

香港交易及結算所有限公司以及香港聯合交易所有限公司對本公佈之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本公佈全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。



Evershine Group Holdings Limited 永耀集團控股有限公司

(於香港註冊成立之有限公司)

(股份代號：8022)

二零一九年全年業績公佈

永耀集團控股有限公司（「本公司」）董事（「董事」）會（「董事會」）謹此宣佈本公司及其附屬公司截至二零一九年十二月三十一日止年度之經審核業績。本公佈載列本公司二零一九年年報全文，乃遵照香港聯合交易所有限公司（「聯交所」）GEM證券上市規則有關二零一九年全年業績初步公佈附載資料之相關規定。本公司之二零一九年年報在聯交所網站www.hkexnews.hk及本公司網站www.evershinegroup.com.hk可供閱覽，而本公司二零一九年年報之印刷版本將寄發予本公司股東。

承董事會命
永耀集團控股有限公司
執行董事
洪達智

香港，二零二零年六月十九日

於本公佈日期，執行董事為洪達智先生、林高然先生及姜逸暉女士；非執行董事為陳偉傑先生；而獨立非執行董事為蔡素玉女士（銅紫荊星章，太平紳士）、林玉英女士及梁文俊先生。

本公佈（本公司董事願共同及個別對此負全責）乃遵照GEM證券上市規則之規定提供有關本公司之資料。本公司董事經作出一切合理查詢後確認，就彼等所深知及確信：(1)本公佈所載資料在各重大方面均屬準確及完整，並無誤導或欺騙成分；及(2)本公佈並無遺漏任何其他事實，致使當中所載任何聲明或本公佈有所誤導。

本公佈將於其登載日起計最少一連七天於GEM網站<http://www.hkgem.com>「最新公司公告」一頁及本公司網站www.evershinegroup.com.hk登載。

CONTENTS 目錄

2	Corporate Information 公司資料
4	Statement from the Board 董事會報告
10	Management Discussion and Analysis 管理層論述及分析
28	Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情
32	Report of the Directors 董事報告
41	Corporate Governance Report 企業管治報告
56	Environmental, Social and Governance Report 環境、社會及管治報告
81	Independent Auditor's Report 獨立核數師報告
88	Consolidated Statement of Profit or Loss 綜合損益表
89	Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表
90	Consolidated Statement of Financial Position 綜合財務狀況表
92	Consolidated Statement of Changes in Equity 綜合權益變動表
93	Consolidated Statement of Cash Flows 綜合現金流量表
95	Notes to the Consolidated Financial Statements 綜合財務報表附註
216	Five Years Financial Summary 五年財務概要

CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Hung Tat Chi Alan
Mr. Ling Ko Yin Jason
Ms. Keung Yat Fai Janice
(appointed on 11 December 2019)

Non-executive Director

Mr. Chan Wai Kit

Independent Non-executive Directors

Ms. Choy So Yuk, BBS, JP
Ms. Lam Yuk Ying Elsa
Mr. Leung Man Chun

COMPANY SECRETARY

Mr. Yeung Man Sun (appointed on 15 May 2020)
Ms. Chan Shuk Man Lora (resigned on 15 May 2020)

COMPLIANCE OFFICER

Mr. Hung Tat Chi Alan

AUTHORISED REPRESENTATIVES

Mr. Hung Tat Chi Alan
Ms. Keung Yat Fai Janice (appointed on 15 May 2020)
Ms. Chan Shuk Man Lora (resigned on 15 May 2020)

AUDIT COMMITTEE

Mr. Leung Man Chun (Chairman)
Ms. Choy So Yuk, BBS, JP
Ms. Lam Yuk Ying Elsa

REMUNERATION COMMITTEE

Ms. Choy So Yuk, BBS, JP (Chairperson)
Ms. Lam Yuk Ying Elsa
Mr. Leung Man Chun

NOMINATION COMMITTEE

Ms. Lam Yuk Ying Elsa (Chairperson)
Ms. Choy So Yuk, BBS, JP
Mr. Leung Man Chun

董事

執行董事

洪達智先生
林高然先生
姜逸暉女士
(於二零一九年十二月十一日獲委任)

非執行董事

陳偉傑先生

獨立非執行董事

蔡素玉女士，銅紫荊星章，太平紳士
林玉英女士
梁文俊先生

公司秘書

楊萬銀先生(於二零二零年五月十五日獲委任)
陳淑雯女士(於二零二零年五月十五日辭任)

監察主任

洪達智先生

法定代表

洪達智先生
姜逸暉女士(於二零二零年五月十五日獲委任)
陳淑雯女士(於二零二零年五月十五日辭任)

審核委員會

梁文俊先生(主席)
蔡素玉女士，銅紫荊星章，太平紳士
林玉英女士

薪酬委員會

蔡素玉女士，銅紫荊星章，太平紳士(主席)
林玉英女士
梁文俊先生

提名委員會

林玉英女士(主席)
蔡素玉女士，銅紫荊星章，太平紳士
梁文俊先生

CORPORATE INFORMATION

公司資料

RISK MANAGEMENT COMMITTEE

Mr. Hung Tat Chi Alan (*Chairman*)
Mr. Ling Ko Yin Jason
Mr. Leung Man Chun

AUDITORS

Elite Partners CPA Limited

PRINCIPAL BANKER

Bank of Communications Co., Ltd. Hong Kong Branch
20 Pedder Street
Central, Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

REGISTERED OFFICE

16th Floor, Henan Building
Nos. 90 & 92 Jaffe Road
Wan Chai, Hong Kong

WEBSITE

<http://www.evershinegroup.com.hk>

STOCK CODE

8022

風險管理委員會

洪達智先生 (*主席*)
林高然先生
梁文俊先生

核數師

開元信德會計師事務所有限公司

主要往來銀行

交通銀行股份有限公司香港分行
香港中環
畢打街20號

股份過戶登記處

香港證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712–1716號舖

註冊辦事處

香港灣仔
謝斐道90及92號
豫港大廈16樓

網站

<http://www.evershinegroup.com.hk>

股份代號

8022

STATEMENT FROM THE BOARD

董事會報告

The set of results of the Group for the financial year ended 31 December 2019 (the “Year”) has been moderate. Development has been steady due to the improvements of the Group’s existing businesses. In the coming years, we continue to focus on improving our financial performance via acquisitions and strengthen our profit growth.

FINANCIAL HIGHLIGHTS OF 2019 FISCAL YEAR

Revenue of the Group for 2019 was approximately HK\$3,438,000 which decreased by 22% as compared to approximately HK\$4,427,000 last year. Compared to the loss for the year of HK\$113,443,000 in 2018, loss for the year of HK\$93,081,000 was recorded. Loss per share in 2019 was approximately 5.12 HK cents, compared to a loss of 6.02 HK cents per share in 2018. The Board does not recommend any dividend payment for 2019.

OVERVIEW FOR 2019 OPERATIONS AND PROSPECTS

Year 2019 has been an important but yet volatile for Evershine, due to the social movement that occurred in Hong Kong and the arrival of coronavirus in later 2019, it has been a challenge for us to remain the operations of our business as smoothly as possible. Despite the mentioned unpredictable events and the negative impact of the subdued economic environments in both Hong Kong and in the Republic of Turkey (“Turkey”), the Group has been continuing to develop and strive with intents to enhance the performance and value of our businesses and investments.

本集團於截至二零一九年十二月三十一日止財政年度（「年內」）之各項業績保持溫和增長。本集團現有業務之增長帶來了穩步發展。未來數年，我們繼續透過收購及增強自身利潤增長，專注改善財務表現。

二零一九財政年度財務摘要

於二零一九年，本集團之收益約為3,438,000港元，較去年約4,427,000港元下降22%。二零一八年錄得年內虧損113,443,000港元，而年內虧損為93,081,000港元。二零一九年每股虧損約為5.12港仙，而二零一八年為每股虧損6.02港仙。董事會不建議就二零一九年派付任何股息。

二零一九年業務回顧及前景

二零一九年對永耀而言雖然重要，但此為起伏不定之一年。香港爆發社會運動加上二零一九年年底出現新型冠狀病毒肺炎，使我們為確保業務盡可能順利進行而面對很大挑戰。儘管面對上述不可預知之事件，以及受到香港和土耳其共和國（「土耳其」）兩地經濟環境疲弱所負面影響，惟本集團不斷發展，致力提升集團業務及投資之表現及價值。



Akasya Apartment, Kadikoy, Istanbul, Turkey
土耳其伊斯坦堡卡德柯伊Akasya Apartment



Evim Apartment, Kadikoy, Istanbul, Turkey
土耳其伊斯坦堡卡德柯伊Evim Apartment

STATEMENT FROM THE BOARD 董事會報告

During the year, the Group has continued the progress of developing the property development sector in Turkey through Boyracı Yapı İnşaat ve Taahhüt Gayrimenkul Yatırım Anonim Şirketi ("Boyracı Construction"), an indirect 60%-owned subsidiary of the Group. Boyracı Construction is a company operating in real estate development and urban transformation projects in Turkey, which completed 5 projects, consisting rewarded properties of 14 residential units and 2 commercial units. As at 31 December 2019, two projects are expected to reach completion in the middle of the year 2020, which in addition, will provide 8 residential units and 3 commercial units to our list of properties. Up to the date of this report, one of the under-construction projects, namely Project İcaliye, has been completed in May 2020 and relevant title deeds have been obtained. Majority of the units are leased with tenants and has been generating stable rental income, and it is expected that such rental income will remain stable in 2020. Benefiting from the Turkish government policy in lowering the immigration property investment requirements for foreigners, Boyracı Construction has successfully sold some of the properties in year 2019, and the number of sales is expected to increase gradually in coming years.

年內，本集團繼續透過本集團間接持有60%之附屬公司Boyracı Yapı İnşaat ve Taahhüt Gayrimenkul Yatırım Anonim Şirketi (「Boyracı Construction」)來推進其在土耳其物業發展領域之發展步伐。Boyracı Construction是於土耳其經營房地產開發及城市改造項目之公司，其已完成5個項目，包括由14個住宅單位及2個商業單位組成之報價物業。於二零一九年十二月三十一日，兩個項目預計將於二零二零年年中竣工，其將額外為我們的物業組合帶來8個住宅單位及3個商業單位。截至本報告日期，其中一項名為İcaliye項目之在建物業已於二零二零年五月竣工，並已取得相關業權。大部分單位經已出租並一直貢獻穩定的租金收入，預期於二零二零年該筆租金收入將維持穩定。受惠土耳其政府制定政策降低外國人投資物業移民之要求，Boyracı Construction於二零一九年成功售出部分物業，而未來數年之銷售數字預期將逐步增加。



Sea view from Doğa Apartment, Kadikoy, Istanbul, Turkey
土耳其伊斯坦堡卡德柯伊Doğa Apartment對出海景



Doğa Apartment, Kadikoy, Istanbul, Turkey
土耳其伊斯坦堡卡德柯伊Doğa Apartment



Koza Apartment, Kadikoy, Istanbul, Turkey
土耳其伊斯坦堡卡德柯伊Koza Apartment

STATEMENT FROM THE BOARD 董事會報告

The properties investment business in Hong Kong continued to make steady progress in the year. The market price of the two office units, which are located in the central business district in Wan Chai, Hong Kong has reduced by approximately 10% this year due to the unforeseen anti-extradition bill movement happened in Hong Kong, hence the Group's overall asset value have slightly decreased when compared to the year before. One of the properties has been used as the Group's headquarter, while the other unit has been partially leased out to generate rental income. We are optimistic that the properties investment business will bring long-term success to the Group.

年內，香港之物業投資業務繼續穩步發展。鑒於香港發生不可預見之反修例運動，位於香港灣仔商業中心區之兩個辦公室單位之物業價格於今年均下跌約10%，本集團之整體資產價值亦因此較去年輕微下跌。本集團其中一項物業用作集團總部，其他單位則部分出租以賺取租金收入。我們有信心，物業投資業務將為本集團帶來長遠成功。



Henan Building, Wan Chai, Hong Kong
香港灣仔豫港大廈



Located in the central business district in
Wan Chai, Hong Kong
座落於香港灣仔之商業中心區

The Group has set up a new indirect non-wholly owned subsidiary, incorporated in the People's Republic of China ("PRC"), specializing in furniture design including window frames, doors and wardrobes customized design and manufacture. The products have combined the values and technological efficiencies with fine and unrivalled craftsmanship. The business will target high-end customers as well as corporate customers such as hotels and property developers in PRC's first-tier cities, by providing personalized and unique furniture in high quality. However, the coronavirus epidemic in major cities in China have put the business behind original schedule, and the sales work has been postponed. Once the coronavirus is under controlled, we believe that the growing urbanization and commercialization trend in PRC will lead to a high demand for advanced and reliable customized design furniture. Positive construction spending and ongoing renovation are the key trends witnessed which would gradually favor viable growth opportunities for the market.

本集團已成立了一家於中華人民共和國（「中國」）註冊成立之間接非全資附屬公司，專門從事傢俬設計，包括設計及製造各種訂製窗框、門及衣櫃，產品造工精緻，匠心獨運，無論價值及技術效益均卓越不凡。該業務提供個性化及獨特的優質傢俬，以高端客戶及企業客戶為對象，如中國一線城市酒店及房地產開發商等。然而，中國各大主要城市爆發冠狀病毒疫情，令業務發展較原定落後，銷售工作停頓。一旦冠狀病毒受控，我們相信，中國之城市化及商業化發展趨勢，將帶動消費者對先進及可靠的訂製傢俬有更殷切需求。建築開支有增無減，加上樓宇翻新項目持續展開，為市場提供無限的發展機遇。

STATEMENT FROM THE BOARD

董事會報告



Customized design door
量身訂製的門



Customized design window frames
量身訂製的窗框

Our money lending business wholly owned subsidiary company Ottoman Evershine Finance Limited, has been continued to operate during the year and provided the Company with stable income.

The trading business of the Group is now focusing on Onyx Marbles, a type of construction materials, importing from Turkey to PRC. The Group continued to assess the market appeal of the material during the year and noticed that the market demand of such material has changed, hence there was no sales recorded in 2019 and no additional materials were imported. However, new marketing strategies are planned to proceed in 2020 to better improve our overall trading business once the circumstances are suitable.

Due to the complexity of local government regulation, the sales process of the cemetery business in Henan, PRC has been affected during the year. The construction of the nearby funeral parlor has been suspended due to the cease of normal operation under the epidemic. The updated schedule of the funeral parlor is estimated to reach completion by the end of the year 2020, the opening of this funeral parlor will create an ideal business environment and we will implement the applicable marketing strategies in order to maximize the potential of the cemetery business.

我們經營放債業務之全資附屬公司奧斯曼財務有限公司於年內持續經營，並為本公司帶來穩定收入。

本集團之貿易業務正重點關注一種由土耳其進口到中國之建築材料—瑪瑙大理石。本集團於年內繼續探索該材料之市場吸引力，並留意到該材料之市場需求有變，並因此於二零一九年並無錄得任何銷售額及並無進口其他材料。然而，現正籌備於二零二零年推行新的市場營銷策略，以在合適情況下改善我們的整體貿易業務。

年內，基於當地政府監管規例相當複雜，於中國河南省展開之公墓業務銷售工作一直受到影響，鄰近殯儀館之施工亦因疫情導致市面工作停擺而暫停。殯儀館現最新預計於二零二零年年底落成。殯儀館之開張將有助創造理想的經營環境，而我們將推行適切的營銷策略，以發揮公墓業務之最大潛力。

STATEMENT FROM THE BOARD

董事會報告



Funeral Parlor under construction
興建中之殯儀館



Funeral Parlor estimated to reach completion by the end of 2020
殯儀館預計於二零二零年年底落成



Xianganling Cemetery is situated on the land with an area of approximately 47 Mu which is located at Zhecheng County, Henan Province, the PRC
襄安陵公墓位於中國河南省柘城縣，土地面積約47畝



Evershine Group offers premium and professional services in cemetery
永耀集團於公墓提供優質及專業之服務



Our services include the sales of niches and plots, thus offering our expertise in tomb design and construction services, cemetery and columbarium maintenance services
我們的服務包括龕位及墓地銷售，連帶提供我們在墓穴設計及建設服務、公墓及骨灰龕維護服務方面之專業知識



We provide 12,000 units of cemetery
我們提供12,000個公墓龕位

STATEMENT FROM THE BOARD 董事會報告

During the year, Evershine Group Holdings Limited has joined the volunteer Christmas activity organized by Sheng Kung Hui Holy Carpenter Church Community Center (the "Community Center"). The aim of the activity is to serve the underprivileged families in Kowloon City district. Through the activities, the underprivileged families and children in Kowloon City were brought together to enjoy the Christmas atmosphere and experienced the caring coming from the community. And via donations, combined with the Community Center assistance in purchasing items such as furniture, stationery, toys and books for those who are in need within the neighborhood, we also aimed to support and relieve some of their economic pressure.



Executive Director Hung Tat Chi Alan giving a speech at the Sheng Kung Hui Holy Carpenter Church Community Center
執行董事洪達智先生於聖公會聖匠堂社區中心致辭

年內，永耀參加了由聖公會聖匠堂社區中心（「社區中心」）舉辦之聖誕節義工活動，活動目的是服務九龍城區基層家庭，透過活動凝聚九龍城之基層家庭及小朋友，讓他們感受到節日氣氛及社區人士之關愛。另外透過捐款，並由社區中心協助選購物品，如家品、文具、玩具及書籍等，送贈區內有需要人士，以支持及紓緩基層家庭部分經濟壓力。



Evershine volunteer team designed and hosted a game booth for parents and younger participants. More than 100 children and their parents enjoyed the game booth exceedingly
永耀義工團體為參與活動之家長及小朋友設計並主持一個攤位遊戲。超過100名兒童及家長樂在其中

PROSPECT

The Group remains positive about the future as a steady business growth is vastly expected. Existing projects are steadily approaching to maturity stage, while the more recent projects are fervently progressing in their development stages. We will continue to seek and invest resources in projects with the objectives of expanding our revenue sources, improving our profitability as well as diversifying our types of business so as to further develop the business of the Group and increase the shareholders' return.

APPRECIATION

I would like to express my sincere appreciation to our staff and employees for their dedication and hard work in forging a resilient future. Finally, I must thank our business partners and shareholders for maintaining the support and confidence in the Group over the years.

前景

集團上下廣泛預期業務將有穩健增長，因此，本集團對未來前景依然樂觀。現有項目正平穩步入成熟期，一些更近期之項目亦正於其各自之發展階段急速成長。我們將繼續尋求能夠擴大收入來源、提高盈利能力及多元拓展業務種類之項目，並投放資源於該等項目，以進一步拓展本集團業務，增加股東回報。

致謝

本人謹此對員工為塑造更璀璨美好未來所盡的努力及辛勞致以衷心謝意。最後，本人亦衷心感謝業務夥伴及股東多年來對本集團堅定不移的支持和信任。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

The board of Directors (the “Board”) of Evershine Group Holdings Limited (the “Company”) herein presents the audited annual results of the Company and its subsidiaries (collectively as the “Group”) for the financial year ended 31 December 2019 (the “Year”).

BUSINESS REVIEW

For the Year, the Group engaged in trading business, property development and investment business, money lending business, cemetery business and mobile application business. Details of the principal subsidiaries and the associates of the Group are disclosed in Notes 44 and 19 respectively to the consolidated financial statements.

During the Year, the Group recorded revenue of approximately HK\$3,438,000 (2018: approximately HK\$4,427,000). The decrease in revenue was mainly due to lower revenue generated from the trading business. The Group's loss attributable to owners decreased to approximately HK\$92,278,000 for the Year (2018: approximately HK\$105,087,000). Such decrease in the loss was mainly attributable to: (i) loss on disposal of an associate of approximately HK\$10,398,000 (2018: gain on disposal of approximately HK\$1,050,000); (ii) no impairment loss on intangible asset – operating right of the cemetery (2018: approximately HK\$73,171,000); (iii) increase in impairment loss of interest in an associate of approximately HK\$32,376,000; and (iv) loss on fair value change of investment properties of approximately HK\$4,593,000 (2018: gain on fair value change of approximately HK\$5,700,000).

Trading Business

During the Year, the Group generated revenue from the trading business of approximately HK\$1,022,000 (2018: approximately HK\$3,001,000). The revenue was generated from an indirect non-wholly owned subsidiary, incorporated in the People's Republic of China (the “PRC”), specializing in furniture design including window frames, doors and wardrobes customized design and manufacture.

The Group has imported a batch of Onyx Marbles, a type of construction materials from the Republic of Turkey (“Turkey”) to the PRC. Although no sales has been recorded during the Year, this batch of Onyx Marbles is ready for sales and marketing. We will continue to assess the market appeal of the Onyx Marbles and seek for the opportunity of increasing the volume of purchase in the next batch of shipping, as the economies of scale is key to improve the gross profit of the trading of Onyx Marbles.

永耀集團控股有限公司（「本公司」）董事會（「董事會」）謹此提呈本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止財政年度（「年內」）之經審核年度業績。

業務回顧

年內，本集團從事貿易業務、物業開發及投資業務、放債業務、公墓業務及手機應用程式業務。有關本集團主要附屬公司及聯營公司之詳情分別於綜合財務報表附註44及19披露。

年內，本集團錄得收益約3,438,000港元（二零一八年：約4,427,000港元）。收益減少主要由於貿易業務所產生收益下跌。年內擁有人應佔本集團虧損減少約92,278,000港元（二零一八年：約105,087,000港元）。有關虧損減少主要歸因於(i)出售聯營公司之虧損約10,398,000港元（二零一八年：出售收益約1,050,000港元）；(ii)並無有關無形資產－公墓經營權之減值虧損（二零一八年：約73,171,000港元）；(iii)於一間聯營公司之權益之減值虧損增加32,376,000港元；及(iv)錄得投資物業之公平值變動虧損約4,593,000港元（二零一八年：公平值變動收益約5,700,000港元）。

貿易業務

年內，本集團貿易業務產生收益約1,022,000港元（二零一八年：約3,001,000港元）。收益來自一間於中華人民共和國（「中國」）註冊成立之間接非全資附屬公司，其專門從事傢俬設計，包括設計及製造各種訂製窗框、門及衣櫃。

本集團已進口一批來自土耳其共和國（「土耳其」）之瑪瑙大理石（為一種建築材料）到中國。儘管年內並無錄得銷售，惟該批瑪瑙大理石已預備進行銷售及市場推廣。我們將繼續評估瑪瑙大理石之市場吸引力及尋求機會增加下一批貨運之購貨量，原因是規模經濟是提升瑪瑙大理石貿易毛利之關鍵。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Property Development and Investment

The Group holds properties located in Hong Kong and Turkey. Properties in Hong Kong and certain properties in Turkey are held for investment purpose to earn rental income and with a view to capture any possible future capital appreciation. During the Year, the Group generated rental income of approximately HK\$2,064,000 (2018: HK\$1,334,000), with approximately HK\$1,176,000 (2018: HK\$1,114,000) and HK\$888,000 (2018: HK\$220,000) generated from investment properties situated in Hong Kong and Turkey respectively.

In addition to properties leasing, during the year ended 31 December 2019, Boyracı Yapı İnşaat ve Taahhüt Gayrimenkul Yatırım Anonim Şirketi ("Boyracı Construction") has entered into two sales and purchase agreements with independent third parties to dispose 1.5 residential properties in an aggregate consideration of USD680,000 (approximately HK\$5,104,000) (2018: nil). The Group has sold the properties through Turkey property investment immigration program and it has generated other income of approximately HK\$811,000 for the property investment and development business on top of the rental income. The Group will continue to make tremendous efforts in attracting potential buyers in PRC, Hong Kong and Turkey in the future.

The Group expands its business in building construction, property development, trading of construction materials and the related consultancy services. Having acquired 30% equity interest in Boyracı Construction, a company incorporated in Turkey that principally engaged in the construction, contracting works, construction materials trade, property sales and leasing from Mr. Osman Boyracı (the "Vendor"), in 2016, the Group has gathered confidence in the potential of the property development market in Turkey. Thus, in 2017, the Group entered into an agreement to acquire a further 30% equity interest in Boyracı Construction in a bid to further capture its bright potential business development. The transaction was completed on 1 October 2018.

As at 31 December 2019, Boyracı Construction has 7 construction projects located in Kadıköy, including 5 completed projects namely Koza Apartmanı, Sibel Apartmanı, Akasya Apartmanı, Evim Apartmanı and Doğa Apartmanı, and 2 under-construction projects, namely Project İclaliye and Project Hurrem. Kadıköy is a large, populous, and cosmopolitan district in the Asian side of Istanbul, Turkey. The place has some of the most attractive shopping areas in the city. Kadıköy apartments benefit from modern, stylish builds, excellent facilities and good travel links to the central city. Today, Kadıköy remains as one of the most strategic places both for business and property investment in Istanbul.

物業開發及投資業務

本集團持有位於香港及土耳其之物業。香港之物業及若干土耳其之物業作投資用途，以收取租金收入及把握任何未來資本增值機會。年內，本集團賺取租金收入約2,064,000港元（二零一八年：1,334,000港元），其中，來自香港及土耳其投資物業之租金收入分別約為1,176,000港元（二零一八年：1,114,000港元）及888,000港元（二零一八年：220,000港元）。

除物業租賃外，於截至二零一九年十二月三十一日止年度，Boyracı Yapı İnşaat ve Taahhüt Gayrimenkul Yatırım Anonim Şirketi（「Boyracı Construction」）與獨立第三方訂立兩份買賣協議，以出售1.5個住宅物業，總代價為680,000美元（約5,104,000港元）（二零一八年：無）。本集團透過土耳其之物業投資移民計劃出售該等物業，致使其物業開發及投資業務獲得租金收入以外之其他收入約811,000港元。未來，本集團將繼續努力吸引中國、香港及土耳其之潛在買家。

本集團繼續拓展樓宇建造、物業開發、建築材料買賣及相關諮詢服務之業務。於二零一六年向Osman Boyracı先生（「賣家」）收購於土耳其註冊成立之公司Boyracı Construction（主要從事建築、承包工程、建築材料買賣、物業銷售及租賃業務）30%股權後，本集團對土耳其物業開發市場潛力之信心增加。因此，本集團已於二零一七年訂立一份協議，收購Boyracı Construction額外30%股權，以進一步把握其亮麗之業務發展潛力。該交易已於二零一八年十月一日完成。

於二零一九年十二月三十一日，Boyracı Construction有7個位於卡德柯伊之建築項目，包括5個已完成項目，分別為Koza Apartmanı、Sibel Apartmanı、Akasya Apartmanı、Evim Apartmanı及Doğa Apartmanı，以及2個在建項目，分別為İclaliye項目及Hurrem項目。卡德柯伊位於土耳其伊斯坦堡亞洲一側，為一個人口密集之大都會，坐擁市內多個充滿魅力之購物地點。卡德柯伊之公寓時髦時尚、設施完善、來往市中心交通方便，具備優勢。時至今日，卡德柯伊仍是伊斯坦堡中最具戰略意義之商業及物業投資重地之一。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

The 2 under-construction projects have a total construction area of 4,696 m² consisting 31 residential units, 7 commercial units and 26 carparks. After reconstruction, Boyracı Construction obtained 8 rewarded residential units and 3 rewarded commercial units with total gross saleable area of approximately 1,421 m². The carrying amount of the rewarded units in respect of the 2 under-construction projects approximated to USD4,523,000 as at 31 December 2019. Upon the completion of Boyracı Construction further acquisition in October 2018, the projects were originally expected to be completed by 30 September 2019. However, the 2 under-construction projects are still in progress and the contingent obligation to issue promissory note of approximately USD1,111,000 has been lapsed on 30 September 2019. Up to the date of this report, one of the under-construction projects, namely Project Icaliye, has been completed in May 2020 and relevant title deeds have been obtained. Based on the management's latest assessment, the remaining under-construction project is expected to be completed by mid-2020 and the issue of potential new promissory note is still under negotiation between the Company and the Vendor.

Leveraging on the expertise in property development in Turkey, the Group also seeks to act as a property trader and consultant to provide property development related services in the future. The Group has been in negotiations to provide such service to a project that develops public and private housing. The Company will make further announcement(s) as and when necessary.

The management considers that the property development and investment business will become a significant part of the Group's business as a whole in its future plan.

該2個在建項目之總建築面積為4,696平方米，包括31個住宅單位、7個商業單位及26個停車位。竣工後，Boyracı Construction取得8個報償住宅單位及3個報償商業單位，總實用面積約為1,421平方米。該2個在建項目之報償單位於二零一九年十二月三十一日之賬面值約為4,523,000美元。進一步收購Boyracı Construction一事於二零一八年十月完成時，當時原預期項目將於二零一九年九月三十日前竣工。然而，該2個在建項目仍在興建，而發行承兌票據約1,111,000美元之或然義務已於二零一九年九月三十日失效。截至本報告日期，其中一項名為Icaliye項目之在建物業已於二零二零年五月竣工，並已取得相關業權。根據管理層最新評估，餘下在建項目預期將於二零二零年中竣工，而本公司與賣家仍就可能發行新的承兌票據進行磋商。

憑藉於土耳其房地產開發方面之專業知識，本集團亦有意擔當物業買賣商及顧問，於未來提供物業開發相關服務。本集團正在協商為一項開發公共及私人住宅之項目提供相關服務。本公司將於必要時另行刊發公佈。

管理層認為，在本集團未來發展藍圖中，物業開發及投資業務將成為其整體業務之重點部分。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Cemetery Business

The Group has been engaged in the operation of a cemetery located in Zhecheng County in Henan Province of PRC (the "Cemetery"). The Cemetery has obtained the operating right for a term up to 1 July 2050 and the required operating permit, subject to annual renewal for the permission to operate the Cemetery.

The Operations of the Cemetery Business

The progress of the Cemetery Business has fallen behind the original schedule as described in the circular of the Company dated 7 November 2015. Although the reallocation and demolition of old graves took excessive time than originally expected, this task has been completed. However, the construction of the cemetery and the related facilities have not yet been completed in 2018 and up to the date of this report. The related facilities including the funeral parlor and the cremation machine do not belong to Zhecheng County Xiangnanling Cemetery (柘城縣襄安陵公墓) (the "Cemetery Operator"), the operator of the Cemetery Business. The operation of funeral parlor and cremation machine are governed and owned by the civil affairs bureau of Zhecheng Government. The Cemetery Operator received a letter in early August of 2018 from the funeral parlor that the funeral parlor operating party has been communicated with the local government about the refurbishment plan. As the funeral parlor and the cremation machine had gone through many repairs in the past two years and were not available for use most of the time in 2018, the Cemetery Operator considers that this is likely the main reason for the intention of the funeral parlor to refurbish the funeral parlor and the cremation machine to improve the facilities. The Cemetery Operator understands that fund for refurbishment of funeral parlor and cremation machine estimated to be RMB14,000,000 is sourced from the local government bureau's internal budget. In general, once there is plan to refurbish the funeral parlor and cremation machine, local government bureau would invite contractors to submit tenders. In reference to "Zhe Fa Gai Tou Zi (2018) No.8" (柘發改投資(2018)8號), it was announced in the Zhecheng Government's website dated 29 August 2018 that the funeral parlor shall commence the construction in 2018 and shall complete in 2019. The tender result of the funeral parlor construction was finally released in 2019, and duration of the construction would be within 365 days. It is expected by the management that the refurbishment project shall be completed by mid-2020. However, due to the arrival of coronavirus in late 2019, the construction of funeral parlor has been suspended for a while, and the management expects that the new funeral parlor will put into service few months later than the original schedule, i.e. late 2020. Prior to the completion of the refurbishment plan, the Cemetery Operator does not expect that the business operation of the Cemetery Business will show significant improvement.

公墓業務

本集團一直從事經營位於中國河南省柘城縣之公墓(「公墓」)。公墓已取得於二零五零年七月一日到期之經營權，並已獲取所需營運許可證，每年須予重續以經營公墓。

公墓業務之營運

誠如本公司日期為二零一五年十一月七日之通函所述，公墓業務之進度已落後於原定時間表。儘管將現有墓地搬遷及拆卸所花費之時間比原先預期長，但該項任務已告完成。然而，公墓及相關設施之建設於二零一八年及直至本報告日期尚未完成。殯儀館及火化機等相關設施並不屬於公墓業務經營者柘城縣襄安陵公墓(「公墓經營者」)。殯儀館及火化機之經營受柘城政府之民政局規管及擁有。公墓經營者於二零一八年八月初收到殯儀館之函件，稱殯儀館經營方已與當地政府就整修計劃進行了溝通。由於殯儀館及火化機在過去兩年經歷多次維修，於二零一八年大部分時間均無法使用，公墓經營者認為這很有可能是殯儀館經營方擬整修殯儀館及火化機以改善設施之主要原因。公墓經營者了解到，殯儀館及火化機之估計整修資金人民幣14,000,000元來自當地政府部門之內部預算。一般而言，一旦有計劃整修殯儀館及火化機，當地政府部門會邀請承包商提交標書。經參考《柘發改投資(2018) 8號》，柘城政府網站已於二零一八年八月二十九日公佈，殯儀館將於二零一八年開始動工，並將於二零一九年竣工。殯儀館施工投標之結果最終於二零一九年公佈，有關工程之時限將為365日內。管理層預計整修項目將於二零二零年中竣工。然而，鑒於二零一九年底新型冠狀病毒來臨，殯儀館之施工已停擺一段時間，而管理層預期殯儀館將較原定計劃延遲數個月至二零二零年底投入服務。於整修計劃完成前，公墓經營者預計公墓業務之業務運營不會有顯著改善。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

The Cemetery

The location of the Cemetery is in the remote area outside Zhecheng County and it is not well known locally. Based on the historical statistics available in 2019, Zhecheng County is a small county with a population of about 1,044,000 in 2018. Rate of cremation in Henan Province is less than 20% of the total deceased population in 2018 and has decreased by 53% when compared to the figure found in 2012.

It is under the Funeral Management Regulations (《殯葬管理條例》) released in 2005 that the deceased should be cremated for burial if there is cremation facility closed by. Although the local government has been educating the local community to have cremation service but law reinforcement may not be as effective. There is still strong cultural influence that burying without cremation is preferred and spending large amount of money to have lavish cemetery units for the deceased may be beyond the reach of most of the locals. The unstable availability of the funeral parlor and cremation machine during the past two years and its recent refurbishment, and the lack of one-stop service made it even more difficult to attract local community to use the Cemetery in the near future. The Company is considering to improve its performance of the Cemetery Business by other measures such as placing advertisement and distribution of leaflets at hospitals or elderly homes to let the local community becoming more aware of the Cemetery.

With the more stringent measures carried out by the government such as the release of Notice of the “Special Remediation Action Plan for Outstanding Problems in the Funeral Area of Henan Province” (《河南省殯葬領域突出問題專項整治行動方案的通知》) dated 7 August 2018. This Notice asked for local government to perform self-review and provide reports for any incompliance to the Civil Affairs Bureau of the Henan Province. If there is any incompliance identified, working group would be formed to examine the conditions, identify issues and facilitate the execution of any solution. In respect of the operation of the cemeteries, land bureau of provinces would provide more resources in dealing with the expropriation of land process. There would be more support from the government to improve local funeral parlor and cremation facilities. With the possible assistance from the local government, the Company shall take more active approach to follow up the transfer of land use right and the demand of cemetery units may reach our expected level in one to two-year time as the Cemetery is the only approved operating entity in Zhecheng County. The Company will allocate more resources to the Cemetery Business should the performance of Cemetery Business improve. At the same time, the Company shall strengthen its communication with the funeral parlor operating entity and local civil affairs bureau or department to facilitate the reinstalling of the funeral parlor and cremation machine.

公墓

該公墓位於柘城縣外之偏遠地區，在當地並不為人所知。根據二零一九年可得之過往統計數據，柘城縣為一座小縣城，二零一八年人口約為1,044,000人。於河南省二零一八年之總死亡人數中，火葬率不足20%，較二零一二年所錄得數字下降53%。

根據二零零五年頒佈之《殯葬管理條例》，如附近有火化設施，應對逝者遺體進行火葬。儘管地方政府一直在教育當地社區推行火葬服務，但加強法規未必能見成效。促使人們不選擇火葬之文化影響力仍十分強大，花費大量金錢為逝者購買奢華之公墓龕位對於絕大部分本地人而言，可能是力所不能及之事。殯儀館及火化機在過去兩年之供應並不穩定且近期進行了整修，加上缺乏一站式服務，使短期內更難吸引到當地社區使用該公墓。本公司正考慮採取其他措施以改善公墓業務之表現，如在醫院或養老院投放廣告及派發傳單，以加深當地社區對該公墓之認識。

隨著政府採取更為嚴格措施，如於二零一八年八月七日刊發《河南省殯葬領域突出問題專項整治行動方案的通知》。該通知要求當地政府進行自行審查及向河南省民政局提供關於任何違規之報告。倘發現到任何違規，將會成立工作小組以查明情況、確認問題及協助落實任何解決方法。有關該等公墓之營運，各省之國土局將於土地徵收之處理過程中提供更多資源。政府將提供更多支持以改善當地殯儀館及火葬設施。於當地政府可能提供之協助下，本公司將更加積極跟進土地使用權轉讓之後續工作，且由於該公墓為柘城縣唯一獲批之經營單位，故於一至兩年內該縣對公墓龕位之需求可能會達致我們預期水平。倘公墓業務之表現有所改善，本公司將分配更多資源至公墓業務。與此同時，本公司將加強與殯儀館經營單位及當地民政局或部門之溝通，以加快重建殯儀館及重置火化機。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

During 2018, in existence of the unfavourable business condition which may not turn around in very short period of time, the Group re-assessed its position in respect of the Cemetery Business by taking the following measures:

- (a) the Company would maintain the operation without large amount of capital expenditure until the business environment is improved, for example, the completion of the reinstalling of the funeral parlor and cremation machines; and
- (b) the Company appointed an independent professional valuer to carry out a valuation of the intangible asset as of 31 December 2018 which is the operating permit of the Cemetery with reference to the current operating level as it has been below the Group's original schedule as described in the circular of the Company dated 7 November 2015. It has not generated cash flow as originally expected, although it may be temporary, partly affected by the latest development of the demolishment of the funeral parlor and cremation machine.

As a result of the valuation, an impairment loss of approximately HK\$73,171,000 on the intangible asset – operating right was recognised for the year ended 31 December 2018 due to (i) parts of related facilities had been under construction which affected the performance; and (ii) certain unfavourable business condition were identified.

As at 31 December 2019, the intangible asset – operating right was subject to the annual impairment assessment, and the recoverable amount was higher than its carrying value. The management is not aware of any impairment indicators and no provision for impairment loss is accounted for during the Year.

The land use rights of the land on which the Cemetery is situated

The Company has consulted an independent PRC legal professional about the detailed procedures and time estimation in obtaining of the land use rights of the land on which the Cemetery is situated (the "Land"). As advised, there are two processes, namely the expropriation of land and the transfer of land use right. The expropriation of land process should take place before the transfer of land use right process.

The Board has been monitoring the Cemetery Business since the acquisition of the Cemetery and weighing the costs, benefits and relevant risk, before it would take further steps to initiate the transfer of land use right. The Company has been in discussion with the Cemetery Operator on its concern on how to ensure that the Cemetery Operator would obtain the bid at the lowest possible risk and maintain its operating right of the Cemetery. Furthermore, as described above, in view of the less favorable business environment following the acquisition, the Company would like to take its pace to gather more information before making decision on the transfer of the land use right of the Land as the Company would have to pay the land transfer fee and the government levies.

於二零一八年，鑒於業務環境不利因素於極短期內未能好轉，本集團已通過採取下列措施，重新評估公墓業務之定位：

- (a) 本公司將維持營運，但不會耗用大量資本開支，直至業務狀況改善（如已完成重建殯儀館及重置火化機）為止；及
- (b) 本公司已委任獨立專業估值師於二零一八年十二月三十一日對該公墓之無形資產（即營運許可證）進行估值，當中參考了目前營運水平（該水平低於本公司日期為二零一五年十一月七日之通函所述之本集團原定時間表所訂）。其並無如原先所預期產生現金流量，此情況有機會屬暫時性，部分原因是殯儀館及火化機近期被拆除所影響。

由於進行估值，截至二零一八年十二月三十一日止年度，就無形資產－經營權確認減值虧損約73,171,000港元，此乃由於(i)部分相關設施仍在興建中，影響表現；及(ii)發現若干業務環境不利因素。

於二零一九年十二月三十一日，無形資產－經營權經進行年度減值評估後，得出可收回金額高於賬面值。管理層並無發現任何減值跡象，並因此於年內並無就減值虧損計提撥備。

該公墓位處土地之土地使用權

本公司已就獲取該公墓位處土地（「該土地」）之土地使用權之詳細手續及估計時間諮詢中國獨立法律專業人士，並獲告知有兩套流程，即土地徵收及土地使用權轉讓。土地徵收流程應在土地使用權轉讓流程之前進行。

董事會於收購該公墓起一直在監察公墓業務，且於進一步啟動土地所有權轉讓前一直在權衡成本、裨益及相關風險。本公司已與公墓經營者進行討論，內容有關公墓經營者如何確保其將以最低風險中標並維持該公墓經營權之關注事項。此外，鑒於上述進行收購後之不利業務環境因素，本公司於決定轉讓該土地之土地使用權之前有意加快步伐收集更多資料，原因是本公司將須支付土地轉讓費及政府徵費。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

As provided in the Company's circular dated 7 November 2015 regarding the acquisition of the Cemetery, the Cemetery Operator and the land use right owner have entered into an agreement for the acquisition of the land use right with the land compensation of RMB250,000 per mu by 31 December 2016. The contract has expired on 31 December 2016 and the land compensation per mu should be re-accessed with reference to the assessment provided by the local land bureau. The Company shall work with the land use right owner to start the land expropriation application as described above.

It has started the first stage of land expropriation process in the first quarter of 2019. Assuming the hostile business condition would turn around, funeral facilities such as the funeral parlor and cremation machine would be reinstalled and land use right would be completed by 2021, the full scales of cemetery units utilization will eventually be recorded. From the completion of the acquisition of the operating right of the Cemetery up to 31 December 2019, 50 cemetery units have been generating service income for the Cemetery Business and deposits of another 7 cemetery units have been received.

Subsequent to the reporting period and up to the date of this report, the Group has not yet obtained any new service contract.

With the completion of construction work and obtaining land use right by 2021, it is anticipated that the cemetery will be having better performance in the future.

Money Lending Business

During the Year, Ottoman Evershine Finance Limited ("OE Finance"), a wholly-owned subsidiary of the Company, has renewed the money lenders license granted by the licensing court in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

During the Year, OE Finance has granted a loan of approximately USD366,000 to an independent third party. The loan is secured by the borrower's property and personal guarantee, and carries interest rate of 12% per annum with loan period of ten years.

During the Year, the interest income contributed from the money lending business was approximately HK\$254,000 (2018: HK\$29,000). The Group will continue to strengthen the money lending business by broadening the customer base but will adopt a prudent strategy when approving new loans so as to balance the profitability and the credit risk involved.

誠如本公司日期為二零一五年十一月七日內容有關收購公墓之通函所述，公墓經營者與土地使用權擁有人訂立協議，以於二零一六年十二月三十一日前以每畝土地補償金額人民幣250,000元收購土地使用權。該合約已於二零一六年十二月三十一日屆滿，而每畝土地補償金額應參考當地國土局提供之評估進行重新評估。誠如上文所述，本公司須與土地使用權擁有人合作以開始土地徵收之申請。

公墓經營者已於二零一九年第一季度開展第一階段之土地徵收程序。假設惡劣之業務狀況好轉、殯儀館及火化機等殯儀設施將予重置，且於二零二一年前取得土地使用權，則本公司可錄得全面之公墓龕位使用率。自收購公墓經營權完成直至二零一九年十二月三十日，50個公墓龕位已為公墓業務產生服務收入，並已收取另外7個公墓龕位之按金。

於報告期後及直至本報告日期，本集團並無就公墓龕位取得任何新服務合約。

待建設工程竣工及於二零二一年取得土地使用權後，預期公墓於未來將有較佳表現。

放債業務

年內，本公司全資附屬公司奧斯曼財務有限公司（「奧斯曼財務」）已根據香港法例第163章放債人條例重續香港牌照法庭授予之放債人牌照。

年內，奧斯曼財務已向獨立第三方授出一項約366,000美元之貸款。該等貸款以借客人物業及個人擔保作抵押，按年利率12%計息，貸款年期為十年。

年內，放債業務貢獻之利息收入約為254,000港元（二零一八年：29,000港元）。本集團將繼續透過擴展客戶基礎加強放債業務，同時在批出新貸款採取審慎策略，以平衡盈利能力及所涉信貸風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Before approval of any loan applications, the Group would assess the borrower's credit quality via: 1) reviewing the background and credit history of the borrower; 2) understanding the uses of fund and means of repayment by the borrower; and (3) performing asset check of the borrower. Borrowers shall be offered a fixed rate of interest on the loans on an individual basis depending on each result of credit assessment and collaterals offered by the respective borrowers, if any.

Mobile Application Business

In 2017, the Group acquired 40% equity interest in First Surplus Investments Limited ("FS Group"). FS Group and its subsidiaries are principally engaged in development of mobile games, game publishing, applications, related intellectual property and platform, and provision of related solutions. FS Group contains full team of development, support and market publication. Through the acquisition, it is expected that the Group can further develop mobile application business and capture the opportunities in the mobile online game industry and also the software industry.

During the Year, the Group has recorded a share of loss of approximately HK\$6,069,000 (2018: HK\$3,564,000).

During the Year, the Group had performed an impairment assessment on the interest in FS Group and the recoverable amount of it was lower than its carrying amount. As a result, the Group recognised an impairment of approximately HK\$35,260,000 (2018: HK\$2,884,000) during the year ended 31 December 2019 since the management of the FS Group realised that the performance of mobile games and application business was worse than expected due current economic environment in Hong Kong.

Other Corporate Income, Expenses and Finance Costs

During the Year, the corporate expenses of approximately HK\$9,742,000 not allocated to business segments (2018: approximately HK\$18,889,000) was mainly attributable to decreased operating expense including legal and professional fee, advertisement and nil one-off other receivable impairment in 2019.

Finance costs for the Year amounted to HK\$17,129,000 (2018: HK\$15,465,000), the significant increase was mainly attributable to the second mortgage borrowings totaling HK\$20,00,000 carrying interest rate of 16.8%.

DIVIDEND

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2019 (2018: nil).

批准任何貸款申請前，本集團會透過以下程序評估借款人之信貸質素：1)審視借款人之背景及信貸記錄；2)了解資金之用途及借款人之還款方法；及3)對借款人進行資產審查。借款人須個別就貸款支付按固定利率計算之利息，並視乎每項信貸評估之結果及各借款人給予之抵押品（如有）而定。

手機應用程式業務

二零一七年，本集團收購First Surplus Investments Limited (「FS集團」) 之40%股權。FS集團及其附屬公司主要從事手機遊戲開發、遊戲發行、應用程式、相關知識產權及平台業務以及提供相關解決方案。FS集團擁有完整開發、支援及市場發佈團隊。透過該收購事項，預期本集團可進一步發展手機應用程式業務，並抓緊手機在線遊戲行業以及軟件行業之機遇。

年內，本集團錄得應佔虧損約6,069,000港元（二零一八年：3,564,000港元）。

年內，本集團已對FS集團之權益進行減值評估，得出可收回金額低於賬面值。因此，由於FS集團管理層發現，手機遊戲及應用程式業務之表現受香港當前經濟環境影響而較預期弱，故本集團於截至二零一九年十二月三十一日止年度確認減值約35,260,000港元（二零一八年：2,884,000港元）。

其他公司收入、開支及融資成本

年內，公司開支約9,742,000港元尚未分配至業務分部（二零一八年：約18,889,000港元），此乃主要因於營運開支（包括法律及專業費用）減少、廣告開支減少、以及於二零一九年並無錄得其他應收款項一次性減值所致。

年內，融資成本為17,129,000港元（二零一八年：15,465,000港元），其大幅增幅主要歸因於以16.8%利率計息之第二按揭借貸合共20,000,000港元。

股息

董事不建議派付截至二零一九年十二月三十一日止年度任何末期股息（二零一八年：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

FINANCIAL POSITION

Charges on Group's Assets

As at 31 December 2019, charges on Group's assets include four term loans and a lease liability:

- 1) the carrying amount of two term loans amounts to HK\$59,000,000 which carries interest at 9% per annum with repayment period of 16 months that were secured by (i) first legal charges of the two properties acquired by the Company which was completed on 27 June 2016, with carrying amount of approximately HK\$95,117,000 as at 31 December 2019; and (ii) an unlimited personal guarantee given by Mr. Chiu Ngai Hung, a substantial shareholder of the Company; and
- 2) the carrying amount of two term loans amounts to HK\$20,000,000 which carries interest at 16.8% per annum with repayment period of 5 months that were secured by (i) second legal charges of the two properties acquired by the Company which was completed on 27 June 2016, with carrying amount of approximately HK\$95,117,000 as at 31 December 2019; and (ii) an unlimited personal guarantee given by Mr. Chiu Ngai Hung, a substantial shareholder of the Company; and
- 3) the carrying amount of a lease liability approximates amounts to HK\$570,000 which carries interest at 3.5% per annum. The maturity date of the lease liability is on 24 March 2020. The loan was secured by a motor vehicle with net book value of HK\$698,000 as at 31 December 2019. Subsequent to the reporting period, the lease liability was fully repaid and the motor vehicle was sold to an independent third party on 17 March 2020.

Liquidity and Financial Resources

As at 31 December 2019, the total assets of the Group was approximately HK\$307,615,000 (2018: approximately HK\$384,564,000), including cash and bank balances of approximately HK\$812,000 (2018: approximately HK\$3,573,000).

Capital Structure

The number of issued shares of the Company as at 31 December 2019 and 31 December 2018 were 1,803,541,356 and 1,802,677,356 shares, respectively.

On 13 November 2018, the Company and Macquarie Bank Limited (the "Subscriber" or the "Noteholder") entered into the conditional subscription agreement, pursuant to which the Subscriber conditionally agreed to subscribe for and the Company has conditionally agreed to issue the convertible notes in the principal amount up to HK\$300,000,000 (the "Macquarie CN").

財務狀況

本集團資產抵押

於二零一九年十二月三十一日，本集團資產抵押包括四項定期貸款及一項租賃負債：

- 1) 兩個定期貸款之賬面值為59,000,000港元，以每年9%之利率計息，而還款期為16個月，以(i)本公司於二零一六年六月二十七日完成收購之兩項物業於二零一九年十二月三十一日之賬面值約為95,117,000港元之第一法定押記；及(ii)由本公司主要股東趙毅雄先生提供之無上限個人擔保作抵押；及
- 2) 兩個定期貸款之賬面值為20,000,000港元，以每年16.8%之利率計息，而還款期為5個月，以(i)本公司於二零一六年六月二十七日完成收購之兩項物業於二零一九年十二月三十一日之賬面值約為95,117,000港元之第二法定押記；及(ii)由本公司主要股東趙毅雄先生提供之無上限個人擔保作抵押；及
- 3) 一項租賃負債之賬面值為約570,000港元，以每年3.5%之利率計息。該租賃負債之到期日為二零二零年三月二十四日。該項貸款以於二零一九年十二月三十一日賬面淨值為698,000港元之汽車作抵押。於報告期後，該租賃負債已全數償還，而該汽車已於二零二零年三月十七日售予獨立第三方。

流動資金及財務資源

於二零一九年十二月三十一日，本集團之資產總值約為307,615,000港元（二零一八年：約384,564,000港元），包括現金及銀行結餘約812,000港元（二零一八年：約3,573,000港元）。

資本結構

於二零一九年十二月三十一日及二零一八年十二月三十一日，本公司已發行股份數目分別為1,803,541,356股及1,802,677,356股。

於二零一八年十一月十三日，本公司與麥格理銀行有限公司（「認購人」或「票據持有人」）訂立有條件認購協議，據此，認購人已有條件同意認購及本公司已有條件同意發行本金額最高300,000,000港元之可換股票據（「麥格理可換股票據」）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

The Macquarie CN was structured in two tranches. Each tranche carried an aggregate principal amount of HK\$150,000,000 and bore 1% interest per annum with maturity date on the second anniversary of the closing date. Each convertible note entitled the Noteholder to convert the Macquarie CN into shares at any time during the conversion period at the conversion price, provided that no conversion right might be exercised at a conversion price lower than the floor price (which is subject to adjustments). The conversion price represented 92% of the volume weighted average price of the shares as traded on the relevant stock exchange on the trade day immediately preceding the relevant conversion date.

On 21 February 2019, all conditions precedents set out in the subscription agreement in relation to the Macquarie CN were fulfilled and completion of the issuance of the first tranche of the Macquarie CN in the principal amount of HK\$150,000,000 was taken place on the same date. The Macquarie CN will mature on the second anniversary date i.e. 20 February 2021.

Details were disclosed in the Company's announcements and circular dated 13 November 2018, 3 December 2018, 31 December 2018 and 15 February 2019.

On 25 February 2019, the Company received conversion notice in respect of the exercise of part of the conversion rights attached to the Macquarie CN. On the same day, the Company allotted and issued 864,000 shares at HK\$1.160488 per share.

On 16 October 2019, the Company received a notice (i.e. the Relevant Event Put Exercise Notice) from the Noteholder that first tranche of Macquarie CN with outstanding principal of HK\$149,000,000 was redeemed on 13 November 2019 at 98% (i.e. the Relevant Event Put Date pursuant to the subscription agreement). For details, please refer to the announcement of the Company dated 23 October 2019.

LITIGATION

On 16 October 2019, the Company received a Relevant Event Put Exercise Notice (the "Notice") issued by Macquarie Bank Limited pursuant to the subscription agreement dated 13 November 2018. Pursuant to the Notice, the Macquarie CN was redeemed on the on 13 November 2019. The Noteholder terminated the subscription agreement alleging that the closing price of shares stayed below the Floor Price for at least 5 consecutive trading days, there has been material breach of, in any material respect, any of the warranties and representations contained in the agreement or any material failure to perform any of the Issuer's undertaking or agreements in the agreement. Therefore, the Noteholder requested the Company to pay a cancellation fee of HK\$2,990,000.

麥格理可換股票據分為兩個批次，每批次之本金總額為150,000,000港元，按年利率1%計息且到期日為完成日期之第二週年日。各可換股票據賦予票據持有人權利，可於兌換期間隨時按兌換價將麥格理可換股票據兌換為股份，惟不得按低於底價（可予調整）之兌換價行使兌換權。兌換價相當於股份於緊接有關兌換日期前之交易日在相關證券交易所買賣之成交量加權平均價之92%。

於二零一九年二月二十一日，已達成與麥格理可換股票據有關之認購協議所載所有先決條件，並於同日完成發行第一批次本金額為150,000,000港元之麥格理可換股票據。麥格理可換股票據將於第二週年日（即二零二一年二月二十日）到期。

有關詳情於本公司日期為二零一八年十一月十三日、二零一八年十二月三日、二零一八年十二月三十一日及二零一九年二月十五日之公佈及通函披露。

於二零一九年二月二十五日，本公司接獲有關行使部分麥格理可換股票據隨附兌換權之兌換通知。於同日，本公司按每股1.160488港元配發及發行合共864,000股股份。

於二零一九年十月十六日，本公司接獲票據持有人發出之通知（即相關事件認沽期權行使通知），據此，未償還本金額為149,000,000港元之第一批次之麥格理可換股票據已於二零一九年十一月十三日（即根據認購協議之相關事件認沽日期）按98%贖回。詳情請參閱本公司日期為二零一九年十月二十三日之公佈。

訴訟

於二零一九年十月十六日，本公司接獲麥格理銀行有限公司根據日期為二零一八年十一月十三日之認購協議發出之相關事件認沽期權行使通知（「該通知」）。根據該通知，麥格理可換股票據已於二零一九年十一月十三日贖回。票據持有人宣稱股份收市價於至少連續5個交易日低於底價，並因此終止認購協議。協議所載任何保證及陳述在任何重大方面遭嚴重違反，或協議內任何發行人之承諾或協議出現任何嚴重無法履行之情況，因此，票據持有人要求本公司支付註銷費2,990,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

On 21 January 2020, subsequent to the reporting period, the Noteholder issued a writ of summons and indorsement of claim at the District Court of the Hong Kong Special Administrative Region (the “HKSAR”) (the “Writ”) against the Company. Pursuant to the Writ, the Noteholder claims against the Company, amongst others, a sum of HK\$2,990,000 being the sum due and owing to the Noteholder by the Company pursuant to clause 1.4 of the subscription agreement (the “Claim”).

On 27 March 2020, the Noteholder agreed to settle the aforesaid matters at HK\$300,000. As such, the Group made a provision accordingly in relation to an estimated cash outflow in relation to the such matters for the year ended 31 December 2019.

