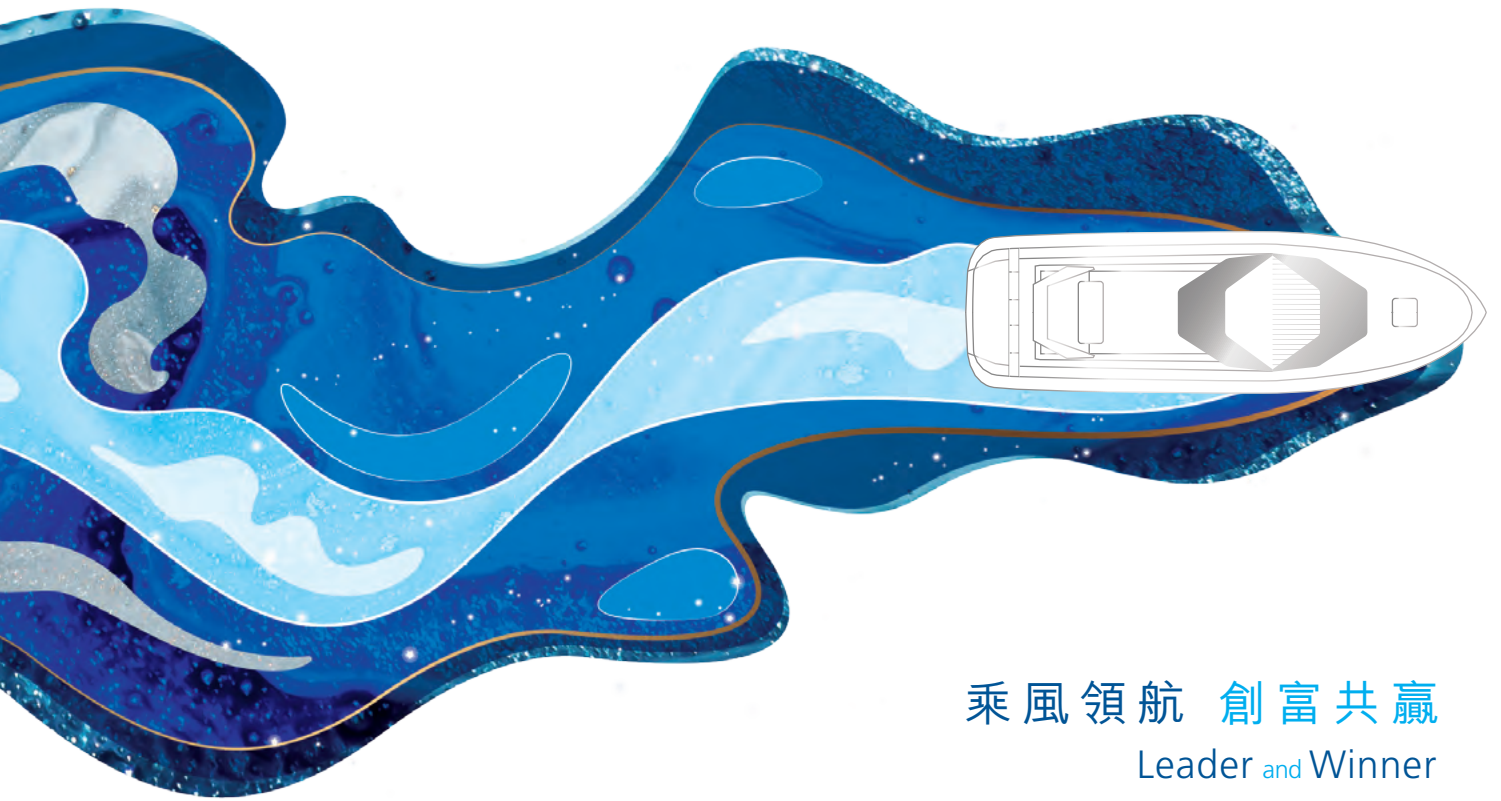




國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Stock Code 股份代號 : 1788.HK



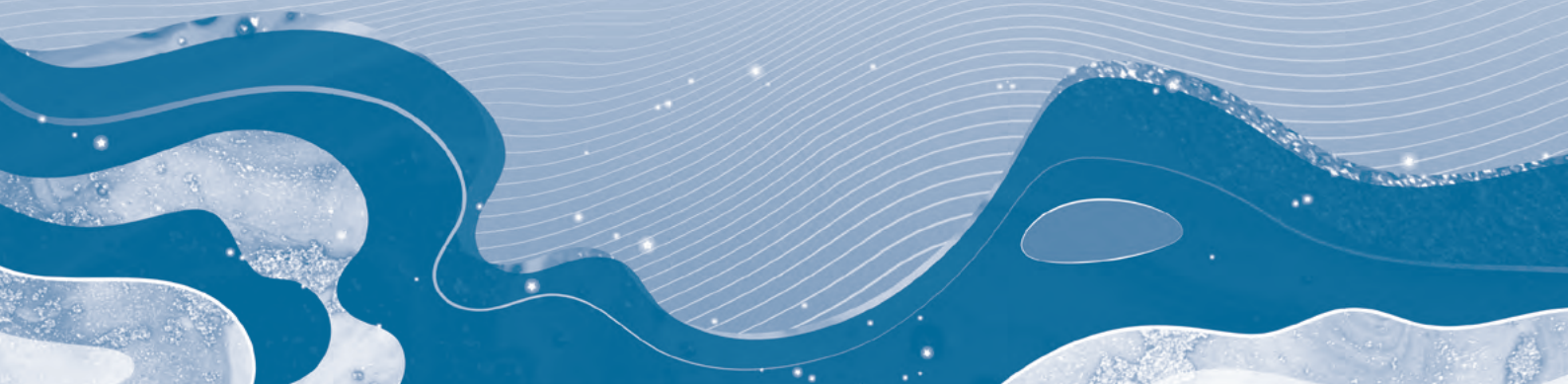
乘風領航 創富共贏
Leader and Winner

2020

INTERIM REPORT 中期報告



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Corporate Information

Board of Directors

Executive Directors

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

Non-executive Directors

Dr. XIE Lebin
Mr. LIU Yiyong

Independent Non-executive Directors

Dr. FU Tingmei
Dr. SONG Ming
Mr. TSANG Yiu Keung
Professor CHAN Ka Keung Ceajer

Members of Audit Committee

Mr. TSANG Yiu Keung (*chairman*)
Dr. FU Tingmei
Dr. SONG Ming
Professor CHAN Ka Keung Ceajer

Members of Remuneration Committee

Dr. FU Tingmei (*chairman*)
Dr. SONG Ming
Mr. TSANG Yiu Keung
Dr. XIE Lebin
Professor CHAN Ka Keung Ceajer

Members of Nomination Committee

Dr. SONG Ming (*chairman*)
Dr. YIM Fung
Mr. TSANG Yiu Keung
Professor CHAN Ka Keung Ceajer

Members of Risk Committee

Professor CHAN Ka Keung Ceajer
(Redesignated as chairman from member on 20 March 2020)
Dr. YIM Fung
(Redesignated as member from chairman on 20 March 2020)
Ms. QI Haiying
Dr. FU Tingmei
Dr. SONG Ming
Mr. TSANG Yiu Keung
Mr. LIU Yiyong

Company Secretary

Ms. FENG Zheng Yao Helen

Registered Office

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

Auditors

KPMG
Certified Public Accountants

Share Registrar

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

Principal Bankers

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

Stock Code

The Stock Exchange of Hong Kong Limited	01788
Bloomberg	1788 HK
Reuters	1788.HK
ISIN	HK0000065869
SEDOL	B3W1335 HK

Company's Website

www.gtjai.com

Investor Relations Contact

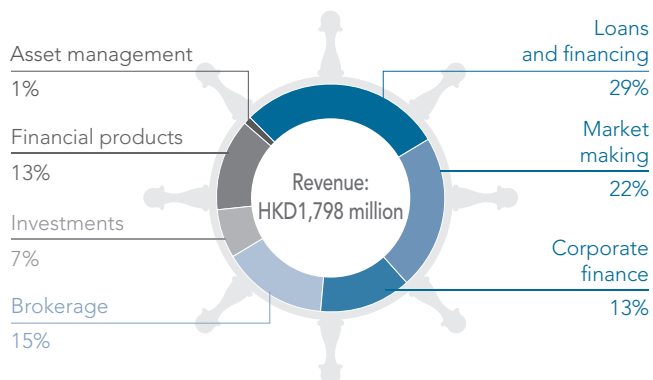
enquiry@gtjas.com.hk

Financial Highlights

	For the six months ended 30 June		Change
	2020 HK\$'000	2019 HK\$'000	
Fee and commission income			
– brokerage	276,450	291,667	–5.2%
– corporate finance	242,779	452,559	–46.4%
– asset management	23,935	10,215	134.3%
Income from loans and financing	518,275	558,649	–7.2%
Gain from financial products, market making and investments	736,350	1,008,945	–27.0%
Revenue	1,797,789	2,322,035	–22.6%
Profit for the period	609,050	644,731	–5.5%
Profit attributable to ordinary equity holders of the Company	605,583	638,856	–5.2%
Basic earnings per share (HK cents)	6.77	8.35	–18.9%
Diluted earnings per share (HK cents)	6.76	8.33	–18.8%
Dividend per share (HK cents)	3.4	4.2	–19.0%
Equity per ordinary share (HK\$) ^(Note)	1.51	1.48	2.0%
Dividend payment ratio ^(Note)	54%	50%	4 p.p.

Note: Based on 9,578,002,956 shares (30 June 2019: 7,649,756,690 shares) as at 30 June 2020, being 9,614,892,356 shares issued and fully paid less 36,889,400 shares held under the Company's share award scheme (30 June 2019: 7,715,673,090 shares issued and fully paid less 65,916,400 shares held under the Company's share award scheme).

Revenue Mix: Well Balanced and Diversified



Fee and Commission **34%**

Fee income from corporate finance, brokerage, asset management and financial products business, recorded HKD618 million in total.

Interest Income **37%**

Interest Income of "Loans and Financing" from retail clients and banks.

Interest Income of "Financial Products" from institutional and high net worth clients, which recorded HKD666 million in total.

Investment Income **29%**

Purpose: 1) **Market Making** to facilitate Debt Capital Market (DCM) business, mainly from bonds. 2) **Investments** to facilitate asset management business in a long term, mainly from bonds and equities.

Management Discussion and Analysis

Market Review

Hong Kong stock market

In the first half of 2020, the COVID-19 pandemic (the “Pandemic”) dealt a serious blow to public security and economic activities around the world. Due to the precautionary or quarantine measures implemented by local governments, the global business environment faced severe challenges. The Hang Seng Index (“HSI”) closed at 24,427 points as at the end of June, representing a decrease of 13% as compared to the end of 2019, among which Hang Seng Mid-Cap Index decreased by 5% to 8,788 points during the period. Meanwhile, the average daily turnover of the Hong Kong stock market experienced a year-on-year (as defined hereafter) increase of 20% to HK\$117,500 million.

Like other major global indices, HSI showed a V-shaped performance during the first half of the year. At the beginning of 2020, following the signing of the Phase One Economic and Trade Agreement between China and the US, HSI once soared above 29,000 points. However, due to the implementation of rigorous measures by mainland China and Hong Kong to reduce spread of COVID-19 since late January, the economic activities in both mainland China and Hong Kong were hit hard, leading to corresponding decrease in the HSI. In late February, as the number of confirmed COVID-19 cases increased substantially all over the world, it is expected that the growth of global economy would be slowed down, which largely led to correction in financial markets. Liquidity crisis also occurred as the panic sentiment among investors showed up. At the beginning of March, the benchmark interest rate was lowered to nearly zero following two interest rate cuts announced by the US Federal Reserve, during which the US stock market continued to experience four significant declines and triggered the circuit breaker mechanism with sell-off of various assets including crude oil, US treasuries and gold. Following the trends in overseas financial markets, the Hong Kong stock market continued to experience significant decline in mid March and dropped to 21,139 points, the lowest level during the period. In late March, with the slowdown of the Pandemic overseas, all major economies including US launched stimulus measure and elevated its quantitative easing scale to stabilize the condition, resulting in gradual recovery of the US and Hong Kong stock markets. In May, HSI announced that it would consider to include companies with dual class shares and secondary-listed companies into HSI and Hang Seng China Enterprises Index, and meanwhile the China concept stocks have turned to the Hong Kong market for secondary listing. These positive factors boosted investor confidence, driving the HSI to stabilize and rally continuously.

For new listings in the Hong Kong stock market, as the outbreak of the Pandemic cast significant impact on the application and review progress for listing in Hong Kong, the number of newly listed companies significantly decreased by 24% to 64 during the first half of the year. However, benefitting from two large-size IPOs of JD.com (9618.HK) and NetEase (9999.HK), the total funds raised from IPO in Hong Kong stock market recorded a year-on-year increase of 22% to HK\$87,500 million in the first half of the year, which hit a new high since the corresponding period of 2015. Combining the funds raised from equity placements, right issues and IPOs, the total fundraising amount of the Hong Kong stock market was HK\$225,800 million, representing a substantial increase of 51% over HK\$149,200 million for the corresponding period of last year.

US dollar-denominated bond market

The bond market delivered satisfactory performance in 2019. However, due to factors such as the Pandemic, crude oil price war and Sino-US tension, the overall performance of the primary market and the secondary market of Chinese-issued US dollar-denominated bonds has been relatively volatile since the beginning of 2020. For bond issuance, according to Bloomberg’s data, Asia (ex-Japan) G3 currency (USD, Euro and Yen) bond issuance amounted to US\$168,700 million in total in the first half of 2020, representing a slight decrease of approximately 8% year-on-year. For secondary market, amid rising risk-averse sentiment from investors, the market experienced significant fluctuations, with the ICE BofA Asian Dollar Investment Grade Corporate China Issuers Index increasing by 4.30% and the corresponding index for High Yield Grade only increasing by 1.72%.

Management Discussion and Analysis

Business and Results Review

Guotai Junan International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) reports to the shareholders of the Company (“Shareholders”) that for the six months ended 30 June 2020, the Group recorded a total revenue of approximately HK\$1,798 million (corresponding period in 2019: HK\$2,322 million), representing a decrease of 23% as compared with the same period in 2019 (“year-on-year”), while a slight decrease of 7% as compared with the second half in 2019 (“half-on-half”). Meanwhile, the Group recorded a profit attributable to holders of ordinary shares of the Company (“Share(s)”) of approximately HK\$606 million (corresponding period in 2019: approximately HK\$639 million), representing a slight year-on-year decrease of approximately 5% (a half-on-half increase of 136%). Despite the large volatility of the financial market this year, first half still witnessed the stability and resilience in the Group’s results. The board of directors of the Company (the “Board”) has declared an interim dividend of HK\$0.034 per Share (the “Interim Dividend”) (2019: an interim dividend of HK\$0.042 per Share).

Under the challenging operation environment, the Group made early adjustments to its operation strategy and strengthened control over market risks and credit risks through rigorous risk management system and measures. In the second half of 2019, the Group reviewed its situation and made responsive decision on its balance sheet management and strategy in which the Group lowered the market risk exposure in businesses such as market making on the balance sheet and largely increased its cash reserves. On the other hand, it proactively made impairment and provision for the assets of relatively high risks in 2019 to enhance the balance sheet’s ability to deal with potential risks.

Amidst large uncertainties in the global market, although the revenue of the Group decreased year-on-year, with its improvement in the risk management capability of the balance sheet, along with the effective cost control measures implemented by the Company, the total costs (including staff costs, finance costs, other costs and impairment charge) recorded a year-on-year decrease of 31% (a half-on-half decrease of 34%) to HK\$1,096 million. As those factors contributed to a stable and reliable performance of the Company during the first half of the year, the profit attributable to Shareholders recorded only a slight year-on-year decrease while a substantial half-on-half increase, showing a sound development trend. Following the enlargement of issued share capital through Rights Issue (as defined hereafter) in March 2020, the Company continued to achieve an annualized return on shareholder’s equity (“ROE”) of 9.4% for the first half of the year, representing 1.3 percentage points higher than the ROE in 2019.

In the first half of the year, following the panic caused by the Pandemic on the global financial market, the prices across various assets in the market fell sharply. After the completion of the Rights Issue (as defined hereafter) in March, the Group’s net assets along with its business development foundation have been improved. Leveraging on years of service experience and in-depth understanding in the capital market, while the Group actively and effectively managed its own balance sheet and risks, the Group prepared itself to grasp market opportunities for its clients. During the period, the Group attracted high-net-worth wealth management clients with differentiated and high-quality investment and financing products, facilitating clients in investing in quality underlying assets in the volatile market situations. During the period, the balance of loans and advances increased significantly by 28% to HK\$14,987 million. The number of wealth management clients and the assets under custody have steadily increased.

Management Discussion and Analysis

Revenue

Under the Pandemic, the business environment in Hong Kong was inevitably challenged, and financing initiatives by corporate clients such as IPOs, share and bond issuances in Hong Kong were hindered. Suspension in economic activities also led to significant impacts on the global financial markets. The Group's income from corporate finance, investments and market making recorded a year-on-year decrease of 46%, 53% and 20% respectively. However, the Group has been equipped with a balanced and diversified revenue structure. During the period, fee and commission income from asset management, futures and leveraged foreign exchange has grown by 134%, 112% and 59% year-on-year respectively. Therefore, the Group's interim revenue in 2020 has reached to its second historical high as HK\$1,798 million, with the fee and commission income (fee from brokerage, corporate finance, asset management and financial products business), interest (interest income from loans and financing as well as financial products) and investment income (market making and investments) accounting for 34%, 37% and 29% respectively.

	For the six months ended 30 June			
	2020		2019	
	HK\$'000	%	HK\$'000	%
Fee and commission income				
– brokerage	276,450	15.4%	291,667	12.6%
– corporate finance	242,779	13.5%	452,559	19.5%
– asset management	23,935	1.3%	10,215	0.4%
Income from loans and financing	518,275	28.8%	558,649	24.0%
Income from financial products	223,390	12.5%	268,452	11.6%
Gain from market making	398,788	22.2%	498,339	21.5%
Gain from investments	114,172	6.3%	242,154	10.4%
Total	1,797,789	100.0%	2,322,035	100.0%

I. Brokerage (Fee and commission income)

	For the six months ended 30 June			
	2020		2019	
	HK\$'000	%	HK\$'000	%
Securities	230,566	83.4%	251,987	86.4%
Futures and options	17,684	6.4%	8,335	2.9%
Handling income	23,969	8.7%	27,372	9.4%
Insurance	3,073	1.1%	3,244	1.1%
Leveraged foreign exchange	1,158	0.4%	729	0.2%
Total	276,450	100.0%	291,667	100.0%

During the period, the Group's brokerage business recorded a revenue of approximately HK\$276 million (2019: approximately HK\$292 million), representing a decrease of 5% year-on-year. The decrease in client's subscription for placing activities in the Hong Kong stock market was the main reason for the year-on-year decrease in overall brokerage income. However, the Group's brokerage commission income from securities trading in secondary market increased by 21% year-on-year to HK\$231 million, which was in line with the market trend.

Management Discussion and Analysis

The Group started to issue warrant products since the end of 2019. Following the secondary listing of China concept stocks on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year, the Group simultaneously launched the warrant products linked to the stocks of NetEase, etc. (與網易等股票掛鈎的窩輪產品). Driven by the gradual recovery in investment sentiment since May, the trading volume of client trades for the first half of the year recorded significant increase as compared with the prior periods. As at the end of June, the market share of the Group's brokerage business climbed steadily as compared to the end of 2019. Although HSI dropped by 13% during the period, the assets under custody (including cash, securities and financing balance) of the wealth management platform of the Company also recorded a steady increase of 15% to HK\$22,200 million, while the Group's overall assets under custody excluding OTC derivatives stabilize at HK\$151 billion.

During the period, the wealth management platform of the Company has completed a series of in-house strategic consolidation, aiming at developing into an integrated platform that offers quality products and professional services tailored for high-net-worth clients. Currently, the platform is equipped with professional teams specializing in market strategy, investment consultation, customer service, wealth management for private clients and financial products, and offers a wide variety of asset classes not only covering typical investment portfolios such as equity and fixed income products, but also including a basket of investment vehicles such as derivative warrant products, tailored wealth management products, insurance, foreign exchange, futures and private equity.

II. Corporate finance (Fee and commission income)

	For the six months ended 30 June			
	2020		2019	
	HK\$'000	%	HK\$'000	%
Placing, underwriting and sub-underwriting commission				
– debt capital market	204,764	84.3%	324,536	71.7%
– equity capital market	20,545	8.5%	92,778	20.5%
Consultancy and financial advisory fee	17,470	7.2%	35,245	7.8%
Total	242,779	100.0%	452,559	100.0%

Debt capital market

During the period, the Pandemic significantly dampened corporate clients' progress and intention of bond issuance for financing. The Group's income from underwriting fees in debt capital market reduced by 37% year-on-year to HK\$205 million (corresponding period in 2019: HK\$325 million). In the first half of the year, the debt capital market team completed a total of 92 debt issuances (corresponding period in 2019: 106) and assisted corporations raising funds of nearly HK\$209,800 million (corresponding period in 2019: HK\$244,800 million) in the bond market. Despite the negative impacts from the Pandemic on the growth of corporate finance business in Hong Kong, the Group continued to maintain its leading position in Chinese-issued US dollar-denominated bond market in terms of market share, and ranked third and sixth in the Bloomberg's Asia (ex-Japan) G3 Currency Corporate High-Yield Bond Underwritten League Table (彭博亞洲(除日本外) G3貨幣企業高收益債券承銷排行榜) in terms of number and amount underwritten, respectively. The Group also ranked second in the property sector of the same League Table.

