short positions in the shares and underlying shares of the Company which have 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:

Ordinary shares of the Company

Name of shareholders	Number of shares		Approximate percentage of the Company's total number of shares in issue	
	Long positions	Short positions	Long positions	Short positions
Shanghai International Group Co., Ltd (Note)	4,527,057,800	Nil	64.99%	Nil
Guotai Junan Securities Co., Ltd (Note)	4,527,057,800	Nil	64.99%	Nil
Guotai Junan Financial Holdings Limited (Note)	4,527,057,800	Nil	64.99%	Nil
Guotai Junan Holdings Limited	4,527,057,800	Nil	64.99%	Nil

Note: Guotai Junan Holdings Limited is wholly owned by Guotai Junan Financial Holdings Limited which in turn is a wholly-owned subsidiary of Guotai Junan Securities Co., Ltd. Guotai Junan Securities Co., Ltd is a controlled corporation of Shanghai International Group Co., Ltd. Accordingly, Guotai Junan Financial Holdings Limited, Guotai Junan Securities Co., Ltd and Shanghai International Group Co., Ltd are deemed to have the same interest in the shares of the Company as Guotai Junan Holdings Limited.

Save as disclosed above, as at 31 December 2016, the Company has not been notified by any persons (other than Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be 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.

Save as the continuing connected transactions disclosed below, no contracts concerning the management and administration of the whole or any substantial part of business of the Company or its subsidiaries were entered into or existed during the year.

Connected Transactions

On 4 November 2016, Guotai Junan Capital Limited (an indirect wholly-owned subsidiary of the Company) and Guotai Junan, among others, entered into a Sponsor Appointment Agreement, pursuant to which Guotai Junan agreed to engage Guotai Junan Capital Limited as one of the joint sponsors in connection with the proposed offering of the H shares of Guotai Junan on the Stock Exchange. Guotai Junan Capital Limited will receive a fee of US\$500,000 for acting as one of the joint sponsors.

On 24 February 2017, Guotai Junan Securities (Hong Kong) Limited (an indirect wholly-owned subsidiary of the Company) and Guotai Junan entered into an Appointment Memorandum, pursuant to which Guotai Junan conditionally agreed to engage Guotai Junan Securities (Hong Kong) Limited and/or its affiliated companies to act as one of the underwriters for the proposed offering of the H shares of Guotai Junan on the Stock Exchange. This transaction is conditional upon the approval by the independent shareholders of the Company as required under the Listing Rules. It is estimated that the total underwriting commission payable by Guotai Junan to Guotai Junan Securities (Hong Kong) Limited and other underwriters to be appointed by Guotai Junan for the proposed offering shall not exceed the aggregate amount of HK\$654.65 million.

Continuing Connected Transactions

On 6 April 2016, the Company has entered into a master services agreement (“Master Services Agreement”) with Guotai Junan pursuant to which the Company and Guotai Junan agreed that each of them will and will procure its member(s) to, provide various services to the other in accordance to the terms set out in the Master Services Agreement, which will be effective for a term of 3 years from 1 January 2016 to 31 December 2018. The services will cover the services which are to arise from the following categories of transactions:

- (a) brokerage transactions;
- (b) investment management and advisory service transactions;
- (c) consulting service transactions; and
- (d) corporate finance transactions.

Pursuant to the Master Services Agreement, member(s) of the Group and member(s) of the Guotai Junan Group shall, from time to time during the term of the Master Services Agreement, enter into separate supplemental agreements in respect of the provision of services. The terms of the supplemental agreements with respect to the services and prices shall be determined on normal commercial terms in the ordinary course of business after arm’s length negotiations and no less favourable than those obtained from or offered by independent third parties.

The annual caps in respect of the continuing connected transactions contemplated under the Master Services Agreement for the 3 financial years ending 31 December 2016, 2017 and 2018 and respective actual amount received/paid in 2016 are shown below:

	For the financial year ending 31 December 2016 (HK\$ million)	Annual caps For the financial year ending 31 December 2017 (HK\$ million)	For the financial year ending 31 December 2018 (HK\$ million)	2016 Actual Amount (HK\$ million)
Annual caps and 2016 actual amount in respect of the income attributable to the Group arising from:				
(1) Brokerage services provided to the member(s) of the Guotai Junan Group	50	50	50	1.7
(2) Investment management and advisory service provided to member(s) of the Guotai Junan Group	10	10	10	–
(3) Consulting services provided to member(s) of the Guotai Junan Group	10	10	10	–
(4) Corporate finance services provided to member(s) of the Guotai Junan Group	10	10	10	–
Total:	80	80	80	1.7
Annual caps and 2016 actual amount in respect of the expenses incurred by the Group arising from:				
(1) Brokerage services from the member(s) of the Guotai Junan Group	30	30	30	2.5
(2) Investment management and advisory services provided by member(s) of the Guotai Junan Group	10	10	10	–
(3) Consulting services from member(s) of the Guotai Junan Group	30	30	30	19.4
(4) Corporate finance services provided by member(s) of the Guotai Junan Group	10	10	10	–
Total:	80	80	80	21.9

Report of the Directors

On 16 November 2016, pursuant to the Master Services Agreement, Guotai Junan (Hong Kong) Limited (a wholly owned subsidiary of the Company) signed a supplemental agreement with Guotai Junan Consultancy Services (Shenzhen) Co., Limited whereby the latter would provide consultancy services relating to macroeconomic information, market information and listed company development etc. to Guotai Junan (Hong Kong) Limited. Pursuant to the supplemental agreement, the proposed annual consultancy fee for the year ended 31 December 2016 payable by Guotai Junan (Hong Kong) Limited would be no more than HK\$21 million. The proposed annual consultancy fee for 2017 and 2018 would be agreed separately by entering into separate supplemental agreement. The total consultancy fee paid to Guotai Junan Consultancy Services (Shenzhen) Co., Limited for the year ended 31 December 2016 was approximately HK\$19 million which is also set out in Note 40 to the financial statements on pages 226 to 231 of this annual report.

The continuing connected transactions undertaken by the Group are included in the transactions set out in note 40 to the financial statements.

The Independent Non-executive Directors of the Company have reviewed and confirmed that the continuing connected transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favorable to the Group than terms available to/from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in interests of the shareholders of the Company as a whole.

In accordance with paragraph 14A.56 of the Listing Rules, the Directors engaged the auditor of the Company to report on the above mentioned continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagement 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" ("HKSAE 3000") and with reference to Practice Note 740 "Auditor's letter on Continuing Connected Transactions under the Hong Kong Listing Rules" ("PN740") issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has reported to the Directors in accordance with HKSAE 3000 and with reference to PN740 that the transactions:

- (i) have been approved by the Board of the Company;
- (ii) are in accordance with the pricing policies of the Company;
- (iii) have been entered into in accordance with the relevant agreements governing such transactions; and
- (iv) have not exceeded the relevant CAPs disclosed in the announcements dated 6 April 2016.

Disclosure Pursuant to Rule 13.21 of the Listing Rules

On 29 January 2014, the Company (as guarantor) and its wholly-owned subsidiary, Guotai Junan (Hong Kong) Limited (as borrower), entered into a facility agreement (the "Facility Agreement A") with certain financial institutions (as lenders) in respect of a revolving loan facility and a term loan facility in an aggregate amount of HK\$3,300 million for a term of 3 years.

On 29 April 2015, the Company (as guarantor) and its wholly-owned subsidiary, Guotai Junan (Hong Kong) Limited (as borrower), entered into a facility agreement (the "Facility Agreement B, together with Facility Agreement A, the "Facility Agreements") with certain financial institutions (as lenders) in respect of a revolving loan facility and a term loan facility in an aggregate amount of HK\$10,500 million for a term of 3 years.

Under the Facility Agreements, it will be an event of default if Guotai Junan Securities Co., Ltd., the controlling shareholder of the Company, does not, or ceases to directly or indirectly own, legally and beneficially, at least 51% of the interest of the Company. In case of an event of default, 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 Agreements be immediately due and payable and/or (iii) declare that all or part of the loan become payable on demand.

Issue of USD300,000,000 Subordinated Perpetual Securities

On 8 June 2016, the Company as issuer, Guotai Junan Securities (Hong Kong) as placing agent and each of the subscribers (China Industrial Securities International Brokerage Limited, CNPC Finance (HK) Limited, China Guangfa Bank-China Southern Fund-QDII1-17, Guotai Junan Financial Holdings Limited and SPDB International Investment Management Limited), entered into a Subscription Agreement in connection with the subordinated perpetual securities in the aggregate principal amount of USD300,000,000.

The offering price of the subordinated perpetual securities was 100% of the principal amount of the subordinated perpetual securities. Subject to the terms and conditions of the subordinated perpetual securities, the subordinated perpetual securities confer a right to receive distributions (each a "Distribution") from the issue date at the applicable Distribution Rate (as defined below). Distributions shall be payable on the subordinated perpetual securities semi-annually in arrear on each Distribution payment date in United States dollars. The first Distribution has been paid on 30 October 2016.

The rate of distribution ("Distribution Rate") applicable to the subordinated perpetual securities shall be:

- (i) in respect of the period from and including, the issue date to, but excluding, the first call date (30 April 2019), the initial Distribution Rate (4.5 per cent per annum); and
- (ii) in respect of the periods from, and including, the first call date to, but excluding, the immediately following reset date (first call date and each day falling every three calendar years after the first call date), the applicable reset distribution rate (applicable 3-year US swap rate plus 8.0 per cent).

The Company may at its option, on giving not less than 30 nor more than 60 days' notice to the holders of the subordinated perpetual securities in accordance with the terms and conditions of the subordinated perpetual securities and the trustee (which notice will be irrevocable), redeem in whole, but not in part, the subordinated perpetual securities:

- (i) on the first call date; or
- (ii) on any Distribution payment date after the first call date, (each, a "Call Date").

On expiry of any such notice period referred to above, the Company shall be bound to redeem the subordinated perpetual securities on the relevant Call Date at their principal amount together with any distribution accrued to (but not including) the date fixed for redemption (including any arrears of distribution and any additional distribution amount).

The net proceeds of the issuance of the subordinated perpetual securities, after deducting the estimated fees and expenses, amounted to approximately HK\$2,329 million. The Company has used the net proceeds from the subordinated perpetual securities for general working capital purposes. The Company may adjust the foregoing stated use of proceeds in response to changing market conditions and reallocate the use of proceeds.

Report of the Directors

Directors' Interest In Competing Businesses

As at 31 December 2016, none of the Board members of the Company and their associates had any interests in an entity whose business competes or is likely to compete, either directly or indirectly, with the Company's business.

Permitted Indemnity

Subject to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), every Director is entitled under the Company's Articles of Association to be indemnified out of the assets of the Company against all losses and liabilities which he or she may sustain or incur in or about the execution or discharge of his or her duties and/or the exercise of his or her powers and/or otherwise in relation to or in connection with his or her duties, powers or office. To the extent permitted by such Ordinance, the Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of companies in the Group.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total number of issued shares was held by the public throughout the year ended 31 December 2016 and up to the date of this report.

Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 82 to 95 of this report.

Compliance with Relevant Laws and Regulations

During the year under review, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

Environmental, Social and Governance Report and Corporate Responsibility

The Company is committed to improve the standard of corporate governance to its daily operation and management. The management has been putting effort in maintaining the Company's sense of responsibility towards the community and environment, to improving general awareness of social and environmental responsibilities among employees and to encouraging its employees to actively participate in environmental and social activities as contributions towards the building of a more socially responsible and environmental friendly society. The Environmental, Social and Governance Report will be available at the Company's website (www.gtja.com.hk) and the Stock Exchange's website in or around mid-May 2017.

Auditor

The financial statements have been audited by Ernst & Young who will retire and being eligible and offer themselves for re-appointment at the forthcoming annual general meeting of the Company to be held on 26 May 2017.

Awards

The Group has received a number of awards and gained widespread recognition in the market. The main awards for the year 2016 were as follows:

Awards	Organizer/Media
Securities House of the Year of Asia Risk Awards 2016	Asia Risk Magazine
TOP 100 HK listed companies – Potential Enterprise Award	Tencent & FINET GROUP
“Best Brokerage House of the Year” by the “14th China’s Financial Annual Champion Award (Overseas)”	Hexun
CAMAHK-Bloomberg Offshore China Fund Awards 2016 – Best ETF Participating Dealer	Bloomberg and the China Asset Management Association of Hong Kong (CAMAHK)
2016 Outstanding Hong Kong Brokerage House	Tencent
the “Best IPO Project Sponsor”/the “Most Investment Value of Listed Companies” in “2016 China Financial Market Listed Companies Awards”	China Financial Market
“2016 Golden Hong Kong Stocks”:the “Most Investment Value of Listed Companies”	Zhitongcaijing & Tonghuashun Caijing

Report of the Directors

Ratings

On 4 August 2016, S&P Global Ratings assigned its “BBB” long-term and “A-2” short-term issuer credit ratings to the Company, the outlook on the long-term rating of the Company is stable.

On 5 September 2016, Moody’s Investors Service (“Moody’s”) has assigned a first time Baa2 long-term issuer rating and a Prime-2 short-term issuer rating to the Company with negative outlook. On 26 February 2017, Moody’s has changed the outlook to stable from negative on long-term issuer ratings, the long-term and short term (local/foreign currency) issuer ratings of the Company remain unchanged. At the same time, Moody’s has raised the Company’s standalone assessment from ba2 to ba1, attributable to the sound financial metrics of the Company under the new methodology, and the Baa2 long term issuer ratings also reflect a two-notch uplift based on Moody’s assumption of a high level of support from the Chinese government in times of stress.

By order of the Board

Dr. YIM Fung, JP

Chairman

Hong Kong, 17 February 2017

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. YIM Fung (*Chairman and Chief Executive Officer*)

Mr. WONG Tung Ching

Ms. QI Haiying

Mr. LI Guangjie

Independent Non-executive Directors

Dr. FU Tingmei

Dr. SONG Ming

Mr. TSANG Yiu Keung

Members of the 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

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

Dr. FU Tingmei

Dr. SONG Ming

Mr. TSANG Yiu Keung

CHIEF FINANCIAL OFFICER

Mr. WONG Tin Lai

COMPANY SECRETARY

Ms. FENG Zheng Yao Helen

REGISTERED OFFICE

27/F, Low Block

Grand Millennium Plaza

No. 181 Queen's Road Central

Hong Kong

AUDITOR

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 01788

Bloomberg 1788 HK

Reuters 1788.HK

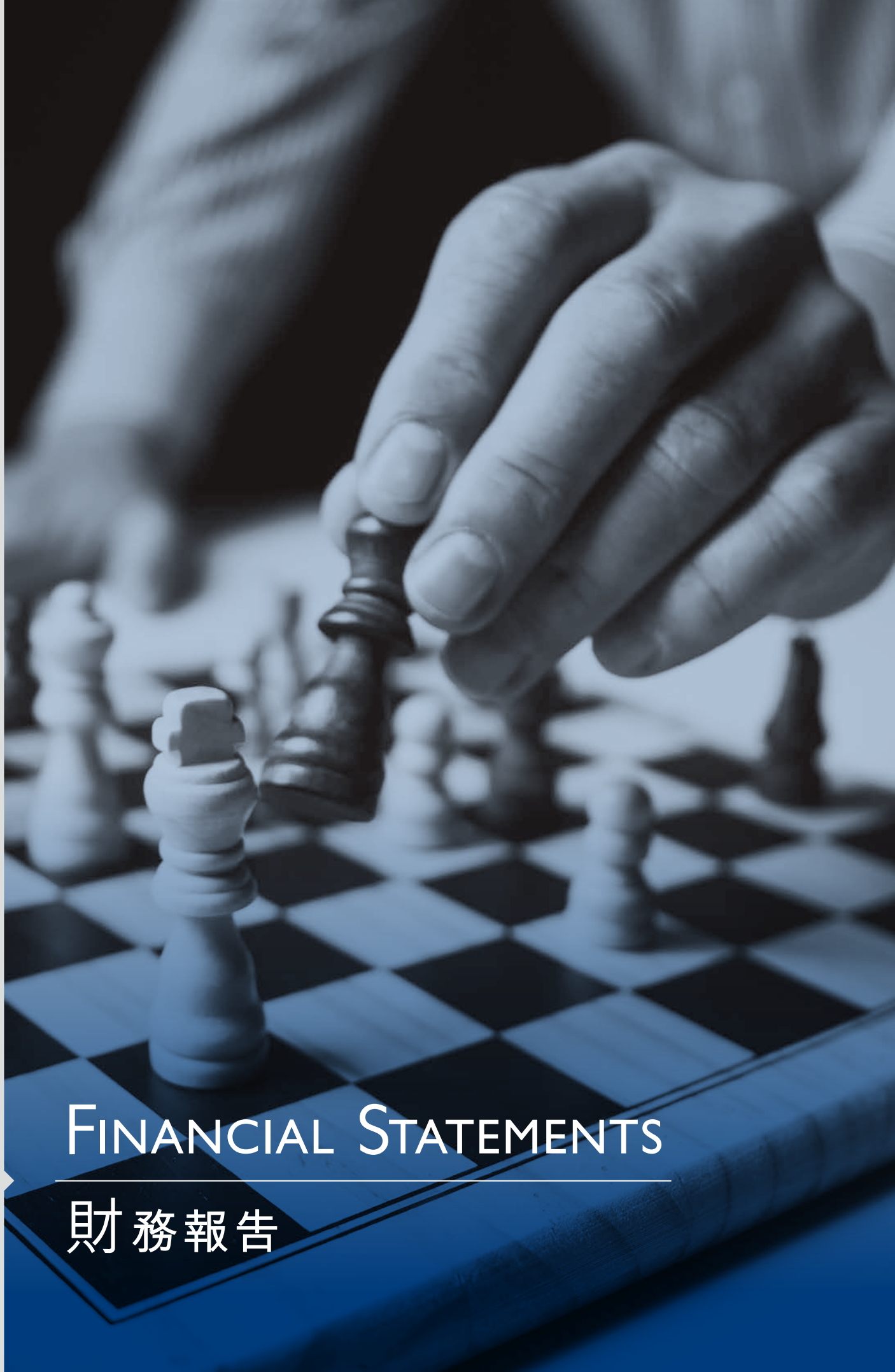
Ticker Symbol for ADR Code GTIJY

ISIN HK0000065869

SEDOL B3W1335 HK

COMPANY'S WEBSITE

www.gtja.com.hk



FINANCIAL STATEMENTS

財務報告

Independent Auditor's Report

獨立核數師報告



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TO THE MEMBERS OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Guotai Junan International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 125 to 260, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致國泰君安國際控股有限公司成員：

(於香港註冊成立的有限公司)

意見

我們已審計列載於第125至260頁的國泰君安國際控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為擬備。

意見的基礎

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



Independent Auditor's Report

獨立核數師報告

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行了本報告「核數師就審計綜合財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

Key audit matters 關鍵審計事項	How our audit addressed the key audit matters 關鍵審計事項在審計中是如何應對的
<p><i>Impairment assessment on loans and advances to customers and accounts receivable</i> 給予客戶的貸款及墊款以及應收賬款的減值評估</p>	
<p>As at 31 December 2016, gross loan and advances to customers and related impairment allowance amounted to HK\$14,632 million and HK\$94 million respectively; while gross accounts receivable and related impairment allowance amounted to HK\$1,513 million and HK\$17 million respectively. The assessment of impairment for loans and advances to customers and accounts receivable involves significant management judgements and estimates on the amount of losses already incurred at the reporting date.</p> <p>於二零一六年十二月三十一日，給予客戶的貸款及墊款總額及相關減值撥備分別為14,632百萬港元及94百萬港元；應收賬款總額及相關減值撥備分別為1,513百萬港元及17百萬港元。給予客戶的貸款及墊款以及應收賬款的減值評估涉及管理層對報告日期已產生的虧損金額作出重大判斷及估計。</p>	<p>We obtained an understanding of the Group's methodology and assumptions used for estimating the impairment allowance on loans and advances to customers and accounts receivable. Our procedures to assess the Group's impairment allowance included the following:</p> <p>我們已了解 貴集團估計給予客戶的貸款及墊款以及應收賬款的減值撥備所用的方法及假設。我們評估 貴集團減值撥備的程序包括：</p>

Key audit matters (continued)

關鍵審計事項(續)

Key audit matters 關鍵審計事項	How our audit addressed the key audit matters 關鍵審計事項在審計中是如何應對的
<p><i>Impairment assessment on loans and advances to customers and accounts receivable (continued)</i> 給予客戶的貸款及墊款以及應收賬款的減值評估(續)</p>	
<p>The Group's methodology and assumptions used for estimating both the amount and timing of future cash flows require the review of individual outstanding amounts regularly depending on individual circumstances or market condition. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the end of the reporting period on a case-by-case basis. The assessment normally encompasses the nature and value of the collateral held and the anticipated receipts.</p> <p>貴集團估計未來現金流量的金額及時間所用的方法及假設要求視乎特定情況或因應市況定期對個別未結清款項進行審閱。通過評估於報告期間結束時產生的虧損，逐筆計提個別已評估賬戶的減值撥備。評估通常考慮所持抵押品的性質及價值以及預期可收回金額。</p>	<ul style="list-style-type: none"> For margin loans, we considered the control procedures performed by the Group and checked each individual account to determine whether there was any shortfall by comparing the loan outstanding with the value of collateral. In assessing the impairment allowance made by the Group, we also checked the valuation of the collateral and other sources of cash flows. <p>就孖展貸款而言，我們已考慮 貴集團所實施的控制程序及核查各個別賬戶，透過對比未結清貸款與抵押品價值，釐定是否存在任何短缺。於評估 貴集團所作之減值撥備時，我們亦核查抵押品估值及其他現金流量來源。</p> <ul style="list-style-type: none"> For term loans to customers, we selected samples based on the significance of the outstanding loan amounts. We formed an independent view on whether there were any impairment indicators and the impairment allowance recognised by the Group through reviewing detailed information on the borrowers' financial performance, recoverable cash flows and valuation of collateral. <p>就給予客戶的定期貸款而言，我們根據未結清貸款金額的重要性選擇樣本。我們已透過審閱有關借款人的財務表現、可收回現金流量及抵押品估值的詳細資料，就是否存在任何減值跡象及 貴集團確認的減值撥備形成獨立意見。</p> <ul style="list-style-type: none"> For accounts receivable, we reviewed the aging analysis prepared by the Group and considered the credit standing and historical repayment pattern of the counterparties when assessing the impairment allowance made by the Group. <p>就應收賬款而言，於評估 貴集團所作之減值撥備時，我們已審閱 貴集團編製的賬齡分析及考慮交易方的信貸狀況及過往還款模式。</p> <p>We have also assessed the adequacy of the Group's disclosure of loans and advances to customers and accounts receivable and the related credit risk in Note 16 and Note 18 to the financial statements.</p> <p>我們亦已評估 貴集團有關給予客戶的貸款及墊款以及應收賬款的披露及財務報表附註16及附註18的相關信貸風險披露是否充分。</p>



Independent Auditor's Report

獨立核數師報告

Key audit matters (continued)

關鍵審計事項(續)

Key audit matters 關鍵審計事項	How our audit addressed the key audit matters 關鍵審計事項在審計中是如何應對的
<p><i>Valuation of financial instruments</i> 金融工具的估值</p> <p>The Group has applied valuation techniques to determine the fair value of financial instruments that are not quoted in active markets. These valuation techniques, in particular those that include significant unobservable inputs, involve management judgements and assumptions. With different valuation techniques and assumptions applied, the valuation results can vary significantly.</p> <p>貴集團運用估值方法釐定並無活躍市場報價的金融工具的公平值。該等估值方法(尤其是包含重大無法觀察參數者)涉及管理層判斷及假設。估值結果可因應估值方法及假設的不同而顯著不同。</p> <p>As at 31 December 2016, the Group's financial assets and liabilities measured at fair value and categorised within Level 3 amounted to HK\$1,339 million and HK\$1,172 million respectively, representing 10% and 13% of the Group's financial assets and liabilities measured at fair value.</p> <p>於二零一六年十二月三十一日，貴集團按公平值計量並分類為第3級的金融資產及負債分別達1,339百萬港元及1,172百萬港元，分別佔貴集團按公平值計量金融資產及負債的10%及13%。</p>	<p>We obtained an understanding of the Group's valuation policy on the valuation of financial instruments, including independent price verification, independent model validation and approval.</p> <p>我們已了解貴集團有關金融工具估值的估值政策，包括獨立價格核實、獨立模型驗證及審批。</p> <p>We focused on the valuation methodologies and assumptions of financial instruments that were classified as Level 3 in the fair value hierarchy. We involved our valuation specialists in evaluating the valuation techniques, inputs and assumptions through comparison with the valuation techniques that are commonly used in the market, the validation of observable inputs using external market data, and comparison with valuation outcomes obtained from a number of pricing sources.</p> <p>我們主要關注分類為第3級公平值等級的金融工具的估值方法及假設。我們委派估值專家，透過對比市場常用的估值方法、利用外部市場數據驗證可觀察參數及對比從多個定價來源獲得的估值結果，評估估值方法、參數及假設。</p> <p>We have also assessed the adequacy of the Group's disclosure of the fair value hierarchy and related disclosures in Note 41 to the financial statements.</p> <p>我們亦已評估貴集團有關公平值等級的披露及財務報表附註41的相關披露是否充分。</p>

Independent Auditor's Report

獨立核數師報告

Other information included in the Annual Report

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

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

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

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

刊載於年度報告內其他信息

董事需對其他信息負責。其他信息包括刊載於年度報告內的信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

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

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

審計委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。



Independent Auditor's Report 獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們遵照香港《公司條例》第405條／僅對全體成員作出報告，除此以外，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負上或承擔任何責任。

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

Independent Auditor's Report

獨立核數師報告

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ### 核數師就審計綜合財務報表承擔的責任(續)
- 在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 瞭解與審計相關的內部控制，以設計於有關情況下適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。



Independent Auditor's Report 獨立核數師報告

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Tso Miu Yue, Agnes.