On 7 April 2020, the Company settled the agreed total sum of HK\$300,000 in full and final settlement of all claims arising out from the Claim to Noteholder. On 20 April 2020, the Company has received the consent order issued by the District Court of the HKSAR that the Noteholder shall discontinue any further actions in relation to the Claim against the Company.

COMMITMENTS

The details of the capital commitments incurred during the year ended 31 December 2019 are set out in note 39 to the consolidated financial statements.

MATERIAL ACQUISITION AND INVESTMENTS

Acquisition of additional 30% of the equity interest of Boyracı Construction

On 6 June 2017, Ottoman Evershine İnşaat Proje Ticaret Anonim Şirketi (“Ottoman Evershine Construction”), a company incorporated in Turkey, and an indirect wholly owned subsidiary of the Company, and Mr. Osman Boyracı entered into the sales and purchase agreement in relation to acquisition of additional 30% of the equity interest of Boyracı Construction (“Boyracı Construction Acquisition”).

Boyracı Construction is a company incorporated in Turkey and is specialised in elite urban transformation projects and construction of earthquake resistant buildings. The Group acquired initial 30% of the equity interest of Boyracı Construction on 30 December 2016. As of the first acquisition date, Boyracı Construction had 5 completed construction projects, and 1 investment project, namely Acarblu Tıcarte Merkezi (“Acarblu Property”), and there are 2 under- construction projects.

於報告期後之二零二零年一月二十一日，票據持有人針對本公司向香港特別行政區（「香港特別行政區」）區域法院發出傳訊令狀連申索背書（「令狀」）。根據令狀，票據持有人向本公司申索（其中包括）本公司根據認購協議條款第1.4條應付及結欠票據持有人之款項2,990,000港元（「該申索」）。

於二零二零年三月二十七日，票據持有人同意就上述事項接受300,000港元之和解費用。因此，本集團於截至二零一九年十二月三十一日止年度就上述事項作出涉及估計現金流出之相應撥備。

於二零二零年四月七日，本公司向票據持有人悉數結付協定總金額300,000港元並就該申索產生之所有申索達成最終和解。於二零二零年四月二十日，本公司收到由香港特別行政區區域法院發出之同意令，據此，票據持有人將終止就針對本公司之該申索而進行之任何進一步行動。

承擔

於截至二零一九年十二月三十一日止年度所產生資本承擔詳情載於綜合財務報表附註39。

重大收購及投資

收購Boyracı Construction額外30%股權

於二零一七年六月六日，Ottoman Evershine İnşaat Proje Ticaret Anonim Şirketi（「Ottoman Evershine Construction」，一間於土耳其註冊成立之公司，為本公司之間接全資附屬公司）及Osman Boyracı先生就收購Boyracı Construction額外30%股權（「Boyracı Construction收購事項」）訂立買賣協議。

Boyracı Construction為一間於土耳其註冊成立之公司，其專門承接優質城市改造項目及防震樓宇建造。本集團於二零一六年十二月三十日收購Boyracı Construction之首30%股權。於首個收購日，Boyracı Construction有5個已竣工建築項目及1個投資項目，即Acarblu Tıcarte Merkezi（「Acarblu物業」）；另有2個在建項目。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

On 26 February 2018, Ottoman Evershine Construction, Boyracı Construction and Mr. Osman Boyracı entered into a side letter pursuant to which the Acarblu Property would be transferred from Boyracı Construction to a new company ("Boyracı2 İnşaat Anonim Şirketi") incorporated under the laws of Turkey on 27 March 2018 held by Mr. Osman Boyracı and Ottoman Evershine Construction with 70% and 30% equity interest respectively (the "Shareholder's Loan Set-Off"). The Acarblu Property is a two-floor condominium with gross saleable area of approximately 1,068 m². As of 26 February 2018, the market value of Acarblu Property was approximately 31,400,000 Turkish Lira ("TL") (or approximately USD9,100,000) based on a valuation report prepared by RM Ritim Gayrimenkul Değerleme A.Ş., a real estate valuation company based in Istanbul, Turkey.

Up to 26 April 2018, the Shareholder's Loan Set-Off and Shareholder's Loan Waiver was completed.

Pursuant to the sales and purchase agreement, supplemented by the supplemental deed entered into between the aforesaid parties on 6 November 2017, the first side letter dated 26 February 2018 and the second side letter dated 20 August 2018, in view of the unfavorable currency movement of Turkish Lira, the consideration was reduced by USD1,500,000 to USD5,050,000, being satisfied by:

- (i) an upfront refundable cash deposit of TL7,544,000 (approximately equivalent to USD2,000,000);
- (ii) the issuance of Promissory Note A in the principal amount of USD1,938,770 (approximately equivalent to TL11,342,000) which carries interest rate of 13% per annum and will mature on the second anniversary date from the date of issue; and
- (iii) the issuance of Promissory Note B as a contingent consideration in the principal amount of up to USD1,111,230 (approximately equivalent to TL6,501,000) ("Contingent Consideration").

The Contingent Consideration will be calculated as the lower of (1) the 30% of the fair value less the actual cost (including but not limited to any construction and development costs) incurred in respect of the under-construction projects up to and including the Contingent Consideration Date; or (2) USD1,111,230 (approximately equivalent to HK\$8,668,000).

於二零一八年二月二十六日，Ottoman Evershine Construction、Boyracı Construction及Osman Boyracı先生訂立附函，據此，Acarblu物業由Boyracı Construction轉讓予一間根據土耳其法律在二零一八年三月二十七日註冊成立之新公司（「Boyracı2 İnşaat Anonim Şirketi」），分別由Osman Boyracı先生及Ottoman Evershine Construction持有70%及30%股權（「股東貸款抵銷」）。Acarblu物業為一幢實用面積約達1,068平方米之兩層高別墅。於二零一八年二月二十六日，根據由RM Ritim Gayrimenkul Değerleme A.Ş.（一間以土耳其伊斯坦堡為基地之房地產估值公司）編製之估值報告，Acarblu物業之市值約為31,400,000土耳其里拉（「土耳其里拉」）（或約9,100,000美元）。

截至二零一八年四月二十六日，股東貸款抵銷及股東貸款豁免均告完成。

根據買賣協議（經上述訂約方於二零一七年十一月六日訂立之補充契據、日期為二零一八年二月二十六日之第一份附函及日期為二零一八年八月二十日之第二份附函所補充），鑒於土耳其里拉貨幣之不利變動，代價已減少1,500,000美元至5,050,000美元，按以下方式償付：

- (i) 預付可退還現金按金7,544,000土耳其里拉（相當於約2,000,000美元）；
- (ii) 發行本金額為1,938,770美元（相當於約11,342,000土耳其里拉）之承兌票據A（按年利率13%計息及將自發行日期起計第二個週年日到期）；及
- (iii) 發行承兌票據B作為本金額最高1,111,230美元（相當於約6,501,000土耳其里拉）之或然代價（「或然代價」）。

或然代價將按(1)公平值之30%減在建項目直至或然代價日期（包括該日）產生之實際成本（包括但不限於任何建築及開發成本）得出之數額；或(2) 1,111,230美元（相當於約8,668,000港元）之較低者計算得出。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

The consideration of the Boyracı Construction Acquisition was determined after arm's length negotiations with reference to, among others, (i) the fair market value of the existing completed and underconstruction properties and the value-added portion of the new project in 2017 held by Boyracı Construction with reference to the market values of similar properties in similar locations; and (ii) the latest management account of Boyracı Construction.

The Boyracı Construction Acquisition constitutes a major transaction and connected transaction under the GEM Listing Rules which was subject to independent shareholders' approval obtained at the extraordinary general meeting of the Company on 19 September 2018.

Following the fulfillment of the certain conditions on the Boyracı Construction Acquisition took place on 1 October 2018, Boyracı Construction has become an indirect 60%-owned subsidiary of the Company, and its financial results, assets and liabilities will be consolidated and accounted for as a subsidiary in the financial statements of the Group.

Details were disclosed in the Company's announcements dated 6 June 2017, 6 November 2017, 6 December 2017, 26 February 2018, 3 July 2018, 10 August 2018, 20 August 2018, 24 August 2018, 4 September 2018 and 19 September 2018.

Information on Possible Acquisitions and Projects

The proposed projects in Europe and Turkey

The Group is committed to continuously exploring new and different investment opportunities in order to broaden its source of income. This allows the Group to diversify risks from any single segment of business and maintain profitability and be sustainable. The Group intends to tap into the property investment and development market worldwide including Europe and Turkey which has high potential to be one of the Group's main profit streams.

- (i) *Memorandum of understanding (the "MOU") with the 6th Engineering Bureau of China City Investment Group# (中城投集團第六工程局有限公司) (formerly known as "The 6th Engineering Bureau of China City Construction Holding Group Company")*

On 5 February 2016, the Company and the 6th Engineering Bureau of China City Investment Group ("CCIN") entered into a non-legally binding memorandum of understanding (the "MOU").

Boyracı Construction收購事項之代價乃參考(其中包括)(i) Boyracı Construction持有之現有已竣工及在建物業之公平市值以及新項目於二零一七年之增值部分(經參考類似地段類似物業之市值);及(ii) Boyracı Construction之最新管理賬目後經公平磋商釐定。

Boyracı Construction收購事項根據GEM上市規則構成一項主要交易及關連交易,並已於二零一八年九月十九日之本公司股東特別大會上獲獨立股東批准。

Boyracı Construction收購事項之若干條件於二零一八年十月一日達成後, Boyracı Construction已成為本公司擁有60%權益之間接附屬公司,而其財務業績、資產及負債將於本集團財務報表按附屬公司綜合入賬。

有關詳情已於本公司日期為二零一七年六月六日、二零一七年十一月六日、二零一七年十二月六日、二零一八年二月二十六日、二零一八年七月三日、二零一八年八月十日、二零一八年八月二十日、二零一八年八月二十四日、二零一八年九月四日及二零一八年九月十九日之公佈披露。

可能收購事項及項目之資料

於歐洲及土耳其之建議項目

本集團致力繼續開拓不同新投資機遇,以擴闊其收入來源。此舉使本集團得以將任何單一業務分部之風險分散,維持盈利及持續發展。本集團有意於全球(包括極有可能成為本集團其中一個主要溢利來源之歐洲及土耳其)涉足物業投資及發展市場。

- (i) *與中城投集團第六工程局有限公司(前稱「中城建第六工程局集團有限公司」)之諒解備忘錄(「諒解備忘錄」)*

於二零一六年二月五日,本公司與中城投集團第六工程局有限公司(「中城投」)訂立不具法律約束力之諒解備忘錄(「諒解備忘錄」)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Under the MOU, CCIN has the intention to participate in the engineering and construction works in relation to the proposed land development and large-scale project(s) of the Company in Turkey and will underwrite the engineering works of relevant projects in accordance with the intention and design of the Company while CCIN would also give suggestions on the design and feasibility of the projects.

Upon the implementation of the projects, the parties to the MOU shall obtain all necessary approvals to enter into binding formal cooperation agreement(s). The terms of the cooperation agreement(s) shall be subject to negotiations between the parties.

On 6 May 2016, the Company entered into a Strategic Cooperation Agreement (the "Cooperation Agreement") with CCIN.

Pursuant to the Cooperation Agreement, the Company has nominated CCIN as its technical engineering consultant for the projects, the Company and CCIN shall negotiate in good faith in respect of every project in Europe and enter into relevant project agreement(s) which would set out the scope of services, fees and the corresponding duties of the parties.

CCIN shall provide relevant technical engineering consultancy services to the Company in respect of every project, which may include but not limited to consultancy works, such as feasibility studies, project design, blueprints, engineering quotes and budgets, testing and checking, procurement of materials, engineering and construction works, engineering supervision and inspection.

The Company shall provide all necessary information and data to allow CCIN to conduct relevant works and shall pay relevant fee(s) in accordance with the terms of the project(s) agreement(s). Subject to the payment of all consultancy fees to CCIN if applicable, all copyrights of the technical documents provided by CCIN shall be transferred to the Company and the Company shall be entitled to utilise such documents for the relevant projects.

Pasifik Gayrimenkul Yatırım İnş. A.Ş. ("PASİFİK") and Çıftay İnşaat Taahhüt Ve Ticaret A.Ş. ("ÇİFTAY"), companies duly constituted and existing under the laws of Turkey, have been awarded in the tender by the local authority for the revenue sharing model project of Ankara Yenimahalle Station (the "Project Ankara"), which is situated at Ankara, Turkey. Pursuant to the Letter of Intent ("LoI"), the Company, CCIN and Astra İnşaat Anonim Şirketi proposed their intention to be partners with the joint venture formed by PASİFİK and ÇİFTAY in Project Ankara subject to the execution and completion of the actual agreements after arm's length negotiations among the parties. The parties to the LoI have agreed to discuss the terms of partnership, business plan, business concept, direction, profit sharing, project analysis and all further issues that may be necessary for Project Ankara. The negotiation process is still ongoing as of the date of this report.

根據諒解備忘錄，中城投有意參與有關本公司於土耳其之建議土地發展及大型項目之工程及建造，並將根據本公司之意向及設計承包相關項目工程，而中城投亦可就項目之設計及可行性提出建議。

於該等項目落實後，諒解備忘錄之訂約方須取得所有必需批准以訂立具約束力之正式合作事項協議。合作事項協議之條款須待訂約方互相磋商後，方告作實。

於二零一六年五月六日，本公司與中城投訂立戰略合作夥伴協議（「合作協議」）。

根據合作協議，本公司已就該等項目指定中城投作為技術工程諮詢顧問，本公司與中城投須就歐洲各該等項目進行友好磋商，並訂立有關該等項目之協議，當中將載列服務範疇、費用及訂約各方相應之責任。

中城投須就各該等項目向本公司提供相關技術工程諮詢服務，可能包括但不限於下列諮詢工作：例如可行性研究、方案設計、設計圖紙、工程造價及預算、檢測及試驗、材料採購、工程建設、工程監理及竣工驗收等。

本公司須提供一切所需資料及數據，以使中城投可進行相關工作，並須根據該等項目之協議條款支付相關費用。待支付予中城投所有顧問費用後，中城投所提供技術文件之全部著作權將轉讓予本公司（如適當），而本公司將有權就該等相應項目運用該等文件。

根據土耳其法律正式組成及存續之公司Pasifik Gayrimenkul Yatırım İnş. A.Ş.（「PASİFİK」）及Çıftay İnşaat Taahhüt Ve Ticaret A.Ş.（「ÇİFTAY」）已就位於土耳其安卡拉之安卡拉葉尼瑪哈爾車站之收入共享模式項目（「安卡拉項目」）獲當地管理機關批出標書。根據意向書（「意向書」），本公司、中城投與Astra İnşaat Anonim Şirketi提出有意成為合作夥伴，連同由PASİFİK及ÇİFTAY組成之合營企業進行安卡拉項目，惟須待各方經公平磋商簽立及完成實際協議後，方可作實。意向書訂約方同意商討合夥協議之條款、業務計劃、業務理念、方向、利潤攤分、項目分析及有關安卡拉項目可能需要之一切進一步事宜。於本報告日期，仍在進行協商。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Details of the proposed projects were disclosed in the Company's announcements dated 5 February 2016, 6 May 2016, 16 May 2016, 18 May 2016 and 30 August 2016.

(ii) Strategic partnership agreements in respect of projects in Turkey

On 6 November 2017 and 21 November 2017, the Company entered into strategic partnership agreements ("PASİFİK Agreement") with PASİFİK and Akdeniz İnşaat Ve Eği ti m Hi zmetleri A.Ş. ("AKDENİZ") ("AKDENİZ Agreement"), companies duly constituted and existing under the laws of Turkey, respectively, in relation to forming of strategic partnerships between the Company and PASİFİK and AKDENİZ respectively in a bid (i) to explore investment opportunities in real estate development in Turkey; (ii) to establish partnership for engineering and related construction business; and (iii) to invite more industrial partners from mainland China to further broaden the scope of business development scope as well as partnership.

PASİFİK, being one of the top real estate developer in Turkey, owns and/or jointly owns several mega projects in prime districts in Ankara Province and Istanbul Province. The Company has discussed with PASİFİK for the opportunities of real estate development in Turkey.

AKDENİZ has over 30 years of experience in the real estate and construction business in Turkey; furthermore, AKDENİZ is also engaged in the energy and tourism sector. AKDENİZ ranked in the Fortune 500 of Turkey in 2014 and 2015. Ağaoğlu Gayrimenkul Yatırım A.Ş. ("Ağaoğlu"), a wholly-owned subsidiary of AKDENİZ, engaged in the real estate and construction business and has completed over 20 large property projects in Turkey with over 7,000,000 m² construction area including residential, office, hotel, retail and local amenities. Ağaoğlu ranked the most prestigious construction company in 2015 and 2016 in the Turkish Reputation Index.

Further announcement(s) in respect of the partnerships and the related projects will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

Details of the strategic partnership agreements in relation to projects in Turkey were disclosed in the Company's announcements dated 6 November 2017 and 21 November 2017.

建議項目之詳情於本公司日期為二零一六年二月五日、二零一六年五月六日、二零一六年五月十六日、二零一六年五月十八日及二零一六年八月三十日之公佈中披露。

(ii) 有關土耳其項目之戰略夥伴關係協議

於二零一七年十一月六日及二零一七年十一月二十一日，本公司與根據土耳其法律正式組成及存續之公司PASİFİK及Akdeniz İnşaat Ve Eği ti m Hi zmetleri A.Ş. (「AKDENİZ」) 分別訂立戰略夥伴關係協議 (「PASİFİK協議」及「AKDENİZ協議」)，內容有關本公司分別與PASİFİK及AKDENİZ組建戰略夥伴關係，以(i)開拓土耳其房地產開發之投資商機；(ii)就工程及相關建築業務建立夥伴關係；及(iii)於中國內地邀請更多行業夥伴，以進一步擴闊業務發展範圍及夥伴關係。

PASİFİK作為土耳其首屈一指之房地產發展商之一，於安卡拉省及伊斯坦堡省之主要地段擁有及／或合資擁有多項大型項目。本公司已與PASİFİK討論於土耳其發展房地產之機會。

AKDENİZ於土耳其房地產及建築業務擁有逾30年經驗，此外，AKDENİZ亦從事能源及旅遊業。AKDENİZ於二零一四年及二零一五年名列土耳其財富500強(Fortune 500 of Turkey)。AKDENİZ之全資附屬公司Ağaoğlu Gayrimenkul Yatırım A.Ş. (「Ağaoğlu」) 從事房地產及建築業務，並於土耳其完成超過20個大型物業項目，該等項目之建築面積超過7,000,000平方米，包括住宅、辦公室、酒店、零售及當地設施。Ağaoğlu於土耳其聲譽指數(Turkish Reputation Index)名列二零一五年及二零一六年最具聲望建築公司。

本公司將於適當時候根據GEM上市規則就夥伴關係及相關項目另行刊發公佈。

有關土耳其項目之戰略夥伴關係協議之詳情於本公司日期為二零一七年十一月六日及二零一七年十一月二十一日之公佈披露。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

(iii) Memorandum of understanding with Seba İnşaat Anonim Şirketi

On 9 May 2018, the Group and Seba İnşaat Anonim Şirketi, a company incorporated in Turkey ("Seba") entered into a non-legally binding memorandum of understanding (the "MOU Seba").

Under the MOU Seba, the Group has the intention to acquire and Seba has the intention to sell a certain number of villas and apartments located in Bodrum Province, Gündoğan District, Turkey (the "Project Seba"), which consists of 20 villas and 17 apartments holiday units with construction area of 10,000 m² and saleable area of 8,000 m². The Project Seba is expected to be completed within the year of 2019.

The consideration and the payment method for the proposed acquisition shall be subject to further negotiations between the parties but the final consideration shall not exceed USD30,000,000 and shall be determined under a formal agreement ("Formal Agreement").

It is the intention of the parties that Group shall have the rights within a period of 18 months after the date of completion the Formal Agreement and at its full discretion to sell all or part of the selected properties to Seba at the price equivalent to the 130% of the final consideration of relevant selected properties.

Details of the MOU Seba were disclosed in the Company's announcements dated 9 May 2018.

FOREIGN CURRENCY RISK

The Group's major business operations and investments are in the PRC, Hong Kong and Turkey. All the outstanding balances of borrowings and obligations under finance leases are denominated in Hong Kong dollar. Other than described above, most of the assets, liabilities and transactions of the Group are primarily denominated in Hong Kong dollar, Renminbi, United States dollar and Turkish Lira. The Group has not entered into any instruments to hedge the foreign exchange exposure and considered the potential foreign exchange exposure of the Group is limited. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

(iii) 與Seba İnşaat Anonim Şirketi之諒解備忘錄

於二零一八年五月九日，本集團與於土耳其註冊成立之公司Seba İnşaat Anonim Şirketi (「Seba」) 訂立不具法律約束力之諒解備忘錄 (「諒解備忘錄Seba」)。

根據諒解備忘錄Seba，本集團有意收購而Seba有意出售位於土耳其京多安 (Gündoğan) 區博德魯姆 (Bodrum) 省之若干別墅及公寓 (「Seba項目」)，其由20棟別墅及17個渡假公寓單位組成，建築面積為10,000平方米，實用面積為8,000平方米。Seba項目預計將於二零一九年竣工。

建議收購事項之代價及支付方式須待訂約方進一步磋商，惟最終代價不得超過30,000,000美元及須根據正式協議 (「正式協議」) 釐定。

訂約方之意向為，本集團有權於正式協議完成之日期後18個月期間內全權酌情以相當於有關經選定物業之最終代價130%之價格向Seba出售全部或部分經選定物業。

有關諒解備忘錄Seba之詳情於本公司日期為二零一八年五月九日之公佈中披露。

外幣風險

本集團於中國、香港及土耳其進行主要業務營運及投資。所有未償還借貸及融資租約債務之結餘均以港元計值。除上述者外，本集團大部分資產、負債及交易主要以港元、人民幣、美元及土耳其里拉計值。本集團並無就對沖外匯風險訂立任何工具，且認為本集團所面對之潛在外匯風險有限。本集團將密切監察匯率動向及採取適當措施減低匯兌風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

PRINCIPAL RISKS AND UNCERTAINTIES

The Group exposes to various risks and uncertainties in its daily operation and management. Save for the credit risk, liquidity risk, interest rate risk, currency risk and fair value risk as disclosed in note 37 to the consolidated financial statements, the Group also exposes to operation risk and market risk. In addition, as the cemetery business is located in the PRC and the interest in Turkey companies, the Group's business, financial condition, results of operations and prospects are greatly affected by political, economic and legal developments and changes to government policies in the PRC and Turkey.

CONTINGENT LIABILITIES

Save as any contingent liabilities which may arise from any of the litigation disclosed in this annual report, the Group had no other material contingent liabilities as at 31 December 2019.

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the Company's announcement on 3 January 2020, the Company has entered into a subscription agreement with the subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 360,708,000 subscription shares at the subscription price of HK\$0.026 per subscription share. The subscription shares represent (i) approximately 20.00% of the existing total number of issued shares, being 1,803,541,356 shares, as at 3 January 2020; and (ii) approximately 16.67% of the enlarged total number of issued shares of 2,164,249,356 Shares immediately following completion, assuming that there will be no change in the total number of shares in issue (other than the issue of the subscription shares) between the date of announcement and completion.

All the conditions under the subscription agreement have been fulfilled and completion of the subscription took place on 20 February 2020. A total of 360,708,000 subscription shares were allotted and issued by the Company to the subscriber at the subscription price of HK\$0.026 per subscription share pursuant to the terms and conditions of the subscription agreement.

The net proceeds (after deducting the related expenses) from the subscription is approximately HK\$9,320,000. It is intended that the net proceeds from the subscription will be applied for the repayment of the outstanding indebtedness and the general working capital of the Group.

主要風險及不確定因素

本集團於日常營運及管理面臨多項風險及不確定因素。除綜合財務報表附註37披露之信貸風險、流動資金風險、利率風險、貨幣風險及公平值風險外，本集團亦面臨營運風險及市場風險。此外，由於公墓業務位於中國及於土耳其公司持有權益，故中國及土耳其之政治、經濟及法律發展以及政府政策之改變均對本集團之業務、財務狀況、經營業績及前景有重大影響。

或然負債

除本年報所披露自任何訴訟中可能產生之任何或然代價外，本集團於截至二零一九年十二月三十一日止年度並無其他重大或然負債。

報告期後事項

茲提述本公司日期為二零二零年一月三日之公佈，本公司與認購方訂立一份認購協議，據此，認購方已有條件同意認購，而本公司已有條件同意以認購價每股認購股份0.026港元配發及發行合共360,708,000股認購股份。認購股份相當於(i)於二零二零年一月三日現有已發行股份總數1,803,541,356股股份之約20.00%；及(ii)緊隨完成後經擴大已發行股份總數2,164,249,356股股份之約16.67%（假設於公佈日期至完成期間已發行股份總數概無變動（發行認購股份除外））。

認購協議之所有條件均已達成而認購事項已於二零二零年二月二十日完成。本公司已根據認購協議之條款及條件，按每股認購股份0.026港元之認購價向認購方配發及發行合共360,708,000股認購股份。

認購事項之所得款項淨額（扣除相關開支後）約為9,320,000港元。認購事項之所得款項淨額擬用於償還未償還之債務及作為本集團一般營運資金。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Details were disclosed in the Company's announcements dated 3 January 2020, 3 February 2020, 12 February 2020 and 20 February 2020.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2019, the Group had approximately 43 (2018: approximately 46) full-time employees. Total staff cost (including Directors' remuneration) were approximately HK\$12,176,000 for the year ended 31 December 2019 (2018: approximately HK\$10,734,000). The Group remunerates its employees based on their performance, experience and the prevailing industry practice.

The Group provides competitive remuneration package to employees with the share option scheme. The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence.

Details of the share option scheme of the Company are set out in the section under the Report of the Directors.

PUBLICATION OF FINANCIAL STATEMENTS REQUIRED UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The financial information relating to the Company for the years ended 31 December 2019 and 2018 included in the 2019 annual results announcement dated 19 June 2020 is derived from, but does not constitute the Company's statutory annual consolidated financial statements for these two years.

The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies of Hong Kong as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") and will deliver the financial statements for the year ended 31 December 2019 to the Registrar of Companies of Hong Kong within the prescribed time limit.

The Company's auditor has reported on the financial statements of the Group for both the years ended 31 December 2019 and 2018. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

有關詳情已於本公司日期為二零二零年一月三日、二零二零年二月三日、二零二零年二月十二日及二零二零年二月二十日之公佈披露。

僱員及薪酬政策

於二零一九年十二月三十一日，本集團僱用約43名（二零一八年：約46名）全職僱員。截至二零一九年十二月三十一日止年度之總員工成本（包括董事酬金）約12,176,000港元（二零一八年：約10,734,000港元）。本集團按各員工之工作表現、經驗及現時行業慣例酬報其僱員。

本集團為僱員提供具競爭力之薪酬待遇，並設有購股權計劃。本集團僱員之薪酬政策乃按彼等之功績、資歷及才能制定。

本公司購股權計劃之詳情載於「董事報告」一節。

根據公司條例第436條之規定發佈財務報表

載於日期為二零二零年六月十九日之二零一九年度業績公佈中有關本公司截至二零一九年及二零一八年十二月三十一日止年度之財務資料乃來自本公司於該兩年度之法定年度綜合財務報表，惟並不構成本公司於該兩年度之法定年度綜合財務報表。

本公司已按香港法例第622章公司條例（「公司條例」）第662(3)條及附表6第3部之規定向香港公司註冊處處長遞交截至二零一九年十二月三十一日止年度之財務報表，並將於規定之時限內向香港公司註冊處處長遞交截至二零一九年十二月三十一日止年度之財務報表。

本公司核數師已就本集團截至二零一九年及二零一八年十二月三十一日止兩個年度之財務報表發表報告。核數師報告並無保留意見；並無載有核數師於出具無保留意見之情況下，提請注意任何引述之強調事項；亦無載有根據公司條例第406(2)、第407(2)或(3)條作出之陳述。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

EXECUTIVE DIRECTORS

Mr. Hung Tat Chi Alan (“Mr. Hung”), aged 42, was appointed as executive Director of the Company on 22 March 2017. He is currently the authorised representative and compliance officer of the Company. Mr. Hung holds Master Degrees in Civil Engineering and Business Administration and is a member of the International Institute of Management. He is specialized in construction and environmental engineering, research and development, sales and marketing, fundraising, mergers and acquisitions, business administration and event management. Mr. Hung has been taking up key positions as engineering professional and senior executive in public companies, private enterprises and statutory body for more than 13 years, and has established extensive network with government officials, entrepreneurs, organisation leaders, scholars and professionals. He is the Executive Vice Chairman of Shenzhen Hong Kong Youth Exchange Promotion Association, Secretary General of the Chinese Turkish Economic and Cultural Exchange Association and Deputy Secretary General of the Preparatory Committee for the World Summit of Chinese Entrepreneurs. Mr. Hung was appointed as alternate Director to Mr. Bü lent Yenäl (“Mr. Yenäl”) on 11 January 2016, and resigned as alternate Director immediately following the resignation of Mr. Yenäl with effect from 14 June 2017.

Mr. Ling Ko Yin Jason (“Mr. Ling”), aged 38, was appointed as an executive Director of the Company with effect from 16 December 2016. Mr. Ling obtained a degree of Bachelor of Economics and Finance from The University of Hong Kong. Mr. Ling has extensive experience in mergers and acquisitions, post-deal management and also has solid knowledge in the industries of agriculture, clean technology, real estate, fund investment and education sector. Mr. Ling has worked in the advisory department of an international accounting firm for a number of years. Mr. Ling is a member of the Hong Kong Institute of Certified Public Accountants and Chartered Financial Analyst of CFA Institute.

Ms. Keung Yat Fai Jancie (“Ms. Keung”), aged 41, has been appointed as an executive Director with effect from 11 December 2019. Ms. Keung has extensive experiences in accounting and financial management. She holds a Higher Diploma of Applied Japanese Studies Modern Languages from The City University of Hong Kong. Ms. Keung has been taking up senior positions in foundry and hotel management businesses.

執行董事

洪達智先生(「洪先生」)，42歲，自二零一七年三月二十二日起獲委任為本公司執行董事，彼目前為本公司法定代表及監察主任。洪先生擁有土木工程及工商管理學碩士學位，並為國際專業管理學會會員，彼專精建設及環保工程、科研開發、銷售推廣、募集基金、合併收購、工商管理及活動管理。洪先生在公眾公司、私人企業及法定機構擔任工程專業及高級行政人員之主要職位超過13年，並與政府官員、企業家、組織領袖、學者及專業人士建立起廣泛人脈。洪先生為深圳香港青年交流促進會之常務副主席、中土經濟及文化交流協會之秘書長，及世界華商高峰會籌備委員會之副秘書長。洪先生於二零一六年一月十一日獲委任為Bü lent Yenäl先生(「Yenäl先生」)之代理董事，並繼Yenäl先生於二零一七年六月十四日辭任後，同時辭任本公司代理董事之職務。

林高然先生(「林先生」)，38歲，獲委任為本公司執行董事，自二零一六年十二月十六日起生效。林先生獲得由香港大學頒發之經濟金融學學士學位。林先生於合併及收購以及交易後管理擁有廣泛經驗，且彼亦於農業、潔淨科技、房地產、資金投資及教育行業擁有扎實知識。林先生曾任職於一間國際會計師事務所之諮詢部門數年。林先生為香港會計師公會會員及特許金融分析師協會(CFA Institute)之特許金融分析師。

姜逸暉女士(「姜女士」)，41歲，獲委任為執行董事，自二零一九年十二月十一日起生效。姜女士於會計及財務管理工作方面擁有豐富經驗。彼持有香港城市大學的應用日語研究現代語言學高級文憑。姜女士在鑄造業及酒店管理項目上有多年擔任高級職位之經驗。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

NON-EXECUTIVE DIRECTOR

Mr. Chan Wai Kit (“Mr. Chan”), aged 37, was appointed as a non-executive Director of the Company with effect from May 2017. Mr. Chan holds a Bachelor Degree in Information System and a Master Degree of Accounting from Curtin University of Technology, Australia. Mr. Chan has extensive experience in information technology, accounting, finance, corporate governance, strategic planning, as well as merger and acquisition. Mr. Chan has been appointed as a committee member of the 9th Committee of Maoming City of the Chinese People’s Political Consultative Conference since January 2017.

Mr. Chan was an executive director, authorised representative and a compliance officer of Aurum Pacific (China) Group Limited (stock code: 8148), a company listed on the GEM of the Stock Exchange of Hong Kong Limited (“Stock Exchange”) from October 2014 to November 2018. Mr. Chan was the chairman and executive director of PPS International (Holdings) Limited (stock code: 8201), a company listed on the GEM of the Stock Exchange from June 2015 to July 2016. Mr. Chan was also an executive director of China Taifeng Beddings Holdings Limited (former stock code: 873), a company listed on the Main Board of the Stock Exchange (listing of shares was cancelled since 21 February 2019) from July 2016 to August 2016. He was also an executive director of Green Energy Group Limited (stock code: 979), a company listed on the Main Board of the Stock Exchange from February 2017 to July 2017. Mr. Chan was an executive director of Elegance Optical International Holdings Limited (stock code: 907), a company listed on the Main Board of the Stock Exchange from May 2017 to April 2018. He was an independent non-executive director of Huiyin Holdings Group Limited (formerly known as Share Economy Group Limited) (stock code: 1178) from December 2017 to October 2018 and Ding He Mining Holdings Limited (stock code: 705), a company listed on the Main Board of the Stock Exchange from January 2018 to July 2018.

Mr. Chan has been appointed as executive director of Asia Television Holdings Limited (stock code: 707) since November 2018. He has also been appointed as an executive director of Yong Tai Berhad (Bursa Malaysia Securities Berhad, stock code: 7066) since November 2019.

非執行董事

陳偉傑先生（「陳先生」），37歲，獲委任為本公司非執行董事，自二零一七年五月起生效。陳先生持有澳洲科廷科技大學(Curtin University of Technology)信息系統學士學位及會計碩士學位。陳先生於資訊科技、會計、金融、企業管治、策略規劃以及併購方面擁有豐富經驗。陳先生自二零一七年一月起獲委任為中國人民政治協商會議第九屆茂名市委員會委員。

陳先生曾於二零一四年十月至二零一八年十一月期間擔任奧栢中國集團有限公司之執行董事、授權代表及監察主任，該公司為香港聯合交易所有限公司（「聯交所」）GEM之上市公司（股份代號：8148）。於二零一五年六月至二零一六年七月期間，陳先生為聯交所GEM上市寶聯控股有限公司（股份代號：8201）之主席及執行董事。於二零一六年七月至二零一六年八月期間，陳先生亦為聯交所主板上市公司中國泰豐床品控股有限公司（前股份代號：873）（其股份自二零一九年二月二十一日起取消上市）之執行董事。於二零一七年二月至二零一七年七月，彼亦為聯交所主板上市公司綠色能源科技集團有限公司（股份代號：979）之執行董事。陳先生曾於二零一七年五月至二零一八年四月期間擔任聯交所主板上市公司高雅光學國際集團有限公司（股份代號：907）之執行董事。彼於二零一七年十二月至二零一八年十月期間擔任匯銀控股集團有限公司（前稱為共享經濟集團有限公司）（股份代號：1178）之獨立非執行董事，及於二零一八年一月至七月期間為聯交所主板上市公司鼎和礦業控股有限公司（股份代號：705）之獨立非執行董事。

陳先生自二零一八年十一月起獲委任為亞洲電視控股有限公司（股份代號：707）之執行董事。彼亦自二零一九年十一月起獲委任為永大集團（馬來西亞證券交易所股份代號：7066）之執行董事。

Biographical Details of Directors and Senior Management

董事及高級管理層履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Choy So Yuk, BBS, JP (“Ms. Choy”), aged 69, was appointed as an independent non-executive Director of the Company on 12 May 2015. Ms. Choy is also the Chairperson of the Remuneration Committee, members of the Audit Committee and Nomination Committee. Ms. Choy obtained her Bachelor of Science and Master of Philosophy degrees from the University of Hong Kong in 1974 and 1980 respectively. Ms. Choy was the founding managing director of SHK International Services Limited (which was subsequently acquired by Ms. Choy and changed its name to Oriental-Western Promotions Limited). Ms. Choy holds a wide variety of political, social and academic positions, such as a deputy of the National People’s Congress and a director of the Fukien Chamber of Commerce Education Fund Limited. Ms. Choy was a member of the Fujian Provincial Committee of the Chinese People’s Political Consultative Conference and a member of the Legislative Council in Hong Kong from 1998 to 2008. Ms. Choy was appointed as an independent non-executive director of Silk Road Logistics Holdings Limited (formerly known as Loudong General Nice Resources (China) Holdings Limited) (stock code: 988) since 2009. Ms. Choy is also currently an independent non-executive director of Best Mart 360 Holdings Limited (stock code: 2360). Ms. Choy was an independent non-executive director of Blockchain Group Company Limited (formerly known as Ping Shan Tea Group Limited) (stock code: 364) from 2002 to 2017. On 19 November 2018, Blockchain Group Company Limited was ordered to be wound up by the High Court of Hong Kong and trading in its shares was suspended.

Ms. Lam Yuk Ying Elsa (“Ms. Lam”), was appointed as an independent non-executive Director of the Company on 2 September 2013. She is also the Chairperson of the Nomination Committee, members of the Audit Committee and Remuneration Committee. Ms. Lam is currently the deputy chief executive officer of Kingdom Investment Managers Limited and holds Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities license issued by the Securities and Futures Commission. Ms. Lam has over 10 years of experience in the securities industry and more than 15 years of experience in the treasury function in banks. Ms. Lam was an executive director of Value Convergence Holdings Limited (Stock Code: 821) from February 2011 to December 2012. Ms. Lam was also an associate director of Excalibur Hong Kong and held senior positions at Glory Sky Global Markets Limited and Kingston Securities Limited. She was also the head of the treasury department of KBC Bank N.V.

獨立非執行董事

蔡素玉女士，銅紫荊星章，太平紳士（「蔡女士」），69歲，於二零一五年五月十二日獲委任為本公司獨立非執行董事。蔡女士亦為薪酬委員會主席兼審核委員會及提名委員會成員。蔡女士分別於一九七四年及一九八零年獲得由香港大學頒授之理學士學位及哲學碩士學位。蔡女士乃SHK International Services Limited（此公司其後由蔡女士收購，並易名為東偉業務促進有限公司）之創辦董事總經理。蔡女士出任多項政治、社會及學術公職，例如全國人大港區代表及旅港福建商會教育基金有限公司董事。蔡女士於一九九八年至二零零八年間曾出任中國人民政治協商會議福建省委員會委員及曾任香港立法會議員。蔡女士自二零零九年起一直擔任絲路物流控股有限公司（前稱為樓東俊安資源（中國）控股有限公司）（股份代號：988）之獨立非執行董事。蔡女士現時亦為優品360控股有限公司（股份代號：2360）之獨立非執行董事。蔡女士於二零零二年至二零一七年擔任區塊鏈集團有限公司（前稱為坪山茶業集團有限公司）（股份代號：364）之獨立非執行董事。於二零一八年十一月十九日，區塊鏈集團有限公司被香港高等法院頒令清盤，其股份亦被暫停買賣。

林玉英女士（「林女士」），於二零一三年九月二日獲委任為獨立非執行董事。彼亦為提名委員會主席、審核委員會及薪酬委員會成員。林女士現為國權投資管理有限公司之代理行政總裁，並持有證券及期貨事務監察委員會發出之第四類（就證券提供意見）及第九類（資產管理）受規管活動之牌照。林女士在證券業積逾十年經驗，在銀行之庫務職能方面亦擁有超過十五年經驗。於二零一一年二月至二零一二年十二月期間，林女士為滙盈控股有限公司（股份代號：821）之執行董事。林女士亦為駿溢香港之聯席董事，並曾於灝天環球投資有限公司及金利豐證券有限公司出任要職。彼亦曾出掌KBC Bank N.V.庫務部門主管。

Biographical Details of Directors and Senior Management 董事及高級管理層履歷詳情

During Ms. Lam's term as the Company's independent non-executive Director, she has been holding Type 4 (Advising on Securities) and Type 9 (Asset Management). She held Type 1 (Dealing in Securities) and Type 2 (Dealing in futures) in certain period in the past.

Mr. Leung Man Chun ("Mr. Leung"), aged 32, was appointed as an independent non-executive Director of the Company on 1 March 2016. Mr. Leung is also the Chairman of the Audit Committee, members of the Nomination Committee and the Remuneration Committee. He has been engaging in financial services sector for over 6 years, along with ample experience in an international accounting firm and an international bank. He currently serves as a corporate finance principal for a professional firm. He obtained a Bachelor's Degree in Social Sciences from Hong Kong Baptist University in 2009. Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountants and has joined the Council of the Hong Kong Institute of Certified Public Accountants in 2018. Mr. Leung is currently an independent non-executive director of Aurum Pacific (China) Group Limited (stock code: 8148) whose shares are listed on the GEM of the Stock Exchange since 23 February 2016.

COMPANY SECRETARY

Mr. Yeung Man Sun ("Mr. Yeung") has been appointed as the company secretary of the Company with effect from 15 May 2020. He graduated from City University of Hong Kong with a bachelor degree in Business Administration (Honours) in Accountancy and received his master's degree in Corporate Governance from Hong Kong Polytechnic University. Mr. Yeung is a member of the Hong Kong Institute of Certified Public Accountants, associate member of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries. He has over 13 years of experience in accounting, auditing and finance industry. Mr. Yeung is also the company secretary of China Media 33 Group Limited.

Ms. Chan Shuk Man Lora ("Ms. Chan"), aged 51, was appointed as the company secretary and an authorised representative of the Company with effect from 22 January 2018. Ms. Chan has resigned as the Company Secretary and an authorised representative of the Company on 15 May 2020. Ms. Chan joined the Company in March 2016. She obtained a bachelor's degree of Business Administration in Accounting (Hon.) from the Coventry University and a MBA (Banking) from the University of Stirling in the United Kingdom and is a fellow member of the Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong and a Certified Tax Adviser (Hong Kong). She has over 25 years of experience in auditing, accounting, banking and financial management.

林女士擔任本公司獨立非執行董事期間，彼一直持有第四類(就證券提供意見)及第九類(資產管理)牌照。彼過往曾經持有第一類(證券交易)及第二類(期貨合約交易)牌照一段時間。

梁文俊先生(「梁先生」)，32歲，於二零一六年三月一日獲委任為本公司獨立非執行董事。梁先生亦為審核委員會主席兼提名委員會及薪酬委員會成員。彼於國際會計師行及國際銀行等金融服務機構工作逾六年，擁有豐富相關經驗。彼現時於一間專業機構擔任企業融資部總監。彼於二零零九年在香港浸會大學取得社會科學學士學位。梁先生為香港會計師公會成員並於二零一八年當選為香港會計師公會理事會成員。梁先生自二零一六年二月二十三日起獲委任為奧栢中國集團有限公司(其股份於聯交所GEM上市，股份代號：8148)之獨立非執行董事。

公司秘書

楊萬鏞先生(「楊先生」)已獲委任為本公司公司秘書，自二零二零年五月十五日起生效。彼畢業於香港城市大學，獲頒工商管理榮譽學士(會計)學位，並於香港理工大學取得公司管治碩士學位。楊先生為香港會計師學會會員以及英國特許秘書及行政人員公會及香港特許秘書公會之資深會員。彼在會計、審計及金融行業擁有逾13年經驗。楊先生亦為中國三三傳媒集團有限公司之公司秘書。

陳淑雯女士(「陳女士」)，51歲，自二零一八年一月二十二日起獲委任為本公司之公司秘書兼法定代表。陳女士已於二零二零年五月十五日辭任本公司之公司秘書及授權代表。陳女士於二零一六年三月加入本公司。彼取得英國考文垂大學(Coventry University)工商管理榮譽學士學位(會計學)及英國斯特靈大學(University of Stirling)工商管理碩士學位(銀行學)。彼為香港會計師公會、英國特許公認會計師公會及香港稅務學會之資深會員，且為一名註冊稅務師(香港)。彼於審計、會計、銀行及財務管理方面逾25年經驗。

REPORT OF THE DIRECTORS

董事報告

The Directors submit herewith their report together with the audited financial statements of the Company and the Group for the year ended 31 December 2019 ("Year").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The activities of its subsidiaries are set out in Note 44 to the consolidated financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 10 to 27 of this Annual Report. This discussion forms part of this Directors' Report. Details of the segment information of the Group for the year ended 31 December 2019 are set out in Note 12 to the consolidated financial statements.

FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income on pages 88 to 89.

The states of affairs of the Group and of the Company as at 31 December 2019 are set out in the consolidated statement of financial position and the statement of financial position on pages 90 to 91 and in Note 42 on pages 204 to 205 to the consolidated financial statements respectively.

The cash flows of the Group are set out in the consolidated statement of cash flows on pages 93 to 94.

DIVIDENDS

The Directors do not recommend any payment of dividend nor transfer of any amount to reserves for the Year (2018: Nil).

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in Note 33 to the consolidated financial statements and the section headed "Capital Structure" of this Annual Report.

EQUITY-LINKED AGREEMENTS

Details of issue of convertible notes are set out in Notes 29 to the consolidated financial statements, respectively, and in the sections headed "Capital Structure" and of this Annual Report. This discussion forms part of this Directors' Report.

董事謹此提呈彼等之報告連同本公司及本集團截至二零一九年十二月三十一日止年度(「本年度」)之經審核財務報表。

主要業務及業務回顧

本公司之主要業務為投資控股。本公司附屬公司之業務載於綜合財務報表附註44。香港公司法附錄五要求對該等活動作出進一步討論及分析(包括討論本集團面對之主要風險及不確定因素以及反映本集團業務可能未來發展)，可於本年報第10至27頁所載之管理層論述及分析查閱。該討論構成此董事報告之一部分。本集團截至二零一九年十二月三十一日止年度之分部資料詳情載於綜合財務報表附註12。

財務報表

本集團截至二零一九年十二月三十一日止年度之業績載於第88至89頁之綜合損益表以及綜合損益及其他全面收益表內。

本集團及本公司於二零一九年十二月三十一日之業務狀況分別載於第90至91頁之綜合財務狀況表、第204頁至205頁之財務狀況表及綜合財務報表附註42內。

本集團之現金流量載於第93至94頁之綜合現金流量表內。

股息

董事不建議就本年度派付任何股息，亦不轉撥任何款項至儲備(二零一八年：無)。

股本

本年度，有關本公司股本變動之詳情載於本年報綜合財務報表附註33及「資本結構」一節。

股票掛鈎協議

發行可換股票據之詳情分別載於綜合財務報表附註29，以及載於本年報「資本結構」各節。該討論構成此董事報告之一部分。

REPORT OF THE DIRECTORS

董事報告

RESERVES

Details of the movements in reserves during the Year are set out in Note 33 to the consolidated financial statements.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years as extracted from the published audited financial statements is set out on page 216 of this Annual Report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment, right-of-use assets, investment properties and intangible assets of the Group during the Year are set out in Notes 13, 14, 15 and 18 respectively to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company has no distributable reserve calculated in accordance with the provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

CHARITABLE DONATIONS

During the Year, the Group has no charitable donations (2018: Nil).

DIRECTORS

The Directors who held office during the year ended 31 December 2019 and up to the date of this annual report were:

Executive Directors

Mr. Hung Tat Chi Alan

Mr. Ling Ko Yin Jason

Ms. Keung Yat Fai Janice

(Appointed on 11 December 2019)

Non-executive Director

Mr. Chan Wai Kit

Independent Non-executive Directors

Ms. Choy So Yuk, BBS, JP

Ms. Lam Yuk Ying Elsa

Mr. Leung Man Chun

儲備

本年度，儲備變動之詳情載於綜合財務報表附註33。

五年財務概要

摘自己刊發經審核財務報表之本集團過往五個財政年度之已刊發業績以及資產、負債及非控股權益之概要載於本年報第216頁。

物業、廠房及設備

本年度，本集團物業、廠房及設備、使用權資產、投資物業及無形資產變動之詳情分別載於綜合財務報表附註13、14、15及18。

可供分派儲備

於二零一九年十二月三十一日，本公司並無根據香港法例第622章公司條例之條文計算之可供分派儲備。

慈善捐款

本年度，本集團並無慈善捐款（二零一八年：無）。

董事

於截至二零一九年十二月三十一日止年度及直至本年報日期止之董事如下：

執行董事

洪達智先生

林高然先生

姜逸暉女士

(於二零一九年十二月十一日獲委任)

非執行董事

陳偉傑先生

獨立非執行董事

蔡素玉女士，銅紫荊星章，太平紳士

林玉英女士

梁文俊先生

REPORT OF THE DIRECTORS

董事報告

Directors of Subsidiaries

The names of directors who have served on the boards of the subsidiaries of the Company (other than those listed above) during the year ended 31 December 2019 and up to the date of this report included:

Ms. Chan Shuk Man Lora (resigned on 24 April 2020), Mr. San Tung, Mr. Salih Yekta Kisa, Mr. Hung Yu Pang, Mr. Wu Wenbei and Mr. Li Guanda.

DIRECTORS' SERVICE CONTRACTS

In accordance with the Articles of Association, Mr. Hung Tat Chi Alan, Mr. Ling Ko Yin Jason and Ms. Keung Yat Fai Janice are subject to retirement by rotation and re-election at the Company's forthcoming annual general meeting ("AGM"). Each of the executive Directors may receive a discretionary bonus, the amount of which will be determined by the Board as its absolute discretion having regard to the operation results of the Company.

The independent non-executive Directors have not entered into any service agreement with the Company and are not appointed for a specific term, but all are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

None of the Directors is proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

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

CONNECTED AND RELATED PARTY TRANSACTIONS

Save as disclosed in this report, there were no other transactions which need to be disclosed as connected in accordance with the requirements of the GEM Listing Rules during the year ended 31 December 2019.

The material related party transactions of the Group are disclosed in Note 40 to the consolidated financial statements.

附屬公司董事

截至二零一九年十二月三十一日止年度及直至本報告日期止，本公司附屬公司董事會在任董事（除上述者外）姓名載列如下：

陳淑雯女士（於二零二零年四月二十四日辭任）、申東先生、Salih Yekta Kisa先生、洪宇鵬先生、吳文杯先生及李冠達先生。

董事服務合約

根據組織章程細則，洪達智先生、林高然先生及姜逸暉女士須於本公司應屆股東週年大會（「股東週年大會」）輪值告退並重選連任。各執行董事或可酌情收取花紅，有關金額將由董事會全權酌情按本公司之經營業績而釐定。

獨立非執行董事並無與本公司簽訂任何服務協議，亦無指定任期，惟彼等全體均須根據組織章程細則於本公司之股東週年大會上輪值告退並重選連任。

本公司並無與擬於股東週年大會上重選連任之董事訂立任何不可由本公司於一年內無償終止（法定補償除外）之服務合約。

董事之合約權益

於本年度完結時或於本年度任何時間，概無任何由本公司、其任何控股公司或附屬公司訂立且董事在其中直接或間接擁有重大權益而對本集團業務有重大影響之合約。

關連及有關連人士交易

除本報告所披露外，截至二零一九年十二月三十一日止年度，概無任何其他交易須遵照GEM上市規則之規定披露為關連交易。

本集團重大有關連人士交易於綜合財務報表附註40披露。

REPORT OF THE DIRECTORS

董事報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2019, same as disclosed elsewhere in this report, as far as the Directors are aware of, none of the Directors or the management shareholders of the Company or any of its respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group.

PERMITTED INDEMNITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Pursuant to the Articles and subject to the provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), every Director or other officer of the Company shall be indemnified out of the assets of the Company against all loss and liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that such Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from the share option scheme referred as below, at no time during the year ended 31 December 2019 was any of the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercised any such rights.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, none of the Directors or chief executives of the Company had any interests and short positions 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 ("SFO") (Cap. 571, Laws of Hong Kong)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules.

董事於競爭業務之權益

於二零一九年十二月三十一日，誠如本報告其他章節所披露者一致，就董事所知，概無董事或本公司管理層股東或其各自之聯繫人士（定義見GEM上市規則）於與本集團業務構成或可能構成競爭之業務中擁有任何權益或與本集團有任何其他利益衝突。

獲准許之彌償保證及董事與高級職員之責任保險

根據組織章程細則及受香港法例第622章公司條例之條文規限，對於本公司各董事或其他高級職員在任職期間執行職務時承受或發生與本公司有關的所有損失及責任，均可從本公司資產中獲得彌償，惟有關條文僅在未因公司條例而致無效的情況下方為有效。本年度，本公司已安排適當董事與高級職員之責任保險，涵蓋範圍包括董事及本公司高級職員。

董事購入股份之權利

除下文所述購股權計劃外，於截至二零一九年十二月三十一日止年度內任何時間，本公司或任何相聯法團均無參與訂立任何安排，致使董事可藉購入本公司或任何其他法人團體之股份或票據而獲益；亦無董事或彼等之配偶或十八歲以下子女擁有可認購本公司股份或票據之任何權利或曾行使任何該等權利。

董事及最高行政人員於股份、相關股份及票據之權益及淡倉

於二零一九年十二月三十一日，概無董事或本公司最高行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及票據中，擁有任何須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有之權益或淡倉），或已登記於本公司根據證券及期貨條例第352條須存置之登記冊之任何權益及淡倉或已根據GEM上市規則第5.46條所述董事進行買賣之規定標準另行知會本公司及聯交所之任何權益及淡倉。

REPORT OF THE DIRECTORS

董事報告

SHARE OPTION SCHEMES

The share option scheme adopted on 9 May 2011 (the “2011 Share Option Scheme”) by the Shareholders was terminated and a new share option scheme was adopted on 1 February 2016 (the “2016 Share Option Scheme”) by the Shareholders. The purpose of the 2016 Share Option Scheme is to enable the Company to grant share options to the eligible participants (the “Eligible Participants”) (as defined below) as incentives or rewards for their contribution to the long term development of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate, attract, retain and/or provide benefits to the Eligible Participants. The 2016 Share Option Scheme was adopted for a period of 10 years commencing from 1 February 2016 and will remain in force until 31 January 2026.

Eligible Participant under the 2016 Share Option Scheme includes any full-time or part-time employees, consultants or potential employees, executives or officers (including executive, non-executive and independent non-executive Directors) of the Company or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the Board, will contribute or has contributed to the Company and/or any of its subsidiaries.

The subscription price shall be determined by the Board in its absolute discretion but in any event shall be at least the higher of:

- (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day; and
- (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant.

Upon acceptance of the options, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within 14 days from the date of grant. Unless otherwise determined by the Board in the relevant offer letter to a grantee, there is no minimum period for which any option must be held before it can be exercised and no performance target which needs to be achieved by a grantee before the options can be exercised. An option may be exercised in accordance with the terms of the 2016 Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

購股權計劃

股東於二零一一年五月九日採納之購股權計劃(「二零一一年購股權計劃」)已告終止，而股東已於二零一六年二月一日採納新購股權計劃(「二零一六年購股權計劃」)。二零一六年購股權計劃旨在使本公司能向合資格參與者(「合資格參與者」)(定義見下文)授出購股權，作為彼等對本集團長期發展作出貢獻之獎勵或回報，並為本集團提供更靈活之方式獎勵、酬報、補償、招攬、留聘合資格參與者及／或向其提供福利。二零一六年購股權計劃自二零一六年二月一日採納之日起為期10年，並將維持有效直至二零二六年一月三十一日為止。

根據二零一六年購股權計劃，合資格參與者包括本公司或其任何附屬公司之任何全職或兼職僱員、諮詢顧問或潛在僱員、行政人員或高級職員(包括執行、非執行及獨立非執行董事)，以及董事會全權認為將向或已向本公司及／或其任何附屬公司作出貢獻之任何供應商、客戶、諮詢顧問、代理及顧問。

認購價須由董事會全權酌情釐定，惟在任何情況下須最少為下列各項之較高者：

- (i) 股份於授出日期(該日須為營業日)在聯交所發出之每日報價表所述之收市價；及
- (ii) 股份於緊接授出日期前五個營業日在聯交所發出之每日報價表所述之平均收市價。

承授人接納購股權後，須向本公司支付1.00港元，作為獲授購股權之代價。承授人須於授出日期起14日內，接納授出購股權之要約。除董事會在寄發予承授人之有關要約函中另有釐定外，概無規定購股權可予行使前須持有任何購股權之最短期限，亦無設定承授人於行使購股權前須達致之表現目標。購股權可於董事會可能釐定之期間內根據二零一六年購股權計劃之條款隨時行使，惟有關期間不得超過由授出日期起計十年，並受提前終止條文規限。

REPORT OF THE DIRECTORS

董事報告

The maximum number of shares to be issued upon the exercise of options that may be granted under the 2016 Share Option Scheme are 180,267,735 shares, being 10% of the shares in issue at the date of the annual general meeting held by the Company on 22 June 2018 under the scheme mandate limited approved by shareholders of the Company. The total number of shares available for issue under the 2016 Share Option Scheme represent 8% of the total number of Shares in issue as at the date of this report.