Management Discussion and Analysis

Equity capital market, consultancy and financial advisory

The Group's income from the equity capital market decreased by 78% year-on-year to HK\$20.55 million (corresponding period in 2019: HK\$92.78 million). Since June, despite the wave of secondary listing of large-size China concept stocks on the Stock Exchange such as JD.com and NetEase, there was a general slowdown in the progress of IPOs in the Hong Kong market during the first half of the year due to the Pandemic, with significant decrease in the number of new listings. During the period, the team completed a total of 13 equity underwriting deals (corresponding period in 2019: 15) in primary and secondary markets, raising funds of approximately HK\$39,900 million in total, up by 45% year-on-year, including the IPOs for JD.com (9618.HK) (the largest fundraising project on the Stock Exchange in the first half of the year), Peijia Medical Limited (9996.HK) (a global medical device platform) and other deals.

In the first half, due to significant decrease in the number of newly listed companies, the Group's relevant consultancy and financial advisory fee income decreased by 50% year-on-year to HK\$17.47 million (corresponding period in 2019: HK\$35.25 million). During the period, the Group completed a total of two IPO sponsor deals (corresponding period in 2019: five), including Zhongguancun Science-Tech Leasing Co., Ltd. (1601.HK) and QP Group Holdings Limited (1412.HK).

III. Asset management (Fee and commission income)

	For the six months ended 30 June			
	2020		2019	
	HK\$'000	%	HK\$'000	%
Asset management				
– management fee	7,432	31.1%	10,111	99.0%
– performance fee	16,503	68.9%	104	1.0%
Total	23,935	100.0%	10,215	100.0%

During the period, management fee and performance fee income from the asset management business increased substantially by 134% year-on-year to HK\$23.94 million, mainly due to the increased performance fee from some funds operated by the Group that outperformed the market in January and February. As at the end of June 2020, the total assets under custody for client accounts of the Group's asset management team amounted to approximately HK\$8,400 million, among which fixed income and equity linked funds amounted to approximately HK\$4,900 million and HK\$3,500 million, respectively.

IV. Loans and financing (Interest income)

	For the six months ended 30 June			
	2020		2019	
	HK\$'000	%	HK\$'000	%
Customers and counterparty financing	350,252	67.6%	362,275	64.8%
Banks and others	168,023	32.4%	196,374	35.2%
Total	518,275	100.0%	558,649	100.0%

Management Discussion and Analysis

During the period, the Group's income from loans and financing business slightly decreased by 7% to HK\$518 million (corresponding period in 2019: HK\$559 million). Given that the Federal Reserve and other central banks lowered the benchmark interest rate during the period to mitigate the negative impact on the economy from the Pandemic, the Group's interest income from loans and financing accordingly decreased. On the other hand, benefitting from the development of the Company's wealth management business and increase of high-net-worth clients, the balance of loans and advances increased to HK\$14,987 million, representing an increase of 28% as compared to that as at the end of 2019. Moreover, the Group continued to optimize the loans and financing business structure and adjust the proportion of margin financing with collateral from small- and mid-cap stocks. As of 30 June 2020, the proportion of margin financing income with large- and mid-cap stocks and US dollar-denominated bonds as collaterals steadily increased, and the Company continued to mitigate the risk of loans and financing products.

During the period, due to the year-on-year decrease in Hong Kong Interbank Offered Rate ("HIBOR"), the Group's interest income from banks and others declined by 14% year-on-year to approximately HK\$168 million.

V. Financial products (Interest and handling income)

During the period, as the Pandemic has been limiting the daily economic activities in mainland China and Hong Kong, the financing needs from corporate and institutional clients were, to a certain extent, affected. In the first half of 2020, the interest and handling income from financial products decreased by approximately 17% year-on-year (increased by 49% half-on-half) to HK\$223 million (corresponding period in 2019: HK\$268 million).

VI. Market making (Investment income)

To facilitate the development of the debt capital market business, the Group provides market making services for debt securities. During the period, due to the significant fluctuations in the Chinese-issued US dollar-denominated bond market as a result of the Pandemic, the Group's market making income decreased by 20% year-on-year (increased by 164% half-on-half) to approximately HK\$399 million (corresponding period in 2019: approximately HK\$498 million).

VII. Investments (Investment income)

For the long-term and healthy development of asset management and other businesses, the Group provides supports through investments under a prudent risk management system. Due to the significant fluctuations in markets such as the Hong Kong and US stock markets as well as Chinese-issued US dollar-denominated bond market during the period, the Company's investment income recorded a year-on-year decrease by 53% to HK\$114 million (corresponding period in 2019: approximately HK\$242 million).

Management Discussion and Analysis

Costs and Expenses

	For the six months ended 30 June			
	2020		2019	
	HK\$'000	%	HK\$'000	%
Staff costs	329,919	30.1%	367,551	23.1%
Commission to account executives	74,574	6.8%	62,085	3.9%
Depreciation	34,038	3.1%	30,120	1.9%
Impairment charge	38,371	3.5%	512,041	32.1%
Other operating costs	186,767	17.0%	184,371	11.6%
Finance costs	432,741	39.5%	437,355	27.4%
Total costs	1,096,410	100.0%	1,593,523	100.0%

In the first half of 2020, the total costs of the Group dropped by 31% year-on-year (dropped by 34% half-on-half) to HK\$1,096 million, primarily benefited from the combined effects of decreases in impairment charge, staff costs and finance costs, etc.

During the period, the Group's staff costs, including salaries, bonuses and allowances, share-based compensation expenses and pension scheme contributions, decreased by 10% to HK\$330 million, which was due to the adjustments to the relevant staff costs as a result of year-on-year decrease in the Group's profits.

During the period, the amount of impairment charge of the Group decreased significantly by 93% year-on-year (decreased by 90% half-on-half) to HK\$38.37 million. Over the past years, the Group has exerted unremitting efforts in optimizing the structure of its margin financing operations, which led to the enhancement of diversity and liquidity of collaterals from clients of margin financing business as compared with prior years. In addition, as the Group increased impairment provisions for risky loan assets on a prospective basis in 2019, the Company's capacity in credit risk control was enhanced amidst fluctuations in the financial markets during the first half of 2020.

In March, as the Federal Reserve embarked on a more easing monetary policy and the HIBOR consequently decreased year-on-year, the Group's finance costs (including financing expenses from bank loans, debt securities in issue, securities borrowing and lending, repurchase agreements, etc.) for the first half of 2020 decreased by 1% to HK\$433 million.

On the other hand, the increased items in the Group's costs was mainly attributable to commission expenses. During the first half of the year, the Group's commission to account executives increased by 20% year-on-year to HK\$74.57 million, mainly attributable to the increase in commission income from related securities transactions.

Financial Position

As at 30 June 2020, the Group's total assets increased by 30% to approximately HK\$125,412 million (31 December 2019: approximately HK\$96,738 million) and the Group's total liabilities increased by 30% to HK\$110,811 million (31 December 2019: approximately HK\$85,326 million). The equity attributable to holders of Shares increased by 28% to approximately HK\$14,481 million as at 30 June 2020 (31 December 2019: approximately HK\$11,296 million). The leverage ratio (defined as total assets less accounts payable to clients divided by total equity) was 7.46 times as at 30 June 2020 (31 December 2019: 7.46 times).

Management Discussion and Analysis

Liquidity and Financial Resources

As at 30 June 2020, the net current assets of the Group increased by 3% to HK\$9,715 million (31 December 2019: HK\$9,434 million). As at 30 June 2020, the Group's current ratio was 1.10 times (31 December 2019: 1.12 times) and gearing ratio (defined as the sum of interest bearing borrowings and debt securities in issue at amortised cost divided by total equity) was 1.84 times (31 December 2019: 1.57 times).

The Group had a net cash outflow of HK\$228 million for the period ended 30 June 2020 (31 December 2019: inflow of HK\$3,112 million). As at 30 June 2020, the Group's bank balance was HK\$6,990 million (31 December 2019: HK\$7,217 million), and outstanding bank and other borrowings amounted to HK\$17,834 million (31 December 2019: HK\$11,201 million).

The Company, through its subsidiaries, maintained a US\$15,000 million Guaranteed Structured Note Programme under which unlisted notes denominated in any currency as determined by the issuer may be issued from time to time. On 16 July 2020, the Company also successfully renewed the Medium Term Note Programme of up to HK\$15,000 million (or the equivalent in other currencies at the date of issue), pursuant to which both listed and unlisted notes may be issued. On 30 June 2020, the structured notes and medium term notes issued and outstanding amounted to US\$3,800 million (31 December 2019: US\$3,500 million) and HK\$9,800 million (31 December 2019: HK\$5,800 million), respectively.

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

Save as disclosed above, there were no other debt instruments issued by the Group for the period ended 30 June 2020.

Capital Structure

On 17 March 2020, a total of 1,919,219,266 Shares was allotted and issued by the Company in connection with the Rights Issue (as defined hereafter). The gross proceeds raised from the Rights Issue (as defined hereafter) was approximately HK\$2,783 million. The details of which are set out in the section headed "Rights Issue" of this report.

During the period ended 30 June 2020, the Company bought back and cancelled a total of 20,000,000 Shares at an aggregate consideration of HK\$19,903,454.35 (inclusive all expenses) on the Stock Exchange at the prices ranging from HK0.92 to HK1.05 per Share.

As at 30 June 2020, there were 9,614,892,356 Shares in issue. Save as disclosed above, there was no other movement in the number of issued Shares during the period ended 30 June 2020.

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

Material Acquisitions and Disposals

For the six months ended 30 June 2020, the Group had not made any material acquisitions and disposal of subsidiaries, associated companies and joint ventures.

Management Discussion and Analysis

Significant Investment Held

The Group did not hold any significant investment with a value greater than 5% of its total assets as at 30 June 2020.

Charges on the Group's Assets

No asset of the Group was subject to any charge as at 30 June 2020.

Capital Commitments, Other Commitments and Contingent Liabilities

Details of capital commitments and other commitments of the Group are set out in note 26 to the Interim Financial Report. The Group did not have any material contingent liabilities as at 30 June 2020.

Prospects

Looking ahead, the Group will continue to step up efforts to develop financial institutional and corporate clients. At the same time, the Group shall constantly optimize and upgrade its wealth management platform and improve its product and service lines, to enhance the synergy among wealth management, corporate finance, asset management and other businesses, which will ultimately expand the high-net-worth client base and the assets under management. Moreover, the Group will continue to leverage on the core competencies of financial products and trading system to provide clients with differentiated and customized financial products and services. The Group will also actively enhance cooperation with its parent company, Guotai Junan Securities Co., Ltd., to explore new opportunities in the cross-border financial product market. In addition, to seize the market trends, the Group will actively leverage fintech in the trading platform, to create better trading experience and investment environment for the clients.

Over the mid-to-long run, the Group will take the Belt and Road Initiative as an opportunity to expedite its pace in exploring the Southeast Asian markets, and further facilitate global development through its subsidiaries in Singapore and Vietnam. The Group determines to be the professional partner for domestic clients who invest globally and for overseas clients who invest in China.

The Group has been implementing a solid and steady operational strategy. As always, the Company will continue to improve its risk management measures and strengthen its execution, as well as consolidate and enhance its outstanding risk management capabilities through timely identification, measurement, hedging and mitigation of risks, so as to lay a solid foundation for further business development. The Group always aims to increase the risk-adjusted return on net asset with steady and solid compound growth to reward our investors for their continuous supports.

Employees and Remuneration Policies

Staff is an integral part of the success of the Company. Competitive remuneration packages are offered to employees by reference to prevailing market rate and individual merits. As at 30 June 2020, we had 575 employees in total (excluding self-employed account executives). Salaries are reviewed on an annual basis and discretionary bonus is paid on annual basis with reference to the Group's performance and individual performance. Share options and share awards have been granted to the directors of the Company ("Director(s)") and employees in recognition and acknowledgement of their contributions made to or to be made to the Group. Other benefits offered by the Group include mandatory provident fund scheme, medical and dental insurance, group life insurance and medical check up. Details of the remuneration of employees are set out in note 5 to the Interim Financial Report.

Risk Management Report

Major Risks Faced by the Company and Risk Mitigation Measures

In the first quarter of 2020, the global economy has been greatly impacted by the outbreak of COVID-19 and the tension between China and the U.S., with a steep decline in stock and bond indices. In the second quarter, the Pandemic showed signs of easing in a number of countries, where restrictions have been loosened in stages and efforts were increased to tackle the economic recession triggered by the Pandemic, along with a series of large-scale economic stimulus packages launched. The stock and bond indices thereby rebounded after falling to a low level in March. In summary, the HSI closed at 24,427 points in the first half of the year, with a cumulative drop of 13.35% or 3,762 points. The highest was 29,174 points in mid-January with the lowest of 21,139 points in mid-March.

The Group strictly managed its business risks during the reporting period. In terms of investment business, the Group moderately adjusted its positions in the first quarter to reduce its market risk exposure to a controllable level. In the second quarter, the Group appropriately increased its positions within the risk appetite of the Group when the market stabilized. In terms of credit business, the Group continued to manage business risks including moderate adjustment to the loan ratio of high-risk securities, collection of high-risk loans and reduction of high-risk securities collateral.

In conclusion, with effective risk management controls, the Group's operations were efficient during the reporting period, whilst the risks taken by us were within the risk appetite of the Group. In the second half of 2020, lack of effective containment of the Pandemic and the ongoing tension between China and the U.S. exposed the market to a certain pressure. The Group will continue to adopt a prudent approach towards the market, as well as strengthen the risk management system.

Risk Management Structure

Our Company has established an organizational risk management hierarchy. The Board, at the top of the organizational risk management hierarchy, is responsible for overseeing the firm-wide risk management framework and risk management policy. The Board has established and delegated the Risk Committee to assist in the implementation of risk management framework, review and approve the Group's risk management strategies, risk appetite, risk tolerance and material risk limits. The Risk Committee holds meetings at least twice a year to review the effectiveness of the overall risk management framework and strategies and material risk-related issues. The management shall, when necessary, report to the Board from time to time on material risk issues which may affect the Group's performance. The Risk Management Committee, a management-tier committee under the Risk Committee, shall report to the Risk Committee on all potential material risks, changes it identified in business activities as well as actions taken to enhance the risk management process and mitigate relevant risks.

The Risk Management Department is the key department for risk management and responsible for identifying, assessing, monitoring and reporting risks associated with the business activities of the Group. The Risk Management Department measures and quantifies the business risks through the risk management systems and internal risk measurement models, including but not limited to the value at risk (VaR), stress testing, internal rating and sensitivity analysis. The Group develops a limit-focused risk index system that sets top-down risk limits covering various specific risks and businesses to reflect different levels of authorization, risk appetite and risk tolerance of the Company.

Risk Management Report

Credit Risk

Credit risk occurs when the Group commits to, or enters into, an agreement with any borrower or counterparty. The Group manages credit risk by conducting risk assessment on borrowers or counterparties, which may include, but not limited to, assessing their repayment sources, underlying collaterals, and the expected impact of current and future economy on the borrower or counterparty.

The Group formulates credit risk policies, risk indicators and key risk thresholds, and performs independent risk monitoring and limit management. The Risk Management Department assesses the key credit risk exposure under both normal and stress scenarios, and manages credit risk by establishing and monitoring loan exposure/credit limits, internal credit ratings and the hierarchical indicator system to reflect the different levels of authorization and reporting mechanisms from top to bottom.

The Group established monitoring measures for loan business, including pre-lending limit approval, real-time post-lending monitoring, executing margin calls and forced liquidations, setting single client and single stock collateral loan limit, and conducting regular stress tests, etc. Should the borrowers fail to fulfil their obligations, the business line and control units will firmly carry out the loss recovery actions under the procedures of the Group. Where losses are unlikely to be recovered or provisions for impairment of expected losses are required pursuant to relevant accounting standards, such provisions for impairment would be made in the financial statements of the Group. For details of the analysis of the total book value of margin and term loans based on the Group's internal credit ratings as well as the total value of pledged securities used as collateral for margin loans, please refer to note 11 to the Interim Financial Report.

Regarding the risk of the counterparties, the Group monitors the margin call process in accordance with the credit terms under the trading master agreement entered into with the counterparties. In addition, the Group assesses counterparty's credit risk through assigning internal credit ratings and set counterparty limits according to counterparty's types, credit ratings and business demand.

Market Risk

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

In response to this risk, the Risk Committee is responsible for reviewing and approving the overall risk management strategies, risk appetite, risk tolerance, important risk limits and the risk management policy of the Group. The Company sets appropriate risk limits based on the nature of different businesses, such as transaction limits, scale limits, VaR limits, concentration limits, sensitivity limits and stop loss limits. The Risk Management Department is responsible for day-to-day identification, measurement, monitoring and control of the overall market risk, and for reporting to the Risk Management Committee and Risk Committee on a regular basis. The Group has established policies and procedures for monitoring and controlling the market risk which is originated from the ordinary and usual course of business. Stress tests are conducted on a regular and case by case basis.

The Group's interest rate risk mainly sources from the volatility of fair value of financial instruments held by the Group which are sensitive to the interest rate as a result of market interest rate negative fluctuation. Other price risk represents the risk that the fair value or future cash flows of a financial instrument may fluctuate because of change in market price. The Group adopts sensitivity analysis to measure the interest rate risk and other price risk.

Risk Management Report

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 and Renminbi. The Group is not exposed to material foreign exchange risk because Hong Kong dollars is pegged with United States dollars. The Group also conducts appropriate hedging activities when it is exposed to material exchange risk in Renminbi. Other foreign currency exposure is relatively minimal to its total assets and liabilities. The foreign exchange risk is daily managed and monitored by Treasury and Finance Department. As a result, it is considered that foreign exchange risk exposure is manageable.

Operational Risk

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

The Risk Management Committee, the management-tier committee, is responsible for defining the group-wide operational risk strategy, approving and periodically reviewing the corporate Operational Risk Management Framework, and ensuring the operational risks are managed properly. Each business line and supporting function is responsible for identifying, assessing, monitoring, controlling, mitigating and reporting operational risk specifically from its business, products and activities under the Group's Operational Risk Framework. The Risk Management Department assists the management in discharging their responsibilities of understanding and managing operational risk and ensuring the consistent application of operational risk policies, processes and procedures throughout the Group.

Liquidity Risk

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

The Group has asset and liability management measures in place in managing its liquidity through its diversified sources of funding (both short-term and long-term), such as bank loans, rights issue, placement, and medium-term note program, etc.

The Group's licensed subsidiaries are subject to specific statutory liquidity requirements as prescribed in the Securities and Futures (Financial Resources) Rules (Cap.571N of the Laws of Hong Kong). The Group has put in place a monitoring system to ensure that it maintains sufficient liquidity to fund its financial obligations. As a safeguard measure, the Group has also maintained stand-by banking facilities to meet any emergent operational needs.

Risk Management Report

Model Risk

Model refers to a quantitative method, system or approach that applies statistical, economic, financial, or mathematical theories, techniques, and assumptions to process input data into quantitative estimates. The use of models invariably presents model risk, which is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. Model risk can lead to financial loss, poor business and strategic decision-making, or damage to organization's reputation. As models were increasingly complex and widely used, we were also exposed to more significant model risks amid business development and risk management.

We were fully aware of the importance of model risk and had developed a corporate model management framework. We specified the responsibilities of each department in our three-line defense management mechanism, and categorized the models in accordance with the complexity and impact of them. We also strengthened model management step by step, and managed the model life cycle, from the development, validation, use limitation and update, through a series of internal control measures such as approval, review and testing.

Legal and Compliance Risks

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

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

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

Concentration Risk

Concentrations may arise with respect to specific risk exposures, industries, countries, geographic regions, products, asset classes, and any other category that falls within the Group's definition of concentration risk. The Group's concentration risk management covers all businesses with risk exposures, including margin financing, financial products, corporate finance, asset management, and sales and trading.

The concentration risk management is one of the key concerns as the Group's businesses and products have become much more sophisticated and diversified. The Risk Management Department monitors the key and relevant concentration risk regularly and reports the material ones to the Risk Committee. Risk appetite and tolerance are set for relevant and material concentrations and concentration risk is identified, measured, monitored and controlled continuously and effectively.

Risk Management Report

Strategic Risk

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

Our strategic plan, capital plan, financial operating plan and risk appetite are reviewed and approved annually by the Board. Major strategic actions, such as capital activities, material acquisitions and disposals must be reviewed and approved by the Board.

Reputational Risk

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

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

Unknown Risk

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

Other Information

Interim Dividend

The Board has declared an Interim Dividend of HK\$0.034 per Share for the six months ended 30 June 2020 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 25 August 2020. The Interim Dividend will be payable on Thursday, 10 September 2020.

Closure of Register of Members

The register of members of the Company will be closed on Tuesday, 25 August 2020 for ascertaining Shareholders' entitlement to the Interim Dividend. No transfer of Shares will be registered on that day. In order to qualify for the Interim Dividend, all duly completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, No.183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 24 August 2020.

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

As at 30 June 2020, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) ("SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long position in the Shares and underlying shares of the Company

Name of Directors	Capacity	Number of Shares	Number of awarded Shares ^(Note 1)	Number of underlying shares in relation to share options	Percentage of Shares in issue ^(Note 2)	
					Total	
YIM Fung	Personal interest	68,546,955	1,488,000	2,300,000	72,334,955	0.75%
WONG Tung Ching	Personal interest	13,399,564	1,093,000	2,300,000	16,792,564	0.17%
QI Haiying	Personal interest	4,562,000	1,450,000	2,300,000	8,312,000	0.09%
LI Guangjie	Personal interest	9,435,970	979,000	2,300,000	12,714,970	0.13%
FU Tingmei	Personal interest	1,512,096	—	—	1,512,096	0.02%
SONG Ming	Personal interest	1,512,096	—	—	1,512,096	0.02%
TSANG Yiu Keung	Personal interest	1,512,096	—	—	1,512,096	0.02%

Notes:

- The awarded Shares were unvested and held by the trustee of the share award scheme of the Company (the "Share Award Scheme"). Details are set out in paragraph headed "Share Award Scheme" under this section and note 24 to the Interim Financial Report.
- The percentage was calculated based on 9,614,892,356 Shares in issue on 30 June 2020.