Certified Public Accountants
Hong Kong
17 February 2017

核數師就審計綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

出具本獨立核數師報告的審計項目合夥人是曹妙如。

執業會計師
香港
二零一七年二月十七日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	5	2,519,187	2,276,608
Other income	其他收入		2,608	1,899
Revenue and other income	收益及其他收入		2,521,795	2,278,507
Staff costs	員工成本	6	(526,657)	(505,649)
Commission to account executives	客戶主任佣金		(55,117)	(118,530)
Depreciation	折舊		(34,695)	(28,664)
Other operating expenses	其他經營開支		(379,923)	(207,980)
Operating profit	經營溢利		1,525,403	1,417,684
Finance costs	融資成本	7	(336,796)	(249,562)
Profit before tax	除稅前溢利	8	1,188,607	1,168,122
Income tax expense	所得稅開支	9	(162,520)	(152,689)
Profit for the year	年內溢利		1,026,087	1,015,433
Other comprehensive income for the year, net of tax	年內其他全面收益，扣除稅項			
– Exchange difference on translation of foreign exchange	– 外匯匯兌差額		724	(125)
Total comprehensive income for the year	年內全面收益總額		1,026,811	1,015,308
Profit for the year attributable to:	應佔年內溢利：			
Owners of parent	母公司擁有人		1,025,879	1,013,541
– Holders of ordinary shares	– 普通股股東		969,139	1,013,541
– Holders of other equity instrument	– 其他權益工具持有人		56,740	—
Non-controlling interests	非控股權益		208	1,892
			1,026,087	1,015,433
Total comprehensive income for the year attributable to:	應佔年內全面收益總額：			
Owners of the parent	母公司擁有人		1,026,603	1,013,416
– Holders of ordinary shares	– 普通股股東		969,863	1,013,416
– Holders of other equity instrument	– 其他權益工具持有人		56,740	—
Non-controlling interests	非控股權益		208	1,892
			1,026,811	1,015,308
Earnings per share attributable to ordinary equity holders of the parent	母公司普通股股東應佔每股盈利			
– Basic (in HK cents)	– 基本（以港仙計）	11(a)	14.1	14.9
– Diluted (in HK cents)	– 攤薄（以港仙計）	11(b)	13.9	14.6



Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016
於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	493,559	512,166
Intangible assets	無形資產	13	2,823	2,823
Deferred tax assets	遞延稅項資產	15	3,162	576
Other assets	其他資產	14	10,168	5,043
Loans and advances to customers	給予客戶的貸款及墊款	16	251,478	—
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	20	51,701	120,141
Total non-current assets	非流動資產總額		812,891	640,749
Current assets	流動資產			
Loans and advances to customers	給予客戶的貸款及墊款	16	14,286,666	12,375,857
Receivable from reverse repurchase agreements	反向回購協議應收款項	22	480,782	509,695
Accounts receivable	應收款項	18	1,495,924	1,932,119
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	19	151,470	258,782
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	20	13,261,624	4,506,947
Derivative financial instruments	衍生金融工具	21	122,001	24,952
Tax recoverable	可收回稅項		24,072	8,677
Client trust bank balances	客戶信託銀行結餘		12,400,917	14,662,991
Cash and cash equivalents	現金及現金等價物	23	1,964,398	2,408,666
Total current assets	流動資產總額		44,187,854	36,688,686

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016
於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current liabilities	流動負債			
Accounts payable	應付款項	24	(14,871,038)	(18,218,312)
Other payables and accrued liabilities	其他應付款項及應計負債	25	(271,681)	(259,942)
Derivative financial instruments	衍生金融工具	21	(130,083)	(29,766)
Bank borrowings	銀行借款	26	(6,811,433)	(4,765,662)
Debt securities in issue	已發行債務證券	27	(5,823,241)	(2,358,088)
– At amortised cost	– 按攤銷成本		(175,710)	(429,040)
– Designated as at fair value through profit or loss	– 指定按公平值計入損益		(5,647,531)	(1,929,048)
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債	28	(3,485,520)	(505,340)
Obligations under repurchase agreements	回購協議的債項	29	(930,958)	(400,517)
Tax payable	應付稅項		(9,695)	(44,282)
Total current liabilities	流動負債總額		(32,333,649)	(26,581,909)
Net current assets	流動資產淨值		11,854,205	10,106,777
Total assets less current liabilities	總資產減流動負債		12,667,096	10,747,526
Non-current liabilities	非流動負債			
Bank borrowings	銀行借款	26	(2,100,000)	(3,090,000)
Deferred tax liabilities	遞延稅項負債	15	(33,262)	(22,269)
			(2,133,262)	(3,112,269)
Net assets	資產淨值		10,533,834	7,635,257



Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016
於二零一六年十二月三十一日

		Notes	2016	2015
		附註	二零一六年	二零一五年
			HK\$'000	HK\$'000
			千港元	千港元
Equity	權益			
Share capital	股本	31	6,054,025	6,004,362
Other reserve	其他儲備	35	(1,236,460)	(1,236,460)
Currency translation reserve	貨幣換算儲備		599	(125)
Share-based compensation reserve	以股份為基礎補償儲備		88,902	95,417
– Share option reserve	– 購股權儲備	32	48,266	44,469
– Share award reserve	– 股份獎勵儲備	33	40,636	50,948
Shares held under the share award scheme	按股份獎勵計劃持有的股份			
		34	(214,323)	(199,643)
Retained profits	保留溢利		3,482,455	2,960,013
Equity attributable to holders of the ordinary shares	普通股持有人應佔權益		8,175,198	7,623,564
Equity attributable to holders of other equity instrument	其他權益工具持有人應佔權益	30	2,346,685	—
Equity attributable to owners of the parent	母公司擁有人應佔權益		10,521,883	7,623,564
Non-controlling interests	非控股權益		11,951	11,693
Total equity	權益總額		10,533,834	7,635,257

Dr. YIM Fung
閻峰博士
Director
董事

Ms. QI Haiying
祁海英女士
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		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 the share award scheme	Retained profits	Other equity instrument	Total	Non-controlling interests	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元		
Balance at 1 January 2016	於二零一六年一月一日的結餘	6,004,362	(1,236,460)	(125)	44,469	50,948	(199,643)	2,960,013	—	7,623,564	11,693	7,635,257
Total comprehensive income for the year	年內全面收益總額	—	—	724	—	—	—	969,139	56,740	1,026,603	208	1,026,811
Capital contribution from minority interests	少數股東權益注資	—	—	—	—	—	—	—	—	—	1,550	1,550
Recognition of equity-settled share-based payments (Note 32 and 33)	確認為權益計算以股份為基礎的付款(附註32及33)	—	—	—	14,885	81,272	—	—	—	96,157	—	96,157
Purchase of shares held under the share award scheme (Note 33 and 34)	購買根據股份獎勵計劃而持有的股份(附註33及34)	—	—	—	—	—	(68,971)	—	—	(68,971)	—	(68,971)
Vesting of shares for the share award scheme (Notes 33 and 34)	股份獎勵計劃歸屬股份(附註33及34)	—	—	—	—	(91,584)	54,291	34,983	—	(2,310)	—	(2,310)
Shares issued upon exercise of share options under the share option scheme (Note 32)	因購股權計劃下的購股權獲行使而發行的股份(附註32)	49,663	—	—	(11,088)	—	—	—	—	38,575	—	38,575
Issuance of perpetual securities	發行永續證券	—	—	—	—	—	—	—	2,329,235	2,329,235	—	2,329,235
Perpetual securities distribution	永續證券分派	—	—	—	—	—	—	—	(39,290)	(39,290)	—	(39,290)
Final dividend for 2015 (Note 10)	支付二零一五年末期股息(附註10)	—	—	—	—	—	—	(275,321)	—	(275,321)	—	(275,321)
Interim dividend for 2016 (Note 10)	支付二零一六年中期股息(附註10)	—	—	—	—	—	—	(206,359)	—	(206,359)	—	(206,359)
Interim dividend for 2016 paid to minority interests (Note)	支付少數股東權益的二零一六年中期股息(附註)	—	—	—	—	—	—	—	—	—	(1,500)	(1,500)
Balance at 31 December 2016	於二零一六年十二月三十一日的結餘	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

Note: Interim dividend paid to minority shareholders of a subsidiary.

附註：支付附屬公司少數股東的中期股息。



Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Equity attributable to owners of the parent 母公司擁有人應佔權益										
		Share capital 股本	Other reserve 其他儲備	Currency translation reserve 貨幣換算儲備	Share option reserve 購股權儲備	Share award reserve 股份獎勵儲備	Shares held under the share award scheme 根據股份獎勵計劃持有的股份	Retained profits 保留溢利	Other equity instrument 其他權益工具	Total 總計	Non-controlling interests 非控股權益	Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2015	於二零一五年一月一日的結餘	5,852,194	(1,236,460)	—	63,696	13,884	(102,897)	2,464,996	—	7,055,413	9,801	7,065,214
Total comprehensive income for the year	年內全面收益總額	—	—	(125)	—	—	—	1,013,541	—	1,013,416	1,892	1,015,308
Recognition of equity-settled share-based payments (Note 32 and 33)	確認以權益計算以股份為基礎的付款(附註32及33)	—	—	—	22,130	78,651	—	—	—	100,781	—	100,781
Purchase of shares held under the share award scheme (Note 33 and 34)	購買根據股份獎勵計劃而持有的股份(附註33及34)	—	—	—	—	—	(119,897)	—	—	(119,897)	—	(119,897)
Vesting of shares for the share award scheme (Notes 33 and 34)	股份獎勵計劃歸屬股份(附註33及34)	—	—	—	—	(41,587)	23,151	17,530	—	(906)	—	(906)
Shares issued upon exercise of share options under the share option scheme (Note 32)	因購股權計劃下的購股權獲行使而發行的股份(附註32)	152,168	—	—	(41,357)	—	—	—	—	110,811	—	110,811
Final dividend for 2014 (Note 10)	支付二零一四年末期股息(附註10)	—	—	—	—	—	—	(296,787)	—	(296,787)	—	(296,787)
Interim dividend for 2015 (Note 10)	支付二零一五年中期股息(附註10)	—	—	—	—	—	—	(239,267)	—	(239,267)	—	(239,267)
Balance at 31 December 2015	於二零一五年十二月三十一日的結餘	6,004,362	(1,236,460)	(125)	44,469	50,948	(199,643)	2,960,013	—	7,623,564	11,693	7,635,257

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net cash flows used in operating activities	經營活動所用現金流量淨額	38	(6,733,478)	(3,484,267)
Cash flows from investing activities	投資活動現金流量			
Purchases of property, plant and equipment	購買物業、廠房及設備	12	(16,090)	(27,327)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		—	70
Net cash flows used in investing activities	投資活動所用現金流量淨額		(16,090)	(27,257)
Cash flows from financing activities	融資活動現金流量			
Net proceeds from bank borrowings	銀行借款所得款項淨額		1,055,771	3,392,943
Proceeds from issuance of debt securities	發行債務證券所得款項		7,799,962	3,726,049
Repayment of debt securities	償還債務證券		(4,334,809)	(1,539,084)
Net proceeds from issuance of other equity instrument	發行其他權益工具所得款項淨額	30	2,329,235	—
Net proceeds from issuance of shares upon exercise of share options	因購股權行使而發行股份所得款項淨額	32	38,575	110,811
Distribution on other equity instrument	其他權益工具分派		(39,290)	—
Dividend paid to shareholders	支付股東股息	10	(485,947)	(539,793)
Dividend paid to minority interest shareholders	支付少數股東權益持有人股息		(1,500)	—
Capital contribution from minority interest shareholders	少數股東權益注資		1,550	—
Purchase of shares held under the share award scheme	購買根據股份獎勵計劃而持有的股份	34	(68,971)	(119,897)
Net cash flows from financing activities	融資活動現金流量淨額		6,294,576	5,031,029
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(454,992)	1,519,505
Cash and cash equivalents at beginning of year	年初現金及現金等價物		2,408,666	889,286
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		724	(125)
Cash and cash equivalents at end of year	年末現金及現金等價物		1,954,398	2,408,666
Analysis of balances of cash and cash equivalents	現金及現金等價物的結餘分析			
Cash and bank balances	現金及銀行結餘	23	1,257,571	1,340,967
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之未抵押定期存款	23	696,827	1,067,699
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		1,954,398	2,408,666
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之未抵押定期存款	23	10,000	—
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		1,964,398	2,408,606



Notes to Financial Statements

財務報表附註

31 December 2016
二零一六年十二月三十一日

I. Corporate and Group 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 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 investment.

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.

Particulars of the principal subsidiaries as at 31 December 2016 are as follows:

Company name 公司名稱	Place of incorporation and business 註冊成立及經營地點	Share capital 股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Guotai Junan (Hong Kong) Limited (“GJHK”) 國泰君安(香港)有限公司(「國泰君安香港」)	Samoa/Hong Kong 薩摩亞/香港	HK\$6,330,989,070 6,330,989,070港元	100%	—	Investment holding and provision of general administration and support services to its subsidiaries 投資控股及向其附屬公司提供一般管理及支援服務
Guotai Junan International (Singapore) Holding Pte Limited	Singapore 新加坡	SG\$300,000 300,000新加坡元	100%	—	Investment holding and provision of general administration and support services to its subsidiaries 投資控股及向其附屬公司提供一般管理及支援服務

I. 公司及集團資料

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、做市業務及投資。

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」)。

於二零一六年十二月三十一日，主要附屬公司的詳情如下：

Notes to Financial Statements

財務報表附註

31 December 2016

二零一六年十二月三十一日

I. Corporate and Group Information (continued)

Particulars of the principal subsidiaries as at 31 December 2016 are as follows: (continued)

I. 公司及集團資料(續)

於二零一六年十二月三十一日，主要附屬公司的詳情如下：(續)

Company name 公司名稱	Place of incorporation and business 註冊成立及經營地點	Share capital 股本	Percentage of equity attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Guotai Junan International Asset Management (Singapore) Pte Limited	Singapore 新加坡	SG\$1,000,000 1,000,000新加坡元	—	100%	Asset management 資產管理
Guotai Junan International Securities (Singapore) Pte Limited ¹	Singapore 新加坡	SG\$500,000 500,000新加坡元	—	100%	Distribution of research reports 發行研究報告
Guotai Junan Securities (Hong Kong) Limited 國泰君安證券(香港)有限公司	Hong Kong 香港	HK\$7,500,000,000 7,500,000,000港元	—	100%	Securities dealing and broking and provision of wealth management services 證券買賣及經紀以及提供財富管理服務
Guotai Junan Futures (Hong Kong) Limited 國泰君安期貨(香港)有限公司	Hong Kong 香港	HK\$50,000,000 50,000,000港元	—	100%	Futures dealing and broking 期貨買賣及經紀
Guotai Junan Finance (Hong Kong) Limited 國泰君安財務(香港)有限公司	Hong Kong 香港	HK\$300,000,000 300,000,000港元	—	100%	Money lending and trading in securities 借貸及證券買賣
Guotai Junan Capital Limited 國泰君安融資有限公司	Hong Kong 香港	HK\$50,000,000 50,000,000港元	—	100%	Provision of consultancy and financial services 提供諮詢及財務服務
Guotai Junan Assets (Asia) Limited 國泰君安資產管理(亞洲)有限公司	Hong Kong 香港	HK\$50,000,000 50,000,000港元	—	100%	Asset management 資產管理
Guotai Junan Fund Management Limited ² 國泰君安基金管理有限公司 ²	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	50%	Asset management and trading in securities 資產管理及證券買賣
Guotai Junan Financial Products Limited 國泰君安金融產品有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	100%	Trading in securities 證券買賣
Guotai Junan FX Limited 國泰君安外匯有限公司	Hong Kong 香港	HK\$30,000,000 30,000,000港元	—	100%	Leveraged foreign exchange dealing and broking 槓桿式外匯交易及經紀



Notes to Financial Statements

財務報表附註

31 December 2016
二零一六年十二月三十一日

I. Corporate and Group Information (continued)

Particulars of the principal subsidiaries as at 31 December 2016 are as follows: (continued)

Note 1: During the year ended 31 December 2016, the Group has incorporated the entity in order to distribute research reports in Singapore.

Note 2: The Group considers that it has the ability to govern the financial and operating policies of the entity as the Group has the power to appoint or remove the majority of the members of its board of directors.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

These financial statements were approved and authorised for issue by the Board of Directors on 17 February 2017.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets and financial liabilities at fair value through profit or loss, debt securities in issue designated as at fair value through profit or loss and derivative financial instruments which have been measured at fair value.

During the current year, management assessed the presentation of certain items in the consolidated statement of profit or loss and other comprehensive income. Accordingly the performance fee expenses, other commission expenses and net impairment charges are included in other operating expenses. The comparative figures have been reclassified to conform to the current year's presentation. There is neither any effect on the profit or loss for the year in the comparative consolidated statement of profit or loss and other comprehensive income nor the net assets in the comparative consolidated statement of financial position.

These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise stated.

I. 公司及集團資料(續)

於二零一六年十二月三十一日，主要附屬公司的詳情如下：(續)

附註1：於截至二零一六年十二月三十一日止年度，本集團註冊成立該實體，在新加坡從事發行研究報告業務。

附註2：由於本集團有權力委任或罷免董事會大多數成員，故本集團認為其有能力監管該實體的財務及營運政策。

上表載列董事認為對本年度業績產生主要影響或構成本集團資產淨值主要部分之本公司附屬公司。董事認為，列出其他附屬公司之資料會導致篇幅過於冗長。

該等財務報表已於二零一七年二月十七日獲董事會批准及授權刊發。

2.1 編製基準

該等財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」，其包括所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例編製。除按公平值計入損益的金融資產及金融負債、指定按公平值計入損益的已發行債務證券及衍生金融工具以公平值計量外，該等財務報表已根據歷史成本慣例編製。

於本年度，管理層評估綜合損益及其他全面收益表內若干項目之呈列情況。因此，表現費開支、其他佣金開支及減值支出淨額已計入其他經營開支。已將比較數據重新分類以符合本年度之呈列。此項重列，對於比較綜合損益及其他全面收益表中之年內溢利及虧損以及比較綜合財務狀況表中之資產淨值概無造成任何影響。

除另有註明，否則該等財務報表乃以港元呈列且所有數值已四捨五入折算至最接近的千位數。

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財務報表附註

31 December 2016

二零一六年十二月三十一日

2.1 Basis of Preparation (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 編製基準(續)

綜合基準

綜合財務報表載有截至二零一六年十二月三十一日止年度的本公司及其附屬公司(下文統稱「本集團」)財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團承受或享有參與被投資公司業務的可變回報以及能透過對被投資公司的權力(即本集團獲賦予現有能以主導被投資公司相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有被投資公司不足構成大多數的投票權或類似權利，則本集團於評估其是否擁有對被投資公司的權力時會考慮一切相關事實及情況，包括：

- (a) 與被投資公司其他投票權持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃與本公司於相同申報期間採納一致的會計政策編製。附屬公司業績自本集團取得控制權當日起綜合入賬，並將一直綜合入賬直至該控制權終止當日。

損益及其他全面收益的各組成部分乃屬本集團母公司擁有人及非控股權益所有，即使此舉將導致非控股權益產生虧絀餘額。有關本集團成員公司間交易之全部集團內公司間資產及負債、權益、收入、開支及現金流量將於綜合入賬時悉數抵銷。

本集團將於有事實及情況顯示上述三個控制要素中的一個或多個出現變動時重估是否控制被投資公司。附屬公司之擁有權變動(並無失去控制權)將計入股權交易。



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財務報表附註

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二零一六年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures

- (a) The Group has adopted the following accounting policy relating to perpetual securities for the first time for this year:

Perpetual securities are classified as equity if they are non-redeemable, or redeemable only at the issuer's option, and the issuer has the option to defer any distribution. Distribution to holders of perpetual securities classified as equity is recognised as distribution within equity.

- (b) The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
HKFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i>
Annual Improvements HKFRS 2012-2014 Cycle	Amendments to a number of HKFRSs

2.2 會計政策變動及披露

- (a) 本集團已於本年內首次採納以下有關永續證券的會計政策：

倘永續證券為不可贖回或僅可按發行人選擇權贖回而發行人有權遞延任何分配，則其分類為權益。分類為權益的永續證券持有人的分配確認為權益內分配。

- (b) 本集團已就本年度的財務報表首次採納以下新訂及經修訂香港財務報告準則：

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)(二零一一年)	投資實體：應用綜合入賬的例外情況
香港財務報告準則第11號(修訂本)	收購合營業務權益的會計方法
香港財務報告準則第14號	規管遞延賬目
香港會計準則第1號(修訂本)	披露計劃
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊及攤銷的可接受方法
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：生產性植物
香港會計準則第27號(修訂本)(二零一一年)	獨立財務報表的權益法
香港財務報告準則二零一二年至二零一四年週期的年度改進	多項香港財務報告準則(修訂本)

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財務報表附註

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二零一六年十二月三十一日

2.2 Changes in Accounting Policies and Disclosures (continued)

- (b) The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements: (continued)

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the Annual Improvements 2012-2014 Cycle, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

- Amendments to HKAS 1 *Disclosure Initiative*

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

- (i) the materiality requirements in HKAS 1;
- (ii) that specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated;
- (iii) that entities have flexibility as to the order in which they present the notes to the financial statements; and
- (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

2.2 會計政策變動及披露(續)

- (b) 本集團已就本年度的財務報表首次採納以下新訂及經修訂香港財務報告準則：(續)

除香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)(二零一一年)、香港財務報告準則第11號(修訂本)、香港財務報告準則第14號、香港會計準則第16號及香港會計準則第41號(修訂本)、香港會計準則第27號(修訂本)(二零一一年)以及二零一二年至二零一四年週期的年度改進所包含之若干修訂(該等修訂與編製本集團之財務報表無關)外，該等修訂之性質及影響載列如下：

- 香港會計準則第1號(修訂本)披露計劃

香港會計準則第1號(修訂本)載有對財務報表的呈列及披露範疇內具針對性的改進。該等修訂釐清：

- (i) 香港會計準則第1號內的重性規定；
- (ii) 損益及其他全面收益表及財務狀況表內的特定項目可予細分；
- (iii) 實體就彼等呈列財務報表附註的順序擁有靈活性；及
- (iv) 使用權益法入賬的分佔聯營公司及合營公司的其他全面收益必須作為單獨項目匯總呈列，並且在將會或不會其後重新分類至損益的該等項目間進行歸類。



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2.2 Changes in Accounting Policies and Disclosures (continued)

- (b) The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements: (continued)

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and other comprehensive income. The amendments have had no significant impact on the Group's financial statements.

- Amendments to HKAS 16 and HKAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern or economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

2.2 會計政策變動及披露(續)

- (b) 本集團已就本年度的財務報表首次採納以下新訂及經修訂香港財務報告準則：(續)

此外，該等修訂釐清於財務狀況表及損益及其他全面收益表內呈列額外小計時適用的規定。該等修訂並無對本集團的財務報表產生任何重大影響。

- 香港會計準則第16號及香港會計準則第38號(修訂本)澄清折舊及攤銷的可接受方法

香港會計準則第16號及香港會計準則第38號(修訂本)釐清香港會計準則第16號及香港會計準則第38號中的原則，即收益反映自經營業務(該資產為其一部分)產生的經濟利益而非通過使用資產消耗的經濟利益的模式。因此，收益法不得用於折舊物業、廠房及設備，並且僅在非常有限的情況下可用於攤銷無形資產。該等修訂經已提前應用。該等修訂並無對本集團的財務狀況或表現產生任何影響，原因是本集團並未使用收益法計算其非流動資產的折舊。

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2.2 Changes in Accounting Policies and Disclosures (continued)

(b) The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements: (continued)

- *Annual Improvements to HKFRSs 2012-2014 Cycle*

HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

2.2 會計政策變動及披露(續)

(b) 本集團已就本年度的財務報表首次採納以下新訂及經修訂香港財務報告準則：(續)

- 香港財務報告準則二零一二年至二零一四年週期的年度改進

香港財務報告準則第5號持作出售之非流動資產及終止經營業務：釐清向擁有人進行出售或作出分派的計劃的變動不應被視為一項新的出售計劃，而應被視為原計劃的延續。因此，應用香港財務報告準則第5號的規定並無變動。該等修訂亦釐清變更處置方式不會改變持作出售之非流動資產或出售組別的分類日期。該等修訂獲提前應用。由於本集團於本年度之持作出售之出售組別的出售計劃或處置方式並無任何變動，故該等修訂對本集團並無影響。



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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Standard	Content
Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ²
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> ²
HKFRS 9	<i>Financial Instruments</i> ²
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 15	<i>Revenue from Contracts with Customers</i> ²
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> ²
HKFRS 16	<i>Leases</i> ³
Amendments to HKAS 7	<i>Disclosure Initiative</i> ¹
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> ¹

- 1 Effective for annual periods beginning on or after 1 January 2017
- 2 Effective for annual periods beginning on or after 1 January 2018
- 3 Effective for annual periods beginning on or after 1 January 2019
- 4 No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的香港財務報告準則

本集團尚未於該等財務報表中採用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

準則	內容
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 ²
香港財務報告準則第4號 (修訂本)	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ²
香港財務報告準則第9號	金融工具 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本) (二零一一年)	投資者與其聯營公司或合營企業之間之資產出售或出資 ⁴
香港財務報告準則第15號	客戶合約收益 ²
香港財務報告準則第15號 (修訂本)	香港財務報告準則第15號客戶合約收益的澄清 ²
香港財務報告準則第16號	租賃 ³
香港會計準則第7號 (修訂本)	披露計劃 ¹
香港會計準則第12號 (修訂本)	就未變現虧損確認遞延稅項資產 ¹

- 1 於二零一七年一月一日或之後開始的年度期間生效
- 2 於二零一八年一月一日或之後開始的年度期間生效
- 3 於二零一九年一月一日或之後開始的年度期間生效
- 4 尚未釐定強制生效日期，惟可予採納

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財務報表附註

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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards *(continued)*

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

The HKICPA issued amendments to HKFRS 2 in August 2016 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 a certain amount in order to meet the employee's tax obligation associated with the share-based payment; 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. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

預期將適用於本集團之有關香港財務報告準則之進一步資料如下：

香港會計師公會於二零一六年八月頒佈之香港財務報告準則第2號修訂本闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎之付款交易之影響；為僱員履行與以股份為基礎付款相關之稅務責任而預扣若干金額以股份為基礎之付款交易(附有股份淨額結算特質)之分類；以及修改以股份為基礎之付款交易之條款及條件令其分類由現金結算改為權益結算時之會計處理方法。該等修訂本釐清計量以權益結算以股份為基礎付款時歸屬條件之入賬方法亦適用於以現金結算以股份為基礎之付款。該等修訂本引入一個例外情況，致使當符合若干條件時，為僱員履行稅務責任而預扣若干金額以股份為基礎之付款交易(附有股份淨額結算特質)，將整項分類為以權益結算以股份為基礎之付款交易。再者，該等修訂本釐清，倘以現金結算以股份為基礎之付款交易之條款及條件有所修改，令其成為以權益結算以股份為基礎之付款交易，則該交易自修改日期起作為以權益結算之交易入賬。本集團預期自二零一八年一月一日起採納該等修訂本。該等修訂本預期不會對本集團之財務報表造成任何重大影響。



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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards *(continued)*

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. During 2016, the Group performed a high-level assessment of the impact of the adoption of HKFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. The expected impacts arising from the adoption of HKFRS 9 are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

於二零一四年九月，香港會計師公會頒佈香港財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團預期自二零一八年一月一日起採納香港財務報告準則第9號。於二零一六年，本集團對採納香港財務報告準則第9號之影響進行高度評估。該初步評估乃基於現有資料進行，並可能因進一步詳盡分析或本集團日後可能獲得之額外合理及輔助資料而有所變動。採納香港財務報告準則第9號預期產生之影響概述如下：

(a) 分類及計量

本集團預期採納香港財務報告準則第9號將不會對其金融資產之分類及計量造成重大影響。預期將繼續以公平值計量現時以公平值持有的所有金融資產。由於該等投資擬於可見未來持有，而本集團預期於其他全面收益採納期權以呈列公平值變動，故現時持有作可供出售的股本投資將按公平值計入其他全面收益。倘投資獲終止確認，就股本投資計入其全面收益的收益及虧損不得重新計入損益。

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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards *(continued)*

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade and other receivables. The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade and other receivables upon the adoption of HKFRS 9.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

(b) 減值

香港財務報告準則第9號規定並無根據香港財務報告準則第9號按公平值計入損益的項目以攤銷成本或按公平值計入其他全面收益的債務工具、應收租賃款項、貸款承諾及財務擔保合約須作減值，並將根據預期信貸虧損模式或按十二個月基準或可使用年期基準入賬。本集團預期採納簡化方式，並將根據於所有其貿易及其他應收款項餘下年期內的所有現金差額現值估計之可使用年期預期虧損入賬。本集團將進行更詳細分析，其將考慮所有合理及輔助資料(包括前瞻因素)，以估計於採納香港財務報告準則第9號後其貿易及其他應收款項的預期信貸虧損。