Pursuant to the GEM Listing Rules, the total number of shares which may be issued upon the exercise of all options to be granted under the 2016 Share Option Scheme must not, in aggregate, exceed 10% of the shares in issue as at the date of adoption of the 2016 Share Option Scheme. The Board shall not grant any options which would result in the maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted but yet to be exercised under the 2016 Share Option Scheme and any other share option schemes adopted by the Company exceeding, in aggregate, 30% of the shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options granted under the 2016 Share Option Scheme and any other share option schemes of the Company to each Eligible Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue (the "Individual Limit"). Any further grant of options to an Eligible Participant which would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to approval of the Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if such Eligible Participant is a connected person) abstaining from voting.

Any grant of options to a connected person (as defined in the GEM Listing Rules) must be approved by all independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee). Where options are proposed to be granted to a connected person who is also a substantial shareholder (as defined in the GEM Listing Rules) of the Company or an independent non-executive Director or any of their respective associates, and the proposed grant of options, when aggregated the options already granted to such connected person in the past 12 months period, would entitle that person to receive more than 0.1% of the total issued shares of the Company for the time being and the value of which is in excess of HK\$5,000,000, then the proposed grant must be subject to the approval of the shareholders at the general meeting. Apart from the connected person involved, all other connected persons of the Company must abstain from voting in such general meeting (except where any connected person intends to vote against the proposed grant).

根據二零一六年購股權計劃授出之購股權獲行使而將予發行之股份最高數目為180,267,735股，佔於本公司於二零一八年六月二十二日舉行股東週年大會之日根據本公司股東所批准之計劃授權已發行股份之10%。根據二零一六年購股權計劃可供發行之股份總數相當於本報告日期已發行股份總數之8%。

根據GEM上市規則，根據二零一六年購股權計劃將予授出之全部購股權獲行使而可能發行之股份總數合共不得超過二零一六年購股權計劃採納日期已發行股份之10%。董事會不得授出會導致因行使根據二零一六年購股權計劃及本公司所採納之任何其他購股權計劃授出但尚未行使之所有購股權而可能發行之股份最高總數超過不時已發行股份之30%之任何購股權。

根據二零一六年購股權計劃及本公司任何其他購股權計劃向每名合資格參與者授出之購股權(包括已行使及尚未行使之購股權)獲行使後已發行及將予發行之股份總數於任何12個月期間不得超過已發行股份總數之1% (「個人上限」)。倘向一名合資格參與者進一步授出之任何購股權將會導致向該名合資格參與者授出及將予授出之所有購股權(包括已行使、已註銷及尚未行使之購股權)獲行使後已發行及將予發行股份於直至該進一步授出之日止(包括當日)12個月期間超過個人上限，則該進一步授出須獲股東於股東大會上批准，而該合資格參與者及其緊密聯繫人士(或倘該合資格參與者為關連人士，則其聯繫人士)須放棄投票。

向關連人士(定義見GEM上市規則)授出之任何購股權，須獲全體獨立非執行董事(不包括身為建議承授人之任何獨立非執行董事)批准。當建議向關連人士(其亦身為本公司主要股東(定義見GEM上市規則)或獨立非執行董事或彼等各自之任何聯繫人士)授出購股權，而所建議授出之購股權連同於過去12個月期間已向該名關連人士授出之購股權合計時，將賦予該人士權利收取超過當時本公司已發行股份總數之0.1%且其價值超過5,000,000港元，則該項授出購股權之建議須獲股東在股東大會上批准。除涉及之關連人士外，本公司所有其他關連人士須在該股東大會上放棄投票，惟倘任何關連人士擬投票反對該項建議授出購股權則除外。

REPORT OF THE DIRECTORS

董事報告

There is no outstanding share option under the 2016 Share Option Scheme as at 1 January 2019 and 31 December 2019. As at the date of this report, no options have been granted under the 2016 Share Option Scheme since its adoption.

於二零一九年一月一日及二零一九年十二月三十一日，二零一六年購股權計劃項下概無尚未行使購股權。於本報告日期，自採納二零一六年購股權計劃以來，概無據此授出任何購股權。

SUBSTANTIAL SHAREHOLDERS OF INTEREST IN SHARES

As at 31 December 2019, other than the interests and short positions of the Directors or chief executives of the Company disclosed above, person or corporation who had interests in the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

主要股東於股份之權益

於二零一九年十二月三十一日，除上文所披露董事或本公司最高行政人員之權益及淡倉外，根據證券及期貨條例第XV部第2及3分部之條文擁有本公司權益，或直接或間接擁有附帶權利可在所有情況下於本集團任何其他成員公司股東大會表決之任何類別股本面值5%或以上權益之任何人士或公司，或彼等之權益或淡倉登記於本公司根據證券及期貨條例第336條須予存置之登記冊之任何其他主要股東如下：

Name of substantial shareholders 主要股東姓名	Number of Shares held 所持股份數目		Total 總計	Approximate percentage of total issued ordinary Shares 佔已發行普通股總額概約百分比
	Personal Interest 個人權益	Corporate Interest 公司權益		
Mr. Chiu Ngai Hung 趙毅雄先生	260,526,000	—	260,526,000	14.45%
Mr. Boyracı Osman Boyracı Osman先生	193,362,000	—	193,362,000	10.72%
Mr. Lau Yu 柳宇先生	1,266,000	164,653,000 (Note 1) (附註1)	165,919,000	9.20%

Notes 1: 164,653,000 shares are owned by Noble Ace Investments Limited ("Noble Ace") which is 100% owned by Mr. Lau Yu. By virtue of the SFO, Mr. Lau Yu is deemed to have interest of the Shares held by Noble Ace.

附註1：164,653,000股股份由柳宇先生全資擁有之Noble Ace Investments Limited (「Noble Ace」) 擁有。根據證券及期貨條例，柳宇先生被視為於Noble Ace持有之股份中擁有權益。

Save as disclosed above, at 31 December 2019, the Directors or chief executives of the Company were not aware of any party who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly Interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文披露者外，於二零一九年十二月三十一日，董事或本公司最高行政人員概不知悉有任何人士於本公司股份、相關股份或票據中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可在所有情況下於本公司股東大會表決之任何類別股本面值5%或以上，或有任何主要股東於本公司根據證券及期貨條例第336條須予存置之登記冊登記擁有權益或淡倉。

REPORT OF THE DIRECTORS

董事報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company had maintained the public float as required under the GEM Listing Rules.

REMUNERATION POLICY

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 8 and 9 to the financial statements respectively.

The Remuneration Committee was set up on 8 October 2007 for reviewing the remuneration policies and other remuneration related matters of the Directors and senior management of the Company and making recommendations to the Board as deemed necessary.

The Company has adopted the Share Option Schemes as incentive to Directors and eligible employees, details of the Share Option Schemes are set out in the section "Share Option Scheme" in this report.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the group's sales and purchases attributable to the major customers and suppliers respectively during the Year is as follows:

	Percentage of the Group's total 佔本集團之百分比	
	Sales 銷售額	Purchases 採購額
The largest customer 最大客戶	34%	
Five largest customers in aggregate 五大客戶之總和	63%	
The largest supplier 最大供應商		9%
Five largest supplier in aggregate 五大供應商之總和		40%

At no time during the Year have the Directors, their associates or any shareholder of the company (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had any interest in these major customers and suppliers.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

充足公眾持股量

根據本公司於本年報日期所獲公開資料及據董事所知，本公司已維持GEM上市規則所規定之公眾持股量。

薪酬政策

董事及本集團五名最高薪人士之酬金詳情分別載於財務報表附註8及9。

薪酬委員會已於二零零七年十月八日成立，以檢討董事及本公司高級管理層之薪酬政策及其他薪酬相關事宜，並於認為有需要時向董事會提出推薦意見。

本公司已採納購股權計劃，作為董事及合資格僱員之獎勵，購股權計劃之詳情載於本報告「購股權計劃」一節。

主要客戶及供應商

本年度，有關主要客戶及供應商應佔本集團銷售額及採購額之資料載列如下：

本公司之董事、彼等之聯繫人士或任何股東（據董事所知擁有本公司已發行股份5%以上之股東）概無於本年度任何時間擁有該等主要客戶及供應商之任何權益。

購買、贖回或出售本公司上市證券

截至二零一九年十二月三十一日止年度，本公司及其任何附屬公司並無購買、贖回或出售任何本公司上市證券。

REPORT OF THE DIRECTORS

董事報告

CORPORATE GOVERNANCE

The details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" on pages 41 to 55 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

EVENTS AFTER THE REPORTING PERIOD

The details of the non-adjusting post balance sheet events are set out in Note 41 to the consolidated financial statements.

AUDIT COMMITTEE

As at 31 December 2019, the Audit Committee comprised three independent non-executive Directors, namely, Ms. Choy So Yuk, BBS, JP., Ms. Lam Yuk Ying, Elsa and Mr. Leung Man Chun. During the Year, Mr. Leung Man Chun was the Chairman of the Audit Committee and applies his professional qualifications in accounting and financial expertise in directing the Audit Committee. The unaudited quarterly and interim results together with the audited annual results of the Company in respect of the year ended 31 December 2019 have been reviewed by the Audit Committee.

AUDITOR

A resolution for the re-appointment of Elite Partners CPA Limited as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On Behalf of the Board

Hung Tat Chi Alan
Executive Director
Hong Kong, 19 June 2020

企業管治

本公司企業管治常規之詳情載於本年報第41頁至第55頁「企業管治報告」一節。

遵守相關法律及法規

據董事會所知，本集團在重大方面均已遵守對本集團業務及經營而言有重大影響之相關法律及法規。本年度，本集團並無出現嚴重違反或未有遵守適用法律及法規之情況。

報告期後事項

非調整結算日後事項之詳情載於綜合財務報表附註41。

審核委員會

於二零一九年十二月三十一日，審核委員會由三名獨立非執行董事組成，分別為蔡素玉女士，銅紫荊星章，太平紳士、林玉英女士及梁文俊先生。本年度，梁文俊先生為審核委員會主席，憑藉彼在會計及財務專業方面之專業資格，領導審核委員會之運作。本公司截至二零一九年十二月三十一日止年度之未經審核季度及中期業績連同經審核年度業績已由審核委員會審閱。

核數師

於本公司應屆股東週年大會上將提呈一項決議案以續聘開元信德會計師事務所有限公司為本公司核數師。

代表董事會

洪達智
執行董事
香港，二零二零年六月十九日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE

The Group is committed to achieving high standard of corporate governance to safeguard the interests of all shareholders and to enhance corporate value and accountability.

The Company's corporate governance practices are based on the principles and code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules.

Throughout the year ended 31 December 2019, the Company has complied with most of the code provisions of the CG Code, save for deviations from code provisions A.2.1 and A.4.1 which are explained below.

Chairman and Chief Executive Officer

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer of the Company should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

During the year ended 31 December 2019, there was no chairman (the "Chairman") and there was no chief executive officer of the Company (the "CEO"). The Board will keep reviewing the current structure of the Board from time to time and should a candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post of the Chairman and the CEO as appropriate and will make further announcement in due course.

Appointment, Re-election and Removal of Directors

According to the Articles of Association, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years.

Under the code provision A.4.1 of the CG Code, non-executive Directors should be appointed for a specific term of service. None of the independent non-executive Director has entered into a service contract or an appointment letter with the Company for a specific term of service but their appointments are subject to retirement by rotation and offer themselves for re-election at the annual general meeting at least once for every three years in accordance with the Articles of Association. The Company believes such practice meets the same objective and no less exacting than those prescribed under code provision A.4.1.

企業管治

本集團致力達致高水平企業管治，以保障所有股東之利益及加強企業價值及責任承擔。

本公司企業管治常規乃根據GEM上市規則附錄十五所載企業管治守則（「企管守則」）所載之常規及守則條文制訂。

截至二零一九年十二月三十一日止年度，本公司已遵守大部分企管守則之守則條文，惟以下所述守則條文第A.2.1及A.4.1條偏離者除外。

主席及行政總裁

根據企管守則守則條文第A.2.1條，本公司主席及行政總裁之角色應獨立區分，不應由一人兼任。主席及行政總裁之職責區分必須清楚列明，並以書面形式載列。

截至二零一九年十二月三十一日止年度，本公司概無主席（「主席」）及行政總裁（「行政總裁」）。董事會將繼續不時檢討董事會目前架構，倘能物色具備適當知識、技能及經驗之人選，本公司將於適當情況下加以委任，以填補主席及行政總裁之空缺，並於適當時候作進一步公佈。

委任、重選及罷免董事

按照組織章程細則，三分之一董事須於每屆股東週年大會輪值告退，惟每名董事須最少每三年輪值告退一次。

根據企管守則守則條文第A.4.1條，非執行董事須按特定任期委任。概無獨立非執行董事與本公司訂有附帶特定任期之服務合約或委聘書，惟彼等之委任須按照組織章程細則於股東週年大會至少每三年輪值告退及重選連任一次。本公司相信該等常規符合守則條文第A.4.1條之目的，並不比該條文所規定寬鬆。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Composition and Board Practices

As at 31 December 2019, the Board comprised 7 Directors including 3 executive Directors (the “Executive Directors”), Mr. Hung Tat Chi Alan, Mr. Ling Ko Yin Jason and Ms. Keung Yat Fai Janice; an non-executive Director (the “Non-executive Director”), Mr. Chan Wai Kit; and three independent non-executive Directors (the “Independent Non-executive Directors”), namely, Ms. Choy So Yuk, *BBS, JP*, Ms. Lam Yuk Ying Elsa and Mr. Leung Man Chun. There is no financial, business, family or other material/relevant relationship amongst the Directors.

The Board schedules four meetings a year at approximately quarterly intervals and will meet as necessary. During the year ended 31 December 2019, the Board held 4 regular meetings. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the Articles of Association.

In addition, the Company has maintained a procedure for the Directors to seek independent professional advice, in appropriate circumstances, at the Company’s expense in discharging their duties to the Company. Moreover, the company secretary of the Company (the “Company Secretary”) prepares minutes and keeps records of matters discussed and decisions resolved at all Board meetings. The secretary of the meetings of the Company keeps the minutes, which are open for inspection at any reasonable time on reasonable notice by any Director.

Independent Non-executive Directors

The Company has received from each of its independent non-executive Directors the written confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company, based on such confirmation, considers Ms. Choy So Yuk, *BBS, JP*, Ms. Lam Yuk Ying Elsa and Mr. Leung Man Chun are independent.

董事會組成及董事會常規

於二零一九年十二月三十一日，董事會由七名董事組成，包括三名執行董事（「執行董事」）、洪達智先生、林高然先生及姜逸暉女士；一名非執行董事（「非執行董事」）陳偉傑先生；及三名獨立非執行董事（「獨立非執行董事」）蔡素玉女士，*銅紫荊星章*，*太平紳士*、林玉英女士及梁文俊先生。董事之間概無任何財務、業務、家族或其他重大／相關關係。

董事會計劃每年舉行四次會議，約於每季度及於有需要時會面。截至二零一九年十二月三十一日止年度，董事會曾舉行四次常規會議。按照組織章程細則，董事可親身或透過其他電子通訊途徑出席會議。

此外，本公司已制定程序，以便董事在向本公司履行職責時，於適當情況下徵求獨立專業意見，而費用均由本公司承擔。另外，本公司之公司秘書（「公司秘書」）會編製會議記錄，及存置有關於所有董事會會議所討論事項及所議決決策之記錄。本公司會議之秘書亦會存置會議記錄，備供任何董事於任何合理時間發出合理通知後查閱。

獨立非執行董事

本公司已接獲獨立非執行董事各自根據GEM上市規則第5.09條就彼之獨立身份發出之確認書。基於該等確認書，本公司認為，蔡素玉女士，*銅紫荊星章*，*太平紳士*、林玉英女士、梁文俊先生均為獨立人士。

CORPORATE GOVERNANCE REPORT

企業管治報告

Role and Functions of the Board

The Board and the management team committed to maintain high standards of corporate governance. The Board is responsible for approving and monitoring business plans, evaluating the performance of the Group and overseeing the management. The Board also focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group.

The Board delegates its authority and responsibility for implementing day-to-day operations and management of the Group to executive Directors and senior management, and certain specific responsibilities to the committees of the Company (the "Board Committees"). The Board reserves certain key matters for its approval including the Group's long-term strategy, internal control, annual, interim and quarterly financial results and shareholder communications, etc. Decisions of the Board are communicated to the management through executive Directors who have attended all Board meetings.

When the Board delegates certain aspects of its management functions to the management, it has given clear directions as to the powers of management, in particular, with respect to the circumstances. The final decision still rests with the Board unless otherwise provided for in the terms of reference of relevant committees.

董事會角色及功能

董事會及管理層團隊致力維持高水平之企業管治。董事會負責審批及監控業務計劃、評估本集團之表現以及監察管理層。董事會亦專注於制定整體策略及政策，尤其關注本集團之發展及財務表現。

董事會將執行本集團之日常運作及管理之權力及責任，委派予執行董事及高級管理層，並把若干特定責任委派予本公司委員會（「董事委員會」）。董事會保留對若干重要事項之審批權，包括本集團長遠策略、內部監控、年度、中期及季度財務業績以及與股東溝通等。董事會透過出席所有董事會會議之執行董事，向管理層傳達董事會之決策。

在董事會將若干範疇之管理職能委派予管理層時，已就管理層權力給予清晰方向，尤其是行使權力之情況。除非在相關委員會之職權範圍另有所指，否則董事會仍掌握最終決定權。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board of Directors

The primary role of the Board is to protect and enhance interest of the Company and shareholders as a whole. The Board is responsible for setting overall strategy for the Group and monitoring the performance of the management.

The Board members during the year ended 31 December 2019 and up to the date of this annual report are:

Executive Directors

Mr. Hung Tat Chi Alan
Mr. Ling Ko Yin Jason
Ms. Keung Yat Fai Janice (appointed on 11 December 2019)

Non-executive Director

Mr. Chan Wai Kit

Independent Non-executive Directors

Ms. Choy So Yuk, BBS, JP
Ms. Lam Yuk Ying Elsa
Mr. Leung Man Chun

19 Board meetings were held during the year 2019 and the attendance of Directors at the Board meetings for the year ended 31 December 2019 is set out as follows:

董事會

董事會之主要角色為保障及提高本公司及股東之整體利益。董事會負責制定本集團整體策略，並監督管理層表現。

截至二零一九年十二月三十一日止年度及直至本年報日期之董事會成員如下：

執行董事

洪達智先生
林高然先生
姜逸暉女士 (於二零一九年十二月十一日獲委任)

非執行董事

陳偉傑先生

獨立非執行董事

蔡素玉女士，銅紫荊星章，太平紳士
林玉英女士
梁文俊先生

於二零一九年內共舉行19次董事會會議，而截至二零一九年十二月三十一日止年度，董事之董事會會議出席記錄載列如下：

Name of Directors		Attendance of meeting held
董事姓名		所舉行會議之出席率
Executive Directors		
執行董事		
Mr. Hung Tat Chi Alan	洪達智先生	100%
Mr. Ling Ko Yin Jason	林高然先生	100%
Ms. Keung Yat Fai Janice (appointed on 11 December 2019)	姜逸暉女士 (於二零一九年十二月十一日獲委任)	100%
Non-executive Director		
非執行董事		
Mr. Chan Wai Kit	陳偉傑先生	100%
Independent Non-executive Directors		
獨立非執行董事		
Ms. Choy So Yuk, BBS, JP	蔡素玉女士，銅紫荊星章，太平紳士	100%
Ms. Lam Yuk Ying Elsa	林玉英女士	100%
Mr. Leung Man Chun	梁文俊先生	95%

CORPORATE GOVERNANCE REPORT

企業管治報告

General Meeting

During the Year under review, an annual general meeting of the Company (the "AGM") was held on 13 June 2019 with details of the Directors' attendance set out below:

股東大會

於回顧年內，本公司股東週年大會（「股東週年大會」）於二零一九年六月十三日舉行，董事出席詳情載列如下：

Date of the meeting held		Attendance of the AGM on 13 June 2019 於二零一九年六月十三日股東週年大會出席率
舉行會議之日期		
Name of Directors 董事姓名		
Executive Directors 執行董事		
Mr. Hung Tat Chi Alan	洪達智先生	100%
Mr. Ling Ko Yin Jason	林高然先生	100%
Ms. Keung Yat Fai Janice (appointed on 11 December 2019)	姜逸暉女士 (於二零一九年十二月十一日獲委任)	N/A 不適用
Non-executive Director 非執行董事		
Mr. Chan Wai Kit	陳偉傑先生	100%
Independent Non-executive Directors 獨立非執行董事		
Ms. Choy So Yuk, BBS, JP	蔡素玉女士，銅紫荊星章，太平紳士	100%
Ms. Lam Yuk Ying Elsa	林玉英女士	100%
Mr. Leung Man Chun	梁文俊先生	100%

CORPORATE GOVERNANCE REPORT

企業管治報告

Directors' Induction and Continuous Professional Development

All Directors, including Independent Non-executive Directors, should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. Each newly appointed Director would receive a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the GEM Listing Rules and other relevant regulatory requirements. The Group also provides briefings and other trainings to develop and refresh the Directors' knowledge and skills, and updates all Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices.

All Directors have provided the Company their training records for the year ended 31 December 2019. During the year ended 31 December 2019, the Directors participated in the continuous professional developments in relation to regulatory update, the duties and/or responsibility of the Directors and the business of the Group.

Audit Committee

The Company has established an audit committee of the Company (the "Audit Committee") with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The primary duties of the Audit Committee are to review and supervise the Group's financial and accounting policies and practices, financial controls, internal controls and risk management systems. On 22 March 2019, the Board adopted a set of the revised terms of reference of the Audit Committee, which has brought in line with the amendments to implement proposals of the "Consultation Conclusions on Review of the Corporate Governance Code and Related Listing Rules" published on 27 July 2018. The revised terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the GEM website and the Company's website. During the year ended 31 December 2019, the Audit Committee has performed its duties, reviewed the effectiveness of the internal control system of the Company and reviewed the re-appointment of the external auditors. The unaudited quarterly and interim together with the audited annual results of the Company in respect of the year ended 31 December 2019 have also been reviewed by the Audit Committee.

During the year ended 31 December 2019, the Audit Committee comprised three Independent Non-executive Directors, namely, Ms. Choy So Yuk, BBS, JP, Ms. Lam Yuk Ying Elsa and Mr. Leung Man Chun. Mr. Leung Man Chun was the Chairman of the Audit Committee and applied his professional qualifications in accounting and financial expertise in directing the Audit Committee.

董事就任須知及持續專業發展

所有董事(包括獨立非執行董事)應清楚了解彼等作為董事之共同責任及本集團業務及活動。每名新委任董事將獲全面就任須知,涵蓋本公司業務經營、政策及程序,以及作為董事之一般、法定及規定責任,以確保彼等充分了解其於GEM上市規則下之責任及其他相關監管要求。本集團亦提供簡介會及其他培訓,以增進及更新各董事之知識及技能,並向全體董事提供有關GEM上市規則及其他適用監管規定之最新發展,確保董事遵守及提升對良好企業管治常規之認識。

所有董事已向本公司提供截至二零一九年十二月三十一日止年度之培訓記錄。截至二零一九年十二月三十一日止年度,董事參與有關監管更新、董事職務及／或職責以及本集團業務之持續專業發展。

審核委員會

本公司已成立本公司審核委員會(「審核委員會」),並根據香港會計師公會建議之指引制定書面職權範圍。審核委員會之主要職責為審閱及監督本集團之財務會計政策及慣例、財務監控、內部監控及風險管理制度。於二零一九年三月二十二日,董事會採納一系列審核委員會經修訂職權範圍,使之與於二零一八年七月二十七日刊發之《檢討企業管治守則及相關上市規則條文的諮詢總結》中建議實施之修訂相符。載列審核委員會權力、職責及責任之經修訂職權範圍於GEM網站及本公司網站可供瀏覽。於截至二零一九年十二月三十一日止年度,審核委員會履行其職責,檢討本公司內部監控系統之有效性及檢討外部核數師之重新委任。本公司未經審核季度及中期業績以及截至二零一九年十二月三十一日止年度之經審核年度業績亦已經由審核委員會審閱。

截至二零一九年十二月三十一日止年度,審核委員會由三名獨立非執行董事組成,分別為蔡素玉女士,銅紫荊星章,太平紳士、林玉英女士及梁文俊先生。梁文俊先生為審核委員會主席,憑藉彼在會計及財務專業方面之專業資格,領導審核委員會之運作。

CORPORATE GOVERNANCE REPORT

企業管治報告

Mr. Leung Man Chun has been appointed as the Chairman of the Audit Committee with effect from 1 January 2019.

梁文俊先生已獲委任為審核委員會主席，自二零一九年一月一日起生效。

4 meetings were held by the Audit Committee and the attendance of the members of the Audit Committee at Audit Committee meetings for the year ended 31 December 2019 is set out as follows:

截至二零一九年十二月三十一日止年度，審核委員會共舉行四次會議，而審核委員會成員於審核委員會會議之出席記錄載列如下：

Name of Audit Committee Members		Attendance of meeting held
審核委員會成員姓名		所舉行會議之出席率
Mr. Leung Man Chun (<i>Chairman</i>)	梁文俊先生 (主席)	4/4
Ms. Choy So Yuk, <i>BBS, JP</i>	蔡素玉女士，銅紫荊星章，太平紳士	4/4
Ms. Lam Yuk Ying Elsa	林玉英女士	4/4

Remuneration Committee

The Company has established a remuneration committee of the Company (the "Remuneration Committee") on 8 October 2007 with terms of reference no less exacting terms than the CG Code. On 22 March 2019, the Board adopted a set of revised terms of reference of the Remuneration Committee which has brought in line with the amendments to implement proposals of the "Consultation Conclusions on Review of the Corporate Governance code and Related Listing Rules" published on 27 July 2018. The principle of the Remuneration Committee is to formulate and review the remuneration policies and other remuneration related matters of the Directors and senior management of the Company and to make recommendations to the Board as deemed necessary. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the GEM website and the Company's website. During the year ended 31 December 2019, the Remuneration Committee has discussed and reviewed the remuneration policies of the Company, reviewed and made recommendations with respect to the remuneration of Board members for approval by the Board and made recommendations with respect to the remuneration of the newly appointed Directors during the year for approval by the Board. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual Executive Directors and senior management.

薪酬委員會

本公司已於二零零七年十月八日成立本公司薪酬委員會（「薪酬委員會」），其職權範圍不較企管守則之條款寬鬆。於二零一九年三月二十二日，董事會採納一系列薪酬委員會經修訂職權範圍，使之與於二零一八年七月二十七日刊發之《檢討企業管治守則及相關上市規則條文的諮詢總結》中建議實施之修訂相符。薪酬委員會成立目的為制定與檢討董事及本公司高級管理層之薪酬政策及其他薪酬相關事宜，並在認為必要時向董事會提出推薦意見。載列薪酬委員會權力、職責及責任之職權範圍於GEM網站及本公司網站可供瀏覽。於截至二零一九年十二月三十一日止年度，薪酬委員會已討論及檢討本公司之薪酬政策，檢討並就董事會成員之薪酬提出建議，以獲董事會批准，並就年內新委任董事之薪酬提出建議，以獲董事會批准。薪酬委員會已採納向董事會履行顧問職責之經營模式，董事會保留批准個別執行董事及高級管理層人員之薪酬政策之最終權力。

CORPORATE GOVERNANCE REPORT

企業管治報告

As at 31 December 2019, the Remuneration Committee comprised three Independent Non-executive Directors, namely Ms. Choy So Yuk, *BBS, JP*, Ms. Lam Yuk Ying Elsa and Mr. Leung Man Chun. Ms. Choy So Yuk, *BBS, JP* is the Chairperson of the Remuneration Committee.

3 meetings were held by the Remuneration Committee and the attendance of the members of the Remuneration Committee at the Remuneration Committee meetings for the year ended 31 December 2019 is set out as follows:

於二零一九年十二月三十一日，薪酬委員會包括三名獨立非執行董事蔡素玉女士，銅紫荊星章，太平紳士、林玉英女士及梁文俊先生。蔡素玉女士，銅紫荊星章，太平紳士為薪酬委員會主席。

截至二零一九年十二月三十一日止年度，薪酬委員會共舉行三次會議，而薪酬委員會成員於薪酬委員會會議之出席記錄載列如下：

Name of Remuneration Committee Members		Attendance of meeting held 所舉行會議之出席率
薪酬委員會成員姓名		
Ms. Choy So Yuk, <i>BBS, JP</i> (<i>Chairperson</i>)	蔡素玉女士，銅紫荊星章，太平紳士（主席）	3/3
Ms. Lam Yuk Ying Elsa	林玉英女士	3/3
Mr. Leung Man Chun	梁文俊先生	3/3

Remuneration Policy for Directors and Senior Management

The emolument policy of the employees of the Group is determined on the basis of their merit, qualifications and competence.

董事及高級管理層之薪酬政策

本集團僱員之薪酬政策乃按彼等之功績、資歷及才能制定。

The emoluments of the Directors are recommended by the Remuneration Committee, having regard to the Company's operating results, individual performance, experience, responsibility, workload and time devoted to the Company and comparable market statistics, for Board approval. Each of the Executive Directors is entitled to a basic salary which is reviewed annually. In addition, each of the Executive Directors may receive a discretionary bonus as the Remuneration Committee may recommend. Such amount has to be approved by the Board.

薪酬委員會考慮本公司經營業績、個人表現、經驗、責任、工作量及對本公司投放之時間及市場可比較數字後，就董事薪酬提出建議，以供董事會批准。各執行董事有權獲取基本薪金，而基本薪金每年檢討一次。此外，獲薪酬委員會建議後，各執行董事可收取酌情花紅。花紅金額須由董事會批准。

CORPORATE GOVERNANCE REPORT

企業管治報告

Nomination Committee

The Company has established a nomination committee of the Company (the "Nomination Committee") on 29 March 2012 with terms of reference no less exacting terms than the CG Code. On 22 March 2019, the Board adopted a set of revised terms of reference of the Nomination Committee which has brought in line with the amendments to implement proposals of the "Consultation Conclusions on Review of the Corporate Governance code and Related Listing Rules" published on 27 July 2018. The principle of the Nomination Committee is responsible for reviewing the structure, size and composition of the Board, determining the re-election of the Directors, and identifying individuals suitably qualified to become Board members and assessing the independence of independent non-executive Directors. On 2 September 2013, the Board adopted a set of the revised terms of reference of the Nomination Committee, which has brought in line with the new GEM Listing Rules relating to Board Diversity with effective from 1 September 2013. The revised terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on both the GEM website and the Company's website.

Where vacancies on the Board exist, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, including the independence status in the case of an independent non-executive Director, the Board Diversity Policy, the Company's needs and other relevant statutory requirements and regulations.

During the year ended 31 December 2019, the Nomination Committee have reviewed the structure, size and composition of the Board, the retirement and re-election of the Directors at the forthcoming annual general meeting and considered the appointments of new Directors. All of the newly appointed Directors were appointed by going through the selection process stated as above.

As at 31 December 2019, the Nomination Committee comprised of three Independent Non-executive Directors, namely, Ms. Choy So Yuk, *BBS, JP*, Ms. Lam Yuk Ying Elsa and Mr. Leung Man Chun. Ms. Lam Yuk Ying, Elsa is the Chairperson of the Nomination Committee.

2 meetings were held by the Nomination Committee and the attendance of the members of the Nomination Committee at the Nomination Committee meetings for the year ended 31 December 2019 is set out as follows:

提名委員會

本公司已於二零一二年三月二十九日根據不比企管守則寬鬆之職權範圍成立本公司提名委員會（「提名委員會」）。於二零一九年三月二十二日，董事會採納一系列提名委員會經修訂職權範圍，使之與於二零一八年七月二十七日刊發之《檢討企業管治守則及相關上市規則條文的諮詢總結》中建議實施之修訂相符。提名委員會負責檢討董事會之架構、規模及組成、釐定重選董事、物色具有適當資格可出任董事會成員之人選及評估獨立非執行董事之獨立性。於二零一三年九月二日，董事會採納一系列的提名委員會經修訂職權範圍，其符合於二零一三年九月一日起生效有關多元化董事會之新GEM上市規則。載列提名委員會權力、職責及責任之經修訂職權範圍於GEM網站及本公司網站可供瀏覽。

倘董事會出現空缺，提名委員會將根據建議候選人之技能、經驗、專業知識、個人品德、服務時間（倘為獨立非執行董事則須考慮其獨立地位）、董事會多元化政策、本公司需要以及其他相關法定要求及規例進行篩選。

截至二零一九年十二月三十一日止年度，提名委員會已檢討董事會之架構、規模及組成以及於應屆股東週年大會退任及重選董事之事宜，以及考慮委任新任董事。所有新任董事乃透過上述篩選過程委任之董事。

於二零一九年十二月三十一日，提名委員會由三名獨立非執行董事組成，分別為蔡素玉女士，銅紫荊星章，太平紳士、林玉英女士及梁文俊先生。林玉英女士為提名委員會主席。

截至二零一九年十二月三十一日止年度，提名委員會共舉行二次會議，而提名委員會成員於提名委員會會議之出席記錄載列如下：

Name of Nomination Committee Members		Attendance of meeting held
提名委員會成員姓名		所舉行會議之出席率
Ms. Lam Yuk Ying, Elsa (<i>Chairperson</i>)	林玉英女士 (主席)	2/2
Ms. Choy So Yuk, <i>BBS, JP</i>	蔡素玉女士，銅紫荊星章，太平紳士	2/2
Mr. Leung Man Chun	梁文俊先生	2/2

CORPORATE GOVERNANCE REPORT

企業管治報告

Risk Management Committee

The Company has established a risk management committee of the Company (the "Risk Management Committee") on 22 March 2019.

The principle of the Risk Management Committee is to consider and review the overall objective and policies of the Company's comprehensive risk management system, assess the risks from major decisions and to consider solutions for significant risks, and to be responsible for providing guidance about risk prevention on the Company's operational management process, perform periodic assessment on the Company's risk profile and risk management capabilities, and to make recommendations on the improvement of the Company's risk management systems and internal controls, to consider the Company's annual risk management report and compliance report, consider major investigations findings on risk management matters as delegated by the Board or on its own initiative and management's response to these findings and to consider any other matters in relation to risk management responsibilities to be performed by board committee under the Appendix 15 "Corporate Governance Code and Corporate Governance Report" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at 31 December 2019, the Risk Management Committee comprised of two Executive Directors and one Independent Non-executive Director, namely, Mr. Hung Tat Chi Alan, Mr. Ling Ko Yin Jason and Mr. Leung Man Chun. Mr. Hung Tat Chi Alan is the Chairperson of the Risk Management Committee.

1 meeting was held by the Risk Management Committee and the attendance of the members of the Risk Management Committee at the Risk Management Committee meetings for the year ended 31 December 2019 is set out as follows:

風險管理委員會

本公司已於二零一九年三月二十二日成立本公司風險管理委員會（「風險管理委員會」）。

風險管理委員會之成立目的為衡量及檢討本公司綜合風險管理系統之整體目標及政策、評估主要決策所帶來之風險及思考解決重大風險之辦法，並負責就本公司營運管理過程中之風險提供防範指引、定期評估本公司之風險狀況及風險管理能力、就如何改善本公司之風險管理系統及內部監控提供建議、審議本公司之年度風險管理報告及合規報告、按董事會授權或自發考慮各項風險管理事宜之重要調查結果及管理層就有關結果之回應，以及根據香港聯合交易所有限公司證券上市規則附錄十五所載《企業管治守則》及《企業管治報告》而考慮任何其他有關董事委員會應予履行之風險管理責任之事項。

於二零一九年十二月三十一日，風險管理委員會由兩名執行董事及一名獨立非執行董事組成，分別為洪達智先生、林高然先生及梁文俊先生。洪達智先生為風險管理委員會主席。

截至二零一九年十二月三十一日止年度，風險管理委員會共舉行一次會議，而風險管理委員會成員於風險管理委員會會議之出席記錄載列如下：

Name of Risk Management Committee Members		Attendance of meeting held 所舉行會議之出席率
風險管理委員會成員姓名		
Mr. Hung Tat Chi Alan (<i>Chairperson</i>)	洪達智先生 (<i>主席</i>)	1/1
Mr. Ling Ko Yin Jason	林高然先生	1/1
Mr. Leung Man Chun	梁文俊先生	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Diversity Policy

The Company has adopted a board diversity policy (the “Policy”) setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the Policy from time to time to ensure its continued effectiveness.

Corporate Governance Function

All members of the Board are responsible for performing the corporate governance functions. The terms of reference of corporate governance functions was adopted by the Board at the Board meeting held on 29 March 2012 and is in compliance with paragraph D3.1 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. During the year ended 31 December 2019, the Board has reviewed the policy of the corporate governance and the corporate governance report of the Company.

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard as set out in the Rules 5.48 to 5.67 of the GEM Listing Rules. The Directors have confirmed, following specific inquiry by the Company, that they have complied with the required standard and code of conduct during the year under review.

董事會成員多元化政策

本公司已採納董事會成員多元化政策（「該政策」），制定達致及維持董事會成員多元化之方法，以加強董事會之效能。

根據該政策，本公司透過考慮若干因素（包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務時間）致力達致董事會多元化。

董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化之裨益。

候選人將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終將按候選人之長處及可為董事會提供之貢獻而作決定。

提名委員會將不時檢討該政策，以確保其持續有效。

企業管治職能

所有董事會成員負責履行企業管治職能。企業管治職能職權範圍獲董事會於二零一二年三月二十九日舉行之董事會會議上採納，並符合GEM上市規則附錄十五所載企管守則第D3.1段。截至二零一九年十二月三十一日止年度，董事會已審閱本公司企業管治政策及企業管治報告。

董事進行證券交易之操守守則

本公司已採納董事進行證券交易之操守守則，其條款不較GEM上市規則第5.48至5.67條所載之規定準則寬鬆。經本公司作出具體查詢後，董事確認，彼等於回顧年度內一直遵守規定標準及操守守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

Auditors' Remuneration

The Audit Committee is responsible for considering the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year under review, the remuneration paid or payable to Elite Partners CPA Limited, the auditor of the Company, is set out below:

核數師酬金

審核委員會負責考慮外聘核數師之委任，以及審閱由外聘核數師進行之任何非審核工作（不論該等非審核工作會否對本公司構成任何潛在重大不利影響）。於回顧年度內，已付或應付本公司核數師開元信德會計師事務所有限公司之酬金載列如下：

Services rendered	提供之服務	Fee paid/payable 已付／應付費用 HK\$'000 千港元
Audit	審核	765,000
Non-audit services	非審核服務	—
		765,000

Directors' Responsibility for the Financial Statements

The following statement sets out the responsibilities for the Directors in relation to the quarterly, interim and annual financial statements.

董事對財務報表之責任

下列聲明載列董事對季度、中期及年度財務報表之責任。

Annual Report and Financial Statements

The Directors acknowledge their responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and in presenting the quarterly, interim and annual financial statements and announcements to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects.

年報及財務報表

董事了解彼等須負責就各財政年度編製能真實公平反映本集團業務狀況之財務報表，而於向股東呈列季度、中期及年度財務報表以及公佈方面，董事的宗旨為就本集團之狀況及前景提供平衡且易於理解之評估。

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of financial statements in accordance with the Hong Kong Financial Reporting Standards as promulgated by the Hong Kong Institute of Certified Public Accountants.

會計記錄

董事負責確保本集團存置合理準確披露本集團財務狀況之會計記錄，藉以遵照香港會計師公會頒佈之香港財務報告準則編製財務報表。

Risk Management and Internal Control

The Board is responsible for evaluating and determining the nature and extent of the risks, it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The internal control system includes safeguard of the interest of shareholders and the Group's assets. It has been an important duty of the Board to conduct a review of internal control to ensure the effectiveness and adequacy of the system of the Group annually or at any time necessary. The review covers all material controls, including financial, operational and compliance controls, as well as risk management functions.

風險管制及內部監控

董事會負責評估及釐定本公司達到策略目標時所願意接納之風險性質及程度，確保本公司建立及維護合適及有效之風險管理及內部監控系統。內部監控系統包括保障股東權益及本集團資產。董事會之重要職責為每年或必要時進行內部監控檢討，以確保本集團系統為有效且足夠。該檢討涵蓋所有重大監控（包括財務、營運及合規監控）以及風險管理職能。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Group has engaged Roma Risk Advisory Limited as an independent internal control review advisor to conduct the annual review on the effectiveness of the internal control system. Review of the Group's internal controls covering major operational, financial and compliance controls, as well as risk management functions of different systems has been performed on a systematic rotational basis on the risk assessments of the operations and controls. No major issues on the internal control system have been identified during the year ended 31 December 2019.

Going Concern

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

Auditors' Responsibility for the Financial Statements

The statement of external auditors of the Company, Elite Partners CPA Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report.

Investor Relations and Communication with Shareholders

The Company uses a number of formal communications channels to account to shareholders and investors for the performance of the Company. These include (i) the publication of quarterly, interim and annual reports; (ii) the annual general meeting or extraordinary general meeting providing a forum for shareholders of the Company to raise comments and exchanging views with the Board; (iii) key information of the Group available on the website of the Company; (iv) the Company's share registrars in Hong Kong serving the shareholders in respect of all share registration matters; and (v) corporate information and the articles of association of the Company are made available on the Company's website.

A shareholder's communication policy was adopted by the Board on 29 March 2012 aiming at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company.

The Company aims to provide its shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to providing clear, detailed, timely manner and on a regular basis information of the Group to shareholders through the publication of quarterly, interim and annual reports and/or dispatching circular, notices, and other announcements.

本集團已委聘羅馬風險諮詢有限公司作為獨立內部監控檢討顧問，以就內部監控系統之有效性進行年度檢討。本集團之內部監控檢討涵蓋主要營運、財務及合規監控，且已根據營運及監控之風險評估有系統地輪流實行不同系統之風險管理職能。截至二零一九年十二月三十一日止年度，概無發生任何有關內部監控系統之重大事件。

持續經營

董事經作出適當查詢後認為，本集團具備充足資源，以於可見未來繼續營運，且基於此理由，按持續經營基準編製財務報表屬適當做法。

核數師就財務報表之責任

本公司外部核數師開元信德會計師事務所有限公司就本集團財務報表之呈報責任之聲明載於獨立核數師報告。

投資者關係及與股東溝通

本公司採用多個正式通訊渠道，以向股東及投資者說明本公司之表現。此等渠道包括(i)刊發季度、中期及年度報告；(ii)舉行股東週年大會或股東特別大會，為本公司股東提供提出評論及與董事會交流意見之平台；(iii)於本公司網站發佈本集團之主要資料；(iv)本公司於香港之股份過戶登記處，就所有股份登記事宜服務股東；以及(v)公司資料及本公司之組織章程細則載於本公司網站可供瀏覽。

董事會於二零一二年三月二十九日採納股東溝通政策，旨在讓股東及潛在投資者迅速及時取得本公司全面簡明之資料。

本公司旨在向其股東及投資者提供高水平資料披露及財政透明度。董事會承諾，透過刊發季度、中期及年度報告及／或寄發通函、通知及其他公佈，適時及定期向股東提供有關本集團之清晰詳盡資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's registered office at 16th Floor, Henan Building, Nos. 90 & 92 Jaffe Road, Wan Chai, Hong Kong.

Shareholders' Rights

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Articles of Association, an EGM can be convened by a written request signed by Shareholders, stating the objects of the meeting, and deposited at the Company's registered office at 16th Floor, Henan Building, Nos. 90 & 92 Jaffe Road, Wan Chai, Hong Kong.

Procedures for putting forward Proposals at a General Meeting

The procedures for shareholders to put forward proposals at an AGM or EGM include a written notice of those proposals being submitted by shareholders, addressed to the Company Secretary at the Company's registered office at 16th Floor, Henan Building, Nos. 90 & 92 Jaffe Road, Wan Chai, Hong Kong. The detailed procedures vary according to whether the proposal constitutes an ordinary resolution or a special resolution, or whether the proposal relates to the election of a person other than a Director of the Company as a director. The procedures for shareholders to convene and put forward proposals at an AGM or EGM (including election of a person other than a Director of the Company as a director) are available on the Company's website or on request to the Company Secretary.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquires and concerns to the Board in writing through the Company Secretary at the Company's registered office at 16th Floor, Henan Building, Nos. 90 & 92 Jaffe Road, Wan Chai, Hong Kong or send email to info@evershinegroup.com.hk.

Shareholders may also make enquiries with the Board at the AGM or EGM.

本公司不斷推動與投資者關係及加強與現有股東及潛在投資者之溝通。本公司歡迎投資者、持份者及公眾提出建議。有關人士可以郵寄方式送達本公司註冊辦事處（地址為香港灣仔謝斐道90及92號豫港大廈16樓）向董事會或本公司查詢。

股東權利

股東召開股東特別大會之程序

根據香港法例第622章公司條例及組織章程細則，股東可遞交已簽署並訂明會議目的之書面呈請予本公司註冊辦事處（地址為香港灣仔謝斐道90及92號豫港大廈16樓），以召開股東特別大會。

於股東大會提呈建議之程序

股東於股東週年大會或股東特別大會提呈建議之程序為股東將就有關建議之書面通知送達本公司註冊辦事處（地址為香港灣仔謝斐道90及92號豫港大廈16樓），以遞交予公司秘書。詳細程序須視乎該建議是否構成普通決議案或特別決議案，或該建議是否與選任本公司董事以外之人士為董事有關而有所不同。股東召開股東週年大會或股東特別大會並於會上提呈決議案之程序（包括選任本公司董事以外之人士為董事）資料於本公司網站可供瀏覽，或可向公司秘書提出要求以獲取資料。

建議股東向董事會查詢之程序

股東可於任何時候以書面形式送達本公司註冊辦事處（地址為香港灣仔謝斐道90及92號豫港大廈16樓）以遞交予公司秘書或電郵 info@evershinegroup.com.hk 向董事會提出彼等之查詢及關注。

股東亦可於股東週年大會或股東特別大會向董事會查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

Company Secretary

Mr. Yeung Man Sun has been appointed as the Company Secretary of the Company with effect from 15 May 2020.

Ms. Chan Shuk Man Lora ("Ms. Chan") has been the Company Secretary of the Company with effect from 22 January 2018, and Ms. Chan has resigned as the Company Secretary of the Company with effect from 15 May 2020.

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out of the corporate activities, which has been complied with the CG Code. The insurance coverage is reviewed on an annual basis.

Looking forward

The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavors to take the necessary actions to ensure the compliance with the code provisions of the CG Code introduced by the Stock Exchange.

公司秘書

楊萬鈺先生已獲委任為本公司之公司秘書，自二零二零年五月十五日起生效。

陳淑雯女士（「陳女士」）為本公司之公司秘書，自二零一八年一月二十二日起生效，其後陳女士辭任本公司之公司秘書，自二零二零年五月十五日起生效。

董事及高級職員之負債

本公司已安排適當保險，保障已遵守企管守則之企業活動可能產生之董事責任。保險保障範圍會每年檢討。

展望

本集團將繼續適時檢討其企業管治水平，而董事會將盡力採取必需行動，確保遵守聯交所頒佈之企管守則之守則條文。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

This Environmental, Social and Governance Report (the “ESG Report”) summarizes the environmental, social and governance (“ESG”) initiatives, plans and performances of Evershine Group Holdings Limited (the “Company”, together with its subsidiaries, the “Group” or “we”), and demonstrates our commitment to sustainable development.

The Group believes sustainability is a key to achieve continuous success, therefore we have integrated this key concept into our business strategy. In order to pursue a successful and sustainable business model, the Group recognizes the importance of integrating ESG aspects into our risk management system. We adhere to the ESG management direction in accordance with the concept of sustainable development, and are committed to progress effectively and responsibly against ESG affairs.

The ESG Governance Structure

The Group conducts a top-down management approach in regards to ESG issues. The Board of Directors (the “Board”) oversees and sets out ESG strategies for the Group, while taking the ultimate responsibility for ensuring the effectiveness of the Group’s ESG policies. We have assigned designated staff to enforce and supervise the implementation of relevant ESG policies. The Group’s sustainability policies will be adjusted to satisfy the ever-changing needs of stakeholders.

The Group has established an ESG working taskforce (the “Taskforce”) composed of staff from relevant departments to assist in ESG data collection and compilation of the ESG reports. The Taskforce would periodically report to the Board, assist in assessing, identifying, and managing the Group’s ESG risks. It also reviews the Group’s ESG performance, including environmental, labour practices and other ESG aspects.

序言，環境、社會及管治政策

本環境、社會及管治報告（「本報告」）概括了永耀集團控股有限公司（「本公司」，連同其附屬公司，統稱「本集團」或「我們」）於環境、社會及管治（「環境、社會及管治」）方面之措施、計劃及績效，並體現了我們對可持續發展之承諾。

本集團相信可持續發展是持續實現成功之關鍵，因此我們將持續實現成功之理念融入業務策略中。為了尋求成功及可持續之商業模式，本集團重視對風險管理系統注入環境、社會及管治因素。我們堅持按照可持續發展之理念，恪守環境、社會及管治之管理方針，致力有效及負責任地推進環境、社會及管治事宜。

環境、社會及管治之管治架構

本集團就環境、社會及管治議題採取由上而下之管理方法。董事會（「董事會」）監督及制定本集團之環境、社會及管治策略，同時對確保本集團環境、社會及管治政策之成效承擔最終責任。我們已委派指定員工加強及監督有關環境、社會及管治政策之執行。本集團之可持續發展政策將進行調整，以滿足持份者不斷轉變之需求。

本集團已成立環境、社會及管治工作專責小組（「專責小組」），由來自相關部門之員工組成，協助蒐集環境、社會及管治數據及編製環境、社會及管治報告。專責小組將定期向董事會匯報，協助評估、識別及管理本集團之環境、社會及管治風險，亦會檢討本集團之環境、社會及管治績效，包括環境、勞工常規及其他環境、社會及管治方面。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

REPORTING SCOPE

This ESG Report generally covers the Group's key business and operational activities in Hong Kong, the Mainland China and Turkey. In particular, the General Disclosures and the compliance matters of the ESG Report cover the Group's subsidiaries in Hong Kong, the Mainland China and Turkey; while the ESG key performance indicator ("KPI") is gathered and included under the Group's business activities driven by the Hong Kong office, including trading segment, and property development and investment segment. They represent the Group's major source of revenue. The Group will continue to access the major ESG aspects of different businesses and extend the scope of disclosures when and where applicable.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in the Appendix 20 of the GEM Listing Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited ("HKEX").

Information relating to the Group's corporate governance practices has been set out in the Corporate Governance Report on p. 41 to p. 55 of this annual report.

REPORTING PERIOD

The ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2019 (the "Reporting Period").

STAKEHOLDER ENGAGEMENT

We value our stakeholders and their feedback in regards to our businesses and ESG aspects. With the goal to strengthen the sustainability approach and performance of the Group, we put effort in maintaining a close communication with our stakeholders, including but not limited to shareholders and investors, customers and business partners, employees, suppliers, regulatory bodies and government authorities, and the general public. We take stakeholders' expectations into consideration in formulating our businesses and ESG strategies by utilizing diversified engagement methods and communication channels, which are shown as below.

報告範圍

本報告一般涵蓋本集團在香港、中國內地及土耳其之主要業務及營運活動。其中，本報告內之一般披露及合規事宜涵蓋本集團於香港、中國內地及土耳其之附屬公司；而環境、社會及管治關鍵績效指標（「關鍵績效指標」）則予以蒐集並納入由香港辦事處主導之本集團業務活動下，當中包括貿易分部以及物業開發及投資分部。該等活動代表本集團之主要收益來源。本集團將繼續評估各不同業務之主要環境、社會及管治事宜，並於適當時候擴大披露範圍。

報告框架

環境、社會及管治報告已遵照香港聯合交易所有限公司（「港交所」）GEM證券上市規則附錄二十《環境、社會及管治報告指引》（「環境、社會及管治報告指引」）所載所有適用條文而編寫。

有關本集團企業管治常規之資料已載於此年報第41頁至第55頁的「企業管治報告」內。

報告期間

本報告闡述本集團於截至二零一九年十二月三十一日止年度（「報告期間」）所進行、面臨及採取之環境、社會及管治活動、挑戰及措施。

持份者之參與

我們重視持份者以及其對我們業務及環境、社會及管治方面之意見。為加強本集團之可持續發展方式及績效，我們努力與持份者保持密切溝通，包括但不限於股東及投資者、客戶及業務夥伴、僱員、供應商、監管機構及政府部門以及公眾。在制定業務及環境、社會及管治策略時，我們利用以下多元化參與方法及溝通渠道考慮持份者之期望。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stakeholders 持份者	Expectations and concerns 期望及關注	Communication channels 溝通渠道
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> Corporate governance Business compliance Financial results Investment returns 	<ul style="list-style-type: none"> Annual general meeting and other shareholder meetings Financial reports Announcements and circulars Company website and emails 股東週年大會及其他股東大會 財務報告 公告及通函 公司網站及電郵
Customers and business partners 客戶及業務夥伴	<ul style="list-style-type: none"> Privacy protection Products and service quality 	<ul style="list-style-type: none"> Customer satisfaction survey Customer service hotline and emails Face-to-face meetings and on-site visits 客戶滿意度調查 客戶服務熱線及電郵 面對面會議及實地探訪
Employees 僱員	<ul style="list-style-type: none"> Career development Health and safety working environment Remuneration and benefits Equal opportunities 事業發展 健康及安全之工作環境 薪酬及福利 平等機會 	<ul style="list-style-type: none"> Regular trainings, seminars and briefing sessions Performance reviews Emails, notice boards, hotline, caring activities with management 定期培訓、研討會及簡報會 績效檢討 電郵、告示板、熱線、與管理層進行關懷活動
Suppliers 供應商	<ul style="list-style-type: none"> Fair and open procurement Win-win cooperation 	<ul style="list-style-type: none"> Suppliers' satisfactory assessment Face-to-face meetings and on-site visits Industry seminars Open tendering 供應商滿意度評估 面對面會議及實地探訪 行業研討會 公開招標
Regulatory bodies and government authorities 監管機構及政府部門	<ul style="list-style-type: none"> Compliance with laws and regulations Support economic development 	<ul style="list-style-type: none"> Supervision on complying with local laws and regulations Routing reports and tax payment 監督地方法例及規例之遵行情況 傳達報告及支付稅項
General public 公眾人士	<ul style="list-style-type: none"> Involvement in communities Environmental protection Business compliance 	<ul style="list-style-type: none"> Media conferences and responses to enquiries Public welfare activities Face-to-face interviews ESG reports 媒體會議及回應查詢 公益活動 面對面訪問 環境、社會及管治報告

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community on a continuous basis.

我們致力與持份者合作，以持續提升環境、社會及管治績效，並為更廣泛社區創造更大價值。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

MATERIALITY ASSESSMENT

The Group's management and staff in major functions are involved in the preparation of the ESG Report, so to assist the Group in reviewing its operations and identifying the relevant ESG issues, and assess the importance of those relevant matters to our business and stakeholders. We have compiled a survey in accordance with the identified material ESG issues to collect information from relevant departments, business units and stakeholders of the Group. The following table shows the summary of the Group's material ESG issues.

重要性評估

本集團管理層及從事主要職能之員工均參與編備本報告，以協助本集團檢討其營運及識別相關之環境、社會及管治議題，並評估該等相關事項對業務及持份者之重要性。我們按照已識別之重要環境、社會及管治議題來編製調查問卷，並透過問卷向本集團相關部門、業務單位及持份者收集資料。下表顯示本集團重要環境、社會及管治議題之摘要。

Material Topics 重要議題		
High Importance 高重要性	Medium Importance 中等重要性	Low Importance 低重要性
<ul style="list-style-type: none"> Corporate Governance Remuneration and Benefits Employee Health Management Privacy Protection Employees' Training and Development Workplace Health and Safety Prevention of Child and Forced Labour Protection of Intellectual Property ("IP") Rights 企業管治 薪酬及福利 僱員健康管理 私隱保障 僱員培訓發展 工作場所之健康及安全 防止童工及強制勞工 保護知識產權 (「知識產權」) 	<ul style="list-style-type: none"> Energy Management Recruitment, Promotion and Dismissal Diversity, Equal Opportunities and Anti-discrimination Customer Service Advertising and Labelling Community Participation 能源管理 招聘、晉升及解僱 多元化、平等機會及反歧視 客戶服務 廣告及標籤 社區參與 	<ul style="list-style-type: none"> Greenhouse Gas ("GHG") Emissions Waste Management Water Management Green Operation Supply Chain Management 溫室氣體 (「溫室氣體」) 排放 廢棄物管理 水資源管理 綠色營運 供應鏈管理

During the Reporting Period, the Group confirmed that we have established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

於報告期間，本集團確認已為環境、社會及管治議題制定適當及有效之管理政策及內部監控系統，並確認所披露內容符合環境、社會及管治報告指引規定。

CONTACT US

We welcome stakeholders to provide their opinions and suggestions. You are welcomed to provide valuable feedback on the ESG Report or our sustainability performance by email at info@evershinegroup.com.hk.