Other Information

Save as disclosed above, as at 30 June 2020, none of the Directors or chief executives of the Company had any interests or short positions in Shares, underlying shares or debentures of the Company or any of its associated corporations which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Share-based Compensation Scheme

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

Share Option Scheme

The Company adopted the Share Option Scheme on 19 June 2010. The purpose of the Share Option Scheme is to further enhance the competitiveness of the Group, reward and retain middle to senior management and key personnels, and motivate them to make greater contributions to the performance of the Company.

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

The total number of Shares that may be issued upon exercise of all share options granted and to be granted must not in aggregate exceed 10% of the Shares in issue at the date of adoption of the Share Option Scheme (i.e. 164,000,000 Shares). As at the date of this interim report, the total number of Shares available for issue in respect of the share options which had been granted and were outstanding under the Share Option Scheme was 72,170,558, representing approximately 0.75% of the Shares in issue.

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

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

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

Other Information

The consideration of HK\$1 for the acceptance of the grant shall be remitted in favour of the Company within 28 days from the date of offer or other period as may be determined by the Board.

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

The Share Option Scheme was valid and effective for a period of 10 years from the date of adoption, which had been expired on 19 June 2020. No further share options shall be granted after such period but all granted and outstanding share options remain exercisable after the end of such period and the provisions of the Share Option Scheme thereof remain in full force and effect.

Movements of the share options under the Share Option Scheme for the six months ended 30 June 2020 are set out as follows, details of which are set out in note 23 to the Interim Financial Report:

Name of participants	Number of share options					At 30 June 2020	Exercise price (HK\$)	Date of grant ^(Note 2)	Exercise period ^(Note 2)
	At 1 January 2020	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
Directors									
YIM Fung	800,000	—	—	—	—	800,000	2.440	13/07/2017	13/07/2018–12/07/2027
	500,000	—	—	—	—	500,000	1.720	04/07/2018	04/07/2019–03/07/2028
	1,000,000	—	—	—	—	1,000,000	1.450	11/09/2019	11/09/2020–10/09/2029
WONG Tung Ching	800,000	—	—	—	—	800,000	2.440	13/07/2017	13/07/2018–12/07/2027
	500,000	—	—	—	—	500,000	1.720	04/07/2018	04/07/2019–03/07/2028
	1,000,000	—	—	—	—	1,000,000	1.450	11/09/2019	11/09/2020–10/09/2029
QI Haiying	800,000	—	—	—	—	800,000	2.440	13/07/2017	13/07/2018–12/07/2027
	500,000	—	—	—	—	500,000	1.720	04/07/2018	04/07/2019–03/07/2028
	1,000,000	—	—	—	—	1,000,000	1.450	11/09/2019	11/09/2020–10/09/2029
LI Guangjie	800,000	—	—	—	—	800,000	2.440	13/07/2017	13/07/2018–12/07/2027
	500,000	—	—	—	—	500,000	1.720	04/07/2018	04/07/2019–03/07/2028
	1,000,000	—	—	—	—	1,000,000	1.450	11/09/2019	11/09/2020–10/09/2029
	9,200,000	—	—	—	—	9,200,000			
Employees									
<i>(in aggregate)</i>	3,596,768 ^(Note 1)	—	—	—	—	3,596,768	0.827 ^(Note 1)	24/04/2012	10/06/2012–09/06/2021
	33,797,535 ^(Note 1)	—	—	—	(2,023,745)	31,773,790	1.264 ^(Note 1)	10/01/2014	10/01/2015–09/01/2024
	6,400,000	—	—	—	—	6,400,000	2.440	13/07/2017	13/07/2018–12/07/2027
	7,700,000	—	—	—	(150,000)	7,550,000	1.720	04/07/2018	04/07/2019–03/07/2028
	14,200,000	—	—	—	(200,000)	14,000,000	1.450	11/09/2019	11/09/2020–10/09/2029
	65,694,303	—	—	—	(2,373,745)	63,320,558			
Total	74,894,303	—	—	—	(2,373,745)	72,520,558			

Other Information

Notes:

1. The number of outstanding share options and the exercise price may be subject to adjustment in case of reorganization of the capital structure of the Company. Pursuant to the announcements dated 29 September 2014 and 9 July 2015, the Company adjusted respectively the number of outstanding share options and the exercise price with reference to the terms of the Share Option Scheme and the supplementary guidance attached to the letter of the Stock Exchange relating to share option scheme dated 5 September 2005.

2. In respect of the share options granted on 24 April 2012, one-third of the share options has been vested evenly on 10 June 2012, 10 June 2013 and 10 June 2014 and exercisable until 9 June 2021.

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

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

In respect of the share options granted on 4 July 2018, one-third of the share options has been vested evenly on 4 July 2019 and 4 July 2020 and shall be vested on 4 July 2021 and exercisable until 3 July 2028.

In respect of share options granted on 11 September 2019, one-third of the share options shall be vested evenly on 11 September 2020, 11 September 2021 and 11 September 2022 and exercisable until 10 September 2029.

Share Award Scheme

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

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

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

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

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

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

Other Information

As of 30 June 2020, the Company had awarded in aggregate of 161,491,000 Shares since 27 October 2011, representing 98.47% of the limit of the Share Award Scheme.

During the six months ended 30 June 2020, 484,000 Shares were lapsed. As at 30 June 2020, 30,461,000 Shares were unvested. Details of the Share Award Scheme are set out in notes 24 and 25 to the Interim Financial Report.

Save as disclosed above, for the six months ended 30 June 2020, none of the Company or any of its subsidiaries was a party to any arrangement to enable Directors to acquire benefits by means of acquisition of Shares in, or debt securities (including debentures) of, the Company or its associated corporations and none of the Directors, their spouses or children under the age of 18 had any rights to subscribe for equity or debt securities of the Company or its associated corporations, or had exercised any such rights.

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

So far as is known to any Director or chief executives of the Company, as at 30 June 2020, the following persons (not being a Director) who had interests or short positions in the Shares or underlying shares of the Company which had been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity	Number of Shares (Long positions)	Percentage of Shares in Issue ^(Note 2)
Guotai Junan Holdings Limited	Beneficial owner	7,044,877,066	73.27%
Guotai Junan Financial Holdings Limited ^(Note 1)	Interested in controlled corporation	7,044,877,066	73.27%
Guotai Junan Securities Co., Ltd. ^(Note 1)	Interested in controlled corporation	7,044,877,066	73.27%

Notes:

- Guotai Junan Holdings Limited is a wholly-owned subsidiary of Guotai Junan Financial Holdings Limited, which in turn is a wholly-owned subsidiary of Guotai Junan Securities Co., Ltd. and accordingly, Guotai Junan Financial Holdings Limited and Guotai Junan Securities Co., Ltd. are deemed to be interested in these 7,044,877,066 Shares.
- The percentage was calculated based on 9,614,892,356 Shares in issue on 30 June 2020.

Save as disclosed above, as at 30 June 2020, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying shares of the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Other Information

Disclosure Pursuant to Rule 13.21 of the Listing Rules

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

Compliance with the Corporate Governance Code

The Company has adopted all principles and code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "Corporate Governance Code") as its own code of corporate governance. Save as disclosed below, the Company has complied with all code provisions as set out in the Corporate Governance Code throughout the period from 1 January 2020 to 30 June 2020.

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

Compliance with the Model Code

The Company has adopted the Model Code regarding securities transactions by its Directors. On specific enquiries made by the Company, all Directors confirmed that they have fully complied with the required standard set out in the Model Code throughout the period from 1 January 2020 to 30 June 2020.

Other Information

Purchase, Sale or Redemption of the Company's Securities

During the six months ended 30 June 2020, the Company bought back a total of 20,000,000 Shares on the Stock Exchange at an aggregate consideration of HK\$19,903,454.35 (inclusive all expenses). All these Shares were cancelled during the period correspondingly.

Details of the Shares bought back during the period are as follow:

Month	Number of Shares bought back	Price paid per Share		Aggregate consideration (inclusive transaction costs) HK\$
		Highest HK\$	Lowest HK\$	
April 2020	4,313,000	1.05	0.97	4,389,318.18
May 2020	14,511,000	1.01	0.92	14,297,386.25
June 2020	1,176,000	0.99	0.94	1,146,549.92

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020 other than acting as an agent for the trustee of the Company's Share Award Scheme.

Rights Issue

In order to support the Group's long term development, considering that capital raising will not increase financing costs, while it could strengthen its financial position, on 14 January 2020, the Company announced a proposal for rights issue of rights shares at the subscription price of HK\$1.45 each on the basis of one rights share for every three existing Shares on the record date of 7 February 2020 (the "Rights Issue") with underwriting arrangement by underwriters, namely China Tonghai Securities Limited ("China Tonghai") and Guotai Junan Securities (Hong Kong) Limited. On 17 March 2020, the Rights Issue was completed and based on the subscription results of the Rights Issue and the underwriting arrangement, 1,919,219,266 Shares in total were allotted and issued by the Company (of which 1,764,943,555 Shares were allotted and issued to Shareholders who had validly accepted their Right Shares and 154,275,711 Shares were allotted and issued to China Tonghai, respectively). The net proceeds raised from the Rights Issue was approximately HK\$2,780 million, equivalent to a net subscription price per rights share of approximately HK\$1.448. The closing price of HK\$1.49 per Share was quoted on the Stock Exchange on 14 January 2020, being the last trading day before the terms of the Rights Issue were fixed.

Other Information

Use of Proceeds

The following table sets forth the information in relation to the use of the net proceeds raised from the Rights Issue as disclosed in the prospectus of the Company dated 24 February 2020 ("Prospectus"):

Intended use of net proceeds raised from the Rights Issue		Actual use of the net proceeds during the period from the completion of Rights Issue to 30 June 2020	Intended use of unutilized net proceeds raised from the Rights Issue and the expected timeline
Loans and advances to customers	HK\$918.15 million	HK\$918.15 million	—
Market making and investment in debt securities	HK\$918.15 million	HK\$918.15 million	—
Debt repayment	HK\$417.34 million	HK\$417.34 million	—
General working capital*	HK\$278.22 million	Approximately HK\$140.00 million	Balance of unused proceeds of approximately HK\$138.22 million aims to be utilized by end of December 2020
IT infrastructure and regional expansion in Southeast Asia	HK\$247.70 million	Approximately HK\$15.00 million	Balance of unused proceeds of approximately HK\$232.70 million aims to be utilized by mid of 2021

* Includes expenses on professional advisory services, trading and back office system enhancement, regulatory compliance and risk control upgrading and general administrative expenses, etc.

The net proceeds raised from the Rights Issue that have been utilized have been used according to the intentions as previously disclosed in the Prospectus.

Change of Information of Directors

Dr. YIM Fung has resigned as an independent non-executive director of Shenzhen International Holdings Limited (stock code: 152.HK) on 15 May 2020.

Professor CHAN Ka Keung Ceajer was appointed as a non-executive director of Trivium Holdings Limited and an independent non-executive director of China Overseas Land & Investment Limited (stock code: 688.HK) on 5 May 2020 and 27 June 2020, respectively.

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

Other Information

Audit Committee

The Audit Committee comprises four independent non-executive Directors, namely Mr. TSANG Yiu Keung (Chairman), Dr. FU Tingmei, Dr. SONG Ming and Professor CHAN Ka Keung Ceajer. The chairman of Audit Committee has professional accounting qualification.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including review of the unaudited consolidated interim financial information for the six months ended 30 June 2020 and this interim report. The Group's external auditor, KPMG, has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.



FINANCIAL STATEMENTS

財務報表

Report on Review of Interim Financial Report 中期財務報告審閱報告



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TO THE BOARD OF DIRECTORS OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 56 to 128, which comprises the consolidated statement of financial position of Guotai Junan International Holdings Limited (the "Company") as of 30 June 2020 and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致國泰君安國際控股有限公司董事會

(於香港註冊成立的有限公司)

引言

我們已審閱載於第56至128頁的中期財務報告，當中包括國泰君安國際控股有限公司（「貴公司」）於二零二零年六月三十日的綜合財務狀況表與截至該日止六個月期間的相關綜合損益及其他全面收益表、綜合權益變動表及簡明綜合現金流量表以及其他解釋附註。根據香港聯合交易所有限公司證券上市規則規定，中期財務資料的報告須遵照上市規則內相關條文以及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」編製。董事須負責根據香港會計準則第34號編製及呈列本中期財務資料。

我們的責任是根據我們的審閱對中期財務報告作出總結，並按照我們雙方所協定的聘任條款，僅向董事會（作為一個整體）報告我們的結論，而概不作其他用途。我們概不會就本報告的內容向任何其他人士負責或承擔責任。

Report on Review of Interim Financial Report 中期財務報告審閱報告

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *“Review of interim financial information performed by the independent auditor of the entity”* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2020 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *“Interim financial reporting”*.

Certified Public Accountants
Hong Kong

10 August 2020

審閱範圍

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

結論

根據我們的審閱，我們沒有注意到有任何事項，令我們相信於二零二零年六月三十日的中期財務報告在所有重大方面未有按照香港會計準則第34號「中期財務報告」編製。

執業會計師
香港

二零二零年八月十日

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

				For the six months ended 30 June 截至六月三十日止六個月	
				2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元
		Notes 附註			
Revenue	收益	4	1,797,789	2,322,035	
Other income	其他收入		2,963	3,393	
Revenue and other income	收益及其他收入		1,800,752	2,325,428	
Staff costs	員工成本	5	(329,919)	(367,551)	
Commission to account executives	客戶主任佣金		(74,574)	(62,085)	
Depreciation	折舊		(34,038)	(30,120)	
Net impairment charge	減值支出淨額		(38,371)	(512,041)	
Other operating expenses	其他經營開支		(186,767)	(184,371)	
Operating profit	經營溢利		1,137,083	1,169,260	
Finance costs	融資成本	6	(432,741)	(437,355)	
Profit before tax	除稅前溢利	7	704,342	731,905	
Income tax expense	所得稅開支	8	(95,292)	(87,174)	
Profit for the period	期內溢利		609,050	644,731	
Other comprehensive income for the period, net of tax	期內其他全面收益，扣除稅項				
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益的項目：				
– Investments at fair value through other comprehensive income (net movement in investment revaluation reserve)	– 按公平值計入其他全面收益的投資（投資重估儲備變動淨額）		(1,574)	—	
– Exchange difference on translation of foreign exchange	– 外匯匯兌差額		(3,951)	188	
Total comprehensive income for the period	期內全面收益總額		603,525	644,919	

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

		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元
	Notes 附註		
Profit for the period attributable to:	應佔期內溢利：		
Owners of the parent	母公司擁有人	605,583	644,616
– Holders of ordinary shares	– 普通股持有人	605,583	638,856
– Holders of other equity instrument	– 其他權益工具持有人	—	5,760
Non-controlling interests	非控股權益	3,467	115
		609,050	644,731
Total comprehensive income for the period attributable to:	應佔期內全面收益總額：		
Owners of the parent	母公司擁有人	600,058	644,804
– Holders of ordinary shares	– 普通股持有人	600,058	639,044
– Holders of other equity instruments	– 其他權益工具持有人	—	5,760
Non-controlling interests	非控股權益	3,467	115
		603,525	644,919
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)	10(a) 6.77	8.35
– Diluted (in HK cents)	– 攤薄(以港仙計)	10(b) 6.76	8.33

The notes from pages 64 to 128 form part of this interim report.

第64至128頁的附註構成本中期報告的一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

		As at 30 June 2020 於二零二零年 六月三十日 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核 HK\$'000 千港元
	Notes 附註		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	489,039	508,939
Goodwill and other intangible assets	商譽及其他無形資產	22,386	22,386
Deferred tax assets	遞延稅項資產	297,596	267,316
Other assets	其他資產	9,497	8,526
Bank deposits	銀行存款	9,863	66,440
Loans and advances to customers	給予客戶的貸款及墊款	—	947,521
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	14,814,545	7,862,292
– Financial assets held for trading and investments	– 持作買賣及投資的金融資產	5,996,309	1,594,507
– Financial products	– 金融產品	8,818,236	6,267,785
Total non-current assets	非流動資產總額	15,642,926	9,683,420
Current assets	流動資產		
Loans and advances to customers	給予客戶的貸款及墊款	14,986,636	10,768,381
Receivables from reverse repurchase agreements	反向回購協議應收款項	3,250,732	2,247,913
Accounts receivable	應收款項	7,293,192	4,151,021
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	190,775	269,799
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	59,628,124	51,128,906
– Financial assets held for trading and investments	– 持作買賣及投資的金融資產	24,471,833	19,286,647
– Financial products	– 金融產品	35,156,291	31,842,259
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產	108,338	—
Derivative financial instruments	衍生金融工具	455,372	155,652
Tax recoverable	可收回稅項	2,950	236
Client trust bank balances	客戶信託銀行結餘	16,872,888	11,181,982
Cash and cash equivalents	現金及現金等價物	6,979,751	7,150,847
Total current assets	流動資產總額	109,768,758	87,054,737
Current liabilities	流動負債		
Accounts payable	應付款項	(24,103,431)	(14,587,372)
Other payables and accrued liabilities	其他應付款項及應計負債	(401,799)	(584,126)
Derivative financial instruments	衍生金融工具	(822,097)	(149,851)
Interest bearing borrowings	計息借款	(17,859,566)	(11,226,513)
Debt securities in issue	已發行債務證券	(30,241,501)	(25,819,688)
– At amortised cost	– 按攤銷成本	(7,451,082)	(5,128,330)
– Designated at fair value through profit or loss	– 指定按公平值計入損益	(22,790,419)	(20,691,358)
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債	(6,870,221)	(6,810,580)
Obligations under repurchase agreements	回購協議的債項	(19,678,384)	(18,199,226)
Tax payable	應付稅項	(76,461)	(243,323)
Total current liabilities	流動負債總額	(100,053,460)	(77,620,679)
Net current assets	流動資產淨值	9,715,298	9,434,058
Total assets less current liabilities	資產總額減流動負債	25,358,224	19,117,478

Consolidated Statement of Financial Position
綜合財務狀況表

		Notes 附註	As at 30 June 2020 於二零二零年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	18	(66,231)	(2,429)
Interest bearing borrowings	計息借款	19	(10,469)	(23,368)
Debt securities in issue	已發行債務證券		(10,681,141)	(7,679,894)
– At amortised cost	– 按攤銷成本		(1,548,704)	(1,555,874)
– Designated at fair value through profit or loss	– 指定為按公平值計入損益		(9,132,437)	(6,124,020)
			(10,757,841)	(7,705,691)
Net assets	資產淨值		14,600,383	11,411,787
Equity	權益			
Share capital	股本	22	10,905,832	8,125,856
Other reserve	其他儲備		(1,236,460)	(1,236,460)
Currency translation reserve	貨幣換算儲備		(5,061)	(1,110)
Share-based compensation reserves	以股份為基礎補償儲備		71,879	56,089
– Share option reserve	– 購股權儲備	23	33,968	30,513
– Share award reserve	– 股份獎勵儲備	24	37,911	25,576
Shares held under the Share Award Scheme	按股份獎勵計劃持有的股份	25	(73,058)	(73,058)
Investment revaluation reserve	投資重估儲備		(1,574)	—
Retained profits	保留溢利		4,819,495	4,424,607
Equity attributable to holders of the ordinary shares	普通股股東應佔權益		14,481,053	11,295,924
Non-controlling interests	非控股權益		119,330	115,863
Total equity	權益總額		14,600,383	11,411,787

Dr. YIM Fung
閻峰博士
Director
董事

Mr. LI Guangjie
李光杰先生
Director
董事

The notes from pages 64 to 128 form part of this interim report.

第64至128頁的附註構成本中期報告的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

		Equity attributable to owners of the parent 母公司擁有人應佔權益										
		Share capital	Other reserve	Currency translation reserve	Share option reserve	Share award reserve	Shares held under the Share Award Scheme	Retained profits	Investment revaluation reserve (recycling)	Total	Non-controlling interests	Total equity
		股本	其他儲備	貨幣換算儲備	購股權儲備	股份獎勵儲備	按股份獎勵計劃持有的股份	保留溢利	(可劃轉) 投資重估儲備	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Unaudited	未經審核											
Balance at 1 January 2020	於二零二零年一月一日的結餘	8,125,856	(1,236,460)	(1,110)	30,513	25,576	(73,058)	4,424,607	—	11,295,924	115,863	11,411,787
Total comprehensive income for the period	期內全面收益總額	—	—	(3,951)	—	—	—	605,583	(1,574)	600,058	3,467	603,525
Shares issued under rights issue (Note 22)	根據供股發行股份(附註22)	2,779,976	—	—	—	—	—	—	—	2,779,976	—	2,779,976
Shares repurchased (Note 22)	已購回股份(附註22)	—	—	—	—	—	—	(19,854)	—	(19,854)	—	(19,854)
Recognition of equity-settled share-based payments (Note 5)	確認以權益計算以股份為基礎的付款(附註5)	—	—	—	4,242	12,335	—	—	—	16,577	—	16,577
Transfer of share option reserve upon the forfeiture of share options	購股權失效而轉讓購股權儲備	—	—	—	(787)	—	—	787	—	—	—	—
Final dividend for 2019 (Note 9)	支付二零一九年末期股息(附註9)	—	—	—	—	—	—	(191,628)	—	(191,628)	—	(191,628)
Balance at 30 June 2020	於二零二零年六月三十日的結餘	10,905,832	(1,236,460)	(5,061)	33,968	37,911	(73,058)	4,819,495	(1,574)	14,481,053	119,330	14,600,383

Consolidated Statement of Changes in Equity 綜合權益變動表

		Equity attributable to owners of the parent 母公司擁有人應佔權益										
		Share capital	Other reserve	Currency translation reserve	Share option reserve	Share award reserve	Shares held under the Share Award Scheme	Retained profits	Other equity instruments	Total	Non-controlling interests	Total equity
		股本	其他儲備	貨幣換算儲備	購股權儲備	股份獎勵儲備	按股份獎勵計劃持有的股份	保留溢利	其他權益工具	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Unaudited	未經審核											
Balance at 1 January 2019	於二零一九年一月一日的結餘	8,125,856	(1,236,460)	(655)	37,816	28,370	(142,051)	4,019,055	350,784	11,182,715	11,567	11,194,282
Total comprehensive income for the period	期內全面收益總額	—	—	188	—	—	—	638,856	5,760	644,804	115	644,919
Recognition of equity-settled share-based payments (Note 5)	確認以權益計算以股份為基礎的付款(附註5)	—	—	—	3,481	23,751	—	—	—	27,232	—	27,232
Purchase of shares held under the Share Award Scheme (Note 25)	購買按股份獎勵計劃持有的股份(附註25)	—	—	—	—	—	(4,004)	—	—	(4,004)	—	(4,004)
Transfer of share option reserve upon the forfeiture of share options	購股權失效而轉讓購股權儲備	—	—	—	(14,068)	—	—	14,068	—	—	—	—
Perpetual securities distribution	永續證券分派	—	—	—	—	—	—	—	(7,938)	(7,938)	—	(7,938)
Perpetual securities repurchase	永續證券購回	—	—	—	—	—	—	(12,940)	(309,295)	(322,235)	—	(322,235)
Final dividend for 2018 (Note 9)	支付二零一八年末期股息(附註9)	—	—	—	—	—	—	(152,995)	—	(152,995)	—	(152,995)
Balance at 30 June 2019	於二零一九年六月三十日的結餘	8,125,856	(1,236,460)	(467)	27,229	52,121	(146,055)	4,506,044	39,311	11,367,579	11,682	11,379,261

The notes from pages 64 to 128 form part of this interim report.