香港財務報告準則第10號及香港會計準則第28號(二零一一年)修訂本解決香港財務報告準則第10號及香港會計準則第28號(二零一一年)有關處理投資者與其聯營公司或合營企業進行資產出售或注資之規定時的不一致問題。該等修訂本規定當投資者與其聯營公司或合營企業進行之資產出售或注資構成一項業務時，需全數確認收益或虧損。就涉及不構成一項業務之資產交易而言，交易產生之收益或虧損於投資者之損益確認，並僅以無關聯投資者於該聯營公司或合營企業之權益為限。該等修訂本將提前應用。香港會計師公會已於二零一六年一月廢除香港財務報告準則第10號及香港會計準則第28號(二零一一年)修訂本之前的強制生效日期，而新強制生效日期將於完成對聯營公司及合營企業會計處理作更廣泛檢討後釐定。然而，該等修訂本現時可供應用。



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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards *(continued)*

HKFRS 15 establishes a new 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 principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt HKFRS 15 on 1 January 2018. During the year ended 31 December 2016, the Group performed a preliminary assessment on the impact of the adoption of HKFRS 15.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第15號建立一個新的五步模式，用於自客戶合約產生的收益。根據香港財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。香港財務報告準則第15號的原則為計量及確認收益提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額，關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代香港財務報告準則項下所有現時收益確認的規定。二零一六年六月，香港會計師公會頒佈對香港財務報告準則第15號的修訂，以處理識別履約責任、主事人與代理人之應用指引及知識產權許可以及過渡之實施問題。該等修訂本亦擬協助確保實體於採納香港財務報告準則第15號時能更一致地應用及降低應用有關準則之成本及複雜程度。本集團預期於二零一八年一月一日採納香港財務報告準則第15號。於截至二零一六年十二月三十一日止年度，本集團已就採納香港財務報告準則第15號的影響進行初步評估。

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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (continued)

HKFRS 16 replaces HKAS 17 Leases, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases - Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt HKFRS 16 on 1 January 2019 and is currently assessing the impact of HKFRS 16 upon adoption.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會)一詮釋第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會)一詮釋第15號「經營租賃—優惠」及香港(準則詮釋委員會)一詮釋第27號「評估涉及租賃法律形式交易之內容」。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免—低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期內支付租賃款項之負債(即租賃負債)及代表相關資產使用權之資產(即使用權資產)。除非使用權資產符合香港會計準則第40號內投資物業之定義，否則使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因支付租賃款項而減少。承租人將須分別確認租賃負債之利息開支及使用權資產之折舊開支。承租人亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定未來租賃款項之一項指數或比率變更而引致該等款項變更。承租人普遍將重新計量租賃負債之金額確認為對使用權資產之調整。香港財務報告準則第16號下之出租人會計法與香港會計準則第17號下之會計法相比並無重大變動。出租人將繼續利用香港會計準則第17號內之同一分類原則將所有租賃分類，並會區分經營租賃及融資租賃。本集團預期於二零一九年一月一日採納香港財務報告準則第16號，目前正評估採納香港財務報告準則第16號之影響。



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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards *(continued)*

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

Amendments to HKAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港會計準則第7號修訂本規定實體作出披露，使財務報表使用者可評估融資活動所產生之負債變動，包括現金流量及非現金流量產生之變動。該等修訂本將導致須於財務報表作出額外披露。本集團預期自二零一七年一月一日起採納該等修訂本。

儘管香港會計準則第12號修訂本可更廣泛地應用於其他情況，惟其頒佈目的是為說明與以公平值計量之債務工具相關之未變現虧損確認遞延稅項資產。該等修訂本釐清實體於評估是否有應課稅溢利可用於抵扣可扣減暫時差額時，需要考慮稅務法例會否限制可扣減暫時差額轉回時可用於抵扣之應課稅溢利之來源。再者，該等修訂本就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括收回超過賬面金額之部分資產之情況。本集團預期自二零一七年一月一日起採納該等修訂本。

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2.4 Summary of Significant Accounting Policies

Fair value measurement

The Group measures its financial assets and financial liabilities at fair value through profit or loss, debt securities in issue designated as at fair value through profit or loss and derivative financial instruments, fund investments, debt investments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要

公平值計量

本集團於各報告期末按公平值計量其按公平值計入損益的金融資產及金融負債、指定為按公平值計入損益之已發行債務證券、衍生金融工具、基金投資、債務投資及股本投資。公平值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公平值計量乃基於出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行的假設而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債的公平值乃採用市場參與者於資產或負債定價時會採用的假設計量，並假定市場參與者以其最佳經濟利益行事。

非金融資產的公平值計量須計及市場參與者透過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者，以產生經濟效益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察參數及盡量減少使用無法觀察參數。



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2.4 Summary of Significant Accounting Policies (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要(續)

公平值計量(續)

所有於財務報表計量或披露公平值的資產及負債乃基於對公平值計量整體而言屬重大的最低層參數按以下公平值等級分類：

- | | | |
|-----|---|------------------------------------|
| 第1級 | – | 基於相同資產或負債於活躍市場的報價(未經調整) |
| 第2級 | – | 基於對公平值計量而言屬重大的最低層參數可觀察(直接或間接)的估值方法 |
| 第3級 | – | 基於對公平值計量而言屬重大的最低層參數無法觀察的估值方法 |

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公平值計量整體而言屬重大的最低層參數)確定是否發生不同等級轉移。

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2.4 Summary of Significant Accounting Policies (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

非金融資產減值

倘有跡象顯示資產出現減值，或須對資產（金融資產除外）進行年度減值測試，則會估計該項資產的可收回金額。資產的可收回金額為該資產或現金產生單位的使用價值與其公平值減出售成本中的較高者，並就個別資產予以釐定，除非該資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額乃就該資產所屬現金產生單位予以釐定。

減值虧損僅於資產的賬面值超過其可收回金額時確認。評估使用價值時，估計未來現金流量會以反映現時市場對該資產的貨幣時間價值及特定風險評估的稅前折現率，折現至其現值。減值虧損於產生期間內在損益賬中與已減值資產功能一致的支出類別內扣除。

於各報告期結束時須評估是否有跡象顯示過往確認減值虧損不再存在或已減少。如存在該跡象，則會估計可收回金額。過往確認的資產減值虧損僅會於用以釐定該資產可收回金額的估計改變時撥回，惟撥回後的金額不得高於假設過往年度並無就資產確認減值虧損而應已釐定的賬面值（扣除任何折舊）。撥回的減值虧損於所產生期間計入損益賬。



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2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

	Shorter of the remaining lease term and the useful life of the buildings
Leasehold land under finance leases	
Buildings	25-40 years
Leasehold improvements	3 years
Office equipment	3 years
Furniture and fixtures	3 years
Motor vehicles	3 years

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊

物業、廠房及設備乃以成本減累計折舊及任何減值虧損後列賬。物業、廠房及設備項目成本包括其購買價及使該項資產處於現行運作狀況及運送至其預期使用位置的直接應佔成本。

物業、廠房及設備項目投入運作後產生的支出，如維修及保養費用，一般於產生期間自損益賬扣除。在符合確認標準的情況下，用於重大檢測的開支將作為重置該資產，並撥作資本性費用列入該資產的賬面值中。倘物業、廠房及設備的重要部分需不時更換，本集團會將該等部分確認為具特定可使用年期的個別資產，並相應計算折舊。

物業、廠房及設備項目乃按直線法，就其估計可使用年期，撇銷成本至其剩餘價值計算折舊。就此而採用的主要年率如下：

	樓宇的剩餘租賃年期及可使用年期 (以較短者為準)
融資租約下的租賃土地	二十五至四十年
樓宇	三年
租賃物業裝修	三年
辦公室設備	三年
傢俬及裝置	三年
汽車	三年

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2.4 Summary of Significant Accounting Policies (continued)

Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets

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

Intangible assets, representing club membership and eligibility rights to trade on or through The Hong Kong Stock Exchange Limited (the "Stock Exchange") and The Hong Kong Futures Exchange Limited, with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. These intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊(續)

當物業、廠房及設備項目的部分各有不同可使用年期，該項目的成本按合理基準在各部分中分配，而各部分作個別折舊。剩餘價值、可使用年期及折舊方法至少於每個財政年度結束時進行檢討並作出適當調整。

物業、廠房及設備項目以及初始確認的任何重大部分於出售或預期使用或出售不再帶來未來經濟效益時終止確認。在終止確認資產年度內於損益賬所確認的出售或報銷盈虧，為有關資產的銷售所得款項淨額與賬面值的差額。

無形資產

無形資產初始確認時按成本計量。無形資產可分為有特定可使用年期或無特定可使用年期。有特定可使用年期的無形資產其後於可使用經濟年期內攤銷，並在有跡象顯示無形資產可能出現減值時進行減值評估。有特定可使用年期的無形資產的攤銷年期及攤銷方法最少於各財政年度末檢討一次。

無特定可使用年期的無形資產包括會所會籍及符合資格於香港聯合交易所有限公司(「聯交所」)及香港期貨交易所有限公司或透過其進行買賣的合資格權利，乃個別或按現金產生單位組別按年進行減值測試。該等無形資產無須攤銷。無特定可使用年期的無形資產的可使用年期會每年檢討，以釐定無特定使用年期評估是否仍然適合。如不適用，資產由無特定可使用年期轉至有特定可使用年期作出評估的改變，乃按未來使用基準入賬。



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2.4 Summary of Significant Accounting Policies (continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of these leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss and loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 主要會計政策概要(續)

租賃

資產所有權(法定業權除外)的絕大部分報酬與風險轉移至本集團的租賃入賬列為融資租賃。自融資租賃開始時,租賃資產的成本按最低租賃費用的現值撥充資本,並連同債務(不計利息)列賬,以反映購入及融資情況。以撥作資本的融資租賃持有的資產(包括融資租賃下預付土地租賃付款)列為物業、廠房及設備,並按資產的租期與估計可使用年期兩者之中較短者折舊。該等租賃的融資成本於損益賬內扣除,以按租期計算固定扣除率。

資產所有權的絕大部分回報及風險仍歸於出租人的租賃入賬列作經營租賃。倘本集團為出租人,本集團按經營租賃出租的資產列為非流動資產,而按經營租賃應收的租金會按租期以直線法計入損益賬。倘本集團為承租人,經營租賃項下應付租金在扣除自出租人收取的任何獎勵金後,按租賃年期以直線法自損益賬中扣除。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時乃分類為按公平值計入損益的金融資產及貸款及應收款項。除按公平值計入損益的金融資產外,當初始確認金融資產時,以公平值加上因收購金融資產而產生的交易成本計量。

所有循正常途徑買賣的金融資產於交易日(即本集團承諾購買或出售該資產當日)確認。循正常途徑買賣指規定須於市場所規定或按慣例一般既定的期間內付運資產的金融資產買賣。

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2.4 Summary of Significant Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

- *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in revenue in profit or loss. The loss arising from impairment is recognised in profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

隨後計量

金融工具的隨後計量取決於其分類如下：

- *按公平值計入損益的金融資產*

按公平值計入損益的金融資產包括持作買賣金融資產及於初始確認時指定為按公平值計入損益的金融資產。倘所收購的金融資產主要用於在短期內銷售，則歸類為持作買賣。衍生工具亦歸類為持作買賣的金融資產，惟獲指定為實際對沖工具(定義見香港會計準則第39號)者除外。

按公平值計入損益的金融資產於財務狀況表按公平值列賬，公平值變動淨額於損益賬確認。該等公平值變動淨額並不包括此等金融資產賺取的任何股息或利息，股息或利息根據下文「收益確認」載列的政策確認。

於初始確認時指定為按公平值計入損益的金融資產僅在香港會計準則第39號所載標準獲達成情況下於初始確認日期獲指定。

- *貸款及應收款項*

貸款及應收款項為具有固定的或可釐定付款，但在活躍市場中無報價的非衍生金融資產。初步計量後，該等資產其後以實際利率法，以攤銷成本減去任何減值撥備計量。攤銷成本乃計及收購的任何折讓或溢價後計算，並包括屬於實際利率組成部分的費用或成本。實際利率攤銷計入損益賬的收益。減值產生的虧損於損益賬確認。



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2.4 Summary of Significant Accounting Policies (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 主要會計政策概要(續)

終止確認金融資產

金融資產(或(如適用)一項金融資產部分或類似金融資產組別的部分)將主要在下列情況下終止確認(即自本集團的綜合財務狀況表中剔除):

- 自該資產收取現金流量的權利屆滿;或
- 本集團已轉讓自資產收取現金流量的權利,或有責任根據「轉手」安排,在無重大延誤的情況下將已收取的現金流量全部支付予第三方;及(a)本集團已轉讓該資產的絕大部分風險及回報,或(b)本集團概無轉讓亦無保留該資產的絕大部分風險及回報,但已轉讓該資產的控制權。

倘本集團已轉讓其收取資產現金流量的權利或已訂立轉手安排,其會評估其是否及何種程度上保留該資產所有權的風險及回報。當其概無轉讓亦無保留該資產絕大部分風險及回報,亦無轉讓該資產的控制權,則本集團按其持續參與該資產的程度繼續確認有關轉讓資產。在此情況下,本集團亦會確認相關負債。已轉讓資產及相關負債以本集團保留的相關權利及義務為基準計量。

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2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 主要會計政策概要(續)

金融資產減值

本集團於各報告期末評估是否存在任何客觀證據顯示一項金融資產或一組金融資產出現減值。當於初始確認該資產後發生的一項或多項事件對金融資產或一組金融資產的估計未來現金流量構成影響，並能可靠地估算時，則出現減值。減值證據可能包括以下跡象：債務人或一組債務人正面臨重大財務困難、違約或拖欠償還利息或本金，很可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，評估是否存在減值。倘本集團認定經按個別基準評估的金融資產（無論重大與否）並無客觀跡象顯示存有減值，則該項資產會計入一組具有相似信貸風險特性的金融資產內，並共同評估該組金融資產是否存在減值。經個別減值評估並確認或繼續確認出現減值虧損的資產，不會計入組合減值評估內。

所發現的任何減值虧損金額按該資產賬面值與估計未來現金流量（不包括並未產生的未來信貸虧損）現值兩者的差額計量。估計未來現金流量的現值以金融資產的原實際利率（即初次確認時計算的實際利率）折現。



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2.4 Summary of Significant Accounting Policies (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is charged to other operating expenses in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating expenses in profit or loss.

Derivative financial instruments

The Group's derivative financial instruments are initially recognised at their fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss and other comprehensive income.

Whilst the Group enters into a derivative contract for trading purposes or to provide economic hedges under the Group's risk management framework, it does not apply hedge accounting.

2.4 主要會計政策概要(續)

金融資產減值(續)

按攤銷成本列賬的金融資產(續)

該資產的賬面值會通過使用備抵賬而減少，而虧損金額於損益賬之其他經營開支內扣除。利息收入於減少後的賬面值中持續產生，且採用計量減值虧損時用以折現未來現金流量的利率累計。若貸款及應收款項於日後並無收回的可能性及所有抵押品已變現或已轉讓予本集團，則需連同任何相關撥備一併撇銷。

倘若在往後期間估計減值虧損金額由於確認減值後發生的事項而增加或減少，則透過調整撥備賬增加或減少先前確認的減值虧損。倘撇銷於其後收回，該項收回將計入損益賬其他經營開支。

衍生金融工具

本集團衍生金融工具於衍生合約訂立日期初步按其公平值確認，其後按公平值再次計量。

倘公平值為正數，衍生工具以資產入賬，而公平值倘為負數，則以負債入賬。衍生工具的公平值變動產生的任何盈虧直接計入損益及其他全面收益。

當本集團根據本集團風險管理框架為交易目的或提供經濟對沖而訂立衍生工具合約時，並不應用對沖會計。

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2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities

Initial recognition and measurement

The Group's financial liabilities include accounts and other payables, financial liabilities at fair value through profit or loss, bank borrowings, obligations under repurchase agreements and debt securities in issue. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are classified into two categories: financial liabilities at fair value through profit or loss and other financial liabilities. All financial liabilities are classified at inception and recognised initially at fair value.

- *Financial liabilities at fair value through profit or loss*

This category has two sub-categories: financial liabilities held for trading, and those designated as at fair value through profit or loss at inception.

A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing in the short term. It is carried at fair value and any gains and losses from changes in fair value are recognised in profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

2.4 主要會計政策概要(續)

金融負債

初始確認及計量

本集團的金融負債包括應付賬款及其他應付款項、以公平值計入損益的金融負債、銀行借款、回購協議的債項以及已發行債務證券。本集團於首次確認時釐定其金融負債的分類。

所有金融負債初始確認時以公平值計量，倘屬貸款及借款，則須扣除直接應佔交易成本。

隨後計量

金融負債歸為兩種類別：以公平值計入損益的金融負債及其他金融負債。所有金融負債最初按公平值歸類及確認。

- *以公平值計入損益的金融負債*

該類別分為兩項子類：持作買賣的金融負債及最初指定以公平值計入損益的金融負債。

若產生的金融負債主要為短期內購回用途，則歸類為持作買賣的金融負債。此類負債按公平值列賬，公平值變動產生的任何損益於損益賬內確認。

於初始確認時指定為按公平值計入損益的金融負債僅在香港會計準則第39號所載標準獲達成情況下於初始確認日期獲指定。



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2.4 Summary of Significant Accounting Policies (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

- *Other financial liabilities*

After initial recognition, accounts payable and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.4 主要會計政策概要(續)

金融負債(續)

隨後計量(續)

- *其他金融負債*

於初始確認後，應付款項及計息銀行借款其後採用實際利率法以攤銷成本計量，除非折現影響非屬重大，在此情況下，則按成本列賬。當負債終止確認時，收益及虧損於損益賬並透過以實際利率攤銷程序確認。

攤銷成本乃經考慮於購入時的任何折價或溢價以及實際利率組成部分的費用或成本後計算。實際利率攤銷額包含在損益賬的融資成本中。

終止確認金融負債

倘金融負債的責任被解除、取消或到期，則須終止確認金融負債。

倘現有金融負債被來自同一貸款人的另一項與現有大部分條款不相同的負債所替代，或現有負債的條款大部分被修訂，該項交換或修訂作為終止確認原有負債及確認新負債處理，兩者相應賬面值的差額於損益賬內確認。

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2.4 Summary of Significant Accounting Policies (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Shares held under the share award scheme

Own equity instruments which are reacquired (shares held under the share award scheme) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

Client trust bank balances

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from normal business transactions. The Group has classified the clients' monies as client trust bank balances under the current assets in the consolidated statement of financial position as the Group is allowed to retain some or all of the interest income on the clients' monies and recognised corresponding accounts payable to the respective customers in the current liabilities clients on grounds that it is liable for any loss or misappropriation of clients' monies. Under the Hong Kong Securities and Futures Ordinance (Cap. 571) and the Hong Kong Insurance Companies Ordinance (Cap. 41), the Group is not allowed to use the clients' monies to settle its own obligation.

2.4 主要會計政策概要(續)

抵銷金融工具

倘存在現時可強制執行的法律權利可抵銷已確認金額，且有意以淨額基準結算或同時變現資產及清償負債，則可抵銷金融資產及金融負債，而淨額於財務狀況表呈報。

根據股份獎勵計劃持有股份

購回本身的權益工具(根據股份獎勵計劃持有股份)按成本確認並於權益中扣除。本集團購買、出售、發行或註銷本身的權益工具所得收益或虧損將不計入損益賬。賬面值與代價之間的任何差額於權益確認。

客戶信託銀行結餘

本集團於獲授權金融機構開設信託及獨立賬戶，以保管客戶來自一般業務交易的存款。本集團將客戶款項歸類為綜合財務狀況表流動資產項下的客戶信託銀行結餘，原因為本集團獲准保留客戶款項的部分或全部利息收入，並基於其對客戶款項的任何損失或挪用負責而確認應付流動負債賬戶內有關客戶的相應款項。根據香港證券及期貨條例(第571章)及香港保險公司條例(第41章)，本集團不得動用客戶款項清償其自身債務。



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2.4 Summary of Significant Accounting Policies (continued)

Fiduciary activities

Apart from the client trust bank balances as mentioned above, the Group provides brokerage and asset management services and the Group acts in a fiduciary capacity which results in the holding or placing of assets on behalf of its customers. These assets and any gains or losses arising thereon are not included in these financial statements as the Group has no contractual rights to these assets and its gains or losses under fiduciary activities.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Other assets

Other assets represent the deposits and admission fee paid to the Stock Exchange, Hong Kong Futures Exchange Limited, Hong Kong Securities Clearing Company Limited and other regulators. They are intended to be held on a long-term basis and are stated at cost less impairment losses.

2.4 主要會計政策概要(續)

受託活動

除上文所述的客戶信託銀行結餘外，本集團提供經紀服務及資產管理服務，本集團在當中以受託人身份行事，以致須代其客戶持有或配售資產。該等資產及其所產生的任何收益或虧損不會計入本財務報表，原因為本集團對該等資產及其根據受託活動的收益或虧損概無合約權利。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，通常於收取時到期日為三個月以內，減須按要求償還的銀行透支，並構成本集團現金管理的一部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭及銀行現金(包括定期存款及與現金性質相似的資產)，其用途並無限制。

其他資產

其他資產指支付予聯交所、香港期貨交易所有限公司、香港中央結算有限公司及其他監管機構的按金及准入費。其他資產擬作長期持有，並按成本減去減值虧損列賬。

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2.4 Summary of Significant Accounting Policies (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

撥備

由於過往發生的事件引致目前出現法定或推定責任，而該等責任很可能導致日後資源流出以履行責任，並能夠可靠估計責任金額時，則確認撥備。

當有重大折現影響時，會就預期須用作支付責任的未來開支於報告期末的現值確認撥備。因時間流逝所導致折現現值的金額增加，會列入損益賬的融資成本。

所得稅

所得稅包括即期及遞延稅項。於損益賬外確認的各項目，其有關所得稅於損益賬外的其他全面收益或直接於權益內確認。

本期及過往期間的即期稅項資產及負債乃經考慮本集團經營所在國家的現行詮釋及慣例，根據於報告期末的已制訂或實際已制定的稅率（及稅務法例），按預期可自稅務機關收回或付予稅務機關的數額計量。

於報告期末，資產與負債的稅基與其作為財務申報用途的賬面值之間的所有暫時差額，須按負債法就遞延稅項撥備。



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2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

2.4 主要會計政策概要(續)

所得稅(續)

所有應課稅暫時差額均會確認遞延稅項負債，惟以下情況例外：

- 非業務合併的交易中經初始確認商譽或資產或負債而產生的遞延稅項負債，而有關交易對會計溢利或應課稅損益概無構成影響；及
- 對於涉及於附屬公司的投資的應課稅暫時差額而言，撥回暫時差額的時間可以控制，而暫時差額很可能不會在可見將來撥回。

對於所有可予扣減的暫時差額、承前未動用稅項抵免及未動用稅項虧損，均確認遞延稅項資產。若很可能出現應課稅溢利用以抵銷該等可扣減暫時差額、承前未動用稅項抵免及未動用稅項虧損，則遞延稅項資產可確認入賬，惟以下情況例外：

- 非業務合併的交易中初始確認資產或負債而產生可扣減暫時差額的遞延稅項資產，而有關交易對會計溢利或應課稅損益概無構成影響；及
- 對於涉及於附屬公司的投資的可扣減暫時差額而言，只有在暫時差額很可能於可見將來撥回，且很可能出現應課稅溢利用以抵銷該等暫時差額時，方會確認遞延稅項資產。

遞延稅項資產的賬面值乃於各報告期末進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利用以抵銷全部或部分遞延稅項資產為止。未確認的遞延稅項資產乃按可能獲得足夠應課稅溢利以抵銷全部或部分遞延稅項資產的情況下於報告期末重新評估並予以確認。

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2.4 Summary of Significant Accounting Policies (continued)

Income tax (continued)

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

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) commission income from securities, futures and options brokerage, on the transaction dates when the relevant contract notes are exchanged;
- (ii) net income from leveraged foreign exchange transactions, on the contract dates;
- (iii) commission income from the provision of insurance brokerage services, on an accrual basis in accordance with the terms of the underlying agreements;
- (iv) commission income from underwriting/placing/sub-underwriting in securities, on execution of each significant act based on the terms of underlying agreements and mandates;
- (v) management, consultancy, financial advisory fees and handling income, when the services have been rendered;
- (vi) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產及負債乃根據於各報告期末已實施或實質上已實施的稅率(及稅務法例)，按變現資產或清償負債的期間預期適用的稅率予以計量。

收入確認

收入乃於經濟利益很可能流入本集團及收入能可靠計量時確認，基準如下：

- (i) 證券、期貨及期權經紀的佣金收入，於交易日交換有關成交單據時確認；
- (ii) 槓桿外匯交易收入淨額於合約日期獲確認；
- (iii) 提供保險經紀服務的佣金收入，根據相關協議的條款按應計基準確認；
- (iv) 包銷／配售／分包銷證券的佣金收入，乃根據相關協議及授權的條款於執行每一個重大行動時確認；
- (v) 管理、諮詢、財務顧問費及手續費收入，於提供該等服務時確認；
- (vi) 利息收入按應計方式以實際利率法確認，方法是將金融工具在預計可用年期或較短期間估計未來現金收入以適用利率準確折現計算至金融資產賬面淨值；



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2.4 Summary of Significant Accounting Policies (continued)

Revenue recognition (continued)

- (vii) dividend income, when the shareholders' right to receive payment has been established;
- (viii) performance fees, on the day of the investment funds and managed accounts when there is a positive performance for the relevant performance period, taking into consideration the relevant basis of calculation for the investment funds and managed accounts;
- (ix) information services income, when the services have been rendered;
- (x) rental income, on a time proportion basis over the lease term; and
- (xi) net gains/losses on financial assets at fair value through profit or loss and those held for trading, include realised gains/losses which are recognised on the transaction dates when the relevant contract notes are exchanged; and unrealised fair value gains/losses which are recognised in the period in which they arise.