聯繫我們

我們歡迎持份者提出意見及建議。閣下可電郵至 info@evershinegroup.com.hk，就本報告或我們在可持續發展方面之績效提供寶貴意見。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A. ENVIRONMENTAL

A1. Emissions

The Group is committed to ensuring the long-term sustainability in the environment and community where the Group operates. We recognize our responsibilities towards the potential environmental impacts associated with our business operations and integrate environmental consideration into our decision-making processes.

To create an environmentally sustainable business, we stringently control our emissions and consumption of resources, adopt waste separation at source as our waste management principle and comply with all relevant environmental laws and regulations in daily operations. We strive to innovate and implement measures to promote energy consumption, waste reduction and other green initiatives. We are committed to educating our employees on environmental protection and complying with relevant environmental laws and regulations.

In order to enhance our environmental governance practices and mitigate the potential environmental impacts resulted from our operations, we have adopted related environmental policies and delivered the contents to our employees. Within our policy framework, we continually look for different opportunities to pursue environmentally friendly initiatives, enhance our environmental performance by reducing energy and use of other resources.

During the Reporting Period, the Group was not aware of any material non-compliance with environmental related laws and regulations in relation to exhaust gas and GHG emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Waste Disposal Ordinance of Hong Kong, Environmental Protection Law of the People's Republic of China, and Environmental Law No. 2872 of Turkey.

Exhaust Gas Emissions

Due to our business nature, the Group considers the relevant air emissions generated are not significant.

GHG Emissions

The major sources of the Group's GHG emissions are generated from petrol consumption of vehicles (Scope 1), purchased electricity (Scope 2), and paper disposal (Scope 3). We have adopted the following measures to reduce GHG emissions during operation:

A. 環境

A1. 排放物

本集團致力確保其經營在環境及社區之長期可持續發展。我們深明對業務營運相關潛在環境影響所負之責任，並將環境考慮納入決策過程。

為創造在環保方面之可持續發展業務，我們嚴格控制排放物及資源消耗，在源頭採用廢棄物分類作為廢棄物管理原則，並於日常營運中遵守所有相關環境法例及規例。我們努力創新及實施措施以促進節能減廢及其他綠色活動。我們致力向僱員進行環保教育，並遵守相關環境法例及規例。

為加強環境管治常規並減輕營運可能帶來之環境影響，我們採用相關環境政策，並向僱員傳達有關內容。我們在政策框架內不斷尋求各個機會奉行環保措施，並通過節能及使用其他資源以提高環保績效。

於報告期間，本集團並不知悉任何因不遵守有關廢氣及溫室氣體排放、水及土地排放以及產生有害及無害廢棄物之環境相關法例及規例，而會對本集團產生重大影響之嚴重情況。該等法例及規例包括但不限於香港廢物處置條例、中華人民共和國環境保護法及土耳其環境保護法第2872號 (Environmental Law No. 2872)。

廢氣排放

基於業務性質，本集團認為所產生之相關氣體排放並不顯著。

溫室氣體排放

本集團之溫室氣體排放主要來自汽車之汽油消耗(範圍1)、外購電力(範圍2)及紙張棄置(範圍3)。我們已採取以下措施以減少營運時之溫室氣體排放：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- Actively adopt environmental protection, energy conservation, and water conservation measures. Corresponding measures are described in the sections “Energy Management” and “Water Management” under Aspect A2;
- Actively adopt paper saving measures in office. Corresponding measures are described in the section “Waste Management” under this Aspect; and
- Replace highly polluting vehicles with more environmentally friendly ones.
- 積極採取環保、節能及節水措施。相關措施於層面A2「能源管理」及「水資源管理」一節中載述；
- 積極在辦公室採取減少用紙措施。有關措施於本層面「廢棄物管理」一節中載述；及
- 將高污染汽車更換為環保型汽車。

Through the implementation of the above measures, employees' awareness on GHG emissions reduction has increased. During the Reporting Period, the Group's GHG emissions performance was as follows:

通過上述措施，僱員對減排溫室氣體之意識有所提高。於報告期間，本集團之溫室氣體排放績效如下：

Indicator ¹ 指標 ¹	Unit 單位	Emissions 排放量
Direct GHG emissions (Scope 1) 直接溫室氣體排放 (範圍1)	tCO ₂ e 噸二氧化碳當量	2.13
Energy indirect GHG emissions (Scope 2) 間接溫室氣體能源排放 (範圍2)	tCO ₂ e 噸二氧化碳當量	10.79
Other indirect GHG emissions (Scope 3) 其他間接溫室氣體排放 (範圍3)	tCO ₂ e 噸二氧化碳當量	0.82
Total GHG emissions (Scope 1, 2 and 3) 總溫室氣體排放 (範圍1、範圍2及範圍3)	tCO ₂ e 噸二氧化碳當量	13.74
Total GHG emissions intensity 總溫室氣體排放密度	tCO ₂ e/employee ² 噸二氧化碳當量／僱員	0.98

Note:

附註：

- GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs” issued by the HKEX, “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5), and Hong Kong Electric Investments Sustainability Report 2019.
- As at 31 December 2019, the Group had a total of 14 full-time employees in Hong Kong office. The data is also used for calculating other intensity data.
- 溫室氣體排放數據以二氧化碳當量表示，並以（但不限於）下列各項為基礎：世界資源研究所及世界企業永續發展委員會（World Business Council for Sustainable Development）發佈之《溫室氣體核算體系：企業核算與報告標準》、港交所發佈之「如何編備環境、社會及管治報告？」附錄二：環境關鍵績效指標匯報指引、來自二零一四年聯合國政府間氣候變化專門委員會第五份評估報告之「全球暖化潛在價值（Global Warming Potential Values）」、港燈電力投資之《2019年可持續發展報告》。
- 截至二零一九年十二月三十一日，本集團之香港辦事處共有14名全職僱員。該數據亦用於計算其他密度數據。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Sewage Discharge

Since our business activities do not consume significant volume of water during our daily operation, therefore we did not generate material portion of sewage. As the sewage discharged by the Group is discharged into the municipal sewage pipe network to the regional water purification plant, the water consumed by the Group is considered as sewage discharged. The data on water consumption will be described in the section "Water Management" under Aspect A2.

Waste Management

Hazardous wastes

Despite the Group did not generate hazardous wastes during the Reporting Period, the Group has established guidelines in governing the management and disposal of hazardous wastes. In cases where hazardous wastes are produced, the Group must comply with relevant environmental regulation and rules to engage a qualified chemical waste collector to handle such wastes.

Non-hazardous wastes

The non-hazardous wastes generated by the Group is mainly paper. With the aim of minimizing the environmental impacts from non-hazardous wastes generated from our business operations, the Group has implemented measures in waste management and launched different reduction initiatives.

Specifically, the Group adopted separation method in terms of domestic waste management. Non-hazardous wastes were carefully sorted, so that those recyclable waste could be reused. The Group also encourages employees to bring their own lunch box instead of ordering take-away food to avoid the generation of food waste and food packaging waste. At the same time, the Group has adopted the following practices to reduce paper waste at source so to reduce the production of non-hazardous wastes:

- Set duplex printing as the default mode for most network printers;
- Print or copy only the pages needed;
- Reuse envelopes, folders and carton in office;
- Utilize electronic means for office daily communication;

污水排放

本集團之業務活動於日常營運過程中不會消耗大量用水，因此我們並無排放大量污水。由於本集團所排放之污水乃經市政水道網絡排放至區內之水質淨化廠，故本集團消耗用水乃視為一種污水排放。有關用水量數據於層面A2「水資源管理」一節中載述。

廢棄物管理

有害廢棄物

儘管本集團於報告期內並無產生有害廢棄物，惟本集團已制定規管有害廢棄物管理及棄置之指引。如產生有害廢棄物，本集團必須遵照相關環境規例及規則聘請合資格化學廢棄物收集商處理此類廢棄物。

無害廢棄物

本集團產生之無害廢棄物主要為紙張。為盡量減少業務營運產生之無害廢棄物造成之環境影響，本集團已實施廢棄物管理措施，並推出各項減廢措施。

具體而言，本集團就生活廢棄物管理採用分類方法。無害廢棄物會經過小心分類，以重用可再造廢棄物。本集團亦鼓勵僱員自備午餐盒，取代訂購外賣以避免產生廚餘及食品包裝廢棄物。同時，本集團採取下列措施從源頭減少浪費用紙，以減少製造無害廢棄物：

- 將大部分網絡打印機之預設模式設定為雙面列印；
- 僅列印或複印所需頁面；
- 循環使用辦公室信封、文件夾及紙板；
- 使用電子化方式進行辦公日常通訊；

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- Promote double-sided printing and photocopying;
- Separate the single-sided paper and double-sided paper neatly for better recycling; and
- Use the back of old single-sided documents for printing or as draft paper.

Through the implementation of the above waste reduction practices, employees' awareness on waste reduction has increased. During the Reporting Period, the Group's non-hazardous wastes disposal performances was as follows:

Non-hazardous waste type 無害廢棄物類別	Unit 單位	Disposal 棄置量
Paper 紙張	tonnes 噸	0.17 ³
Total non-hazardous wastes intensity 總無害廢棄物排放密度	tonnes/employee 噸／僱員	0.01

Note:

3. The Group has used approximately 0.01 tonnes of A3 Paper and 0.16 tonnes A4 Paper.

A2. Use of Resources

The Group strives to optimize resource usage in business operations, and continues with initiatives to introduce resource efficiency and eco-friendly measures to the Group's operations. The Group has established relevant policies and procedures in governing the efficient use of resources, aiming to achieve higher energy efficiency and reduce unnecessary use of materials. All offices have implemented effective energy conservation measures to reduce emissions and resource consumption.

Energy Management

The Group aims to minimize environmental impacts in our operations by identifying and adopting appropriate measures. We have developed energy policies, measures, and practices to show our commitment on energy efficiency. All employees are required to adopt such measures and practices, including the purchase of energy-efficient products and services, and assume responsibility for the Group's overall energy efficiency.

- 鼓勵雙面列印及複印；
- 整齊分放單面印刷紙張及雙面印刷紙張，以妥善進行回收；及
- 使用舊有單面印刷文件之背面進行列印或用作草稿紙。

通過上述減廢措施，僱員對減廢之意識有所提高。於報告期間，本集團之無害廢棄物棄置績效如下：

附註：

3. 本集團消耗約0.01噸A3紙張及0.16噸A4紙張。

A2. 資源使用

本集團致力優化業務營運之資源使用，並繼續主動於本集團營運中引入具資源效益及環保措施。本集團已制定監管善用資源情況之相關政策及程序，旨在提高能源效益及減少不必要之物料使用。所有辦公室已實施有效節能措施，以減低排放物及資源消耗。

能源管理

本集團旨在通過識別及採取適當措施，盡量減少營運造成之環境影響。我們已制定能源政策、措施及常規，以顯示我們對能源效益之承諾。全體員工必須採取此類措施及常規，包括購買節能產品及服務，並對本集團之整體能源效益承擔責任。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The major energy consumption of the Group is electricity consumption in operation and petrol consumption for vehicles. The Group has introduced various measures and initiatives to achieve the goal of electricity saving and efficient consumption. Such measures and initiatives include but not limited to:

- Replace traditional light bulbs with electricity-saving light bulbs to ensure energy is being saved;
- Turn off all unnecessary lightings and use natural lightings as far as practicable;
- Place energy saving reminder labels next to switches;
- Clean office equipment (such as refrigerator and air-conditioner) regularly to maintain high efficiency;
- Turn office lights and other electronic devices off whenever and wherever unnecessary;
- Adjust and switch off air-conditioners according to the temperature and situation in the office, and ensure that the temperature should not be set under 25°C;
- Place posters "Saving Electricity, Turn Off the Light When Leaving" in prominent places;
- Adopt email as the medium of internal and external communication; and
- Use electronic equipment with energy saving labels.

Through the implementation of the above initiatives, employees' awareness on energy efficiency has increased. During the Reporting Period, the Group's energy consumption performance was as follows:

Energy type 能源類別	Unit 單位	Consumption 消耗量
Direct energy consumption-petrol 直接能源消耗—汽油	MWh 兆瓦時	7.73 ⁴
Indirect energy consumption-purchased electricity 間接能源消耗—外購電力	MWh 兆瓦時	13.32
Total energy consumption 總能源消耗	MWh 兆瓦時	21.05
Total energy consumption intensity 總能源消耗密度	MWh/employee 兆瓦時／僱員	1.50

Note :

4. Actual petrol consumption was approximately 800.10 litres.

本集團之能源消耗主要來自營運耗電及汽車之汽油消耗。本集團已引入多項措施及計劃以實現節能提效之目標。有關措施及計劃包括但不限於：

- 將傳統燈泡更換為省電燈泡，以確保節省能源；
- 關掉所有不必要照明及盡可能利用自然採光；
- 於開關位置旁貼上節能提示；
- 定期清洗辦公室設備（如雪櫃及冷氣機）以維持高效能；
- 於無需要情況下關掉辦公室照明及其他電子設備；
- 根據辦公室溫度及情況調節及關掉冷氣機，並確保溫度設定為不低於攝氏25度；
- 在當眼位置張貼「節約用電，請於離開時關燈」海報；
- 採用電子郵件作為內部及外部溝通之媒介；及
- 使用貼有節能標籤之電子設備。

通過上述措施，僱員之節能意識有所提高。於報告期間，本集團之能源消耗績效如下：

附註：

4. 實際汽油消耗量約800.10公升。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Water Management

The Group's water consumed was mainly water used for office basic cleaning and sanitation. We have educated and encouraged all employees to develop the habit of water conservation. We have also been strengthening our water-saving promotions, posting water saving reminders, and guiding employees to use water reasonably. The following are some measures we have implemented to improve the utilization efficiency of water resources:

- Place posters "Saving Water Resource" in prominent places to encourage water conservation;
- Fix dripping taps promptly and avoid any leakage of the water supply system;
- Strengthen the inspection and maintenance on water tap, water pipelines and water storage;
- Carry out regular leakage tests on water tap, washers and other defects in the water supply system;
- Use water saving equipment; and
- Advocate the virtue of preserving water and instill the concept of "Water Preservation" to employees.

Since the Group's water consumption expenses are included in the property management fee, therefore the Group did not have water consumption record during the Reporting Period. Moreover, due to our operating locations, the Group does not encounter any significant issue in sourcing water that is fit for purpose.

Use of Packaging Material

Due to the Group's business nature, we do not consume significant amount of packaging materials for product packaging as we have no industrial production or any factory facilities.

水資源管理

本集團之用水量主要為辦公室作基本清潔及衛生用途。我們已教育並鼓勵所有僱員養成節約用水之習慣。我們亦一直加強宣傳節約用水、張貼節約用水提示及指導僱員合理用水。為提升水資源使用效益，我們已採取以下部分措施：

- 在當眼位置張貼「節約水資源」海報，以鼓勵節約用水；
- 及時修理漏水水龍頭及避免供水系統出現任何滲漏問題；
- 加強水龍頭、水管及儲水箱之監察及維護力度；
- 對水龍頭、洗滌器及供水系統之其他瑕疵進行定期滲漏檢測；
- 使用節水設備；及
- 提倡保護水資源之美德及向僱員灌輸「節約用水」觀念。

本集團之用水開支乃計入物業管理費，因此，本集團於報告期間並無用水量記錄。此外，基於我們業務所處位置，本集團在求取適用水源上並無任何問題。

使用包裝材料

基於本集團業務性質，本集團並無任何工業生產或任何工廠設施，因此於產品包裝上並無使用大量包裝材料。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A3. The Environment and Natural Resources

Although the core business of the Group has remote impact on the environment and natural resources, we recognize the responsibility in minimizing the negative environmental impacts of our business operations in order to achieve sustainable development for generating long-term values to our stakeholders and the community as a whole.

Green Operation

To enhance working efficiency, the Group is committed to providing employees a comfortable and green working environment. The Group maintains office order and environmental sanitation, and keeps the office clean and tidy. In addition, the Group regularly monitors and measures the indoor air quality of the workplace. The Group maintains indoor air quality by installing air purification equipment in the workplace and regularly cleaning air-conditioning systems to filter pollutants and dust. Green plants are also placed in office areas to improve the overall air quality.

B. SOCIAL

B1. Employment

Human resources are the foundation in supporting the development of the Group. The Group treasures employee's talent, and recognizes it as the most valuable asset of the Group. We have formulated the Employees' Handbook to fulfil our vision on people-oriented management and realizing the full potential of employees. The Employees' Handbook is formally documented, covering recruitment, promotion, compensation, benefits and welfares, working hours and rest periods, diversity and equal opportunity, etc. We review and update the relevant policies regularly in accordance with the latest laws and regulations.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Employment Ordinance of Hong Kong, the Labour Law of the People's Republic of China, and the Labour Act of Turkey No. 4857.

A3. 環境及天然資源

儘管本集團之核心業務對環境及天然資源帶來輕微影響，但我們知道有責任將業務營運帶來之負面環境影響降至最低，以實現可持續發展，為持份者及整體社區創造長遠價值。

綠色營運

為提高工作效率，本集團致力為僱員提供舒適之綠化工作環境，保持辦公室井然有序及環境衛生，確保辦公室清潔整齊。此外，本集團定期監察及量度工作場所內之室內空氣質素。本集團利用空氣淨化設備維持工作場所之室內空氣質素，並定期清洗冷氣系統，以清除過濾網之污染物及灰塵。辦公室內亦放置了綠色植物以改善整體空氣質素。

B. 社會

B1. 僱傭

人力資源為支持本集團發展之基石。本集團重視僱員之才能，並視之為本集團最寶貴之資產。我們已制定員工手冊以實現我們對以人為本管理及充分發揮僱員潛力之願景。員工手冊已作正式記錄，涵蓋招聘、晉升、薪酬、待遇及福利、工時及假期、多元化及平等機會等。我們根據最新法例及規例定期審閱及更新相關政策。

於報告期間，本集團並不知悉任何因不遵守僱傭相關法例及規例而對本集團產生重大影響之嚴重情況。該等法例及規例包括但不限於香港僱傭條例、中華人民共和國勞動法及土耳其勞動法第4857號(Labour Act of Turkey No. 4857)。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Recruitment, Promotion and Dismissal

To ensure employees and applicants are treated and evaluated in a fair way, we adopt robust and transparent recruitment processes based on merit selection against the job criteria, and recruit individuals based on their past performance, personal attributes, job experiences and career aspiration, regardless of their race, gender, religion, physical disability, marital status, sexual orientation, etc.

As talent retention is vital to the future business development of the Group, the Group conducts probationary and regular evaluations according to the overall market environment. The Group offers two types of promotion path for employees, which are in-department promotion and cross-department promotion. Each kinds of promotion also necessitate different requirements. This ensures that employees can be recognized by the Group appropriately with respect to their effort and contributions.

Besides the Group does not tolerate the dismissal of employees under any unreasonable basis. Any termination of employment contract would be based on reasonable, lawful grounds and internal policies. The Group strictly prohibits any kind of unfair or unreasonable dismissals.

Remuneration and Benefits

The Group has established a fair, reasonable and competitive remuneration system that provides compensation to employees. We offer competitive remuneration and benefits, which are determined by referencing market benchmarks in order to attract high-calibre candidates. Remuneration packages include holidays, medical insurance, and granted leaves such as maternity leave, paternity leave, unpaid leave, and compassionate leave.

In addition, we throw birthday parties and holds a series of activities, such as dinner party, Mid-Autumn BBQ, Christmas party for our employees. Different social activities are also arranged by volunteers in the Group on a regular basis. The Group believes that these events would help its employees to relieve stress, and served to exemplify our corporate culture of the spirit of solidarity and cohesion among our employees.

招聘、晉升及解僱

為確保僱員及應徵者獲公平對待及評估，我們採用穩健透明之招聘流程，按職位條件擇優而選，並基於應徵者之過往表現、個人特質、工作經驗及職業抱負進行招聘，且不考慮種族、性別、宗教、身體殘障、婚姻狀況、性取向等因素。

由於留聘人才對本集團未來業務發展至關重要，故本集團根據整體市場環境進行試用及定期評估。本集團向僱員提供兩類晉升途徑，即部門內晉升及跨部門晉升。各類晉升亦需要設定不同要求。這確保僱員之努力及貢獻可得到本集團適當之認可。

此外，本集團絕不容忍僱員因任何不合理之理由被解僱。凡終止僱員合約，均會依據合理及合法之理由，並按照內部政策進行。本集團嚴禁任何形式之不公正或不合理解僱。

待遇及福利

本集團已制定公平、合理及具競爭力之僱員薪酬制度。我們參考市場指標釐定並提供具競爭力之薪酬及福利，以吸引才幹之士。薪酬待遇包括假期、醫療保險及批假，例如產假、侍產假、無薪假及恩恤假。

此外，我們為員工舉辦生日會以及一系列活動，例如晚會、中秋節燒烤、聖誕派對等等。本集團自願服務之同事亦定期安排不同社交活動。本集團相信這些活動有助僱員舒緩壓力，並體現我們僱員團結及凝聚精神之企業文化。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Diversity, Equal Opportunities and Anti-discrimination

As an equal opportunity employer, we recognize the value of a diverse and skilled workforce and are committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive. We are dedicated to providing equal opportunity in all aspects of employment and maintaining workplace diversity that is free from any forms of discrimination and harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation.

The Group's Equal Opportunities Policy allows zero tolerance to any workplace discrimination, harassment or victimization in accordance to relevant government legislation, ordinances and regulations. Employees are encouraged to report any incidents involving discrimination to the Human Resource Department of the Group. We strive to ensure that complaints, grievances and concerns, including whistle-blowing, are dealt in a prompt and confidential manner.

B2. Health and Safety

The Group believes employees are valuable assets of an enterprise and regard human resources as corporate wealth. We are committed to providing and maintaining a safe and healthy environment for our employees. The Group has established a Safety Policy Handbook by incorporating a range of occupational health and safety measures to prevent and remediate accidents, detect potential safety hazards, and to ensure workplace safety. We review, and if necessary, revise the Safety Policy Handbook and our health and safety practices at least annually to ensure continuous improvements of our health and safety standards.

The Group follows the occupational health and safety guidelines recommended by Labour Department and Occupational Safety and Health Council. Employees who suffer from injury arising out of and in the course of employment are entitled to compensation in accordance with the local laws and regulations such as Employee Compensation Ordinance of Hong Kong.

多元化、平等機會及反歧視

作為平等機會僱主，我們注重多元化及技術勞工之價值，並致力營造及維持互相包容及合作之工作場所文化，使所有人能各展所長。我們致力在所有僱傭層面提供平等機會，維護工作場所的多樣性，使任何人士均不會因種族、宗教、膚色、性別、身體或精神殘障、年齡、出生地、婚姻狀況及性取向而受到任何形式的歧視及騷擾。

本集團之平等機會政策根據相關政府法例、條例及規例，絕不容許任何工作場所之歧視、騷擾或迫害。本集團鼓勵僱員向人力資源部門報告任何有關歧視之事件。我們盡力確保投訴、申訴及疑慮（包括舉報）將以迅速及保密的方式處理。

B2. 健康與安全

本集團認為僱員是企業之寶貴資產，並視人力資源為企業財富。我們致力為僱員提供及維持安全及健康之環境。本集團已制定安全政策手冊，並納入一系列職業健康及安全措施，以預防及補救意外並查明潛在安全隱患，以及確保工作場所之安全。我們最少每年進行檢討，並在必要時修訂安全政策手冊以及健康及安全常規，以確保不斷改進健康及安全標準。

本集團遵循勞工處及職業安全健康局建議之職業健康及安全指引。僱員如在受僱期間因受僱工作而受傷，有權根據香港僱員補償條例等本地法例及規例獲得賠償。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the Reporting Period, there were no reported work-related fatalities or injuries and there were no lost days due to work injury. The Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Occupational Safety and Health Ordinance of Hong Kong, the Production Safety Law of the People's Republic of China, and the Occupational Health and Safety Law No. 6331 of Turkey.

Workplace Health and Safety

Employees are required to follow the safety and health measures set out in the operating manuals, such as the Employees' Handbook. Those measures aim to minimize risks of accidents and enhance the employees' health and safety awareness.

Cleaning air-conditioning systems and disinfection treatment of carpets are performed regularly with an aim to maintain a clean and comfortable working environment. Emergency exits are unobstructed and unlocked from the inside at all times, first aid boxes are also available in readily accessible locations. The Group also organizes healthy work bulletin, built up safety warning signs, and set up safety banners and slogans, aiming to achieve an accident-free workplace environment.

Employee Health Management

The Group offers comprehensive health care coverage for our employees. We continue to organize work-life balancing activities for employees, implement green projects at our own premises and carry out other activities to promote healthy living practices. The Group also communicates information relating to health and safety to employees in order to raise their awareness on occupational health and safety.

於報告期間，並無收到任何與工作相關之傷亡報告，亦無任何因工傷而損失工作日之報告。本集團並不知悉任何因不遵守健康及安全相關法例及規例而會對本集團產生重大影響之嚴重情況。該等法例及規例包括但不限於香港職業安全及健康條例，中華人民共和國安全生產法及土耳其職業健康及安全法第6331號(Occupational Health and Safety Law No. 6331)。

工作場所之健康及安全

僱員須遵循操作手冊，例如員工手冊所載之安全與健康措施。該等措施旨在減低意外風險及提升僱員之健康及安全意識。

為維持清潔及舒適之工作環境，本集團定期清潔冷氣系統及為地毯進行消毒處理。緊急出口時刻保持暢通無阻及不從裡面上鎖，急救箱亦置於方便易取之位置。本集團亦製備健康工作簡報、設置安全警告標誌以及懸掛安全橫額及標語，旨在達致零意外之工作環境。

僱員健康管理

本集團為僱員提供全面醫療保險。我們持續為僱員安排著重工作與生活平衡之活動、於旗下地方推行綠化項目及開展其他活動，以宣揚健康生活習慣。本集團亦向僱員提供健康及安全通訊，以提高僱員的職業健康及安全意識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B3. Development and Training

The Group recognizes the valuable contribution our talents made to the continuing success of the Group. We are committed to inspiring our human capital towards delivering excellence. This is achieved through the development of training strategy that focuses on creating values and serving the needs of our customers, our talents and society.

Employees' Training and Development

To strengthen employees' work-related skills and improve operational efficiency, the Group has developed training policies that offer different trainings and development opportunities to our employees.

The Group provides regular training courses and a variety of development programmes. Newly joined employees are provided with comprehensive trainings, which cover topics such as corporate culture, business processes, job requirements and specific job knowledge. In regards to the development of existing employees, profession-oriented trainings are offered according to the corporate needs. Details of in-house training programmes will also be displayed at the bulletin board from time to time for employees' information. The Group ensures that all our employees possess the necessary professional knowledge for work, while fulfilling the continuous training hour requirement for annual professional qualifications.

B4. Labour Standards

Prevention of Child and Forced Labour

Child and forced labour are strictly prohibited during the recruitment process as defined by the laws and regulations. The Group strictly complies with local laws to prohibit any child and forced labour employment. The Group's Human Resource Department is responsible to monitor and ensure compliance of latest and relevant laws and regulations that prohibits child labour and forced labour.

To combat against illegal employment on child labour, underage workers and forced labour, valid identity documents are collected by the Group's human resources staff prior to the confirmation of employment. The Human Resources Department also ensures that the identity documents are carefully checked. If violation is involved, it will be dealt with in the light of circumstances.

B3. 發展及培訓

本集團肯定每名人才為本集團持續取得成功所作之寶貴貢獻。我們盡心盡力激發人力資本追求卓越。為實現這目標，本集團設立培訓策略，重點放在創造價值及滿足客戶、人才及社會需求。

僱員培訓及發展

為增進僱員工作相關技能並提升營運效率，本集團已制定培訓政策，為僱員提供不同培訓及發展機會。

本集團提供定期培訓課程及不同種類發展計劃。新入職員工均獲提供全面培訓，涵蓋企業文化、業務流程、工作要求及具體工作知識等方面。至於培育現職僱員方面，本集團根據企業需要提供職業導向培訓。內部培訓計劃之詳情亦會不時張貼於告示板以供僱員參考。本集團確保所有僱員擁有工作所需之專業知識及達成有關年度專業資格之持續培訓時數規定。

B4. 勞工準則

防止童工及強制勞工

按法例及規例所界定，招聘過程中嚴禁僱用童工及強制勞工。本集團嚴格遵循本地法例，拒絕僱用任何童工及強制勞工。本集團之人力資源部門負責監控及確保遵守禁止童工及強制勞工之最新相關法例及規例。

為打擊非法僱用童工、未成年勞工及強制勞工，本集團之人力資源部員工會於確認僱用前收集有效身份證明文件。人力資源部門亦會確保身份證明文件經小心查核。如有違規，將按具體情況處理。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the Reporting Period, the Group was not aware of any material non-compliance with any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Employment Ordinance of Hong Kong, the Labour Law of the People's Republic of China, and the Labour Act of Turkey No. 4857.

B5. Supply Chain Management

As a socially responsible enterprise, it is critical and vital to maintain and manage a sustainable and reliable supply chain. The supply chain management should be consistent with the Group's sustainability strategies in establishing a mutual trust and understanding with its business partners. All suppliers are evaluated carefully and are subjected to regular monitoring and assessment. The Group expects the suppliers to operate in compliance with local environmental laws, ordinances and regulations, so as to reduce ecological impacts.

Supply Chain Management

The Group sets up a supplier selection panel and establishes a scoring system to select the appropriate suppliers, on-site investigations will also be carried out to assess potential suppliers if necessary. The potential supplier can be qualified as an approved supplier by obtaining the approval from the supplier selection panel. The Group maintains a list of approved suppliers and monitors the quality of suppliers on a strict and continuous basis through conducting regular evaluation on a number of factors, such as raw material quality, service quality, former records, projects, reputation, and social and environmental responsibility. Suppliers will be evaluated based on their regulatory compliance, rights of the employees, health and safety, and environmental protection. If there are no serious quality accidents or delivery delay, the supplier will be recognized as qualified supplier, and will be added to the supplier list.

The Group arranges regular site visits and communicate with suppliers regularly to keep abreast of the latest business situation of suppliers. These measures could effectively facilitate better cooperation and communication between the Group and suppliers. In addition, the Group will conduct basic evaluations upon contracts in top management turnover, production capacity, changes in manufacturing techniques and raw materials, as well as violations of laws and discipline of the suppliers.

於報告期間，本集團並不知悉任何因不遵守童工及強制勞工相關法例及規例而會對本集團產生重大影響之嚴重情況。該等法例及規例包括但不限於香港僱傭條例、中華人民共和國勞動法及土耳其勞動法第4857號 (Labour Act of Turkey No. 4857)。

B5. 供應鏈管理

作為社會責任企業，維持及管理可持續發展之可靠供應鏈屬關鍵一環及重中之重。供應鏈管理應和本集團致力與業務夥伴建立互信互諒之可持續發展策略一致。所有供應商均會被定期監控及評估。本集團期望供應商遵守地方環境法例、條例及規例經營，以減低生態影響。

供應鏈管理

本集團成立供應商遴選小組及建立評分系統以甄選合適供應商。如有需要亦會就評估準供應商進行實地視察。準供應商取得供應商遴選小組批准後，將合資格成為許可供應商。本集團備存一份許可供應商名單，並透過定期評估若干因素，例如原材料質量、服務質素、過往記錄、項目、聲譽以及社會及環境責任，嚴格地持續監察供應商之質素。供應商將按監管合規、僱員權益、健康與安全及環境保護等標準進行評估。倘供應商並無出現重大質量事故或延遲交付問題，其將會獲認為合資格供應商及列入供應商名單。

本集團定期實地探訪供應商及與供應商溝通，以了解供應商之最新業務狀況。該等措施可有效促進本集團與供應商更妥善合作及溝通。此外，本集團會根據高級管理人員流失情況、生產能力、製造技術及原材料變動以及供應商違法及違規情況，對合約進行基本評估。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Environmental and Social Responsibility of Suppliers

In view of the increasing environmental concerns in society, the Group is aware of the importance in managing environmental and social risks of its supply chain. The Group has embedded environmental and social consideration in the procurement process, and chooses suppliers according to the requirements of the specific business and customers as well as the environmental and social risks. The Group will continue to monitor its supply chain regarding the environmental and social standards.

供應商之環境及社會責任

鑒於社會日益關注環境問題，本集團意識到管理其供應鏈之環境及社會風險之重要性。本集團已於採購過程中加入環境及社會考慮因素，並根據具體業務及客戶要求以及環境及社會風險甄選供應商。本集團將繼續在環境及社會標準方面監察其供應鏈。

B6. Product Responsibility

The satisfaction of our customers is the cornerstone of the Group's sustainable development. We are convinced that the success of our clients means the success of the Group, and have been emphasizing a customer-centric business philosophy in our operations at all levels of the Group. We strive to optimize and improve the quality of products and services according to the requests of customers.

B6. 產品責任

使客戶稱心滿意是本集團可持續發展之基石。我們深信客戶之成功即是本集團之成功，並一直於本集團所有層面之營運中強調以客戶為本之經營理念。我們致力根據客戶要求完善及提高產品及服務質量。

During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations concerning advertising, labelling and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Personal Data (Privacy) Ordinance of Hong Kong, Law of the People's Republic of China on Protection of Consumer Rights and Interests, and the Law on the Protection of Personal Data No. 6689 of Turkey.

於報告期間，本集團並不知悉任何因不遵守涉及有關所提供產品及服務之廣告、標籤及私隱事宜以及補救方法之任何法例及規例而會對本集團產生重大影響之嚴重情況。該等法例及規例包括但不限於香港個人資料(私隱)條例、中華人民共和國消費者權益保護法及土耳其個人資料保護第6689號(Law on the Protection of Personal Data No. 6689)。

Protection of IP Rights

To protect third party IP rights and comply with relevant licensing terms when software is used, employees are strictly prohibited from duplicating, installing or using illegal software or software in violation of its copyright or license terms as part of the Group's Information Security Policy. The Group provides licensed software for use by our employees in performing their duties. Employees are also required to sign confidentiality agreements on IP. Any violations of the policy will be subjected to disciplinary actions.

保護知識產權

為保護軟件於使用時之第三方知識產權及遵守相關許可條款，根據本集團之資料安全政策，僱員嚴禁複製、安裝或使用非法軟件，或違反軟件之版權或許可條款而複製、安裝或使用軟件。本集團提供經授權軟件以供僱員於履行職責時使用。僱員亦須簽署有關知識產權之保密協議。凡違反政策，將會受到紀律處分。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Privacy Protection

The Group respects the values and rights of the customers' information assets, and is committed to abide by the related laws and regulations in terms of consumer data privacy to ensure customers' information are protected. The Group prohibits the disclosure of consumer information to a third party without the authorization from the customers. All collected personal data is treated confidentially and kept securely, and is only accessible by designated personnel. The Information Technology Department has also set obstruction between office and commercial net to prevent exportation, copy, and unauthorized data use. Through internal trainings and confidential agreements with employees, the Group emphasizes confidentiality obligations and the legal consequences of any breaches of obligations.

Customer Service

The Group has long established a set of procedures to handle customers' feedback or complaints in a professional manner. The Group's business manager visits the customers regularly to collect customers' opinions. If the Group receives a complaint on product or service, a patient discussion and thorough analysis with suppliers will be immediately conducted. The Group has set up the Customer Service Department to conduct internal review of complaints, monitor the handling process of complaints, and record the results. Through internal and external communication channels, the Group is able to obtain feedback and advice from customers efficiently, which enhances and strengthens our service quality, while enabling the Group to stay competitive in the market.

Advertising and Labeling

The Group closely monitors released marketing materials and product labeling to prevent inappropriate or exaggerated advertisement. The Group has established internal guidelines to ensure that internal guidelines to ensure that accurate product labeling and marketing materials that comply with relevant local laws and regulations are provided. If there were any non-compliance with internal guidelines, the Group would consult external legal advisor and carry out corrective action immediately. In addition, the internal guidelines will be updated regularly in accordance with the latest regulations released by the government.

私隱保障

本集團尊重客戶資料資產之價值及權利，並致力遵守有關消費者資料私隱之法例及規例，以確保客戶資料受到保障。本集團禁止在未經客戶授權下向第三方披露客戶資料。所有已收集之個人資料均會加密處理及妥善保存，僅可由指定人士取用。資訊科技部門亦已於辦公室及商業網絡之間設置屏障，防止匯出、複製及未經授權使用資料。本集團透過內部培訓及與僱員訂立保密協議，強調保密責任及違反責任之法律後果。

客戶服務

本集團早已建立一套程序，以專業方式處理客戶之反饋或投訴。本集團之業務經理定期探訪客戶，以收集客戶意見。倘接獲對產品或服務之投訴，本集團將立即與供應商進行耐心討論及徹底分析。本集團已成立客戶服務部門，就投訴進行內部審查、監察投訴處理流程，並記錄結果。透過內外溝通渠道，本集團可有效獲得客戶反饋及意見，藉此加強及鞏固服務質素，同時有助本集團保持市場競爭力。

廣告及標籤

本集團緊密監察已發佈之市場推廣資料及產品標籤，以避免不當或誇大宣傳手法。本集團亦已制定內部指引，以確保現時提供準確之產品標籤及市場推廣資料符合本地相關法例及規例。倘出現任何未有遵守內部指引之情況，本集團將會諮詢外部法律顧問，並立即作出糾正行動。此外，內部指引將按政府發佈之最新法規定期更新。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B7. Anti-corruption

The Group values and upholds integrity, honesty and fairness in how we conduct businesses, therefore formulating the Anti-corruption Policy, to manage fraudulent practices.

During the Reporting Period, the Group was not aware of any material non-compliance with related laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group. Such laws and regulations include but are not limited to the Prevention of Bribery Ordinance of Hong Kong, the Company Law of the People's Republic of China, and Turkish Criminal Code No. 5237.

Corporate Governance

Internal Control

As spell out in the Employees' Handbook, employees should not offer, solicit or accept anything of material value to or from their colleagues, customers, suppliers or other business partners of the Group unless the Group has given consent. The Group also provides anti-bribery and corruption training courses to our employees regularly. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from involving in any bribery activities or activities that might exploit their positions against the Group's interests.

To avoid conflict of interest, each employee is required to read and sign the Group's statement of policy governing conflicts of interest. The policy of the Group with respect to conflicts of interest requires all its employees to avoid any conflict between their personal interest and the interest of the Group in dealing with suppliers, consumers, and all other organizations doing, or seeking to do business with the Group.

Whistle-blowing Mechanism

The Group is committed to ensuring that employees can speak up with confidence when he or she suspects activities of corruption, hence formulating the Confidential Whistle-blowing Policy. Whistle-blowers have obligation to report any suspected misconduct and can report verbally or in writing to the senior management of the Group. The Group advocates a confidentiality mechanism to protect the whistle-blowers against unfair dismissal or victimisation, and takes practical steps to protect the whistle-blowers without fear of threatens, harassments or any disadvantage to the whistle-blowers' employment status.

B7. 反貪污

本集團重視及奉行誠信、誠實及公平之營業方式，並因此制定反貪污政策，以管制舞弊行為。

於報告期間，本集團並不知悉任何因不遵守賄賂、勒索、欺詐及洗黑錢相關法例及規例，而會對本集團產生重大影響之嚴重情況。該等法例及規例包括但不限於香港防止賄賂條例、中華人民共和國公司法及土耳其刑法第5237號(Turkish Criminal Code No. 5237)。

企業管治

內部監控

如員工手冊所述，除非本集團同意，否則僱員不得提供、索求或接受其同事、客戶、供應商或本集團其他業務夥伴之任何貴重物品，反之亦然。本集團亦定期為僱員提供反賄賂及貪污之培訓課程。所有僱員應於履行職責時堅守誠信，按公平及專業原則行事，並拒絕參與任何賄賂活動或濫用職權從事有損本集團利益之活動。

為避免利益衝突，各僱員須細閱及簽署規管利益衝突之本集團政策聲明。本集團有關利益衝突之政策乃規定所有僱員在與供應商、客戶及所有其他正在或尋求與本集團進行業務合作之機構進行業務往來期間，須避免其個人利益與本集團利益出現任何衝突。

舉報機制

本集團致力確保僱員敢於提出懷疑貪污行為，故制定保密舉報政策。舉報人有義務通報任何涉嫌不當行為，並可向本集團高級管理層作口頭或書面報告。本集團提倡保密機制，以保護舉報人免受不公平解僱或迫害，並採取切實措施保護舉報人，防止舉報人之就業狀況會受到威脅、騷擾或發生任何不利情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Specifically, the Group developed and formulated Internal Whistle-blowing Policy to enable employees to report any suspicious activities including but not limit to criminal offense, unlawful or fraudulent behaviours in relation to internal control, accounting and financial matters, acts which endanger the health and safety of persons, violation of the Group's Code of Conduct or rules, unethical conduct which may jeopardise the Group's reputation, and deliberate concealment of above matters to Human Resources Department, Company Secretary or Audit Committee. The Group conducts investigations on any suspicious or illegal behaviour, and ensures all relevant information is kept intact and completely recorded. Breaching of rules will be disciplined by the Group, including termination of employment, and being brought to justice should any illicit activities being found.

B8. Community Investment

The Group is committed to emboldening and supporting the public by the means of social participation and contribution as part of its strategic development, and to nurture the corporate culture and practices of corporate citizen in the daily work life. We aim to promote the stability of society, and support underprivileged on rehabilitation to improve the quality of life. We also focus to inspire our employees towards social welfare concerns. We embrace the human capital into the social management strategies to sustain our corporate social responsibility.

Community Participation

To have a better understanding of the needs in society and strengthen the connections with local communities, we regularly communicate with local charities. During the Reporting Period, the Group has participated in the Caring Company Scheme launched by the Hong Kong Council of Social Service ("HKCSS") to promote good corporate citizenship. The Group has also participated in a Christmas celebration organized by Sheung Kung Hui Holy Carpenter Church Community Centre during the Reporting Period. The activity aims to serve the underprivileged families in Kowloon City District. The Group had donated a total HK\$5,000 for the event, and the Group's volunteer team had volunteered 4 hours in the event. Beneficiaries including but not limited to low-income families in Kowloon City District.

具體而言，本集團已設立及制定內部舉報政策，以讓僱員就任何可疑活動，包括但不限於刑事罪行、涉及內部監控、會計及財政事務之違法或欺詐行為、危害人身健康及安全之行為、違反本集團操守守則或規則之舉動、可能損害本集團聲譽之不道德行為以及蓄意隱瞞上述事項，向人力資源部門、公司秘書或審核委員會作出舉報。本集團會對任何可疑或違法行為進行調查，確保所有相關資料完整無缺及徹底記錄。如違反規則，本集團將作紀律處分，包括終止僱用，並在發現任何非法活動時將違規者送交法律制裁。

B8. 社區投資

作為策略發展其中一環，本集團致力以社會參與及貢獻之方式鼓勵及支持公眾，並在日常工作生活中培養企業公民之企業文化及常規。我們旨在促進社會穩定，協助貧困人士自力更生，以提升生活質素。我們亦注重啟發僱員對社會公益之關注。我們於社會管理策略中納入人力資本，以持續履行企業社會責任。

社區參與

為更透徹了解社會需要及加深與本地社區之聯繫，我們定期與本地慈善機構進行交流。於報告期間，本集團已參與香港社會服務聯會(HKCSS)發起之「商界展關懷」計劃，以推動良好企業公民概念。本集團亦於報告期間參與由聖公會聖匠堂社區中心舉辦之聖誕聯歡活動。該活動之服務對象為九龍城區之基層家庭。本集團向該活動捐出合共5,000港元，並安排義工團隊於該活動中參與4小時義工活動。受益人包括但不限於九龍城區之低收入家庭。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

THE ESG REPORTING GUIDE CONTENT INDEX OF HKEX

港交所環境、社會及管治報告指引內容索引

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵績效指標	Description 描述	Section/Declaration 章節／聲明
Aspect A1: Emissions 層面A1：排放物		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Emissions 排放物
KPI A1.1 ("comply or explain") 關鍵績效指標A1.1 (「不遵守就解釋」)	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Emissions 排放物
KPI A1.2 ("comply or explain") 關鍵績效指標A1.2 (「不遵守就解釋」)	GHG emissions in total (in tonnes) and intensity. 溫室氣體總排放量 (以噸計算) 及密度。	Emissions – GHG Emissions 排放物 – 溫室氣體排放
KPI A1.3 ("comply or explain") 關鍵績效指標A1.3 (「不遵守就解釋」)	Total hazardous waste produced (in tonnes) and intensity. 所產生有害廢棄物總量 (以噸計算) 及密度。	Emissions – Waste Management Not applicable – Explained 排放物 – 廢棄物管理 不適用 – 已解釋
KPI A1.4 ("comply or explain") 關鍵績效指標A1.4 (「不遵守就解釋」)	Total non-hazardous waste produced (in tonnes) and intensity. 所產生無害廢棄物總量 (以噸計算) 及密度。	Emissions – Waste Management 排放物 – 廢棄物管理
KPI A1.5 ("comply or explain") 關鍵績效指標A1.5 (「不遵守就解釋」)	Description of reduction initiatives and results achieved. 描述減低排放量的措施及所得成果。	Emissions – GHG Emissions 排放物 – 溫室氣體排放
KPI A1.6 ("comply or explain") 關鍵績效指標A1.6 (「不遵守就解釋」)	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Emissions – Waste Management 排放物 – 廢棄物管理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵績效指標	Description 描述	Section/Declaration 章節／聲明
Aspect A2: Use of Resources 層面A2：資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Use of Resources 資源使用
KPI A2.1 ("comply or explain") 關鍵績效指標A2.1(「不遵守就解釋」)	Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及／或間接能源總耗量及密度。	Use of Resources – Energy Management 資源使用－能源管理
KPI A2.2 ("comply or explain") 關鍵績效指標A2.2(「不遵守就解釋」)	Water consumption in total and intensity. 總耗水量及密度。	Use of Resources – Water Management 資源使用－水資源管理
KPI A2.3 ("comply or explain") 關鍵績效指標A2.3(「不遵守就解釋」)	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Use of Resources – Energy Management 資源使用－能源管理
KPI A2.4 ("comply or explain") 關鍵績效指標A2.4(「不遵守就解釋」)	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Use of Resources – Water Management 資源使用－水資源管理
KPI A2.5 ("comply or explain") 關鍵績效指標A2.5(「不遵守就解釋」)	Total packaging material used for finished products (in tonnes) and with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及每生產單位佔量。	Not applicable – Explained 不適用－已解釋
Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源		
General Disclosure 一般披露	Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	The Environment and Natural Resources 環境及天然資源
KPI A3.1 ("comply or explain") 關鍵績效指標A3.1(「不遵守就解釋」)	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	The Environment and Natural Resources – Green Operation 環境及天然資源－綠色營運

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、 一般披露及關鍵績效指標	Description 描述	Section/Declaration 章節／聲明
Aspect B1: Employment 層面B1：僱傭		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment
一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	僱傭
Aspect B2: Health and Safety 層面B2：健康與安全		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
一般披露	有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	健康與安全
KPI B2.1 ("Recommended Disclosure") 關鍵績效指標 B2.1 (「建議披露」)	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	Health and Safety 健康與安全
KPI B2.2 ("Recommended Disclosure") 關鍵績效指標 B2.2 (「建議披露」)	Lost days due to work injury 因工傷損失工作日數	Health and Safety 健康與安全
Aspect B3: Development and Training 層面B3：發展及培訓		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	發展及培訓

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵績效指標	Description 描述	Section/Declaration 章節／聲明
Aspect B4: Labour Standards 層面B4：勞工準則		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Labour Standards 勞工準則
Aspect B5: Supply Chain Management 層面B5：供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Supply Chain Management 供應鏈管理
Aspect B6: Product Responsibility 層面B6：產品責任		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Product Responsibility 產品責任

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、 一般披露及關鍵績效指標	Description 描述	Section/Declaration 章節／聲明
Aspect B7: Anti-corruption 層面B7：反貪污		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	反貪污
Aspect B8: Community Investment 層面B8：社區投資		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
一般披露	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	社區投資

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



TO THE MEMBERS OF EVERSHINE GROUP HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Evershine Group Holdings Limited and its subsidiaries ("the Group") set out on pages 88 to 216, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and note to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致永耀集團控股有限公司股東
(於香港註冊成立之有限公司)

意見

我們已審核永耀集團控股有限公司及其附屬公司(「貴集團」)載列於第88至216頁之綜合財務報表，包括於二零一九年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概述。

我們認為，該等綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公平地反映貴集團於二零一九年十二月三十一日之綜合財務狀況及其於截至該日止年度之綜合財務表現及綜合現金流量並已遵照香港公司條例妥為編製。

意見之基礎

我們已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核工作。我們於該等準則項下之責任於本報告核數師就審核綜合財務報表之責任一節進一步詳述。根據香港會計師公會的職業會計師道德守則(「守則」)，我們獨立於貴集團，並已履行守則項下其他道德責任。我們認為我們已獲得充足和適當之審核憑證，以作為我們意見之基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention in note 2(b) to the consolidated financial statements which indicates that the Group had incurred net current liabilities with the amount of approximately HK\$113,695,000 as at 31 December 2019. These conditions, along with other matters as set forth in note 2(b) to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of on this matter. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

與持續經營相關之重大不確定因素

我們關注綜合財務報表附註2(b)所示，貴集團於二零一九年十二月三十一日錄得流動負債淨額約113,695,000港元。此情況，連同綜合財務報表附註2(b)所載之其他事項，顯示存在重大不確定因素，可能對貴集團繼續持續經營之能力構成重大疑問。我們並無就此事項修改我們的意見。除與持續經營相關之重大不確定因素所述事項外，我們亦釐定下述事項為需要於我們的報告中予以傳達之關鍵審計事項。

關鍵審計事項

關鍵審計事項是根據我們的職業判斷，對於我們對截至二零一九年十二月三十一日止年度之綜合財務報表的審計最為重要的事項。該等事項乃於我們審計整體綜合財務報表及出具相關意見時進行處理，且我們不會對該等事項提供單獨的意見。除與持續經營相關之重大不確定因素所述事項外，我們已釐定下述事項為於我們的報告中予以傳達之關鍵審計事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

Fair value of investment properties

As at 31 December 2019, the fair value of the investment properties was approximately HK\$135,197,000. The Group appointed independent professional valuer to determine the fair value of investment properties as at 31 December 2019. The valuation model adopted for the valuation was market comparison approach.

We have identified the assessment of fair value of investment properties as a key audit matter because significant judgement was involved in the determination of the fair value of the investment properties.

How the matter was addressed in our audit

Our audit procedures relating to the fair value of investment properties included the following:

- We discussed with management and independent valuers engaged by the Group in relation to the methodology applied and assumptions being used in arriving the fair value of investment properties.
- We checked the accuracy and reliance of the source data used in the valuation.
- We assessed the methodologies used and the appropriateness of the key assumptions adopted in the valuation.
- We assessed the competency of the independent external valuer taking into account its experience and qualifications.

關鍵審計事項 (續)

關鍵審計事項

投資物業之公平值

於二零一九年十二月三十一日，投資物業之公平值約為135,197,000港元。貴集團已委聘一名獨立專業估值師釐定投資物業於二零一九年十二月三十一日之公平值。就估值所採用之估值模式為市場比較法。

我們已識別評估投資物業之公平值作為關鍵審計事項，乃由於釐定投資物業之公平值涉及重大判斷。

在審核中之處理方法

我們有關投資物業之公平值之主要審計程序包括如下：

- 我們與管理層及貴集團所委聘之獨立估值師就達致投資物業公平值所採用之方法及假設進行討論。
- 我們查證估值所使用資料數據之準確性及可靠性。
- 我們評估所用方法及估值所採納之關鍵假設是否適當。
- 我們經已計及獨立外聘估值師之經驗及資格評估其勝任能力。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

Impairment assessment of intangible assets in relation to cemetery segment

As at 31 December 2019, included intangible assets was an operating right of cemetery of approximately HK\$37,276,000 which was allocated to the Group's cemetery segment ("Cemetery CGU").

For the purpose of assessing impairment, the Group appointed an independent valuer to assess the recoverable amount of the Cemetery CGU, which were determined by management based on the higher value-in-use and fair value less costs of disposal. The valuation requires significant judgement by management in valuing the Cemetery CGU.

For the year ended 31 December 2019, no impairment had been recognised on the Group's intangible assets in related to cemetery segment.

We have identified the impairment assessment of intangible assets related to cemetery segment as a key audit matter because the estimates of the recoverable amount of the Cemetery CGU are complex, subjective and highly judgmental, in particular, assumptions and judgements made by management in arriving at the cash flow forecasts of the Cemetery CGU.

How the matter was addressed in our audit

Our audit procedures relating to the impairment assessment of goodwill and intangible assets relating to the cemetery segment included the following:

- We discussed with management and independent valuer engaged by the Group in relation to the methodology applied, basis and assumptions being used in arriving at the cash flow forecasts.
- We assessed the appropriateness of key inputs applied by the management in preparing the cash flow forecasts against historical performance, including revenue, cost of sales and operating expenses, with reference to the future strategic plans of the Group in respect of these CGU.
- We checked, on a sample basis, the accuracy and reliability of the input data used.
- We assessed the methodologies used and the appropriateness of the key assumptions adopted in the valuation.
- We assessed the competency of the independent external valuer taking into account its experience and qualifications.

關鍵審計事項 (續)

關鍵審計事項

有關公墓分部之無形資產減值評估

於二零一九年十二月三十一日，計入有形資產之公墓經營權約37,276,000港元已分配至 貴集團之公墓分部（「公墓現金產生單位」）。

為達到評估減值之目的， 貴集團已委任獨立估值師評估公墓現金產生單位之可收回金額，該金額乃由管理層根據使用價值與公平值減出售成本之較高者釐定。對公墓現金產生單位進行估值時，有關估值須由管理層作出重大判斷。

截至二零一九年十二月三十一日止年度， 貴集團有關公墓分部之無形資產沒有確認減值虧損。

我們已識別有關公墓分部之無形資產減值評估作為關鍵審計事項，乃由於公墓現金產生單位可收回金額之估計複雜且屬主觀及須作出較高判斷，特別是管理層在達致公墓現金產生單位之現金流量預測時作出之假設及判斷。

在審核中之處理方法

我們對管理層有關公墓分部之商譽及無形資產之減值評估作出之主要審計程序包括下列各項：

- 我們與管理層及 貴公司所委聘之獨立估值師就達致該等現金流預測所採用之方法以及所使用之基準及假設進行討論。
- 我們測試管理層就歷史表現（包括收益、銷售成本及經營開支）參考 貴集團就該等現金產生單位之未來策略計劃編製現金流量預測所應用之主要入數據之適當性。
- 我們抽樣檢查所使用輸入數據之準確性及可靠性。
- 我們評估所用方法及估值所採納之關鍵假設是否適當。
- 我們經計及獨立外聘估值師經驗及資格評估其勝任能力。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

公司董事負責編製其他資料。其他資料包括列入年報之資料，惟不包括綜合財務報表及我們就此編製的核數師報告。

我們就綜合財務報表之意見不涵蓋其他資料且我們不就此作出任何形式之鑒證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料並在此過程中考慮其他資料是否與綜合財務報表或我們在審核中所了解者存在重大不一致，或似乎存在重大錯誤陳述。倘基於我們已經進行的工作，我們認為此其他資料存在重大錯誤陳述，我們須報告該事實。而就此我們並無任何報告。

董事及治理層就綜合財務報表須承擔的責任

公司董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例編製真實公平之綜合財務報表，並對其認為能夠使綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部監控負責。

於編製綜合財務報表時，公司董事負責評估貴集團持續經營之能力、披露（如適用）有關持續經營之事宜及使用持續經營之會計基礎，惟董事擬將貴集團清盤或停止營業或除此之外別無其他可行替代方案則除外。

治理層須負責監督貴集團的財務報告流程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

董事及審核委員會就綜合財務報表之責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。根據香港《公司條例》第405條，我們僅向全體股東報告我們的意見，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按香港審計準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了職業判斷並在整個審計過程中保持了職業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險比較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審計相關的內部監控，以設計於相關環境下屬適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請對綜合財務報表中的相關披露資料的關注，倘有關的披露資料不足，則須修訂我們的意見。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Wai Nam William with practising certificate number: P05957.