第64至128頁的附註構成本中期報告的一部分。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

		For the six months ended 30 June		
		截至六月三十日止六個月		
		2020	2019	
		二零二零年	二零一九年	
		Unaudited	Unaudited	
		未經審核	未經審核	
		HK\$'000	HK\$'000	
		千港元	千港元	
	Notes 附註			
Net cash used in operating activities	經營活動所用現金淨額	27	(16,871,590)	(2,480,274)
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		(13,918)	(68,014)
Proceeds from disposal of intangible assets (other than goodwill)	出售無形資產(商譽除外)所得款項		—	2,260
Net cash used in investing activities	投資活動所用現金淨額		(13,918)	(65,754)
Cash flows from financing activities	融資活動現金流量			
Dividend paid to shareholders	支付股東股息	9	(191,628)	(152,995)
Proceeds from issuance of debt securities	發行債務證券所得款項		20,038,109	22,278,016
Repayment of debt securities	償還債務證券		(12,494,977)	(18,342,525)
Net proceeds/(payment) of bank loans	銀行貸款所得款項/(還款)淨額		6,583,795	(310,759)
Redemption of perpetual securities	贖回永續證券		—	(322,235)
Repurchase of shares	購回股份		(19,854)	—
Perpetual securities distribution	永續證券分派		—	(7,938)
Proceeds from shares issued upon rights issue	因供股而發行股份所得款項	22	2,779,976	—
Purchase of shares held under the Share Award Scheme	購買按股份獎勵計劃持有的股份	24	—	(4,004)
Principal portion of lease payments	租賃付款的本金部分		(12,640)	(9,409)
Interest portion of lease payments	租賃付款的利息部分		(767)	(994)
Net cash generated from financing activities	融資活動所得現金淨額		16,682,014	3,127,157
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(203,494)	581,129
Cash and cash equivalents at beginning of period (excluding time deposits with original maturity more than three month)	期初現金及現金等價物(不包括原到期日多於三個月的定期存款)		6,953,890	4,001,198
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		(3,951)	188
Effect of impairment allowance on cash and cash equivalents, net	減值撥備對現金及現金等價物的影響淨額		254	(7)
Effect of investment revaluation reserve, net	投資重估儲備的影響淨額		(1,574)	—
Cash and cash equivalents at end of period	期末現金及現金等價物		6,745,125	4,582,508

Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表

		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元
		Notes 附註	
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	6,728,509	3,841,240
Non-pledged time deposits with original maturity of less than three months when acquired	存放時原到期日不足三個月的未抵押定期存款	16,616	741,268
Cash and cash equivalents as stated in the condensed consolidated statement of cash flow	簡明綜合現金流量表所列之現金及現金等價物	6,745,125	4,582,508
Non-pledged time deposits with original maturity more than three months when acquired	存放時原到期日超過三個月的未抵押定期存款	234,626	93,539
Cash and cash equivalents as stated in the consolidated statement of financial position	綜合財務狀況表所列之現金及現金等價物	6,979,751	4,676,047

The notes from pages 64 to 128 form part of this interim report.

第64至128頁的附註構成本中期報告的一部分。

Notes to the Interim Financial Report 中期財務報告附註

1. General information

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

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

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

This unaudited interim financial report was approved by the board of directors (the “Board”) for issue on 10 August 2020.

1. 一般資料

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

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

除非另有說明，本未經審核中期財務報告乃以千港元(千港元)呈列。

本未經審核中期財務報告於二零二零年八月十日由董事會(「董事會」)批准刊發。

Notes to the Interim Financial Report 中期財務報告附註

2. Basis of preparation and changes in accounting policies

2.1 Basis of preparation

The unaudited interim financial report for the six months ended 30 June 2020 has been prepared in accordance the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in note 2.2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

2. 編製基準及會計政策變動

2.1 編製基準

截至二零二零年六月三十日止六個月的未經審核中期財務報告乃根據香港聯合交易所有限公司證券上市規則的適用披露條文編製，包括遵守香港會計師公會（「香港會計師公會」）頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」。

中期財務報告根據二零一九年年度財務報表中採納的相同會計政策而編製，惟預期於二零二零年年度財務報表中反映的會計政策變動除外。會計政策的任何變動之詳情載於附註2.2。

於遵照香港會計準則第34號編製中期財務報告時，管理層須作出會影響政策應用以及按本年度截至報告日期為止資產及負債、收入及開支的已呈報金額的判斷、估計及假設。實際結果有可能與該等估計存在差異。

本中期財務報告載有簡明綜合財務報表及部份說明性附註。附註所載的解釋，有助於了解自本集團編製二零一九年年度財務報表以來，對財務狀況和業績表現方面的變動構成重要影響的事件及交易。簡明綜合中期財務報表及其附註並不包括根據香港財務報告準則（「香港財務報告準則」）編製全份財務報表所需之所有資料。

Notes to the Interim Financial Report 中期財務報告附註

2. Basis of preparation and changes in accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

The interim financial report is unaudited, but has been reviewed by KPMG, Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 54 to 55.

The financial information relating to the year ended 31 December 2019 that is included in the Interim Report 2020 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

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

Certain comparative figures have been reclassified from other operating expenses to revenue in the consolidated statement of profit or loss and other comprehensive income to conform to the current period's presentation. Management consider the reclassification gives greater clarity.

2. 編製基準及會計政策變動 (續)

2.1 編製基準(續)

中期財務報告未經審核，但畢馬威會計師事務所(根據財務匯報局條例註冊的公眾利益實體核數師)已按照香港會計師公會頒佈的香港審閱工作準則第2410號「實體獨立核數師對中期財務資料之審閱」作出審閱。畢馬威會計師事務所致董事局的獨立審閱報告載於第54至55頁。

二零二零年中報所載用作比較的截至二零一九年十二月三十一日止年度的財務資料並不構成本公司該年度的法定年度綜合財務報表，惟有關資料乃摘錄自該等財務報表。有關根據公司條例第436條須予披露的該等法定財務報表的進一步資料如下：

本公司已根據公司條例第662(3)條及附表6第3部規定，向公司註冊處處長呈交截至二零一九年十二月三十一日止年度的財務報表。

本公司前任核數師安永會計師事務所已就該等財務報表作出報告。報告中核數師並無保留意見；並無提述任何核數師在無保留意見下強調須予注意的事項；亦未載有公司條例第406(2)、407(2)或(3)條所指的聲明。

若干比較數字乃於綜合損益及其他全面收益表內由其他經營開支重新分類至收益以與本期間所呈列者一致。管理層認為有關重新分類更為清晰。

Notes to the Interim Financial Report 中期財務報告附註

2. Basis of preparation and changes in accounting policies *(continued)*

2.2 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3 *Definition of a Business*

Amendment to HKFRS 16 *Covid-19-Related Rent Concessions*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKFRS 3

Definition of a Business

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020.

These amendments had no impact on the consolidated financial statements of the Group as there was no business combination during the period.

2. 編製基準及會計政策變動 (續)

2.2 會計政策變動

香港會計師公會頒佈若干於本集團當前會計期間內首次生效的香港財務報告準則修訂本：

香港財務報告準則 業務之定義
第3號(修訂本)

香港財務報告準則 新冠疫情相關
第16號(修訂本) 租金優惠

本集團並無應用任何於本會計期間尚未生效的新訂準則或詮釋。採納經修訂香港財務報告準則的影響載述如下：

香港財務報告準則第3號修訂本

業務之定義

該等修訂本澄清業務之定義並對如何釐定某項交易是否代表業務合併提供額外指引。此外，該等修訂本亦引入可選擇的「集中度測試」，以於收購的總資產的絕大部分公平值集中於一項可識別資產或類似可識別資產組合時，簡化對收購的一組活動及資產是否為資產而非業務收購的評估。

本集團就收購日期為二零二零年一月一日或之後的交易應用該等修訂本。

由於期內並無業務合併，故該等修訂本對本集團綜合財務報表並無任何影響。

Notes to the Interim Financial Report 中期財務報告附註

2. Basis of preparation and changes in accounting policies *(continued)*

2.2 Changes in accounting policies *(continued)*

Amendment to HKFRS 16

Covid-19-Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("COVID-19-related rent concessions") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

These amendments had no impact on the consolidated financial statements of the Group as there was no COVID-19-related rent concession obtained during the period.

3. Operating segment information

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

Details of each of the operating segments are as follows:

- (a) the brokerage segment engages in the provision of securities, futures and options and leveraged foreign exchange dealing and broking as well as insurance brokerage services to customers;
- (b) the corporate finance segment engages in the provision of advisory services, placing and underwriting services of debt and equity securities;
- (c) the asset management segment engages in asset management, including fund management and the provision of investment advisory services;

2. 編製基準及會計政策變動 (續)

2.2 會計政策變動(續)

香港財務報告準則第16號修訂本

新冠疫情相關租金優惠

該修訂本提供一項可行權宜方法，准許承租人無需評估特定直接因新冠疫情產生的合資格租金優惠(「新冠疫情相關租金優惠」)是否為租賃修訂，相反，承租人須按猶如該等租金優惠並非租賃修訂將其入賬處理。

由於期內並無獲得新冠疫情相關租金優惠，故該等修訂本對本集團綜合財務報表並無任何影響。

3. 經營分部資料

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

有關各經營分部的詳情概述如下：

- (a) 經紀分部從事向客戶提供證券、期貨及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、債務及股本證券的配售及承銷服務；
- (c) 資產管理分部從事資產管理，包括基金管理以及提供投資諮詢服務；

Notes to the Interim Financial Report 中期財務報告附註

3. Operating segment information (continued)

- (d) the loans and financing segment engages in the provision of margin financing and securities borrowing and lending to margin customers, initial public offering (“IPO”) loans, other loans to customers and bank deposits;
- (e) the financial products, market making and investments segment represents fund and equity investments, structuring of financial products as well as trading and market making of debt securities, exchange traded funds and derivatives; and
- (f) the “others” segment mainly represents rental income and the provision of information channel services.

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

The unaudited segment results of the Group for the six months ended 30 June 2020 are as follows:

3. 經營分部資料(續)

- (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及股本投資、結構性金融產品以及債務證券、交易所交易基金及衍生工具買賣及做市；及
- (f) 「其他」分部主要指租金收入及提供資訊渠道服務。

各分部之間的交易(如有)乃參照向第三方收取的價格而進行。

本集團截至二零二零年六月三十日止六個月的未經審核分部業績如下：

		Brokerage	Corporate finance	Asset management	Loans and financing	Financial products, market making and investments	Others	Total
		經紀	企業融資	資產管理	貸款及融資	金融產品、做市及投資	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue and other income:	分部收益及其他收入：							
Sales to external customers	銷售予對外客戶	276,450	242,779	23,935	518,275	736,350	2,963	1,800,752
Inter-segment sales	分部之間銷售	—	—	—	—	—	—	—
Total	總計	276,450	242,779	23,935	518,275	736,350	2,963	1,800,752
Segment results	分部業績	73,070	101,216	11,060	240,916	278,080	—	704,342
Income tax expense	所得稅開支							(95,292)
Profit for the period	期內溢利							609,050
Other segment information:	其他分部資料：							
Depreciation	折舊	19,812	5,411	1,992	5,123	1,700	—	34,038
Finance costs	融資成本	2,483	—	—	142,062	288,196	—	432,741

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3. Operating segment information (continued)

The unaudited segment results of the Group for the six months ended 30 June 2019 are as follows:

3. 經營分部資料(續)

本集團截至二零一九年六月三十日止六個月的未經審核分部業績如下：

		Brokerage	Corporate finance	Asset management	Loans and financing	Financial products, market making and investments	Others	Total
		經紀	企業融資	資產管理	貸款及融資	金融產品、 做市及投資	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue and other income:	分部收益及其他收入：							
Sales to external customers	銷售予對外客戶	291,667	452,559	10,215	558,649	1,008,945	3,393	2,325,428
Inter-segment sales	分部之間銷售	—	—	—	—	—	—	—
Total	總計	291,667	452,559	10,215	558,649	1,008,945	3,393	2,325,428
Segment results	分部業績	76,007	243,700	693	(219,273)	630,778	—	731,905
Income tax expense	所得稅開支							(87,174)
Profit for the period	期內溢利							644,731
Other segment information:	其他分部資料：							
Depreciation	折舊	14,755	5,303	1,788	6,270	2,004	—	30,120
Finance costs	融資成本	2,341	—	—	128,282	306,732	—	437,355

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4. Revenue

The Group's revenue is disaggregated as follows:

4. 收益

本集團的收益細分如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元
<i>Revenue from contracts with customers</i>	來自與客戶合約的收益		
Brokerage:	經紀：		
Securities	證券	230,566	251,987
Futures and options	期貨及期權	17,684	8,335
Handling income	手續費收入	23,969	27,372
Leveraged foreign exchange	槓桿外匯	1,158	729
Insurance	保險	3,073	3,244
		276,450	291,667
Corporate finance:	企業融資：		
Placing, underwriting and sub-underwriting commission	配售、承銷及分承銷佣金		
– Debt securities	– 債務證券	204,764	324,536
– Equity securities	– 股本證券	20,545	92,778
Consultancy and financial advisory fee income	顧問及融資諮詢費收入	17,470	35,245
		242,779	452,559
Asset management:	資產管理：		
Management fee income	管理費收入	7,432	10,111
Performance fee income	表現費收入	16,503	104
		23,935	10,215
Financial products:	金融產品：		
Net income on structured financial products	結構性金融產品收入淨額	223,390	268,452
		223,390	268,452
<i>Revenue from other sources</i>	來自其他來源的收益		
Loans and financing:	貸款及融資：		
Interest and handling income from customers and counterparty financing	客戶及對手方融資的利息及手續費收入	350,252	362,275
Interest income from banks and others	銀行及其他利息收入	168,023	196,374
		518,275	558,649

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4. Revenue (continued)

4. 收益(續)

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		Unaudited	Unaudited
		未經審核	未經審核
		HK\$'000	HK\$'000
		千港元	千港元
Market making and investments:	做市及投資：		
Net trading gain and interest income on debt securities	債務證券交易收益淨額及利息收入		
– Listed securities	– 上市證券	267,281	515,317
– Unlisted securities	– 非上市證券	132,313	64,580
Trading loss on exchange traded funds	交易所交易基金交易虧損	—	(263)
Trading (loss)/gain on equity securities	股本證券交易(虧損)/收益	(2,397)	12,616
Trading loss on unconsolidated investment funds	非合併投資基金交易虧損	(104,757)	(54,271)
Net gain on foreign exchange	外匯收益淨額	25,432	24,501
Net gain on financial assets at fair value through profit or loss	按公平值計入損益的金融資產的收益淨額	350	13,640
Net gain on fixed income securities	固定收益證券的收益淨額	194,949	199,580
Dividend income	股息收入	4,069	6,006
Trading gain attributable to third-party interests in consolidated investment funds	納入合併投資基金的第三方權益應佔的交易收益	(4,280)	(41,213)
		512,960	740,493
		1,797,789	2,322,035

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5. Staff costs

5. 員工成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元
Staff costs (including directors' remuneration):	員工成本(包括董事酬金):		
Salaries, bonuses and allowances	薪金、花紅及津貼	307,834	335,576
Share-based compensation expenses	以股份為基礎補償開支		
– Share option scheme (note 23)	– 購股權計劃(附註23)	4,242	3,481
– Share Award Scheme (note 24)	– 股份獎勵計劃 (附註24)	12,335	23,751
Pension scheme contributions	退休金計劃供款	5,508	4,743
		329,919	367,551

6. Finance costs

6. 融資成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元
Bank borrowings and overdrafts	銀行借款及透支	181,570	166,993
Debt securities in issue	已發行債務證券	117,147	122,557
Securities borrowing and lending	證券借貸	1,514	3,493
Financial liabilities at fair value through profit or loss	按公平值計入損益的 金融負債		
– Short selling of debt securities	– 賣空債務證券	36,704	42,286
Repurchase agreements	回購協議	94,802	87,839
Lease liabilities	租賃負債	767	994
Others	其他	237	13,193
		432,741	437,355

Notes to the Interim Financial Report

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7. Profit before tax

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

7. 除稅前溢利

本集團的除稅前溢利乃經扣減/(計入)以下各項後得出：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		Unaudited	Unaudited
		未經審核	未經審核
		HK\$'000	HK\$'000
		千港元	千港元
Professional and consultancy fees	專業及諮詢費	37,827	40,229
Information service expense	資訊服務開支	20,053	15,684
Repairs and maintenance (including system maintenance)	維修及維護(包括系統維護)	30,161	26,068
Marketing, advertising and promotion expenses	市場推廣、廣告及宣傳開支	4,717	4,007
Foreign exchange difference, net	外匯淨差額	(27,515)	13,675
Other commission expenses	其他佣金開支	16,967	13,822
Net impairment charge on loans and advances to customers	給予客戶貸款及墊款減值支出淨額	31,523	499,988
Net impairment charge on accounts receivable	應收款項減值支出淨額	3,167	12,697
Net impairment charge/(reversal) on other financial assets and loan commitments	其他金融資產及貸款承擔減值支出/(撥回)淨額	3,681	(644)

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8. Income tax expense

Current, Hong Kong	即期 – 香港		
– Charge for the period	– 期內開支	61,770	85,777
Deferred taxation	遞延稅項	33,522	1,397
Total tax charge for the period	期內稅項開支總額	95,292	87,174

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

9. Proposed interim/final dividend

The Board has declared an interim dividend of approximately HK\$325,652,000 or HK\$0.034 per ordinary share (2019: HK\$321,290,000 or HK\$0.042 per ordinary share) after the adjustment of excluding the dividend for the shares held under the Share Award Scheme of the Company amounting to approximately HK\$1,254,000 (2019: HK\$2,768,000) for the six months ended 30 June 2020. The interim dividend proposed after the reporting date has not been recognised as a liability in the unaudited interim financial information at the end of the reporting period.

The Board recommended a final dividend of HK\$0.02 per ordinary share for the year ended 31 December 2019 on 20 March 2020 and paid the final dividend of approximately HK\$191,628,000 on 15 June 2020, as further adjusted to exclude the dividend for shares bought back by the Company before the ex-dividend date 27 May 2020 amounting to HK\$332,480.

8. 所得稅開支

For the six months ended
30 June
截至六月三十日止六個月
2020
二零二零年
Unaudited
未經審核
HK\$'000
千港元

2019
二零一九年
Unaudited
未經審核
HK\$'000
千港元

香港利得稅乃就期內在香港產生的估計應課稅溢利按稅率16.5% (二零一九年: 16.5%)撥備。

9. 建議中期／末期股息

董事會已就截至二零二零年六月三十日止六個月宣派中期股息約325,652,000港元或每股普通股0.034港元(二零一九年: 321,290,000港元或每股普通股0.042港元), 並已減除根據本公司股份獎勵計劃持有股份的股息金額約1,254,000港元(二零一九年: 2,768,000港元)作為調整。報告日期後建議派發的中期股息尚未於報告期末在未經審核中期財務資料內確認為一項負債。

董事會於二零二零年三月二十日建議派發截至二零一九年十二月三十一日止年度末期股息每股普通股0.02港元, 並於二零二零年六月十五日派付末期股息約191,628,000港元; 其中調整包括扣除本公司於除息日期(即二零二零年五月二十七日)前回購的股份之股息332,480港元。

Notes to the Interim Financial Report 中期財務報告附註

10. Earnings per share attributable to ordinary equity holders of the parent

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

(a) Basic earnings per share

The calculation of basic earnings per share for the period ended 30 June 2020 is based on the profit attributable to ordinary equity holders of the parent of HK\$605,583,000 (2019: HK\$638,856,000) and the weighted average number of ordinary shares in issue less shares held under the Company's Share Award Scheme of 8,951,074,000 (2019: 7,651,007,000) during the period.