Employee benefits

(a) Retirement benefit scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

2.4 主要會計政策概要(續)

收入確認(續)

- (vii) 股息收入，於股東收取該款項的權利獲確立時確認；
- (viii) 倘於有關表現期間表現良好，在計及投資基金及管理賬戶的相關計算基準下，則表現費會於投資基金及管理賬戶日期予以確認；
- (ix) 信息服務費收入，於提供該等服務時確認；
- (x) 租金收入，根據租期按時間比例基準確認；及
- (xi) 按公平值計入損益及持作買賣的金融資產的收益／虧損淨額包括已變現收益／虧損，於交易日交換有關成交單據時確認；及未變現公平值收益／虧損於產生期間確認。

僱員福利

(a) 退休福利計劃

本集團根據強制性公積金計劃條例，為所有僱員設立界定供款的強制性公積金退休福利計劃(「強積金計劃」)。根據強積金計劃的規則，供款額按僱員基本薪酬的一定百分比計算，並於產生時在損益賬中扣除。強積金計劃的資產乃以獨立管理基金方式與本集團的資產分開持有。本集團向強積金計劃繳納僱主供款後，該等供款即全數歸僱員所有。

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2.4 Summary of Significant Accounting Policies (continued)

Employee benefits (continued)

(b) Bonuses

The Group recognises a liability and an expense for bonuses, based on an approved formula that takes into consideration the profit attributable to the Group after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Share-based payments

The Company operates two equity-settled share-based compensation schemes including a share option scheme and a share award scheme for the purpose of assisting in recruiting, retaining and motivating key staff members. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in the "share award reserve" and "share option reserve" under equity, over the period in which the performance and/or service conditions are fulfilled in share-based compensation expense. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 主要會計政策概要(續)

僱員福利(續)

(b) 花紅

本集團按照認可計算方法就花紅確認負債及開支，該計算方法已考慮本集團應佔溢利並作出若干調整。於出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

(c) 以股份為基礎付款

本公司採納兩項以股份為基礎權益結算薪酬計劃(包括一項購股權計劃及一項股份獎勵計劃)，以協助招聘、挽留及激勵關鍵員工。本集團的僱員(包括董事)獲得以股份為基礎付款形式的薪酬，據此，僱員以提供服務作為權益工具的代價(「以權益結算交易」)。

與僱員以權益結算交易的成本乃參考其於授出日期的公平值計量。以權益結算交易的成本於表現及/或服務條件達成期間與相應的權益下「股份獎勵儲備」及「購股權儲備」增加一併在以股份為基礎補償開支下確認。於各報告期末直至歸屬日期就以權益結算交易確認的累計開支，反映歸屬期間已屆滿及本集團將最終歸屬的權益工具數目的最佳估計。於某期間的損益賬內扣除或計入的金額指於該期間的期初及期末確認的累計開支變動。



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2.4 Summary of Significant Accounting Policies (continued)

Employee benefits (continued)

(c) Share-based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect (if any) of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要(續)

僱員福利(續)

(c) 以股份為基礎付款(續)

最終並無歸屬的獎勵不會確認支銷，惟歸屬以市場或非歸屬條件為條件的以權益結算交易除外，無論市場或非歸屬條件是否達成，其均會被視為已歸屬，惟所有其他表現及／或服務條件須已達成。

倘以權益結算獎勵的條款獲修訂，開支會按最低金額予以確認，猶如條款並未修改。此外，倘任何修訂會增加以股份為基礎付款的公平值總額，或於修訂日期計量時有利於僱員，則會確認為開支。

倘以權益結算獎勵被註銷，則被視為於註銷當日已歸屬處理，而尚未就該獎勵確認的任何開支須即時予以確認，當中包括未達成本集團或僱員控制以內非歸屬條件的任何獎勵。然而，倘有一項新獎勵取代已經註銷獎勵，及於授出當日被指定為該獎勵的替代品，則該已註銷及新獎勵均被視為原有獎勵的修訂(見上段所述)處理。

尚未行使購股權的攤薄影響(如有)乃於計算每股盈利時反映為額外股份攤薄。

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2.4 Summary of Significant Accounting Policies (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Securities borrowing and lending agreements

The Group has engaged in the securities borrowing and lending business with financial institutions and the Group's customers, under which all transactions are secured in the form of cash. The Group maintains no net position in such securities borrowing and lending transactions and is not subject to significant price risk. However, under the securities borrowing and lending arrangements, the cash collateral received and cash collateral placed is included in the accounts payable and accounts receivable from brokers and dealers respectively. Fees received or paid in connection with securities borrowing and lending is recorded as interest income or interest expense, respectively.

Assets sold under repurchase agreements (repos)

In addition, the Group may enter into repurchase agreements whereby securities are sold to third parties with a concurrent agreement to repurchase the securities at a specified date. The securities related to these agreements are not derecognised from the Group's financial statements, but are retained within the appropriate financial assets classification. The Group may be required to provide additional collateral based on the fair value of the underlying assets if necessary.

2.4 主要會計政策概要(續)

股息

末期股息將於股東大會上獲股東批准後確認為負債。

由於公司組織章程細則授予董事會權力宣派中期股息，擬派中期股息可即時宣派。因此，中期股息於建議派發及宣派時即時確認為負債。

證券借貸協議

本集團從事與金融機構及本集團客戶的證券借貸業務，所有交易均以現金作為抵押品。本集團於該等證券借貸交易中並無維持任何淨倉，故並無面對重大價格風險。然而，根據證券借貸安排，所收取的現金抵押品以及所存放的現金抵押品分別計入應付款項以及應收經紀及交易商款項。與證券借貸有關的已收或已付費用分別記錄為利息收入或利息開支。

根據回購協議出售的資產(回購協議)

此外，本集團可能訂立回購協議，據此向同時訂有於指定日期回購證券的協議的第三方出售證券。有關該等協議的證券不會在本集團的財務報表解除確認，而是保留於適當的金融資產分類內。於必要時，本集團可能須基於相關資產的公平值提供額外抵押品。



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2.4 Summary of Significant Accounting Policies (continued)

Assets purchased under agreements to resell (reverse repos)

The Group may enter into purchases of assets under agreements to resell. Reverse repos are initially recorded at the cost of the loan or collateral advanced in the consolidated statement of financial position. 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. In the event of failure by the counterparty to repay the loan, the Group has the right to the underlying assets.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange prevailing at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss and other comprehensive income.

2.4 主要會計政策概要(續)

根據重售協議(反向回購協議)購置的資產

本集團可能根據重售協議進行資產購買。反向回購協議初始按貸款或墊付抵押品的成本於綜合財務狀況表內入賬。該等證券未於本集團的綜合財務狀況表內確認，因為交易方保留相關證券的絕大部分風險及回報。倘交易方未能償還貸款，則本集團有權擁有相關資產。

外幣

該等財務報表乃以港元(即本公司的功能及呈列貨幣)呈列。本集團屬下各實體自行釐定其本身的功能貨幣，而各實體的財務報表項目均以功能貨幣計量。本集團屬下實體的外幣交易初始按交易當日適用的功能貨幣匯率入賬。以外幣列賬的貨幣資產及負債按於報告期末適用的功能貨幣匯率重新換算。貨幣項目結算或換算產生的所有差額於損益賬內確認。

若干海外附屬公司的功能貨幣並非港元。於報告期末，有關實體的資產與負債，按報告期末適用的匯率換算為港元，而其損益及其他全面收益表按本年度的加權平均匯率換算為港元。

因此而產生的匯兌差額於其他全面收益確認並於貨幣換算儲備累計。出售海外業務時，與該項特定海外業務有關的其他全面收益的組成部分在綜合損益及其他全面收益表中確認。

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2.4 Summary of Significant Accounting Policies (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要(續)

關聯方

在下列情況下，一方將被視為與本集團有關：

- (a) 該方為以下人士或以下人士家族的近親屬：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 該方為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一間實體為另一實體(或另一實體的母公司、附屬公司或同系附屬公司)的聯營公司或合資公司；
 - (iii) 該實體及本集團均為同一第三方的合資公司；
 - (iv) 一間實體為第三方實體的合資公司，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體的僱員；
 - (vi) 該實體由(a)項所述人士控制或共同控制；
 - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理層成員；及
 - (viii) 向本集團或向本集團的母公司提供主要管理人員服務的實體或其所屬集團的任何成員公司。



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3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Taxes

Significant judgement is required in determining the provisions for income and other taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact the income tax and deferred tax provisions in the period in which the determination is made.

3. 重大會計判斷及估計

於編製本集團的財務報表時，管理層須作出會影響收益、開支、資產及負債的已呈報金額、其隨附披露以及或然負債披露的判斷、估計及假設。該等假設及估計的不確定因素可能導致未來須對受到影響的資產或負債的賬面值作出重大調整。

判斷

於應用本集團會計政策過程中，除涉及估計外，管理層已作出下列判斷，該等判斷對財務報表內確認的數額具重大影響：

稅項

釐定所得稅及其他稅項撥備時需要作出重大判斷。於一般業務過程中，多項交易及計算的最終稅項結果不能確定。本集團就預期稅務審核事宜（基於是否需要額外稅項的估計）確認負債。倘若該等事宜的最終稅項結果與最初記錄的金額有差異，則有關差異將會影響於作出確定的期間內所得稅及遞延稅項撥備。

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3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty

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

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses as at 31 December 2016 was amounted to HK\$16.4 million (2015: HK\$7.0 million). The amount of unrecognised tax losses at 31 December 2016 was approximately HK\$21.2 million (2015: HK\$15.7 million). Further details are contained in note 15 to the financial statements.

Impairment allowances on loans and advances to customers and accounts receivable

The Group reviews its loans and advances to customers and accounts receivable to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in the Group. Management uses estimates based on historical loss experience when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. Where the expectation is different from the original estimate, such difference will affect the carrying value of loans and receivables and thus the impairment charge in the period in which the estimate is changed. Further details are contained in notes 16 and 18 to the financial statements.

3. 重大會計判斷及估計(續)

估計不確定因素

有關未來的主要假設以及其他主要估計不確定因素於報告期末會為下個財政年度資產與負債賬面值帶來重大調整風險之來源如下。

遞延稅項資產

僅在很可能取得未來應課稅盈利與可動用的所有未用稅項虧損抵免抵銷的該等遞延稅項資產，方能確認。在釐定可予確認的遞延稅項資產的數額時，管理層須根據可能的時間、未來應課稅溢利的水平連同未來稅務規劃策略作出重大判斷。於二零一六年十二月三十一日的已確認稅項虧損的遞延稅項資產賬面值為16.4百萬港元(二零一五年：7.0百萬港元)。於二零一六年十二月三十一日的未確認稅項虧損數額約為21.2百萬港元(二零一五年：15.7百萬港元)。進一步詳情載於財務報表附註15。

給予客戶的貸款及墊款以及應收賬款減值撥備

本集團最少每月一次檢討其給予客戶的貸款及墊款以及應收賬款以便評估減值。決定應否在損益賬計入減值虧損時，本集團就是否有任何能察見的數據顯示估計未來現金流量出現可量度的減少作出判斷。該等跡象可包括可察見數據顯示本集團借款人的還款狀況有不利變化。在編製未來現金流量時，管理層根據過往虧損經驗作出估算。估算未來現金流量數額及時間所用的方法及假設會定期檢討，以減低估算虧損與實際虧損之間的任何差額。當預期有別於原先估計時，有關差異將影響貸款及應收款項的賬面值，並將因此影響於估計轉變期間的減值開支。進一步詳情載於財務報表附註16及18。



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3. Significant Accounting Judgements and Estimates *(continued)*

Estimation uncertainty *(continued)*

Valuation of financial assets at fair value through profit or loss

The fair value of financial assets designated as at fair value through profit or loss that are not traded in an active market is determined by using external valuations or valuation techniques. The Group uses a variety of methods and makes assumptions that are mainly based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by other market participants. Changes in assumptions on the valuation techniques could affect the reported fair values of these financial assets. Further details are contained in notes 20 and 41 to the financial statements.

4. 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.

3. 重大會計判斷及估計(續)

估計不確定因素(續)

按公平值計入損益的金融資產估值

並非於活躍市場買賣的按公平值計入損益的金融資產的公平值採用外部估值或估值方法釐定。本集團採用多種方法及作出多項主要以各報告日期市況為基準的假設。所用估值方法包括使用可資比較近期公平磋商交易、貼現現金流量分析、期權定價模式及其他市場參與者普遍使用的其他估值方式。有關估值方法的假設變動可能影響該等金融資產的報告公平值。進一步詳情載於財務報表附註20及41。

4. 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管理層提供的內部報告一致。本集團的經營業務乃按其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。

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4. Operating Segment Information (continued)

Details of each of the operating segments are as follows:

- (a) the brokerage segment engages in the provision of securities, futures, 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, debt and equity investment, structuring of financial products as well as trading and market making of debt securities, exchange traded funds (“ETF”) 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.

4. 經營分部資料(續)

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服務；
- (b) 企業融資分部從事提供諮詢服務、債務及股票證券的配售及承銷服務；
- (c) 資產管理分部從事資產管理，包括基金管理及提供投資諮詢服務；
- (d) 貸款及融資分部從事向孖展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、債務及股本投資、結構性金融產品以及債務證券、交易所交易基金（「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。

分部之間的交易（如有）乃參照向第三方收取的價格而進行。



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4. Operating Segment Information (continued)

The segment results of the Group for the years ended 31 December 2016 and 2015 are as follows:

Year ended 31 December 2016

4. 經營分部資料(續)

截至二零一六年及二零一五年十二月三十一日止年度，本集團的分部業績如下：

截至二零一六年十二月三十一日止年度

		Brokerage 經紀 HK\$'000 千港元	Corporate finance 企業融資 HK\$'000 千港元	Asset management 資產管理 HK\$'000 千港元	Loans and financing 貸款及融資 HK\$'000 千港元	Financial products, market making and investments 金融產品、 做市及投資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue and other income:	分部收益及其他收入：							
Sales to external customers	銷售予外部客戶	393,000	456,649	28,487	1,297,278	343,773	2,608	2,521,795
Inter-segment sales	分部之間銷售	—	—	—	—	—	—	—
Total	總計	393,000	456,649	28,487	1,297,278	343,773	2,608	2,521,795
Segment results	分部業績	85,637	147,602	(3,912)	674,450	284,830	—	1,188,607
Income tax expense	所得稅開支							(162,520)
Profit for the year	年內溢利							1,026,087
Other segment information:	其他分部資料：							
Net impairment charge on loans and advance to customers	給予客戶貸款及墊款減值淨額	—	—	—	105,830	—	—	105,830
Net impairment charge on accounts receivable	應收款項減值淨額	42	—	—	—	—	—	42
Depreciation	折舊	6,958	10,447	1,695	15,595	—	—	34,695
Finance costs	融資成本	8,848	—	—	272,862	55,086	—	336,796

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4. Operating Segment Information (continued)

Year ended 31 December 2015

4. 經營分部資料(續)

截至二零一五年十二月三十一日止年度

		Brokerage 經紀 HK\$'000 千港元	Corporate finance 企業融資 HK\$'000 千港元	Asset management 資產管理 HK\$'000 千港元	Loans and financing 貸款及融資 HK\$'000 千港元	Financial products, market making and investments 金融產品、 做市及投資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue and other income:	分部收益及其他收入：							
Sales to external customers	銷售予外部客戶	719,945	281,447	53,092	1,076,018	146,106	1,899	2,278,507
Inter-segment sales	分部之間銷售	—	—	—	—	—	—	—
Total	總計	719,945	281,447	53,092	1,076,018	146,106	1,899	2,278,507
Segment results	分部業績	288,643	117,458	15,650	645,331	101,040	—	1,168,122
Income tax expense	所得稅開支							(152,689)
Profit for the year	年內溢利							1,015,433
Other segment information:	其他分部資料：							
Net impairment charge on loans and advances to customers	給予客戶貸款及墊款減值淨額	—	—	—	173	—	—	173
Net impairment charge on accounts receivable	應收款項減值淨額	5,071	264	—	—	—	—	5,335
Depreciation	折舊	9,003	7,532	1,474	10,655	—	—	28,664
Finance costs	融資成本	21	—	—	204,475	45,066	—	249,562



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4. Operating Segment Information (continued)

Geographical information

(a) Revenue and other income from external customers

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong	香港	2,380,423	2,082,458
Other countries	其他國家	141,372	196,049
		2,521,795	2,278,507

The information of revenue and other income above is based on the location of the markets.

(b) Non-current assets

Majority of the non-current assets (excluding deferred tax assets) of the Group are located in Hong Kong.

4. 經營分部資料(續)

地域資料

(a) 外來客戶收益及其他收入

上文的收益及其他收入資料乃按市場地點編製。

(b) 非流動資產

本集團大部分非流動資產(不包括遞延稅項資產)均位於香港。

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5. Revenue

An analysis of revenue is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Brokerage:	經紀業務：		
Securities	證券	301,318	628,792
Futures and options	期貨及期權	44,084	42,946
Handling income	手續費收入	36,396	39,085
Insurance	保險	9,134	6,759
Leveraged foreign exchange	槓桿外匯	2,068	2,363
		393,000	719,945
<hr/>			
Corporate finance:	企業融資：		
Placing, underwriting and sub-underwriting commission	配售、承銷及分承銷的佣金		
– Debt securities	– 債務證券	250,249	63,583
– Equity securities	– 股票證券	113,180	121,844
Consultancy and financial advisory fee income	顧問及融資諮詢費收入	93,220	96,020
		456,649	281,447
<hr/>			
Asset management:	資產管理：		
Management fee income	管理費收入	28,487	42,308
Performance fee income	表現費收入	–	10,784
		28,487	53,092
<hr/>			
Loans and financing:	貸款及融資活動：		
Interest income from banks and others	銀行及其他利息收入	97,967	80,147
Interest and handling income from margin loans	孖展貸款利息及手續費收入	1,106,342	924,121
Interest and handling income from term loans	定期貸款利息及手續費收入	72,993	39,350
Interest income from securities borrowing and lending	證券借貸利息收入	19,316	26,549
Interest income from IPO loans	首次公開發售貸款利息收入	199	5,684
Interest income from reverse repurchase agreements	反向回購協議利息收入	461	167
		1,297,278	1,076,018

5. 收益

收益的分析如下：



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5. Revenue (continued)

5. 收益(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial products, market making and investments:	金融產品、做市及投資：		
Interest income from debt securities	債務證券的利息收入		
– Listed securities	– 上市證券	134,066	68,400
– Unlisted securities	– 非上市證券	2,464	6,460
Trading gain/(loss) on debt securities	債務證券交易收益/(虧損)		
– Listed securities	– 上市證券	65,855	31,202
– Unlisted securities	– 非上市證券	2,401	(2,288)
Trading loss on exchange traded funds	交易所交易基金交易虧損	(5,847)	(1,206)
Trading (loss)/gain on equity securities	股本證券交易(虧損)/收益	(22,305)	29,278
Trading gain/(loss) on unconsolidated investment funds	非合併投資基金交易 收益/(虧損)	74,012	(22,853)
Net gain on foreign exchange	外匯收益淨額	1,762	—
Net loss on financial instruments designated as at fair value through profit or loss	指定按公平值計入損益的 金融工具的虧損淨額	(36,028)	(5,994)
Interest income from unlisted financial instruments designated as at fair value through profit or loss	指定按公平值計入損益的 非上市金融工具的 利息收入	3,094	3,092
Dividend income	股息收入	8,212	5,664
Net income on structured financial products	結構性金融產品收入淨額	116,087	34,351
		343,773	146,106
		2,519,187	2,276,608

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6. Staff Costs

6. 員工成本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 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	422,047	396,950
Share-based compensation expense	以股份為基礎補償開支		
– Share Option Scheme (Note 32)	– 購股權計劃(附註32)	14,885	22,130
– Share Award Scheme (Note 33)	– 股份獎勵計劃(附註33)	83,228	81,484
Pension scheme contributions	退休金計劃供款	6,497	5,085
		526,657	505,649

7. Finance Costs

7. 融資成本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank borrowings and overdrafts	銀行借款及透支	316,019	238,270
Debt securities in issue	已發行債務證券	6,582	3,783
Securities borrowing and lending	證券借貸	992	1,659
Repurchase agreements	回購協議	1,165	2,178
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	10,495	2,062
Others	其他	1,543	1,610
		336,796	249,562



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8. Profit Before Tax

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

8. 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：

		2016 二零一六年	2015 二零一五年
Auditor's remuneration	審計師酬金		
(i) audit services	(i) 核數服務	2,046	1,815
(ii) interim review	(ii) 中期審閱	673	620
(iii) tax and other consultancy services	(iii) 稅務及其他諮詢服務	3,760	653
Foreign exchange differences, net	外匯淨差額	7,148	5,494
Other commission expenses	其他佣金開支	65,951	34,563
Performance fee expenses	表現費開支	—	5,622
Information services expenses	資訊服務支出	21,290	16,465
Marketing, advertising and promotion expenses	市場推廣、廣告及宣傳支出	5,248	4,504
Minimum lease payments under operating leases	經營租賃的最低租金	5,101	1,642
Professional and consultancy fee	專業及諮詢費	49,347	24,283
Repair and maintenance (including system maintenance)	維修及維護 (包括系統維護)	30,503	29,290
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的 收益	—	(70)
Net impairment charge on loans and advances to customers	給予客戶貸款及墊款減值支出 淨額	105,830	173
Net impairment charge on accounts receivable	應收款項減值支出淨額	42	5,335

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9. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current – Hong Kong	即期 – 香港		
– Charge for the year	– 一年內開支	154,299	166,018
– Overprovision in prior years	– 過往年度超額撥備	(186)	(1,838)
Deferred (Note 15)	遞延(附註15)	8,407	(11,491)
Total tax charge for the year	年內稅項開支總額	162,520	152,689

A reconciliation of the tax expense applicable to profit before tax using the statutory rate to the tax expense at the effective tax rate is as follows:

9. 所得稅開支

香港利得稅乃就年內在香港產生的估計應課稅溢利按稅率16.5%(二零一五年: 16.5%)撥備。

按適用法定稅率之除稅前溢利計算之稅項費用與按實際稅率計算之稅項費用之對賬如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit before tax	除稅前溢利	1,188,607	1,168,122
Tax at the statutory tax rate at 16.5% (2015: 16.5%)	按法定稅率16.5%計算之稅項 (二零一五年: 16.5%)	196,120	192,740
Overprovision in prior years	過往年度超額撥備	(186)	(1,838)
Income not subject to tax	毋須課稅收入	(53,312)	(54,673)
Expenses not deductible for tax	不可扣稅開支	18,076	13,859
Tax losses not recognised	未確認稅項虧損	897	718
Temporary difference not recognised	未確認暫時差額	925	1,883
Tax charge for the year	年內稅項開支	165,520	152,689



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10. Dividends

10. 股息

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interim, paid – HK\$0.03 (2015: HK\$0.035) per ordinary share	中期，已支付－每股普通股0.03港元 (二零一五年：0.035港元)	208,565	242,665
Less: Dividend for shares held under the Company's share award scheme	減：按本公司股份獎勵計劃所持股份 的股息	(2,206)	(3,398)
		206,359	239,267
Final, proposed – HK\$0.045 (2015: HK\$0.04) per ordinary share	末期，擬派發－每股普通股0.045港元 (二零一五年：0.04港元)	313,439	277,372
Less: Dividend for shares held under the Company's share award scheme	減：按本公司股份獎勵計劃所持股份 的股息	(2,826)	(3,077)
		310,613	274,295*
		516,972	513,562

* The Company paid a final dividend of approximately HK\$275,321,000 for the year ended 31 December 2015, as further adjusted to include the dividend for shares issued under the share option scheme amounting to approximately HK\$639,000 and the dividend for the vested shares under the share award scheme amounting to HK\$387,000.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

* 本公司已派發截至二零一五年十二月三十一日止年度之末期股息約275,321,000港元；其中已作出調整以計入根據購股權計劃所發行股份的股息約639,000港元及股份獎勵計劃項下歸屬股份之股息387,000港元。

年內擬派末期股息須經本公司股東於應屆股東週年大會上批准，方可作實。

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II. Earnings Per Share Attributable to Ordinary Equity Holders of The Parent

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

(a) Basic earnings per share

The calculation of basic earnings per share is as follows:

		2016 二零一六年	2015 二零一五年
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)	969,139	1,013,541
Weighted average number of ordinary shares in issue less shares held for the share award scheme (in '000)	已發行普通股的加權平均數減 就股份獎勵計劃持有的股份 (以千計)	6,880,994	6,818,237
Basic earnings per share (in HK cents)	每股基本盈利(以港仙計)	14.1	14.9

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the year 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 year, 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.

II. 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以下方法計算：

(a) 每股基本盈利

每股基本盈利的計算方法如下：

(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年內溢利計算。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年內已發行普通股數目，以及假設年內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。



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II. Earnings Per Share Attributable to Ordinary Equity Holders of The Parent *(continued)*

(b) Diluted earnings per share *(continued)*

The calculation of diluted earnings per share is as follows:

		2016 二零一六年	2015 二零一五年
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)	969,139	1,013,541
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 減就股份獎勵計劃持有的股份 (以千計)	6,880,994	6,818,237
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)	購股權計劃下的購股權 (以千計)	50,718	76,723
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)	20,355	28,077
Number of ordinary shares for the purpose of the diluted earnings per share calculation (in '000)	就每股攤薄盈利計算而言的 普通股數目(以千計)	6,952,067	6,923,037
Diluted earnings per share (in HK cents)	每股攤薄盈利(以港仙計)	13.9	14.6

II. 母公司普通股股東應佔每股盈利(續)

(b) 每股攤薄盈利(續)

每股攤薄盈利的計算方法如下：

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12. Property, Plant and Equipment

12. 物業、廠房及設備

		Office equipment 辦公室 設備 HK\$'000 千港元	Furniture and fixtures 傢俬 及裝置 HK\$'000 千港元	Land and buildings 土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 December 2016	截至二零一六年 十二月三十一日止年度						
As at 1 January 2016	於二零一六年一月一日						
Cost	成本	88,136	4,482	563,831	27,349	2,993	686,791
Accumulated depreciation	累計折舊	(67,364)	(3,020)	(85,462)	(17,237)	(1,542)	(174,625)
Net carrying amount	賬面淨值	20,772	1,462	478,369	10,112	1,451	512,166
Opening net carrying amount	年初賬面淨值	20,772	1,462	478,369	10,112	1,451	512,166
Additions	添置	15,512	44	—	534	—	16,090
Exchange realignment	外匯調整	(1)	—	—	(1)	—	(2)
Depreciation charged during the year	年內折舊	(13,969)	(637)	(15,186)	(4,113)	(790)	(34,695)
Closing net carrying amount	年終賬面淨值	22,314	869	463,183	6,532	661	493,559
As at 31 December 2016	於二零一六年 十二月三十一日						
Cost	成本	69,338	3,339	563,831	27,874	2,993	667,375
Accumulated depreciation	累計折舊	(47,024)	(2,470)	(100,648)	(21,342)	(2,332)	(173,816)
Net carrying amount	賬面淨值	22,314	869	463,183	6,532	661	493,559



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12. Property, Plant and Equipment (continued)

12. 物業、廠房及設備(續)

		Office equipment 辦公室 設備 HK\$'000 千港元	Furniture and fixtures 傢俬 及裝置 HK\$'000 千港元	Land and buildings 土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 December 2015	截至二零一五年 十二月三十一日止年度						
As at 1 January 2015	於二零一五年一月一日						
Cost	成本	75,427	2,670	563,831	16,618	3,670	662,216
Accumulated depreciation	累計折舊	(58,362)	(2,606)	(70,276)	(15,141)	(2,328)	(148,713)
Net carrying amount	賬面淨值	17,065	64	493,555	1,477	1,342	513,503
Opening net carrying amount	年初賬面淨值	17,065	64	493,555	1,477	1,342	513,503
Additions	添置	14,080	1,812	—	10,731	704	27,327
Depreciation charged during the year	年內折舊	(10,373)	(414)	(15,186)	(2,096)	(595)	(28,664)
Closing net carrying amount	年終賬面淨值	20,772	1,462	478,369	10,112	1,451	512,166
As at 31 December 2015	於二零一五年 十二月三十一日						
Cost	成本	88,136	4,482	563,831	27,349	2,993	686,791
Accumulated depreciation	累計折舊	(67,364)	(3,020)	(85,462)	(17,237)	(1,542)	(174,625)
Net carrying amount	賬面淨值	20,772	1,462	478,369	10,112	1,451	512,166

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13. Intangible Assets

13. 無形資產

		Trading rights 交易權 HK\$'000 千港元	Club membership 會所會籍 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2015, 31 December 2015 and 31 December 2016	於二零一五年一月一日、二零一五年十二月三十一日及二零一六年十二月三十一日			
Net carrying amounts	賬面淨值	1,913	910	2,823

As at 31 December 2016 and 2015, the Group had three trading rights in Stock Exchange and one trading right in The Hong Kong Futures Exchange Limited. The intangible assets are not amortised for the years ended 31 December 2016 and 2015 as the trading rights and club membership have no expiry date.