Elite Partners CPA Limited
Certified Public Accountants

Hong Kong, 19 June 2020

10th Floor,
8 Observatory Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

董事及審核委員會就綜合財務報表之責任 (續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允呈列相關交易及事項。
- 就 貴集團中實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督和執行集團審計。我們對我們的審計意見承擔全部責任。

我們與治理層就（其中包括）審計的計劃範圍及時間以及重大審計發現（包括我們於審計中識別的內部監控的任何重大缺陷）進行溝通。

我們亦向管理層提交聲明，說明我們已符合有關獨立性的相關職業道德要求，並與他們溝通所有可能合理地被認為會影響我們獨立性的關係和其他事項，以及在適用的情況下，相關的防範措施。

董事及審核委員會就綜合財務報表之責任 (續)

從與治理層溝通的事項中，我們釐定對本期間綜合財務報表的審計最為重要的事項，進而釐定關鍵審計事項。我們會在核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在我們報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人是陳偉楠（執業證書編號：P05957）。

開元信德會計師事務所有限公司
執業會計師

香港，二零二零年六月十九日

香港九龍
尖沙咀
天文臺道8號
10樓

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	4	3,438	4,427
Cost of sales	銷售成本		(1,032)	(2,506)
Gross profit	毛利		2,406	1,921
Other income, (loss)/gain, net	其他收入、(虧損)/收益淨額	5	(46,702)	11,082
Share of loss of associates	分佔聯營公司虧損		(6,082)	(5,790)
Impairment loss on an intangible asset	無形資產之減值虧損	18	—	(73,171)
Operating and administrative expenses	經營及行政開支		(25,051)	(32,023)
Loss from operations	經營虧損		(75,429)	(97,981)
Finance costs	融資成本	6(a)	(17,129)	(15,465)
Loss before tax	除稅前虧損	6	(92,558)	(113,446)
Income tax (expense)/credit	所得稅(開支)/抵免	7	(523)	3
Loss for the year	本年度虧損		(93,081)	(113,443)
Loss attributable to:	虧損歸屬於：			
Owners of the Company	本公司擁有人		(92,278)	(105,087)
Non-controlling interests	非控股權益		(803)	(8,356)
			(93,081)	(113,443)
Loss per share	每股虧損	10		
Basic and diluted	基本及攤薄		(5.12) cents 港仙	(6.02) cents 港仙

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the year	本年度虧損	(93,081)	(113,443)
Other comprehensive (expense)/income for the year	本年度其他全面(開支)/收入		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可能於其後獲重新分類至損益之項目：</i>		
Exchange differences arising on translation of foreign operations	換算海外業務所產生之匯兌差額	(12,552)	4,471
Release of exchange reserve upon derecognition of an associate	終止確認一間聯營公司時撥回匯兌儲備	2,728	5,623
Share of other comprehensive expense of associates	分佔聯營公司之其他全面開支	(1,077)	(7,244)
Gain on fair value change attributable to change in credit risk of convertible notes	歸因於可換股票據信貸風險變動之公平值變動收益	670	—
<i>Items that may not be reclassified subsequently to profit or loss:</i>	<i>其後不一定獲重新分類至損益之項目：</i>		
Other comprehensive expense in relation to the employment benefit	有關僱員福利之其他全面開支	(2)	—
Other comprehensive (expense)/income for the year, net of income tax	本年度其他全面(開支)/收入，扣除所得稅	(10,233)	2,850
Total comprehensive expense for the year	本年度全面開支總額	(103,314)	(110,593)
Total comprehensive expense attributable to:	全面開支總額歸屬於：		
Owners of the Company	本公司擁有人	(98,671)	(106,324)
Non-controlling interests	非控股權益	(4,643)	(4,269)
Total comprehensive expense for the year	本年度全面開支總額	(103,314)	(110,593)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	49,580	53,300
Right-of-use assets	使用權資產	14	4,775	—
Investment properties	投資物業	15	135,197	154,727
Properties under construction	在建物業	17	—	35,021
Intangible asset	無形資產	18	37,276	38,499
Interests in associates	於聯營公司之權益	19	27,280	77,388
Deferred tax assets	遞延稅項資產	31	359	1,282
			254,467	360,217
Current assets	流動資產			
Inventories	存貨	20	—	420
Properties under construction	在建物業	17	35,505	—
Trade and other receivables	貿易及其他應收款項	21	14,064	20,354
Loan and interest receivables	應收貸款及利息	22	2,767	—
Cash and cash equivalents	現金及現金等價物	23	812	3,573
			53,148	24,347
Current liabilities	流動負債			
Trade and other payables and contract liabilities	貿易、其他應付款項及合約負債	24	20,332	11,715
Contingent consideration	或然代價	36	—	6,644
Borrowings	借貸	25	110,000	30,000
Lease liabilities	租賃負債	26	2,589	—
Obligations under finance leases	融資租約債務	27	—	133
Promissory notes	承兌票據	28	33,622	—
Tax liabilities	稅項負債		—	7
Provision of litigation	訴訟撥備	32	300	—
			166,843	48,499
Net current liabilities	流動負債淨額		(113,695)	(24,152)
Total assets less current liabilities	資產總值減流動負債		140,772	336,065
Non-current liabilities	非流動負債			
Other payables	其他應付款項	24	8,120	8,893
Lease liabilities	租賃負債	26	1,961	—
Obligations under finance leases	融資租約債務	27	—	570
Borrowings	借貸	25	—	59,000
Promissory notes	承兌票據	28	31,580	63,417
Provision for employment benefits	僱員福利撥備	30	49	35
Deferred tax liabilities	遞延稅項負債	31	18,382	21,107
			60,092	153,022
NET ASSETS	資產淨值		80,680	183,043

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	33	1,088,962	1,088,011
Reserves	儲備	33	(1,047,473)	(948,802)
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		41,489	139,209
Non-controlling interests	非控股權益		39,191	43,834
TOTAL EQUITY	權益總額		80,680	183,043

Approved and authorised for issue by the Board of Directors on 19 June 2020.

經由董事會於二零二零年六月十九日批准及授權刊發。

Hung Tat Chi Alan
洪達智
Director
董事

Ling Ko Yin Jason
林高然
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Notes 附註	Attributable to owners of the Company 本公司擁有人應佔							Total equity 權益總額 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Convertible notes reserve 可換股 票據儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Non- controlling interests 非控股 權益 HK\$'000 千港元	
At 1 January 2018	二零一八年一月一日	1,015,341	(794)	6,185	44	(843,789)	176,987	10,354	187,341
HKFRS 9 adjustment on accumulated losses	香港財務報告準則第9號就累計虧損作出調整	-	-	-	-	(1,811)	(1,811)	-	(1,811)
Loss for the year	年內虧損	-	-	-	-	(105,087)	(105,087)	(8,356)	(113,443)
Share of exchange difference of associates	分佔聯營公司之匯兌差額	-	(7,244)	-	-	-	(7,244)	-	(7,244)
Release of exchange reserve upon derecognition of an associate	終止確認一間聯營公司時撥回匯兌儲備	-	5,623	-	-	-	5,623	-	5,623
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	-	384	-	-	-	384	4,087	4,471
Loss and total comprehensive expenses for the year	年內虧損及全面開支總額	-	(1,237)	-	-	(105,087)	(106,324)	(4,269)	(110,593)
Acquisition of additional interests in a subsidiary	收購一間附屬公司額外權益	-	-	-	-	439	439	(439)	-
Business combination achieved in stages	分階段達成之業務合併	35	-	-	-	-	-	38,188	38,188
Issue of shares upon conversion of convertible notes	兌換可換股票據後發行股份	29	72,670	-	(2,752)	-	69,918	-	69,918
Derecognition of convertible notes	終止確認可換股票據	29	-	-	(3,433)	3,433	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	1,088,011	(2,031)	-	44	(946,815)	139,209	43,834	183,043
Loss for the year	年內虧損	-	-	-	-	(92,278)	(92,278)	(803)	(93,081)
Share of exchange difference of associates	分佔聯營公司之匯兌差額	-	(1,077)	-	-	-	(1,077)	-	(1,077)
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	-	(8,712)	-	-	-	(8,712)	(3,840)	(12,552)
Release of exchange reserve upon derecognition of an associate	終止確認一間聯營公司時撥回匯兌儲備	-	2,728	-	-	-	2,728	-	2,728
Gain on fair value change attributable to change in credit risk of convertible notes	歸因於可換股票據信貸風險變動之公平值變動收益	29	-	670	-	-	670	-	670
Share of movement of provision for employment benefits	分佔僱員福利之撥備變動	-	-	-	(2)	-	(2)	-	(2)
Total comprehensive (expenses)/income for the year	年內全面(開支)/收入總額	-	(7,061)	670	(2)	(92,278)	(98,671)	(4,643)	(103,314)
Issue of shares upon conversion of convertible notes	兌換可換股票據後發行股份	29	951	-	-	-	951	-	951
Early redemption of convertible notes	提早贖回可換股票據	29	-	(670)	-	670	-	-	-
At 31 December 2019	於二零一九年十二月三十一日	1,088,962	(9,092)	-	42	(1,038,423)	41,489	39,191	80,680

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating activities	經營業務		
Loss before tax	除稅前虧損	(92,558)	(113,446)
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,880	2,879
Depreciation of right-of-use assets	使用權資產折舊	377	—
Gain on extinguishment of promissory notes	抵銷承兌票據之收益	—	(8,487)
Share of losses of associates	分佔聯營公司之虧損	6,082	5,790
Loss/(gain) on fair value change of investment properties	投資物業之公平值變動虧損／(收益)	3,782	(5,700)
Amortisation of an intangible asset	無形資產攤銷	1,223	2,808
Impairment loss on an intangible asset	無形資產之減值虧損	—	73,171
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	384
Interest income	利息收入	(1)	(2)
Finance costs	融資成本	17,129	15,465
Gain on early partial redemption of promissory notes	提早贖回部份承兌票據之收益	(92)	(590)
Loss on fair value change of contingent consideration	或然代價之公平值變動虧損	—	1,832
Gain on derecognition of contingent consideration	終止確認或然代價之收益	(6,660)	—
Gain on fair value change of convertible notes	可換股票據之公平值變動收益	(6,684)	—
Gain on fair value change of a derivative	衍生工具之公平值變動收益	(2,380)	—
Loss on early redemption of convertible notes	提早贖回可換股票據之虧損	7,920	—
Loss on early redemption of derivative	提早贖回衍生工具之虧損	2,190	—
Gain on issue of convertible notes	發行可換股票據之收益	(405)	—
Loss on fair value change of a promissory note designated at FVTPL	指定為按公平值計入損益之承兌票據之公平值變動虧損	3,130	2,282
Allowance for/(reversal of) expected credit loss on financial assets	金融資產預期信貸虧損撥備／(撥備撥回)	916	(1,787)
Loss/(gain) on derecognition of interest in an associate	終止確認於一間聯營公司之權益之虧損／(收益)	10,398	(1,050)
Impairment loss on interest in an associate	於一間聯營公司之權益之減值虧損	35,260	2,884
Provision for obsolete stock	陳舊存貨之撥備	420	—
Operating cashflow before movements in working capital	營運資金變動前之經營現金流量	(17,073)	(23,567)
Decrease in inventories	存貨減少	—	1,883
Decrease in trade and other receivables	貿易及其他應收款項減少	4,720	24,057
Decrease in loan and interest receivables	應收貸款及利息減少	76	902
Increase in trade and other payables and contract liabilities	貿易、其他應付款項以及合約負債增加	7,769	4,588
Increase in provision for employment benefits	僱員福利撥備增加	12	5
Increase in provision of litigation	訴訟撥備增加	300	—

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash (used in)/generated from operating activities	經營業務(所用)/所得之現金		
Income tax paid	已付所得稅	(4,196) (7)	7,868 —
Net cash (used in)/generated from operating activities	經營業務(所用)/所得之現金淨額	(4,203)	7,868
Investing activities	投資活動		
Net cash outflow on acquisition of an associate	收購一間聯營公司之現金流出淨額	—	(29)
Net cash inflow on business combination achieved in stages	分階段達成之業務合併之現金流入淨額	—	18
Payment for purchase of property, plant and equipment	就購買物業、廠房及設備付款	(121)	(518)
Payment for construction costs of properties under construction	就建物業建築成本付款	(4,828)	(2,439)
Proceeds from disposal of investment properties	出售投資物業之所得款項	2,235	—
Interest received	已收利息	1	2
Net cash used in investing activities	投資活動所用之現金淨額	(2,713)	(2,966)
Financing activities	融資活動		
Proceeds from conversion of convertible notes	轉換可換股票據所得款項	980	—
Interest paid	已付利息	(10,559)	(12,062)
Proceeds from borrowings	借貸所得款項	21,000	65,000
Repayment of borrowings	償還借貸	—	(58,000)
Repayment of promissory notes	償還承兌票據	(7,500)	(10,000)
Repayment of finance leases	償還融資租約	(133)	(128)
Advance to an associate	向一間聯營公司墊款	—	(31)
Net cash generated from/(used in) financing activities	融資活動所得/(所用)之現金淨額	3,788	(15,221)
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(3,128)	(10,319)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	3,573	13,947
Effect of foreign rate changes	匯兌變動之影響	367	(55)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	812	3,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1. GENERAL INFORMATION

Evershine Group Holdings Limited (the “Company”) is a public limited company incorporated in Hong Kong with its shares listed on the GEM of The Stock Exchange of Hong Kong Limited.

The address of the registered office and principal place of business of the Company are at 16th Floor, Henan Building, 90 & 92 Jaffe Road, Wan Chai, Hong Kong.

The principal activity of the Company is investment holding. The subsidiaries and associates of the Company are engaged in trading business, property development and investment business, money lending business, mobile application business and cemetery business.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

1. 一般資料

永耀集團控股有限公司（「本公司」）為一間於香港註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司GEM上市。

本公司註冊辦事處及主要營業地址為香港灣仔謝斐道90及92號豫港大廈16樓。

本公司之主要業務為投資控股。本公司附屬公司及聯營公司從事貿易業務、物業開發及投資業務、放債業務、手機應用程式業務及公墓業務。

綜合財務報表以港元（「港元」）呈列，與本公司之功能貨幣相同。

2. 重大會計政策概要

(a) 合規聲明

此等綜合財務報表乃按照香港會計師公會（「香港會計師公會」）發佈之所有適用香港財務報告準則（「香港財務報告準則」）（為所有適用個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋之統稱）及香港公認會計原則以及香港公司條例之規定編製。此等綜合財務報表亦遵守香港聯合交易所有限公司GEM證券上市規則（「GEM上市規則」）之適用披露規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for contingent consideration, investment properties and promissory notes that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

2. 重大會計政策概要(續)

(b) 編製基準

按下文所載會計政策所解釋，綜合財務報表已根據歷史成本基準編製，惟於各報告期末按公平值計量之或然代價、投資物業及承兌票據除外。

歷史成本一般以為換取貨物及服務所給予代價之公平值為準。

公平值為在市場參與者之間於計量日按有序交易出售一項資產所收取或轉讓一項負債所支付之價格（不論該價格是否可直接觀察或採用另一估值方法估計）。在估計某項資產或負債之公平值時，本集團考慮該資產或負債之特性（倘市場參與者在釐定該資產或負債於計量日之價格時會考慮該等特性）。就計量及／或在該等綜合財務報表披露目的而釐定之公平值乃按此一基準釐定，惟屬於香港財務報告準則第2號以股份為基礎之付款範圍內之股份付款交易、按照香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號（應用香港財務報告準則第16號前）列賬之租賃交易，以及與公平值類似但並非公平值之計量（如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值之使用價值）除外。

按公平值轉移的金融工具，凡於其後期間應用以不可觀察數據計量公平值之估值方法，估值方法應予校正，以致估值方法之結果相等於交易價格。

此外，就財務報告而言，根據公平值計量的輸入數據的可觀察程度及該輸入數據對整體公平值計量的重要性，公平值計量分為第一、第二或第三層，敘述如下：

- 第一層的輸入數據為實體可以於計量日評估的相同資產或負債於活躍市場的報價（未經調整）；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern assumption

In preparing these consolidated financial statements, the Directors have considered the future liquidity of the Group. As at 31 December 2019, the Group had incurred net current liabilities of approximately HK\$113,695,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group will be able to operate as a going concern for the foreseeable future. In the opinion of the Directors, the Group can meet its financial obligations as and when they fall due within the next year from the date of the consolidated financial statements, after taking into consideration of the following measures and arrangements made subsequent to the reporting date:

1. The Group has been actively negotiating with the financial institution for the repayment arrangements and to renew the Group's mortgage loans until the secured assets shall be sold to reduce the Group's financial costs and short-term obligations;
2. One of the promissory notes with principal amount of approximately USD1,939,000 which will due on 1 October 2020 (the "PN 3"). On 9 March 2020, the Company entered into an extension agreement with the noteholder of PN 3 to extend the maturity date to 1 October 2022. Pursuant to the extension agreement, saved as the changes of maturity date, all terms and conditions of the PN 3 would remain unchanged;

2. 重大會計政策概要(續)

(b) 編製基準(續)

- 第二層的輸入數據為資產或負債的可直接或間接觀察輸入數據(不包括第一層的報價);及
- 第三層的輸入數據指資產或負債的不可觀察輸入數據。

持續經營之假設

於編製此等未經審核綜合財務報表時,董事已考慮本集團日後流動資金。於二零一九年十二月三十一日,本集團承擔流動負債淨額約113,695,000港元。此等狀況反映存在可能對本集團繼續持續經營之能力構成重大疑問之重大不確定因素,因此本集團可能無法於正常業務過程中變現其資產及償還負債。

儘管存在上述狀況,惟未經審核綜合財務報表乃按持續經營基準編製並假設本集團將於可見將來能以持續經營方式營運。董事於考慮以下於報告日期後所作之措施及安排後認為,本集團可履行其自未經審核綜合財務報表日期起翌年內到期之財務責任:

1. 本集團一直與財務機構積極商討償還安排,並重續其按揭貸款至售出抵押資產為止,以減低本集團之融資成本及短期責任;
2. 其中一項本金額約1,939,000美元之承兌票據將於二零二零年十月一日到期(「承兌票據3」)。於二零二零年三月九日,本公司與承兌票據3之持有人訂立延長協議,以延長到期日至二零二二年十月一日。根據延長協議,除更改到期日外,承兌票據3之所有條款及條件將維持不變;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued)

Going concern assumption (Continued)

3. One of the promissory notes with principal amount of HK\$32,000,000 which will due on 17 March 2021 (the "PN 2"). On 26 March 2020, the Company entered into an extension agreement with the noteholder of PN 2 to extend the maturity date to 31 October 2021. Pursuant to the extension agreement, saved as the changes of maturity date, all terms and conditions of the PN 2 would remain unchanged;
4. One of the promissory notes with principal amount of approximately HK\$20,118,000 which will due on 30 November 2020 (the "PN 1"). On 14 April 2020, the Company entered into an extension agreement with the noteholder of PN 1 to extend the maturity date to 30 November 2022. Pursuant to the extension agreement, saved as the changes of maturity date, all terms and conditions of the PN 1 would remain unchanged;
5. The Company obtained a loan facility of HK\$50,000,000 with the interest rate carrying at 25% per annum. The lender of this loan facility is a licensed money lender in Hong Kong, an independent third party to the Group. On 15 June 2020, a non-secured loan of HK\$5,300,000 has been utilised with a term of 2 years payable on 15 June 2022;
6. One of the non-secured borrowing with principal amount of HK\$30,000,000 was due on 30 November 2019. On 28 May 2020, the Company entered into a redemption agreement with the lender and Champion Wise Investments Limited ("Champion Wise"), an independent third party to the Group, in which: (1) 50% principal of the borrowing of HK\$15,000,000 with interest of approximately HK\$2,100,000 has been assigned to Champion Wise. The balance due to Champion Wise is unsecured, interest free and repayable not earlier than 31 July 2021; and (2) the repayment date of the remaining principal of HK\$15,000,000 and interest of approximately HK\$3,800,000 is extended to 28 February 2022;

2. 重大會計政策概要(續)

(b) 編製基準(續)

持續經營之假設(續)

3. 其中一項本金額為32,000,000港元之承兌票據將於二零二一年三月十七日到期(「承兌票據2」)。於二零二零年三月二十六日，本公司與承兌票據2之持有人訂立延長協議，以延長到期日至二零二一年十月三十一日。根據延長協議，除更改到期日外，承兌票據2之所有條款及條件將維持不變；
4. 其中一項本金額約20,118,000港元之承兌票據將於二零二零年十一月三十日到期(「承兌票據1」)。於二零二零年四月十四日，本公司與承兌票據1之持有人訂立延長協議，以延長到期日至二零二二年十一月三十日。根據延長協議，除更改到期日外，承兌票據1之所有條款及條件將維持不變；
5. 本公司已取得50,000,000港元之貸款，按年利率25%計息。此項貸款之貸款人為於香港之持牌放債人及本集團獨立第三方。於二零二零年六月十五日，已使用5,300,000港元之無抵押貸款，償還期為2年，於二零二二年六月十五日到期；
6. 其中一項本金為30,000,000港元之無抵押借貸於二零一九年十一月三十日到期。於二零二零年五月二十八日，本公司與貸款人及Champion Wise Investments Limited(「Champion Wise」，本集團獨立第三方)訂立贖回協議，據此：(1) 15,000,000港元借貸之50%本金連同利息約2,100,000港元已轉讓予Champion Wise。應付Champion Wise之餘額為無抵押、免息及不早於二零二一年七月三十一日前償還；及(2)剩餘本金15,000,000港元及利息約3,800,000港元之償還日期延長至二零二二年二月二十八日；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Application of new and amendments to HKFRSs

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

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

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

Impacts and changes in accounting policies of application on HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 *Leases* ("HKAS 17"), and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

2. 重大會計政策概要 (續)

(c) 應用新訂及經修訂香港財務報告準則

於本年度強制生效之新訂及經修訂香港財務報告準則

本集團已於本年度首次應用下列由香港會計師公會發佈之新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員)－詮釋第23號	所得稅項處理之不確定因素
香港財務報告準則第9號(修訂本)	具有負值補償之預付款項特點
香港會計準則第19號(修訂本)	計劃修訂、縮減或結清
香港會計準則第28號(修訂本)	於聯營公司及合營公司的長期權益
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期的年度改進

除下文所闡述者外，應用新訂及經修訂香港財務報告準則並無對本集團本年及往年之財務狀況及表現及／或此等綜合財務報表所載之披露資料造成重大影響。

應用香港財務報告準則第16號「租賃」對會計政策之影響及變動

本集團於本年度首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號「租賃」(「香港會計準則第17號」)及相關詮釋。

應用香港財務報告準則第16號引致之主要會計政策變動

本集團按照香港財務報告準則第16號之過渡條文，應用以下會計政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Application of new and amendments to HKFRSs (Continued)

Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. relied on the assessment of whether leases are onerous by applying HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;

2. 重大會計政策概要 (續)

(c) 應用新訂及經修訂香港財務報告準則 (續)

應用香港財務報告準則第16號引致之 主要會計政策變動 (續)

租賃之定義

本集團選擇以簡便實務操作方法，來對過去識別為應用香港會計準則第17號及香港(國際財務報告詮釋委員會)一 詮釋第4號「釐定一項安排是否包含租賃」之租賃之合約應用香港財務報告準則第16號，而不對過去並非識別為包含租賃之合約應用此準則。因此，本集團並未重新評估於首次應用日期前已存在之合約。

就於二零一九年一月一日或之後訂立或修訂之合約而言，本集團按照香港財務報告準則第16號所載之規定應用租賃之定義，以評估合約是否包含租賃。

作為承租人

本集團已追溯應用香港財務報告準則第16號，其累計影響於二零一九年一月一日首次應用日期確認。相當於租賃負債之金額，經任何與該租約有關之預付或累計租賃付款之金額調整後，將於緊接首次應用日期前於財務狀況表確認。於首次應用日期之任何差額已於期初保留溢利中確認，並未重列比較資料。

於過渡期間應用香港財務報告準則第16號項下之經修訂追溯法時，本集團按逐項租賃基準對過去根據香港會計準則第17號分類為經營租賃且與各租賃合約相關之租賃，應用以下簡便實務操作方法：

- i. 依賴應用香港會計準則第37號「撥備、或然負債及或然資產」作為另一個減值審閱方法，評估租賃是否繁重；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Application of new and amendments to HKFRSs (Continued)

Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

- ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iv. applied relevant incremental borrowing rates to each lease contract; and
- v. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of approximately HK\$4,405,000 and right-of-use assets of approximately HK\$5,232,000 at 1 January 2019.

2. 重大會計政策概要 (續)

(c) 應用新訂及經修訂香港財務報告準則 (續)

應用香港財務報告準則第16號引致之 主要會計政策變動 (續)

作為承租人 (續)

- ii. 對租期於首次應用日期起計12個月內到期之租賃，選擇不確認使用權資產及租賃負債；
- iii. 於首次應用日期計量使用權資產時，扣除初步直接成本；
- iv. 對各項租賃合約應用相關遞增借款利率；及
- v. 根據於首次應用日期之事實及情況，以事後方式釐定本集團帶有續租及終止選擇權之租賃之租期。

於過渡時，本集團已於應用香港財務報告準則第16號後作出以下調整：

於二零一九年一月一日，本集團確認租賃負債約4,405,000港元及使用權資產約5,232,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Application of new and amendments to HKFRSs (Continued)

Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases and obligation under finance leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessees' incremental borrowing rate applied is 9.39%.

2. 重大會計政策概要 (續)

(c) 應用新訂及經修訂香港財務報告準則 (續)

應用香港財務報告準則第16號引致之 主要會計政策變動 (續)

作為承租人 (續)

就過去分類為經營租賃之租賃及融資租約負債確認租賃負債時，本集團已於首次應用日期應用相關集團實體之遞增借款利率。所應用之加權平均承租人遞增借款利率為9.39%。

		At 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日 披露之經營租賃承擔	7,569
Less: Commitments relating to leases exempt from capitalisation:	減：與豁免資本化之租賃 有關之承擔：	
Short-term leases and other leases with remaining lease term ending on or before 31 December 2019	剩餘租期於二零一九年十二月 三十一日或之前到期之 短期租賃及其他租賃	(240)
		7,329
Less: Total future interest expenses	減：未來總利息開支	(2,935)
Less: Prepaid land lease recognised as at 31 December 2018	減：於二零一八年十二月三十一日 確認之預付土地租賃	(692)
Present value of remaining lease payments, discounted using the incremental borrowing rate as at 1 January 2019	現值或剩餘租賃付款， 於二零一九年一月一日使用 遞增借款利率貼現	3,702
Add: Financial lease liabilities recognised as at 31 December 2018 (Note)	加：於二零一八年十二月三十一日 確認之融資租約負債 (附註)	703
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之 租賃負債	4,405
Analysed as:	分析為：	
Current	即期	184
Non-current	非即期	4,221
		4,405

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Application of new and amendments to HKFRSs (Continued)

Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

2. 重大會計政策概要 (續)

(c) 應用新訂及經修訂香港財務報告準則 (續)

應用香港財務報告準則第16號引致之 主要會計政策變動 (續)

作為承租人 (續)

於二零一九年一月一日之使用權資產
賬面值包括以下各項：

	HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	4,436
Amounts included in property, plant and equipment under HKAS 17	
– Assets previously under finance leases (Note)	796
	5,232

Note:

In relation to assets previously under finance leases, the Group reclassified the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to HK\$796,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of HK\$133,000 and HK\$570,000 to lease liabilities as current and non-current liabilities respectively at 1 January 2019.

附註：

就過去列於融資租賃下之資產而言，本集團將該等於二零一九年一月一日仍然列於租賃下之賬面值為796,000港元之資產重新分類為使用權資產。此外，本集團於二零一九年一月一日分別將133,000港元及570,000港元之融資租賃承擔重新分類為流動及非流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Application of new and amendments to HKFRSs (Continued)

Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

The following tables summarise the impacts of applying HKFRS 16 as a lessee on the Group's consolidated statement of financial position as at 1 January 2019. Line items that were not affected by the changes have not been included.

2. 重大會計政策概要 (續)

(c) 應用新訂及經修訂香港財務報告準則 (續)

應用香港財務報告準則第16號引致之 主要會計政策變動 (續)

作為承租人 (續)

下表概列作為承租人應用香港財務報告準則第16號對本集團於二零一九年一月一日之綜合財務狀況表之影響。未受有關變動影響之單項項目乃排除在外。

		Carrying amount previously reported at 31 December 2018	Adjustments	Carrying amount under HKFRS 16 at 1 January 2019
		過去 於二零一八年 十二月三十一日 呈報之賬面值 HK\$'000 千港元	調整 HK\$'000 千港元	根據香港財務 報告準則第16號 於二零一九年 一月一日 之賬面值 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	53,300	(796)	52,504
Right-of-use assets	使用權資產	—	5,232	5,232
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項	20,354	(734)	19,620
Current liabilities	流動負債			
Lease liabilities	租賃負債	—	184	184
Obligations under finance leases	融資租約承擔	133	(133)	—
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	—	4,221	4,221
Obligations under finance leases	融資租約承擔	570	(570)	—

Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

於應用香港財務報告準則第16號時，與現有租賃合約項下相同之相關資產有關且已訂立但於首次應用日期後才開始生效之新租賃合約乃以現有租賃於二零一九年一月一日修訂之假設而入賬。有關應用並無對本集團於二零一九年一月一日之綜合財務狀況表造成影響。然而，自二零一九年一月一日起，與修訂後之經修改租期有關之租賃付款按直線法於經延長租期內確認為收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Application of new and amendments to HKFRSs (Continued)

Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Transition to HKFRS 16 does not have impact on accumulated losses at 1 January 2019.

(d) Basis of consolidation

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

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

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

2. 重大會計政策概要 (續)

(c) 應用新訂及經修訂香港財務報告準則 (續)

應用香港財務報告準則第16號引致之 主要會計政策變動 (續)

作為出租人

根據香港財務報告準則第16號之過渡條文，本集團毋須於過渡時就本集團作為出租人之租賃作出任何調整，惟須根據香港財務報告準則第16號自首次應用日期起為該等租賃入賬，並未重列比較資料。

過渡至香港財務報告準則第16號不會對二零一九年一月一日之累計虧損造成影響。

(d) 綜合基準

綜合財務報表包含本公司及由本公司及其附屬公司控制之實體之財務報表。倘屬以下情況，則本公司取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力影響該等回報。

倘有事實及情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (Continued)

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

(e) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

2. 重大會計政策概要 (續)

(d) 綜合基準 (續)

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止綜合入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益表內。

損益及其他全面收入各部分歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

若有必要，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團所採用者一致。

所有本集團成員公司間有關交易之集團內公司間資產及負債、權益、收入、支出及現金流量於綜合時全數對銷。

於附屬公司之非控股權益與本集團之權益獨立呈列，以反映現時擁有權權益賦予持有人權利按其分佔比例擁有相關附屬公司於清盤時之資產淨值。

(e) 業務合併

收購業務採用收購法入賬。業務合併之轉讓代價按公平值計量，而計算方法為本集團所轉讓之資產於收購日期之公平值、本集團向被收購方原擁有人產生之負債及本集團為交換被收購方之控制權發行之股權之總額。有關收購之費用於產生時一般於損益中確認。

於收購日期，所收購之可識別資產及所承擔之負債乃按公平值確認，惟下文所述者除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產，分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認並計量；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Business combinations (Continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.
- lease liabilities are recognised and measured at the present value of the remaining lease payments as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRSs.

2. 重大會計政策概要 (續)

(e) 業務合併 (續)

- 與被收購方以股份為基礎之付款安排或以本集團以股份為基礎之付款安排取代被收購方以股份為基礎之付款安排相關之負債或股本工具乃於收購日期根據香港財務報告準則第2號「以股份為基礎之付款」計量；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產（或出售組別）則根據該準則計量。
- 租賃負債按剩餘租賃付款之現值確認及計量，猶如所收購租賃於收購日期為新租賃。使用權資產按等同於相關租賃負債之金額確認及計量，並經調整以反映租賃條款與市場條款相比之有利或不利之處。

商譽是以所轉讓之代價、任何非控股權益於被收購方中所佔金額、及收購方先前持有之被收購方股權之公平值（如有）之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨額後，所超出之差額計值。倘經過重新評估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於轉讓之代價、任何非控股權益於被收購方中所佔金額與收購方先前持有被收購方之權益之公平值（如有）之總和，則差額即時於損益內確認為議價購買收益。

屬現時擁有權權益且於清盤時賦予其持有人按比例分佔相關附屬公司資產淨值之非控股權益乃初步按非控股權益按比例應佔被收購方可識別資產淨值之已確認金額或公平值計量。

計量基準之選擇乃按每次交易為基礎。其他類型之非控股權益乃按其公平值或（倘適用）按另一項香港財務報告準則規定之基準計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2. 重大會計政策概要 (續)

(e) 業務合併 (續)

當本集團於業務合併中轉讓之代價包含一項或然代價安排，該或然代價將按其收購日期之公平值計量，並計入業務合併所轉讓代價之一部分。或然代價之公平值變動符合計量期調整，其以追溯方式調整。計量期調整是指於「計量期」(不得超過收購日期起計一年)就於收購日期已存在之事實及情況而取得之額外資料所作出之調整。

有關或然代價之其後會計處理並不符合計量期調整，其乃取決於或然代價如何分類。分類為權益之或然代價不會於其後報告日期重新計量，而該或然代價之其後結算乃於權益內入賬。分類為資產或負債之或然代價於其後報告日期重新計量至公平值，而相應之收益或虧損於損益中確認。

倘業務合併分階段達成，本集團先前持有之被收購方股權將重新計量至收購日期(即本集團獲得控制權當日)之公平值，而所產生之收益或虧損(如有)將於損益或其他全面收益(如適用)中確認。倘本集團已直接出售先前持有之股權，先前已於其他全面收益中確認並根據香港財務報告準則第9號計量之被收購方於收購日期前之權益所產生之金額，將按相同基準入賬。

倘業務合併之初步入賬於發生業務合併之報告期末尚未完成，本集團將呈報未完成入賬之項目暫定金額。該等暫定金額於計量期(見上文)內以追溯方式調整，並確認額外資產或負債，以反映就於收購日期已存在之事實及情況而取得並一旦公開後將影響該日已確認款項之新資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less any accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the relevant cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit a pro rata on the basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

2. 重大會計政策概要(續)

(f) 商譽

因收購業務產生之商譽乃按成本(於收購業務當日確定)減任何累計減值虧損(如有)入賬。

就減值測試而言，商譽將分配至預計自合併之協同效應中受惠之各相關現金產生單位(或現金產生單位組別)，而該單位或單位組別指就內部管理之目的而監控商譽之最低級別且不過經營分部。

已獲分配商譽之現金產生單位每年或倘有跡象顯示有關單位可能出現減值時更頻密地進行減值測試。就於報告期間因收購而產生之商譽而言，商譽所產生之現金產生單位於該報告期末前進行減值測試。當現金產生單位之可收回金額低於其賬面值時，則首先削減分配予單位之任何商譽之賬面值以分配減值虧損，其後再根據單位內各資產之賬面值按比例分配予單位之其他資產。商譽之任何減值虧損會直接於損益中確認。商譽之已確認減值虧損不可於其後期間內撥回。

就出售相關現金產生單位或現金產生單位組別內之任何現金產生單位而言，在釐定於出售時之損益金額時，將計入商譽之應佔金額。當本集團出售現金產生單位(或現金產生單位組別內之現金產生單位)內之業務，所出售商譽之金額乃按所出售業務(或現金產生單位)與所保留之現金產生單位(或現金產生單位組別)部分之相對價值計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Interests in associates

An associate is an entity in which the group or company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognised the investor's share of profit or loss of the investee after date of acquisition. The Group's interests in associates include goodwill identified on acquisition. Under the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of net fair value of the associate identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to income statement where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of cost-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit of investments accounted for using equity method in the consolidated statement of profit or loss.

2. 重大會計政策概要(續)

(g) 於聯營公司之權益

聯營公司是指某集團或公司對實體之管理擁有重大影響(包括參與財務及經營決策)，但並無控制或共同控制權。

於聯營公司之投資採用權益法入賬。根據權益法，投資初步以成本確認，而收購日期後增加或減少賬面值以確認投資者在投資對象損益中應佔之份額。本集團投資聯營公司包含收購時確認之商譽。根據收購聯營公司之擁有權權益，聯營公司之成本與本集團佔聯營公司可識別資產及負債之公平值淨額之間任何差異入賬列作商譽。

倘於聯營公司之擁有權權益被削減但對其仍有重大影響，則只有按比例將之前於其他全面收入中確認之數額重新分類至損益(如適當)。

本集團收購後損益在綜合損益表中確認，而所佔其他全面收入中之收購後變動於其他全面收入中之投資賬面值作出相應調整後確認。當本集團所佔聯營公司中虧損等於或超過於聯營公司之權益，包括任何其他無抵押應收賬款，除非其已承擔法律或推定義務，或代表聯營公司支付，否則本集團不會確認進一步虧損。

本集團於各報告日決定是否有任何客觀證據證明於聯營公司之投資已減值。倘發生這種情況，本集團將以聯營企業之可收回金額與賬面值之間之差異作為減值金額，並於綜合損益表分佔以權益法入賬投資溢利中確認該金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Interests in associates (Continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

(h) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(i) Properties under construction

Properties under construction are initially measured at cost and transaction costs regardless of the level of completion. The properties under construction are transferred to investment properties when and only when the properties under construction are fully completed.

2. 重大會計政策概要(續)

(g) 於聯營公司之權益(續)

本集團及其聯營公司之間之上游和下游交易所產生損益於本集團財務報表中確認，並只限於聯營公司無關聯投資者權益之份額。未變現虧損將被對銷，除非交易可證明已轉讓資產的減值。聯營公司之會計政策已作出必要更改，以確保與本集團所採納之政策一致。

聯營公司攤薄股權之損益於綜合損益表中確認。

(h) 投資物業

投資物業指為賺取租金及／或為資本增值而持有之物業(包括就該等目的而興建之在建物業)。投資物業初步按成本(包括交易成本)計量。於初步確認後，投資物業按公平值計量。本集團根據經營租約持作賺取租金或資本增值用途之全部物業權益入賬列為投資物業並使用公平值模式計量。投資物業公平值變動產生之收益及虧損於產生期間計入損益內。

投資物業於出售或於其被永久終止使用或預期不會因出售而獲得未來經濟利益時終止確認。終止確認物業所產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之間之差額計算)於該項目終止確認期間計入損益。

(i) 在建物業

不論完成程度如何，在建物業均初步按成本及交易成本計量。在建物業竣工時，方會轉撥至投資物業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described above). Property, plant and equipment are stated in the consolidated statement of financial position at cost or fair value less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" (upon application of HKFRS 16) or "prepaid lease payments" (before application of HKFRS 16) in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

2. 重大會計政策概要(續)

(j) 物業、廠房及設備

物業、廠房及設備為用作生產或供應貨品或服務或作行政用途之有形資產(上述在建物業除外)。物業、廠房及設備按成本或公平值減去其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

用於生產、供應或行政用途之在建樓宇按成本減去任何已確認減值虧損列賬。成本包括令到資產處於必要的位置及達到必要的狀況，使其能夠按管理層之擬定方式運作所直接歸屬之任何成本，而就合資格資產而言，則包括按照本集團會計政策資本化之借貸成本。該等資產於其可用作擬定用途時，按與其他物業資產之相同基準開始計提折舊。

於租賃土地及樓宇之擁有權權益

當本集團就於物業之擁有權權益(包括租賃土地及樓宇成分)付款時，全部代價於租賃土地及樓宇成分之間按初步確認時之相對公平值之比例分配。

當相關付款能夠可靠分配時，經營租賃之租賃土地權益應在綜合財務狀況表中列為「使用權資產」(應用香港財務報告準則第16號後)或「預付租賃付款」(應用香港財務報告準則第16號前)，惟該等分類及入賬為公平值模式項下之投資物業除外。當代價無法可靠分配至非租賃樓宇成分與相關租賃土地之不可分割權益之間時，整體之物業將分類為物業、廠房及設備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment (Continued)

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method, over their useful life as follows:

Land and Building	Shorter of remaining lease term or useful life
Furniture, fixtures and equipment	5 years
Motor vehicles	4-10 years
Leasehold improvements	5 years

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

2. 重大會計政策概要 (續)

(j) 物業、廠房及設備 (續)

折舊乃根據資產（不包括在建物業）之估計可使用年期以直線法確認，以撇銷其減去剩餘價值後之成本。估計可使用年期、剩餘價值及折舊法於各報告期末作檢討，並按前瞻基準將任何估計變更之影響入賬。

物業、廠房及設備項目會以直線法在其估計使用期內對其成本減剩餘價值（如有）後進行折舊如下：

土地及樓宇	餘下租賃期或可使用年期（以較短者為準）
傢俬、裝置及設備	五年
汽車	四至十年
租賃物業裝修	五年

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時終止確認。出售或報廢物業、廠房及設備項目所產生之任何收益或虧損（按該資產出售所得款項與賬面值之差額計算）於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effective of any changes in estimate being accounted for on a prospective basis.

(ii) Intangible assets acquired in a business combination

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

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

(l) Impairment of non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that non-financial assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocate to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2. 重大會計政策概要(續)

(k) 無形資產

(i) 獨立收購之無形資產

獨立購入及擁有有限可使用年期之無形資產乃按成本減累計攤銷及累計減值虧損列賬。擁有有限可使用年期之無形資產乃按其估計可使用年期以直線法確認攤銷。估計可使用年期及攤銷方法於各報告期末進行審閱，而任何估計變動之影響則提前入賬。

(ii) 於業務合併中收購之無形資產

於業務合併中收購之無形資產之成本為於收購日期之公平值。年期有限之無形資產其後於可使用經濟年期內攤銷，並於有跡象顯示無形資產可能出現減值時進行減值評估。可使用年期有限之無形資產之攤銷年期及攤銷方法至少於各財政年度末檢討一次。

無形資產於出售時或當預期使用或出售資產不會產生任何日後經濟利益時終止確認。終止確認無形資產所產生之損益按出售所得款項淨額與資產賬面值之差額計量，並於終止確認資產期間於損益內確認。

(l) 非金融資產之減值

於報告期末，本集團審閱其資產之賬面值，以釐定是否有任何跡象顯示非金融資產出現減值虧損。如有任何該等跡象出現，則會估計資產之可收回金額，以釐定減值虧損（如有）之程度。倘不能估計個別資產之可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。倘可以識別一個合理和一致之分配基準，企業資產亦會被分配到個別之現金產生單位，另行分配至可識別一個合理和一致之分配基準之最小現金產生單位組別中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Impairment of non-financial assets (Continued)

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

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

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

2. 重大會計政策概要 (續)

(I) 非金融資產之減值 (續)

在本集團根據香港財務報告準則第15號就資本化為合約成本之資產確認減值虧損前，本集團按適用準則評估及確認與相關合約有關之其他資產之任何減值虧損。屆時，倘賬面值超過本集團預期就換取相關貨品或服務而收取之代價餘額扣除與提供該等貨品或服務直接有關且並未確認為開支之成本，則資本化為合約成本之資產之減值虧損（如有）將予以確認。資本化為合約成本之資產其後計入其所屬之現金產生單位之賬面值，以評估相關現金產生單位之減值。

可收回金額為公平值減出售成本與使用價值之較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折現至其現值，該貼現率反映目前市場對金錢時間值之評估以及估計未來現金流量未經調整之資產之獨有風險。

倘資產（或現金產生單位）之可收回金額估計低於其賬面值，則該資產（或現金產生單位）之賬面值將減至其可收回金額。減值虧損即時於損益中確認。

倘減值虧損於其後撥回，資產（或現金產生單位）賬面值將增至經修訂之估計可收回金額，惟因此而增加之賬面值不可超過假設以往年度並無就該資產（或現金產生單位）確認減值虧損而原應釐定之賬面值。減值虧損撥回於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets

Classification

The Group classifies its financial assets as those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

2. 重大會計政策概要(續)

(m) 金融資產

分類

本集團將其金融資產分類為按攤銷成本計量者。

分類取決於實體管理金融資產及現金流量合約條款之業務模式。

確認及終止確認

常規方式購買或出售金融資產均按本集團承諾買賣資產之交易日確認。當收取金融資產現金流量之權利到期或已獲轉讓，且本集團已轉移所有權絕大部分風險及回報時，則會終止確認金融資產。

金融資產初步按公平值計量，惟客戶合約產生之貿易應收款項初步按照香港財務報告準則第15號計量除外。收購或發行金融資產及金融負債(按公平值計入損益(「按公平值計入損益」)之金融資產或金融負債除外)直接應佔之交易成本，乃於初步確認時視適當情況計入金融資產之公平值或自金融負債之公平值扣除。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本乃即時於損益內確認。

本集團僅於自資產收取現金流量之合約權利屆滿時終止確認金融資產。在終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價之總和之間的差額乃於損益內確認。

實際利率法是一種計算相關期間內金融資產或金融負債攤銷成本以及分配利息收入及利息開支之方法。實際利率為將金融資產或金融負債於估計年期或(如適用)較短期間內之估計未來現金收入及付款(包括支付或收取之構成實際利率組成部分之所有費用及點數、交易費用以及其他溢價或折價)準確折現至初步確認時賬面淨值之利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets (Continued)

Measurement

At initial recognition, the Group measures a financial asset at its fair value.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

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

Impairment loss on financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. 重大會計政策概要(續)

(m) 金融資產(續)

計量

於初步確認時，本集團按其公平值計量金融資產。

按攤銷成本計量之金融資產

持作收取合約現金流量(該等現金流量屬純粹支付本金及利息之現金流量)之資產按攤銷成本計量。

該等金融資產之利息收入使用實際利率法計入融資收入。終止確認產生之任何收益或虧損直接於損益確認，並連同匯兌收益及虧損於其他收益／(虧損)內呈列。減值虧損於損益表內作為單獨項目呈列。

按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收益計量之標準，或指定為按公平值計入其他全面收益(「按公平值計入其他全面收益」)之標準之金融資產乃按公平值計入損益計量。

按公平值計入損益之金融資產乃按各報告期末之公平值計量，任何公平值收益或虧損於損益內確認。於損益內確認之淨收益或虧損不包括就金融資產賺取之任何股息或利息，並計入「其他收入、收益／虧損淨額」項目內。

金融資產之減值虧損

本集團確認對所有並非按公平值計入損益持有之債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於按合約到期之合約現金流量與本集團預期收取之所有現金流量之間的差額而計算，並以原實際利率之近似值貼現。預期現金流量將包括出售構成合約條款重要部分之所持抵押品或其他信貸升級措施所得之現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables, other receivables and loan and interest receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

2. 重大會計政策概要(續)

(m) 金融資產(續)

一般方法

預期信貸虧損分兩個階段確認。倘信貸風險自初步確認以來並未顯著增加，將會就於未來12個月內可能發生之違約事件作出預期信貸虧損撥備(12個月預期信貸虧損)。倘信貸風險自初步確認以來顯著增加，則須就於信貸之剩餘年內預期產生之信貸虧損作出虧損撥備，不論違約事件於何時發生(存續期預期信貸虧損)。

於各報告日期，本集團會評估金融工具之信貸風險是否自初步確認以來顯著增加。於作出有關評估時，本集團會就金融工具於報告日期發生違約之風險與金融工具於初步確認日期發生違約之風險作比較，並參考毋須付出過度成本或努力即可獲得之合理及可靠資料，包括過往及前瞻性資料。

本集團之金融資產倘合約付款逾期90日，將會視為違約。然而，在若干情況下，倘內部或外部資料顯示若不計算本集團所持之任何信貸升級措施，本集團將難以悉數收回未償還合約款項，則本集團之金融資產亦可能會被視為違約。倘按照合理預期乃無法收回合約現金流量，金融資產將予撇銷。

按公平值計入其他全面收益之債務投資及按攤銷成本計量之金融資產均可根據一般方法予以減值，並按以下預期信貸虧損計量階段分類，惟貿易應收款項、其他應收款項以及應收貸款及利息除外(其將按下文詳述採用簡化法減值)。

階段1—信貸風險自初步確認以來並無顯著增加，且虧損撥備按相當於12個月預期信貸虧損金額計量之金融工具

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets (Continued)

General approach (Continued)

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

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

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

Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;

2. 重大會計政策概要(續)

(m) 金融資產(續)

一般方法(續)

階段2—信貸風險自初步確認以來顯著增加，但並非信貸減值金融資產，且虧損撥備按相當於存續期預期信貸虧損金額計量之金融工具

階段3—於報告日期已出現信貸減值（惟並非對外購入或源生之信貸減值），且虧損撥備按相當於存續期預期信貸虧損金額計量之金融資產

尤其是，於評估信貸風險是否已顯著增加時，會考慮以下資料：

- 金融工具之外部（如有）或內部信貸評級實際上或預期會顯著惡化；
- 外部市場信貸風險指標顯著惡化，例如債務人信貸息差或信貸違約掉期價格大幅上升；
- 有關業務、財務或經濟狀況之現有或預測之不利轉變，而預期會導致債務人於履行其債務責任之能力大幅下降；
- 債務人之經營業績實際上或預期會顯著惡化；
- 債務人所處監管、經濟或技術環境實際上或預期會出現重大不利轉變，導致債務人於履行其債務責任之能力大幅下降。

信貸減值金融資產

當對金融資產預期未來現金流量具有不利影響之一項或多項違約事件發生時，該金融資產成為發生信貸減值之財務資產。有關金融資產發生信貸減值之證據包括有關下列事件之可觀察數據：

- (a) 發行人或借款人發生重大財務困難；
- (b) 違反合約，例如拖欠或逾期事件；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets (Continued)

Credit-impaired financial assets (Continued)

- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Simplified approach

For trade receivables, other receivables and loan and interest receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(n) Financial liabilities

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

— *Equity instrument*

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

2. 重大會計政策概要 (續)

(m) 金融資產 (續)

信貸減值金融資產 (續)

- (c) 借款人之貸款人出於與借款人財務困難有關之經濟或合約原因，給予借款人其於任何其他情況下都不會考慮之讓步；
- (d) 借款人很可能破產或進行其他財務重組；或
- (e) 財務困難導致該金融資產之活躍市場消失；或
- (f) 以大幅度折讓購買或源生一項金融資產，反映已產生信貸虧損。

簡化法

對於不含重大融資成分之貿易應收款項、其他應收款項及應收貸款及利息，或倘本集團願及簡便實務而不對重大融資成分之影響作出調整，本集團乃採用簡化法計算預期信貸虧損。根據簡化法，本集團並不追蹤信貸風險之變動，而是於各報告日期根據存續期預期信貸虧損確認虧損撥備。本集團已設立基於其過往信貸虧損經驗（並按具體針對債務人之前瞻性因素及經濟環境作出調整）之撥備矩陣。

(n) 金融負債

集團實體發行之債務及權益工具乃根據合約安排內容與金融負債及權益工具之定義分類為金融負債或權益。

— *權益工具*

權益工具乃證明實體於扣減所有負債後之資產中擁有剩餘權益之任何合約。本集團發行之權益工具按扣除直接發行成本後之已收所得款項入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial liabilities (Continued)

– Equity instrument (Continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

– Financial liabilities at amortised cost

Financial liabilities including trade and others payables, borrowings, provision for litigation and provision for employment benefits are subsequently measured at amortised cost, using the effective interest method.

– Promissory notes

Promissory notes are recognised at fair value and measured at amortised cost, using the effective interest method separately.

– Convertible notes

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

2. 重大會計政策概要(續)

(n) 金融負債(續)

– 權益工具(續)

實際利率法

實際利率法是一種計算相關期間內金融負債攤銷成本以及分配利息開支之方法。實際利率為將金融負債於估計年期或(如適用)較短期間內之估計未來現金付款(包括支付或收取之構成實際利率組成部分之所有費用及點數、交易費用以及其他溢價或折價)準確折現至初步確認時賬面淨值之利率。

利息開支按實際利率法確認。

– 按攤銷成本計量之金融負債

金融負債(包括貿易及其他應付款項、借款、訴訟撥備及僱員福利撥備)其後使用實際利率法按攤銷成本計量。

– 承兌票據

承兌票據使用實際利率法分別按公平值確認及按攤銷成本計量。

– 可換股票據

本集團所發行包含負債及換股期權部分的可換股票據，乃於初步確認時根據所訂立合約安排內容以及金融負債及權益工具的定義，獨立分類為相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目的權益工具方式結清的換股期權乃分類為權益工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial liabilities (Continued)

– Convertible notes (Continued)

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the notes into equity, is included in equity (convertible notes equity reserve).

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to the retained profits. Neither gain nor loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2. 重大會計政策概要(續)

(n) 金融負債(續)

– 可換股票據(續)

於初步確認時，負債部分之公平值按類似非可換股債務之現行市場利率釐定。發行可換股票據所得款項總額與負債部分(指換股期權持有人將票據兌換為權益)之公平值之差額計入權益(可換股票據股權儲備)。

於往後期間，可換股票據之負債部分按實際利率法以攤銷成本計量。權益部分(指期權轉換負債部分為本公司之普通股)將維持於可換股票據股權儲備，直至嵌入式期權獲行使(於此情況下，可換股票據股權儲備所示之結餘將轉換為股份溢價)。倘期權於到期日尚未行使，則於可換股票據股權儲備所示之結餘將釋放至保留溢利。期權獲兌換或到期時將不會於損益內確認任何收益或虧損。

與發行可換股票據有關之交易成本乃按所得款項總額之分配比例分配至負債及權益部分。與權益部分有關之交易成本會直接自權益扣除。與負債部分有關之交易成本則計入負債部分之賬面值，並於可換股票據期間內採用實際利率法攤銷。

終止確認金融負債

當且僅當本集團的責任解除、取消或到期時，本集團會終止確認金融負債。終止確認之金融負債之賬面值與已付或應付代價之間之差額，乃於損益確認。

衍生工具初步按訂立衍生工具合約當日之公平值確認，其後按於報告期末之公平值重新計量。所得收益或虧損於損益確認，除非該項衍生工具是指定為且可有效作為對沖工具，就此，於損益確認之時間視乎對沖關係之性質而定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Financial liabilities (Continued)

– Convertible notes (Continued)

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(o) Lease

Upon the adoption of HKFRS 16 on 1 January 2019

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of leasehold properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

2. 重大會計政策概要 (續)

(n) 金融負債 (續)

– 可換股票據 (續)

抵銷金融資產及金融負債

僅在本集團當前有法定可執行權抵銷已確認金額，及計劃以淨額基準結算或同時變現資產及清償負債時，方抵銷金融資產與金融負債及於綜合財務狀況表呈列淨額。

(o) 租賃

於二零一九年一月一日採納香港財務報告準則第16號後

租賃之定義

倘合約賦予在一段時期內控制使用某已識別資產之權利，以換取代價，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修訂之合約而言，本集團根據香港財務報告準則第16號項下之定義，於訂立或修訂日期評估合約是否為租賃或包含租賃。除非合約條款及條件其後發生變更，否則不會重新評估此類合約。

作為承租人

短期租賃

本集團對租期自開始日期起為12個月或以下且不包括購買選擇權之租賃物業之租賃應用短期租賃確認豁免。

短期租賃之租賃付款於租期內按直線法確認為開支。

使用權資產

除短期租賃外，本集團於租賃開始日期（即相關資產可供使用之日期）確認使用權資產。使用權資產按成本減去任何累計折舊及減值虧損計量，並就任何租賃負債之重新計量作出調整。

使用權資產之成本包括：

- 租賃負債之初步計量金額；
- 於開始日期或之前支付之任何租賃付款，減去已收取之任何租賃優惠；及
- 本集團產生之任何初步直接成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Lease (Continued)

Upon the adoption of HKFRS 16 on 1 January 2019 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The carrying amount of the relevant right-of-use asset is transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

2. 重大會計政策概要 (續)

(o) 租賃 (續)

於二零一九年一月一日採納香港財務 報告準則第16號後 (續)

作為承租人 (續)

使用權資產 (續)

就本集團合理確定可在租期結束時取得相關租賃資產所有權之使用權資產而言，使用權資產自開始日期起折舊，直至可使用年期結束為止。除此之外，使用權資產可按估計可使用年期與租期兩者之較短者，按直線法折舊。

相關使用權資產之賬面值乃轉撥至物業、廠房及設備。

本集團於綜合財務狀況表中單獨呈列使用權資產。

稅項

為了計量涉及本集團確認使用權資產及相關租賃負債之租賃交易中之遞延稅項，本集團首先釐定有關稅項抵扣應歸屬於使用權資產還是租賃負債。

就稅項抵扣歸屬於租賃負債之租賃交易而言，本集團將香港會計準則第12號「所得稅」之要求分開應用至使用權資產與租賃負債。由於應用初步確認豁免，與使用權資產及租賃負債有關之暫時差額於初步確認時及租期內不確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Lease (Continued)

*Upon the adoption of HKFRS 16 on 1 January 2019
(Continued)*

As a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the consolidated statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

2. 重大會計政策概要 (續)

(o) 租賃 (續)

於二零一九年一月一日採納香港財務報告準則第16號後 (續)

作為承租人 (續)

租賃負債

於租賃開始日期，本集團按該日未付之租賃付款之現值確認及計量租賃負債。在計算租賃付款之現值時，倘不能輕易釐定租賃之內含利率，本集團將採用租期開始日之遞增借款利率。

租賃付款包括固定租賃付款 (包括實質上固定之付款)。

租賃付款於綜合財務狀況表中單獨呈列。

租賃負債其後之計量為：藉增加賬面值以反映租賃負債之利息 (使用實際利率法)，及藉減少賬面值以反映所作出之租賃付款。

倘符合下述其中一項情況，本集團將重新計量租賃負債 (並對相關使用權資產進行相應調整)：

- 租期發生變化或針對行使購買選擇權之評估發生變化，在此情況下，將透過使用於重新評估日期之經修訂貼現率，對經修訂租賃付款進行貼現，以重新計量租賃負債；
- 在擔保餘值下預計之付款額發生變化而導致租賃付款發生變化，在此情況下，將透過使用初步貼現率，對經修訂租賃付款進行貼現，以重新計量相關租賃負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Lease (Continued)

Upon the adoption of HKFRS 16 on 1 January 2019 (Continued)

As a lessor

The Group enters into lease agreements as a lessor with respect to its investment properties to other parties.