(b) Diluted earnings per share

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

10. 母公司普通股股東應佔每股盈利

每股基本及攤薄盈利乃基於下列方式計算：

(a) 每股基本盈利

截至二零二零年六月三十日止期間，每股基本盈利乃根據期內母公司普通股股東應佔溢利605,583,000港元(二零一九年：638,856,000港元)及已發行普通股的加權平均數減按本公司股份獎勵計劃持有的股份共8,951,074,000股(二零一九年：7,651,007,000股)計算。

(b) 每股攤薄盈利

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

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10. 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:

10. 母公司普通股股東應佔每股盈利(續)

(b) 每股攤薄盈利(續)

每股攤薄盈利計算如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元
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)	605,583	638,856
Weighted average number of ordinary shares in issue less shares held for the Share Award Scheme used in the basic earnings per share calculation (in '000)	用於計算每股基本盈利的已發行普通股的加權平均數減按股份獎勵計劃持有的股份(以千計)	8,951,074	7,651,007
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股的加權平均數：		
Share options under the share option scheme (in '000)	購股權計劃項下的購股權(以千計)	1,753	6,238
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)	10,229	9,423
Number of ordinary shares for the purpose of diluted earnings per share calculation (in '000)	計算每股攤薄盈利而言的普通股數目(以千計)	8,963,056	7,666,668
Diluted earnings per share (in HK cents)	每股攤薄盈利(以港仙計)	6.76	8.33

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11. Loans and advances to customers

11. 給予客戶的貸款及墊款

		As at 30 June 2020 於二零二零年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Non-current	非流動		
Term loans to customers	給予客戶的定期貸款	—	948,000
Less: impairment	減：減值	—	(479)
		—	947,521
Current	流動		
Margin loans	孖展貸款	13,483,817	11,719,143
Term loans to customers	給予客戶的定期貸款	1,394,872	532,480
IPO loans	首次公開發售貸款	1,623,191	—
Less: impairment	減：減值	(1,515,244)	(1,483,242)
		14,986,636	10,768,381
		14,986,636	11,715,902

Loans and advances are categorised into excellent, good, fair and individually impaired. Excellent refers to exposures which margin obligations are consistently met and the payment of principal and interest is not in doubt, collaterals provided are highly liquid and of good quality. Good refers to exposures which principal and interest are fully secured but collaterals provided are at a relatively lower quality where shortfall may be recorded when there is a significant drop in collateral value. Fair refers to exposures which principal and interest are fully secured but the quality of the collateral is deteriorating, shortfall would be expected when the collateral value continued to deteriorate. Individually impaired refers to exposures which loss, partial or full, has incurred and with insufficient collateral.

貸款及墊款分類為優秀、極好、普通及個別減值。優秀指貫徹履行孖展責任及本金和利息付款並無呆賬，且提供的抵押品具有高流通性及良好品質的風險。極好指本金和利息全部有抵押但提供的抵押品質量相對較低，且抵押品價值大幅下跌時可能錄得缺額的風險。普通指本金和利息全部有抵押但抵押品質量正在變差，且抵押品價值持續下跌時預期錄得缺額的風險。個別減值指已產生部分或悉數虧損且無足夠抵押品的風險。

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11. Loans and advances to customers (continued)

Analysis of the gross carrying amount as at 30 June 2020/31 December 2019 by the Group's internal credit rating and period end/year end classification:

Unaudited As at 30 June 2020	未經審核 於二零二零年六月三十日	12-months ECL 十二個月預期 信貸損失 (Stage 1) (第一階段) HK\$'000 千港元	Lifetime ECL not credit- impaired 未信貸減值 的全期預期 信貸損失 (Stage 2) (第二階段) HK\$'000 千港元	Lifetime ECL credit- impaired 已信貸減值 的全期預期 信貸損失 (Stage 3) (第三階段) HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Internal rating grade</i>	<i>內部評級</i>				
Performing	良好				
Excellent	優秀	13,698,737	—	—	13,698,737
Good	極好	729,605	—	—	729,605
Fair	普通	—	—	—	—
Non-performing	不良				
Individually impaired	個別減值	—	—	2,073,538	2,073,538
		14,428,342	—	2,073,538	16,501,880

11. 給予客戶的貸款及墊款(續)

按本集團內部信貸評級及期/年末分類的於二零二零年六月三十日/二零一九年十二月三十一日的總賬面值分析：

Audited As at 31 December 2019	經審核 於二零一九年十二月三十一日	12-months ECL 十二個月預期 信貸損失 (Stage 1) (第一階段) HK\$'000 千港元	Lifetime ECL not credit- impaired 未信貸減值 的全期預期 信貸損失 (Stage 2) (第二階段) HK\$'000 千港元	Lifetime ECL credit- impaired 已信貸減值 的全期預期 信貸損失 (Stage 3) (第三階段) HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Internal rating grade</i>	<i>內部評級</i>				
Performing	良好				
Excellent	優秀	10,413,958	—	—	10,413,958
Good	極好	—	—	—	—
Fair	普通	715,272	—	—	715,272
Non-performing	不良				
Individually impaired	個別減值	—	—	2,070,393	2,070,393
		11,129,230	—	2,070,393	13,199,623

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11. Loans and advances to customers (continued)

Analysis of the gross carrying amount and the corresponding ECL allowance is as follows:

		12-months ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
		十二個月預期 信貸損失	未信貸減值 的全期預期 信貸損失	已信貸減值 的全期預期 信貸損失	總計
		Unaudited	Unaudited	Unaudited	Unaudited
		未經審核	未經審核	未經審核	未經審核
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Gross carrying amount as at 1 January 2020	於二零二零年一月一日的 總賬面值	11,129,230	—	2,070,393	13,199,623
New assets originated, purchased or transferred	已產生、已購買或已轉讓的 新資產	5,648,178	—	9,786	5,657,964
Assets derecognised or repaid	已終止確認或已償還的資產	(2,349,066)	—	(6,641)	(2,355,707)
Amount written off during the period	期內撇銷金額	—	—	—	—
Gross carrying amount as at 30 June 2020	於二零二零年六月三十日的 總賬面值	14,428,342	—	2,073,538	16,501,880

11. 給予客戶的貸款及墊款(續)

總賬面值及相應預期信貸損失撥備分析如下：

		12-months ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
		十二個月預期 信貸損失	未信貸減值 的全期預期 信貸損失	已信貸減值 的全期預期 信貸損失	總計
		Audited	Audited	Audited	Audited
		經審核	經審核	經審核	經審核
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Gross carrying amount as at 1 January 2019	於二零一九年一月一日的 總賬面值	11,695,838	—	1,154,703	12,850,541
Acquisition of a subsidiary	收購一家附屬公司	49,379	—	—	49,379
New assets originated, purchased or transferred	已產生、已購買或已轉讓的 新資產	5,080,313	—	22,195	5,102,508
Assets derecognised or repaid	已終止確認或已償還的資產	(4,728,502)	—	(74,303)	(4,802,805)
Transfer from stage 1 to stage 3	由第一階段轉移至第三階段	(967,798)	—	967,798	—
Gross carrying amount as at 31 December 2019	於二零一九年十二月三十一日 的總賬面值	11,129,230	—	2,070,393	13,199,623

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11. Loans and advances to customers (continued)

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

11. 給予客戶的貸款及墊款(續)

給予客戶的貸款及墊款的預期信貸損失(「預期信貸損失」)減值撥備變動如下:

		12-months ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
		十二個月預期 信貸損失	未信貸減值 的全期預期 信貸損失	已信貸減值 的全期預期 信貸損失	總計
		Unaudited	Unaudited	Unaudited	Unaudited
		未經審核	未經審核	未經審核	未經審核
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 1 January 2020	於二零二零年一月一日	(7,193)	—	(1,476,528)	(1,483,721)
New assets originated or purchased	已產生或已購買的新資產	(812)	—	(1)	(813)
Assets derecognised or repaid	已終止確認或已償還的資產	46	—	—	46
Changes of risk parameters	風險參數變動	3,028	—	(33,784)	(30,756)
Transfer from stage 1 to stage 3	由第一階段轉移至第三階段	—	—	—	—
Changes arising from transfer of stage	轉移階段所產生的變動	—	—	—	—
As at 30 June 2020	於二零二零年六月三十日	(4,931)	—	(1,510,313)	(1,515,244)

		12-months ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
		十二個月預期 信貸損失	未信貸減值 的全期預期 信貸損失	已信貸減值 的全期預期 信貸損失	總計
		Audited	Audited	Audited	Audited
		經審核	經審核	經審核	經審核
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 1 January 2019	於二零一九年一月一日	(13,316)	—	(561,850)	(575,166)
Acquisition of a subsidiary	收購一家附屬公司	(25)	—	—	(25)
New assets originated or purchased	已產生或已購買的新資產	(159)	—	—	(159)
Assets derecognised or repaid	已終止確認或已償還的資產	437	—	—	437
Changes to risk parameters	風險參數變動	1,598	—	(308,543)	(306,945)
Transfer from stage 1 to stage 3	由第一階段轉移至第三階段	4,272	—	(4,272)	—
Changes arising from transfer of stage	轉移階段所產生的變動	—	—	(601,863)	(601,863)
As at 31 December 2019	於二零一九年十二月三十一日	(7,193)	—	(1,476,528)	(1,483,721)

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11. Loans and advances to customers *(continued)*

The Group has pre-defined loss rate of each loan's category. The loss rates are referenced to the default rate for performing and non-performing grades from external rating agencies. As at 30 June 2020, the average loss rate for 12-month ECL and lifetime ECL was 0.03% (31 December 2019: 0.06%) and 72.84% (31 December 2019: 71.32%) respectively.

Margin financing operations

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

Margin loans to customers are secured by the underlying pledged securities, bear interest at a rate with reference to the Hong Kong dollar prime rate and are repayable on demand. The carrying values of margin loans approximate to their fair values. No ageing analysis is disclosed as, in the opinion of the directors of the Company, an ageing analysis does not give additional value in view of the nature of the margin loan business. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. As at 30 June 2020, the total value of securities pledged as collateral in respect of the margin loans was approximately HK\$36,982 million (31 December 2019: HK\$33,519 million) based on the market value of the securities as at the end of the reporting period.

11. 給予客戶的貸款及墊款(續)

本集團就每項貸款類別設有預定虧損率。虧損率參考外部評級機構對良好及不良級別評定的違約率。於二零二零年六月三十日，十二個月預期信貸損失及全期預期信貸損失的平均虧損比率分別為0.03% (二零一九年十二月三十一日：0.06%)及72.84% (二零一九年十二月三十一日：71.32%)。

孖展融資業務

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

客戶孖展貸款以相關已抵押證券擔保，參考港元最優惠利率計息，並按要求償還。孖展貸款的賬面值與其公平值相若。由於本公司董事認為，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。於二零二零年六月三十日，按報告期末的證券市值計算，作為孖展貸款抵押品的已抵押證券總值約為36,982百萬港元(二零一九年十二月三十一日：33,519百萬港元)。

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11. 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\$1,352,695,000 (31 December 2019: HK\$1,444,038,000), and the accrued interest amounted to HK\$42,177,000 (31 December 2019: HK\$36,442,000) as at 30 June 2020.

IPO loans

IPO loans are advances to customers 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 the IPO allotment result is announced.

12. 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	At 30 June 2020	Maximum amount outstanding during the period	At 31 December 2019 and 1 January 2020	Maximum amount outstanding during the prior year	At 1 January 2019	Collateral held
姓名	於二零二零年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	期內最高 未償還金額 Unaudited 未經審核 HK\$'000 千港元	於二零一九年 十二月三十一日 及二零二零年 一月一日 Audited 經審核 HK\$'000 千港元	往年內最高 未償還金額 Audited 經審核 HK\$'000 千港元	於二零一九年 一月一日 Audited 經審核 HK\$'000 千港元	持有抵押品
Mr. LI Guangjie 李光杰先生	—	7,242	—	5,529	—	Marketable securities 有價證券
Mr. WONG Tung Ching 王冬青先生	—	3,029	—	993	253	Marketable securities 有價證券
Ms. QI Haiying 祁海英女士	—	6,153	—	—	—	Marketable securities 有價證券

The loans granted to directors bear interest range from Hong Kong dollar prime rate +/-3% per annum depending on risk assessment on collateral received and the facilities were granted to the directors for a period of 3 years ending on 31 December 2020.

11. 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，會參考相關客戶的信貸狀況以及所抵押的抵押品質素及價值。於二零二零年六月三十日授予客戶的定期貸款為1,352,695,000港元(二零一九年十二月三十一日：1,444,038,000港元)，應計利息為42,177,000港元(二零一九年十二月三十一日：36,442,000港元)。

首次公開發售貸款

首次公開發售貸款乃給予客戶以供認購新股份的墊款，有關貸款一般自提取日期起一個星期內結付。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結付差額部分，則會觸發強迫性清倉行為。

12. 給予董事的貸款

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

授予董事的貸款乃按港元最優惠利率加/減每年3%計息，視乎對已收抵押品的風險評估而定，而授予董事之貸款融資為期三年截至二零二零年十二月三十一日止。

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13. Accounts receivable

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

13. 應收款項

本集團業務過程中所產生的應收款項賬面值如下：

		As at 30 June 2020 於二零二零年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Accounts receivable arising from brokerage	經紀業務應收款項		
– cash and custodian clients	– 現金及託管客戶	45,813	40,374
– the Stock Exchange and other clearing houses	– 聯交所及其他結算所	3,353,682	1,366,064
– brokers and dealers	– 經紀及交易商	3,428,416	2,371,854
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	5	114
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	274,272	72,889
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	201,745	307,300
		7,303,933	4,158,595
Less: impairment	減：減值	(10,741)	(7,574)
		7,293,192	4,151,021

Notes to the Interim Financial Report 中期財務報告附註

13. Accounts receivable (continued)

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

		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Audited 經審核 HK\$'000 千港元
At 1 January	於一月一日	7,574	5,625
Impairment charged to profit or loss during the period	期內計入損益的減值	3,690	5,579
Impairment reversed during the period	期內減值撥回	(523)	(3,630)
At 30 June 2020/31 December 2019	於二零二零年六月三十日/ 二零一九年十二月三十一日	10,741	7,574

The detailed analysis of accounts receivable arising from the course of business of the Group are as follows:

30 June 2020 (unaudited)

		Accounts receivable		Accounts receivable		Total	
		from cash and custodian clients	from Stock Exchange and other clearing houses	from corporate clients, investment funds and others	from insurance brokerage		
		現金及託管 客戶應收款項 HK\$'000 千港元	其他結算所 應收款項 HK\$'000 千港元	經紀及交易商 應收款項 HK\$'000 千港元	企業客戶、 投資基金及 其他應收款項 HK\$'000 千港元	保險經紀 應收款項 HK\$'000 千港元	總計 HK\$'000 千港元
Gross carrying amount	總賬面值	45,813	3,353,682	3,702,688	201,745	5	7,303,933
Less: impairment	減：減值						
- Stage 1	- 第一階段	(23)	(1,445)	(4,723)	N/A 不適用	—	(6,191)
- Stage 2	- 第二階段	(1)	—	—	N/A 不適用	—	(1)
- Stage 3	- 第三階段	(335)	—	—	N/A 不適用	—	(335)
- Simplified approach	- 簡易法	N/A 不適用	N/A 不適用	N/A 不適用	(4,214)	N/A 不適用	(4,214)
		45,454	3,352,237	3,697,965	197,531	5	7,293,192

13. 應收款項(續)

應收款項減值撥備變動如下：

本集團業務過程中所產生的應收款項的詳細分析如下：

二零二零年六月三十日(未經審核)

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13. Accounts receivable (continued)

31 December 2019 (audited)

		Accounts receivable from cash and custodian clients	Accounts receivable from 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	其他結算所應收款項	經紀及交易商應收款項	企業客戶、投資基金及其他應收款項	保險經紀應收款項	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Gross carrying amount	總賬面值	40,374	1,366,064	2,444,743	307,300	114	4,158,595
Less: impairment	減：減值						
- Stage 1	- 第一階段	(20)	(668)	(2,126)	N/A不適用	—	(2,814)
- Stage 2	- 第二階段	—	—	—	N/A不適用	—	—
- Stage 3	- 第三階段	(183)	—	—	N/A不適用	—	(183)
- Simplified approach	- 簡易法	N/A不適用	N/A不適用	N/A不適用	(4,577)	N/A不適用	(4,577)
		40,171	1,365,396	2,442,617	302,723	114	4,151,021

13. 應收款項(續)

二零一九年十二月三十一日(經審核)

(a) Accounts receivable from cash and custodian clients

Accounts receivable from cash and custodian clients represent unsettled client trades on various securities exchanges transacted on the last two to three business days prior to the end of the reporting 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 collaterals held against these receivables are publicly traded securities. The impairment is made after taking into consideration the recoverability from the collateral. 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.

(a) 現金及託管客戶應收款項

現金及託管客戶的應收款項是指在報告日期結束之前的最後兩到三個工作日內在不同證券交易所進行的未結算客戶交易。一旦現金及託管客戶未能於結算日償付款項，本集團有權強制出售證券交易相關的抵押品。針對該等應收款項持有的抵押品為公開交易證券。減值在考慮抵押品的可收回性後作出。董事認為，由於該等應收款項的性質，賬齡分析不會帶來額外價值，故未披露任何賬齡分析。

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中期財務報告附註

13. Accounts receivable (continued)

(a) Accounts receivable from cash and custodian clients (continued)

Analysis of the gross carrying amount and the corresponding ECL allowance of accounts receivable from cash and custodian clients are as follows:

		12-months ECL 十二個月預期 信貸損失 (Stage 1) (第1階段) HK\$'000 千港元	Lifetime ECL not credit- impaired 未信貸減值 的全期預期 信貸損失 (Stage 2) (第2階段) HK\$'000 千港元	Lifetime ECL credit- impaired 已信貸減值 的全期預期 信貸損失 (Stage 3) (第3階段) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Gross carrying amount as at 1 January 2019	於二零一九年一月一日的 總賬面值	21,809	11,514	180	33,503
New assets originated, purchased or assets transferred	已產生、已購買的新資產或 已轉讓的資產	40,153	—	44	40,197
Assets derecognised or repaid	已終止確認或已償還的資產	(21,809)	(11,514)	(3)	(33,326)
Gross carrying amount as at 31 December 2019 and as at 1 January 2020	於二零一九年十二月三十一日 及於二零二零年一月一日的 總賬面值	40,153	—	221	40,374
New assets originated, purchased or assets transferred	已產生、已購買的新資產或 已轉讓的資產	25,433	3	115	25,551
Assets derecognised or repaid	已終止確認或已償還的資產	(20,112)	—	—	(20,112)
Gross carrying amount as at 30 June 2020	於二零二零年六月三十日的 總賬面值	45,474	3	336	45,813

13. 應收款項(續)

(a) 現金及託管客戶應收款項
(續)

現金及託管客戶的應收款項之
總賬面值及相應預期信貸損失
撥備分析如下：

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中期財務報告附註

13. Accounts receivable (continued)

(a) Accounts receivable from cash and custodian clients (continued)

The movements in the ECL allowance of accounts receivable of cash and custodian clients on are as follows:

		12-months ECL 十二月預期 信貸損失 (Stage 1) (第1階段) HK\$'000 千港元	Lifetime ECL not credit- impaired 未信貸減值 的全期預期 信貸損失 (Stage 2) (第2階段) HK\$'000 千港元	Lifetime ECL credit- impaired 已信貸減值 的全期預期 信貸損失 (Stage 3) (第3階段) HK\$'000 千港元	Total 總計 HK\$'000 千港元
ECL allowance as at 1 January 2019	於二零一九年一月一日的 預期信貸損失撥備	(11)	(3,109)	(133)	(3,253)
New assets originated or purchased	已產生或已購買的新資產	(20)	—	—	(20)
Assets derecognised or repaid	已終止確認或已償還的資產	12	2,979	3	2,994
Changes to risk parameters	風險參數變動	—	—	(34)	(34)
Transfer of stages	轉移階段	(129)	130	(1)	—
Changes arising from transfer of stage	轉移階段所產生的變動	128	—	(18)	110
ECL allowance as at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日的 預期信貸損失撥備	(20)	—	(183)	(203)
New assets originated or purchased	已產生或已購買的新資產	(13)	(1)	(152)	(166)
Assets derecognised or repaid	已終止確認或已償還的資產	10	—	—	10
ECL allowance as at 30 June 2020	於二零二零年六月三十日的 預期信貸損失撥備	(23)	(1)	(335)	(359)

(b) Accounts receivable from the Stock Exchange, clearing houses, brokers and dealers:

For accounts receivable from the Stock Exchange and other clearing houses, brokers and dealers, and insurance brokerage, 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. None of the transfer of impairment to different stages were made during the period ended 30 June 2020 and for the year ended 2019.

13. 應收款項(續)

(a) 現金及託管客戶應收款項(續)

現金及託管客戶的應收款項的預期信貸損失撥備變動載列如下：

		12-months ECL 十二月預期 信貸損失 (Stage 1) (第1階段) HK\$'000 千港元	Lifetime ECL not credit- impaired 未信貸減值 的全期預期 信貸損失 (Stage 2) (第2階段) HK\$'000 千港元	Lifetime ECL credit- impaired 已信貸減值 的全期預期 信貸損失 (Stage 3) (第3階段) HK\$'000 千港元	Total 總計 HK\$'000 千港元
ECL allowance as at 1 January 2019	於二零一九年一月一日的 預期信貸損失撥備	(11)	(3,109)	(133)	(3,253)
New assets originated or purchased	已產生或已購買的新資產	(20)	—	—	(20)
Assets derecognised or repaid	已終止確認或已償還的資產	12	2,979	3	2,994
Changes to risk parameters	風險參數變動	—	—	(34)	(34)
Transfer of stages	轉移階段	(129)	130	(1)	—
Changes arising from transfer of stage	轉移階段所產生的變動	128	—	(18)	110
ECL allowance as at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日的 預期信貸損失撥備	(20)	—	(183)	(203)
New assets originated or purchased	已產生或已購買的新資產	(13)	(1)	(152)	(166)
Assets derecognised or repaid	已終止確認或已償還的資產	10	—	—	10
ECL allowance as at 30 June 2020	於二零二零年六月三十日的 預期信貸損失撥備	(23)	(1)	(335)	(359)

(b) 聯交所、結算所、經紀及交易商的應收款項：

對於聯交所及其他結算所、經紀及交易商以及保險經紀的應收款項，董事認為，由於該等應收款項的性質，賬齡分析不會帶來額外價值，故未披露任何賬齡分析。於截至二零二零年六月三十日止期間及截至二零一九年止年度，概無將減值轉移至不同階段。

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13. Accounts receivable (continued)

(c) Accounts receivable from corporate clients and investment funds

Accounts receivable from corporate clients and investment funds are arising from asset management, corporate finance, investment holding and market making which have not yet been settled by clients. The credit rating and reputation of the trade counterparties were considered as sound for the past due accounts receivable from corporate clients and investment funds.