於二零一六年及二零一五年十二月三十一日，本集團擁有於聯交所的三個交易權及香港期貨交易所有限公司的一個交易權。由於交易權及會所會籍並無到期日，故截至二零一六年及二零一五年十二月三十一日止年度並無攤銷無形資產。

14. Other Assets

14. 其他資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Basic contribution of the guarantee fund paid to Hong Kong Securities Clearing Company Limited ("HKSCC")	支付予香港中央結算有限公司（「香港結算」）的保證基金基本供款	741	807
Deposits with Stock Exchange:	於聯交所的按金：		
– Compensation fund	– 補償基金	150	150
– Fidelity fund	– 互保基金	150	150
– Stamp duty deposit	– 印花稅按金	500	500
Admission fee paid to HKSCC	支付予香港結算的准入費	150	150
Reserve fund with The SEHK Options Clearing House Limited	於香港聯合交易所期權結算有限公司的儲備金	6,704	1,500
Settlement Risk Fund paid to the Shanghai Stock Exchange	支付予上海證券交易所的結算風險基金	223	236
Deposit with HKFE Clearing Corporation Limited	於香港期貨結算有限公司的按金	1,500	1,500
Funds deposited with the Securities and Futures Commission	於證券及期貨事務監察委員會的按金	50	50
		10,168	5,043

The carrying amounts of the Group's other assets approximate to their fair values.

本集團其他資產的賬面值與其公平值相若。



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15. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

		Accelerated tax depreciation		Fair value gains		Total	
		加速稅項折舊		公平值收益		總計	
		2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January	於一月一日	(8,470)	(7,137)	(28,456)	(28,338)	(36,926)	(35,475)
Deferred tax charged to profit or loss	於損益內遞延稅項支出	(702)	(1,333)	(15,489)	(118)	(16,191)	(1,451)
At 31 December	於十二月三十一日	(9,172)	(8,470)	(43,945)	(28,456)	(53,117)	(36,926)

15. 遞延稅項

年內遞延稅項負債及資產變動如下：

遞延稅項負債

Deferred tax assets

遞延稅項資產

		Losses available for offsetting against future taxable profits		Share-based compensation		Total	
		可供抵銷未來稅項溢利的虧損		以股份為基礎的薪酬		總計	
		2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January	於一月一日	6,976	—	8,257	2,291	15,233	2,291
Deferred tax credited/(charged) to profit or loss	於損益內遞延稅項收入/(支出)	9,465	6,976	(1,681)	5,966	7,784	12,942
At 31 December	於十二月三十一日	16,441	6,976	6,576	8,257	23,017	15,233

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15. Deferred Tax (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The deferred income tax assets and liabilities are to be utilised and settled after one year and the following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	3,162	576
Deferred tax liabilities	遞延稅項負債	(33,262)	(22,269)
		(30,100)	(21,693)

The Group has total tax losses arising in Hong Kong of approximately HK\$120.8 million as at 31 December 2016 (2015: HK\$58.0 million), that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets which have not been recognised in respect of losses amounted to HK\$21.2 million as at 31 December 2016 (2015: HK\$15.7 million). These losses have arisen in group companies that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

15. 遞延稅項(續)

當有法定權利可以將本期稅項資產與本期稅項負債抵銷及遞延所得稅涉及同一稅務機關時，則可將遞延所得稅資產與負債互相抵銷。遞延所得稅資產及負債將於一年後予以動用及結算，而下列在計入適當抵銷後釐定的金額則在綜合財務狀況表內列賬。

於二零一六年十二月三十一日，本集團來自香港的稅項虧損約為120.8百萬港元(二零一五年：58.0百萬港元)，在無特定限期內可用於抵銷產生虧損公司的未來應課稅溢利。

並無就二零一六年十二月三十一日的虧損21.2百萬港元(二零一五年：15.7百萬港元)確認遞延稅項資產。該等虧損乃由虧損已有一段時間的集團公司產生，且認為不可能有應課稅溢利抵銷該等稅項虧損。



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16. Loans and Advances to Customers

16. 給予客戶的貸款及墊款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current	非流動		
Term loans to customers	給予客戶的定期貸款	251,478	—
Current	流動		
Margin loans	孖展貸款	13,385,176	11,963,214
Term loans to customers	給予客戶的定期貸款	995,318	413,573
		14,380,494	12,376,787
Less: impairment	減：減值	(93,828)	(930)
		14,286,666	12,375,857
Gross loans and advances to customers	給予客戶的貸款及墊款總額	14,631,972	12,376,787
Less: impairment	減：減值	(93,828)	(930)
		14,538,144	12,375,857

The movements in provision for impairment of loans and advances to customers are as follows:

給予客戶的貸款及墊款減值撥備變動如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
As at 1 January	於一月一日	930	757
Impairment charged to profit or loss during the year	年內計入損益的減值	105,830	980
Impairment reversed to profit or loss during the year	年內撥回至損益的減值	—	(807)
Amount written off during the year	年內撇銷款項	(12,932)	—
As at 31 December	於十二月三十一日	93,828	930

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16. Loans and Advances to Customers (continued)

The impairment charged to profit or loss included interest income on impaired margin loans of HK\$26,576,000 (2015: HK\$87,000) for the year ended 31 December 2016.

Save as disclosed above, all loans and advances to customers were neither past due nor impaired as at 31 December 2016 and 2015.

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 of related collateral. The Group seeks to maintain strict control over its outstanding receivables and has a Credit and Risk Management Department to monitor credit risks.

Margin loans to the 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 value of margin loans approximates to their fair value. No aging analysis is disclosed as, in the opinion of the directors, an aging analysis does not give additional value in view of the nature of the margin loans 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 31 December 2016, the total value of securities pledged as collateral in respect of the margin loans was approximately HK\$49,194 million (2015: HK\$55,440 million) based on the market value of the securities as at the end of the reporting period.

16. 給予客戶的貸款及墊款(續)

計入損益的減值包括截至二零一六年十二月三十一日止年度已減值孖展貸款利息收入26,576,000港元(二零一五年：87,000港元)。

除上文所披露者外，於二零一六年及二零一五年十二月三十一日，給予客戶的所有貸款及墊款既未逾期，亦未減值。

孖展融資業務

本集團就證券交易向客戶提供孖展融資，以客戶的證券持作抵押品擔保。每名客戶獲授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為基準。本集團擬保持對其未清償應收款項的嚴格控制，並成立了信貸及風險管理部門監控信貸風險。

給予客戶的孖展貸款以相關已抵押證券擔保，根據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。於二零一六年十二月三十一日，作為孖展貸款抵押品的已抵押證券總值約為49,194百萬港元(二零一五年：55,440百萬港元)，此乃按證券於報告期末的市值計算得出。



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16. Loans and Advances to Customers (continued)

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\$1,204,590,000 (2015: HK\$413,040,000), and the accrued interest amounted to HK\$42,206,000 (2015: HK\$533,000) as at 31 December 2016. The carrying amounts of the term loans to customers approximate to their fair values.

17. Loans to Directors

Loans to directors, 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, are as follows:

Name	姓名	Maximum amount	At 31 December	Maximum amount	At	Collateral held
		At 31 December 2016	outstanding during the year	outstanding during the prior year	1 January 2015	
Mr. LI Guangjie	李光杰先生	—	1,648	364	1,801	—
		千港元	千港元	千港元	千港元	千港元
		於二零一六年十二月三十一日	於二零一六年十二月三十一日	於二零一五年十二月三十一日	於二零一五年一月一日	於二零一五年一月一日
		年內最高未償還金額	年內最高未償還金額	往年內最高未償還金額	往年內最高未償還金額	持有抵押
		千港元	千港元	千港元	千港元	千港元
						Marketable securities
						有價證券

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

16. 給予客戶的貸款及墊款(續)

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，會參考相關客戶的財務信貸狀況以及所質押的抵押品質素及價值。於二零一六年十二月三十一日授予客戶的定期貸款為數1,204,590,000港元(二零一五年：413,040,000港元)，其應計利息合共42,206,000港元(二零一五年：533,000港元)。給予客戶的定期貸款的賬面值與其公平值相若。

17. 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，本集團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。

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18. 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:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 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	36,102	89,662
– the Stock Exchange and other clearing houses	– 聯交所及其他結算所	712,711	433,509
– brokers and dealers	– 經紀及交易商	650,179	1,292,388
Accounts receivable arising from insurance brokerage services	保險經紀服務應收款項		
– cash and custodian clients	– 現金及託管客戶	19	40
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	27,898	69,152
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	85,975	64,283
		1,512,884	1,949,034
Less: impairment	減：減值	(16,960)	(16,915)
		1,495,924	1,932,119

18. 應收款項

(a) 應收款項分析

本集團業務過程中所產生的應收款項的賬面值如下：



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18. Accounts Receivable (continued)

(a) Analysis of accounts receivable (continued)

The movements in provision for impairment of accounts receivable are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
As at 1 January	於一月一日	16,915	11,580
Impairment charged to profit or loss during the year	年內計入損益的減值	43	5,626
Impairment reversed to profit or loss during the year	年內撥回損益的減值	(1)	(291)
Exchange adjustments	匯兌調整	3	—
As at 31 December	於十二月三十一日	16,960	16,915

18. 應收款項(續)

(a) 應收款項分析(續)

應收款項減值撥備變動如下：

(b) Accounts receivable neither past due nor impaired

(b) 既未逾期亦未減值的應收款項

		Accounts receivable from					Total 總計
		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 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 保險經紀業務應收款項 HK\$'000 千港元	
As at 31 December 2016	於二零一六年十二月三十一日						
Neither past due nor impaired	既未逾期亦未減值	20,750	712,711	678,077	70,246	19	1,481,803
As at 31 December 2015	於二零一五年十二月三十一日						
Neither past due nor impaired	既未逾期亦未減值	67,790	433,509	1,361,540	57,589	40	1,920,468

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18. Accounts Receivable (continued)

(b) Accounts receivable neither past due nor impaired (continued)

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 end of the reporting year. No ageing 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.

(c) Accounts receivable past due but not impaired

18. 應收款項(續)

(b) 既未逾期亦未減值的應收款項(續)

既未逾期亦未減值的應收現金及託管客戶款項指於不同證券交易所進行於報告年度結束前最後兩至三個營業日尚未結算的客戶交易所涉及的款項。由於董事認為，鑒於該等應收款項的性質，賬齡分析並不會提供額外價值，故概無披露賬齡分析。

(c) 已逾期但未減值的應收款項

		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	經紀業務保險經紀業務應收款項	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
As at 31 December 2016	於二零一六年十二月三十一日						
Past due less than 6 months	逾期六個月以內	1,618	—	—	5,428	—	7,046
Past due 6 to 12 months	逾期六至十二個月	—	—	—	6,567	—	6,567
Past due over 12 months	逾期十二個月以上	—	—	—	500	—	500
		1,618	—	—	12,495	—	14,113
As at 31 December 2015	於二零一五年十二月三十一日						
Past due less than 6 months	逾期六個月以內	8,183	—	—	3,399	—	11,582
Past due 6 to 12 months	逾期六至十二個月	—	—	—	61	—	61
Past due over 12 months	逾期十二個月以上	—	—	—	—	—	—
		8,183	—	—	3,460	—	11,643



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18. Accounts Receivable (continued)

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

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 fail 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 31 December 2016 and 2015 are 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.

Accounts receivable from corporate clients, investment funds and others which are past due but not impaired represent receivables arising from asset management, corporate finance, investment holding and market making which have not yet been settled by clients after the Group's normal credit period. The outstanding accounts receivable from corporate clients, investment funds and others as at 31 December 2016 and 2015 were considered not to be impaired as the credit rating and reputation of the trade counterparties were sound.

18. 應收款項(續)

(c) 已逾期但未減值的應收款項(續)

已逾期但未減值應收現金及託管客戶款項指於不同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。一旦現金及託管客戶未能於結算日期償付款項，本集團將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，於二零一六年及二零一五年十二月三十一日的未結清應收現金及託管客戶款項將被視為已逾期但未減值。該等應收款項持有的抵押品為可公開買賣的證券。

已逾期但未減值的企業客戶、投資基金及其他應收款項指客戶於本集團一般信貸期後客戶尚未計算的應收款項(產生自資產管理、企業融資、投資控股及做市)。於二零一六年及二零一五年十二月三十一日未結清企業客戶、投資基金及其他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。

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18. Accounts Receivable (continued)

(d) Impaired accounts receivable

		Accounts receivable from the 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 保險經紀業務應收款項 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2016	於二零一六年十二月三十一日						
Impaired accounts receivable	已減值應收款項	13,734	—	—	3,234	—	16,968
Less: impairment	減：減值	(13,726)	—	—	(3,234)	—	(16,960)
		8	—	—	—	—	8
As at 31 December 2015	於二零一五年十二月三十一日						
Impaired accounts receivable	已減值應收款項	13,689	—	—	3,234	—	16,923
Less: impairment	減：減值	(13,681)	—	—	(3,234)	—	(16,915)
		8	—	—	—	—	8

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

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時，應收現金及託管客戶款項會被視為減值。



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19. Prepayments, Deposits and Other Receivables

19. 預付款項、按金及其他應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Prepayments and deposits	預付款項及按金	124,447	187,216
Subscription monies on financial investments	認購金融投資款項	—	64,409
Interest receivables	應收利息	27,023	7,157
Total	總計	151,470	258,782

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

上述資產概無逾期亦未減值。計入上述結餘有關應收款項的金融資產近期並無違約記錄。

20. Financial Assets at Fair Value Through Profit or Loss

20. 按公平值計入損益的金融資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current	非流動		
Financial assets designated as at fair value through profit or loss	指定按公平值計入損益的金融資產		
– Unlisted fund investments (Note (a))	– 非上市基金投資(附註(a))	51,701	120,141
Current	流動		
Financial assets held for trading	持作買賣的金融資產		
– Listed equity securities	– 上市股本證券	335,569	331,335
– Listed debt securities	– 上市債務證券	4,979,688	1,331,445
– Unlisted debt securities	– 非上市債務證券	50,931	107,344
Financial assets designated as at fair value through profit or loss	指定按公平值計入損益的金融資產		
– Unlisted fund investments (Note (a))	– 非上市基金投資(附註(a))	355,701	154,944
– Unlisted convertible promissory note	– 非上市可換股承兌票據	115,184	152,756
– Financial products (Note (b))	– 金融產品(附註(b))	7,424,551	2,429,123
		13,261,624	4,506,947
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	13,313,325	4,627,088

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20. Financial Assets at Fair Value Through Profit or Loss (continued)

Notes:

- (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.
- (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 31 December 2016, cash collaterals of HK\$845.0 million (2015: Nil) was 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 27) or derivative instruments acquired by customers (Notes 21 and 28). As a result, the variable return of these financial products is not significant.

20. 按公平值計入損益的金融資產 (續)

附註：

- (a) 本集團投資於未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。
- (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。於二零一六年十二月三十一日，存放於交易對手的現金抵押845.0百萬港元(二零一五年：零)。

本集團購入金融產品乃主要受客戶的投資需求驅動，並作為根據中期票據計劃發行的結構性票據(附註27)的對沖工具或客戶收購的衍生工具(附註21及28)。因此，該等金融產品之可變回報不重大。



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21. 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 underlying asset, reference rate or index and is the basis upon which changes in the value of the derivative are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

21. 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。所記錄的名義金額總額為衍生工具相關資產、參考匯率或指數的金額，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。

		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 2016	於二零一六年十二月三十一日			
Cross currency swap	交叉貨幣掉期	565,243	36,566	(46,342)
Interest rate swap	利率掉期	370,273	175	(881)
Foreign exchange forward	遠期外匯	835,065	1,880	(22,731)
Index futures	指數期貨	—	—	—
FX Option	外匯期權	620,440	—	(10,099)
Option	期權	3,368,372	83,380	(50,030)
		5,759,393	122,001	(130,083)
As at 31 December 2015	於二零一五年十二月三十一日			
Cross currency swap	交叉貨幣掉期	577,730	19,359	(20,163)
Interest rate swap	利率掉期	1,049,961	567	—
Foreign exchange forward	遠期外匯	1,280,382	4,891	(9,603)
Index futures	指數期貨	27,727	135	—
FX Option	外匯期權	—	—	—
Option	期權	—	—	—
		2,935,800	24,952	(29,766)

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21. Derivative financial instruments (continued)

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 31 December 2016, amounts of cash collateral of HK\$89.9 million and HK\$35.6 million were paid to and received from respective counterparties (2015: HK\$48.4 million and HK\$20.8 million), which are included in "account receivable and accounts payable arising from brokerage - brokers and dealers" in notes 18 and 24 respectively.

22. 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 31 December 2016, the outstanding amount paid for the reverse repurchase agreements was HK\$480,782,000 (2015: HK\$509,695,000) and was recognised as receivable from reverse repurchase agreements.

The fair value of listed debt securities received as collateral for the outstanding receivable at the year end was HK\$477,355,000 (2015: HK\$505,243,000).

21. 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以抵銷與相同交易方的已付或已收現金抵押品。於二零一六年十二月三十一日，現金抵押品金額分別89.9百萬港元及35.6百萬港元分別付予及收自相關交易方(二零一五年：48.4百萬港元及20.8百萬港元)，分別包括在附註18及24的「經紀業務應收款項及應付款項－經紀及交易商」。

22. 反向回購協議應收款項

本集團根據反向回購協議購買證券，連帶同時訂立一項協議以按指定其後日期及價格轉售證券。該等證券並無於本集團綜合財務狀況表中確認，原因是交易方保留該等證券的絕大部分風險及回報。本集團支付的款項確認為應收款項。倘交易方違約，本集團有權出售相關證券以結算未結清的應收款項。

於二零一六年十二月三十一日，就反向回購協議支付的未結清款項為480,782,000港元(二零一五年：509,695,000港元)，並確認為反向回購協議應收款項。

於年末已收取作為未結清應收款項抵押品的上市債務證券的公平值為477,355,000港元(二零一五年：505,243,000港元)。



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23. Cash and Cash Equivalents

23. 現金及現金等價物

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	1,257,571	1,340,967
Time deposits	定期存款	706,827	1,067,699
– with original maturity of less than three months	– 原到期日少於三個月	696,827	1,067,699
– with original maturity of more than three months	– 原到期日超過三個月	10,000	—
		1,964,398	2,408,666

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Denominated in:	按以下幣種計值：		
HK\$	港元	909,649	1,122,691
US\$	美元	631,519	169,046
RMB	人民幣	412,704	1,110,713
Others	其他	10,526	6,216
		1,964,398	2,408,666

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no history of default.

銀行存款基於每日銀行存款利率按浮動利率計息。短期定期存款的存款期介乎一日至三個月，視本集團的即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘已存入信譽良好且無拖欠歷史的銀行中。

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24. Accounts Payable

24. 應付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Accounts payable arising from brokerage	經紀業務應付款項		
– clients	– 客戶	12,641,212	15,214,731
– brokers and dealers	– 經紀及交易商	270,374	757,770
– the Stock Exchange and other clearing houses	– 聯交所及其他結算所	239,687	29,760
Accounts payable arising from securities borrowing and lending	證券借貸業務應付款項	400,853	542,502
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、投資業務及其他應付款項	1,318,284	1,673,295
Accounts payable arising from insurance brokerage services	保險經紀業務應付款項	628	254
		14,871,038	18,218,312

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.

大部分應付款項結餘須於要求時償還，惟若干應付予客戶的款項為就客戶於正常業務過程中進行買賣活動收取客戶的保證金除外。只有超出規定保證金的金額須於要求時發還客戶。

本集團慣於在1個營業日內清償所有付款要求。本集團並無披露賬齡分析，原因為董事考慮到該等業務的性質，賬齡分析不會提供額外價值。



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24. Accounts Payable (continued)

Accounts payable to clients also include those payables in trust accounts with authorised institutions of HK\$12,400 million (2015: HK\$14,663 million), Hong Kong Futures Exchange Clearing Corporation Limited and other futures dealers of HK\$432 million (2015: HK\$317 million).

Accounts payable arising from insurance brokerage services include those payables in trust accounts with authorised institutions of HK\$628,000 (2015: HK\$241,000). Accounts payable are non-interest-bearing, except for the accounts payable to clients.

25. Other Payables and Accrued Liabilities

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other payables	其他應付款項	32,413	5,785
Accrued liabilities	應計款項	239,268	254,157
		271,681	259,942

Other payables and accrued liabilities are non-interest-bearing and have an average term of three months.

24. 應付款項(續)

應付予客戶的款項亦包括存放於認可機構信託賬戶的12,400百萬港元(二零一五年: 14,663百萬港元), 香港期貨結算有限公司及其他期貨交易商合共432百萬港元(二零一五年: 317百萬港元)。

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628,000港元(二零一五年: 241,000港元)。除應付客戶款項外, 應付款項均不計息。

25. 其他應付款項及應計款項

其他應付款項及應計款項不計息, 其平均期限為3個月。

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26. Bank Borrowings

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current:	非流動：		
Unsecured bank borrowings	無抵押銀行借款	2,100,000	3,090,000
Current:	流動：		
Unsecured bank borrowings	無抵押銀行借款	6,811,433	4,765,662
Total bank borrowings	銀行借款總額	8,911,433	7,855,662

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Denominated in:	按以下幣種計值：		
HK\$	港元	7,244,000	6,600,000
US\$	美元	1,667,433	1,255,662
		8,911,433	7,855,662

The Group's bank borrowings bear interest at the Interbank Offered Rate plus an interest spread. Except for the non-current bank borrowings amounting to HK\$2,100 million (2015: HK\$3,090 million) which were repayable in one to three years, the bank borrowings were repayable within three months or less at the end of reporting period.

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

本集團銀行借款均按銀行同業拆息加息差計息。除為數2,100百萬港元(二零一五年:3,090百萬港元)的非即期銀行借款須於一至三年內償還外，於報告期末的銀行借款均須於三個月或以下之內償還。

由於折現的影響並不屬重大，故該等銀行借款的賬面值與其公平值相若。



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27. Debt Securities in Issue

27. 已發行債務證券

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At amortised cost:	按攤銷成本：		
Unlisted unsecured medium-term notes (Note (a))	非上市無抵押中期票據 (附註(a))	175,710	429,040
Designated as 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))	5,647,531	1,929,048
		5,823,241	2,358,088
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted unsecured medium-term notes denominated in:	按下列貨幣列值的非上市無抵押 中期票據：		
HK\$	港元	64,400	156,000
US\$	美元	—	155,020
RMB	人民幣	111,310	118,020
		175,710	429,040
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：		
HK\$	港元	241,955	112,518
US\$	美元	4,220,557	654,080
RMB	人民幣	1,185,019	1,162,450
		5,647,531	1,929,048
		5,823,241	2,358,088

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27. Debt Securities in Issue (continued)

Notes:

- (a) The outstanding balance of HK\$175.7 million (2015: HK\$429.0 million) stated at amortised cost represents unsecured unlisted notes issued by the Company under the Company's Medium Term Note Programme (the "MTN Programme"). As at 31 December 2016, the debt securities in issue bore fixed interest rates ranging from 0.9% to 4.1% (2015: 0.3% to 4.1%). The carrying amounts of the debt securities in issue approximate to their fair values as the impact on discounting is not significant.
- (b) The outstanding balance of HK\$5,647.5 million (2015: HK\$1,929.0 million) represented unlisted structured notes which arose from selling structured products under the MTN Programme with underlying investments related to listed equity investments, listed debt investments and unlisted fund investments.

The Group has not had any defaults of principal, interest or other breaches with respect to their liabilities during the year (2015: 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.

28. Financial Liabilities at Fair Value Through Profit or Loss

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 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	66	97
– Listed debt securities	– 上市債務證券	1,136,096	505,243
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)	2,349,358	—
		3,485,520	505,340

Note: Included in the fair value of financial products are cash collaterals of HK\$1,686 million (2015: Nil) received from the counterparty.

27. 已發行債務證券(續)

附註：

- (a) 按攤銷成本列賬的未償還餘額175.7百萬港元(二零一五年：429.0百萬港元)指本公司根據本公司中期票據計劃(「中期票據計劃」)發行的無抵押非上市票據。於二零一六年十二月三十一日，已發行債務證券按固定利率0.9%至4.1%(二零一五年：0.3%至4.1%)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) 未償還餘額5,647.5百萬港元(二零一五年：1,929.0百萬港元)指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，相關投資與上市股本投資、上市債務投資及非上市基金投資有關。

本集團於年內並無拖欠任何本金、利息或其他未履行其責任的情況(二零一五年：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償還要求。

28. 按公平值計入損益的金融負債

附註：金融產品之公平值包括從對手方收取的現金抵押品1,686百萬港元(二零一五年：零)。



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29. 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 31 December 2016, the outstanding amount received from repurchase agreements was HK\$930,958,000 (2015: HK\$400,517,000) 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 year end (Note 20).

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 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	178,219	147,749
Financial assets designated as 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	1,224,306	426,448
		1,402,525	574,197

29. 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解除確認，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。

於二零一六年十二月三十一日，就回購協議收取的未結清款項為930,958,000港元（二零一五年：400,517,000港元），並確認為回購協議的債項。

下表載明於年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20）。

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30. 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 arrears 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 a 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 the 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 instruments and recorded as equity in the consolidated statement of financial position. The amount as at 31 December 2016 included accrued distribution payment.

31. Share Capital

		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
At 1 January 2015	於二零一五年一月一日	2,273,876,128	5,852,194
Shares issued upon bonus issue (Note)	因紅股發行而發行的股份(附註)	4,619,758,070	—
Shares issued upon exercise of share options under the share option scheme (Note 32)	因購股權計劃下的購股權獲行使而發行的股份(附註32)	40,674,003	152,168
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	6,934,308,201	6,004,362
Shares issued upon exercise of share options under the share option scheme (Note 32)	因購股權計劃下的購股權獲行使而發行的股份(附註32)	30,992,941	49,663
At 31 December 2016	於二零一六年十二月三十一日	6,965,301,142	6,054,025

Note: On 12 June 2015, the directors proposed to make a bonus issue of two new shares for every one existing share held by shareholders whose names are on the Registry of Members on 30 June 2015. The bonus issue was completed and 4,619,758,070 bonus shares were issued on 9 July 2015.

附註：於二零一五年六月十二日，董事建議按於二零一五年六月三十日名列股東名冊的股東每持有一股現有股份可獲發兩股新股進行紅股發行。紅股發行於二零一五年七月九日完成及發行4,619,758,070股紅股。

30. 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。二零一六年十二月三十一日的金額包括應計分派付款。

31. 股本



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32. 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.

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 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.

32. 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。

因購股權計劃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)。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)。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。

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十年之日為止。

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32. Share Option Reserve (continued)

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.

On 11 June 2015, the Company granted 4,500,000 share options at the exercise price of HK\$14.56 per share to its directors and employees under the Share Option Scheme. Among the share options granted, 3,000,000 share options were granted to the director of the Company. The option period of the share options is from 11 June 2015 to 10 June 2025. Every one-third of the share options granted will be vested on the first, second and third anniversaries of the date of grant respectively. The closing price of the Company's shares prior to the date of grant (i.e., 10 June 2015) was HK\$13.62 per share.

The fair value of the equity-settled share options was estimated on the date of grant using a binomial pricing model, taking into account the terms and conditions upon which the options were granted.

There are no share options granted in 2016.