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Rental income from leases is recognised in revenue on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Before the adoption of HKFRS 16 on 1 January 2019

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowings costs.

Operating lease payments are recognised as an expenses on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expenses over the lease term on a straight line basis.

2. 重大會計政策概要 (續)

(o) 租賃 (續)

於二零一九年一月一日採納香港財務 報告準則第16號後 (續)

作為出租人

本集團就向其他方租賃之投資物業，以出租人身份訂立租賃協議。

已收取之可退還租賃按金乃根據香港財務報告準則第9號入賬，並初步按公平值計量。初步確認時之公平值調整被視為來自承租人之額外租賃付款。

租賃之租金收入按相關租賃之租期以直線法於收益中確認。於磋商及安排租賃過程中產生之初步直接成本乃計入租賃資產之賬面值，並於租期內按直線法確認為開支。

於二零一九年一月一日採納香港財務 報告準則第16號前

租賃條款所涉及擁有權之絕大部分風險及回報轉讓予承租人之租賃，均列作融資租賃。所有其他租賃均列作經營租賃。

本集團作為出租人

經營租賃之租金收入乃按相關租賃年期以直線法於損益賬確認。

本集團作為承租人

根據融資租賃持有之資產初步以其公平值於租賃期初或(如較低)以最低租賃付款之現值確認為本集團資產。結欠出租人之相應負債在綜合財務狀況表內列為融資租賃責任。

租賃付款按比例分配至融資費用及減少租賃承擔，以就負債之餘額達致固定利率。融資費用即時於損益確認，除非融資費用直接歸屬於合資格資產，在此情況下，融資費用根據本集團有關借貸成本之一般政策資本化。

經營租賃付款乃按相關租賃年期以直線法確認為開支。訂立經營租賃後以優惠形式已收及應收之利益於租期內按直線法確認為租賃開支減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(q) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(r) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable demand and form an integral of the Group's management.

For the purpose of the consolidated statement of financial position, cash and bank balances comprise cash on hand and at banks which are not restricted as to use.

2. 重大會計政策概要(續)

(p) 撥備

倘本集團須就過往事件承擔現時(法定或推定)責任,及本集團有可能須履行該項責任並可對責任之金額作出可靠估計時,則會確認撥備。

確認為撥備之金額為於考慮圍繞責任之風險及不確定因素後於報告期末清償現時責任所需代價之最佳估計。倘撥備以估計清償現時責任之現金流量計量時,且貨幣時間價值之影響屬重大,則其賬面值為該等現金流量的現值。

(q) 存貨

存貨按成本值及可變現淨值兩者之較低者列賬。存貨之成本值按加權平均法釐定。可變現淨值指存貨估計售價減所有完成估計成本及出售所需成本。

(r) 現金及現金等價物

就綜合現金流量表而言,現金及現金等價物包括手頭現金及活期存款、一般於購入後三個月內到期可隨時轉換為已知數額現金且其價值變動風險不大之短期高流通性投資減須應要求償還且構成本集團管理其中部分之銀行透支。

就綜合財務狀況報表而言,現金及銀行結餘包括手頭現金及於銀行不受限制使用之現金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue recognition

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2. 重大會計政策概要 (續)

(s) 收入確認

來自客戶合約之收益

本集團於(或隨著)完成履約責任時確認收益，換言之於特定的履約責任下之相關貨品或服務之「控制權」轉讓予客戶時。

履約責任代表可區分的單一貨品及服務(或一批貨品或服務)或一系列大致相同之可區分的貨品或服務。

倘符合下列其中一項標準，控制權將於一段時間內轉移，而收益將按圓滿達成相關履約責任之進度而於一段時間內確認：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供之利益；
- 本集團之履約產生及提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團之履約並未產生對本集團有替代用途之資產，且本集團對迄今已完成履約之付款具有可強制執行之權利。

否則，收益會在客戶獲得可區分的貨品或服務之控制權時於某一時間點確認。

合約負債指本集團就已向客戶收取代價(或已到期收取代價)而向客戶轉移貨品或服務之責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue recognition (Continued)

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer as follow:

- i) Service income – service income is recognised when the related services are provided.
- ii) Sales of goods – revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from other sources

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and cost, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

- i) Interest income – interest income is recognised as it accrues using the effective interest method.
- ii) Rental income – rental income is recognised on a straight-line basis over the terms of the relevant leases.

(t) Employee benefit

(i) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

2. 重大會計政策概要(續)

(s) 收入確認(續)

來自客戶合約之收益

收益按與客戶訂立之合約中訂明之代價計量。本集團於轉移產品或服務之控制權予客戶時確認收益如下：

- i) 服務收入－服務收入於提供相關服務時確認。
- ii) 銷售貨品－銷售貨品之收益於擁有權之大部分風險及回報已轉移至買家時確認。

來自其他來源之收益

收益乃按已收或應收代價之公平值計量。倘經濟利益將有可能流入本集團，且收益及成本(倘適用)能可靠計量，則收益將按以下方式在損益賬內確認：

- i) 利息收入－利息收入使用實際利率法於累計時確認。
- ii) 租金收入－租金收入使用直線法於相關租賃年期確認。

(t) 僱員福利

(i) 退休福利成本及離職補償

向定額供款退休福利計劃支付之款項乃於僱員已提供服務而令其可享有供款時確認為開支。

就定額供款退休福利計劃而言，提供福利之成本乃採用預計單位給付成本法計算，有關精算估值於各年度報告期末進行。有關之重新計量乃即時於綜合財務狀況表反映，並於其發生之期間於其他全面收益中確認為支銷或進賬，其包括精算收益及虧損、資產上限變動產生之影響(如適用)及計劃資產之回報(利息除外)。於其他全面收益中確認之重新計量即時於保留盈利中反映，且不會重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefit (Continued)

(i) Retirement benefit costs and termination benefits (Continued)

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

The employees of the Company's subsidiaries which operate in the People's Republic of China ("PRC") are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Under the Labor Law Article 25/II in the Republic of Turkey ("Turkey"), the Group's Turkish subsidiaries are required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employee to receive termination indemnity, is called up for military service, leaves within one year after marriage (women only), and to those employees who retire or die. The amount payable consists of one month's salary for each year of service.

The dates that the employees will gain their pension rights are determined with respect to the prevailing social security laws with consideration to their past employment durations.

2. 重大會計政策概要 (續)

(t) 僱員福利 (續)

(i) 退休福利成本及離職補償 (續)

過往服務成本於計劃修訂或縮減期內於損益中確認，並於結算時確認結算收益或虧損。在釐定過往服務成本或結算收益或虧損時，實體應使用現時計劃資產之公平值及現行精算假設（反映於該計劃下提供之福利以及於計劃修訂、縮減或結算前及後之計劃資產），以重新計量定額福利負債或資產之淨額，並毋須考慮資產上限之影響（即通過收取計劃之退款或減少對計劃作出之未來供款之方式所得任何經濟利益之現值）。

本公司在中華人民共和國（「中國」）營運之附屬公司僱員需參與由地方政府機關運作之中央退休金計劃。該等附屬公司需按其薪金成本之若干百分比向中央退休金計劃作出供款。供款金額根據中央退休金計劃規定於應付時計入損益。

根據土耳其共和國（「土耳其」）勞動法（Labor Law）第25/II條，本集團之土耳其附屬公司須向每名服務年期達一年及終止有關僱傭關係原因使僱員合資格收取終止賠償之僱員支付終止賠償，包括應召入伍、結婚後一年內離職（僅限女性）及退休或身故之僱員。應付款項包括每個服務年期之一個月薪金。

僱員取得退休金權利之日期是參考其過往僱傭期後按現行社會保障法釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefit (Continued)

(ii) Short-term and other long-term employee benefits

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

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

(iii) Share-based payment transactions

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using a Black-Scholes Option Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

2. 重大會計政策概要(續)

(t) 僱員福利(續)

(ii) 短期及其他長期僱員福利

短期僱員福利以僱員提供服務時預期將予支付之未貼現福利金額確認。所有短期僱員福利均確認為開支，除非另有其他香港財務報告準則要求或允許將有關福利計入資產成本。

於扣除任何已付金額後，僱員應得之福利(例如工資和薪金、年假及病假)將確認為負債。

就其他長期僱員福利所確認之負債乃按預計本集團將就截至報告日期僱員所提供服務而作出之估計未來現金流出之現值計量。因服務成本、利息及重新計量而導致就負債賬面值出現之任何變動乃於損益確認，除非另有其他香港財務報告準則要求或允許將其計入資產成本。

(iii) 以股份為基礎之支付交易

授予僱員之股份期權按公平值確認為僱員成本，而權益中之資本儲備亦會相應增加。公平值是在授予日期以柏力克-舒爾斯期權模式計量，並會計及期權授予條款和條件。如果僱員須符合歸屬條件才能無條件地享有股份期權，在考慮到期權歸屬之可能性後，期權之估計公平值總額便會在整個歸屬期內分攤。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefit (Continued)

(iii) Share-based payment transactions (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expenses is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised or the options expires.

(u) Borrowing cost

Borrowing costs which are not directly attributable to expenditures on qualifying assets are recognised as expenses in profit or loss in the period which they are incurred.

(v) Income tax

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

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

2. 重大會計政策概要 (續)

(t) 僱員福利 (續)

(iii) 以股份為基礎之支付交易 (續)

本公司會在歸屬期內審閱預期歸屬之股份期權數目。已於以往年度確認之累計公平值之任何調整會在回顧年度在損益中列支／計入；但如果原來之僱員支出符合確認為資產之資格，便會對資本儲備作出相應調整。已確認為支出之數額會在歸屬日作出調整，以反映所歸屬股份期權之實際數目（同時對資本儲備作出相應調整）；但只會在無法符合與本公司股份市價相關之歸屬條件時才會放棄股份期權。權益數額在資本儲備中確認，直至期權獲行使或期權到期時為止。

(u) 借貸成本

並非合資格資產支出直接應佔之借貸成本於其產生期內在損益中確認為開支。

(v) 所得稅

所得稅開支指本期應付稅項及遞延稅項之總和。

本期應付稅項乃按本年度之應課稅溢利計算。應課稅溢利與綜合損益表中所報除稅前虧損不同，是因為前者不包括在其他年度應課稅或可扣稅之收入或開支項目，並且不包括從未課稅或扣稅之項目。本集團之本期稅項負債乃按報告期末已實行或大致上已實行之稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Income tax (Continued)

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

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

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

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

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

2. 重大會計政策概要(續)

(v) 所得稅(續)

於綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間之暫時差額確認為遞延稅項。所有應課稅暫時差額一般確認為遞延稅項負債，而可能出現可用作抵扣可扣稅暫時差額之應課稅溢利時所有可扣稅暫時差額則確認為遞延稅項資產。若於一項交易中，因商譽或因業務合併以外原因初步確認其他資產及負債而引致既不影響應課稅溢利亦不影響會計溢利之暫時差額，則不會確認該等資產及負債。

遞延稅項負債乃就投資於附屬公司、聯營公司及於合營公司之權益所產生之應課稅暫時差額予以確認，惟若本集團可控制暫時差額之撥回，且此暫時差額有可能在可預見之未來不會撥回除外。與該等投資有關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠以暫時差額利益抵銷之應課稅溢利且預計於可預見未來可以撥回時確認。

遞延稅項資產之賬面值會於各報告期末作檢討，並在不再可能有足夠應課稅溢利讓全部或部分資產得以收回時作調減。

遞延稅項資產及負債乃根據預期於負債償還或資產變現期間之適用稅率(按報告期末已生效或實質上已生效之稅率(及稅法))計量。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Income tax (Continued)

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(w) Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interest as appropriate).

2. 重大會計政策概要(續)

(v) 所得稅(續)

即期及遞延稅項確認為損益，惟倘即期及遞延稅項與於其他全面收入或直接於權益內確認之項目相關，則即期及遞延稅項亦會分別於其他全面收入或直接於權益內確認。

(w) 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算記賬。於報告期末，以外幣計值之貨幣項目均按該日之適用匯率重新換算。以外幣歷史成本計量之非貨幣項目則不予重新換算。

於結算及換算貨幣項目時產生之匯兌差額均於其產生期間內確認為損益。以公平值計值之非貨幣項目經重新換算後產生之匯兌差額於有關期間計入損益。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於各報告期末適用匯率換算為本集團之列賬貨幣(即港元)，而其收入及開支乃按該年度之平均匯率換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯率差額(如有)於其他全面收入內確認，並累計入權益之匯兌儲備項下(歸屬於非控股權益(如適用))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person,
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group; or

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

- (b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. 重大會計政策概要(續)

(x) 有關連人士

倘屬以下人士，即該人士被視為與本集團有關連：

- (a) 該人士或該人士之近親，且該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；或

近親是指預期可影響個別人士處理實體事務或預期受該個別人士影響處理實體事務之親屬。

- (b) 符合下列任何條件的實體：

- (i) 該實體與本集團屬同一集團之成員公司；
- (ii) 該實體為另一實體（或另一實體之母公司、附屬公司或同系附屬公司）之聯營公司或合營公司；
- (iii) 該實體及集團為同一第三方之合營公司；
- (iv) 一間實體為第三實體之合營公司及另一實體為第三實體之聯營公司；
- (v) 實體為本集團或與本集團有關連之實體就僱員利益而設立之離職福利計劃；
- (vi) 實體受(a)所識別之人士控制或共同控制；
- (vii) 於(a)(i)所識別之人士對實體有重大影響力或屬該實體（或該實體之母公司）之主要管理層成員；及
- (viii) 實體，或該實體所屬集團之任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(z) Interests in joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

2. 重大會計政策概要(續)

(y) 分部報告

經營分部及於綜合財務報表中匯報之各分類項目金額，由定期向本集團最高行政管理層提供以對本集團多個業務線及地區進行資源分配及表現評估之財務資料中識別。

除非分部有類似經濟特徵及就產品及服務性質、生產過程性質、顧客類型或組別、分發產品或提供服務所用之方法以及監管環境之性質而言屬類似，否則個別重大經營分類不會在財務匯報中合併。倘並非個別重大之經營分類存在大多數該等條件，則可被合併。

(z) 於合營業務之權益

合營業務屬一種合營安排，於安排中共同擁有控制權之各方有權就合營安排享有資產權利及承擔負債責任。共同控制權乃指按照合約協定共同控制一項安排，並僅在作出有關業務相關之決策須共同控制各方一致同意時方會存在。

本集團根據適用於特定資產、負債、收益及開支之香港財務報告準則就其於合營業務所持權益之資產、負債、收益及開支入賬。

當集團實體與一項合營業務(合營者為集團實體)進行交易(例如出售或注入資產)時，本集團被視為與合營業務之其他合營方進行交易，而交易產生之收益及虧損均在本集團之綜合財務報表中確認，但僅以其他合營者在合營業務中所佔權益為限。

當集團實體與一項合營業務(合營者為集團實體)進行交易(例如購買資產)時，本集團概無確認其應佔溢利及虧損，直至該等資產轉售予第三方為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's management makes assumptions, estimates and judgements in the process of applying the Group's accounting policies that affect the assets, liabilities, income and expenses in the consolidated financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(i) *Income taxes and deferred taxation*

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and certain tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax and tax in the periods in which such estimate is changed.

(ii) *Investment properties measured using the fair value model*

At 31 December 2019, investment properties are stated at fair value based on the valuation performed by the independent professional valuers. The valuers have determined the fair value based on a method of valuation which involves certain estimates. In relying on the valuation report prepared by the valuers, management has reviewed the valuation including the assumptions and estimates adopted.

3. 會計估計及判斷

本集團管理層於應用本集團會計政策時作出會影響根據香港財務報告準則所編製之綜合財務報表之資產、負債、收入及開支之假設、估計及判斷。該等假設、估計及判斷乃根據過往經驗及於多個情況下相信為合理之其他因素作出。雖然管理層持續審閱彼等之判斷、估計及假設，惟實際結果很少會與估計相同。

(a) 應用本集團會計政策時所作出之重要會計判斷

在應用本集團之會計政策時，管理層作出以下會計判斷：

(i) *所得稅及遞延稅項*

本集團須於若干司法權區繳納所得稅。在釐定所得稅撥備時，需要作出重大判斷。在一般業務過程中，有多項交易及計算所涉及之最終稅務釐定均並不確定。本集團根據估計附加稅是否將到期而確認預期稅項事項之負債。倘該等事項之最終稅務結果與最初記錄之金額不同，有關差額將會影響作出此釐定期間之所得稅及遞延稅項撥備。

凡管理層認為日後可能有應課稅溢利可用作抵銷暫時差額或稅項虧損，則與若干暫時差額及若干稅項虧損有關之遞延稅項資產將予確認。倘預期金額與原定估計不同，則該等差額將會影響該估計出現變動期間之遞延稅項及稅項之確認。

(ii) *採用公平值模式計量之投資物業*

於二零一九年十二月三十一日，投資物業根據獨立專業估值師作出估值之公平值列賬。估值師根據涉及若干估計之估值法釐定公平值。管理層倚賴估值師編製之估值報告對採納假設及估計之估值進行審閱。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Critical accounting judgements in applying the Group's accounting policies (Continued)

(ii) Investment properties measured using the fair value model (Continued)

The fair values of investment properties are determined by independent valuers on an open market for existing use basis. In making the judgment, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences; and
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(iii) Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the trade receivables which are individually insignificant. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in note 21.

3. 會計估計及判斷(續)

(a) 應用本集團會計政策時所作出之重要會計判斷(續)

(ii) 採用公平值模式計量之投資物業(續)

投資物業之公平值由獨立估值師按公開市場現有使用基準釐定。作出判斷時，本集團考慮多種來源之資料，包括：

- (i) 不同性質、狀況或地點(或受不同租約或其他合約規限)之物業於活躍市場上之現行價格，該價格曾作出調整，以反映該等差異；及
- (ii) 較不活躍市場所提供類似物業之近期價格，該價格會作出調整，以反映自按該等價格進行交易之日期起經濟狀況之任何轉變。

(iii) 貿易應收款項之預期信貸虧損撥備

擁有龐大結餘及已信貸減值之貿易應收款項乃個別地評估有否預期信貸虧損。此外，本集團採用撥備矩陣以計算單項金額屬不重大之貿易應收款項之預期信貸虧損。撥備率按虧損模式相若之同組多名債務人之內部信貸評級而定。撥備矩陣乃根據本集團過往違約率，經考慮毋須付出過度成本或努力即可獲得之合理及可靠之前瞻性資料。於每個報告日期會重新評估過往可觀察違約率，並會考量該等前瞻性資料之變動。

預期信貸虧損撥備對各項估計之變動相當敏感。有關預期信貸虧損及本集團貿易應收款項之資料於附註21披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Sources of estimation uncertainty

Key sources of estimation uncertainty are as follows:

Going concern basis

Management makes an assessment of the Group's ability to continue as a going concern when preparing the consolidated financial statements. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the date of the financial statement. The degree of consideration depends on the facts in each case. Management believes that the Group is able to continue as a going concern after taking into account the measures, financial supports and the future profitable operations. Accordingly, management has prepared the consolidated financial statements on a going concern basis. An adverse change in any of the above conditions would require the consolidated financial statements to be prepared on an alternative authoritative basis and such basis, together with the fact that the consolidated financial statements is not prepared on a going concern basis, would need to be disclosed. If the Group was unable to continue as a going concern, adjustments relating to the recoverability and classification of recorded asset amounts or classification of liabilities may need to be incorporated into the consolidated financial statements.

Impairment of financial assets include in trade receivables, deposits, other receivables, loan and interest receivables and amount due from associate

The Group reviews the carrying amounts of the assets at the end of each reporting period to determine whether there is objective evidence of impairment. When indication of impairment is identified, management prepares discounted future cashflow to assess the differences between the carrying amount and value in use and provided for impairment loss. In determining the value in use of certain assets and liabilities, the Group makes assumptions of the effects of uncertain future events on those assets and liabilities at the consolidated statement of financial position date. These estimates involve assumptions about such items as risk adjustment to cash flows or discount rate used, future changes in salaries and future changes in prices affecting other costs. The Group's estimates and assumptions are based on the expectations of future events and are reviewed periodically. Any change in the assumptions adopted in the cash flow forecasts would increase or decrease in the provision of the impairment loss and affect the Group's net asset value.

3. 會計估計及判斷(續)

(b) 估計不確定因素之來源

估計不確定因素之主要來源如下：

持續經營基準

管理層於編製綜合財務報表時對本集團持續經營之能力作出評估。評估持續經營假設是否恰當時，管理層會考慮日後最少(但不限於)於財務報表日期起計十二個月內之所有可用資料。考慮程度視乎個別情況之事實。經考慮措施、財務支持及未來可盈利業務，管理層相信本集團有能力持續經營。因此，管理層已根據持續經營基準編製綜合財務報表。上述情況出現任何不利變動均須以其他權威性基準編製綜合財務報表，並須披露此基準及綜合財務報表並非以持續經營基準編製之事實。倘本集團未能持續經營，則可能須於綜合財務報表載入就已記錄資產金額之可收回性及分類或負債之分類作出之調整。

計入貿易應收款項、其他應收款項、應收貸款及利息以及應收聯營公司款項之金融資產之減值

本集團於各報告期末審閱資產之賬面值，以釐定是否存在客觀減值證據。倘發現減值跡象，則管理層準備經貼現未來現金流量，以評估賬面值與使用價值之間的差額及作出減值虧損撥備。在釐定若干資產及負債之使用價值時，本集團會假設不明確之未來事件對綜合財務狀況表日期之資產及負債產生之影響。此等估計涉及現金流量或所用貼現率之風險調整、未來薪金變化及影響其他成本之未來價格變動等項目之假設。本集團之估計及假設乃根據對未來事件之預期而作出，並會定期予以檢討。現金流量預測採取之假設之任何變動，將增加或減少減值虧損撥備並影響本集團之資產淨值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Sources of estimation uncertainty (Continued)

Impairment of financial assets include in trade receivables, deposits, other receivables, loan and interest receivables and amount due from associate (Continued)

An increase or decrease in the above impairment loss would affect the net profit in future years.

Estimated impairment of property, plant and equipment, right-of-use assets and intangible asset

Property, plant and equipment, right-of-use assets and intangible asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

Provision of litigation

The management estimates the outcome of the claims and legal proceedings, taking into account the risks and uncertainties surrounding the legal cases. Provisions which is the management's best estimate of the consideration required to settle the obligation, after consultation with the legal counsel on the possible outcome and liability of the Group would then be recognised. As at 31 December 2019, an amount of approximately HK\$300,000 has been provided for a legal proceeding in Hong Kong. Details are set out in note 32.

Fair value measurement of financial instruments

As at 31 December 2019, certain of the Group's financial assets are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments.

3. 會計估計及判斷(續)

(b) 估計不確定因素之來源(續)

計入貿易應收款項、其他應收款項、應收貸款及利息以及應收聯營公司款項之金融資產之減值(續)

上述減值虧損之增加或減少將影響未來年度之純利。

物業、廠房及設備、使用權資產以及無形資產之估計減值

物業、廠房及設備、使用權資產以及無形資產按成本減累計折舊及減值(如有)列賬。在釐定資產是否減值時，本集團須運用判斷及作出估計，尤其於評估：(1)是否發生了一項事件或有任何跡象顯示資產價值可能受到影響時；(2)資產賬面值是否得到可收回金額支持時，而在使用價值之情況下，則是否得到以持續使用資產為基礎而估計之未來現金流量之淨現值支持時；及(3)在估計可收回金額之過程中所應用之適當主要假設時，包括現金流量預測及適當貼現率。當不可能估計個別資產(包括使用權資產)之可收回金額，本集團將估計資產所屬現金產生單位之可收回金額。各項假設及估計之變動，包括現金流量預測中之貼現率或增長率之變動，均可對減值測試中使用之淨現值造成重大影響。

訴訟撥備

管理層經計及圍繞法律案件之風險及不確定因素後，對申索及司法程序之結果作出估計。其後管理層經諮詢法律顧問有關潛在結果及本集團須承擔之責任後，就履行責任所需支付之代價金額作出最佳估計並確認撥備。於二零一九年十二月三十一日，就多項香港司法程序作出了約300,000港元之撥備。有關詳情載於附註32。

金融工具之公平值計量

於二零一九年十二月三十一日，若干本集團金融資產乃按公平值計量，有關之公平值採用估值技術及根據重大不可觀察輸入數據而釐定。在建立相關估值技術及相關輸入數據上需要作出判斷及估計。倘與該等因素有關之假設出現變動，其可導致該等工具之公平值出現重大調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4. REVENUE

During the year, the Group's revenue was generated from trading business, rental income, interest income from money lending business and service income from cemetery.

The amount of each significant category of revenue recognised in revenue during the year is analysed as follows:

4. 收益

於年內，本集團之收益來自貿易業務、租金收入、放債業務利息收入及公墓服務收入。

於年內，於營業額中確認之各項主要收益類別金額分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15:	香港財務報告準則第15號 範疇內來自客戶合約之 收益：		
Service income from cemetery	公墓服務收入	98	63
Trading business	貿易業務	1,022	3,001
		1,120	3,064
Revenue from other sources:	來自其他來源之收益：		
Rental income	租金收入	2,064	1,334
Interest income from money lending business	放債業務利息收入	254	29
		2,318	1,363
		3,438	4,427
Timing of revenue recognition:	收益確認之時間：		
A point in time	某一時間點	1,022	3,001
Over the time	一段時間內	98	63
		1,120	3,064

Transaction allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its services income from cemetery and trading business such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contract that had an original expected duration of 1 year to 10 years.

分配至客戶合約餘下履約責任之交易

本集團已對其公墓服務收入及貿易業務應用香港財務報告準則第15號第121段之簡便實務操作方法，致使本集團不會於履行原始預計期限為一年至十年之銷售合約中之餘下履約責任時，披露有關本集團將有權收取之收益之資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. OTHER INCOME, (LOSS)/GAIN, NET

5. 其他收入、(虧損)/收益淨額

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
Interest income from banks		銀行利息收入	1	2
Sundry income		雜項收入	316	109
(Loss)/gain on fair value change of investment properties		投資物業之公平值變動(虧損)/收益	(3,782)	5,700
Gain on extinguishment of promissory notes	28	抵銷承兌票據之收益	—	8,487
(Loss)/gain on derecognition of an associate	19(a)(c)	終止確認一間聯營公司之(虧損)/收益	(10,398)	1,050
Gain on early partial redemption of promissory notes	28	提早贖回部分承兌票據之收益	92	590
Loss on fair value change of a promissory note designated at FVTPL	28	指定按公平值計入損益之承兌票據之公平值變動虧損	(3,130)	(2,282)
Loss on fair value change of contingent consideration		或然代價之公平值變動虧損	—	(1,832)
Gain on derecognition of contingent consideration	36	終止確認或然代價之收益	6,660	—
Impairment loss on interest in an associate	19(b)	於一間聯營公司之權益之減值虧損	(35,260)	(2,884)
Loss on disposal of property, plant and equipment		出售物業、廠房及設備之虧損	—	(384)
Exchange (loss)/gain, net		匯兌(虧損)/收益淨額	(72)	739
Gain on fair value change of a derivative		衍生工具之公平值變動收益	2,380	—
Gain on issuance of convertible notes		發行可換股票據之收益	405	—
Gain on fair value change of convertible notes		可換股票據之公平值變動收益	6,684	—
Loss on early redemption of convertible notes		提早贖回可換股票據之虧損	(10,110)	—
(Allowance for)/reversal of expected credit loss on financial assets		金融資產預期信貸虧損(撥備)/撥備撥回	(916)	1,787
Gain on waiver of interest payable	28(b)	豁免應付利息之收益	848	—
Provision for obsolete inventories		陳舊存貨之撥備	(420)	—
Other income, (loss)/gains, net		其他收入、(虧損)/收益淨額	(46,702)	11,082

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. LOSS BEFORE TAX

Loss before taxation is arrived at after charging:

6. 除稅前虧損

除稅前虧損已扣除下列各項：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(a) Finance costs	融資成本		
Interest on lease liabilities	租賃負債之利息	372	—
Interest on finance leases	融資租約之利息	—	27
Interest on promissory notes	承兌票據之利息	6,220	3,925
Interest on convertible notes	可換股票據之利息	1,082	5,958
Interest on borrowings	借貸之利息	9,455	5,555
		17,129	15,465
(b) Staff costs (including Directors' remuneration)	員工成本 (包括董事酬金)		
Contributions to defined contribution retirement plans	定額供款退休計劃之供款	290	264
Social security costs	社會保障成本	105	39
Salaries, wages and other benefits	薪金、工資及其他福利	11,781	10,431
		12,176	10,734
(c) Other items	其他項目		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,880	2,879
Depreciation of right-of-use assets	使用權資產折舊	377	—
Auditors' remuneration – current year	核數師酬金 – 本年度	977	791
Operating lease charges in respect of property rental	物業租金之經營租賃開支	1,082	1,480
Amortisation of an intangible asset	無形資產攤銷	1,223	2,808
Impairment losses on an intangible asset	無形資產之減值虧損	—	73,171
Production fee	生產費用	914	2,227
Direct outgoings from investment properties that generated rental income	產生租金收入之投資物業之直接開支	130	119
Direct outgoings for investment properties that were vacant during the year	年內空置之投資物業之直接開支	86	85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

7. TAXATION

(a) Taxation in the consolidated statement of profit or loss represents:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax	即期稅項		
– Hong Kong Profits Tax	– 香港利得稅	–	7
– PRC Enterprise Income tax	– 中國企業所得稅	–	–
– Turkey Corporate Income Tax	– 土耳其企業所得稅	–	–
		–	7
Deferred tax expense/(credit)	遞延稅項開支／(抵免)	523	(10)
Income tax expense/(credit)	所得稅開支／(抵免)	523	(3)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

In Turkey, the Corporate Income Tax rate levied on business profits for the year ended 31 December 2019 is 22% (2018: 22%). However, the president and the tax authority are authorized to reduce the tax rate to 20% from 2021.

於二零一八年三月二十一日，香港立法會通過2017年稅務(修訂)(第7號)條例草案(「條例草案」)，以引入利得稅兩級制。條例草案於二零一八年三月二十八日簽署成為法律，並於翌日在憲報刊登。根據利得稅兩級制，合資格之集團實體首200萬港元溢利之稅率將為8.25%，而超過200萬港元溢利之稅率將為16.5%。未符合利得稅兩級制之集團實體溢利將繼續以劃一稅率16.5%課稅。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個年度之稅率為25%。

於土耳其，截至二零一九年十二月三十一日止年度就業務溢利所徵收之企業所得稅率為22%(二零一八年：22%)。然而，土耳其總統及稅務機關已批准自二零二一年起降低稅率至20%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

7. TAXATION (CONTINUED)

(b) The tax expense/(credit) for the year can be reconciled to the loss before taxation per consolidated statement of profit or loss as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(92,558)	(113,446)
Taxation charge at the Hong Kong Profits Tax rate of 16.5%	按香港利得稅稅率 16.5%計算稅項開支	(15,272)	(18,718)
Tax effect on non-deductible expenses	不可扣稅開支之稅務影響	13,341	15,910
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(2,677)	(1,194)
Tax effect of unrecognised tax losses	未確認稅項虧損之稅務影響	5,633	4,495
Under-provision in respect of prior years	過往年度撥備不足	—	7
Effect of different tax rates of subsidiaries operating in other jurisdictions	附屬公司於其他司法權區經營之稅率差異影響	(1,025)	(503)
Others	其他	523	—
Tax expense/(credit)	稅項開支／(抵免)	523	(3)

7. 稅項 (續)

(b) 年內稅項支出／(抵免)與綜合損益表所示除稅前虧損之對賬如下：

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year disclosed pursuant to the applicable GEM Listing Rules and Hong Kong Companies Ordinance, is as follows:

8. 董事酬金

根據適用GEM上市規則及香港公司條例披露之年內董事酬金如下：

		Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 HK\$'000 千港元	Retirement scheme contributions 退休計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
	Note 附註				
For the year ended 31 December 2019:	截至二零一九年十二月三十一日止年度：				
Executive Directors	執行董事				
Hung Tat Chi Alan	洪達智	—	840	18	858
Ling Ko Yin Jason	林高然	—	329	12	341
Keung Yat Fai Janice	姜逸暉	(i)	37	—	37
Non-executive Director	非執行董事				
Chan Wai Kit	陳偉傑	120	—	—	120
Independent Non-executive Directors	獨立非執行董事				
Choy So Yuk	蔡素玉	120	—	—	120
Lam Yuk Ying Elsa	林玉英	120	—	—	120
Leung Man Chun	梁文俊	120	—	—	120
		480	1,206	30	1,716

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

8. DIRECTORS' REMUNERATION (CONTINUED)

8. 董事酬金 (續)

		Note 附註	Directors' fees 董事袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 HK\$'000 千港元	Retirement scheme contributions 退休計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 December 2018:	截至二零一八年十二月三十一日止年度：					
Executive Directors	執行董事					
Hung Tat Chi Alan	洪達智		—	830	18	848
Ling Ko Yin Jason	林高然		—	120	6	126
Chan Ming Kei	陳銘基	(ii)	—	45	2	47
Non-executive Director	非執行董事					
Chan Wai Kit	陳偉傑		120	—	—	120
Independent Non-executive Directors	獨立非執行董事					
Choy So Yuk	蔡素玉		120	—	—	120
Lam Yuk Ying Elsa	林玉英		120	—	—	120
Leung Man Chun	梁文俊		120	—	—	120
			480	995	26	1,501

Notes:

- (i) Appointed on 11 December 2019.
- (ii) Resigned on 15 January 2018.

附註：

- (i) 於二零一九年十二月十一日獲委任。
- (ii) 於二零一八年一月十五日辭任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

8. DIRECTORS' REMUNERATION (CONTINUED)

There was no amount paid to any directors as an inducement to join or upon joining the Group or as compensation for loss of office. Save for the above, there was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 December 2019 and 2018.

Salaries, allowances and benefits in kind paid to or for the executive Directors are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The emoluments of the five individuals with the highest emoluments, one (2018: one) is director, whose emoluments are disclosed in note 8. The aggregate of the emoluments for the five individuals are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	3,513	3,447
Retirement scheme contributions	退休計劃供款	72	63
		3,585	3,510

The emoluments of five (2018: five) individuals with the highest emoluments are within the following band:

		2019 二零一九年 Numbers of individuals 人數	2018 二零一八年 Numbers of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	4	4
HK\$1,000,000 to HK\$2,000,000	1,000,000港元至2,000,000港元	1	1

8. 董事酬金(續)

概無向任何董事支付任何款項，作為招攬加盟本集團或於加盟本集團時之獎勵或作為離職補償。除上文所述者外，截至二零一九年及二零一八年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金之安排。

向或為執行董事支付之薪金、津貼及實物利益乃就彼等為本公司及其附屬公司事務管理所提供之其他服務而支付或應收之一般薪金。

9. 最高薪酬人士

五名最高薪酬人士之中一名(二零一八年：一名)為董事，彼等之酬金於附註8披露。五名人士之酬金總額如下：

五名(二零一八年：五名)最高薪酬人士之酬金介乎以下範圍：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss	虧損		
Loss for the year attributable to the owners of the Company	本公司擁有人應佔本年度虧損	(92,278)	(105,087)
		2019 二零一九年 '000 shares 千股	2018 二零一八年 '000 shares 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	就每股基本及攤薄虧損而言之普通股加權平均數	1,803,411	1,746,992

The diluted loss per share for the years ended 31 December 2019 and 2018 is the same as the basic loss per share as there were no dilutive potential shares outstanding during both years.

本公司擁有人應佔每股基本及攤薄虧損乃按以下數據計算：

截至二零一九年及二零一八年十二月三十一日止年度之每股攤薄虧損與每股基本虧損相同，乃由於兩個年度內概無潛在可攤薄股份。

11. DIVIDEND

The Board does not pay any dividend for the year ended 31 December 2019 (2018: nil).

11. 股息

董事會不就截至二零一九年十二月三十一日止年度派付任何股息（二零一八年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12. SEGMENT REPORTING

The Group manages its business by divisions. The reportable segments are in a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resources allocation and performance assessment.

In 2019, the Group had five (2018: five) business segments, namely (i) trading; (ii) property development and investment; (iii) money lending; (iv) mobile application; and (v) cemetery.

- (i) **Trading:** This segment is engaged in trading of goods including retail trade of window frames, doors and wardrobes. Currently the Group's activities in this regard are carried out in the PRC and Hong Kong.
- (ii) **Property development and investment:** This segment is engaged in building construction, property development, and leasing of properties. Currently the Group's activities in this regard are carried out in Turkey and Hong Kong.
- (iii) **Money lending:** This segment is engaged in provision of money lending business through a wholly-owned subsidiary of the Company which is a money lender licensed in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).
- (iv) **Mobile application:** This segment relates to the operation of an associate that the Group had acquired 40% equity interest in First Surplus Investments (the "FS Group") on 17 March 2017.

The FS Group is engaged in development of mobile games, game publishing, applications, related intellectual property and platform, and provision of related solutions. FS group contains full team of development, support and market publication. Through the acquisition, it is expected that the Group can further develop mobile application business and capture the opportunities in the mobile online game industry and also the software industry.

- (v) **Cemetery:** This segment is engaged in the construction and operation of cemetery. Currently the Group's activities in this regard are carried out in the PRC.

12. 分部報告

本集團以部門管理其業務。可報告分部之呈列方式與就分配資源及評估表現向本集團高級行政管理人員內部報告資料之方式一致。

於二零一九年，本集團設有五個業務分部（二零一八年：五個），即(i)貿易；(ii)物業開發及投資；(iii)放債；(iv)手機應用程式；及(v)公墓。

- (i) 貿易：此分部從事買賣貨品，包括零售窗框、門及衣櫃。目前，本集團有關此方面之活動於中國及香港進行。
- (ii) 物業開發及投資：此分部從事樓宇建造、物業開發及從事租賃物業。目前，本集團有關此方面之活動於土耳其及香港進行。
- (iii) 放債：此分部透過本公司為放債人條例（香港法例第163章）項下之香港持牌放債人之全資附屬公司從事提供放債業務。
- (iv) 手機應用程式：此分部與經營本集團於二零一七年三月十七日收購First Surplus Investments（「FS集團」）40%股權之一間聯營公司有關。

FS集團從事手機遊戲開發、遊戲發行、應用程式、相關知識產權及平台業務以及提供相關解決方案。FS集團擁有完整的開發、支援及市場發佈團隊。透過該收購事項，預期本集團可進一步發展手機應用程式業務，並抓緊手機在線遊戲行業以及軟件行業之機遇。

- (v) 公墓：此分部從事建造及營運公墓。目前，本集團有關此方面之活動於中國進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12. SEGMENT REPORTING (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

12. 分部報告 (續)

分部收益及業績

以下為本集團按可報告經營分部劃分之收益及業績分析：

		2019 二零一九年					
		Trading	Property development and investment 物業開發及投資	Money lending 放債	Mobile application 手機應用程式	Cemetery 公墓	Total 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	HK\$'000 千港元
Segment revenue from external customers	外部客戶之分部收益	1,022	2,064	254	–	98	3,438
Segment income/(loss)	分部收入/(虧損)	(2,851)	(5,761)	166	(6,069)	(2,899)	(17,414)
Unallocated corporate income	未分配公司收入						17,386
Unallocated corporate expenses	未分配公司開支						(75,401)
Finance costs	融資成本						(17,129)
Loss before taxation	除稅前虧損						(92,558)

		2018 二零一八年					
		Trading	Property development and investment 物業開發及投資	Money lending 放債	Mobile application 手機應用程式	Cemetery 公墓	Total 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	HK\$'000 千港元
Segment revenue from external customers	外部客戶之分部收益	3,001	1,334	29	–	63	4,427
Segment loss	分部虧損	(1,866)	(6,090)	–	(3,564)	(78,654)	(90,174)
Unallocated corporate income	未分配公司收入						11,082
Unallocated corporate expenses	未分配公司開支						(18,889)
Finance costs	融資成本						(15,465)
Loss before taxation	除稅前虧損						(113,446)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2(y). Segment loss represents the loss from each segment without allocation of central corporate income and expense and finance costs. This is the measure reported to the senior executive management for the purposes of resource allocation and performance assessment.

經營分部之會計政策與附註2(y)所述之本集團會計政策相同。分部虧損指各分部所產生虧損，並無分配中央公司收入以及開支及融資成本。此乃向高級行政人員報告以作資源分配及表現評估所用之計量方式。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12. SEGMENT REPORTING (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

12. 分部報告 (續)

分部資產及負債

以下為本集團按可報告經營分部劃分之資產及負債分析：

		Segment assets 分部資產		Segment liability 分部負債	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trading	貿易	6,513	11,904	(2,221)	(2,350)
Property development and investment	物業開發及投資	154,198	168,056	(46,160)	(7,109)
Money lending	放債	3,495	1,041	(1,102)	(999)
Mobile application	手機應用程式	24,247	68,533	—	—
Cemetery	公墓	51,753	49,817	(10,584)	(5,901)
Sub-total	小計	240,206	299,351	(60,067)	(16,359)
Unallocated corporate assets/liabilities	未分配公司資產／負債	67,409	85,213	(166,868)	(185,162)
Consolidated assets/liabilities	綜合資產／負債	307,615	384,564	(226,935)	(201,521)

Other segment information

其他分部資料

Other segment information		Property development and investment 物業開發及投資	Mobile application 手機應用程式	Trading 貿易	Money lending 放債	Cemetery 公墓	Unallocated 未分配	Total 總計
Year ended 31 December 2019 截至二零一九年十二月三十一日止年度		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Amounts included in the measure of segment result or segment assets:	計入分部業績或分部資產計量之金額：							
Addition to property, plant and equipment	添置物業、廠房及設備	—	—	42	—	13	66	121
Depreciation of property, plant and equipment	物業、廠房及設備折舊	250	—	54	—	135	2,441	2,880
Depreciation of right-of-use assets	使用權資產折舊	—	—	—	97	280	—	377
Amortisation	攤銷	—	—	—	—	1,223	—	1,223
Loss on fair value change of investment properties	投資物業公平值變動虧損	3,782	—	—	—	—	—	3,782
Interests in associates	於聯營公司之權益	—	24,247	—	—	—	3,033	27,280
Share of loss of associates	分佔聯營公司虧損	13	6,069	—	—	—	—	6,082

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12. SEGMENT REPORTING (CONTINUED)

Other segment information (Continued)

Other segment information	Property development and investment 物業開發及投資	Mobile application 手機應用程式	Trading 貿易	Money lending 放債	Cemetery 公墓	Unallocated 未分配	Total 總計
Year ended 31 December 2018 截至二零一八年十二月三十一日止年度	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Amounts included in the measure of segment result or segment assets:	計入分部業績或分部資產計量之金額：						
Addition to property, plant and equipment	添置物業、廠房及設備	261	–	227	–	152	779
Depreciation of property, plant and equipment	物業、廠房及設備折舊	73	–	22	97	2,429	2,879
Amortisation	攤銷	–	–	–	–	2,808	2,808
Gain on fair value change of investment properties	投資物業公平值變動收益	5,700	–	–	–	–	5,700
Interests in associates	於聯營公司之權益	8,708	65,649	–	–	3,031	77,388
Share of loss of associates	分佔聯營公司虧損	2,227	3,563	–	–	–	5,790

12. 分部報告 (續)

其他分部資料 (續)

Geographical Segments

The Group operates in three principal geographical areas – the PRC, Hong Kong and Turkey. The following table provides an analysis of the Group's revenue from external customers and non-current assets by geographical location:

地區分部

本集團於中國、香港及土耳其三個主要地區經營。下表為按地區載列之本集團來自外部客戶之收入及非流動資產分析：

		Revenue from external customers 來自外部客戶之收入		Non-current assets 非流動資產	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
PRC	中國	1,120	684	49,115	46,399
Hong Kong	香港	1,430	3,523	125,169	174,621
Turkey	土耳其	888	220	80,183	139,197
		3,438	4,427	254,467	360,217

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12. SEGMENT REPORTING (CONTINUED)

Major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Percentage of the group's total sales 佔本集團之百分比 總銷售額	
	2019 二零一九年	2018 二零一八年
The largest customer 最大客戶	34%	54%
Five largest customers in aggregate 五大客戶之總和	63%	94%

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the number of issued shares of the Company) had any interest in these major customers.

Revenue from customers which individually contributed over 10% of the Group's revenue is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A	客戶A	N/A 不適用	2,380
Customer B	客戶B	1,176	1,057
Customer C	客戶C	N/A 不適用*	621

* The corresponding revenue did not individually contribute over 10% of the Group's revenue during the year.

12. 分部報告 (續)

主要客戶

於相應年度貢獻本集團收益超過10%之客戶收益如下：

本公司之董事、彼等之聯繫人士或任何股東（據董事所知擁有本公司5%已發行股份以上之股東）概無於年內任何時間擁有該等主要客戶之任何權益。

個別對本集團收益貢獻超過10%之客戶所帶來之收益如下：

* 並無個別對本集團年內收益貢獻超過10%之收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Notes 附註	Land and Building 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本：							
At 1 January 2018	於二零一八年一月一日		44,763	2,266	3,547	2,027	7,706	60,309
Additions	添置		–	116	251	–	151	518
Addition through business combination achieved in stages	透過分階段達成之 業務合併添置	35	84	–	177	–	–	261
Disposals	出售		–	(457)	(264)	–	–	(721)
Exchange adjustments	匯兌調整		11	–	7	(54)	(403)	(439)
At 31 December 2018	於二零一八年十二月三十一日		44,858	1,925	3,718	1,973	7,454	59,928
Adjustment upon application of HKFRS 16	應用香港財務報告準則 第16號後調整		–	–	–	(974)	–	(974)
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)		44,858	1,925	3,718	999	7,454	58,954
Additions	添置		–	42	66	–	13	121
Exchange adjustments	匯兌調整		(11)	(1)	(31)	(18)	(138)	(199)
At 31 December 2019	於二零一九年十二月三十一日		44,847	1,966	3,753	981	7,329	58,876
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 January 2018	於二零一八年一月一日		2,131	511	1,048	425	–	4,115
Charge for the year	年內支出	6(c)	1,512	368	660	339	–	2,879
Written back on disposals	出售時撥回		–	(90)	(247)	–	–	(337)
Exchange adjustments	匯兌調整		1	–	(6)	(24)	–	(29)
At 31 December 2018	於二零一八年十二月三十一日		3,644	789	1,455	740	–	6,628
Adjustment upon application of HKFRS 16	應用香港財務報告準則 第16號後調整		–	–	–	(178)	–	(178)
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)		3,644	789	1,455	562	–	6,450
Charge for the year	年內支出	6(c)	1,469	375	808	228	–	2,880
Exchange adjustments	匯兌調整		(5)	–	(16)	(13)	–	(34)
At 31 December 2019	於二零一九年十二月三十一日		5,108	1,164	2,247	777	–	9,296
Carrying amounts:	賬面值：							
At 31 December 2019	於二零一九年十二月三十一日		39,739	802	1,506	204	7,329	49,580
At 31 December 2018	於二零一八年十二月三十一日		41,214	1,136	2,263	1,233	7,454	53,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The land and building are situated in Hong Kong and are held under medium term leases. The land and building have been pledged as first legal charge to secure a borrowing of HK\$29,500,000 (2018: HK\$29,500,000) and second legal charge to secure a borrowing of HK\$10,000,000 (2018: nil) as at 31 December 2019 (note 25). The carrying amount of pledged land and building is HK\$39,717,000 (2018: HK\$41,130,000) as at 31 December 2019.

13. 物業、廠房及設備(續)

土地及樓宇位於香港，且以中期租賃持有。於二零一九年十二月三十一日，土地及樓宇已抵押作為第一法定押記及第二法定押記，以分別獲授借貸29,500,000港元(二零一八年十二月三十一日：29,500,000港元)及借貸10,000,000港元(二零一八年：無)(附註25)。已抵押之土地及樓宇於二零一九年十二月三十一日之賬面值為39,717,000港元(二零一八年：41,130,000港元)。

14. RIGHT-OF-USE ASSETS

14. 使用權資產

		Land use rights (Note) 土地使用權 (附註) HK\$'000 千港元	Motor vehicle 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019, initially applied HKFRS 16	於二零一九年一月一日首次應用 香港財務報告準則第16號	4,436	796	5,232
Depreciation charge during the year	年內折舊支出	(280)	(97)	(377)
Exchange adjustment	匯兌調整	(80)	—	(80)
At 31 December 2019	於二零一九年十二月三十一日	4,076	699	4,775

Note: Land use rights represents lump sum considerations paid or payable by the Group to acquire leasehold lands located in the PRC. These leasehold lands are with lease periods of 50 years and there are no ongoing payments to be made under the terms of the land leases.

附註：土地使用權來自本集團為收購位於中國之租賃土地而已付或應付之一次總付代價。該等租賃土地之租期為50年，而根據土地租賃條款，現時並無未作出之持續付款。

As disclosed in note 2(c), the Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17.

如附註2(c)所披露，本集團已採用經修訂之追溯法初步應用香港財務報告準則第16號，並於二零一九年一月一日調整期初權益結餘，以確認先前根據香港會計準則第17號分類為經營租賃之租賃相關之使用權資產。

As at 1 January 2019, the Group has two lease agreements for the use of land in PRC with remaining lease term of more than one year and therefore recognised right-of-use assets of approximately HK\$4,436,000 under HKFRS 16. Both of the land leases contain fixed minimum annual lease payment term. As disclosed in note 13, as at 1 January 2019, a motor vehicle under finance lease arrangement with net book value of approximately HK\$796,000 was reclassified from property, plant and equipment to right-of-use assets.

於二零一九年一月一日，本集團根據香港財務報告準則第16號於中國就使用餘下租賃期為一年以上之土地使用訂立兩份租賃協議，因此已確認使用權資產約4,436,000港元。土地租賃包括一項最低固定年度租賃款項之條款。如附註13所披露，於二零一九年一月一日，融資租賃安排項下賬面淨值約為796,000港元之汽車已自物業、廠房及設備重新分類至使用權資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15. INVESTMENT PROPERTIES

15. 投資物業

			2019 二零一九年 Investment properties 投資物業 HK\$'000 千港元	2018 二零一八年 Investment properties 投資物業 HK\$'000 千港元
	Notes 附註			
At 1 January		於一月一日	154,727	55,100
Additions through business combination achieved in stages	35	透過分階段達成之業務合併添置	—	83,044
(Loss)/gain on fair value change of investment properties	5	投資物業之公平值變動(虧損)/收益	(4,593)	5,700
Disposals		出售	(4,293)	—
Exchange adjustments		匯兌調整	(10,644)	10,883
At 31 December		於十二月三十一日	135,197	154,727

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes were measured using the fair value model and were classified and accounted for as investment properties.

本集團所有以營運租賃形式收取租金或待資本升值之物業乃以公平值模式計量，且獲確認為及入賬列作投資物業。

At 31 December 2019, the Group's investment property located in Hong Kong with carrying amount of HK\$55,400,000 have been pledged as first legal charge to secure a borrowing of HK\$29,500,000 (2018: HK\$29,500,000) and second legal charge to secure a borrowing of HK\$10,000,000 (2018: nil) (note 25).

於二零一九年十二月三十一日，本集團抵押賬面值為55,400,000港元之位於香港之投資物業作為第一法定押記以獲授借貸29,500,000港元（二零一八年：29,500,000港元），及作為第二法定押記以獲授借貸10,000,000港元（二零一八年：無）（附註25）。

The carrying amounts of the Group's investment properties comprise:

本集團之投資物業賬面值包括：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Investment properties:	投資物業：		
Hong Kong	香港		
Commercial unit	商業單位	55,400	60,800
		55,400	60,800
Turkey	土耳其		
Commercial units	商業單位	28,377	32,086
Residential units	住宅單位	51,420	61,841
		79,797	93,927
		135,197	154,727

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15. INVESTMENT PROPERTIES (CONTINUED)

The fair value measurements for all of the Group's investment properties are categorised as level 2. The following table gives information about how the fair values of the investment properties as at 31 December 2019 and 2018 are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised level 2 based on the degree to which the inputs to the fair value measurements is observable.

15. 投資物業(續)

本集團所有投資物業之公平值計量獲分類為第二級。下表提供如何釐定投資物業於二零一九年及二零一八年十二月三十一日之公平值之資料(特別是估值技術及所用之輸入數據)，以及根據公平值計量輸入數據之可觀察程度分類公平值計量所屬公平值等級為第二級。

Properties 物業	Fair value hierarchy 公平值層級	Valuation technique & key input 估值技術及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值之關係
Investment properties – located in Hong Kong	Level 2	Direct comparison method The key input is price per square foot	Price per square foot, using market direct comparable and taking into account location and other individual factors such as age and location of the property, approximately HK\$24,000 per square foot as at 31 December 2019 (2018: approximately HK\$26,400 per square foot)	A slight increase in the price per square foot will increase significantly the fair value, and vice versa
投資物業－位於香港	第二級	直接比較法 主要輸入數據為每平方呎價格	利用市場直接可資比較物業並計及地點及其他個別因素(例如物業的樓齡及地點)得出之每平方呎價格，即於二零一九年十二月三十一日每平方呎約24,000港元(二零一八年：每平方呎約26,400港元)	每平方呎價格輕微上升將大幅增加公平值，反之亦然

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15. INVESTMENT PROPERTIES (CONTINUED)

15. 投資物業 (續)

Properties 物業	Fair value hierarchy 公平值層級	Valuation technique & key input 估值技術及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平值之關係
Investment properties – located in Turkey	Level 2	Direct comparison method The key input is price per square meter	For commercial units, price per square meter, using market direct comparable and taking into account location and other individual factors such as age and location of the property with square meter ranging from TL 28,250 to TL 40,500 per unit as at 31 December 2019 (2018: ranging from approximately TL 28,250 to TL 40,500 per square meter). For residential units, price per square meter, using market direct comparable and taking into account location and other individual factors such as age and location of the property with square meter ranging from TL13,335 to TL26,500 per unit as at 31 December 2019 (2018: ranging from approximately TL 12,500 to TL 26,500 per square meter).	A slight increase in the price per square foot will increase significantly the fair value, and vice versa
投資物業－位於土耳其	第二級	直接比較法 主要輸入數據為每平方米價格	就商業單位而言，利用市場直接可資比較物業並計及地點及其他個別因素（例如物業之樓齡及地點）得出之每平方米價格，即於二零一九年十二月三十一日每單位每平方米介乎28,250土耳其里拉至40,500土耳其里拉（二零一八年：每平方米介乎約28,250土耳其里拉至40,500土耳其里拉）。 就住宅單位而言，利用市場直接可資比較物業並計及地點及其他個別因素（例如物業之樓齡及地點）得出之每平方米價格，即於二零一九年十二月三十一日每單位每平方米介乎13,335土耳其里拉至26,500土耳其里拉（二零一八年：每平方米介乎約12,500土耳其里拉至26,500土耳其里拉）。	每平方呎價格輕微上升將大幅增加公平值，反之亦然

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15. INVESTMENT PROPERTIES (CONTINUED)

During the years ended 31 December 2019 and 31 December 2018, there has been no change to the valuation techniques and there were no transfers between level 1 and level 2, or transfers into or out of level 3.