ECL on accounts receivable from corporate clients and investment funds arising from asset management, corporate finance, investment holding and market making are calculated using a provision matrix under simplified approach. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, services type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivable are written off if past due for more than one year and are not subject to enforcement activity.

13. 應收款項(續)

(c) 企業客戶及投資基金的應收款項

客戶尚未結付的企業客戶及投資基金的應收款項產生自資產管理、企業融資、投資控股及做市。對於企業客戶及投資基金的已逾期應收款項，交易對手方的信貸評級及聲譽被視為穩定。

企業客戶及投資基金的應收款項(產生自資產管理、企業融資、投資控股及做市)的預期信貸損失乃按簡易法使用撥備矩陣計算。撥備率乃基於將具相似虧損模式(即地理區域、服務類型、客戶類別及評級、以及信用證覆蓋範圍或其他形式的信貸保險)之各個客戶分部進行分組之逾期天數計算。該計算反映概率加權結果、金錢之時間價值以及於過去事件、當前狀況及對未來經濟狀況預測之報告日期可獲得的合理及支持性資料。一般而言，倘應收款項逾期一年以上，則撇銷應收款項，並且不受強制執行活動所規限。

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13. Accounts receivable (continued)

(c) Accounts receivable from corporate clients and investment funds (continued)

Set out below is the ageing analysis of relevant accounts receivable at the date of consolidated statement of financial position based on past due date and the information about the credit risk exposure on the Group's accounts receivable using a provision matrix:

As at 30 June 2020 (unaudited)	於二零二零年 六月三十日 (未經審核)	Gross carrying amount	ECL	Total
		總賬面值 HK\$'000 千港元	預期信貸 損失 HK\$'000 千港元	總計 HK\$'000 千港元
Not past due	尚未逾期	172,508	(25)	172,483
Past due less than 1 month	逾期一個月以內	12,401	(74)	12,327
Past due between 1 to 3 months	逾期一至三個月	6,153	(1,230)	4,923
Past due over 3 months	逾期三個月以上	10,683	(2,885)	7,798
Total	總計	201,745	(4,214)	197,531

As at 31 December 2019 (audited)	於二零一九年 十二月三十一日 (經審核)	Gross carrying amount	ECL	Total
		總賬面值 HK\$'000 千港元	預期信貸 損失 HK\$'000 千港元	總計 HK\$'000 千港元
Not past due	尚未逾期	283,522	(42)	283,480
Past due less than 1 month	逾期一個月以內	3,968	(24)	3,944
Past due between 1 to 3 months	逾期一至三個月	12,024	(2,409)	9,615
Past due over 3 months	逾期三個月以上	7,786	(2,102)	5,684
Total	總計	307,300	(4,577)	302,723

13. 應收款項(續)

(c) 企業客戶及投資基金的應收款項(續)

以下是於綜合財務狀況表日期根據逾期日期相關應收款項的賬齡分析及使用撥備矩陣計算的有關本集團應收款項之信貸風險資料：

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14. Financial assets at fair value

14. 按公平值計量的金融資產

		As at 30 June 2020 於二零二零年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Non-current	非流動		
Financial assets held for investments	持作投資的金融資產		
– Unlisted fixed income securities	– 非上市固定收益證券	5,800,601	1,594,507
– Unlisted convertible securities	– 非上市可換股證券	195,708	—
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產		
– Financial products (Note (b))	– 金融產品(附註(b))	8,818,236	6,267,785
		14,814,545	7,862,292
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	1,249,702	710,798
– Listed debt securities	– 上市債務證券	18,472,510	14,065,739
– Unlisted debt securities	– 非上市債務證券	2,926,110	2,493,982
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產		
– Listed fund investments	– 上市基金投資	—	2,783
– Unlisted fund investments (Note (a))	– 非上市基金投資(附註(a))	1,718,095	1,758,316
– Unlisted convertible promissory debt instruments	– 非上市可換股承兌債務工具	—	4,298
– Other financial instruments	– 其他金融工具	105,416	250,731
– Financial products (Note (b))	– 金融產品(附註(b))	35,156,291	31,842,259
		59,628,124	51,128,906
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	74,442,669	58,991,198
Current	流動		
Financial assets held for investment	持作投資的金融資產		
– Unlisted debt securities	– 非上市債務證券	108,338	—
Total financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產總額	108,338	—

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14. Financial assets at fair value (continued)

- (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 30 June 2020, cash collateral of HK\$358.7 million (31 December 2019: HK\$402.5 million) and securities collateral of HK\$567 million (31 December 2019: HK\$327.8 million) were placed to the counterparties.

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

14. 按公平值計量的金融資產 (續)

- (a) 本集團投資於非合併投資基金以獲得資本增值及投資收入。本集團以參股形式持有權益，其使本集團可分享投資基金所得回報，但並無任何決策權或任何投票權。鑒於本集團僅持有實益權益而並無任何投票權或如委託人有重大決策權，該等投資分類為按公平值計入損益的金融資產。
- (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。於二零二零年六月三十日，存放於交易對手的現金抵押為358.7百萬港元(二零一九年十二月三十一日：402.5百萬港元)及證券抵押為567百萬港元(二零一九年十二月三十一日：327.8百萬港元)。

金融資產於被本集團主要因客戶投資需求而收購時分類為「金融產品」，並作為根據中期票據計劃發行的結構性票據(附註19)或客戶收購的衍生工具(附註15及20)的對沖工具。故此該等金融產品之可變回報不大。

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15. Derivative financial instruments

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

15. 衍生金融工具

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

		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 30 June 2020	於二零二零年六月三十日			
Cross currency swap	交叉貨幣掉期	383,269	—	13,527
Interest rate swap	利率掉期	12,940,714	—	312,495
Foreign exchange forward	遠期外匯	15,290,626	105,349	82,556
Index futures	指數期貨	528,629	2,085	3,000
Options	期權	12,040,102	264,866	70,881
Currency options	貨幣期權	232,524	653	—
Warrants	認股權證	5,564,219	—	301,946
Equity swaps	股息掉期	5,047,089	15,621	7,244
Credit default swap	信貸違約掉期	1,085,112	5,214	3,685
Other equity derivatives	其他股本衍生工具	828,095	61,584	26,763
		53,940,379	455,372	822,097

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15. Derivative financial instruments (continued)

		Fair value 公平值		
		Notional amount 名義金額 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
As at 31 December 2019	於二零一九年十二月三十一日			
Cross currency swaps	交叉貨幣掉期	385,158	—	7,835
Interest rate swaps	利率掉期	8,705,703	7,058	24,488
Foreign exchange forwards	遠期外匯	10,876,458	86,817	58,448
Index futures	指數期貨	259,072	—	735
Options	期權	1,097,155	41,042	16,902
Currency options	貨幣期權	233,670	1,593	—
Warrants	認股權證	497,671	—	28,188
Dividend swaps	股息掉期	42,000	—	485
Credit default swaps	信貸違約掉期	934,680	5,523	276
Other equity derivatives	其他股本衍生工具	881,597	13,619	12,494
		23,913,164	155,652	149,851

The Group entered into International Swaps and Derivatives Association, Inc. ("ISDA") master netting agreements or similar agreements with substantially all of its derivative counterparties. Where legally enforceable, these master netting agreements give the Group the right to offset cash collateral paid or received with the same counterparty. As at 30 June 2020, amounts of cash collateral of HK\$96.5 million and HK\$311.2 million were paid to and received from respective counterparties (31 December 2019: HK\$78.4 million and HK\$84.9 million), which were included in "accounts receivable and accounts payable arising from brokerage – brokers and dealers" in Notes 13 and 17 respectively.

本集團與幾乎所有衍生工具交易方訂立國際掉期及衍生品協會 (International Swaps and Derivatives Association, Inc.) (ISDA) 淨額抵銷總協議或類似協議。在依法可強制執行情況下，該等淨額抵銷總協議賦予本集團權利抵銷與相同交易方的已付或已收現金抵押品。於二零二零年六月三十日，已付及已收相關交易方之現金抵押品金額分別為96.5百萬港元及311.2百萬港元 (二零一九年十二月三十一日：78.4百萬港元及84.9百萬港元)，分別載於附註13及17的「經紀業務應收款項及應付款項 – 經紀及交易商」。

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16. Receivables from reverse repurchase agreements

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

As at 30 June 2020, the outstanding amount paid for the reverse repurchase agreements was HK\$3,250,732,000 (31 December 2019: HK\$2,247,913,000) and was recognised as receivable from reverse repurchase agreements.

The fair value of securities received as collateral for the outstanding receivable was HK\$4,375,555,000 (31 December 2019: HK\$3,539,078,000).

17. Accounts payable

Accounts payable arising from brokerage	經紀業務應付款項		
– clients	– 客戶	16,533,373	11,611,433
– brokers and dealers	– 經紀及交易商	2,029,897	926,467
– the Stock Exchange and other clearing houses	– 聯交所及其他結算所	2,745,225	745,612
Accounts payable arising from securities borrowing and lending	證券借貸業務應付款項	100,659	519,380
Accounts payable arising from corporate finance, asset management, financial products, market making, investments and others	企業融資、資產管理、金融產品、做市、投資及其他業務應付款項	2,685,402	782,358
Accounts payable arising from insurance brokerage services	保險經紀服務應付款項	8,875	2,122

24,103,431 14,587,372

16. 反向回購協議應收款項

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

於二零二零年六月三十日，就反向回購協議支付的未結清款項為3,250,732,000港元(二零一九年十二月三十一日：2,247,913,000港元)，並確認為反向回購協議應收款項。

已收取作為未結清應收款項抵押品的證券的公平值為4,375,555,000港元(二零一九年十二月三十一日：3,539,078,000港元)。

17. 應付款項

As at 30 June 2020 於二零二零年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核 HK\$'000 千港元
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17. Accounts payable (continued)

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

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

Accounts payable to clients also included those payables placed in trust accounts with authorised financial institutions of HK\$16,873 million (31 December 2019: HK\$11,182 million), Hong Kong Futures Exchange Clearing Corporation Limited and other futures dealers totalling HK\$352 million as at 30 June 2020 respectively (31 December 2019: HK\$284 million).

Accounts payable arising from insurance brokerage services included those payables in trust accounts with authorised institutions of HK\$8,875,000 as at 30 June 2020 (31 December 2019: HK\$2,122,000).

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

17. 應付款項(續)

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

本集團慣於在一個營業日內即時清償所有支付要求。本集團並無披露賬齡分析，原因為董事認為考慮到該等業務的性質，賬齡分析不會提供額外價值。

於二零二零年六月三十日，應付客戶的款項亦包括存放於認可金融機構信託賬戶的應付款項16,873百萬港元(二零一九年十二月三十一日：11,182百萬港元)及香港期貨結算有限公司及其他期貨交易商合共352百萬港元(二零一九年十二月三十一日：284百萬港元)。

於二零二零年六月三十日，保險經紀服務應付款項包括認可機構信託賬戶的應付款項8,875,000港元(二零一九年十二月三十一日：2,122,000港元)。

除應付客戶的款項外，應付款項為免息。

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18. Interest bearing borrowings

18. 計息借款

		As at 30 June 2020 於二零二零年 六月三十日 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 經審核 HK\$'000 千港元
Non-current: Lease liabilities	非流動： 租賃負債	10,469	23,368
Current:	流動：		
Secured bank borrowings	有抵押銀行借款	3,210,000	3,490,000
Unsecured bank borrowings	無抵押銀行借款	14,623,676	7,711,110
Lease liabilities	租賃負債	25,890	25,403
		17,859,566	11,226,513
Total bank and other borrowings	銀行及其他借款總額	17,870,035	11,249,881
Denominated in:	計值貨幣：		
HK\$	港元	6,472,254	3,533,730
US\$	美元	11,393,676	7,711,110
Other currencies	其他貨幣	4,105	5,041
		17,870,035	11,249,881

As at 30 June 2020, the secured bank borrowings of HK\$3,210 million (31 December 2019: HK\$3,490 million) are secured by listed shares, which was held by the Group as collateral for advances to customers in margin financing, of market value HK\$5,974.7 million (31 December 2019: HK\$6,239.5 million).

於二零二零年六月三十日，有抵押銀行借款3,210百萬港元(二零一九年十二月三十一日：3,490百萬港元)乃由上市股份作抵押，該等股份由本集團持有作為給予孖展融資客戶墊款的抵押品，市值5,974.7百萬港元(二零一九年十二月三十一日：6,239.5百萬港元)。

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

本集團銀行借款均按香港銀行同業拆息加息差計息。

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

由於貼現影響並不重大，故銀行借款的賬面值與其公平值相若。

The Group's lease liabilities bear weighted average interest rate at 4.23% per annum (31 December 2019: 4.23% per annum).

本集團的租賃負債按加權平均年利率4.23%(二零一九年十二月三十一日：年利率4.23%)計息。

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19. Debt securities in issue

19. 已發行債務證券

		As at 30 June 2020 於二零二零年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Non-current	非流動		
At amortised cost (Note(a)):	按攤銷成本(附註(a)):		
Listed unsecured medium-term notes	上市無抵押中期票據	1,548,704	1,555,874
Designated at fair value through profit or loss:	指定按公平值計入損益:		
Structured notes issued in relation to financial products (Note (b))	已發行的金融產品相關之結構性票據(附註(b))	9,132,437	6,124,020
		10,681,141	7,679,894
Current	流動		
At amortised cost (Note(a)):	按攤銷成本(附註(a)):		
Unlisted unsecured medium-term notes	非上市無抵押中期票據	7,451,082	5,128,330
Designated at fair value through profit or loss:	指定按公平值計入損益:		
Structured notes issued in relation to financial products (Note (b))	已發行的金融產品相關之結構性票據(附註(b))	22,790,419	20,691,358
		30,241,501	25,819,688
		40,922,642	33,499,582
Unsecured medium-term notes denominated in:	按下列貨幣列值的無抵押中期票據:		
US\$	美元	3,047,354	3,129,957
HK\$	港元	5,952,432	3,196,168
RMB	人民幣	—	12,259
Other currencies	其他貨幣	—	345,820
		8,999,786	6,684,204
Structured notes issued in relation to financial products denominated in:	按下列貨幣列值的已發行的金融產品相關之結構性票據:		
EUR	歐元	—	22,476
HK\$	港元	1,946,584	1,984,614
US\$	美元	27,494,014	22,542,077
RMB	人民幣	1,947,172	1,959,014
Other currencies	其他貨幣	535,086	307,197
		31,922,856	26,815,378
		40,922,642	33,499,582

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19. Debt securities in issue (continued)

- (a) The outstanding balance of HK\$8,999.8 million as at 30 June 2020 (31 December 2019: HK\$6,684.2 million) stated at amortised cost represented unsecured notes issued by the Company under the Medium Term Note Programme (the "MTN Programme"). As at 30 June 2020, the debt securities in issue bore interest rates ranging from 0.55% to 4.25% (31 December 2019: 1.25% to 4.25%). The carrying amounts of the debt securities in issue approximate to their fair values.
- (b) As at 30 June 2020, the outstanding balance of HK\$31,922.9 million (31 December 2019: HK\$26,815.4 million) represented unlisted structured notes which arose from selling structured products generally under the MTN Programme with underlying investments related to listed and unlisted equity investments, listed debt investments and unlisted fund investments.

The Group has not had any defaults of principal or interest, or any other breaches with respect to their liabilities for the six months ended 30 June 2020 (2019: nil).

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

19. 已發行債務證券(續)

- (a) 於二零二零年六月三十日，按攤銷成本列賬的未償還餘額8,999.8百萬港元(二零一九年十二月三十一日：6,684.2百萬港元)指本公司根據中期票據計劃(「中期票據計劃」)發行的無抵押票據。於二零二零年六月三十日，已發行債務證券按利率介乎0.55%至4.25%(二零一九年十二月三十一日：1.25%至4.25%)計息。已發行債務證券的賬面值與其公平值相若。
- (b) 於二零二零年六月三十日，未償還餘額31,922.9百萬港元(二零一九年十二月三十一日：26,815.4百萬港元)指根據中期票據計劃通常銷售結構性產品產生的非上市結構性票據，相關投資與上市及非上市股本投資、上市債務投資及非上市基金投資有關。

本集團於截至二零二零年六月三十日止六個月並無拖欠本金、利息或任何其他未履行其責任的情況(二零一九年：無)。

部份已發行債務證券須按要求償還，而本集團的慣例為在結付日期滿足贖回要求。

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20. Financial liabilities at fair value through profit or loss

20. 按公平值計入損益的金融負債

		As at 30 June 2020 於二零二零年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Financial liabilities held for trading:	持作買賣的金融負債：		
– Listed equity securities	– 上市股本證券	43,043	20,472
– Listed debt securities	– 上市債務證券	3,022,995	2,200,728
– Other financial instruments	– 其他金融工具	99,225	55,386
– Unlisted debt securities	– 非上市債務證券	1,562	—
Financial liabilities designated at fair value through profit or loss	指定按公平值計入損益的金融負債		
– Financial products (Note (a))	– 金融產品(附註(a))	3,264,636	4,103,810
– Third-party interest in consolidated investment funds (Note (b))	– 納入合併投資基金的第三方權益(附註(b))	438,760	430,184
		6,870,221	6,810,580

(a) Included in the fair value in financial products are cash collateral of HK\$223 million (31 December 2019: HK\$480 million) received from counterparty.

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

(b) Third-party interests in consolidated investment funds consist of third-party unitholders' interests in consolidated investment funds which are reflected as liabilities since they can be put back to the Group for cash. The realisation of third-party interests in investment funds cannot be predicted with accuracy since these represent the interests of third-party unitholders in consolidated investment funds that are subject to market risk and the actions of third-party investors.

(a) 金融產品之公平值包括從對手方收取的現金抵押品223百萬港元(二零一九年十二月三十一日: 480百萬港元)。

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

(b) 納入合併投資基金的第三方權益包括納入合併投資基金的第三方單位持有人權益，由於該等權益可退回本集團以收取現金，故列為負債。投資基金中第三方權益的變現無法準確預測，乃因有關權益代表由納入合併投資基金的第三方單位持有人的權益，並受制於市場風險及第三方投資者的行為。

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21. Obligations under repurchase agreements

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

In addition, the Group entered into repurchase agreements by pledging clients' securities with a market value of HK\$1,154,514,000 (2019: HK\$1,678,215,000).

As at 30 June 2020, the outstanding amount received from repurchase agreements was HK\$19,678,384,000 (31 December 2019: HK\$18,199,226,000) 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 and market value of clients' pledged securities subject to repurchase agreements at the period end (Note 14).

21. 回購協議的債項

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

此外，本集團將客戶質押市值1,154,514,000港元(二零一九年：1,678,215,000港元)的證券，藉此訂立回購協議。

於二零二零年六月三十日，自回購協議收取的未結清款項為19,678,384,000港元(二零一九年十二月三十一日：18,199,226,000港元)，並確認為回購協議的債項。

下表載明於期末按公平值計入損益的金融資產及客戶質押證券的市值中涉及回購協議的款項(附註14)。

		As at 30 June 2020 於二零二零年 六月三十日 Unaudited 未經審核 HK\$'000 千港元	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核 HK\$'000 千港元
Financial assets held for trading	持作買賣的金融資產		
– Listed debt securities	– 上市債務證券	10,963,857	7,997,279
– Unlisted debt securities	– 非上市債務證券	135,895	194,100
Financial assets designated at fair value through profit or loss	指定按公平值計入損益的金融資產		
– Financial products	– 金融產品	14,529,081	13,800,325
Clients' pledged securities	客戶質押證券	1,154,514	1,678,215
		26,783,347	23,669,919

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22. Share capital

		Number of issued and fully paid shares	Share capital
		已發行及 繳足股份數目	股本 HK\$'000 千港元
At 1 January 2019, 31 December 2019, 1 January 2020	於二零一九年一月一日、 二零一九年十二月三十一日、 二零二零年一月一日	7,715,673,090	8,125,856
Shares issued under rights issue (note (a))	根據供股發行股份(附註(a))	1,919,219,266	2,779,976
Shares repurchased (note (b))	所購回股份(附註(b))	(20,000,000)	—
30 June 2020	二零二零年六月三十日	9,614,892,356	10,905,832

(a) On 14 January 2020, the Company proposed a rights issue on the basis of one (1) Rights Share for every three (3) existing Shares held at a price of HK\$1.45 per Rights Share. On 17 March 2020, the Company completed the Rights Issue and allotted a total of 1,919,219,266 Shares for a gross proceed of HK\$2,783 million.

(b) During the period ended 30 June 2020, the Company bought back and cancelled a total of 20,000,000 shares at an aggregate consideration (before expenses) of HK\$19.8 million on the Hong Kong Stock Exchange at share prices ranging from HK\$0.92 to HK\$1.05.

22. 股本

	Number of issued and fully paid shares	Share capital
	已發行及 繳足股份數目	股本 HK\$'000 千港元
At 1 January 2019, 31 December 2019, 1 January 2020	7,715,673,090	8,125,856
Shares issued under rights issue (note (a))	1,919,219,266	2,779,976
Shares repurchased (note (b))	(20,000,000)	—
30 June 2020	9,614,892,356	10,905,832

(a) 於二零二零年一月十四日，本公司建議以每持有三(3)股現有股份可獲發一(1)股供股股份的基準，以每股供股股份1.45港元的價格進行供股。供股於二零二零年三月十七日完成，本公司配發及發行共1,919,219,266股股份，供股所得款項總額為2,783百萬港元。

(b) 截至二零二零年六月三十日止期間，本公司於香港聯交所以每股0.92港元至1.05港元的價格購回及註銷合共20,000,000股股份，總代價為19.8百萬港元(扣除開支前)。

23. 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).