The following table lists out the key inputs to the model used for the share options granted in 2015:

Share price at the date of grant (per share)	HK\$14.22
Exercise price (per share)	HK\$14.56
Expected volatility	49.87%
Expected dividend yield	3.09%
Risk-free interest rate	1.71%
Weighted average share option price (per share)	HK\$4.69

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.

32. 購股權儲備(續)

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。

於二零一五年六月十一日，本公司已根據購股權計劃按行使價每股14.56港元向其董事及僱員授出4,500,000份購股權。在所授購股權當中，3,000,000份購股權獲授予本公司的董事。購股權的有效期限自二零一五年六月十一日起至二零二五年六月十日止。所授購股權的每三分之一將分別於授出日期的第一、二、三周年當日歸屬。本公司股份於授出之日(即二零一五年六月十日)前的收市價為每股13.62港元。

以權益結算購股權的公平值乃使用二項式定價模型於授出日期進行估計，並經計及購股權授出所依據的條款及條件。

於二零一六年並無授出購股權。

下表列出於二零一五年授出之購股權所用模型的主要參數：

於授出日期的股價 (每股)	14.22港元
行使價(每股)	14.56港元
預期波幅	49.87%
預期股息收益率	3.09%
無風險利率	1.71%
加權平均購股權價格 (每股)	4.69港元

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。



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32. Share Option Reserve (continued)

Upon completion of the bonus issue on 9 July 2015, the exercise price and the number of shares to be issued and allotted under the outstanding share options had been adjusted pursuant to the terms of the Share Option Scheme in the manner set out below:

Date of share options granted 授出購股權的日期	Immediately before the completion of the bonus issue 緊接紅股發行完成前		Immediately after the completion of the bonus issue 緊隨紅股發行完成後	
	Exercise price per share (HK\$) 每股行使價 (港元)	Number of outstanding options 未行使購股權的數目	Adjusted exercise price per share (HK\$) 經調整每股行使價 (港元)	Adjusted number of outstanding options 經調整未行使購股權的數目
24/4/2012	2.48	4,856,448	0.827	14,569,344
10/1/2014	3.79	36,959,910	1.264	110,879,730
11/6/2015	14.56	4,500,000	4.854	13,500,000

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

At 31 December 2016, the Company had 101,266,251 (2015: 133,267,107) share options outstanding under the Share Option Scheme, which represents approximately 1.45% (2015: 1.92%) of the Company's shares in issue as at 31 December 2016. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 101,266,251 additional ordinary shares of the Company and additional share capital of HK\$171,328,000 (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 and from 11 June 2015 to 10 June 2025.

30,992,941 share options were exercised during the year ended 31 December 2016 (2015: 40,674,003 share options), resulting in the issue of 30,992,941 shares (2015: 40,674,003 shares) for a total cash consideration of HK\$38,575,000 (2015: HK\$110,811,000). An amount of HK\$11,088,000 (2015: HK\$41,357,000) was transferred from the share option reserve to the share capital account upon the exercise of the share options. After adjustment for the bonus issue, the weighted average share price at the date of exercise for share options exercised during the year was HK\$2.57 per share (2015: HK\$3.41).

32. 購股權儲備(續)

於二零一五年七月九日完成紅股發行後，按尚未行使購股權將予發行及配發的股份的行使價及數目已根據購股權計劃的條款調整如下：

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。

於二零一六年十二月三十一日，本公司有 101,266,251 份（二零一五年：133,267,107 份）購股權計劃下尚未行使的購股權，佔本公司於二零一六年十二月三十一日已發行股份的約 1.45%（二零一五年：1.92%）。根據本公司目前的資本架構，若其餘購股權悉數行使，會導致額外發行 101,266,251 股本公司普通股，以及額外股本 171,328,000 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二零一二年六月九日、二零一四年一月十日至二零二四年一月九日及二零一五年六月十一日至二零二五年六月十日。

截至二零一六年十二月三十一日止年度，有 30,992,941 份購股權獲行使（二零一五年：40,674,003 份購股權），導致發行 30,992,941 股股份（二零一五年：40,674,003 股股份），及換取現金代價總額 38,575,000 港元（二零一五年：110,811,000 港元）。於購股權獲行使後，11,088,000 港元（二零一五年：41,357,000 港元）的款額由購股權儲備轉撥至股本賬。於就紅股調整後於年內獲行使的購股權於行使日期的加權平均股價為每股 2.57 港元（二零一五年：3.41 港元）。

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32. Share Option Reserve (continued)

For the year ended 31 December 2016, the Company has recognised an equity-settled share-based compensation expense of HK\$14,885,000 for the share options under the Share Option Scheme in profit or loss (2015: HK\$22,130,000).

For the year ended 31 December 2016, 1,007,915 share options with an exercise price of HK\$1.264 each were lapsed (2015: 1,007,916 and 2,955 share options with an exercise price of HK\$1.264 each were lapsed and forfeited) prior to the vesting date as a result of staff resignation.

32. 購股權儲備(續)

截至二零一六年十二月三十一日止年度，本公司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14,885,000港元(二零一五年：22,130,000港元)。

截至二零一六年十二月三十一日止年度，由於僱員辭職，行使價為每股1.264港元的1,007,915份購股權於歸屬日期前失效(二零一五年：行使價為每股1.264港元的1,007,916份及2,955份購股權失效及沒收)。

		2016 二零一六年		2015 二零一五年	
		Weighted average exercise price HK\$ per share 加權平均行使價每股港元	Number of options 購股權數目	Weighted average exercise price HK\$ per share 加權平均行使價每股港元	Number of options 購股權數目
Date of share options granted	授出購股權的日期				
At 1 January	於一月一日	1.585	133,267,107	3.31	77,819,265
Granted during the year	年內授出	—	—	14.56	4,500,000
Adjusted during the year	年內調整	—	—	1.567	92,632,716
Forfeited during the year	年內沒收	—	—	1.264	(2,955)
Lapsed during the year	年內失效	1.264	(1,007,915)	1.264	(1,007,916)
Exercised during the year	年內行使	1.246	(30,992,941)	2.724	(40,674,003)
At 31 December	於十二月三十一日	1.692	101,266,251	1.585	133,267,107



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33. 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.

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.

33. 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根據股份獎勵計劃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）。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過本公司於採納日期已發行股本的1%（即16,400,000股）。

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。

獨立受託人有權行使根據股份獎勵計劃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。

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33. Share Award Reserve (continued)

Details of the Awarded Shares granted and unvested as at 31 December 2016 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
15/4/2015	HK\$3.29港元	34,653,000	(23,271,000)	(516,000)	10,866,000	30/11/2017
18/4/2016	HK\$2.79港元	27,987,000	(8,997,000)	(538,000)	8,871,000	30/11/2017
					8,840,000	30/11/2018
					58,000	4/10/2017
					58,000	4/10/2018
					209,000	31/3/2017
					208,000	31/3/2018
					208,000	31/3/2019

The Group has recognised HK\$1,956,000 (2015: HK\$2,833,000) in profit or loss for the dividend paid to grantees with the Awarded Shares on the vesting date. The Group has also recognised a share-based compensation expense of HK\$81,272,000 for the Awarded Shares under the Share Award Scheme in profit or loss (2015: HK\$78,651,000). 38,409,000 Awarded Shares have been either transferred to the grantees or sold in accordance with their instructions at no cost (2015: 20,166,000 Awarded Shares) for the year ended 31 December 2016.

1,141,000 Awarded Shares lapsed prior to their vesting date as a result of staff resignations for the year ended 31 December 2016 (2015: 291,000 Awarded Shares).

After considering the number of shares which were granted in prior years, as at 31 December 2016, the total number of the Awarded Shares that can be awarded was 98,813,000 which represents approximately 1.42% of the Company's shares in issue as at 31 December 2016.

33. 股份獎勵儲備(續)

於二零一六年十二月三十一日授出及未歸屬的獎勵股份的詳情載列如下：

本集團已就支付予歸屬日期持有獎勵股份的承授人的股息在損益中確認1,956,000港元(二零一五年：2,833,000港元)。本集團亦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81,272,000港元(二零一五年：78,651,000港元)。38,409,000股獎勵股份已於截至二零一六年十二月三十一日止年度(二零一五年：20,166,000股獎勵股份)無償轉讓予承授人或根據其指示出售。

截至二零一六年十二月三十一日止年度，由於僱員辭職，1,141,000股獎勵股份(二零一五年：291,000股獎勵股份)於其歸屬日期前失效。

經考慮過往年度所授出之股份數目，於二零一六年十二月三十一日，可進行獎勵的獎勵股份總數為98,813,000股，約佔本公司於二零一六年十二月三十一日已發行股份的1.42%。



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34. Shares Held Under the Share Award Scheme

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

		2016 二零一六年		2015 二零一五年	
		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	199,643	76,929,400	102,897	24,381,800
Purchased during the year	於年內購買	68,971	24,284,000	119,897	10,410,000
Adjustment for bonus issue	就紅股發行調整	—	—	—	62,303,600
Vested and transferred out during the year	於年內歸屬或轉出	(54,291)	(38,409,000)	(23,151)	(20,166,000)
At 31 December	於十二月三十一日	214,323	62,804,400	199,643	76,929,400

During the year ended 31 December 2016, the trustee acquired 24,284,000 ordinary shares (2015: 10,410,000 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\$68,971,000 (2015: HK\$119,897,000).

35. Reserves

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

Other reserve of the Group as at 31 December 2016 and 2015 represents a merger reserve, being the difference between the issued share capital of HK\$31,980,000 of Guotai Junan (Hong Kong) Limited and the amount of share capital and share premium of HK\$1,268,440,000 of the Company transferred and issued to GJHL in exchange for the entire issued share capital of Guotai Junan (Hong Kong) Limited on 14 June 2010.

34. 根據股份獎勵計劃持有的股份

根據股份獎勵計劃持有的股份於年內的變動如下：

於截至二零一六年十二月三十一日止年度，受託人就股份獎勵計劃以總成本（包括相關交易成本）約68,971,000港元（二零一五年：119,897,000港元）在公開市場買入24,284,000股本公司普通股（二零一五年：10,410,000股普通股）。

35. 儲備

本集團的儲備金額及其變動於綜合權益變動表內呈報。

於二零一六年及二零一五年十二月三十一日，本集團其他儲備為合併儲備，即國泰君安（香港）有限公司的已發行股本31,980,000港元於二零一零年六月十四日與本公司向國泰君安控股轉讓及發行股本及股份溢價的（以換取國泰君安（香港）有限公司的全部已發行股本）金額1,268,440,000港元之間的差額。

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36. Operating Lease Commitments, Capital Commitments and Other Commitments

As at 31 December 2016, the Group had total future minimum lease payables under non-cancellable operating leases falling due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	4,627	4,841
In the second to fifth years, inclusive	二至五年(包括首尾兩年)	3,318	7,989
		7,945	12,830

Capital commitments

The Group had capital commitments for system upgrade and renovation of premises of approximately HK\$4,724,000 which were contracted but not provided for as at 31 December 2016 (2015: HK\$1,364,000).

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 31 December 2016, the underwriting and financial obligations were approximately HK\$576 million and HK\$375 million respectively (2015: HK\$1,383 million and HK\$1,272 million).

36. 經營租賃承擔、資本承擔及其他承擔

於二零一六年十二月三十一日，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的最低租賃款項總額如下：

資本承擔

本集團就升級系統及物業裝修作出資本承擔約4,724,000港元，該款項已訂約但並未於二零一六年十二月三十一日予以撥備(二零一五年：1,364,000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。於二零一六年十二月三十一日，承銷及融資承諾分別約為576百萬港元及375百萬港元(二零一五年：1,383百萬港元及1,272百萬港元)。



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37. Directors' and Senior Management's Emoluments

(a) Directors' current emoluments

The current emoluments of every director of the Company paid/payable by the Group for the years ended 31 December 2016 and 2015 are set out below:

Year ended 31 December 2016

Name of director	董事姓名	Directors' fees 董事袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Employer's contribution to pension scheme 僱主向退休金計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Executive directors:</i>		<i>執行董事：</i>				
Yim Fung (Note (i))	閻峰(附註(i))	—	3,620	10,402	18	14,040
Wong Tung Ching	王冬青	—	3,486	10,500	18	14,004
Qi Haiying	祁海英	—	3,435	7,700	15	11,150
Li Guangjie	李光杰	—	3,375	5,040	18	8,433
Li Sang, Edward (Note (ii))	李生(附註(ii))	—	1,234	—	3	1,237
<i>Independent non-executive directors:</i>		<i>獨立非執行董事：</i>				
Fu Tingmei	傅廷美	398	—	—	—	398
Song Ming	宋敏	398	—	—	—	398
Tsang Yiu Keung	曾耀強	398	—	—	—	398
		1,194	15,150	33,642	72	50,058

37. 董事及高級管理層酬金

(a) 董事現時酬金

本集團截至二零一六年及二零一五年十二月三十一日止年度已付／應付本公司各董事現時的酬金載列如下：

截至二零一六年十二月三十一日止年度

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37. Directors' and Senior Management's Emoluments (continued)

(a) Directors' current emoluments (continued)

Year ended 31 December 2015

Name of director	董事姓名	Directors' fees 董事袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Employer's contribution to pension scheme 僱主向退休金計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Executive directors:</i>		<i>執行董事：</i>				
Yim Fung (Note (ii))	閻峰(附註(ii))	—	3,301	6,750	18	10,069
Wong Tung Ching	王冬青	—	3,150	8,000	18	11,168
Qi Haiying	祁海英	—	2,963	5,000	—	7,963
Li Guangjie	李光杰	—	2,910	4,000	18	6,928
Li Sang, Edward	李生	—	2,580	2,840	18	5,438
<i>Independent non-executive directors:</i>		<i>獨立非執行董事：</i>				
Fu Tingmei	傅廷美	378	—	—	—	378
Song Ming	宋敏	378	—	—	—	378
Tsang Yiu Keung	曾耀強	378	—	—	—	378
		1,134	14,904	26,590	72	42,700

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Note (i):

Dr. Yim Fung is the executive director and chief executive officer of the Company.

Note (ii):

Mr. Li Sang, Edward has resigned as an executive director with effect from 24 February 2016. The amount of salaries and allowances included benefits in kind.

年內並無董事或主要行政人員放棄或同意放棄任何薪酬的安排。

附註(i)：

閻峰博士為本公司執行董事兼行政總裁。

附註(ii)：

李先生已自二零一六年二月二十四日起辭任執行董事。薪金及津貼金額包括實物福利。



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37. Directors' and Senior Management's Emoluments (continued)

(b) Directors' deferred emoluments

During the year, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 32 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

Certain directors were granted share awards under the share award scheme of the Company, further details of which are set out in note 33 to the financial statements. As at 31 December 2016, the total number of the unvested Awarded Shares granted to directors' amounted to 10,603,000 and a share-based compensation expense of HK\$33.1 million has been recognised in profit or loss.

The amount of share-based compensation expense illustrated in the below table represents amortisation to profit or loss of the fair value of these share options and awarded shares granted to the directors measured at the respective grant dates.

For the year ended 31 December 2016, the directors received total remuneration amounting to HK\$90.4 million (2015: HK\$89.4 million), which included share-based compensation and share award expenses of approximately HK\$7.3 million (2015: HK\$7.7 million) attributable to share options granted and of HK\$33.1 million (2015: HK\$39.0 million) attributable to share awards granted by Company, part of which is in respect of their services to the Company.

37. 董事及高級管理層酬金(續)

(b) 董事遞延酬金

於年內，若干董事根據本公司購股權計劃就其為本集團提供的服務而獲授購股權，進一步詳情載於財務報表附註32。有關購股權的公平值(已於歸屬期間的損益表中確認)乃於授出日期釐定，而計入本年度財務報表的金額已列入上述董事及主要行政人員薪酬披露中。

若干董事根據本公司股份獎勵計劃獲授股份獎勵，進一步詳情載於財務報表附註33。於二零一六年十二月三十一日，授予董事的未歸屬獎勵股份總數為10,603,000股，33.1百萬港元以股份為基礎的補償開支已於損益中確認。

下表所述以股份為基礎的補償開支金額為授予董事的購股權及獎勵股份按有關授出日期計量的公平值於損益中的攤銷金額。

截至二零一六年十二月三十一日止年度，董事收取的薪酬總額為90.4百萬港元(二零一五年：89.4百萬港元)，包括本公司授出的購股權應佔以股份為基礎的補償及股份獎勵開支約7.3百萬港元(二零一五年：7.7百萬港元)及授出的股份獎勵應佔33.1百萬港元(二零一五年：39.0百萬港元)，其中部分乃就彼等向本公司提供的服務而支付。

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37. Directors' and Senior Management's Emoluments (continued)

(b) Directors' deferred emoluments (continued)

Year ended 31 December 2016

Name of director	董事姓名	Share-based compensation reserve 以股份為基礎補償儲備			
		Share option scheme 購股權計劃		Share award scheme 股份獎勵計劃	
		Share option expense (Note 31) 購股權開支 (附註31)	Share award expense (Note 33) 股份獎勵 開支 (附註33)		
		Date of grant 授出日期	HK\$'000 千港元	Date of grant 授出日期	HK\$'000 千港元
Executive directors: Yim Fung (Note (i))	執行董事： 閻峰(附註(i))	10/1/2014	634	9/4/2014	2,066
				15/4/2015	9,339
				18/4/2016	3,715
					15,120
Wong Tung Ching	王冬青	10/1/2014	334	9/4/2014	584
				15/4/2015	5,085
				18/4/2016	4,401
					10,070
Qi Haiying	祁海英	11/6/2015	5,959	18/4/2016	2,751
Li Guangjie	李光杰	10/1/2014	167	9/4/2014	166
				15/4/2015	1,450
				18/4/2016	2,201
					3,817
Li Sang, Edward (Note (ii))	李生(附註(ii))	10/1/2014	167	9/4/2014	124
				15/4/2015	1,212
					1,336
Independent non-executive directors:	獨立非執行董事：				
Fu Tingmei	傅廷美		—		—
Song Ming	宋敏		—		—
Tsang Yiu Keung	曾耀強		—		—
			7,261		33,094

37. 董事及高級管理層酬金(續)

(b) 董事遞延酬金(續)

截至二零一六年十二月三十一日止年度



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37. Directors' and Senior Management's Emoluments (continued)

(b) Directors' deferred emoluments (continued)

Year ended 31 December 2015

Name of director	董事姓名	Share-based compensation reserve 以股份為基礎補償儲備			
		Share option scheme 購股權計劃	Share award scheme 股份獎勵計劃	Share option expense (Note 31)	Share award expense (Note 32)
		Date of grant 授出日期	HK\$'000 千港元	Date of grant 授出日期	HK\$'000 千港元
<i>Executive directors:</i>		<i>執行董事：</i>			
Yim Fung (Note (i))	閻峰 (附註(i))	10/1/2014	1,506	22/4/2013 9/4/2014 15/4/2015	1,322 4,300 16,890
					22,512
Wong Tung Ching	王冬青	— 10/1/2014	— 793	22/4/2013 9/4/2014 15/4/2015	431 1,215 9,201
					10,847
Qi Haiying	祁海英	11/6/2015	4,600		—
Li Guangjie	李光杰	10/1/2014	396	22/4/2013 9/4/2014 15/4/2015	104 346 2,627
					3,077
Li Sang, Edward	李生	10/1/2014	396	22/4/2013 9/4/2014 15/4/2015	98 288 2,191
					2,577
<i>Independent non-executive directors:</i>		<i>獨立非執行董事：</i>			
Fu Tingmei	傅廷美		—		—
Song Ming	宋敏		—		—
Tsang Yiu Keung	曾耀強		—		—
			7,691		39,013

37. 董事及高級管理層酬金 (續)

(b) 董事遞延酬金 (續)

截至二零一五年十二月三十一日
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37. Directors' and Senior Management's Emoluments (continued)

(b) Directors' deferred emoluments (continued)

Note (i):

Dr. Yim Fung is the executive director and chief executive officer of the Company.

Note (ii):

Mr. Li Sang, Edward has resigned as an executive director with effect from 24 February 2016.

37. 董事及高級管理層酬金(續)

(b) 董事遞延酬金(續)

附註(i):

閻峰博士為本公司執行董事兼行政總裁。

附註(ii):

李先生已自二零一六年二月二十四日起辭任執行董事。



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38. Cash Flows from Operating Activities

38. 經營活動產生的現金流量

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash flows from operating activities	經營活動產生的現金流量		
Profit before tax	除稅前溢利	1,188,607	1,168,122
Adjustments for:	經調整：		
Depreciation	折舊	34,695	28,664
Share-based compensation expense	以股份為基礎的補償開支	98,113	103,614
Net impairment charge on loans and advances to customers	給予客戶貸款及墊款減值淨額	92,898	173
Net impairment charge on accounts receivable	應收款項減值淨額	42	5,335
Gain on disposal of property, plant and equipment	出售物業、廠房及設備所得收益	—	(70)
Foreign exchange adjustment on provision of impairment on accounts receivable	應收款項減值撥備之外匯調整	3	—
		1,414,358	1,305,838
(Increase)/decrease in other assets	其他資產(增加)/減少	(5,125)	108
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	(8,686,237)	(3,273,999)
Increase in derivative financial instruments	衍生金融工具增加	3,268	4,814
Increase in loans and advances to customers	給予客戶貸款及墊款增加	(2,255,185)	(3,276,866)
Decrease/(increase) in accounts receivable	應收款項減少/(增加)	436,153	(936,351)
Decrease/(increase) in receivable from reverse repurchase agreements	反向回購協議應收款項減少/(增加)	28,913	(509,695)
Increase in obligations under repurchase agreements	回購協議的債項增加	530,441	400,517
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	107,312	(129,930)
Increase in financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債增加	2,980,180	505,340
Decrease/(increase) in client trust bank balances	客戶信託銀行結餘減少/(增加)	2,262,074	(5,653,082)
Increase in time deposits with original maturity more than three months when required	於收購時原到期日超過三個月之定期存款增加	(10,000)	—
(Decrease)/increase in accounts payable	應付款項(減少)/增加	(3,347,274)	8,213,844
Increase in other payables and accrued liabilities	其他應付款項及應計款項增加	11,739	63,277
Cash used in operations	經營業務動用現金	(6,529,383)	(3,286,185)
Hong Kong profits tax paid	已付香港利得稅	(204,095)	(198,082)
Net cash flows used in operating activities	經營活動動用現金流量淨額	(6,733,478)	(3,484,267)
Cash flows from operating activities included:	經營活動的現金流量包括：		
– Interest received	– 已收利息	1,277,728	1,073,000
– Interest paid	– 已付利息	333,874	242,705
– Dividend received	– 已收股息	8,212	5,664

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39. Five Highest Paid Individuals

Excluding amounts paid or payable by way of commission of sales generated by the individuals, the five highest paid employees during the year included three (2015: three) directors, details of whose remuneration are set out in note 37 above. Details of the remuneration of the remaining two (2015: two) non-director and highest paid employees for the year are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	4,617	5,490
Discretionary bonuses	酌情花紅	18,900	13,500
Employer's contribution to pension scheme	僱主向退休金計劃供款	36	36
Sub-total	小計	23,553	19,026
Share-based compensation reserve	以股份為基礎補償儲備		
– Share option expense	– 購股權開支	200	476
– Share award expense	– 股份獎勵開支	8,669	8,564
Total	總計	32,422	28,066

The number of non-director and highest paid employees of the Group/ whose emoluments fell within the following bands is as follows:

39. 五位最高薪酬人士

除以個別人士產生的銷售佣金的方式支付或應付的款項外，年內五位最高薪酬僱員包括三名(二零一五年：三名)董事，其薪酬詳情載於上文附註37。年內其餘兩名(二零一五年：兩名)非董事及最高薪酬僱員的薪酬詳情如下：

本集團非董事及最高薪酬僱員的人數及其酬金範圍如下：

		2016 二零一六年 Number of employees 僱員人數	2015 二零一五年 Number of employees 僱員人數
Emolument bands	酬金範圍		
– HK\$12,000,001 to HK\$12,500,000	– 12,000,001港元至12,500,000港元	—	—
– HK\$12,500,001 to HK\$13,000,000	– 12,500,001港元至13,000,000港元	—	—
– HK\$13,000,001 to HK\$13,500,000	– 13,000,001港元至13,500,000港元	—	1
– HK\$13,500,001 to HK\$14,000,000	– 13,500,001港元至14,000,000港元	1	—
– HK\$14,500,001 to HK\$15,000,000	– 14,500,001港元至15,000,000港元	—	1
– HK\$18,500,001 to HK\$19,000,000	– 18,500,001港元至19,000,000港元	1	—
		2	2



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40. Related Party Transactions

- (a) In addition to the transactions and balances set out elsewhere in the financial statements, the Group had the following material transactions with related parties during the year.

40. 關聯方交易

- (a) 除於財務報表另行載列的交易及結餘外，本集團於年內與關聯方進行以下重大交易。

			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Commission expenses to the ultimate holding company	支付予最終控股公司的佣金開支	(i)	(2,468)	(9,246)
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	(ii)	(550)	—
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	(iii)	(19,420)	(14,640)
Management fee income and performance fee income from a private fund managed by a wholly-owned subsidiary of the Company and invested by a fellow subsidiary	自本公司全資附屬公司管理及同系附屬公司投資的私募基金收取的管理費收入及表現費收入	(iv)	1,274	7,426
Total fees received from the above private fund	自上述私募基金收取的總費用	(v)	205	581
Commission income of a public fund managed by a fellow subsidiary	自同系附屬公司管理的公募基金收取的佣金收入	(vi)	136	449
Commission income from an intermediate holding company	自中介控股公司收取的佣金收入	(vii)	1,543	2,027
Commission income from the ultimate holding company	自最終控股公司收取的佣金收入	(viii)	34	301
Commission income from the immediate holding company	自直接控股公司收取的佣金收入	(ix)	—	123

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40. Related Party Transactions (continued)

(a) (continued)

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Management fee income from a public fund managed by a wholly-owned subsidiary of the Company and invested by the intermediate holding company	自本公司全資附屬公司管理及中介控股公司投資的公募基金收取的管理費收入	(x)	3,526	7,200
Management fee income from public funds managed by a wholly-owned subsidiary of the Company and controlled by the intermediate holding company	自本公司全資附屬公司管理及中介控股公司控制的公募基金收取的管理費收入	(xi)	1,661	1,462
Management fee income and handling fee income from a public fund managed by a wholly-owned subsidiary of the Company and invested by a fellow subsidiary	自本公司全資附屬公司管理及同系附屬公司投資的公募基金收取的管理費及手續費收入	(xii)	1,975	779
Commission income from the above public fund	自上述公募基金收取的佣金收入	(xiii)	100	30
Commission income from funds managed by a fellow subsidiary	自同系附屬公司管理的基金收取的佣金收入	(xiv)	3,841	—
Professional fee and consultancy fee paid to the ultimate holding company	支付予最終控股公司的專業及諮詢費	(xv)	(361)	(200)
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	(xvi)	(7,271)	—

40. 關聯方交易 (續)

(a) (續)



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40. 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\$19,420,000 for the year ended 31 December 2016 (2015: HK\$14,640,000).
- (iv) The management fee income and performance fee income received from the private fund managed by the wholly-owned subsidiary of the Company and invested by a fellow subsidiary were charged at 1.5% per annum of the net asset value at the last working day of each month and 20% of the positive increment in the net asset value for the year ended 31 December 2016.
- (v) The total fees received from the private fund mentioned in note (iv) above included commission income which was based on 0.25% of the transaction value.
- (vi) The commission income received from the public fund managed by the fellow subsidiary was based on the pricing stated in the signed brokerage agreement with the wholly-owned subsidiary of the Company.
- (vii) 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.
- (viii) The commission income received from the ultimate holding company was based on the pricing stated in the signed brokerage agreement with a wholly-owned subsidiary of the Company.
- (ix) The commission income received from the immediate holding company was based on the pricing stated in the signed brokerage agreement with a wholly-owned subsidiary of the Company.
- (x) The management fee income received from the public fund managed by a wholly-owned subsidiary of the Company and invested by the intermediate holding company was charged based on the percentage prescribed in the investment management agreement for the year ended 31 December 2016.