The fair value of the Group's investment property located in Hong Kong as at 31 December 2019 has been arrived at on the basis of a valuation carried out by International Valuation Limited ("IVL"). IVL is a member of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

The fair value of investment properties located in Turkey as at 31 December 2019 have been arrived at on the basis of a valuation carried out by RM Ritim Gayrimenkul Degerleme A.S. ("Ritim"), a real estate valuation company based in Istanbul, Turkey.

Both IVL and Ritim are independent qualified professional valuers that are not connected with the Group.

16. JOINT OPERATION

The Group has entered into an agreement to dispose 50% ownership of a residential property red in Turkey. As such, the transaction with disposal triggered a joint arrangement ("Arrangement"). Under the Arrangement, the Group is mainly responsible for the disposal of investment property of the project.

Details of the Group's joint operation at the end of the reporting period are as follow:

15. 投資物業(續)

截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，估值技術概無變動，亦概無於第一級及第二級之間轉換，或轉入或轉出第三級。

本集團位於香港之香港投資物業於二零一九年十二月三十一日之公平值已根據由國際評估有限公司(「IVL」)進行之估值而得出。IVL為香港測量師學會會員，近期曾對被估值物業所在位置及類別之物業進行估值。

本集團位於土耳其之投資物業於二零一九年十二月三十一日之公平值已根據由RM Ritim Gayrimenkul Degerleme A.S. (「Ritim」，為於土耳其伊斯坦堡之房地產估值公司)進行之估值而得出。

IVL及Ritim均為與本集團並無關連之獨立合資格專業估值師。

16. 合營業務

本集團已訂立協議以出售於土耳其住宅物業之50%擁有權。因此，於該項交易中進行之出售乃觸發合營安排(「安排」)。根據安排，本集團主要負責出售於項目內之投資物業。

本集團於報告期末各項合營業務之詳情如下：

Name of partner 夥伴名稱	Country of registration 註冊國家	Principal place of business 主要業務地點	Proportion of ownership interest held by the Group 本集團持有之擁有權權益比例		Principal activity 主要業務
			2019	2018	
			二零一九年	二零一八年	
Mao ZhongDing	Turkey	Turkey	50%	—	Property investment and earn rental income
毛中鼎	土耳其	土耳其			物業投資及賺取租金收入

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

16. JOINT OPERATION (CONTINUED)

The material amounts included in the consolidated financial statements arising from the joint controlled operation are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Analysis of financial position: Investment properties	財務狀況分析： 投資物業	1,832	—
Analysis of profit or loss: Rental income	損益分析： 租金收入	46	—

At the end of each reporting period, the management will (i) verify all major inputs to the independent valuation report; (ii) assess property valuations movements when compared to the prior year valuation report; and (iii) holds discussion with the valuers.

In estimating their fair value of the investment properties, the highest and best use of the investment properties is their current use.

16. 合營業務(續)

自合營業務所產生並計入綜合財務報表之重大款項如下：

於各報告期末，管理層將(i)核實獨立估值報告中所有主要輸入數據；(ii)評估與上年度估值報告比較下之物業估值變動；及(iii)與估值師進行討論。

在估計投資物業之公平值時，投資物業之最普遍及最佳用途為現時之用途。

17. PROPERTIES UNDER CONSTRUCTION

The properties under construction represents residential units and commercial units under construction located in Turkey and were acquired through business combination achieved in stages, see note 35, on 1 October 2018.

17. 在建物業

在建投資物業指位於土耳其之在建住宅單位及商業單位，為於二零一八年十月一日透過分階段達成之業務合併收購(見附註35)。

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	35,021	—
Addition through business combination achieved in stages	透過分階段達成之業務合併添置	—	29,667
Construction costs incurred	已產生之建築成本	4,828	2,439
Exchange adjustments	匯兌調整	(4,344)	2,915
At 31 December	於十二月三十一日	35,505	35,021
Presented as:			
Current	呈列為： 流動	35,505	—
Non-current	非流動	—	35,021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

17. PROPERTIES UNDER CONSTRUCTION (CONTINUED)

As at 1 October 2018, the fair values of properties under construction have been arrived at on the basis of a valuation carried out on that day by Ritim.

Subsequent to the initial recognition, additions of construction costs to the properties under construction is accounted for by cost method.

During the year ended 31 December 2019, the Group's management decided to change the intention of the properties which are situated in Turkey for sale. The remaining phase was expected to be completed in the middle of 2020.

17. 在建物業(續)

於二零一八年十月一日，在建物業之公平值已根據由Ritim於同日進行之估值而得出。

首次確認後，在建物業之新增建築成本乃按成本法入賬。

截至二零一九年十二月三十一日止年度，本集團管理層決定改變土耳其之物業銷售意向。餘下工程預期將於二零二零年中完成。

18. INTANGIBLE ASSET

18. 無形資產

		Notes 附註	Operating right of cemetery 公墓 之經營權 HK\$'000 千港元
Cost:	成本：		
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日		118,000
Accumulated amortisation and impairment loss:	累計攤銷及減值虧損：		
At 1 January 2018	於二零一八年一月一日		3,522
Impairment loss	減值虧損	6(c)	73,171
Charge for the year	年內支出	6(c)	2,808
At 31 December 2018 and at 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日		79,501
Charge for the year	年內支出	6(c)	1,223
At 31 December 2019	於二零一九年 十二月三十一日		80,724
Carrying amounts:	賬面值：		
At 31 December 2019	於二零一九年十二月三十一日		37,276
At 31 December 2018	於二零一八年十二月三十一日		38,499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18. INTANGIBLE ASSET (CONTINUED)

The operating right of cemetery was issued by the relevant authorities in Henan for the legal right to operate a cemetery in Zhecheng county ("Cemetery"). The corresponding operating permit is renewable every year at minimal costs that the Group would renew the permit continuously and has the ability to do so. The useful life of the Cemetery will end on 1 July 2050.

During the year ended 31 December 2018, an impairment loss of approximately HK\$73,171,000 on the operating right was recognised in the statement of profit or loss due to (i) parts of related facilities had been under construction which affected the sales process and (ii) certain unfavourable business condition were identified. Details of the Cemetery business operation, please refer to the Management Discussion and Analysis section.

During the year ended 31 December 2019, for the purpose of the impairment review for the operating rights, the Group has engaged an independent valuer, IVL to assess the fair value of the operating rights.

The recoverable amount of operating rights of Cemetery has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering the useful life of Cemetery up to 1 July 2050 and pre-tax discount rate of 29% (2018: 28%). Cash flows of operating rights of Cemetery beyond the useful life are extrapolated using a 3% growth rate (2018: 3%). The assumptions for the value in use calculations relate to the estimation of cash inflow/outflows which include budgeted sales and gross margin and regarding the selling price and direct cost during the year, such estimation is based on the unit's past performance and management's expectations for the market development.

As at 31 December 2019, the recoverable amount of the intangible asset – operating right is approximately HK\$41,854,000 which is higher than its carrying amount of approximately HK\$37,276,000. Management of Group determines that there is no impairment on operating rights of cemetery. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of operating rights to exceed its recoverable amount.

18. 無形資產 (續)

公墓經營權由河南相關機構頒發，以擁有法定權利於柘城縣經營公墓（「公墓」）。相應營運許可證每年按最低成本續期，而本集團將會並有能力續期許可證。公墓之使用年期將至二零五零年七月一日為止。

截至二零一八年十二月三十一日，在損益表確認有關經營權之減值虧損約73,171,000港元，原因為(i)部分相關設施正在興建，影響了銷售過程；及(ii)發現若干不利營商狀況。有關公墓業務營運之詳情，請參閱管理層論述及分析。

於截至二零一九年十二月三十一日止年度，為對經營權進行減值檢討，本集團已聘請獨立估值師IVL，以評估經營權之公平值。

公墓經營權之可收回金額乃基於一項使用價值算法而釐定。該算法採用之現金流量預測乃根據管理層核准之財政預算計算得出，有關預算涵蓋公墓使用年期為至二零五零年七月一日止及使用稅前貼現率29%（二零一八年：28%）。超出公墓使用年期之公墓經營權之現金流量按增長率3%（二零一八年：3%）推算。使用價值算法所用之假設涉及估計現金流入／流出，當中包括預算銷售額及毛利率及與年內售價及直接成本有關，有關估計乃基於相關單位之過往表現及管理層對市場發展之預期。

於二零一九年十二月三十一日，無形資產－經營權的可收回金額約為41,854,000港元，高於其賬面值約37,276,000港元。本集團管理層釐定公墓之經營權並無減值。管理層相信，任何該等假設倘發生任何合理可能變動，均不會導致經營權賬面值超出其可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19. INTERESTS IN ASSOCIATES

19. 於聯營公司之權益

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted shares, at cost	(a),(b)	69,736	114,501
Bargain purchase on acquisition of an associate	(a)(i)	—	2,416
Share of post-acquisition gain/(loss) and other comprehensive income/(expense), net of dividend		344	(12,139)
Acquisition of 30% equity interest in an associate	(c)	—	29
Disposal of 30% equity interest in an associate	(c)	(7,689)	—
Derecognition of interest in an associate resulting from business combination achieved in stages	(a)(ii)	—	(27,566)
Impairment loss on interest in an associate	(b)	(38,144)	(2,884)
		24,247	74,357
Amount due from an associate	(d)	3,033	3,031
		27,280	77,388

(a) Boyracı Construction

- (i) *Acquisition of 30% equity interest in 2016*
Pursuant to the sales and purchase agreement entered into between Ottoman Evershine İnşaat Proje Ticaret Anonim Şirketi ("Ottoman Evershine Construction"), a company incorporated in Turkey and an indirect wholly owned subsidiary of the Company, and Mr. Osman Boyracı on 7 December 2016, Ottoman Evershine Construction acquired 30% of the equity interest of Boyracı Yapı İnşaat ve Taahhüt Gayrimenkul Yatırım Anonim Şirketi ("Boyracı Construction"), a company incorporated in Turkey and is specialised in elite urban transformation projects and earthquake resistant buildings, at a consideration of USD5,780,000 (equivalent to HK\$44,795,000) satisfied by a promissory note of principal amount of USD5,780,000 (equivalent to HK\$44,795,000) issued by the Company on 30 December 2016 with interest rate of 5% per annum and maturity date on 30 December 2018. The acquisition was completed on 30 December 2016. Upon acquisition, a bargain purchase of HK\$2,416,000 was recognised.

(a) Boyracı Construction

- (i) *於二零一六年收購30%股權*
根據Ottoman Evershine İnşaat Proje Ticaret Anonim Şirketi (「Ottoman Evershine Construction」，為於土耳其註冊成立之公司及本公司之間接全資附屬公司)與Osman Boyracı先生於二零一六年十二月七日訂立之買賣協議，Ottoman Evershine Construction以代價5,780,000美元(相等於44,795,000港元)收購Boyracı Yapı İnşaat ve Taahhüt Gayrimenkul Yatırım Anonim Şirketi (「Boyracı Construction」，一間於土耳其註冊成立之公司，其專門承接高級城市改造項目及防震樓宇建造)之30%股權，代價以本公司於二零一六年十二月三十日發行本金額為5,780,000美元(相等於44,795,000港元)之承兌票據償付，承兌票據按年利率5%計息，且於二零一八年十二月三十日到期。收購於二零一六年十二月三十日完成。收購後，確認議價收購2,416,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19. INTERESTS IN ASSOCIATES (CONTINUED)

(a) Boyracı Construction (Continued)

- (ii) References is made to the announcements of the Company dated 6 June 2017, 6 November 2017, 6 December 2017, 26 February 2018, 3 July 2018, 20 August 2018, 24 August 2018, 19 September 2018 and the circular of the Company dated 10 August 2018 and the Supplemental Circular (the “Supplemental Circular”) of the Company dated 4 September 2018 in relation to the acquisition of an additional 30% equity interest (the “Further Acquisition”) of Boyracı Construction.

On 1 October 2018, all the conditions precedent under the sale and purchase agreement have been fulfilled and completion of the Further Acquisition of Boyracı Construction took place on 1 October 2018 (the “Acquisition Date”). This involved (i) the issue of Promissory Note A (PN 3) with a principal amount of USD1,938,770 on the completion date; and (ii) the issue of Promissory Note B as deferred consideration (“Contingent Consideration”) with a principal amount up to USD1,111,230. For details, please refer to the Supplemental Circular of the Company.

Following the completion of the Further Acquisition, Boyracı Construction becomes an indirect 60%-owned subsidiary of the Company, and its financial results, assets and liabilities are consolidated and accounted for as a subsidiary in the financial statements of the Group.

On the Acquisition Date, the Group remeasured the previously held 30% equity interest in Boyracı Construction (note(a)(i)) to its fair value. With the net effect of (i) gain on remeasurement of the acquisition date carrying amount of the previously held interest in Boyracı Construction to its fair value of approximately HK\$6,673,000, and (ii) release of exchange reserve upon derecognition of an associate of approximately HK\$5,623,000, the Group recognised a gain of approximately HK\$1,050,000 upon derecognition of an associate during the year ended 31 December 2018.

Details of the business combination achieved in stages are set out in note 35.

19. 於聯營公司之權益 (續)

(a) Boyracı Construction (續)

- (ii) 茲提述本公司日期為二零一七年六月六日、二零一七年十一月六日、二零一七年十二月六日、二零一八年二月二十六日、二零一八年七月三日、二零一八年八月二十日、二零一八年八月二十四日及二零一八年九月十九日之公佈，以及本公司日期為二零一八年八月十日之通函及本公司日期為二零一八年九月四日之補充通函（「補充通函」），內容有關收購Boyracı Construction額外30%股權（「進一步收購事項」）。

於二零一八年十月一日，買賣協議項下所有先決條件已達成，故Boyracı Construction進一步收購事項已於二零一八年十月一日（「收購日期」）完成。此涉及(i)於交割日期發行本金額為1,938,770美元之承兌票據A（承兌票據3）；及(ii)發行本金額最高為1,111,230美元之承兌票據B，作為遞延代價（「或然代價」）。有關詳情，請參閱本公司之補充通函。

於進一步收購事項完成後，Boyracı Construction成為本公司間接持有60%權益之附屬公司，故其財務業績、資產及負債已綜合計入本集團之財務報表並於當中入賬列作一間附屬公司。

於收購日期，本集團已將先前持有Boyracı Construction之30%股權（附註(a)(i)）重新計量至其公平值。因以下各項之淨影響：(i)將先前持有Boyracı Construction之權益於收購日期之賬面值重新計量至完成日期之公平值收益約6,673,000港元；及(ii)終止確認一間聯營公司時撥回匯兌儲備約5,623,000港元，故本集團於截至二零一八年十二月三十一日止年度確認了終止確認一間聯營公司時之收益約1,050,000港元。

分階段達成之業務合併之詳情載於附註35。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19. INTERESTS IN ASSOCIATES (CONTINUED)

(b) The FS Group

On 23 March 2018, according to the audited financial statements received on 23 March 2018 of FS Group for the year ended 31 December 2017, the consolidated net profit after taxation of the FS Group was approximately HK\$15,292,000 and therefore the guaranteed profit as prescribed in the sale and purchase agreement (the "FS Acquisition Agreement") for the acquisition of 40% equity interest in First Surplus Investments Limited (the "FS Group") was fulfilled and the put option was lapsed pursuant to the FS Acquisition Agreement. The corresponding changes in fair value charged to income statement accordingly.

As at 31 December 2019, the Group had performed an impairment assessment on the interest in FS Group and the recoverable amount of it was lower than its carrying amount by approximately HK\$35,260,000. As a result, the Group recognised an impairment loss of approximately HK\$35,260,000 (2018: approximately HK\$2,884,000) during the year ended 31 December 2019 since the management of the FS Group realised that the performance of mobile games and application business was worse than expected due to current economic environment in Hong Kong.

The movements in impairment loss is summarised as below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	2,884	—
Impairment loss recognised	已確認減值虧損	35,260	2,884
At 31 December	於十二月三十一日	38,144	2,884

(c) Boyracı2

On 26 February 2018, pursuant to the side letter entered into between Ottoman Evershine Construction, Boyracı Construction and Mr. Osman Boyracı, a property was transferred from Boyracı Construction to a new company i.e. Boyracı2 İnşaat Anonim Şirketi ("Boyracı2"). Boyracı2 was incorporated under the laws of Turkey on 27 March 2018 held by Mr. Osman Boyracı and Ottoman Evershine Construction with 70% and 30% equity interest respectively. Boyracı2 is an investment holding company which holds a two-floor condominium with gross saleable area of approximately 1,068 m². As at 31 December 2019, the fair value of the investment property approximates to HK\$39,123,000 (2018: HK\$44,860,000).

19. 於聯營公司之權益 (續)

(b) FS集團

於二零一八年三月二十三日，根據二零一八年三月二十三日接獲之FS集團截至二零一七年十二月三十一日止年度之經審核財務報表，FS集團之綜合除稅後純利約為15,292,000港元，故有關認購First Surplus Investments Limited (「FS集團」) 40%股權之買賣協議 (「FS認購事項協議」) 所規定之保證溢利已獲達成，而根據FS認購事項協議，認沽期權已失效。公平值變動已相應自收益表中扣除。

於二零一九年十二月三十一日，本集團已對於FS集團之權益進行減值評估，得出其可收回金額低於其賬面值約35,260,000港元。因此，由於FS集團管理層發現，手機遊戲及應用程式業務之表現受香港當前經濟環境影響而較預期弱，故本集團於截至二零一九年十二月三十一日止年度確認減值虧損約35,260,000港元 (二零一八年：約2,884,000港元)。

減值虧損變動概述如下：

(c) Boyracı2

於二零一八年二月二十六日，根據Ottoman Evershine Construction、Boyracı Construction與Osman Boyracı先生訂立之附函，一項物業由Boyracı Construction轉讓予新公司，即Boyracı2 İnşaat Anonim Şirketi (「Boyracı2」)。Boyracı2根據土耳其法律在二零一八年三月二十七日註冊成立，分別由Osman Boyracı先生及Ottoman Evershine Construction持有70%及30%股權。Boyracı2為一間投資控股公司，持有一個總實用面積約為1,068平方米之兩層公寓。於二零一九年十二月三十一日，投資物業之公平值約為39,123,000港元 (二零一八年：44,860,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19. INTERESTS IN ASSOCIATES (CONTINUED)

(c) Boyraci2 (Continued)

On 31 December 2019, Ottoman Evershine Construction entered into a sales and purchase agreement with an independent third party to dispose the entire 30% equity interest in Boyraci2 at a consideration of TL15,000 (approximately to HK\$20,000). The disposal was completed on 31 December 2019, and the Group has recorded a loss on disposal of an associate of approximately HK\$10,398,000 during the year ended 31 December 2019.

- (d) The amount due from an associate is unsecured, interest-free and has no fixed terms of repayment.

(e) Details of the associates are as follows:

19. 於聯營公司之權益 (續)

(c) Boyraci2 (續)

於二零一九年十二月三十一日，Ottoman Evershine Construction與一名獨立第三方訂立買賣協議，以出售於Boyraci2之全部30%股權，代價為15,000土耳其里拉(約20,000港元)。有關出售已於二零一九年十二月三十一日完成，而本集團於截至二零一九年十二月三十一日止年度錄得出售一間聯營公司之虧損約10,398,000港元。

- (d) 應收一間聯營公司款項為無抵押、免息及無固定還款期。

(e) 聯營公司之詳情如下：

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊成立/成立及 經營地點	Particulars of issued/ registered and paid up capital 已發行/註冊及 實繳股本詳情	Proportion of ownership interest 所有權權益比例 Group's effective holding 本集團實際持有		Principal activity 主要業務
			2019 二零一九年	2018 二零一八年	
First Surplus Investment Limited (FS Group) (FS集團)	British Virgin Islands 英屬處女群島	Registered capital of USD10 註冊資本10美元	40% (Indirect) (間接)	40% (Indirect) (間接)	Mobile application business 手機應用程式業務
Boyraci2 İnşaat Anonim Şirketi (Boyraci2)	Turkey 土耳其	Registered capital of TL50,000 註冊資本50,000土耳其里拉	N/A 不適用	30% (Indirect) (間接)	Investment holdings 投資控股
Leading Global INC Limited 嶺球有限公司	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元 之普通股	30% (Direct) (直接)	30% (Direct) (直接)	Investment holdings 投資控股
Yongyao Technology (Jiang Xi) Co. Ltd 永耀科技(江西)股份有限公司	PRC 中國	Registered capital of HK\$7,000,000 註冊資本7,000,000港元	30% (Indirect) (間接)	30% (Indirect) (間接)	Trade of Clothing 服裝貿易

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19. INTERESTS IN ASSOCIATES (CONTINUED)

(f) Details of the associates are as follows: (Continued)

The following table illustrates the summarised financial information of the Group's material associates:

FS Group FS集團		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Assets	資產	62,452	46,241
Liabilities	負債	37,724	15,492
Revenue	收益	2,926	21,892
Profit	溢利	4	679

19. 於聯營公司之權益 (續)

(f) 聯營公司之詳情如下：(續)

下表闡述本集團主要聯營公司之概要財務資料：

20. INVENTORIES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Merchandise (Note)	商品 (附註)	420	420
Provision for obsolete inventories	陳舊存貨之撥備	(420)	—
		—	420

Note: During the year ended 31 December 2019, the Group recorded a provision for obsolete inventories of approximately HK\$420,000 since the marbles has been hold for more than one year with no movement.

附註：截至二零一九年十二月三十一日止年度，由於持有大理石超過一年均無變動，故本集團錄得陳舊存貨之撥備約420,000港元。

21. TRADE AND OTHER RECEIVABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade debtors, net of allowance for credit losses (a)&(b)	應收賬款，扣除信貸虧損撥備 (a)及(b)	185	2,587
Other receivables (Note)	其他應收款項 (附註)	7,665	8,719
Deposits	按金	5,083	7,081
Prepayments	預付款項	1,131	1,967
		14,064	20,354

Note: The Group applies the HKFRS 9 to measure expected credit losses for other receivables is approximately HK\$709,000 (2018: nil).

附註：本集團應用香港財務報告準則第9號計量其他應收款項之預期信貸虧損約為709,000港元 (二零一八年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (a) The following shows the trade debtors as at 31 December 2019 and 2018:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade debtors	應收賬款	390	2,611
Less: Allowance for credit losses	減：信貸虧損撥備	(205)	(24)
		185	2,587

- (b) Ageing analysis

The following is an aged analysis of trade debtors (net of allowance for credit losses) presented based on the invoice dates:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 month	一個月內	22	2,399
More than 1 month but within 3 months	超過一個月但於三個月內	—	—
More than 3 months but within 6 months	超過三個月但於六個月內	—	—
More than 6 months	超過六個月	163	188
		185	2,587

Trade debtors are generally granted with credit terms ranging from 30 days to 180 days. The Group may, on a case by case basis and after evaluation of the business relationship and creditworthiness, extend the credit period upon customers' requests.

Details of impairment assessment of trade and other receivables are set out in note 37(b).

- (c) Trade debtors that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Neither past due nor impaired	既無逾期亦無減值	22	2,399
Past due but not impaired and past due within 12 months	已逾期但並無減值及逾期少於十二個月	163	188
Over 1 year past due	逾期超過一年	—	—
		185	2,587

21. 貿易及其他應收款項 (續)

- (a) 下表顯示於二零一九年及二零一八年十二月三十一日之應收賬款：

- (b) 賬齡分析

下表顯示按發票日期呈列之應收賬款 (扣除信貸虧損撥備) 賬齡分析：

應收賬款一般獲授介乎30日至180日之信貸期。本集團可按個別情況及於評估業務關係及信譽後應客戶要求延長信貸期。

有關貿易及其他應收款項之減值評估詳情載於附註37(b)。

- (c) 並無減值之應收賬款

並無個別或共同視作已減值之應收賬款賬齡分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Trade debtors that are not impaired (Continued)

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Management closely monitors the credit quality, based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

22. LOAN AND INTEREST RECEIVABLES

The Group's loan receivables arise from the money lending business. As at 31 December 2019, the loan receivable is secured, interest-bearing at 12% per annum, neither past due nor impaired, and carries a maturity period of ten years with demand clause. No loan and interest receivable as at 31 December 2018. The credit quality of loan receivables has been assessed by reference to historical information about counterparties default rates. None of the counterparties have defaults in the past. Overdue balances are reviewed regularly and handled closely by senior management.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loan receivables	應收貸款	2,766	—
Interest receivables	應收利息	27	—
Less: Allowance for credit losses	減：信貸虧損撥備	(26)	—
		2,767	—

As at 31 December 2019 and 2018, the Group's loan and interest receivables are generated from providing mortgage loan, and the balance is all denominated in United States dollars.

23. CASH AND CASH EQUIVALENTS

Bank balances carry interest at market rates which range from 0.01% to 0.35% per annum (2018: 0.01% to 0.35%).

21. 貿易及其他應收款項 (續)

(c) 並無減值之應收賬款 (續)

既無逾期亦無減值之應收款項涉及眾多近期並無拖欠紀錄之客戶。

已逾期但無減值之應收款項涉及多名與本集團有良好還款記錄之獨立客戶。管理層密切監察信貸質素，基於過往經驗，由於信貸質素並無出現重大變動及有關結餘仍被視為可全數收回，故管理層認為毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

22. 應收貸款及利息

本集團應收貸款自放債業務產生。於二零一九年十二月三十一日，應收貸款為有抵押，以年利率12%計息，既無逾期亦無減值，且期限為十年及具有按要求償還之條款。於二零一八年十二月三十一日並無應收貸款及利息。應收貸款之信貸質素乃經參考交易對方之過往拖欠比率而評估。交易對方於過往並無拖欠紀錄。逾期結餘將由高級管理層定期檢討及密切處理。

於二零一九年及二零一八年十二月三十一日，本集團來自提供按揭貸款之應收貸款及利息均以美元計值。

23. 現金及現金等價物

銀行結餘按市場年利率介乎0.01%至0.35%計息（二零一八年：0.01%至0.35%）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

24. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

24. 貿易及其他應付款項以及合約負債

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current:	即期：		
Trade creditors (a)	應付賬款(a)	2,499	2,634
Other payables (b)	其他應付款項(b)	7,743	6,426
Accrued charges	應計費用	7,157	1,717
Contract liabilities (c)	合約負債(c)	2,933	938
		20,332	11,715
Non-Current:	非即期：		
Other payables (b)	其他應付款項(b)	8,120	8,893

Other than promissory note interest payable, amount due to Lau Yu, a former director and amount due to Osman Boyraci, a shareholder, all of the trade and other payable are expected to be settled within one year or are repayable on demand.

除應付承兌票據利息、應付本公司前董事柳宇之款項及應付Osman Boyraci之款項外，所有貿易及其他應付款項預期將於一年內或應要求償還。

(a) Ageing analysis

The ageing analysis of trade creditors (based on invoice date) at the end of the reporting period is as follows:

(a) 賬齡分析

應付賬款（根據發票日期）於報告期末之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 month	一個月內	3	399
More than 1 month but within 3 months	超過一個月但於三個月內	1	10
More than 3 months but within 6 months	超過三個月但於六個月內	2	59
More than 6 months but within 1 year	超過六個月但於一年內	593	110
Over 1 year	超過一年	1,900	2,056
		2,499	2,634

(b) As at 31 December 2019, approximately HK\$2,989,000 (2018: HK\$3,301,000) is due to Lau Yu, a former director of the Company. The amounts are unsecured and non-interest bearing. In which the balance of approximately HK\$754,000 is repayable from 2020 to 2027 and such balance is classified under non-current liabilities. Approximately HK\$3,973,000 (2018: HK\$3,898,000) is due to Osman Boyraci, a director of the subsidiary of the Company. The amounts are unsecured and non-interest bearing.

(b) 於二零一九年十二月三十一日，約2,989,000港元（二零一八年：3,301,000港元）應付本公司前董事柳宇。該等款項為無抵押及免息。其中約754,000港元結餘須於二零二零年至二零二七年期間償還，該等結餘於非流動負債下分類。約3,973,000港元（二零一八年：3,898,000港元）應付本公司附屬公司董事Osman Boyraci。該等款項為無抵押及免息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

24. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

(c) Contract liabilities:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trading	貿易	—	183
Cemetery	公墓	1,339	304
Property development and investment	物業發展及投資	1,143	155
Money lending	放債	451	296
		2,933	938

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance as at 1 January	於一月一日之結餘	938	154
Decrease in contract liabilities as a result of recognising revenue during the year that included in the contract liabilities at the beginning of the period	因確認年內收益而產生並計入期初合約負債之合約負債減少	(665)	(63)
Increase in contract liabilities as a result of billing in advance	因提前計費而產生之合約負債減少	2,660	847
Balance at 31 December	於十二月三十一日之結餘	2,933	938

24. 貿易及其他應付款項以及合約負債 (續)

(c) 合約負債：

25. BORROWINGS

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Borrowings:	借貸：			
Secured	有抵押			
– within one year	— 一年內	(a)	79,000	—
– after one year but within two years	— 一年後但兩年內	(a)	—	59,000
Non-secured	無抵押			
– within one year	— 一年內	(b)	31,000	30,000
			110,000	89,000
Less: Amount due within one year shown under current liabilities	減：計入流動負債之一年內到期款項		(110,000)	(30,000)
Amount due shown under non-current liabilities	計入非流動負債之到期款項		—	59,000
Effective interest rate (%)	實際利率 (%)		9% to 16.8% per annum 年利率為 9%至16.8%	9% to 10% per annum 年利率為 9%至10%

25. 借貸

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

25. BORROWINGS (CONTINUED)

Notes:

- (a) On 20 September 2018, the Group has been granted secured and guaranteed loan facilities amounting to HK\$59,000,000 (the "First Borrowings"). The First Borrowings carry interest rate at 9% per annum with repayment period of 16 months that were secured by (i) first legal charges of the two properties acquired on 27 June 2016, with carrying amount of approximately HK\$95,117,000 as at 31 December 2019 (2018: HK\$101,930,000); and (ii) an unlimited personal guarantee given by Mr. Chiu Ngai Hung, a substantial shareholder of the Company.

On 14 August 2019, the Group has further obtained new secured and guarantee facilities totalling HK\$20,000,000 (the "Second Borrowings"). The Second Borrowings carry interest rate at 16.8% per annum with repayment period of 5 months that was secured by (i) second legal charges of the two properties acquired on 27 June 2016 with carrying amount of approximately HK\$95,117,000 as at 31 December 2019; and (ii) an unlimited personal guarantee given by Mr. Chiu Ngai Hung, a substantial shareholder of the Company.

- (b) Convertible note with a principal amount of HK\$30,000,000 has become due on 3 December 2018. Reference is made to the announcements of the Company dated 16 May 2016, 3 June 2016, 21 June 2018, 28 June 2018, 3 December 2018 and 4 December 2018. The Company had not received any conversion notice from the subscriber during the conversion period. Subsequent to the maturity date of 3 December 2018, the convertible note shall no longer be convertible into shares and the outstanding principal of HK\$30,000,000 is derecognised as convertible note and is classified as current borrowing as at 31 December 2019 and 2018.

The Company and the holder of the matured convertible note has entered into a confirmation on 13 March 2019 in which the Company and subscriber mutually agreed that the outstanding balance carried an interest rate of 10% per annum from 4 December 2018 and interest shall be paid in every two months. The principal of HK\$30,000,000 shall be payable before 30 November 2019. As at 31 December 2019, the principal of HK\$30,000,000 remained outstanding.

Subsequent to the end of reporting period, on 28 May 2020, the Company entered into a redemption agreement with the subscriber and Champion Wise, an independent third party to the Group, in which: (i) 50% principal of the borrowing of HK\$15,000,000 with interest of approximately HK\$2,100,000 has been assigned to Champion Wise. The balance due to Champion Wise is unsecured, interest free and repayable on 31 July 2021; and (ii) the repayment date of the remaining principal of HK\$15,000,000 and interest of approximately HK\$3,800,000 is extended to 28 February 2022.

The remaining balance of HK\$1,000,000 represented an unsecured loan obtained on 5 December 2019 carrying interest rate at 12% per annum with repayment period of two months.

25. 借貸(續)

附註：

- (a) 於二零一八年九月二十日，本集團已獲授金額為59,000,000港元之有抵押及有擔保貸款融資（「第一筆借貸」）。第一筆借貸按年利率9%計息，償還期為16個月，以下列方式作抵押：(i)以二零一六年六月二十七日所收購之兩項物業作第一法定押記，該等物業於二零一九年十二月三十一日之賬面值約為95,117,000港元；及(ii)本公司主要股東趙毅雄先生作出之無上限個人擔保。

於二零一九年八月十四日，本集團進一步取得合共20,000,000港元之新有抵押及有擔保融資（「第二筆借貸」）。第二筆借貸按年利率16.8%計息，償還期為5個月，以下列方式作抵押：(i)以二零一六年六月二十七日所收購之兩項物業作第二法定押記，該等物業於二零一九年十二月三十一日之賬面值約為95,117,000港元；及(ii)本公司主要股東趙毅雄先生作出之無上限個人擔保。

- (b) 本金額為30,000,000港元之可換股票據於二零一八年十二月三十一日到期。茲提述本公司日期為二零一六年五月十六日、二零一六年六月三日、二零一八年六月二十一日、二零一八年六月二十八日、二零一八年十二月三日及二零一八年十二月四日之公佈。本公司於兌換期間並無自認購方接獲任何兌換通知。於到期日（二零一八年十二月三十一日）後，可換股票據不可兌換為股份，而本金額30,000,000港元於十二月三十一日終止確認為可換股票據，並分類為流動借貸。

本公司及已到期可換股票據持有人已於二零一九年三月十三日訂立確認書，據此，本公司與認購人雙方同意，未償還結餘自二零一八年十二月四日起可按年利率10%計息，利息須每兩個月支付一次。本金額30,000,000港元須於二零一九年十一月三十日前支付。於二零一九年十二月三十一日，本金額30,000,000港元尚未償還。

於報告期末後，本公司與認購人及 Champion Wise（本集團獨立第三方）已於二零二零年五月二十八日訂立贖回協議，據此：(i) 15,000,000港元借貸之50%本金連同利息約2,100,000港元已轉讓予 Champion Wise。應付 Champion Wise 之餘額為無抵押、免息及不早於二零二一年七月三十一日前償還；及(ii)剩餘本金15,000,000港元及利息約3,800,000港元之償還日期延長至二零二二年二月二十八日。

餘下款項1,000,000港元為於二零一九年十二月五日取得之無抵押貸款，其按年利率12%計息，償還期為兩個月。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

26. LEASE LIABILITIES

As at 31 December 2019, the Group has lease liabilities of approximately HK\$570,000 in relation to a motor vehicle under finance lease arrangement.

As at 1 January 2019, as disclosed in note 2(c), the Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. The Group has two lease agreements for the use of land in PRC with remaining lease term over one year and has recognised lease liabilities of approximately HK\$3,702,000 under HKFRS 16 as at 1 January 2019.

The Group's leases liabilities are as follows:

26. 租賃負債

於二零一九年十二月三十一日，本集團融資租賃安排項下汽車之租賃負債約570,000港元。

於二零一九年一月一日，如附註2(c)所披露，本集團使用經修訂之追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日之期初結餘，以確認先前根據香港會計準則第17號分類為經營租賃之租賃項下租賃負債。本集團兩份有關中國土地使用之租賃協議剩餘租期超過一年，並已於二零一九年一月一日根據香港財務報告準則第16號確認租賃負債約3,702,000港元。

本集團之租賃負債如下：

		2019 二零一九年		2018 二零一八年	
		Present value of the minimum lease payments 最低租賃 款項現值 HK\$'000 千港元	Total minimum lease payments 最低租賃 款項總額 HK\$'000 千港元	Present value of the minimum lease payments 最低租賃 款項現值 HK\$'000 千港元	Total minimum lease payments 最低租賃 款項總額 HK\$'000 千港元
Within 1 year	一年內	2,589	2,711	—	—
After 1 year but within 5 years	一年後但於五年內	—	—	—	—
After 5 years	五年後	1,961	4,379	—	—
		4,550	7,090	—	—
Less: Total future interest expenses	減：未來利息開支總額		(2,540)		—
Present value of lease liabilities	租賃負債之現值		4,550		—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

27. OBLIGATIONS UNDER FINANCE LEASES

The Group's finance leases payable are as follows:

		2019 二零一九年		2018 二零一八年	
		Present value of the minimum lease payments 最低租賃 付款現值 HK\$'000 千港元	Total minimum lease payments 最低租賃 付款總額 HK\$'000 千港元	Present value of the minimum lease payments 最低租賃 付款現值 HK\$'000 千港元	Total minimum lease payments 最低租賃 付款總額 HK\$'000 千港元
Not later than 1 year	一年內	-	-	133	155
Later than 1 year and not later than 5 years	一年後及五年內	-	-	570	575
		-	-	703	730
Less: total future interest expenses	減：未來利息開支總額		-		(27)
Present value of lease obligations	租約債務現值		-		703

The Group entered into a finance lease arrangements to acquire a motor vehicle. The lease terms last from 2017 to 2020 years. At the end of the lease term of these finance lease arrangements, the Group has an option to buy the motor vehicle at a nominal consideration. None of the lease contains contingent rentals. The contractual interest rates of these finance lease arrangements are fixed at 3.5% per annum.

In addition, the Group's obligations under finance leases are secured by the legal titles of the underlying leased assets included in motor vehicle within the Group's property, plant and equipment, with carrying amount of approximately HK\$796,000 as at 31 December 2018.

27. 融資租約債務

本集團之應付融資租約如下：

本集團訂立融資租賃安排以收購汽車。租賃期由二零一七年起至二零二零年止。於該等融資租賃安排之租賃期結束時，本集團有權按名義代價購買汽車。租金並無包含或然租金。該等融資租賃安排之固定合約年利率為3.5%。

此外，本集團之融資租約債務已由計入本集團之物業、廠房及設備內汽車之相關租賃資產之合法業權抵押，其於二零一八年十二月三十一日之賬面值約為796,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

28. PROMISSORY NOTES

28. 承兌票據

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Notes 附註		
At 1 January	於一月一日	(a),(b)	63,417	71,363
Issue of PN3	發行承兌票據3	(c)	—	9,162
Repayment	償還款項	(b)	(7,500)	(10,000)
Interest paid	已付利息		—	(4,242)
Interest charge	利息費用		6,220	3,925
Gain on early partial redemption	提早贖回部分時之收益	5	(92)	(590)
Gain on extinguishment of promissory notes	抵銷承兌票據之收益	5	—	(8,487)
Loss on fair value change on a promissory note designated at FVTPL	指定按公平值計入損益之承兌票據之公平值變動虧損	5	3,130	2,282
Exchange adjustments	匯兌調整		27	4
At 31 December	於十二月三十一日		65,202	63,417
Presented as:	呈列為：			
– current liabilities	– 流動負債		33,622	—
– non-current liabilities	– 非流動負債		31,580	63,417
			65,202	63,417

Notes:

- (a) On 30 November 2015, the Company issued promissory notes in the principal amount of HK\$30,320,000 (the "PN 1") for acquisition of entire issue share capital of Fortune Ford Limited. The PN 1 was unsecured and bore an interest of 2% per annum and fell due on 30 November 2016. The PN 1 was extended and partial principal repayment of HK\$10,202,000 was settled in 2017. The remaining balance of HK\$20,118,000 was due on 30 November 2018.

On 30 November 2018, the Company and the PN 1 holder entered into an extension agreement and agreed to extend the maturity date to 30 November 2020 (with other terms remain the same). As of 30 November 2018, the carrying value of the PN 1 was approximated to HK\$20,520,000 and the fair value of the PN 1 was approximated to HK\$16,610,000. Hence, a gain on fair value change in relation to the extension for the maturity of approximately HK\$3,910,000 was recognised in the statement of profit or loss on the effective date of extension, i.e. 30 November 2018.

On 14 April 2020, the Company entered into an extension agreement with the noteholder of PN 1 to extend the maturity date to 30 November 2022. Pursuant to the extension agreement, save as the changes of maturity date, all terms and conditions of the PN 1 would remain unchanged.

附註：

- (a) 於二零一五年十一月三十日，本公司發行本金額為30,320,000港元之承兌票據（「承兌票據一」）以收購福永高有限公司全部已發行股本。承兌票據一為無抵押，乃按年利率2%計息，並於二零一六年十一月三十日到期。於二零一七年，承兌票據一獲延後及部分償還本金10,202,000港元。餘下款項20,118,000港元已於二零一八年十一月三十日到期。

於二零一八年十一月三十日，本公司及承兌票據一持有人訂立延長協議，同意延長到期日至二零二零年十一月三十日，而其他條款維持不變。截至二零一八年十一月三十日，承兌票據一之賬面值約為20,520,000港元，而承兌票據一之公平值約為16,610,000港元。因此，於延期生效當日，即二零一八年十一月三十日，有關延長到期日之公平值變動收益約3,910,000港元已於損益表內確認。

於二零二零年四月十四日，本公司與承兌票據一持有人訂立延長協議，以延長到期日至二零二二年十一月三十日。根據延長協議，除更改到期日外，承兌票據一之所有條款及條件將維持不變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

28. PROMISSORY NOTES (CONTINUED)

Notes: (Continued)

- (b) On 17 March 2017, the Company issued a promissory note in the principal amount of HK\$50,000,000 (the "PN 2") for acquisition of 40% issue share capital of the FS Group. PN 2 was unsecured and it bore interest of 6% per annum and was due on 17 March 2019. The fair value of PN 2 was approximately to its carrying value at the date of initial recognition.

During the year ended 31 December 2018, two early partial repayments of HK\$5,000,000 each was made to the PN 2 holder on 4 January 2018 and 30 November 2018 respectively. On 21 December 2018, the Company and the PN 2 holder entered into an extension agreement and agreed to extend the maturity date to 17 March 2021 (with other terms remain the same). As of 21 December 2018, the carrying value of the PN 2 was approximated to HK\$39,645,000 and the fair value of the PN 2 was approximated to HK\$35,068,000. Hence, a gain on fair value change in relation to the extension for the maturity of approximately HK\$4,577,000 was recognised in the statement of profit or loss on the effective date of extension, i.e. 21 December 2018.

On 26 March 2020, the Company entered into an extension agreement with the noteholder of PN 2 to extend the maturity date to 31 October 2021. Pursuant to the extension agreement, saved as the changes of maturity date, all terms and conditions of the PN 2 would remain unchanged.

During the year ended 31 December 2019, two early repayments of HK\$5,000,000 and HK\$3,000,000 (the "Outstanding Principal") were made to the PN 2 holder on 28 August 2019 and 3 September 2019 (the "Settlement Dates") respectively. The interest payable incurred on the Outstanding Principal during the period from 17 March 2017 and up to the settlement dates was waived by the PN2 holder. Hence, a gain on waiver of interest payable of approximately HK\$848,000 was recognised as other income during the year ended 31 December 2019 (note 5).

28. 承兌票據(續)

附註：(續)

- (b) 於二零一七年三月十七日，本公司以本金額50,000,000港元發行承兌票據(「承兌票據二」)，以收購FS集團已發行股本40%。承兌票據二為無抵押，乃按6%年利率計息，且於二零一九年三月十七日到期。承兌票據二之公平值與其於初步確認日期之賬面值相若。

截至二零一八年十二月三十一日止年度，兩筆各為5,000,000港元之提早償還部分款項已分別於二零一八年一月四日及二零一八年十一月三十日向承兌票據二持有人支付。於二零一八年十二月二十一日，本公司及承兌票據二持有人訂立延期協議，同意延長到期日至二零二一年三月十七日，而其他條款維持不變。截至二零一八年十二月二十一日，承兌票據二之賬面值約為39,645,000港元，而承兌票據二之公平值約為35,068,000港元。因此，於延期生效當日，即二零一八年十二月二十一日，有關延長到期日之公平值變動收益約4,577,000港元已於損益表內確認。

於二零二零年三月二十六日，本公司與承兌票據二持有人訂立延長協議，以延長到期日至二零二一年十月三十一日。根據延長協議，除更改到期日外，承兌票據二之所有條款及條件將維持不變。

截至二零一九年十二月三十一日止年度，兩筆分別為5,000,000港元及3,000,000港元之提早償還款項(「未償還本金」)已分別於二零一九年八月二十八日及二零一九年九月三日(「該等結算日期」)向承兌票據二持有人支付。於二零一七年三月十七日至該等結算日期之未償還本金所產生之應付利息已獲承兌票據二持有人豁免。因此，豁免應付利息所得之收益約848,000港元已於截至二零一九年十二月三十一日止年度確認為其他收入(附註5)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

28. PROMISSORY NOTES (CONTINUED)

Notes: (Continued)

- (c) On 1 October 2018, the Company issued a promissory note in the principal amount of USD1,938,770 (the "PN 3") for the Further Acquisition of Boyracı Construction. The PN 3 is unsecured and bears interest of 13% per annum and falls due on 1 October 2020. On the date of issue, the PN 3 has been designated at fair value change through profit or loss.

On 1 October 2018, the fair value of the PN 3 approximated to HK\$9,162,000, and as at 31 December 2018, the fair value of the PN 3 approximated to HK\$11,448,000. Subsequent to the initial recognition, loss on fair value change of approximately HK\$3,130,000 (2018: HK\$2,282,000) was recognised in the statement of profit or loss during the year ended 31 December 2019.

On 9 March 2020, the Company entered into an extension agreement with the noteholder of PN 3 to extend the maturity date to 1 October 2022. Pursuant to the extension agreement, saved as the changes of maturity date, all terms and conditions of the PN 3 would remain unchanged.

28. 承兌票據 (續)

附註：(續)

- (c) 於二零一八年十月一日，本公司就Boyracı Construction之進一步收購事項發行本金額為1,938,770美元之承兌票據（「承兌票據3」）。承兌票據3為無抵押，乃按13%年利率計息，且於二零二零年十月一日到期。於發行日期，承兌票據3已指定按公平值計入損益。

於二零一八年十月一日，承兌票據3之公平值約為9,162,000港元，而於二零一八年十二月三十一日，承兌票據3之公平值約為11,448,000港元。於初步確認後，截至二零一九年十二月三十一日止年度，公平值變動虧損約3,130,000港元已於損益表內確認（二零一八年：2,282,000港元）。

於二零二零年三月九日，本公司與承兌票據三持有人訂立延長協議，以延長到期日至二零二零年十月一日。根據延長協議，除更改到期日外，承兌票據三之所有條款及條件將維持不變。

29. CONVERTIBLE NOTES

29. 可換股票據

		CN1 可換股票據一 HK\$'000 千港元 Note (a) 附註 (a)	CN2 可換股票據二 HK\$'000 千港元 Note (b) 附註 (b)	CN3 可換股票據三 HK\$'000 千港元 Note (c) 附註 (c)	Derivative 衍生工具 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	28,198	68,000	—	—	96,198
Interest paid	已付利息	—	(2,238)	—	—	(2,238)
Interest charged	利息費用	1,802	4,156	—	—	5,958
Conversion of convertible notes	兌換可換股票據	—	(69,918)	—	—	(69,918)
Derecognition of convertible note	終止確認可換股票據	(30,000)	—	—	—	(30,000)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	—	—	—	—	—
Issuance of convertible notes	發行可換股票據	—	—	142,025	—	142,025
Recognition of a derivative	確認衍生工具	—	—	—	4,570	4,570
Gain on fair value change recognised in profit or loss	於損益確認之公平值變動收益	—	—	(6,684)	(2,380)	(9,064)
Interest paid	已付利息	—	—	(1,082)	—	(1,082)
Interest charged	利息費用	—	—	1,082	—	1,082
Conversion of convertible notes	兌換可換股票據	—	—	(951)	—	(951)
Gain on fair value change attributable to change in credit risk of the liability (recognised in other comprehensive income)	歸因於負債信貸風險變動 之公平值變動收益 (於其他全面收入中確認)	—	—	(670)	—	(670)
Early redemption of convertible notes	提早贖回可換股票據	—	—	(133,720)	(2,190)	(135,910)
At 31 December 2019	於二零一九年十二月三十一日	—	—	—	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

29. CONVERTIBLE NOTES (CONTINUED)

Notes:

- (a) On 16 May 2016, the Company issued an unsecured zero coupon convertible notes (the "CN1") in the principal amount of HK\$30,000,000 at HK\$25,800,000 by cash. The CN1 was denominated in Hong Kong dollars. The CN1 entitled the holders to convert them into conversion shares of the Company at any time between the date of issue of the notes and their settlement date on 3 June 2018 at a conversion price of HK\$0.4 per convertible share.

The CN1 contained two components, liability and equity elements. The effective interest rate of the liability element was 15.62% per annum. The equity element was presented in equity heading "Convertible notes reserve" amounting to HK\$3,433,000.

On 28 June 2018, the Company entered into an agreement with the noteholder to extend the CN1 to 3 December 2018. Up to the maturity date as of 3 December 2018, the Company had not received any conversion notice from the noteholder during the conversion period. Since the CN1 shall no longer be convertible into shares, the outstanding principal of HK\$30,000,000 was derecognised as convertible note and is classified as current borrowing subsequently.

- (b) On 23 March 2017, the Company issued an unsecured convertible notes (the "CN2") in the principal amount of HK\$86,000,000. The net proceeds received by the Company was approximately HK\$83,420,000. The CN2 was denominated in Hong Kong dollars. The CN2 entitled the noteholder to convert them into conversion shares of the Company at any time between the date of issue of the CN2 and their settlement date on 23 March 2019 at a conversion price of HK\$0.43 per convertible share. The CN2 carried interest rate of 13% per annum on the outstanding principal amount of the CN2, which will be payable by the Company quarterly in arrears.

The CN2 contained two components, liability and equity elements. The effective interest rate of the liability element was 16.27% per annum. The equity element of CN2 was presented in equity heading "Convertible notes reserve" amounting to HK\$3,439,000.

During the year ended 31 December 2017, the Company received a conversion notice in respect of the exercise of a part of the conversion rights attached to the CN2 in an aggregate principal amount of HK\$15,050,000 at the conversion price of HK\$0.43 per share. As a result of the conversion of the CN2 on 25 September 2017, the Company issued and allotted 35,000,000 shares.

29. 可換股票據(續)

附註：

- (a) 於二零一六年五月十六日，本公司以現金25,800,000港元發行本金額為30,000,000港元之無抵押零息可換股票據（「可換股票據一」）。可換股票據一以港元計值。可換股票據一賦予持有人權利於票據發行日期至二零一八年六月三日之結算日期止期間隨時按每股兌換股份0.4港元之兌換價將票據兌換為本公司之兌換股份。

可換股票據一含有兩個部分：負債部分及權益部分。負債部分之實際年利率為15.62%。權益部分於權益內「可換股票據儲備」中呈列，金額為3,433,000港元。

於二零一八年六月二十八日，本公司已與票據持有人訂立協議，以延長可換股票據一至二零一八年十二月三日。截至二零一八年十二月三日期日，本公司於兌換期間並無自票據持有人接獲任何兌換通知。由於可換股票據一不可再兌換為股份，故已終止確認尚未償還本金30,000,000港元為可換股票據，並其後分類為流動借款。

- (b) 於二零一七年三月二十三日，本公司發行本金額為86,000,000港元之無抵押可換股票據（「可換股票據二」）。本公司已收取之所得款項淨額約為83,420,000港元。可換股票據二以港元計值。可換股票據二賦予票據持有人權利於可換股票據二之發行日期至結算日期（二零一九年三月二十三日）止期間隨時按每股兌換股份0.43港元之兌換價將其兌換為本公司之兌換股份。可換股票據二之未償還本金額按年利率13%計息，本公司須每季支付上一季之利息。

可換股票據二含有兩個部分：負債部分及權益部分。負債部分之實際年利率為16.27%。可換股票據二之權益部分於權益內「可換股票據儲備」中呈列，金額為3,439,000港元。

於截至二零一七年十二月三十一日止年度，本公司接獲一份有關行使部分可換股票據二所附帶兌換權之兌換通知，本金總額為15,050,000港元，兌換價為每股0.43港元。由於可換股票據二於二零一七年九月二十五日獲兌換，故本公司配發及發行35,000,000股股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

29. CONVERTIBLE NOTES (CONTINUED)

Notes: (Continued)

(b) (Continued)

During the year ended 31 December 2018, the Company received two conversion notices in respect of the exercise of the remaining part of the conversion rights attached to the CN2 in an aggregate principal amount of HK\$70,950,000 at the conversion price of HK\$0.43 per share. As a result of the conversion of CN2, the Company issued 20,000,000 shares on 24 Jan 2018 and 145,000,000 shares on 18 May 2018.

The entire CN2 had been converted into shares at the conversion price of HK\$0.43 per share on 18 May 2018.

- (c) On 13 November 2018, the Company entered into a subscription agreement, credit support agreement and cash account agreement with Macquarie Bank Limited (the "Subscriber") relating to HK\$300,000,000 1% Convertible Notes due 2021 (the "CN3") convertible into ordinary shares of the Company. The CN3 entitles the holder to convert into ordinary shares of the Company at any time between the date of issue and one day prior to the maturity date at a conversion price which is 92% of the volume weighted average price of the ordinary shares of the Company traded on the GEM of the Stock Exchange immediately preceding the conversion date, subject to the floor price. The floor price was initially determined to be HK\$1.05 per ordinary share of the Company, subject to adjustments as described in the subscription agreement. The CN3 bears interest rate of 1% per annum on the outstanding principal amount of the CN3, which will be payable by the Company quarterly in arrears.

The CN3 comprises of two tranches with each tranche in an aggregate principal amount of HK\$150,000,000. The second tranche of the convertible notes with the aggregate principal amount of HK\$150,000,000 will be issued (i) after conversion of all convertible notes of the first tranche, or (ii) if a tranche is subsisting, the Subscriber has the right to submit subscription notice for the additional tranche and the Company has satisfied the terms and has given its written consent to the Subscriber. As required by the subscription agreement and the credit support agreement, the aggregate subscription price for each tranche will be transferred into a non-interest-bearing bank account of the Company opened with Macquarie Bank Limited.

29. 可換股票據 (續)

附註：(續)

(b) (續)

截至二零一八年十二月三十一日止年度，本公司已接獲兩份有關行使餘下部分可換股票據二所附帶兌換權之兌換通知，本金總額為70,950,000港元，兌換價為每股0.43港元。由於兌換可換股票據二，本公司於二零一八年一月二十四日發行20,000,000股股份及於二零一八年五月十八日發行145,000,000股股份。

於二零一八年五月十八日，全部可換股票據二已按兌換價每股0.43港元兌換為股份。

- (c) 於二零一八年十一月十三日，本公司與麥格理銀行有限公司（「認購人」）訂立認購協議、信貸支援協議及現金賬戶協議，涉及與二零二一年到期之300,000,000港元1%可兌換為本公司普通股之可換股票據（「可換股票據三」）。可換股票據三賦予持有人權利於在發行日期至到期日前一日期間隨時按兌換價兌換為本公司普通股，兌換價為本公司普通股於緊接有關兌換日期前之交易日在聯交所GEM買賣之成交量加權平均價之92%，惟須按底價計算。底價初步定為本公司每股普通股1.05港元，惟可按認購協議所述作出調整。可換股票據三之未償還本金額按年利率1%計息，將由本公司按季支付。

可換股票據三包括兩個批次，每批次之本金總額為150,000,000港元。第二批次本金總額為150,000,000港元之可換股票據將於(i)所有第一批次可換股票據獲兌換後，或(ii)倘有存續批次，則認購人有權就額外批次提交認購通知，並在本公司達成條款並向認購人作出書面同意之情況下發行。根據認購協議及信貸支援協議之要求，每批次之總認購價將轉移至由本公司於麥格理銀行有限公司開立之無息銀行賬戶。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

29. CONVERTIBLE NOTES (CONTINUED)

Notes: (Continued)

(c) (Continued)

On 21 February 2019, the Company issued the first tranche of unsecured convertible notes in an aggregate principal amount of HK\$150,000,000 (the "CN3(1)") and received a net proceeds amounting to HK\$147,000,000 with maturity date on 21 February 2021 and the monies are deposited in Macquarie Bank Limited which will only be released to the Company upon conversion. The CN3(1) contains two embedded derivatives, one relating to a conversion option that would not result in fixed number of ordinary shares of the Company to be issued due to variable conversion price and the other one relating to early redemption options exercisable by the Company or by the holder when relevant event specified in the subscription agreement occurs. The CN3(1) shall be early redeemed or repaid on maturity date by the Company at 98% of the outstanding principal amount.