23. 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，否則將自該日期起十年(即至二零二零年六月十八日)有效。

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23. Share option reserve (continued)

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

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

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

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

For the period ended 30 June 2020, 300,000 and 2,073,745 share options were lapsed and forfeited (2019: 9,000,000 share options were cancelled).

23. 購股權儲備(續)

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

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

授出購股權的要約可由承授人自要約日期起計二十八日內於支付名義代價合共1港元後被接納。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要約日期在聯交所的收市價；及(ii)本公司股份於緊接要約日期前五個交易日在聯交所的平均收市價。

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

截至二零二零年六月三十日止期間，300,000份及2,073,745份購股權分別失效及被沒收(二零一九年：9,000,000份購股權被註銷)。

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23. Share option reserve (continued)

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

No share option was exercised during the period ended 30 June 2020 (2019: nil), resulting in the issue of nil share (2019: nil) for a total cash consideration of nil (2019: nil). No amount (2019: nil) was transferred from the share option reserve to the share capital account upon the exercise of the share options. The weighted average share price at the date of exercise for share options exercised during the period was nil (2019: nil).

For the period ended 30 June 2020, the Group has recognised an equity-settled share-based compensation expense of HK\$4,242,000 for the share options under the Share Option Scheme in profit or loss (2019: HK\$3,481,000).

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

		30 June 2020 二零二零年六月三十日		31 December 2019 二零一九年十二月三十一日	
		Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ per share 每股港元	Number of options 購股權數目
At 1 January	於一月一日	1.498	74,894,303	1.971	65,844,303
Granted during the period/year	期內/年內授出	—	—	1.450	18,200,000
Forfeited during the period/year	期內/年內沒收	1.275	(2,073,745)	1.720	(50,000)
Lapsed during the period/year	期內/年內失效	1.540	(300,000)	1.720	(100,000)
Cancelled during the period/year	期內/年內註銷	—	—	4.854	(9,000,000)
At 30 June/31 December	於六月三十日/ 十二月三十一日	1.504	72,520,558	1.498	74,894,303

23. 購股權儲備(續)

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。

截至二零二零年六月三十日止期間，無購股權獲行使(二零一九年：無)，導致發行零股股份(二零一九年：零)，及換取現金代價總額零港元(二零一九年：零)。無款項(二零一九年：零)因購股權獲行使而由購股權儲備轉撥至股本賬。於期內獲行使的購股權於行使日期的加權平均股價為零港元(二零一九年：零)。

截至二零二零年六月三十日止期間，本集團已就購股權計劃項下的購股權於損益確認以權益結算以股份為基礎的補償開支4,242,000港元(二零一九年：3,481,000港元)。

期內/年內購股權計劃下尚未行使購股權的變動如下：

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23. Share option reserve (continued)

At the end of the reporting period, the Company had 72,520,558 (31 December 2019: 74,894,303) share options outstanding under the Share Option Scheme, which represented approximately 0.75% (31 December 2019: 0.97%) of the Company's shares in issue as at 30 June 2020. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 72,520,558 additional ordinary shares of the Company and additional share capital of HK\$109,087,000 (before issuance expenses). The option periods of the share options are from 24 April 2012 to 9 June 2021, from 10 January 2014 to 9 January 2024, from 13 July 2017 to 12 July 2027, from 4 July 2018 to 3 July 2028 and from 11 September 2019 to 10 September 2029.

24. 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 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).

23. 購股權儲備(續)

於報告期末，本公司有72,520,558份(二零一九年十二月三十一日：74,894,303份)購股權計劃項下尚未行使的購股權，佔本公司於二零二零年六月三十日已發行股份的約0.75% (二零一九年十二月三十一日：0.97%)。根據本公司目前的資本架構，若其餘購股權獲悉數行使，會導致額外發行72,520,558股本公司普通股，以及額外股本109,087,000港元(未扣除發行開支)。購股權的期權行使期間為二零一二年四月二十四日至二零二一年六月九日、二零一四年一月十日至二零二四年一月九日、二零一七年七月十三日至二零二七年七月十二日、二零一八年七月四日至二零二八年七月三日及二零一九年九月十一日至二零二九年九月十日。

24. 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，否則將自該日期起十年(即至二零二一年十月二十六日)有效。

於股份獎勵計劃期間於股份獎勵計劃項下獲准授出的獎勵股份總數不得超過本公司於採納日期已發行股本的10%(即164,000,000股股份)。在截至並包括授出股份之日的十二個月期間內向獲選僱員授出的獎勵股份最高數目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股股份)。

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24. Share award reserve (continued)

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.

Details of the Awarded Shares granted and unvested as at 30 June 2020 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
13/4/2018	HK\$2.36	11,777,000	(11,164,000)	(613,000)	—	30/11/2018
	2.36港元	11,537,000	(10,050,000)	(1,487,000)	—	30/11/2019
		11,490,000	(236,000)	(1,753,000)	9,501,000	30/11/2020
16/4/2019	HK\$1.60	11,687,000	(11,168,000)	(519,000)	—	30/11/2019
	1.60港元	11,621,000	(300,000)	(815,000)	10,506,000	30/11/2020
		11,564,000	(299,000)	(811,000)	10,454,000	30/11/2021

The Group has recognised a share-based compensation expense of HK\$12,335,000 for the Awarded Shares under the Share Award Scheme in profit or loss (2019: HK\$23,751,000). No Awarded Shares have been either transferred to the grantees or sold in accordance with their instructions at no cost (2019: nil) for the period ended 30 June 2020.

484,000 Awarded Shares lapsed prior to their vesting date as a result of staff resignations for the period ended 30 June 2020 (2019: 1,869,000 Awarded Shares).

After considering the number of shares which were granted in prior years, as at 30 June 2020, the total number of the Awarded Shares that can be awarded was 2,509,000 which represented approximately 0.03% of the Company's shares in issue as at 30 June 2020.

24. 股份獎勵儲備(續)

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股份獎勵計劃項下持有的股份的所有投票權及權力,惟獨立受託人將放棄投票權。

於二零二零年六月三十日授出及未歸屬的獎勵股份的詳情載列如下:

本集團已就股份獎勵計劃項下的獎勵股份於損益確認以股份為基礎的補償開支12,335,000港元(二零一九年:23,751,000港元)。截至二零二零年六月三十日止期間,無獎勵股份無償轉讓予承授人或根據彼等的指示出售(二零一九年:無)。

截至二零二零年六月三十日止期間,由於員工辭職,484,000股獎勵股份(二零一九年:1,869,000股獎勵股份)於歸屬日期前失效。

經考慮過往年度所授出之股份數目,於二零二零年六月三十日,可進行獎勵的獎勵股份總數為2,509,000股,約佔本公司於二零二零年六月三十日已發行股份的約0.03%。

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25. Shares held under the Share Award Scheme

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

		30 June 2020 二零二零年六月三十日		31 December 2019 二零一九年十二月三十一日	
		HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目
At 1 January	於一月一日	73,058	36,889,400	142,051	63,416,400
Purchased during the period/year	於期內/年內購買	—	—	4,004	2,500,000
Vested and transferred out during the period/year	於期內/年內歸屬或轉出	—	—	(72,997)	(29,027,000)
At 30 June/31 December	於六月三十日/十二月三十一日	73,058	36,889,400	73,058	36,889,400

26. Capital commitments and other commitments

Capital commitments

The Group had capital commitments for system upgrade and renovation of premises of approximately HK\$5,983,000 which were contracted but not provided for as at 30 June 2020 (31 December 2019: HK\$6,180,000).

Other commitments

The Group undertakes underwriting obligations on placing, IPO, takeover and merger activities and financial obligations to loan facilities granted to customers. As at 30 June 2020, the underwriting and financial obligations were approximately HK\$261 million and nil respectively (31 December 2019: HK\$6 million and nil).

25. 股份獎勵計劃項下持有的股份

股份獎勵計劃項下持有的股份於期內/年內的變動如下：

26. 資本承擔及其他承擔

資本承擔

本集團就系統升級及物業翻新作出資本承擔約5,983,000港元，該款項已訂約但並未於二零二零年六月三十日予以撥備(二零一九年十二月三十一日：6,180,000港元)。

其他承擔

本集團為配售、首次公開發售、收購及合併活動承擔承銷責任及為授予客戶的貸款融資承擔融資責任。於二零二零年六月三十日，承銷及融資責任分別約為261百萬港元及零(二零一九年十二月三十一日：6百萬港元及零)。

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27. Cash flows from operating activities

27. 經營活動產生的現金流量

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		Unaudited	Unaudited
		未經審核	未經審核
		HK\$'000	HK\$'000
		千港元	千港元
Cash flows from operating activities	經營活動產生的現金流量		
Profit before income tax	除所得稅前溢利	704,342	731,905
Adjustments for:	經調整：		
Depreciation	折舊	34,038	30,120
Share-based compensation expenses	以股份為基礎的薪酬開支	16,577	27,232
Unrealised gain on financial instruments	金融工具的未變現收益	(530,064)	(2,541,292)
Unrealised (gain)/loss on debt securities in issue	已發行債務證券的未變現(收益)/虧損	(120,072)	1,967,821
Unrealised loss on derivative financial instruments	衍生金融工具的未變現虧損	107,126	57,484
Finance costs	融資成本	432,741	437,355
Interest income	利息收入	(917,869)	(929,863)
Dividend income	股息收入	(7,822)	(9,174)
Gain on disposal of intangible assets (other than goodwill)	出售無形資產(商譽除外)的收益	—	(978)
Net impairment charge on loans and advances to customers	給予客戶的貸款及墊款減值支出淨額	31,523	499,988
Net impairment charge on accounts receivable	應收款項減值支出淨額	3,167	12,697
Net impairment charge/(reversal) on other financial assets and loan commitments	其他金融資產及貸款承擔減值支出/(撥回)淨額	3,681	(644)
		(242,632)	282,651

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27. Cash flows from operating activities (continued)

27. 經營活動產生的現金流量
(續)

		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元
Increase in other assets	其他資產增加	(971)	(138)
Increase in loans and advances to customers	給予客戶的貸款及墊款增加	(3,255,124)	(200,796)
Increase in accounts receivable	應收款項增加	(3,145,338)	(915,782)
(Increase)/decrease in receivable from reverse repurchase agreement	反向回購協議應收款項(增加)/減少	(1,000,829)	1,190,933
Increase in obligations under repurchase agreements	回購協議的債務增加	1,479,158	2,817,735
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	79,647	208,041
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	(14,445,458)	(6,470,378)
Change in derivative financial instruments	衍生金融工具變動	265,400	2,305
Decrease in financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債減少	(361,887)	(1,149,833)
Increase in client trust bank balances	客戶信託銀行結餘增加	(5,696,720)	(654,792)
Decrease in bank deposits	銀行存款減少	56,464	—
(Increase)/decrease in time deposits with original maturity more than three months when acquired	存放時原到期日超過三個月之定期存款(增加)/減少	(37,669)	10,935
Increase in accounts payable	應付款項增加	9,516,059	2,105,602
Decrease in other payables and accrued liabilities	其他應付款項及應計負債減少	(133,423)	(187,174)
Increase in financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產增加	(108,338)	—
Cash used in operations	經營業務動用現金	(17,031,661)	(2,960,691)
Hong Kong profits tax paid	已支付香港利得稅	(231,302)	(47,977)
Interest received	已收利息	816,271	919,366
Interest paid	已付利息	(432,099)	(400,146)
Dividend received	已收股息	7,201	9,174
Net cash flows used in operating activities	經營活動動用現金流量淨額	(16,871,590)	(2,480,274)

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28. Related party transactions

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

28. 關聯方交易

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

		For the six months ended 30 June 截至六月三十日止六個月		
		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元	
		Notes 附註		
Commission expenses to the ultimate holding company	支付予最終控股公司的佣金開支	(i)	(395)	(635)
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)	—	(53)
Professional and consultancy fees paid to fellow subsidiaries	支付予同系附屬公司的專業及諮詢費	(iii)	(12,027)	(20,373)
Management fee income and performance fee income of 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)	743	647
Commission income received from the above private fund	自上述私募基金收取的佣金收入	(v)	123	58
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)	6	14
Commission income from an intermediate holding company	自中介控股公司收取的佣金收入	(vii)	—	84
Commission income from the ultimate holding company	自最終控股公司收取的佣金收入	(viii)	25	15,864
Underwriting fee and sponsor fee income from the ultimate holding company	自最終控股公司收取的包銷費及保薦費用收入	(ix)	—	15,850
Commission income and handling income from a fellow subsidiary	自同系附屬公司收取的佣金收入及手續費收入	(x)	78	195
Commission income and handling income from another fellow subsidiary	自另一同系附屬公司收取的佣金收入及手續費收入	(xi)	285	30
Commission income from an immediate holding company	自直接控股公司收取的佣金收入	(xii)	15	5
Consultancy service fee and corporate finance service fee paid to the ultimate holding company and fellow subsidiary	支付予最終控股公司及同系附屬公司的諮詢服務費及企業融資服務費	(xiii)	(8,813)	(944)
Management fee and handling fee income from a public fund managed by a wholly-owned subsidiary of the Company and invested by a fellow subsidiary and the intermediate holding company	自本公司全資附屬公司管理以及同系附屬公司及中介控股公司投資的公募基金收取的管理費及手續費收入	(xiv)	—	1,300
Advisory income of a public fund managed by a fellow subsidiary	同系附屬公司管理的公募基金的顧問收入	(xv)	37	—

Notes to the Interim Financial Report 中期財務報告附註

28. 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\$12,027,000 for the period ended 30 June 2020 (2019: HK\$20,373,000).
- (iv) The management fee income and performance fee income received from a private fund managed by a 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 at the period/year end.
- (v) The commission fees received from the private fund mentioned in note (iv) above included commission income which was based on 0.15% (2019: 0.15%) 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 a 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.

28. 關聯方交易(續)

(a) (續)

附註：

- (i) 支付予最終控股公司的佣金開支乃按與本公司的一家全資附屬公司簽立的合作協議列明的交易值百分比計算。
- (ii) 支付予最終控股公司的佣金開支乃按與本公司的一家全資附屬公司簽立的合作協議列明透過RQFII賬戶進行的交易值百分比計算。
- (iii) 截至二零二零年六月三十日止期間就同系附屬公司提供資本市場資料的專業及諮詢費支付12,027,000港元(二零一九年：20,373,000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每月最後一個工作日的資產淨值每年1.5%收費及截至期/年末最後一個工作日資產淨值增加額的20%收費。
- (v) 自上文附註(iv)所述私募基金收取的佣金費用包括按交易值的0.15%(二零一九年：0.15%)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。

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中期財務報告附註

28. Related party transactions (continued)

(a) (continued)

Notes: (continued)

- (viii) The commission income received from the ultimate holding company was based on the pricing stated in the signed brokerage agreement with the wholly-owned subsidiary of the Company.
- (ix) The underwriting and placing fee income received from the ultimate holding company was based on the underwriting and placing agreement with the ultimate holding company.
- (x) The commission income and handling income received from the fellow subsidiary was based on the pricing stated in the signed brokerage agreement with wholly-owned subsidiaries of the Company.
- (xi) The commission income and handling income received from another fellow subsidiary was based on the pricing stated in the signed brokerage agreement with a wholly-owned subsidiary of the Company.
- (xii) The commission income received from an immediate holding company was based on the pricing stated in the signed brokerage agreement with an immediate holding company of the Company.
- (xiii) The consultancy service fee and corporate finance service fee paid to the ultimate holding company and fellow subsidiary were based on the pricing stated in consultancy services and corporate finance services agreements with wholly-owned subsidiaries of the Company.
- (xiv) The management fee and handling income received from a private fund managed by a wholly-owned subsidiary of the Company and controlled by an intermediate holding company were based on the percentage prescribed in the investment management agreement.

28. 關聯方交易(續)

(a) (續)

附註：(續)

- (viii) 自最終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。
- (ix) 自最終控股公司收取的包銷及配售費收入按與最終控股公司簽立的包銷及配售協議收費。
- (x) 自同系附屬公司收取的佣金收入及手續費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。
- (xi) 自另一同系附屬公司收取的佣金收入及手續費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。
- (xii) 自中介控股公司收取的佣金收入乃根據與本公司中介控股公司簽立的經紀協議列明的定價收費。
- (xiii) 支付予最終控股公司及同系附屬公司的諮詢服務費及企業融資服務費按與本公司全資附屬公司的諮詢服務及企業融資服務協議所載定價收取。
- (xiv) 自本公司全資附屬公司管理及中介控股公司控制的私募基金收取的管理費及手續費收入乃根據投資管理協議所訂明的百分比收取。

Notes to the Interim Financial Report 中期財務報告附註

28. Related party transactions (continued)

(a) (continued)

Notes: (continued)

- (xv) The advisory income from a public fund managed by a fellow subsidiary was based on the percentage prescribed in the advisory agreement.
- (xvi) Included in the Group's accounts receivable was a broker receivable due from the ultimate holding company of HK\$50,238,000 (31 December 2019: HK\$38,658,000) arising from dealing in securities as at 30 June 2020. 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.
- (xvii) Included in the Group's accounts payable was a broker payable due to the ultimate holding company of HK\$2,346,000 (31 December 2019: HK\$18,504,000) arising from the dealing in securities as at 30 June 2019. The balance was unsecured, interest-free and payable on the settlement day under the relevant market practice.
- (xviii) Included in the Group's accounts receivable were management fee and performance fee receivable due from an investment fund managed by the Group mentioned in note (iv) of HK\$137,000 (31 December 2019: HK\$150,000) arising from the provision of asset management service.

28. 關聯方交易(續)

(a) (續)

附註：(續)

- (xv) 自同系附屬公司管理的公募基金收取的顧問收入乃根據顧問協議所訂明的百分比計算。
- (xvi) 本集團的應收款項包括於二零二零年六月三十日買賣證券產生的應收最終控股公司經紀應收款項50,238,000港元(二零一九年十二月三十一日：38,658,000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、免息及於結算日收取。
- (xvii) 本集團的應付款項包括於二零一九年六月三十日買賣證券產生的應付最終控股公司經紀應付款項2,346,000港元(二零一九年十二月三十一日：18,504,000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) 本集團應收款項包括附註(iv)所述提供資產管理服務產生的應收由本集團管理投資基金的管理費款項及表現費款項137,000港元(二零一九年十二月三十一日：150,000港元)。

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中期財務報告附註

28. Related party transactions (continued)

(a) (continued)

Notes: (continued)

- (xix) Included the Group's accounts payable were amounts due to the ultimate holding company of HK\$115,000 (31 December 2019: HK\$5,212,000), the immediate holding company of HK\$133,841,000 (31 December 2019: HK\$nil), the fellow subsidiary of HK\$30,108,000 (31 December 2019: HK\$57,419,000) and another fellow subsidiary of HK\$12,555,000 (31 December 2019: HK\$38,702,000) arising from dealing in securities, futures and foreign exchange as at 30 June 2020. The balance is unsecured and payable on demand.
- (xx) Included in the Group's receivables was the accounts receivable to the public fund mentioned in note (vi) above arising from dealing in securities of HK\$178,000 (31 December 2019: HK\$24,000)
- (xxi) Included in the Group's accounts payable were the accounts payable to the ultimate holding company mentioned in note (xiii) for the consulting service fee and corporate finance service fee of HK\$172,000 (31 December 2019: HK\$11,055,000)
- (xxii) Included in the Group's prepayments, deposits and other receivables of HK\$53,135,000 (31 December 2019: HK\$50,443,000) was an advance prepayment to the fellow subsidiary for the professional and consultancy fee mentioned in note (iii) above.

28. 關聯方交易(續)

(a) (續)

附註：(續)

- (xix) 於二零二零年六月三十日，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最終控股公司款項115,000港元(二零一九年十二月三十一日：5,212,000港元)、應付直接控股公司133,841,000港元(二零一九年十二月三十一日：零港元)、應付同系附屬公司30,108,000港元(二零一九年十二月三十一日：57,419,000港元)及應付另一間同系附屬公司12,555,000港元(二零一九年十二月三十一日：38,702,000港元)。該結餘乃無抵押及須於要求時支付。
- (xx) 本集團應收款項包括買賣證券產生的應收上文附註(vi)所述公募基金之款項178,000港元(二零一九年十二月三十一日：24,000港元)。
- (xxi) 本集團應付款項包括應付上文附註(xiii)所述的最終控股公司諮詢及企業融資服務費用172,000港元(二零一九年十二月三十一日：11,055,000港元)。
- (xxii) 本集團的預付款項、按金及其他應收款項53,135,000港元(二零一九年十二月三十一日：50,443,000港元)包括就上文附註(iii)所述專業及諮詢費向同系附屬公司的墊款預付款項。

Notes to the Interim Financial Report 中期財務報告附註

28. Related party transactions (continued)

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

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

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

28. 關聯方交易(續)

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

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

- (c) 本集團主要管理人員薪酬：

		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 Unaudited 未經審核 HK\$'000 千港元	2019 二零一九年 Unaudited 未經審核 HK\$'000 千港元
Salaries and allowances	薪金及津貼	7,075	7,091
Equity-settled share-based payments	以權益結算以股份為基礎的付款	3,096	5,377
Pension scheme contributions	退休金計劃供款	36	36
		10,207	12,504

Notes to the Interim Financial Report

中期財務報告附註

29. 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.