40. 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的透過RQFII賬戶交易值百分比計算。
- (iii) 截至二零一六年十二月三十一日止年度就同系附屬公司提供資本市場資料的專業及諮詢費支付19,420,000港元(二零一五年：14,640,000港元)。
- (iv) 自本公司全資附屬公司管理及同系附屬公司投資的私募基金收取的管理費收入及表現費收入按截至二零一六年十二月三十一日止年度各月最後一個工作日的資產淨值每年1.5%以及資產淨值增加額的20%收費。
- (v) 自附註(iv)所述私募基金收取的總費用包括按交易值的0.25%計算的佣金收入。
- (vi) 自同系附屬公司管理的公募基金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) 自中介控股公司收取的佣金收入乃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。
- (viii) 自最終控股公司收取的佣金收入乃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。
- (ix) 自直接控股公司收取的佣金收入乃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。
- (x) 自本公司全資附屬公司管理及中介控股公司投資的公募基金收取的管理費收入按截至二零一六年十二月三十一日止年度的投資管理協議規定的百分比收取。

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40. Related Party Transactions (continued)

(a) (continued)

Notes: (continued)

- (xi) The management fee income received from three public funds (2015: three) managed by the wholly-owned subsidiary of the Company and controlled by the intermediate holding company was based on a percentage prescribed in the respective investment management agreements for the year ended 31 December 2016.
- (xii) The management fee income and handling fee income received from the public fund managed by the wholly-owned subsidiary of the Company and invested by the fellow subsidiary was based on the percentage prescribed in the investment management agreement for the year ended 31 December 2016.
- (xiii) The commission income received from the public fund mentioned in note (xii) above was based on the percentage stated in the signed brokerage agreement with another wholly-owned subsidiary of the Company.
- (xiv) The commission income received from funds managed by the fellow subsidiary was based on the pricing stated in the signed brokerage agreement with the wholly-owned subsidiary of the Company.
- (xv) The professional fee and consultancy fee paid to the ultimate holding company were based on the usage of research reports and financial advisory services provided to a wholly-owned subsidiary of the Company principally engaged in the provision of futures dealing and broking services
- (xvi) Included in Group's balance of Perpetual Securities was an amount of HK\$971,125,000 as at 31 December 2016 (2015: Nil) owned by the intermediate holding company. The accrued distribution payable to the intermediate holding company was HK\$7,271,000 (2015: Nil).

40. 關聯方交易 (續)

(a) (續)

附註：(續)

- (xi) 自本公司全資附屬公司管理及中介控股公司控制的三項(二零一五年：三項)公募基金收取的管理費收入按截至二零一六年十二月三十一日止年度的相關投資管理協議規定的百分比收取。
- (xii) 自本公司全資附屬公司管理及同系附屬公司投資的一項公募基金收取的管理費及手續費收入按截至二零一六年十二月三十一日止年度的投資管理協議規定的百分比收取。
- (xiii) 自上文附註(xii)所述公募基金收取的佣金收入乃按與本公司另一家全資附屬公司簽立的經紀協議列明的百分比收費。
- (xiv) 自同系附屬公司管理的基金收取的佣金收入乃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。
- (xv) 支付予最終控股公司的專業及諮詢費乃按提供予本公司一家主要從事期貨買賣及經紀業務的全資附屬公司的調查報告及財務諮詢服務使用量收取。
- (xvi) 本集團擁有的永續證券結餘包括於二零一六年十二月三十一日由中介控股公司擁有的款項971,125,000港元(二零一五年：零)。應付中介控股公司的應計分派為7,271,000港元(二零一五年：零)。



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40. Related Party Transactions (continued)

(a) (continued)

Notes: (continued)

- (xvii) Included in the Group's accounts payable was a broker payable due to the ultimate holding company of HK\$8,006,000 (2015: HK\$99,321,000) arising from dealing in securities as at 31 December 2016. The balance was unsecured, interest-free and payable on the settlement day under the relevant market practices.
- (xviii) Included in the Group's accounts receivable was a broker receivable due from the ultimate holding company of HK\$20,230,000 (2015: HK\$251,285,000) arising from dealing in securities as at 31 December 2016. 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.
- (xix) Included in the accounts receivable were management fee and performance fee receivables due from investment funds managed by the Group mentioned above of HK\$745,000 (2015: HK\$808,000) arising from the provision of asset management services as at 31 December 2016. The balances were unsecured, interest-free and receivable monthly in arrears.
- (xx) Included in the Group's accounts receivable was the accounts receivable to the public fund mentioned in note (vi) above arising from dealing in securities of nil amount as at 31 December 2016 (2015: HK\$71,000).
- (xxi) Included in the Group's accounts payable were amounts due to the intermediate holding company of HK\$485,909,000 (2015: HK\$48,816,000), the immediate holding company of HK\$135,807,000 (2015: Nil) and the ultimate holding company of HK\$1,328,000 (2015: HK\$1,178,000) arising from dealing in securities, futures and foreign exchange as at 31 December 2016. The balances were unsecured, interest-free and payable on demand.
- (xxii) Included in the Group's accounts payable were amounts due to funds managed by the fellow subsidiaries of HK\$913,000 (2015: nil) arising from dealing in securities as at 31 December 2016. The balance was unsecured, interest-free and payable on the settlement day under the relevant market practice.

40. 關聯方交易(續)

(a) (續)

附註：(續)

- (xvii) 本集團的應付款項包括於二零一六年十二月三十一日買賣證券產生的應付最終控股公司證券交易款項8,006,000港元(二零一五年：99,321,000港元)。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。
- (xviii) 本集團的應收款項包括於二零一六年十二月三十一日買賣證券產生的應收最終控股公司證券交易款項20,230,000港元(二零一五年：251,285,000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、免息及須於結算日交收。
- (xix) 應收款項包括於二零一六年十二月三十一日提供資產管理服務產生的應收由上述本集團管理投資基金的管理費款項及表現費款項745,000港元(二零一五年：808,000港元)。該結餘乃無抵押、免息及須於每月後收取。
- (xx) 本集團的應收款項包括於二零一六年十二月三十一日買賣證券產生的應收上述附註(vi)提及的公募基金款項零港元(二零一五年：71,000港元)。
- (xxi) 於二零一六年十二月三十一日，本集團之應付賬款包括因買賣證券、期貨及外匯產生之應付中介控股公司款項485,909,000港元(二零一五年：48,816,000港元)、應付直接控股公司135,807,000港元(二零一五年：無)及應付最終控股公司1,328,000港元(二零一五年：1,178,000港元)。該結餘乃無抵押、免息及須於要求時支付。
- (xxii) 於二零一六年十二月三十一日，本集團之應付賬款包括因買賣證券產生之應付同系附屬公司管理之基金款項913,000港元(二零一五年：無)。該結餘乃無抵押、免息及須於按相關市場慣例結算之日支付。

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40. Related Party Transactions (continued)

(a) (continued)

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 an 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 as individually significant in accordance with HKAS 24.

The related party transactions in respect of items (i), (iii), (vi) to (viii) above also constitute continuing connected transactions to be disclosed in the annual report as defined in Chapter 14A of the Listing Rules.

(b) Details of the remuneration of the key management personnel of the Group are disclosed in note 37.

40. 關聯方交易(續)

(a) (續)

本集團的最終控股公司國泰君安受中國政府控制，而中國政府亦控制中國國內的大部分資產及實體(統稱為「國有企業」)。因此，與國有企業的交易均被視為關聯方交易。

本集團大部分銀行借款及存款均與國有銀行訂立。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。

上文第(i)、(iii)、(vi)至(viii)項的關聯方交易亦構成須於年報披露之持續關連交易(定義見上市規則第十四A章)。

(b) 本集團主要管理人員薪酬詳情於附註37披露。



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41. Financial Risk Management

The Group's activities expose it to credit risk, market risk and liquidity risk. The Group's overall risk management programme focuses on the analysis, evaluation, acceptance and monitoring of these risks which are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise any potential adverse effect on the Group's financial performance.

The Group's risk management policies are approved by the Board of Directors and are designed to identify and analyse these risks, to set appropriate risk limits and controls and to monitor the risks and adherence to limits by means of reliable and up-to-date information. The Board of Directors provides written principles for overall risk management. The Group regularly reviews its risk management policies to reflect any change in the market and clients.

The main risks arising from the Group's financial instruments are credit risk, market risk and liquidity risk. The policies for managing each of these risks are summarised below:

Credit risk

Credit exposures arise principally from loans and advances to customers, accounts receivable, debt securities, bank balances and client trust bank balances which are included in the Group's asset portfolio.

41. 金融風險管理

本集團的業務面臨信貸風險、市場風險及流動資金風險。本集團整體風險管理計劃集中於分析、評估、接受及監控該等於業務過程中不可避免的風險。因此，本集團的目標為適當地平衡風險與回報，並將對本集團財務表現潛在的任何不良影響減至最低。

本集團的風險管理政策由董事會批准，旨在識別及分析上述風險，設定適當的風險限額並控制及監控風險及使用可靠及先進的資訊以嚴守限額。董事會就整體風險管理制定書面原則。本集團定期檢討其風險管理政策，以反映市場及客戶的任何變動。

本集團金融工具產生的主要風險為信貸風險、市場風險及流動資金風險。管理各項風險的政策概括如下：

信貸風險

信貸風險主要源自本集團資產組合中的給予客戶的貸款及墊款、應收賬款、債務證券、銀行結餘及客戶信託銀行結餘。

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41. Financial Risk Management (continued)

Credit risk (continued)

Credit risk limit control and mitigation policies

The Board of Directors delegates to the Credit Committee the duties to monitor the credit risk of the Group. Members of the Credit Committee include, inter alia, the Chief Executive Officer, Responsible Officers, the Chief Financial Officer and the Head of Equity Financing Department. The Credit Committee is responsible for the development of financing business and approval of major credit exposure.

The Equity Financing Department is responsible for approval, monitoring and review of the Group's credit risk of margin clients. It is also responsible for making settlement calls when the trades of margin clients exceed their respective limits. Failure to meet margin calls may result in liquidation of the client's position. The credit limit and margin limit for each client and the lending ratio of securities acceptable as margin collateral prepared by the Equity Financing Department will be further approved by the Credit Committee.

The Group also grants term loans to customers that may contain an element of credit risk. The Group minimises such risk exposure by performing a detailed credit analysis, and dedicated professionals are assigned to oversee and monitor the performance. These key investment decisions are also subject to approval by the Credit Committee.

Loans and advances to customers including IPO loans for subscription of new shares are normally settled within 1 week from the drawdown date. Forced liquidation action would be taken if the customers fail to settle their shortfall within a specific period of tolerance after the IPO allotment result is announced.

For debt securities, external rating such as Standard & Poor's and Moody's ratings or their equivalents are used by the Risk Management Department for managing credit risk exposures as supplemented by the Group's own assessment through the use of internal rating tools.

41. 金融風險管理(續)

信貸風險(續)

信用風險限額控制及緩釋政策

董事會委派信貸委員會監控本集團信貸風險。信貸委員會包括(其中包括)行政總裁、負責人員、首席財務總監及融資融券部門主管。信貸委員會負責發展金融業務及批准主要信貸風險。

融資融券部負責批准、監控及審閱本集團的孖展客戶信貸風險。其亦須於孖展客戶的交易超過其各別限額時發出補倉通知。未能補倉的客戶可能被斬倉。各客戶的信貸限額及孖展限額以及融資融券部門釐定可接納為孖展抵押的證券貸款比率將由信貸委員會進一步批准。

本集團亦向客戶授出定期貸款，該等貸款可能包含信貸風險因素。本集團透過進行詳細信貸分析降低有關風險承擔，並指派專業人士監督及監控表現。該等主要投資決策亦須經信貸委員會批准。

給予客戶的貸款及墊款包括有關認購新股的首次公開發售貸款，一般於自提取日期起一周內結算。倘客戶於首次公開發售配發結果公佈後的指定寬限期內未能結算其差額，則將會被斬倉。

就債務證券而言，風險管理部門採用外部信貸評級(如標準普爾及穆迪評級或其同行評級)進行信貸風險管理，本集團透過使用內部評級工具進行補充性自行評估。



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41. Financial Risk Management (continued)

Credit risk (continued)

Credit risk limit control and mitigation policies (continued)

The Group's bank balances are deposited in respectable and large commercial banks. For the client trust bank balances which are held in segregated accounts, they are deposited in authorised financial institutions in Hong Kong. The credit risk of bank balances and client trust bank balances are considered to be manageable.

Accounts receivable from clients represent receivables from clients arising from dealing in securities, which normally had a delivery-against payment settlement term of 1 to 3 days. The Group allows credit up to the settlement dates of the respective securities transactions (normally from T+1 to T+3 days). All applications for credit limits must be reviewed by the Credit Manager and approved by any member of the Credit Committee. However, no credit limit would be granted to new clients. The Equity Financing Department determines whether a forced liquidation action is to be taken against clients with overdue balances on a case-by-case basis. The Credit Committee regularly reviews the overdue balances.

The Group only accepts margin deposits in the form of cash for futures, options and leveraged foreign exchange dealing and broking. No transaction is allowed to be executed if the current position of the customer exceeds its trading limit. The margin deposit placed and the aggregate of the required margin deposits of each futures, options and leveraged foreign exchange contract are timely monitored by both the dealers and the Risk Management Department. Margin calls will be executed by the on-site duty staff for futures, options and leveraged foreign exchange brokerage business if there is a deficit with the margin deposit. Forced liquidation of the customer's position will be executed if the customer fails to meet the margin calls.

With the above stated controls, management considers that the credit risk of the Group resulting from securities, futures, options and leveraged foreign exchange brokerage business as well as margin and other loan financing is manageable.

41. 金融風險管理(續)

信貸風險(續)

信用風險限額控制及緩釋政策(續)

本集團銀行結餘乃存於聲譽良好的大型商業銀行。就以獨立賬戶持有的客戶信託銀行結餘而言，該等結餘乃存於香港的認可金融機構。銀行結餘及客戶信託銀行結餘的信貸風險屬可管理範圍內。

應收客戶款項指證券交易產生的應收客戶款項，付款交收的結算期一般為一至三天。本集團授予的信貸期最多至各項證券交易的結算日（一般為T+1至T+3日內）。所有信貸限額的申請均須經信貸主任審核及由信貸委員會任何成員批准。然而，新客戶不會獲授任何信貸限額。融資融券部門釐定是否就逾期結餘逐筆對個別客戶採取強制清盤措施。信貸委員會定期檢討逾期結餘。

本集團對期貨、期權及槓桿外匯買賣及經紀僅接受現金形式的保證金。倘客戶的本期財務狀況超過交易限額，則不得進行任何交易。所投入的保證金及各項期貨、期權及槓桿外匯合約所要求的保證金總額由交易商及風險管理部門及時監察。倘保證金不足，現場在職的員工會就期貨、期權及槓桿外匯經紀業務發出補倉通知。未能補倉的客戶將被斬倉。

在上文所述監控下，管理層認為本集團因證券、期貨、期權及槓桿外匯經紀業務以及孖展及其他貸款融資所面臨的信貸風險均在可管理範圍之內。

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41. Financial Risk Management (continued)

Credit risk (continued)

Credit risk limit control and mitigation policies (continued)

Accounts receivable from brokers and dealers are placed with large financial institutions which are governed by regulators. The credit risk of accounts receivable from brokers and dealers is considered to be manageable.

The credit risk of accounts receivable from corporate clients and investment funds arising from corporate finance, asset management and investment holding and market making businesses are manageable as the credit rating and reputation of trade counterparties are sound.

The credit risk of accounts receivable from the Stock Exchange and other clearing houses is considered to be minimal.

Impairment and provisioning policies

The Group's policy requires the review of individual outstanding amounts at least monthly or more regularly depending on individual circumstances or market condition. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the end of the reporting period on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account. Generally, impairment allowances will be provided when clients fail to meet margin call requirements and clients' collateral is insufficient to cover their outstanding loan balances.

41. 金融風險管理(續)

信貸風險(續)

信用風險限額控制及緩釋政策(續)

應收經紀及交易商的款項存放於監管機構管治下的大型金融機構。應收經紀及交易商的款項的信貸風險乃視為在可管理範圍內。

由於交易對手方的信用評級及聲譽穩健，故企業融資、資產管理及投資控股以及做市業務所產生的應收企業客戶及投資基金款項的信貸風險在可管理範圍之內。

應收聯交所及其他結算所的應收款項的信貸風險甚微。

減值及撥備政策

本集團的政策要求至少每月或在特定情況或因應市況下更為頻繁地對個別未結清款項進行審閱。通過評估所有個別重大賬戶於報告期間結束時產生的虧損，逐筆計提個別已評估賬戶的減值撥備。評估通常考慮持有的抵押品以及個別賬戶的預期可收回金額。一般情況下，當客戶未能達到補倉規定且客戶的抵押品不足以抵付未清償貸款結餘時，將會計提減值撥備。



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41. Financial Risk Management (continued)

Credit risk (continued)

Maximum exposure to credit risk before collateral held or other credit enhancements

The Group's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period, in relation to each class of financial assets, is the carrying amount of those assets as indicated in the statement of financial position.

These amounts represent the worst case scenario of credit risk exposure to the Group at 31 December 2016 and 2015, without taking account of any collateral held or other credit enhancements attached.

Concentration of risks of financial assets with credit risk exposure

(a) Bank balances and client trust bank balances

The counterparties of all client trust bank balances and the majority of cash and bank balances are located in Hong Kong. As the Group's bank balances and client trust bank balances are deposited with a number of financially sound financial institutions, in the opinion of the directors, the concentration risk of the Group's bank balances and client trust bank balances is insignificant.

(b) Loans and advances to customers and accounts receivable from clients

The counterparties of the majority of loans and advances to customers (including margin loans, IPO loans and other loan financing) and accounts receivable from clients are individuals who are mainly located in China. The Equity Financing Department and Risk Management Department daily prepares analysis of key margin client and futures, options and leveraged foreign exchange client exposure for review to avoid excessive concentration of risk. As the Group trades with a large number of diversified clients, in the opinion of the directors, the concentration of risk of loans and advances to customers and accounts receivable from clients is manageable.

41. 金融風險管理(續)

信貸風險(續)

除所持抵押品或其他信貸提升前所面對的最高信貸風險

倘交易對手未能於報告期間結束時履行其責任，則本集團所面對的與各類金融資產相關的最高信貸風險值為財務狀況表內所示該等資產的賬面值。

該等金額為本集團於二零一六年及二零一五年十二月三十一日所面對的信貸風險的最差情形，且未計及任何所持抵押品或所附其他信貸提升情況。

面臨信貸風險的金融資產的風險集中程度

(a) 銀行結餘及客戶信託銀行結餘

所有客戶信託銀行結餘及大部分現金及銀行結餘的交易對手均位於香港。由於本集團的銀行結餘及客戶信託銀行結餘乃存於多家財務穩健的金融機構，故董事認為本集團的銀行結餘及客戶信託銀行結餘的集中風險不大。

(b) 給予客戶的貸款及墊款以及應收客戶款項

大部分給予客戶的貸款及墊款(包括孖展貸款、首次公開發售貸款及其他貸款融資)以及應收客戶款項的交易對手為個人，主要居於中國。融資融券部門及風險管理部門每日編製及審閱主要孖展客戶及期貨、期權及槓桿外匯客戶風險分析，以期避免過度集中的風險。由於本集團與大量各行各業的客戶交易，故董事認為給予客戶的貸款及墊款以及應收客戶款項的集中風險在可管理範圍之內。

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41. Financial Risk Management (continued)

Credit risk (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- (c) Accounts receivable from brokers, dealers as well as clearing houses and others

The Group also has accounts receivable from clearing houses, brokers and dealers from its securities, futures, options and leveraged foreign exchange brokerage business as well as other receivables from asset management, corporate finance and investment holding and market making businesses. Responsible Officers timely monitor excess deposits placed with dealers and brokers to ensure the concentration of risk of accounts receivable is manageable.

Securities borrowing and lending

In the normal course of brokerage business, the Group may enter into securities borrowing and lending arrangements with financial institutions and the Group's customers. As at 31 December 2016, the Group borrowed equity securities of HK\$24,954,000 (2015: HK\$57,653,000) from financial institutions and set aside equity securities of HK\$370,908,000 (2015: HK\$259,144,000) pledged by margin clients, for such lending arrangements to customers. Cash collateral of HK\$400,852,000 (2015: HK\$542,502,000) was received from the customers while HK\$24,578,000 (2015: HK\$62,335,000) was placed to the financial institutions.

41. 金融風險管理(續)

信貸風險(續)

面臨信貸風險的金融資產的風險集中程度(續)

- (c) 應收經紀、交易商以及結算所及其他人士的款項

本集團亦有應收結算所、經紀及交易商有關證券、期貨、期權及槓桿外匯經紀業務的款項以及來自資產管理、企業融資及投資控股以及做市業務的其他應收款項。負責人員定時監察存於個別交易商及經紀的超額存款，以確保應收款項的集中風險在可管理範圍之內。

證券借貸

於正常經紀業務過程中，本集團可能與金融機構和本集團客戶訂立證券借貸安排。於二零一六年十二月三十一日，本集團向金融機構借股本證券24,954,000港元(二零一五年：57,653,000港元)並撥出由孖展客戶抵押的股本證券370,908,000港元(二零一五年：259,144,000港元)用作此類客戶該等借貸安排。現金抵押400,852,000港元(二零一五年：542,502,000港元)乃收取自客戶及24,578,000港元(二零一五年：62,335,000港元)存放於金融機構。



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41. Financial Risk Management (continued)

Credit risk (continued)

Securities borrowing and lending (continued)

The Group maintains no net position in such securities borrowing and lending transactions and is not subject to significant price risk. However, under the securities borrowing and lending arrangements, the cash collateral received and cash collateral placed are included in the accounts payable and accounts receivable from brokers and dealers, respectively. The Group is principally liable for repaying the borrowed securities in case of any default by the customers.

In the normal course of financial products, market making and investment business, the Group may also enter into securities borrowing and lending arranged with financial institutions. As at 31 December 2016, the Group borrowed exchange-traded funds of HK\$3,162,000 from a financial institution for the market making activities and placed HK\$3,320,000 to the financial institution as cash collateral.

Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

The financial instruments held by the Group mainly exposed it to interest rate risk and price risk. The market risk mainly includes cash flow interest rate risk and price risk. The Group has established policies and procedures for monitoring and controlling the market risk arising from these financial instruments.

41. 金融風險管理(續)

信貸風險(續)

證券借貸(續)

本集團於該等證券借貸交易中並無維持任何淨倉，故並無面對重大價格風險。然而，根據證券借貸安排，所收取的現金抵押以及所存放的現金抵押分別計入應付款項以及應收經紀及交易商款項。本集團的主要責任為在任何客戶出現任何違約時償還所借入的證券。

於正常金融產品、做市及投資業務的過程中，本集團亦可能與金融機構訂立證券借貸安排。於二零一六年十二月三十一日，本集團向一家金融機構借交易所交易基金3,162,000港元用於做市活動及向金融機構存放3,320,000港元作為現金抵押。

市場風險

本集團所面對的市場風險，乃指由於市場價格變動而引致金融工具的公平值或未來現金流量變動的風險。市場風險乃因利率、貨幣及股權產品等的未平倉而產生，並受到一般及特定的市場變動及市場利率或價格(如利率、匯率及股價)波幅變動的風險所影響。

本集團所持有的金融工具主要面對利率風險及價格風險。市場風險主要包括現金流量利率風險及價格風險。本集團已制定有關政策及程序，以監測及控制該等金融工具所產生的市場風險。

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41. Financial Risk Management (continued)

Market risk (continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and advances to customers, accounts receivable, financial assets and liabilities at fair value through profit or loss, accounts payable to clients, bank borrowings, debt securities in issue, receivable from reverse repurchase agreements, obligation under repurchase agreements, client trust bank balances and cash and bank balances. Debt investments usually bear a fixed rate interest and they are managed through the strategy of trading them within a short period of time.

Interest on cash at banks will fluctuate at floating rates based on daily bank deposit rates. Bank borrowings and margin loans receivable at variable rates exposed the Group to cash flow interest rate risk. Other financial assets and liabilities which are mainly carried at amortised cost are either non-interest-bearing or fixed interest-bearing with short term maturities within one year, of which the interest rate risk is also considered to be minimal. The Group mitigates its interest rate risk by monitoring market interest rate movements and revising the interest rates offered to its customers on an ongoing basis in order to limit potential adverse effects of interest rate movements on net interest income. The Group regularly calculates the impact on profit or loss of a possible interest rate shift on its portfolio of bank borrowings, margin loans receivable and interest-bearing bank deposits.

If there would be a general increase/decrease in the interest rate by 1% (2015: 1%), with all other variables held constant, the net interest income for the year ended 31 December 2016 would have been increased/decreased by approximately HK\$193.7 million (2015: HK\$215.3 million), but the fair value of the debt investments for the year ended 31 December 2016 would have been decreased/increased by approximately HK\$100.2 million (2015: HK\$13.6 million). The estimated 1% increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting period.

41. 金融風險管理(續)

市場風險(續)

利率風險

本集團面臨的市場利率變動風險主要與本集團給予客戶的貸款及墊款、應收款項、按公平值計入損益的金融資產及負債、應付客戶款項、銀行借款、已發行債務證券、反向回購協議應收款項、回購協議的債項、客戶信託銀行結餘以及現金與銀行結餘有關。債務投資通常按固定利率計息，通過在短時期內買賣的戰略對其進行管理。

銀行存款利息按根據每日銀行存款利率計算的浮動利率而波動。本集團面對以浮息計息的銀行借款及應收孖展貸款款項所產生的現金流量利率風險。主要按攤銷成本列賬的其他金融資產及負債乃不計息或按固定利率計息，期限為一年以內，故其利率風險亦被認為微乎其微。本集團透過監控市場利率變動並持續修訂給予客戶的利率，從而減輕利率變動對利息收入淨額的潛在不利影響。本集團定期計算其銀行借款、應收孖展貸款款項及計息銀行存款組合可能產生的利率變動對損益的影響。

倘利率整體上升/下降1%(二零一五年：1%)，所有其他變量保持不變，則截至二零一六年十二月三十一日止年度的利息收入淨額將會增加/減少約193.7百萬港元(二零一五年：215.3百萬港元)，但截至二零一六年十二月三十一日止年度的債務投資的公平值將會減少/增加約100.2百萬港元(二零一五年：13.6百萬港元)。估計1%的增加或減少指管理層對下個年度報告期間前期間的利率合理變動的評估。



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41. Financial Risk Management (continued)

Market risk (continued)

Interest rate risk (continued)

The financial products and derivative financial instruments held by the Group are structured as debt securities in issue for sales to customers. They are not subject to significant risk as the risk has been transferred to customers accordingly.

Equity Price risk

The Group is exposed to equity securities price risk from equity instruments and fund investments held by the Group which are classified in the statement of financial position as financial assets and liabilities at fair value through profit or loss. Price risk is the risk of changes in fair value of financial instruments from fluctuations, whether such a change in price is caused by factors specific to the individual instrument or factors affecting all instruments traded in the markets. The Group mitigates its price risk by performing detailed due diligence analysis of investments and dedicated professionals are assigned to oversee and monitor the performance of investments.

At 31 December 2016, the profit before tax would increase/decrease by HK\$36.3 million for the equity and fund investment held for trading (2015: HK\$24.9 million) should the Hang Seng Index (the "HSI") increase/decrease by 10% (2015: 10%). The analysis is based on the assumption that all the equity instruments move according to the historical correlation with the HSI and with all other variables held constant.

The asset quality of the margin clients' margin collateral will deteriorate when the market comes down drastically. Scenario analysis and stress testing are regularly performed on an individual client basis.

41. 金融風險管理(續)

市場風險(續)

利率風險(續)

本集團持有的金融產品及衍生金融工具結構化為已發行債務證券來售予客戶。由於風險已轉移予客戶，因此彼等不承擔重大風險。

股價風險

本集團因持有股本工具及基金投資(於財務狀況表分類為按公平值計入損益的金融資產及負債)而承受股票證券價格風險。價格風險指金融工具公平值因波動而出現變動的風險，無論有關價格變動是因個別工具特有的因素或影響市場上所有買賣工具的因素所引致。本集團透過對投資進行詳細的盡職分析降低價格風險，並指派專業人士監督及監控投資表現。

於二零一六年十二月三十一日，倘恒生指數(「恒生指數」)上升/下跌10%(二零一五年：10%)，持作買賣的股權及基金投資除稅前溢利將會增加/減少36.3百萬港元(二零一五年：24.9百萬港元)。該分析乃假設所有股本工具根據與恒生指數的過往掛鈎關係變動及在所有其他可變因素保持不變的情況下作出。

孖展客戶的孖展抵押品的資產質素會於市場嚴重下滑時惡化。情景分析及壓力測試乃按個別客戶基準定期進行。

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41. Financial Risk Management (continued)

Market risk (continued)

Foreign currency risk

Foreign currency risk refers to the risk that movements in foreign currency exchange rates will affect the Group's financial results and its cash flows.

The Group's foreign exchange risk principally arises from its leveraged foreign exchange dealing and broking business as well as the Group's transactions which are denominated in currencies other than Hong Kong dollars.

For the leveraged foreign exchange brokerage business, the Group hedges the majority of the client positions through back-to-back transactions with external counterparties. As the Group adopts a stringent control over its positions, it is considered that foreign exchange risk exposure is manageable.

The Group's principal operations are transacted and recorded in Hong Kong dollars, United States dollars ("US\$") and Renminbi ("RMB"). The Group is not exposed to material foreign exchange risk because HK\$ is pegged with US\$. The Group also conducts appropriate hedging activities when it is exposed to material exchange risk in RMB. Other foreign currency exposure is relatively minimal to its total assets and liabilities. The foreign exchange risk is daily managed and monitored by the Finance Department. As a result, it is considered that foreign exchange risk exposure is manageable.

41. 金融風險管理(續)

市場風險(續)

外匯風險

外匯風險指影響本集團財務業績及其現金流量的外幣匯率變動的風險。

本集團的外匯風險主要來自其槓桿式外匯買賣及經紀業務以及本集團以港元以外貨幣為單位的交易。

就槓桿外匯經紀業務，本集團透過與外部對手方的背對背交易對沖大多數客戶的倉位。由於本集團對其倉位採納嚴格監控，故其認為外匯風險屬可管理範圍。

本集團的主要業務以港元、美元(「美元」)及人民幣(「人民幣」)交易及列賬。由於港元與美元掛鈎，故本集團並無面臨重大外匯風險。本集團亦於其面臨重大的人民幣外匯風險時採取適當的對沖活動。其他外幣風險相對於其總資產及負債所承接者相對較低。外匯風險由我們的財務部每日管理及監督，故其認為外匯風險屬可管理範圍。



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41. Financial Risk Management (continued)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Finance Department maintains flexibility in funding by maintaining available committed credit facilities from the banks.

Sources of liquidity are daily reviewed by the Finance Department to ensure the availability of sufficient liquid funds to meet all obligations.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows in strict compliance with statutory requirements. This is achieved by monitoring the liquidity position of the individual companies within the Group on a daily basis to ensure the availability of sufficient liquid funds to meet all obligations and compliance with the statutory requirements such as the Hong Kong Securities and Futures (Financial Resources) Rules.

The following table summarises the maturity profiles of the Group's financial liabilities, based on the contractual and undiscounted cash flows.

41. 金融風險管理(續)

流動資金風險

審慎的流動資金風險管理包括維持充足的現金，透過已承諾信貸融資的足夠額度備有資金，及有能力減少市場持倉。由於相關業務的多變性質，財務部致力透過已承諾的可用銀行信貸融資維持資金的靈活性。

財務部每日審核流動資金來源，以確保可獲得充足流動資金，履行所有責任。

管理層根據預期現金流量監控本集團的流動資金儲備(包括未提取借款融資)及現金及現金等價物的滾存預測，以嚴格遵守法定要求。為達到此目的，本集團需要每日監控旗下公司的流動資金狀況，以確保能夠取得充足的流動資金履行所有責任，並符合有關法定要求(如香港證券及期貨(財政資源)規則)。

根據合約及未貼現現金流量，下表概述本集團金融負債的到期情況。

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41. Financial Risk Management (continued)

Liquidity risk (continued)

As at 31 December 2016

41. 金融風險管理(續)

流動資金風險(續)

於二零一六年十二月三十一日

		Up to 1 month 一個月內 HK\$'000 千港元	1 to less than 3 months 一至三個月 HK\$'000 千港元	3 to less than 12 months 三至十二個月 HK\$'000 千港元	1 to 5 years 一至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liabilities	負債					
Accounts payable	應付款項	14,871,038	—	—	—	14,871,038
Bank borrowings	銀行借款	6,826,825	—	—	2,100,000	8,926,825
Debt securities in issue	已發行債務證券	5,647,531	—	180,836	—	5,828,367
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債	3,485,520	—	—	—	3,485,520
Obligations under repurchase agreements	回購協議的債項	157,997	185,106	605,408	—	948,511
		30,988,911	185,106	786,244	2,100,000	34,060,261
Off-balance sheet items	資產負債表外項目					
Underwriting obligations	承銷承諾	575,655	—	—	—	575,655
Financial obligations to loan facilities	貸款融資財務責任	375,419	—	—	—	375,419
Capital commitments	資本承擔	4,724	—	—	—	4,724
		955,798	—	—	—	955,798
Derivative cash flow	衍生現金流量					
Derivative financial instruments settled on a gross basis	按總額結算的衍生金融工具					
Total inflow	總流入	487,179	15,845	935,279	—	1,438,303
Total outflow	總流出	(485,835)	(13,026)	(947,940)	—	(1,446,801)
		1,344	2,819	(12,661)	—	(8,498)



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31 December 2016
二零一六年十二月三十一日

41. Financial Risk Management (continued)

Liquidity risk (continued)

As at 31 December 2015

41. 金融風險管理(續)

流動資金風險(續)

於二零一五年十二月三十一日

		Up to 1 month 一個月內 HK\$'000 千港元	1 to less than 3 months 一至三個月 HK\$'000 千港元	3 to less than 12 months 三至十二個月 HK\$'000 千港元	1 to 5 years 一至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liabilities	負債					
Accounts payable	應付款項	18,218,312	—	—	—	18,218,312
Bank borrowings	銀行借款	4,772,128	—	—	3,095,580	7,867,708
Debt securities in issue	已發行債務證券	1,929,048	311,610	—	127,711	2,368,369
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債	505,243	—	—	—	505,243
Obligations under repurchase agreements	回購協議的債項	400,517	—	—	—	400,517
		25,825,248	311,610	—	3,223,291	29,360,149
Off-balance sheet items	資產負債表外項目					
Underwriting obligations	承銷承諾	1,382,578	—	—	—	1,382,578
Financial obligations to loan facilities	貸款融資財務責任	1,272,086	—	—	—	1,272,086
Capital commitments	資本承擔	1,364	—	—	—	1,364
		2,656,028	—	—	—	2,656,028
Derivative cash flow	衍生現金流量					
Derivative financial instruments settled on a gross basis	按總額結算的衍生金融工具					
Total inflow	總流入	—	13,513	13,662	515,061	542,236
Total outflow	總流出	—	(13,513)	(13,662)	(515,061)	(542,236)
		—	—	—	—	—

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二零一六年十二月三十一日

41. Financial Risk Management (continued)

Fair values of financial assets and liabilities

Financial instruments not measured at fair value

At the end of the reporting period, the fair values of the Group's financial assets and liabilities not measured at fair value are not materially different from their carrying amount due to their short term nature.

Financial instruments measured at fair value

Group's valuation process

The Level 1 and Level 2 fair values of financial assets are measured by reference to quoted market prices and brokers' quotes, respectively. The Group has engaged an independent professionally qualified valuer, International Valuation Limited, to perform the valuation of financial instruments in Level 3 for financial reporting purposes. These valuation reports are sent to the Finance Department and the Audit Committee for discussion at least twice per annum, which is in line with the Group's reporting dates.

At each financial year end, the Finance Department reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in Level 3. Changes in fair values of Levels 2 and 3 financial assets are analysed at each reporting date.

41. 金融風險管理(續)

金融資產及負債的公平值

並非按公平值計量的金融工具

於報告期間結束時，本集團並非按公平值計量的金融資產及負債的公平值因該等資產及負債的短期性質而與其賬面值無重大差異。

按公平值計量的金融工具

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。本集團已委聘獨立專業合資格估值師國際評估有限公司對第3級金融工具進行估值，以作財務申報目的。該等估值報告將每年至少兩次(與本集團的報告日期一致)呈送予財務部及審核委員會，以供討論。

於各財政年度末，財務部審閱所有用於計量第3級金融工具公平值的重大無法觀察參數及估值調整。第2級及第3級金融資產的公平值變動於各報告日期進行分析。



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41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2016

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第1級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大 可觀察參數 (第2級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大無法 觀察參數 (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	335,569	–	–	335,569
– Listed debt securities	– 上市債務證券	–	4,979,688	–	4,979,688
– Unlisted debt securities	– 非上市債務證券	–	50,931	–	50,931
Financial assets designated as at fair value through profit or loss	指定按公平值計入損益的金融資產				
– Unlisted fund investments	– 非上市基金投資	–	355,701	51,701	407,402
– Unlisted convertible promissory note	– 非上市可換股承兌票據	–	–	115,184	115,184
– Financial products	– 金融產品	–	6,252,234	1,172,317	7,424,551
Derivative financial instruments	衍生金融工具	–	122,001	–	122,001
		335,569	11,760,555	1,339,202	13,435,326

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(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：

於二零一六年十二月三十一日

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41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

As at 31 December 2015

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(續)

公平值等級(續)

按公平值計量的資產：(續)

於二零一五年十二月三十一日

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第1級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大 可觀察參數 (第2級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大無法 觀察參數 (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	331,335	—	—	331,335
– Listed debt securities	– 上市債務證券	—	1,331,445	—	1,331,445
– Unlisted debt securities	– 非上市債務證券	—	61,944	45,400	107,344
Financial assets designated as at fair value through profit or loss	指定按公平值計入損益的金融資產				
– Unlisted fund investments	– 非上市基金投資	—	154,944	120,141	275,085
– Unlisted convertible promissory note	– 非上市可換股承兌票據	—	—	152,756	152,756
– Financial products	– 金融產品	—	2,429,123	—	2,429,123
Derivative financial instruments	衍生金融工具	—	24,952	—	24,952
		331,335	4,002,408	318,297	4,652,040



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31 December 2016
二零一六年十二月三十一日

41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

As at 31 December 2016

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(續)

公平值等級(續)

按公平值計量的負債

於二零一六年十二月三十一日

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第1級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大 可觀察參數 (第2級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大無法 觀察參數 (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Debt securities in issue designated as 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	—	(4,475,214)	(1,172,317)	(5,647,531)
Financial liabilities held for trading	持作買賣金融負債				
– Listed equity securities	– 上市股本證券	(66)	—	—	(66)
– Listed debt securities	– 上市債務證券	—	(1,136,096)	—	(1,136,096)
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	– 金融產品	—	(2,349,358)	—	(2,349,358)
Derivative financial instruments	衍生金融工具	—	(130,083)	—	(130,083)
		(66)	(8,090,751)	(1,172,317)	(9,263,134)

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財務報表附註

31 December 2016
二零一六年十二月三十一日

41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value: (continued)

As at 31 December 2015

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(續)

公平值等級(續)

按公平值計量的負債(續)

於二零一五年十二月三十一日

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第1級) HK\$'000 千港元	Significant observable inputs (Level 2) 重大 可觀察參數 (第2級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 重大無法 觀察參數 (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Debt securities in issue designated as 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	—	(1,929,048)	—	(1,929,048)
Financial liabilities held for trading	持作買賣金融負債				
– Listed equity securities	– 上市股本證券	(97)	—	—	(97)
– Listed debt securities	– 上市債務證券	—	(505,243)	—	(505,243)
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	– 金融產品	—	—	—	—
Derivative financial instruments	衍生金融工具	—	(29,766)	—	(29,766)
		(97)	(2,464,057)	—	(2,464,154)



Notes to Financial Statements

財務報表附註

31 December 2016
二零一六年十二月三十一日

41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

(a) Financial instruments in Level 1

The fair values of financial instruments traded in active markets are 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, 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 and financial liabilities held by the Group is the current bid price and current ask price.

(b) Financial instruments in Level 2

The fair values of financial instruments that are not traded in an active market (for example, over-the-counter) are 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 for the years ended 31 December 2016 and 2015.

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(續)

公平值等級(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、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及金融負債所用的市場報價為當時的買盤價及賣盤價。

(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。

截至二零一六年及二零一五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 Financial Statements

財務報表附註

31 December 2016

二零一六年十二月三十一日

41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

(c) Financial instruments in Level 3

The following table presents the changes in Level 3 financial instruments for the years ended 31 December 2016 and 2015.

Level 3 financial assets

For the year ended 31 December 2016

		Unlisted debt securities (Note 20)	Unlisted convertible promissory note (Note 20)	Unlisted fund investments (Note 20)	Financial product (Note 20)	Total
		非上市 債務證券 (附註20)	非上市 可換股承兌 票據 (附註20)	非上市 基金投資 (附註20)	金融產品 (附註20)	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	45,400	152,756	120,141	—	318,297
Purchases	購買	—	—	—	1,172,317	1,172,317
Transfer out to Level 2	轉出至第2級	—	—	(149,352)	—	(149,352)
Receipt on maturity	於到期時收款	(47,170)	—	—	—	(47,170)
Accrued interest income	應計利息收入	445	3,094	—	—	3,539
Receipt of interest income	收取利息收入	(445)	(4,638)	—	—	(5,083)
Net gain/(loss) recognised in profit or loss	於損益內確認的收益/ (虧損)淨額	1,770	(36,028)	80,912	—	46,654
At 31 December 2016	於二零一六年十二月三十一日	—	115,184	51,701	1,172,317	1,339,202

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(續)

公平值等級(續)

(c) 第3級金融工具

下表呈列截至二零一六年及二零一五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

截至二零一六年十二月三十一日止年度



Notes to Financial Statements 財務報表附註

31 December 2016
二零一六年十二月三十一日

41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

(c) Financial instruments in Level 3 (continued)

Level 3 financial assets

For the year ended 31 December 2015

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(續)

公平值等級(續)

(c) 第3級金融工具(續)

第3級金融資產

截至二零一五年十二月三十一日
止年度

		Unlisted debt securities (Note 20)	Unlisted convertible promissory note (Note 20)	Unlisted fund investments (Note 20)	Total
		非上市 債務證券 (附註20)	非上市 可換股 承兌票據 (附註20)	非上市 基金投資 (附註20)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	86,826	157,191	—	244,017
Purchases	購買	—	—	120,141	120,141
Receipt on maturity	於到期時收款	(32,000)	—	—	(32,000)
Accrued interest income	應計利息收入	3,324	3,092	—	6,416
Receipt of interest income	收取利息收入	(3,324)	(1,533)	—	(4,857)
Net gain/(loss) recognised in profit or loss	於損益內確認的收益/ (虧損)淨額	(9,426)	(5,994)	—	(15,420)
At 31 December 2016	於二零一六年十二月三十一日	45,400	152,756	120,141	318,297

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財務報表附註

31 December 2016
二零一六年十二月三十一日

41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

(c) Financial instruments in Level 3 (continued)

Level 3 financial liabilities

Debt securities in issue 已發行債務證券		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	—	—
Issuance	已發行	1,172,317	—
At 31 December	於十二月三十一日	1,172,317	—

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(續)

公平值等級(續)

(c) 第3級金融工具(續)

第3級金融負債



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財務報表附註

31 December 2016
二零一六年十二月三十一日

41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

(c) Financial instruments in Level 3 (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 31 December 2016 and 2015:

31 December 2016

	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 參數對公平值的敏感度
Unlisted convertible promissory note	Binomial pricing model	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	0.73 2.45 13.84	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$6.9 million or decreased by HK\$6.9 million, respectively.
非上市可換股承兌票據	二項式定價模式	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	0.73 2.45 13.84	相關股價上升或降低10%，公平值將分別增加6.9百萬港元或減少6.9百萬港元。
Unlisted fund investments	Recent transaction price	N/A	N/A	N/A
非上市基金投資	近期交易價	不適用	不適用	不適用
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	Recent transaction price	N/A	N/A	N/A
已發行債務證券	近期交易價	不適用	不適用	不適用

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(續)

公平值等級(續)

(c) 第3級金融工具(續)

下文為金融工具於二零一六年及二零一五年十二月三十一日估值的重大無法觀察參數概要：

二零一六年十二月三十一日

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財務報表附註

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二零一六年十二月三十一日

41. Financial Risk Management (continued)

Fair values of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

(c) Financial instruments in Level 3 (continued)

31 December 2015

	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 參數對公平值的敏感度
Unlisted debt securities	Binomial pricing model	Credit spread above risk free rate	5.3%	2% increase or decrease in the credit spread above the risk-free rate, the fair value would be decreased by HK\$0.5 million or increased by HK\$0.5 million, respectively.
非上市債務證券	二項式定價模式	高於無風險利率的信貸息差	5.3%	高於無風險利率的信貸息差增加或減少2%，公平值將分別減少0.5百萬港元或增加0.5百萬港元。
Unlisted convertible promissory note	Binomial pricing model	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	1.8 2.2 22.1	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$11.0 million or decreased by HK\$11.0 million, respectively.
非上市可換股承兌票據	二項式定價模式	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	1.8 2.2 22.1	相關股價上升或降低10%，公平值將分別增加11.0百萬港元或減少11.0百萬港元。
Unlisted fund investments	Recent transaction price	N/A	N/A	N/A
非上市基金投資	近期交易價	不適用	不適用	不適用

41. 金融風險管理(續)

金融資產及負債的公平值(續)

按公平值計量的金融工具(續)

公平值等級(續)

(c) 第3級金融工具(續)

二零一五年十二月三十一日



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財務報表附註

31 December 2016
二零一六年十二月三十一日

41. Financial Risk Management (continued)

Capital management

The Group's objectives for managing capital, which represent a broader concept than the "equity" on the face of the statement of financial position, are:

- to comply with the capital requirements under the Hong Kong Securities and Futures (Financial Resources) Rules for its subsidiaries which are licensed corporations;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to support the Group's stability and growth; and
- to maintain a strong capital base to support the development of its business.

The liquid capital is monitored daily by each individual licensed subsidiary's management based on the Securities and Futures (Financial Resources) Rules. The required information is filed with the SFC on a timely basis. The SFC requires each licensed corporation to maintain a level of required liquid capital which is the higher of the floor requirement ranging from HK\$0.1 million to HK\$15 million and 5% of the aggregate of its adjusted liabilities and clients' margin. All licensed corporations within the Group complied with their required liquid capital during the years ended 31 December 2016 and 2015.

A subsidiary of the Group is a member of the Hong Kong Confederation of Insurance Brokers and is required to maintain a minimum net asset value of HK\$0.1 million at all times. Another subsidiary of the Group is a Registered Fund Management Company registered with the Monetary Authority of Singapore and is required to maintain a minimum base capital requirement of SG\$250,000 at all times.

The capital of the Group mainly comprises its total equity.

41. 金融風險管理(續)

資本管理

本集團資本管理的目標概念比財務狀況表的「權益」更為廣闊，即：

- 就本身為持牌法團的附屬公司而言，符合香港證券及期貨(財政資源)規則的資本規定；
- 保障本集團持續經營的能力，以繼續為股東提供回報及為其他利益相關者提供利益；
- 維持本集團的穩定及發展；及
- 維持穩固的資本基礎，以支持其業務的發展。

各持牌附屬公司的管理層根據證券及期貨(財政資源)規則每天監控流動資金，並按時向證監會提呈所需資料。證監會規定，各持牌法團須保持所需流動資本水平為介乎0.1百萬港元至15百萬港元的最低要求及其經調整負債及客戶保證金總和的5%兩者中的較高者。於截至二零一六年及二零一五年十二月三十一日止年度，本集團旗下所有持牌法團均符合所需流動資金水平規定。

本集團一家附屬公司是香港保險顧問聯會成員及須在所有時候維持最低資產淨值0.1百萬港元。本集團另一附屬公司是向新加坡金融管理局(Monetary Authority of Singapore)登記的註冊基金管理公司(Registered Fund Management Company)及須在所有時候維持最低基本資本規定250,000新加坡元。

本集團的資本主要包括其權益總額。

Notes to Financial Statements

財務報表附註

31 December 2016

二零一六年十二月三十一日

42. 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.

42. 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放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，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 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	於財務報表 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	尚未於財務 狀況表抵銷 的有關金額	淨額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2016	於二零一六年十二月三十一日						
CNS money obligation receivable	持續淨額交收應收賬	1,091,696	(1,091,696)	—	—	—	—
CNS money obligation payable	持續淨額交收應付賬	(1,121,660)	1,091,696	(29,964)	—	(29,964)	(29,964)
As at 31 December 2015	於二零一五年十二月三十一日						
CNS money obligation receivable	持續淨額交收應收賬	971,846	(802,324)	169,522	—	169,522	169,522
CNS money obligation payable	持續淨額交收應付賬	(802,324)	802,324	—	—	—	—

The “net amounts of financial assets 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 notes 18 and 24 respectively.

上文所載的「於財務報表反映的金融資產淨額」分別包括在附註18及24的「經紀產生的應收款項及應付款項—聯交所及其他結算所」。



Notes to Financial Statements

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31 December 2016
二零一六年十二月三十一日

43. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

43. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	投資附屬公司	7,656,627	5,363,854
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	8,331	7,689
Due from subsidiaries	應收附屬公司款項	6,727,831	3,380,287
Cash and cash equivalents	現金及現金等價物	22,482	14,673
Total current assets	流動資產總額	6,758,644	3,402,649
Current liabilities	流動負債		
Accounts payable	應付款項	(2,864)	(12,047)
Accrued liabilities	應計負債	(1,993)	(2,625)
Debt securities in issue	已發行的債務證券	(5,823,241)	(2,358,088)
– At amortised cost	– 按攤銷成本	(175,710)	(429,040)
– Designated as at fair value through profit or loss	– 指定按公平值計入損益	(5,647,531)	(1,929,048)
Total current liabilities	流動負債總額	(5,828,098)	(2,372,760)
Net current assets	流動資產淨值	930,546	1,029,889
Total assets less current liabilities and net assets	總資產減流動負債及資產淨值	8,587,173	6,393,743

Notes to Financial Statements

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43. Statement of Financial Position of the Company (continued) 43. 本公司財務狀況表(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Equity	權益		
Share capital	股本	6,051,041	6,001,378
Share-based compensation reserve	以股份為基礎補償儲備		
– Share option reserve (Note)	– 購股權儲備(附註)	48,266	44,469
– Share award reserve (Note)	– 股份獎勵儲備(附註)	40,636	50,948
Shares held under the share award scheme (Note)	根據股份獎勵計劃持有的股份(附註)	(214,323)	(199,643)
Retained profits (Note)	保留溢利(附註)	314,868	496,591
Equity attributable to holders of ordinary shares	普通股持有人應佔權益	6,240,488	6,393,743
Equity attributable to holders of other equity instrument	其他權益工具持有人應佔權益	2,346,685	—
Total equity	權益總額	8,587,173	6,393,743

Dr. YIM Fung
閻峰博士
Director
董事

Ms. QI Haiying
祁海英女士
Director
董事



Notes to Financial Statements

財務報表附註

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43. Statement of Financial Position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

43. 本公司財務狀況表(續)

附註：

公司儲備概要如下：

		Share option reserve	Share award reserve	Share held under the share award scheme	Retained profits	Total
		購股權儲備	股份獎勵儲備	根據股份獎勵計劃持有的股份	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	63,696	13,884	(102,897)	311,543	286,226
Total comprehensive income for the year	年內全面收益總額	—	—	—	702,666	702,666
Recognition of equity-settled share-based payments (Notes 32 and 33)	確認以權益計算以股份為基礎的付款(附註32及33)	22,130	78,651	—	—	100,781
Purchases of shares held under the share award scheme (Note 33 and 34)	購買根據股份獎勵計劃持有的股份(附註33及34)	—	—	(119,897)	—	(119,897)
Vesting of shares for the share award scheme (Notes 33 and 34)	股份獎勵計劃歸屬股份(附註33及34)	—	(41,587)	23,151	18,436	—
Shares issued upon exercise of share options under the share option scheme (Note 32)	因購股權計劃下的購股權獲行使而發行的股份(附註32)	(41,357)	—	—	—	(41,357)
Final dividend paid for 2014 (Note 10)	支付二零一四年末期股息(附註10)	—	—	—	(296,787)	(296,787)
Interim dividend paid for 2015 (Note 10)	支付二零一五年中期股息(附註10)	—	—	—	(239,267)	(239,267)
As at 31 December and 1 January 2016	於二零一六年一月一日及十二月三十一日	44,469	50,948	(199,643)	496,591	392,365
Total comprehensive income for the year	年內全面收益總額	—	—	—	322,620	322,620
Perpetual securities distribution	永續證券分派	—	—	—	(56,740)	(56,740)
Recognition of equity-settled share-based payments (Notes 32 and 33)	確認以權益計算以股份為基礎的付款(附註32及33)	14,885	81,272	—	(3,216)	92,941
Purchases of shares held under the share award scheme (Note 33 and 34)	購買根據股份獎勵計劃持有的股份(附註33及34)	—	—	(68,971)	—	(68,971)
Vesting of shares for the share award scheme (Notes 33 and 34)	股份獎勵計劃歸屬股份(附註33及34)	—	(91,584)	54,291	37,293	—
Shares issued upon exercise of share options under the share option scheme (Note 32)	因購股權計劃下的購股權獲行使而發行的股份(附註32)	(11,088)	—	—	—	(11,088)
Final dividend paid for 2015 (Note 10)	支付二零一五年末期股息(附註10)	—	—	—	(275,321)	(275,321)
Interim dividend paid for 2016 (Note 10)	支付二零一六年中期股息(附註10)	—	—	—	(206,359)	(206,359)
At 31 December 2016	於二零一六年十二月三十一日	48,266	40,636	(214,323)	314,868	189,447



Guotai Junan International Holdings Limited
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