29. 抵銷金融資產與金融負債

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

		Gross amount of recognised financial assets/ (liabilities)	Gross amount of recognised financial (assets)/ liabilities offset in the financial statements	Net amount of financial assets/ (liabilities) reflected in the financial statements	Related amounts not set off in the statement of financial position (collateral received) 並未於財務狀況表抵銷的有關金額 (已收抵押品)	Net 淨額
		已確認金融資產/(負債) 總額 HK\$'000 千港元	於財務報表抵銷已確認金融(資產)/負債總額 HK\$'000 千港元	於財務報表呈列的金融資產/(負債)淨額 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 30 June 2020, unaudited	於二零二零年六月三十日，未經審核					
Financial assets	金融資產					
Accounts receivable arising from brokerage	經紀業務應收款項					
— the Stock Exchange and other clearing houses	— 聯交所及其他結算所	5,792,170	(2,439,933)	3,352,237	—	3,352,237
Loans and advances to customers	給予客戶貸款及墊款	14,986,636	—	14,986,636	(14,569,130)	417,506
Financial liabilities	金融負債					
Accounts payable arising from brokerage	經紀業務應付款項					
— the Stock Exchange and other clearing houses	— 聯交所及其他結算所	(5,185,158)	2,439,933	(2,745,225)	—	(2,745,225)
As at 31 Dec 2019, audited	於二零一九年十二月三十一日，經審核					
Financial assets	金融資產					
Accounts receivable arising from brokerage	經紀業務應收款項					
— the Stock Exchange and other clearing houses	— 聯交所及其他結算所	3,105,263	(1,739,867)	1,365,396	—	1,365,396
Loans and advances to customers	給予客戶貸款及墊款	11,715,902	—	11,715,902	(11,253,415)	462,487
Financial liabilities	金融負債					
Accounts payable arising from brokerage	經紀業務應付款項					
— the Stock Exchange and other clearing houses	— 聯交所及其他結算所	(2,485,479)	1,739,867	(745,612)	—	(745,612)

Notes to the Interim Financial Report 中期財務報告附註

29. Offsetting financial assets and financial liabilities (continued)

The tables below reconcile the “net amount of financial assets/(liabilities) presented in the statement of financial position”, as set out above, to the amounts presented in the statement of financial position.

		As at 30 June 2020 於二零二零年 六月三十日 Unaudited 未經審核	As at 31 December 2019 於二零一九年 十二月三十一日 Audited 經審核
Net amount of accounts receivable arising from brokerage after offsetting as stated above	如上所述抵銷後經紀業務應收款項淨額		
— the Stock Exchange and other clearing houses	— 聯交所及其他結算所	3,352,237	1,365,396
Accounts receivables other than the Stock Exchange and other clearing houses	聯交所及其他結算所以外的應收款項	3,950,251	2,792,531
Less: Impairment	減：減值	(9,296)	(6,906)
Accounts receivables in the statement of financial position	財務狀況表中的應收款項	7,293,192	4,151,021
Net amount of accounts payable arising from brokerage after offsetting as stated above	如上所述抵銷後經紀業務應付款項淨額		
— the Stock Exchange and other clearing houses	— 聯交所及其他結算所	2,745,225	745,612
Accounts payable other than the Stock Exchange and other clearing houses	聯交所及其他結算所以外的應付款項	21,358,206	13,841,760
Accounts payable in the statement of financial position	財務狀況表中的應付款項	24,103,431	14,587,372

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

下表載列「於財務狀況表呈列的金融資產／(負債)淨額」(如上文所載)與於財務狀況表呈列的金額的對賬。

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

30. Fair value measurements of financial instruments

Group's valuation process

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

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

30. 金融工具的公平值計量

本集團的估值流程

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

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

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中期財務報告附註

30. Fair value measurements of financial instruments (continued)

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2020, unaudited

30. 金融工具的公平值計量(續)

公平值等級

下表闡明本集團金融工具的公平值計量等級：

按公平值計量的資產：

於二零二零年六月三十日，未經審核

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets 活躍市場 報價 (Level 1) HK\$'000 千港元	Significant observable inputs 重大可觀察 參數 (Level 2) HK\$'000 千港元	Significant unobservable inputs 重大無法 觀察參數 (Level 3) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Non-current	非流動				
Financial assets held for trading and investments	持作買賣及投資的金融資產				
- Unlisted fixed income securities	- 非上市固定收益證券	—	1,666,146	4,134,455	5,800,601
- Unlisted convertible securities	- 非上市可換股證券	—	—	195,708	195,708
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產				
- Financial products	- 金融產品	415,088	1,426,144	6,977,004	8,818,236
		415,088	3,092,290	11,307,167	14,814,545
Current	流動				
Financial assets held for trading and investments	持作買賣及投資的金融資產				
- Listed equity securities	- 上市股本證券	1,249,702	—	—	1,249,702
- Listed debt securities	- 上市債務證券	—	18,472,510	—	18,472,510
- Unlisted debt securities	- 非上市債務證券	—	2,926,110	—	2,926,110
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產				
- Listed fund investments	- 上市基金投資	—	—	—	—
- Unlisted fund investments	- 非上市基金投資	—	1,718,095	—	1,718,095
- Unlisted convertible promissory note	- 非上市可換股承兌票據	—	—	—	—
- Other financial instruments	- 其他金融工具	—	105,416	—	105,416
- Financial products	- 金融產品	1,923,918	31,331,287	1,901,086	35,156,291
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產				
- Unlisted debt securities	- 非上市債務證券	—	108,338	—	108,338
Derivative financial instruments	衍生金融工具	—	455,372	—	455,372
		3,173,620	55,117,128	1,901,086	60,191,834
		3,588,708	58,209,418	13,208,253	75,006,379

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中期財務報告附註

30. Fair value measurements of financial instruments
(continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

As at 31 December 2019, audited

30. 金融工具的公平值計量(續)

公平值等級(續)

按公平值計量的資產：(續)

於二零一九年十二月三十一日，
經審核

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets 活躍市場 報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可觀察 參數 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大無法 觀察參數 (Level 3) (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Non-current	非流動				
Financial assets held for trading and investments	持作買賣及投資的金融資產				
– Unlisted fixed income securities	– 非上市固定收益證券	—	1,594,507	—	1,594,507
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產				
– Financial products	– 金融產品	367,710	1,117,294	4,782,781	6,267,785
		367,710	2,711,801	4,782,781	7,862,292
Current	流動				
Financial assets held for trading	持作買賣金融資產				
– Listed equity securities	– 上市股本證券	710,798	—	—	710,798
– Listed debt securities	– 上市債務證券	—	14,065,739	—	14,065,739
– Unlisted debt securities	– 非上市債務證券	—	2,493,982	—	2,493,982
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產				
– Listed fund investments	– 上市基金投資	2,783	—	—	2,783
– Unlisted fund investments	– 非上市基金投資	—	1,758,316	—	1,758,316
– Unlisted convertible promissory note	– 非上市可換股承兌票據	—	—	4,298	4,298
– Other financial instruments	– 其他金融工具	—	250,731	—	250,731
– Financial products	– 金融產品	4,339,137	25,181,242	2,321,880	31,842,259
Derivative financial instruments	衍生金融工具	—	155,652	—	155,652
		5,052,718	43,905,662	2,326,178	51,284,558
		5,420,428	46,617,463	7,108,959	59,146,850

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中期財務報告附註

30. Fair value measurements of financial instruments
(continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

As at 30 June 2020, unaudited

30. 金融工具的公平值計量(續)

公平值等級(續)

按公平值計量的負債：

於二零二零年六月三十日，未經審核

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets 活躍市場 報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可觀察 參數 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大無法 觀察參數 (Level 3) (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Non-current	非流動				
Debt securities in issue designated at fair value through profit and loss	指定按公平值計入損益的已發行債務證券	—	(1,889,596)	(7,242,841)	(9,132,437)
Current	流動				
Debt securities in issue designated at fair value through profit and loss	指定按公平值計入損益的已發行債務證券	—	(20,889,333)	(1,901,086)	(22,790,419)
Financial liabilities held for trading	持作買賣的金融負債				
– Listed equity securities	– 上市股本證券	(43,043)	—	—	(43,043)
– Listed debt securities	– 上市債務證券	—	(3,022,995)	—	(3,022,995)
– Unlisted debt securities	– 非上市債務證券	—	(1,562)	—	(1,562)
– Other financial instruments	– 其他金融工具	—	(99,225)	—	(99,225)
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債				
– Financial products	– 金融產品	—	(3,264,636)	—	(3,264,636)
– Third-party interest in consolidated investment funds	– 納入合併投資基金的第三方權益	—	(438,760)	—	(438,760)
Derivative financial instruments	衍生金融工具	—	(822,097)	—	(822,097)
		(43,043)	(28,538,608)	(1,901,086)	(30,482,737)
		(43,043)	(30,428,204)	(9,143,927)	(39,615,174)

Notes to the Interim Financial Report
中期財務報告附註

30. Fair value measurements of financial instruments
(continued)

Fair value hierarchy (continued)

Liabilities measured at fair value: (continued)

As at 31 December 2019, audited

30. 金融工具的公平值計量(續)

公平值等級(續)

按公平值計量的負債：(續)

於二零一九年十二月三十一日，
經審核

		Fair value measurement using 採用以下各項的公平值計量			
		Quoted prices in active markets 活躍市場 報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可觀察 參數 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大無法 觀察參數 (Level 3) (第3級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Non-current	非流動				
Debt securities in issue designated at fair value through profit and loss	指定按公平值計入損益的已發行債務證券	—	(1,009,692)	(5,114,328)	(6,124,020)
Current	流動				
Debt securities in issue designated at fair value through profit and loss	指定按公平值計入損益的已發行債務證券	—	(18,369,478)	(2,321,880)	(20,691,358)
Financial liabilities held for trading	持作買賣的金融負債				
– Listed equity securities	– 上市股本證券	(20,472)	—	—	(20,472)
– Listed debt securities	– 上市債務證券	—	(2,200,728)	—	(2,200,728)
Financial liabilities designated at fair value through profit or loss	指定按公平值計入損益的金融負債				
– Financial products	– 金融產品	—	(4,103,810)	—	(4,103,810)
– Other financial instruments	– 其他金融工具	—	(55,386)	—	(55,386)
– Third-party interest in consolidated investment funds	– 納入合併投資基金的第三方權益	—	(430,184)	—	(430,184)
Derivative financial instruments	衍生金融工具	—	(149,851)	—	(149,851)
		(20,472)	(25,309,437)	(2,321,880)	(27,651,789)
		(20,472)	(26,319,129)	(7,436,208)	(33,775,809)

Notes to the Interim Financial Report 中期財務報告附註

30. Fair value measurements of financial instruments (continued)

(a) Financial instruments in Level 1

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

(b) Financial instruments in Level 2

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

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

There was no transfer of fair value measurement between Level 1 and Level 2 during the six months ended 30 June 2020 and the year ended 31 December 2019.

30. 金融工具的公平值計量(續)

(a) 第1級金融工具

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

(b) 第2級金融工具

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

倘有一個或多個重大參數並非以可觀察市場數據為基準，該金融工具列入第3級。

截至二零二零年六月三十日止六個月及截至二零一九年十二月三十一日止年度，概無公平值計量於第1級與第2級之間轉撥。

Notes to the Interim Financial Report
中期財務報告附註

30. Fair value measurements of financial instruments
(continued)

(c) Financial instruments in Level 3

The following tables present the changes in Level 3 instruments of financial instruments for the period ended 30 June 2020 and the year ended 31 December 2019.

Level 3 financial assets

For the period ended 30 June 2020, unaudited

		Unlisted debt Security (Note 14)	Unlisted convertible Security (Note 14)	Unlisted promissory debt instrument (Note 14)	Financial products (Note 14)	Total
		非上市 債務證券 (附註14)	非上市 可換股證券 (附註14)	非上市 可換股承兌 債務工具 (附註14)	金融產品 (附註14)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	—	—	4,298	7,104,661	7,108,959
Purchases	購買	3,923,244	196,162	—	61,075	4,180,481
Disposal/redemption	出售/贖回	—	—	(5,005)	—	(5,005)
Receipt on maturity	到期時收取	—	—	—	—	—
Transfer to level 1	轉移至第1級	—	—	—	—	—
Accrued interest income	應計利息收入	99,923	—	53	—	99,976
Receipt of interest income	收取利息收入	—	—	(53)	—	(53)
Net (loss)/gain recognised in profit or loss	於損益內確認的 (虧損)/收益淨額	111,288	(454)	707	1,712,354	1,823,895
At 30 June 2020	於二零二零年六月三十日	4,134,455	195,708	—	8,878,090	13,208,253

30. 金融工具的公平值計量(續)

(c) 第3級金融工具

下表呈列截至二零二零年六月三十日止期間及截至二零一九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

截至二零二零年六月三十日止
期間，未經審核

Notes to the Interim Financial Report
中期財務報告附註

30. Fair value measurements of financial instruments
(continued)

(c) Financial instruments in Level 3 (continued)

Level 3 financial assets (continued)

For the year ended 31 December 2019, audited

30. 金融工具的公平值計量(續)

(c) 第3級金融工具(續)

第3級金融資產(續)

截至二零一九年十二月三十一日止年度，經審核

		Unlisted convertible promissory note (Note 14) 非上市可換股承兌票據 (附註14) HK\$'000 千港元	Financial products (Note 14) 金融產品 (附註14) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	23,847	8,218,681	8,242,528
Purchases	購買	—	1,199,111	1,199,111
Disposal/redemption	出售/贖回	—	(294,000)	(294,000)
Receipt on maturity	到期時收取	(19,579)	—	(19,579)
Transfer to level 1 (Note)	轉移至第1級(附註)	—	(38,268)	(38,268)
Accrued interest income	應計利息收入	53	—	53
Net (loss)/gain recognised in profit or loss	於損益內確認的(虧損)/收益淨額	(23)	(1,980,863)	(1,980,886)
At 31 December 2019	於二零一九年十二月三十一日	4,298	7,104,661	7,108,959

Note: The shares of the investee company were listed in the Stock Exchange during the year, thus the fair value of the investment was based on quoted market price.

附註：被投資公司股份本年在聯交所上市，因此該投資的公平值乃基於所報市價。

Notes to the Interim Financial Report
中期財務報告附註

30. Fair value measurements of financial instruments
(continued)

(c) Financial instruments in Level 3 (continued)

Level 3 financial liabilities

For the period ended 30 June 2020, unaudited

		Financial products (Note 20)	Debt securities in issue (Note 19)	Total
		金融產品 (附註20)	已發行 債務證券 (附註19)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	—	7,436,208	7,436,208
Sales/issuance	銷售/發行	—	—	—
Transfer to level 1	轉移至第1級	—	—	—
Redemption on maturity	於到期時贖回	—	—	—
Net loss recognised in profit or loss	於損益確認的虧損淨額	—	1,707,719	1,707,719
At 30 June 2020	於二零二零年六月三十日	—	9,143,927	9,143,927

For the year ended 31 December 2019, audited

		Financial products (Note 20)	Debt securities in issue (Note 19)	Total
		金融產品 (附註20)	已發行 債務證券 (附註19)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	32,095	8,633,629	8,665,724
Sales/issuance	銷售/發行	—	4,286,560	4,286,560
Redemption on maturity	於到期時贖回	(32,095)	(3,449,821)	(3,481,916)
Transfer to level 1 (Note)	轉移至第1級(附註)	—	(38,060)	(38,060)
Net gain recognised in profit or loss	於損益確認的收益淨額	—	(1,996,100)	(1,996,100)
At 31 December 2019	於二零一九年 十二月三十一日	—	7,436,208	7,436,208

Note: The structured note issued was related to an investment in a pre-IPO company. The company was listed in the Stock Exchange during the year, thus the fair value of the investment and structured note was based on quoted market price.

附註：已發行結構性票據有關於一家首次公開發售前公司的投資。該公司年內在聯交所上市，因此該投資及結構性票據的公平值乃基於所報市價。

30. 金融工具的公平值計量(續)

(c) 第3級金融工具(續)

第3級金融負債

截至二零二零年六月三十日止
期間，未經審核

	Financial products (Note 20)	Debt securities in issue (Note 19)	Total
	金融產品 (附註20)	已發行 債務證券 (附註19)	總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	—	7,436,208	7,436,208
Sales/issuance	—	—	—
Transfer to level 1	—	—	—
Redemption on maturity	—	—	—
Net loss recognised in profit or loss	—	1,707,719	1,707,719
At 30 June 2020	—	9,143,927	9,143,927

截至二零一九年十二月三十一
日止年度，經審核

	Financial products (Note 20)	Debt securities in issue (Note 19)	Total
	金融產品 (附註20)	已發行 債務證券 (附註19)	總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	32,095	8,633,629	8,665,724
Sales/issuance	—	4,286,560	4,286,560
Redemption on maturity	(32,095)	(3,449,821)	(3,481,916)
Transfer to level 1 (Note)	—	(38,060)	(38,060)
Net gain recognised in profit or loss	—	(1,996,100)	(1,996,100)
At 31 December 2019	—	7,436,208	7,436,208

Notes to the Interim Financial Report

中期財務報告附註

30. Fair value measurements of financial instruments (continued)

(c) Financial instruments in Level 3 (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2020 and 31 December 2019:

As at 30 June 2020

	Valuation technique 估值技術	Significant unobservable input 重大無法觀察參數	Average 平均	Sensitivity of the fair value to the input 公平值對參數的敏感度
Unlisted debt security 非上市債務證券	Discount cash flows 貼現現金流量	Discount rate 貼現率	N/A 不適用	10% increase or decrease in the discount rate, the fair value would be increased by HK\$2.3 million or decreased by HK\$2.3 million, respectively 當貼現率增加或減少10%，公平值將會分別增加2.3百萬港元或減少2.3百萬港元。
Unlisted convertible security 非上市可換股證券	Recent transaction price 近期交易價格	N/A 不適用	N/A 不適用	N/A 不適用
Financial products 金融產品	Market approach 市場法	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to earnings multiple 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： – 市盈率	20.45	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$182 million or decreased by HK\$182 million, respectively. 相關股價上升或降低10%，公平值將分別增加182百萬港元或減少182百萬港元。
Financial products 金融產品	Net asset value 資產淨值	N/A 不適用	N/A 不適用	N/A 不適用
Financial products 金融產品	Recent transaction price 近期交易價格	N/A 不適用	N/A 不適用	N/A 不適用
Debt securities in issue 已發行債務證券	Market approach 市場法	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to earnings multiple 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： – 市盈率	20.45	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$182 million or decreased by HK\$182 million, respectively. 相關股價上升或降低10%，公平值將分別增加182百萬港元或減少182百萬港元。
Debt securities in issue 已發行債務證券	Net asset value 資產淨值	N/A 不適用	N/A 不適用	N/A 不適用
Debt securities in issue 已發行債務證券	Recent transaction price 近期交易價格	N/A 不適用	N/A 不適用	N/A 不適用

30. 金融工具的公平值計量(續)

(c) 第3級金融工具(續)

下文為金融工具於二零二零年六月三十日及二零一九年十二月三十一日估值的重大無法觀察參數概要：

於二零二零年六月三十日

Notes to the Interim Financial Report
中期財務報告附註

30. Fair value measurements of financial instruments
(continued)

(c) Financial instruments in Level 3 (continued)

As at 31 December 2019

	Valuation technique 估值技術	Significant unobservable input 重大無法觀察參數	Average 平均	Sensitivity of the fair value to the input 公平值對參數的敏感度
Financial products 金融產品	Market approach 市場法	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to earnings multiple 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： – 市盈率	7.8	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$70 million or decreased by HK\$70 million, respectively.
Financial products 金融產品	Net asset value 資產淨值	N/A 不適用	N/A 不適用	N/A 不適用
Financial products and unlisted convertible promissory note 金融產品及非上市可換股承 兌票據	Discount cash flows 貼現現金流量	Discount rate 貼現率	12%	10% increase or decrease in the discount rate, the fair value would be increased by HK\$33,000 or decreased by HK\$33,000, respectively.
Debt securities in issue 已發行債務證券	Market approach 市場法	Pricing multiples of market comparable companies used to determine the estimated equity value of the Project Company: – Price to earnings multiple 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： – 市盈率	7.8	10% increase or decrease in the underlying stock price, the fair value would be increased by HK\$70 million or decreased by HK\$70 million, respectively.
Debt securities in issue 已發行債務證券	Net asset value 資產淨值	N/A 不適用	N/A 不適用	N/A 不適用

30. 金融工具的公平值計量(續)

(c) 第3級金融工具(續)

於二零一九年十二月三十一日

Notes to the Interim Financial Report 中期財務報告附註

31. Update of the impact of the coronavirus pandemic

The outbreak of COVID-19 in Hong Kong and many countries started in early 2020 and continues up to the date of this interim report. This has caused unprecedented disruption to business and economic activity. Since the start of the outbreak, the Group has implemented preventive and contingency measures to minimize the impacts to our business activities. These measures include work from home arrangement, cross-border business travel restriction and alternate office working teams etc.

The outbreak also causes volatility in the financial markets and the Group's robust risk management framework has minimized the adverse impact on the Group's financial performance.

The duration of the COVID-19 outbreak still remains uncertain and the extent of its impact is unpredictable in this volatile situation. It is believed that COVID-19 will continue to affect the global financial market for a continued period of time. The Group has a strong capital base and healthy liquidity position which will enable the Group to navigate through this period of uncertainty.

31. 有關新冠疫情影響的狀況更新

二零二零年初香港及多國爆發新冠肺炎，直至本中期報告日期仍舊肆虐，疫情對業務及經濟活動造成前所未有衝擊。自疫情爆發起，本集團已實施多項預防及應急措施以盡力減輕其對本集團業務活動的影響。該等措施包括居家辦公安排、跨境差旅限制及輪替式辦公小組等。

疫情亦造成金融市場波動不定，而本集團堅穩的風險管理框架已最大可能減輕疫情對本集團財務表現的不利影響。

新冠疫情何時退散仍然未知，如今動蕩環境下疫情影響深度亦無法預計。預計新冠肺炎將會於較長時間內持續衝擊全球金融市場。本集團資本基礎雄厚、流動狀況穩健，料可渡過當前不穩時局。



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