The CN3(1) has been designated by the management of the Company as at fair value through profit or loss and is measured at fair value amounting to approximately HK\$142,025,000 at the date of issue (i.e. 21 February 2019). The CN3(1) is measured subsequently at fair value with changes in credit risk being recognised in other comprehensive income and changes in fair value other than those relating to changes in credit risk being recognised in profit or loss. At the same time, the right given to the Subscriber to subscribe for the second tranche of the unsecured convertible notes is considered as a derivative ("Derivative") and is initially measured at fair value of approximately HK\$4,570,000. The Derivative is subsequently measured with changes in fair value being recognised in profit or loss (note 2). On 21 February 2019, the Company recognised a gain of approximately HK\$405,000 upon the issuance of the CN3(1). During the year ended 31 December 2019, the Company has recognised a gain on fair value changes attributable to change in credit risk of approximately HK\$670,000 and a gain on fair value change other than those relating to changes in credit risk of approximately HK\$6,684,000.

On 25 February 2019, the noteholder exercised the conversion rights to the principal amount of HK\$1,000,000 of the CN3(1) to convert at a conversion price of HK\$1.160488 per ordinary share and a total of 864,000 conversion ordinary shares were issued on the same date. Subsequent to the conversion on 25 February 2019, the CN3(1) with principal amount of HK\$149,000,000 (redeemable at 98%) was outstanding.

On 16 October 2019, the Company received a Relevant Event Put Notice issued by the Subscriber pursuant to the subscription agreement and the CN3(1) was redeemed on the Relevant Event Put Date as at 13 November 2019 (the "CN3(1) Early Redemption"). Such early redemption was completed on 13 November 2019. Loss on redemption of convertible notes of approximately HK\$10,110,000 was recognised in statement of profit or loss.

29. 可換股票據(續)

附註：(續)

(c) (續)

於二零一九年二月二十一日，本公司發行第一批次本金總額為150,000,000港元（「可換股票據三(1)」）之無抵押可換股票據，並收取到期日為二零二一年二月二十一日之所得款項淨額147,000,000港元，該等款項已存入麥格理銀行有限公司，並將僅於兌換後退回本公司。可換股票據三(1)包含兩個嵌入式衍生工具，一個與由於可變兌換價而導致本公司不會發行固定數目之普通股之換股期權有關，另一個則與出現認購協議列明之相關情況時本公司或持有人可行使提早贖回權有關。可換股票據三(1)將按未償還本金額之98%提早贖回或於到期日償還。

可換股票據三(1)已由本公司管理層指定為按公平值計入損益，並於發行日（即二零一九年二月二十一日）按公平值約142,025,000港元計量。可換股票據三(1)其後按公平值計量，除歸因於信貸風險變動所致之公平值變動於其他全面收入中確認，公平值變動（與信貸風險變動相關者除外）於損益中確認。與此同時，認購人認購第二批次無抵押可換股票據之權利被視為衍生工具（「衍生工具」），其初步按公平值約4,570,000港元計量。衍生工具於其後按已於損益確認之公平值變動計量（附註2）。於二零一九年二月二十一日，本公司於發行可換股票據三(1)確認收益約為405,000港元。截至二零一九年十二月三十一日止年度，本公司確認歸因於信貸風險變動所致之公平值變動約670,000港元，以及公平值變動收益約6,684,000港元。

於二零一九年二月二十五日，票據持有人行使本金額為1,000,000港元之可換股票據三(1)換股權，以每股普通股兌換價1.160488港元進行兌換，並於同日發行兌換普通股共864,000股。於二零一九年二月二十五日兌換後，本金額149,000,000港元之可換股票據三(1)（按98%贖回）尚未償還。

於二零一九年十月十六日，本公司接獲認購人發出之相關事件認沽期權行使通知，據此，可換股票據三(1)已於二零一九年十一月十三日（即根據認購協議之相關事件認沽日期）贖回（「可換股票據三(1)之提早贖回事項」）。該提早贖回事項已於二零一九年十一月十三日完成。贖回可換股票據所產生之虧損約10,110,000港元已於損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

30. PROVISION FOR EMPLOYMENT BENEFITS

30. 僱員福利撥備

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Note 附註			
At 1 January		於一月一日	35	—
Business combination achieved in stages	35	分階段達成之業務合併	—	27
Additional provision		額外撥備	17	5
Actuarial loss recognised in other comprehensive income		於其他全面收入中確認之精算虧損	2	—
Exchange adjustments		匯兌調整	(5)	3
At 31 December		於十二月三十一日	49	35

Under the Turkish Labor Law, the Group's Turkish subsidiaries are required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employee to receive termination indemnity, is called up for military service, leaves within one year after marriage (women only), and to those employees who retire or die. The amount payable consists of one month's salary for each year of service.

根據土耳其勞動法，本集團之土耳其附屬公司須向每名服務年期達一年及終止有關僱傭關係原因使僱員合資格收取終止賠償之僱員支付終止賠償，包括應召入伍、結婚後一年內離職（僅限女性）及退休或身故之僱員。應付款項包括每個服務年期之一個月薪金。

31. DEFERRED TAXATION

31. 遞延稅項

(a) The following is the analysis of the deferred tax balances for financial reporting purposes:

(a) 就財務報告目的而言，遞延稅項結餘之分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	359	1,282
Deferred tax liabilities	遞延稅項負債	(18,382)	(21,107)
		(18,023)	(19,825)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

31. DEFERRED TAXATION (CONTINUED)

(a) (Continued)

Movement of deferred tax assets and liabilities recognised

		Deferred tax assets 遞延稅項資產	Deferred tax liabilities 遞延稅項負債 Fair value adjustments on investment properties and properties under construction 投資物業及在建物業之公平值調整	Total 總計
	Note 附註	Tax losses 稅項虧損 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018		—	—	—
Business combination achieved in stages	35	1,124	(18,662)	(17,538)
Credit to profit or loss		10	—	10
Exchange adjustments		148	(2,445)	(2,297)
At 31 December 2018 and 1 January 2019		1,282	(21,107)	(19,825)
(Charge)/credit to profit or loss		(827)	304	(523)
Exchange adjustments		(96)	2,421	2,325
At 31 December 2019		359	(18,382)	(18,023)

As at 31 December 2019, the Group has recognised deferred tax asset of approximately HK\$359,000 (2018: HK\$1,282,000) in relation to unused tax losses generated by a subsidiary in Turkey. Tax losses that are reported under Turkey Corporate Income Tax can be carried forward and deducted from corporate income tax base for a maximum of five consecutive years.

於二零一九年十二月三十一日，本集團就土耳其一間附屬公司產生之未動用稅項虧損確認遞延稅項資產約359,000港元（二零一八年：1,282,000港元）。稅項虧損乃根據土耳其企業所得稅呈報，最高可在五個連續年度結轉，並自企業所得稅基扣除。

(b) The Group has not recognised deferred tax assets in respect of estimated tax losses of approximately HK\$60,774,000 (2018: HK\$55,141,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

(b) 由於有關稅項司法權區及實體並無虧損可供動用以抵銷未來應課稅溢利，故本集團仍未確認有關估計稅項虧損之遞延稅項資產約60,774,000港元（二零一八年：55,141,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

32. PROVISION OF LITIGATION

On 16 October 2019, the Company received a Relevant Event Put Exercise Notice (the "Notice") issued by Macquarie Bank Limited (the "Noteholder") pursuant to the subscription agreement dated 13 November 2018. Pursuant to the Notice, the CN3(1) was redeemed on the on 13 November 2019. The Noteholder terminated the subscription agreement alleging that the closing price of shares stayed below the floor price for at least 5 consecutive trading days, there has been material breach of, in any material respect, any of the warranties and representations contained in the agreement or any material failure to perform any of the issuer's undertaking or agreements in the agreement. Therefore, the Noteholder requested the Company to pay a cancellation fee of HK\$2,990,000.

On 21 January 2020, subsequent to the reporting period, the Noteholder issued a writ of summons and indorsement of claim at the District Court of the Hong Kong Special Administrative Region (the "HKSAR") (the "Writ") against the Company. Pursuant to the Writ, the Noteholder claims against the Company, amongst others, a sum of HK\$2,990,000 being the sum due and owing to the Noteholder by the Company pursuant to clause 1.4 of the subscription agreement.

The management estimates the outcome of the claims and legal proceedings, taking into account the risks and uncertainties surrounding the legal cases. Provisions which is the management's best estimate of the consideration required to settle the obligation, after consultation with the legal counsel on the possible outcome and liability of the Group would then be recognised. As at 31 December 2019, an amount of approximately HK\$300,000 has been provided for the claim in relation to the Writ.

Subsequent to the end of reporting period, on 27 March 2020, the Company received a notice from the Noteholder that the Noteholder has agreed to settle the Writ at HK\$300,000. And on 7 April 2020, the Company settled the agreed total sum of HK\$300,000 in full and final settlement of all claims arising out from the Writ. On 20 April 2020, the Company has received a consent order issued by the District Court of the HKSAR that the Noteholder shall discontinue any further actions in relation to the Writ against the Company.

32. 訴訟撥備

於二零一九年十月十六日，本公司接獲麥格理銀行有限公司（「票據持有人」）根據日期為二零一八年十一月十三日之認購協議發出之相關事件認沽期權行使通知（「該通知」）。根據該通知，可換股票據三(1)已於二零一九年十一月十三日贖回。票據持有人宣稱股份收市價於至少連續5個交易日低於底價，並因此終止認購協議。協議所載任何保證及陳述在任任何重大方面遭嚴重違反，或協議內任何發行人之承諾或協議出現任何嚴重無法履行之情況，因此，票據持有人要求本公司支付註銷費2,990,000港元。

於報告期後之二零二零年一月二十一日，票據持有人針對本公司向香港特別行政區（「香港特別行政區」）區域法院發出傳訊令狀連申索背書（「令狀」）。根據令狀，票據持有人向本公司申索（其中包括）本公司根據認購協議條款第1.4條應付及結欠票據持有人之款項2,990,000港元。

管理層經計及圍繞法律案件之風險及不確定因素後，對申索及司法程序之結果作出估計。其後管理層經諮詢法律顧問有關潛在結果及本集團須承擔之責任後，就履行責任所需支付之代價金額作出最佳估計並確認撥備。於二零一九年十二月三十一日，就有關該令狀的申索作出了約300,000港元之撥備。

於報告期末後，本公司於二零二零年三月二十七日收到來自票據持有人之通知，當中票據持有人已同意以300,000港元就令狀達成和解。而於二零二零年四月七日，本公司悉數結付協定總金額300,000港元並就令狀產生之所有申索達成最終和解。於二零二零年四月二十日，本公司收到由香港特別行政區區域法院發出之同意令，據此，票據持有人將終止就針對本公司之令狀而進行之任何進一步行動。

33. SHARE CAPITAL AND RESERVES

33. 股本及儲備

	Notes 附註	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Issued and fully paid			
At 1 January 2018		1,637,677	1,015,341
Issue of shares upon conversion of convertible notes	(i)	165,000	72,670
At 31 December 2018 and 1 January 2019		1,802,677	1,088,011
Issue of shares upon conversion of convertible notes	(ii)	864	951
At 31 December 2019		1,803,541	1,088,962

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33. SHARE CAPITAL AND RESERVES (CONTINUED)

Notes:

- (i) During the year ended 31 December 2018, the Company has received two conversion notices in respect of the exercise of the remaining part of the conversion rights attached to the convertible notes in an aggregate principal amount of HK\$70,950,000 at the conversion price of HK\$0.43 per share. As a result of the conversion of the convertible notes, the Company has issued 20,000,000 shares on 24 Jan 2018 and 145,000,000 shares on 18 May 2018, respectively.
- (ii) On 24 February 2019, the Company has received conversion notice in respect of the exercise of part of the conversion rights attached to the CN3(1). As a result of the conversion, the Company allotted and issued 864,000 shares in aggregation in relation to the CN3(1).

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the annual report.

(I) EXCHANGE RESERVE

The exchange reserve comprises all foreign exchange differences arising from the translation of the consolidated financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2.

(II) STATUTORY RESERVE

Transfers from 10% of net profits to statutory reserve fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

Statutory reserve fund can be used to make good previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the statutory reserve fund after such conversion is not less than 25% of their registered capital.

The Company's subsidiaries in the PRC are required to transfer a minimum of 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations, to the statutory reserve fund until the reserve balance reaches 50% of the registered capital. The transfer to this fund must be made before distribution of dividends to shareholders.

(III) CONVERTIBLE NOTES RESERVE

The convertible notes reserve represents the value of the unexercised equity component of convertible notes issued by the Company recognised in accordance with the accounting policy adopted for convertible notes in note 2.

(IV) OTHER RESERVE

The other reserve of the Group represents the different between the total equity of those subsidiaries and the aggregated share capital of the relevant subsidiaries pursuant to the reorganisation where the transfer of the relevant subsidiaries to the Company are satisfied by issue of new share from the Company.

33. 股本及儲備(續)

附註：

- (i) 截至二零一八年十二月三十一日止年度，本公司接獲兩份有關行使餘下部分可換股票據所附帶兌換權之兌換通知，本金總額為70,950,000港元，兌換價為每股0.43港元。由於兌換可換股票據，本公司分別於二零一八年一月二十四日及二零一八年五月十八日發行20,000,000股股份及145,000,000股股份。
- (ii) 於二零一九年二月二十四日，本公司接獲有關行使部分可換股票據三(1)所附帶兌換權之兌換通知。由於進行兌換，本公司就可換股票據三(1)配發及發行合共864,000股股份。

本集團儲備金額及其於本年度及過往年度之變動呈列於本年報綜合權益變動表。

(I) 匯兌儲備

匯兌儲備包括換算海外業務之綜合財務報表所產生之所有匯兌差額。該項儲備乃根據附註2所載之會計政策處理。

(II) 法定儲備

轉撥純利之10%至法定儲備金乃根據中國相關規則及規例以及本公司於中國成立之附屬公司之組織章程細則進行，並獲相關董事會批准。

法定儲備金可用作補償過往年度虧損(如有)，亦可轉撥至實繳股本，惟於有關轉撥後之法定儲備金結餘不得少於註冊資本之25%。

本公司之中國附屬公司須根據中國會計規則及規例，將純利之最少10%轉撥至法定儲備金，直至儲備結餘達至註冊資本之50%為止。轉撥該資金須於向股東分派股息前進行。

(III) 可換股票據儲備

可換股票據儲備指根據附註2所述就可換股票據採納之會計政策，確認本公司所發行之可換股票據之未行使權益部分之價值。

(IV) 其他儲備

本集團之其他儲備指基於重組透過由本公司發行新股份達成向本公司轉移相關附屬公司而獲得之該等附屬公司之權益總額與相關附屬公司之股本總額之差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

34. SHARE-BASED PAYMENT TRANSACTION

Share Option Schemes

On 1 February 2016, the 2011 Share Option Scheme was terminated and a new share option scheme was adopted (the "2016 Share Option Scheme"). The purpose of the 2016 Share Option Scheme is to enable the Company to grant share options to a certain eligible participants as defined below ("Eligible Participants") as incentives or rewards for their contribution to the long term development of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate, attract, retain and/or provide benefits to the Eligible Participants. The 2016 Share Option Scheme was adopted for a period of 10 years commencing from 1 February 2016 and will remain in force until 31 January 2026.

Eligible Participant under the 2016 Share Option Scheme includes any full-time or part-time employees, consultants or potential employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the opinion of the directors, will contribute or has contributed to the Company and/or any of its subsidiaries.

The subscription price shall be determined by the directors in its absolute discretion but in any event shall be at least the higher of:

- (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange of Hong Kong on the date of grant which must be a business day; and
- (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange of Hong Kong for the five business days immediately preceding the date of grant.

Upon acceptance of the options, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within 14 days from the date of grant. Unless otherwise determined by the directors in the relevant offer letter to a grantee, there is no minimum period for which any option must be held before it can be exercised and no performance target which needs to be achieved by a grantee before the options can be exercised. An option may be exercised in accordance with the terms of the 2016 Share Option Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

There is no outstanding option and there is no options have been granted under the option scheme since its adoption.

34. 以股份為基礎之付款交易

購股權計劃

於二零一六年二月一日，二零一一年購股權計劃已告終止而新購股權計劃已獲採納（「二零一六年購股權計劃」）。二零一六年購股權計劃旨在使本公司能向若干合資格參與者（定義如下）（「合資格參與者」）授出購股權，作為彼等對本集團長期發展作出貢獻之獎勵或回報，並為本集團提供更靈活之方式獎勵、酬報、補償、招攬、留聘合資格參與者及／或向其提供福利。二零一六年購股權計劃自二零一六年二月一日採納之日起為期十年，並將維持有效直至二零二六年一月三十一日為止。

根據二零一六年購股權計劃，合資格參與者包括本公司或其任何附屬公司之任何全職或兼職僱員、諮詢顧問或潛在僱員、行政人員或高級職員（包括執行、非執行及獨立非執行董事），以及董事認為將向或已向本公司及／或其任何附屬公司作出貢獻之任何供應商、客戶、諮詢顧問、代理及顧問。

認購價為須由董事全權酌情釐定，惟在任何情況下須最少為下列各項之較高者：

- (i) 股份於授出日期（該日須為營業日）在香港聯交所發出之每日報價表所述之收市價；及
- (ii) 股份於緊接授出日期前五個營業日在香港聯交所發出之每日報價表所述之平均收市價。

承授人接納購股權後，須向本公司支付1.00港元，作為獲授購股權之代價。承授人須於授出日期起14天內，接納授出購股權之要約。除董事在寄發予承授人之有關要約函中另有釐定外，概無規定購股權可予行使前須持有任何購股權之最短期限，亦無設定承授人於行使購股權前需達致之表現目標。購股權可於董事可能釐定之期間內根據二零一六年購股權計劃之條款隨時行使，惟有關期間不得超過由授出日期起計十年，並受提前終止條文規限。

自採納購股權計劃以來，概無未行使購股權及據此授出任何購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

35. BUSINESS COMBINATION ACHIEVED IN STAGES

On 1 October 2018, the Group completed the acquisition of additional 30% of the issued share capital of Boyracı Construction for consideration of approximately HK\$23,042,000. Boyracı Construction is engaged in building construction, properties development and lease of properties in Turkey. As of 1 October 2018, it had completed 5 projects, consist of 14 residential units and 2 commercial units, additional two projects were expected to reach completion in the year of 2019. Following the completion of Further Acquisition, Boyracı Construction becomes an indirect 60%-owned subsidiary of the Company by way of step acquisition, i.e. business combination achieved in stages.

Consideration transferred

		Notes 附註	HK\$'000 千港元
Deposit paid	已付按金	(i)	9,068
Promissory Note A (PN 3)	承兌票據A (承兌票據3)	(ii)	9,162
Promissory Note B (Contingent consideration)	承兌票據B (或然代價)	(iii)	4,812
			23,042

Notes:

(i) The deposit of approximately TL7,544,000 (equivalent to USD 2,000,000) was paid by the Company on 9 June 2017.

(ii) In light of the exchange rate fluctuation of Turkish Lira, the Company and the vendor entered into a second side letter, to reduce the principal amount of the Promissory Note A and the Promissory Note B by USD1,500,000. On 1 October 2018, the Company issued the Promissory Note A (i.e. PN 3 in note 26) in the principal amount of USD1,938,770 as part of the consideration for the Further Acquisition.

The PN 3 was designated at fair value change through profit or loss at the Acquisition Date with a fair value of approximately HK\$9,162,000 (equivalent to USD1,170,116).

(iii) Pursuant to the supplemental deed and the second side letter, the Company shall issue a promissory note in the principal amount of up to USD1,111,230 (Promissory Note B) as the Contingent Consideration after the legal titles of the rewarded areas of the construction projects have been obtained by Boyracı Construction not later than 30 September 2019.

On the Acquisition Date, the fair value of the Contingent Consideration approximates to HK\$4,812,000 (equivalent to USD614,500).

35. 分階段達成之業務合併

於二零一八年十月一日，本集團完成收購 Boyracı Construction 額外30%已發行股本，代價約為23,042,000港元。Boyracı Construction於土耳其從事樓宇建造、物業開發及物業租賃業務。截至二零一八年十月一日，其已完成5個項目，包括14個住宅單位及2個商業單位，另外兩個項目預期於二零一九年竣工。進一步收購事項完成後，Boyracı Construction已通過逐步收購（即分階段實現業務合併）成為本公司擁有60%權益之間接附屬公司。

已轉讓代價

附註：

(i) 本公司已於二零一七年六月九日支付按金約7,544,000土耳其里拉（相當於2,000,000美元）。

(ii) 鑒於土耳其里拉之匯兌波動，本公司與賣方訂立第二份附函，以將承兌票據A及承兌票據B之本金額減少1,500,000美元。於二零一八年十月一日，本公司發行本金額為1,938,770美元之承兌票據A（即附註26內之承兌票據3）作為進一步收購事項代價之一部分。

於收購日期，承兌票據3為指定按公平值計入損益，其公平值約為9,162,000港元（相當於1,170,116美元）。

(iii) 根據補充契據及第二份附函，在Boyracı Construction不遲於二零一九年九月三十日取得建築項目報價面積之合法業權後，本公司將發行本金額最多為1,111,230美元之承兌票據（承兌票據B）作為或然代價。

於收購日期，或然代價之公平值估計約為4,812,000港元（相當於614,500美元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

35. BUSINESS COMBINATION ACHIEVED IN STAGES (CONTINUED)

Acquisition-related costs amounting to HK\$906,000 was recognised as an expense in profit or loss in the year of acquisition and have been included in “operating and administrative expenses”.

Details of assets and liabilities of Boyracı Construction recognised at the Acquisition Date

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	261
Deferred tax assets	遞延稅項資產	1,124
Investment properties	投資物業	83,044
Investment properties under construction	在建投資物業	29,667
Cash and cash equivalents	現金及現金等價物	18
Trade and other receivables	貿易及其他應收款項	4,344
Trade and other payables	貿易及其他應付款項	(4,300)
Deferred tax liabilities	遞延稅項負債	(18,662)
Provision for employment benefits	僱員福利撥備	(27)
		95,469

35. 分階段達成之業務合併 (續)

收購事項相關成本906,000港元已於進行收購事項之年度之損益確認為開支，並計入「經營及行政開支」。

有關於收購日期確認Boyracı Construction之資產及負債詳情

Reconciliation of acquisition

收購事項之對賬

		HK\$'000 千港元
Consideration transferred	已轉讓代價	23,042
Add: Fair value of previously held equity interest	加：先前持有股權之公平值	34,239
Add: Non-controlling interests consideration	加：非控股權益代價	38,188
Less: Fair value identifiable net assets acquired	減：所收購可識別資產淨值之公平值	(95,469)
		—

Prior to the Further Acquisition, the Group accounted for its previously held 30% equity interest in Boyracı Construction as an associate. On the Acquisition Date, the Group remeasured the carrying amount of the previously held 30% equity interest in Boyracı Construction to its fair amount on the Acquisition Date.

在進一步收購事項前，本集團將其先前持有Boyracı Construction之30%股權入賬列作一間聯營公司。於收購日期，本集團將先前持有Boyracı Construction之30%股權之賬面值重新計量至收購日期之公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

35. BUSINESS COMBINATION ACHIEVED IN STAGES (CONTINUED)

Reconciliation of acquisition (Continued)

With the net effect of (i) gain on remeasurement of the acquisition-date carrying amount of the previously held interest in Boyracı Construction to its fair value on the completion date of approximately HK\$6,673,000, and (ii) release of exchange reserve upon derecognition of an associate of approximately HK\$5,623,000, the Group recognised a gain on upon derecognition of an associate of approximately HK\$1,050,000 on the Acquisition Date.

The 30% non-controlling interest recognised at the Acquisition Date was measured based on the non-controlling interests' proportionate share of Boyracı Construction's net identifiable assets at the Acquisition Date.

Net cash flow effect arising from the business combination achieved in stages

		HK\$'000 千港元
Consideration paid in cash for the year ended 31 December 2018	截至二零一八年十二月三十一日止年度 已付現金代價	—
Add: Cash and cash equivalents acquired	加：所收購現金及現金等價物	18
		18

Performance of the acquiree from the date of acquisition up to the end of the reporting period

Included in the Group's loss for the year, there was profit of approximately HK\$11,000 generated by Boyracı Construction since the date of acquisition. The Group's revenue for the year included HK\$220,000 generated by Boyracı Construction since the date of acquisition.

Had the business combination been effected on 1 January 2018, the revenue of the Group from continuing operations would have been HK\$5,511,000, and the loss for the year from continuing operations would have been HK\$157,669,000. These amounts have been determined based on the annual depreciation of property, plant and equipment was determined based on the fair value of the property, plant and equipment at the date of acquisition. Management of the Group considers that these 'pro-forma' numbers are just for reference only which the subsidiary may or may not achieve these results in the future.

35. 分階段達成之業務合併 (續)

收購事項之對賬 (續)

因以下各項之淨影響：(i)將先前持有 Boyracı Construction之權益於收購日期之賬面值重新計量至完成日期之公平值收益約6,673,000港元；及(ii)終止確認一間聯營公司時撥回匯兌儲備約5,623,000港元，故本集團於收購日期確認終止確認一間聯營公司之收益約1,050,000港元。

於收購日期確認之30%非控股權益乃按非控股權益按比例分佔 Boyracı Construction於收購日期之可識別資產淨值計量。

分階段達成之業務合併所產生之現金流量淨額影響

被收購方自收購日期直至報告期末之表現

Boyracı Construction自收購日期起產生溢利約11,000港元，乃計入本集團之年內虧損。本集團於本年度之收益包括 Boyracı Construction自收購日期起產生之220,000港元。

倘業務合併自二零一八年一月一日起生效，則本集團來自持續經營業務之收益將為5,511,000港元，而持續經營業務產生之本年度虧損將為157,669,000港元。該等金額乃基於物業、廠房及設備之年度折舊而釐定，並根據物業、廠房及設備於收購日期之公平值而釐定。本集團管理認為，該等「備考」數字僅供參考，該附屬公司日後可能或可能無法達致該等業績。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36. CONTINGENT CONSIDERATION

In respect of the acquisition of additional 30% equity interest in Boyracı Construction on 1 October 2018, the Company shall issue a Promissory Note B to Mr. Osman Boyracı (the "Vendor") in the principal amount of up to USD1,111,230 as Contingent Consideration after the legal titles of the rewarded areas of the construction projects have been obtained by Boyracı Construction not later than 30 September 2019 ("Deferred Construction Date"). In the event that the Boyracı Construction fails to obtain the legal titles of the rewarded areas of the construction projects on or by 30 September 2019 and the Deferred Construction Date is not extended, the Company shall not be obliged to pay the Contingent Consideration and the Promissory Note B shall not be issued and delivered to the Vendor.

As at 30 September 2019, the two under-construction projects were still in progress and no legal titles of the rewarded units have been obtained. The management of the Company considers the Contingent Consideration has been lapsed and the carrying amount with exchange realignment of promissory note B of approximately HK\$6,660,000 was recognised as other income in the statement of profit or loss for the year ended 31 December 2019.

Subsequent to the end reporting period, in May 2020, one of the under-construction projects has been completed and relevant title deeds have had obtained. Based on the management's latest assessment, the remaining under-construction project is expected to be completed by mid-2020 and the issue of potential new promissory note is still under negotiation between the Company and the Vendor.

36. 或然代價

就於二零一八年十月一日收購Boyracı Construction額外30%股權而言，本公司須於Boyracı Construction在不遲於二零一九年九月三十日（「建築延後日期」）取得建築項目報償面積之合法業權後，向Osman Boyracı先生（「賣家」）發行本金額為1,111,230美元之承兌票據B作為或然代價。倘Boyracı Construction於二零一九年九月三十日或之前未能取得建築項目報償面積之合法業權，且建築延後日期未獲延長，則本公司無責任支付或然代價及毋須發行及交付承兌票據B予賣家。

於二零一九年九月三十日，該2個在建項目仍在興建，且並未取得報償單位之合法業權，本公司管理層認為，或然義務已經失效，而賬面值約6,660,000港元之承兌票據B已於截至二零一九年十二月三十一日止年度在損益表確認為其他收入。

於報告期末後，其中一項在建項目於二零二零年五月竣工，並已取得相關業權。根據管理層最新評估，其餘個在建項目預期將於二零二零年中竣工，而本公司與賣家仍就可能發行新的承兌票據進行磋商。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period are as follows:

37. 金融工具

(a) 按類別分類之金融工具

於各報告期末各類別之金融工具賬面值如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Amortised cost	攤銷成本		
Trade and other receivables	貿易及其他應收款項	9,403	13,562
Loan and interest receivables	應收貸款及利息	2,767	—
Cash and cash equivalents	現金及現金等價物	812	3,573
Amount due from an associate	應收一間聯營公司款項	3,033	3,031
		16,015	20,166
Financial liabilities	金融負債		
Financial liabilities designated at FVTPL	指定按公平值計入損益之金融負債		
Promissory note	承兌票據	14,605	11,448
Contingent consideration	或然代價	—	6,644
		14,605	18,092
Amortised cost	攤銷成本		
Trade and other payables	貿易及其他應付款項	18,362	17,953
Promissory notes	承兌票據	50,597	51,969
Borrowings	借貸	110,000	89,000
Lease liabilities	租賃負債	4,550	—
Obligation under finance leases	融資租約債務	—	703
Provision for employment benefits	僱員福利撥備	49	35
Provision of litigation	訴訟撥備	300	—
		183,858	159,660
		198,463	177,752

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

Exposure to credit risk, liquidity risk and market risks arises in the normal course of the Group's business. These risks are mitigated by the Group's financial management policies and practices described below.

(A) Credit Risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, loan and interest receivables bank balances, amount due from an associate, other receivables, loan and interest receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with loan receivables is mitigated because they are secured over Turkey property.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The loss given default is HK\$181,000 (2018: HK\$24,000)

Loan receivables

The directors of the Company estimate the estimated loss rates of loan receivables based on historical credit loss experience of the debtors as well as the fair value of the collateral pledged by the customers to the loan receivables. Based on assessment by the directors of the Company, the loss given default is HK\$26,000 (2018: nil).

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12-month ECL for pledged bank deposits / restricted bank deposits / bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies.

37. 金融工具 (續)

(b) 財務風險管理

本集團於一般業務過程中承受信貸風險、流動資金風險及市場風險。該等風險因下文所述之本集團財務管理政策及慣例而有所減低。

(A) 信貸風險

信貸風險指本集團之交易對手違約，導致本集團蒙受財務損失之風險。本集團之信貸風險主要來自貿易應收款項、貸款及應收利息、銀行結餘、應收聯營公司款項、其他應收款項、應收貸款及利息。本集團並無持有任何抵押品或其他信用增級，以抵償其與金融資產相關之信貸風險，惟應收貸款之相關信貸風險則由於獲得土耳其物業作抵押而得以減輕。

本集團根據預期信貸虧損模式對金融資產進行減值評估。有關本集團之信貸風險管理、最高信貸風險及相關減值評估（如適用）之資料概述如下：

本集團在接受任何新客戶之前，會使用內部信貸評級系統評估潛在客戶之信貸品質，並按客戶界定信貸額度。本集團每年對客戶之信貸額度及評級進行兩次檢討。本集團亦已實施其他監察程序，以確保採取跟進行動追討逾期債務。因違約而產生之虧損為181,000港元（二零一八年：24,000港元）。

應收貸款

本公司董事根據債務人之過往信貸虧損經驗以及客戶就應收貸款所質押之抵押品之公平值，估計應收貸款之估計虧損率。根據本公司董事之評估，因違約而產生之虧損為26,000港元（二零一八年：無）。

銀行結餘

銀行結餘之信貸風險有限，因為交易對手均為信譽良好之銀行，並獲得國際信貸機構授予高信用評級，因此銀行結餘之信貸風險有限。本集團參考外部信用評級機構所公佈之相關信用評級等級之違約概率及違約產生虧損之相關資料，評估已抵押銀行存款／有限制銀行存款／銀行結餘之12個月預期信貸虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(A) Credit Risk (Continued)

Amount due from an associate

The Group regularly monitors the business performance of the associate. The Group's credit risks in these balances are mitigated through the value of the assets held by these entities and the power to participate of these entities. The directors of the Company believe that there are no significant increase in credit risk of these amounts.

Other receivables and deposits

For other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The loss given default is HK\$709,000 (2018: nil).

For the year ended 31 December 2019

37. 金融工具 (續)

(b) 財務風險管理 (續)

(A) 信貸風險 (續)

應收聯營公司款項

本集團定期監察聯營公司之業務表現。本集團就上述款項結餘所承受之信貸風險乃透過該等實體所持有之資產價值及該等實體之參與權而得到減低。本公司董事相信，該等款項之信貸風險並無顯著增加。

其他應收款項及按金

就其他應收款項及按金而言，本公司董事會根據過往結算記錄、過往經驗，以及合理及可靠之前瞻性定量及定性資料，定期對其他應收款項及按金之可收回性作出個別評估。因違約而產生之虧損為709,000港元（二零一八年：無）。

截至二零一九年十二月三十一日止年度

		12-month ECLs 12個月預期 信貸虧損	Life time ECLs 存續期預期信貸虧損			
		Stage 1 第1階段 HK'000 千港元	Stage 2 第2階段 HK'000 千港元	Stage 3 第3階段 HK'000 千港元	Simplified approach 簡化法 HK'000 千港元	Total 總計 HK'000 千港元
Trade receivables	貿易應收款項	-	-	-	181	181
Financial assets include in prepayments, deposits and other receivables*	計入預付款項、按金 及其他應收款項之 金融資產*	709	-	-	-	709
Loan and interest receivables	應收貸款及利息	26	-	-	-	26
Cash and cash equivalents	現金及現金等價物	-	-	-	-	-
Amount due from an associate	應收一間聯營公司款項	-	-	-	-	-
		735	-	-	181	916

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(A) Credit Risk (Continued)

For the year ended 31 December 2018

37. 金融工具 (續)

(b) 財務風險管理 (續)

(A) 信貸風險 (續)

截至二零一八年十二月三十一日止年度

		12-month ECLs 12個月預期 信貸虧損	Life time ECLs 存續期預期信貸虧損			
		Stage 1 第1階段 HK'000 千港元	Stage 2 第2階段 HK'000 千港元	Stage 3 第3階段 HK'000 千港元	Simplified approach 簡化法 HK'000 千港元	Total 總計 HK'000 千港元
Trade receivables	貿易應收款項	-	-	-	24	24
Financial assets include in prepayments, deposits and other receivables*	計入預付款項、按金 及其他應收款項之 金融資產*	-	-	-	-	-
Loan and interest receivables	應收貸款及利息	-	-	-	-	-
Cash and cash equivalents	現金及現金等價物	-	-	-	-	-
Amount due from an associate	應收一間聯營公司款項	-	-	-	-	-
		-	-	-	24	24

* The credit quality of the financial assets included in prepayments, rental and other deposits and other receivables are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

* 計入預付款項、租賃按金及其他按金以及其他應收款項之金融資產信貸尚未逾期，且並無資料顯示該等金融資產之信貸風險自初步確認以來顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(B) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of each reporting period of the Group's non-derivative and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the statement of financial position date) and the earliest date the Group can be required to pay:

37. 金融工具 (續)

(b) 財務風險管理 (續)

(B) 流動資金風險

流動資金風險指本集團未能於到期時履行其財務責任之風險。本集團管理流動資金之方針為盡可能確保一直具備充裕流動資金，以應付到期負債，而不會產生不能承受虧損或損害本集團聲譽之風險。

本集團旗下個別營運實體負責本身之現金管理，包括現金盈餘短期投資，及籌措貸款以應付預期現金需求，惟倘借貸超出若干預定授權水平，則須獲母公司董事會批准。本集團之政策為定期監控其流動資金需要及其有否遵守貸款契據，確保維持充裕現金儲備及可即時變現之有價證券以及自主要財務機構獲取足夠已承諾貸款額，藉以應付短期及較長期之流動資金需要。

下表詳列本集團非衍生及衍生金融負債於各報告期末之剩餘合約到期日，乃按已訂約未貼現現金流量（包括採用合約利率或倘屬浮動利率，按於財務狀況表日期當前利率計算之利息付款）以及本集團可能須付款之最早日期為基準得出：

		2019 二零一九年					2018 二零一八年				
		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years
		賬面值	合約未貼現金流量總額	於一年內或按要求	超過一年但少於兩年	超過兩年但少於五年	賬面值	合約未貼現金流量總額	於一年內或按要求	超過一年但少於兩年	超過兩年但少於五年
		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
Trade and other payables	貿易及其他應付款項	18,362	18,362	18,362	-	-	17,953	17,953	17,953	-	-
Promissory notes	承兌票據	65,202	90,056	40,456	49,600	-	63,417	90,056	-	21,325	68,731
Borrowings	借貸	110,000	113,742	113,742	-	-	89,000	97,503	32,750	64,753	-
Contingent consideration	或然代價	-	-	-	-	-	6,644	10,965	-	-	10,965
Lease liabilities	租賃負債	4,550	6,514	2,137	-	4,377	-	-	-	-	-
Provision for employment benefits	僱員福利撥備	49	49	49	-	-	35	35	35	-	-
Provision of litigation	訴訟撥備	300	300	300	-	-	-	-	-	-	-
Obligations under finance leases	融資租約債務	-	-	-	-	-	703	730	155	575	-
		198,463	229,023	175,046	49,600	4,377	177,752	217,242	50,893	86,653	79,696

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(C) Market Risk

(i) Currency risk

The Group has transactional currency exposures. Such exposures arise from sales, purchases or expenditure by operating units in currencies other than the units' functional currencies. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates of the HK dollar ("HK\$"), Renminbi ("RMB") and Turkish Lira ("TL"), with all other variables held constant, of the Group's loss before taxation (due to changes in the fair value of monetary assets and liabilities).

37. 金融工具 (續)

(b) 財務風險管理 (續)

(C) 市場風險

(i) 貨幣風險

本集團承受交易性貨幣風險。此等風險來自營運單位除該單位功能貨幣以外貨幣進行之買賣及開支。下表載列在所有其他變量維持不變之情況下，本集團於報告期末之除稅前虧損（受貨幣資產及負債公平值變動影響）對港元（「港元」）、人民幣（「人民幣」）及土耳其里拉（「土耳其里拉」）匯率可能合理出現之變動之敏感程度。

		Increase/ (decrease) in exchange rate 匯率 增加／(減少)	Increase/ (decrease) in loss before taxation and accumulated loss 除稅前虧損 及累計虧損 增加／(減少) HK\$'000 千港元
2019	二零一九年		
If HK\$ weakens against RMB	如港元兌人民幣貶值	5%	236
If HK\$ strengthens against RMB	如港元兌人民幣升值	(5%)	(236)
If HK\$ weakens against TL	如港元兌土耳其里拉貶值	5%	(45)
If HK\$ strengthens against TL	如港元兌土耳其里拉升值	(5%)	45
2018	二零一八年		
If HK\$ weakens against RMB	如港元兌人民幣貶值	5%	203
If HK\$ strengthens against RMB	如港元兌人民幣升值	(5%)	(203)
If HK\$ weakens against TL	如港元兌土耳其里拉貶值	5%	1,055
If HK\$ strengthens against TL	如港元兌土耳其里拉升值	(5%)	(1,055)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(C) Market Risk (Continued)

(i) Currency risk (Continued)

For presentation purposes, the assets or liabilities are shown in Hong Kong dollars, translated using the spot rate at the year end date. The following table details the Group's exposure to foreign currency risk at end of the reporting period:

37. 金融工具(續)

(b) 財務風險管理(續)

(C) 市場風險(續)

(i) 貨幣風險(續)

就呈報目的而言，資產或負債以港元列示，並以年結日之即期匯率換算。下表詳列本集團於報告期末所承受之外幣風險：

		2019 二零一九年		2018 二零一八年	
		Turkey Lira	RMB	Turkey Lira	RMB
		(Expressed in thousand Hong Kong dollars)			
Exposure to foreign currencies	外幣風險	土耳其里拉	人民幣	土耳其里拉	人民幣
		(以千港元為單位)			
Trade and other receivables	貿易及其他應收款項	5,551	3,738	6,065	3,465
Cash and cash equivalents	現金及現金等價物	347	370	396	1,006
Trade and other payables	貿易及其他應付款項	(5,858)	(8,171)	(7,109)	(3,469)
Provision for employment benefits	僱員福利撥備	(50)	—	(35)	—
Net exposure arising from recognised assets and liabilities	已確認資產及負債所產生之風險淨額	(10)	(4,063)	(683)	1,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(C) Market Risk (Continued)

(ii) Interest rate risk

The Group is primarily exposed to cash flow interest rate risk in relation to interest bearing receivables and payables, including bank balances, loan receivables and borrowings. The Group's fair value interest rate risk relates primarily to promissory notes, convertible bonds and lease liabilities. The Group currently does not have an interest rate hedging policy in relation to fair value interest rate risk and cash flow interest rate risk. However, management of the Group monitors interest rate exposure on an on-going basis and will consider hedging significant interest rate exposure should the need arise and assess the potential impact arising from any interest rate movements based on interest rate level and outlook.

Interest expense on financial liabilities not measured at FVTPL:

37. 金融工具 (續)

(b) 財務風險管理 (續)

(C) 市場風險 (續)

(ii) 利率風險

本集團主要承擔與計息之應收款項及應付款項 (包括銀行結餘、應收貸款及借貸) 有關之現金流量利率風險。本集團之公平值利率風險主要與承兌票據、可換股債券及租賃負債有關。本集團目前並無有關公平值利率風險及現金流量利率風險之利率對沖政策。然而，本集團管理層持續監察利率風險，並將於需要時考慮對沖重大利率風險，以及評估任何利率變動所產生之潛在影響。

並非按公平值計入損益之金融負債之利息開支：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest expense of financial liabilities at amortised cost	按攤銷成本之金融負債利息開支	16,047	15,465

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(C) Market Risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

If interest rates had been 50 basis points (2018: 50 basis points) higher/lower and all other variables were held constant, the Group's:

- post-tax loss for the year ended 31 December 2019 would increase/decrease by HK\$3,048,000 (2018: increase/decrease by HK\$2,209,000). This is mainly attributable to the Group's exposure to interest rates on its borrowings, promissory notes and convertible notes.

(D) Fair Values

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

37. 金融工具 (續)

(b) 財務風險管理 (續)

(C) 市場風險 (續)

(ii) 利率風險 (續)

敏感度分析

以下敏感度分析乃根據報告期末之利率風險而釐定。編製分析時乃假設於報告期末之未償還金融工具於全年未予償還。

倘利率上升／下降50個基點（二零一八年：50個基點），而所有其他變數保持不變，則本集團：

- 截至二零一九年十二月三十一日止年度之稅後虧損將增加／減少3,048,000港元（二零一八年：增加／減少2,209,000港元）。此乃主要由於本集團面對借貸、承兌票據及可換股票據之利率風險。

(D) 公平值

公平值估計乃於某一特定時間根據有關市場資料及財務工具之資料作出。該等估計性質主觀及涉及不確定因素並須作出重大判斷，因此無法準確釐定。假設之任何變動均會對估計構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(D) Fair Values (Continued)

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

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

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

37. 金融工具 (續)

(b) 財務風險管理 (續)

(D) 公平值 (續)

就財務報告而言，公平值計量按公平值計量所用輸入數據之可觀察程度及公平值計量之輸入數據對其整體之重要性分為第一、二或三級，詳情如下：

- 第一級輸入數據為實體於計量日期可取得之相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據為就資產或負債可直接或間接觀察之輸入數據（不包括第一級報價）；及
- 第三級輸入數據為資產或負債不可觀察之輸入數據。

於綜合財務狀況表內反映之本集團金融資產及金融負債賬面值與其各自之公平值相若。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Level 3	第三級		
Contingent consideration	或然代價	—	6,644
Promissory note	承兌票據	14,605	11,448
		14,605	18,092

The Group's policy is to recognise transfers into and out of fair value hierarchy levels at the end of the date of the events or change in circumstances that caused the transfer.

During the year ended 31 December 2019, there were no transfers between level 1 and level 2, or transfers into or out of level 3.

本集團之政策為確認於導致轉撥之事件或情況變動出現之日結束時的公平值層級等級間轉撥。

截至二零一九年十二月三十一日止年度，第一級與第二級之間並無轉移公平值之轉撥，亦並無轉入或轉出第三級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(D) Fair Values (Continued)

The following table presents the changes in fair value of contingent consideration and promissory note designated at FVTPL which are classified as level 3 category for the year ended 31 December 2019:

		Contingent consideration 或然代價 HK\$'000 千港元	Promissory note 承兌票據 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	—	—
Issue of promissory note	發行承兌票據	—	9,162
Recognition of contingent consideration	確認或然代價	6,644	—
Loss on fair value change	公平值變動減少	—	2,282
Exchange difference	匯兌差額	—	4
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	6,644	11,448
(Gain)/loss on fair value change	公平值變動之(收益)/虧損	(6,660)	3,130
Exchange difference	匯兌差額	16	27
At 31 December 2019	於二零一九年十二月三十一日	—	14,605

Information about level 3 fair value measurements

有關第三級公平值計量的資料

	Valuation techniques 估值技術	Significant unobservable input 重大不可觀察輸入數據	Relation of significant unobservable inputs to fair value 重大不可觀察輸入數據與公平值之關係
Contingent consideration 或然代價	Monte Carlo Simulation method 蒙特卡洛模擬法	Discounted cash flows 貼現現金流	The higher the discount rate, the lower the fair value 貼現率越大，公平值越小
Promissory note 承兌票據	Binomial Model 二項式模型	Discounted cash flows 貼現現金流	The higher the discount rate, the lower the fair value 貼現率越大，公平值越小

In estimating the fair value of contingent consideration and promissory note, the management work closely with GW Financial Advisory Services Limited and IVL respectively to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the directors at the end of each reporting period to explain the cause of fluctuations in fair value.

估計或然代價和承兌票據的公平值時，管理層分別與盛德財務諮詢服務有限公司和IVL，確立適當估值技術及該模式之輸入值。管理層於各報告期末向董事匯報調研結果，以解釋公平值波動之原因。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group manages capital by regularly monitoring its current and expected liquidity requirement rather than using debt/equity ratio analysis.

39. COMMITMENTS

(a) Operating lease commitments and arrangements

As lessee

The Group had total future minimum lease payments under non-cancellable operating lease falling as follows:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	745
In the second to fifth years	第二年至第五年	6,824
		7,569

As lessor

The Group had total future minimum lease receivable under non-cancellable operating leases with its tenants falling due as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	784	882
In the second to fifth years	第二年至第五年	—	—
		784	882

38. 資本風險管理

本集團管理資本之主要目標，是為保障本集團能繼續按持續經營基準經營，從而能透過與風險水平相對應之產品及服務定價以及獲得合理成本之融資，繼續為股東創造回報以及使其他權益持有人受惠。

本集團積極定期檢討及管理其資本結構，以在較高股東回報情況下可能伴隨之較高借貸水平與良好資本狀況帶來之好處及保障之間維持平衡，並因應經濟環境變動對資本結構作出調整。

為維持或調整資本結構，本集團或會調整向股東派付之股息金額、向股東退回資本、發行新股份或出售資產，以減少債務。

本集團透過定期監察其目前及預期流動資金需求管理資本，而非採用債務／權益比例分析。

39. 承擔

(a) 經營租賃承擔及安排

作為承租人

本集團之到期不可撤銷經營租賃總未來最低租賃款項如下：

作為出租人

本集團與其租戶之到期不可撤銷經營租賃總未來最低租賃應收款項如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

39. COMMITMENTS (CONTINUED)

(b) Capital commitment

The Group had the following capital commitment:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Contracted but not provided for – Capital injection of a subsidiary	已訂約但未撥備 – 一間附屬公司注資	13,401	7,753

39. 承擔 (續)

(b) 資本承擔

本集團有以下資本承擔：

40. MATERIAL TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(a) Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

		Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term employees benefits	短期僱員福利		1,686	1,475
Post-employment benefits	退休福利		30	26
Amount due to related persons	應付有關連人士款項	24	6,962	7,198
			8,678	8,699

40. 重大有關連人士交易及結餘

(a) 主要管理人員之補償

本集團主要管理人員酬金(包括附註8所披露已付本公司董事之金額及附註9所披露已付若干最高薪僱員之金額)如下：

(b) Transactions with other related parties

Other than those transactions disclosed elsewhere in the consolidated financial statements, the Group has no transactions or balances with other related parties during the year ended 31 December 2019 and 2018.

(b) 與其他有關連人士交易

除綜合財務報表其他部分披露之該等交易外，本集團截至二零一九年及二零一八年十二月三十一日止年度概無其他有關連人士交易或結餘。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

41. EVENTS AFTER REPORTING PERIOD

Reference is made to the Company's announcement on 3 January 2020, the Company has entered into a subscription agreement with the subscriber, pursuant to which the subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 360,708,000 subscription shares at the subscription price of HK\$0.026 per subscription share. The subscription shares represent (i) approximately 20.00% of the existing total number of issued shares, being 1,803,541,356 shares, as at 3 January 2020; and (ii) approximately 16.67% of the enlarged total number of issued shares of 2,164,249,356 shares immediately following completion, assuming that there will be no change in the total number of shares in issue (other than the issue of the subscription shares) between the date of announcement and completion.

All the conditions under the subscription agreement have been fulfilled and completion of the subscription took place on 20 February 2020. A total of 360,708,000 subscription shares were allotted and issued by the Company to the subscriber at the subscription price of HK\$0.026 per subscription share pursuant to the terms and conditions of the subscription agreement.

The net proceeds (after deducting the related expenses) from the subscription is approximately HK\$9.32 million. It is intended that the net proceeds from the subscription will be applied for the repayment of the outstanding indebtedness and the general working capital of the Group.

Details were disclosed in the Company's announcements dated 3 January 2020, 3 February 2020, 12 February 2020 and 20 February 2020.

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country/region. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which these financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

41. 報告期後事項

茲提述本公司日期為二零二零年一月三日之公佈，本公司與認購方訂立一份認購協議，據此，認購方已有條件同意認購，而本公司已有條件同意以認購價每股認購股份0.026港元配發及發行合共360,708,000股認購股份。認購股份相當於(i)於二零二零年一月三日現有已發行股份總數1,803,541,356股股份之約20.00%；及(ii)緊隨完成後經擴大已發行股份總數2,164,249,356股股份之約16.67%（假設於公佈日期至完成期間已發行股份總數概無變動（發行認購股份除外））。

認購協議之所有條件均已達成而認購事項已於二零二零年二月二十日完成。本公司已根據認購協議之條款及條件，按每股認購股份0.026港元之認購價向認購方配發及發行合共360,708,000股認購股份。

認購事項之所得款項淨額（扣除相關開支後）約為932萬港元。認購事項之所得款項淨額擬用於償還未償還之債務及作為本集團一般營運資金。

有關詳情已於本公司日期為二零二零年一月三日、二零二零年二月三日、二零二零年二月十二日及二零二零年二月二十日之公佈披露。

2019冠狀病毒病疫情（「COVID-19疫情」）於二零二零年初爆發後，各國／地區均實施一系列預防及控制措施。本集團將密切關注COVID-19疫情之發展，並評估其對本集團財務狀況及經營業績之影響。截至本財務報表獲批准刊發之日期，本集團並不知悉任何因COVID-19疫情所構成對財務報表之重大不利影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

42. STATEMENT OF FINANCIAL POSITION

42. 財務狀況表

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	82	89
Interests in subsidiaries	於附屬公司之權益	128,359	220,121
		128,441	220,210
Current assets	流動資產		
Other receivables and deposit paid	其他應收款項及已付按金	175	150
Amount due from an associate	應收一間聯營公司款項	3,000	3,000
Cash and cash equivalents	現金及現金等價物	101	2,028
		3,276	5,178
Current liabilities	流動負債		
Other payables	其他應付款項	5,113	534
Borrowing	借貸	30,000	30,000
Contingent consideration	或然代價	—	6,644
Promissory note	承兌票據	33,623	—
Provision of litigation	訴訟撥備	300	—
		69,036	37,178
Net current liabilities	流動負債淨值	(65,760)	(32,000)
Total assets less current liabilities	資產總值減流動負債	62,681	188,210
Non-Current Liabilities	非流動負債		
Other payable	其他應付款項	3,393	—
Promissory notes	承兌票據	31,580	28,237
		34,973	28,237
NET ASSETS	資產淨值	27,708	159,973
EQUITY AND RESERVES	權益及儲備		
Share capital	股本	1,088,962	1,088,011
Reserves	儲備	(1,061,254)	(928,038)
TOTAL EQUITY	權益總額	27,708	159,973

Approved and authorised for issue by the Board of Directors on 19 June 2020.

經由董事會於二零二零年六月十九日批准及授權刊發。

Hung Tat Chi Alan
洪達智
Director
董事

Ling Ko Yin Jason
林高然
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

42. STATEMENT OF FINANCIAL POSITION (CONTINUED)

42. 財務狀況表 (續)

The reserve of the Company is as follow:

本公司儲備如下：

		Convertible notes reserve 可換股 票據儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	6,185	(916,212)	(910,027)
Issue of shares upon conversion of convertible notes	因兌換可換股票據 而發行股份	(2,752)	—	(2,752)
Derecognition of convertible notes	終止確認可換股票據	(3,433)	3,433	—
Loss for the year	年內虧損	—	(15,259)	(15,259)
At 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	—	(928,038)	(928,038)
Loss for the year	年內虧損	—	(133,886)	(133,886)
Gain on fair value attributable to change in credit risk of convertible notes	歸因於可換股票據信貸風險變動 之公平值變動收益	—	670	670
At 31 December 2019	於二零一九年十二月三十一日	—	(1,061,254)	(1,061,254)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

43. 融資活動所產生之負債對賬

下表載列本集團融資活動所產生之負債變動詳情，包括現金及非現金變動。融資活動所產生之負債為現金流量或未來現金流量之負債，其已經或將會於本集團綜合現金流量表中分類為融資活動之現金流量。

		Borrowings	Convertible notes	Promissory notes	Lease liabilities	Obligations under finance leases	Total
		借貸	可換股票據	承兌票據	租賃負債	融資租約債務	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	52,000	96,198	71,363	—	831	220,392
Financing cash flows	融資現金流量	7,000	—	(10,000)	—	(128)	(3,128)
Acquisition of subsidiary	收購附屬公司	—	—	9,162	—	—	9,162
Gain on early redemption	提早贖回時之收益	—	—	(590)	—	—	(590)
Gain on extinguishment	抵銷時之收益	—	—	(8,487)	—	—	(8,487)
Derecognition of convertible note	終止確認可換股票據	30,000	(30,000)	—	—	—	—
Conversion of convertible notes	兌換可換股票據	—	(69,918)	—	—	—	(69,918)
Fair value adjustment	公平值調整	—	—	2,282	—	—	2,282
Exchange adjustments	匯兌調整	—	—	4	—	—	4
Interest charged/(paid), net	利息費用/(已付利息)淨額	—	3,720	(317)	—	—	3,403
At 31 December 2018	於二零一八年十二月三十一日	89,000	—	63,417	—	703	153,120
Adjustment upon application of HKFRS 16	應用香港財務報告準則第16號後調整	—	—	—	4,405	(703)	3,702
At 1 January 2019	於二零一九年一月一日	89,000	—	63,417	4,405	—	156,822
Financing cash flows	融資現金流量	11,545	(1,082)	(7,500)	(155)	—	2,808
Conversion of convertible notes	轉換可換股票據	—	(951)	—	—	—	(951)
Gain on issue of convertible notes	發行可換股票據之收益	—	(405)	—	—	—	(405)
Loss/(gain) on early redemption	提早贖回時之虧損/(收益)	—	7,920	(92)	—	—	7,828
Redemption of convertible notes, net	贖回可換股票據淨額	—	120	—	—	—	120
Fair value adjustment	公平值調整	—	(6,684)	3,130	—	—	(3,554)
Exchange adjustments	匯兌調整	—	—	27	(72)	—	(45)
Interest charged, net	利息費用淨額	9,455	1,082	6,220	372	—	17,129
At 31 December 2019	於二零一九年十二月三十一日	110,000	—	65,202	4,550	—	179,752

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The details of principal subsidiaries are set as follows:

44. 主要附屬公司之權益詳情

主要附屬公司之詳情載列如下：

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊成立/成立及 經營地點	Particulars of issued/registered and paid up capital 已發行/註冊及 實繳股本詳情	Proportion of ownership interest 所有權權益比例		Principal activity 主要業務
			Group's effective holding 本集團實際持有 2019	2018	
			二零一九年	二零一八年	
Progress Gain Resources Limited 陞益資源有限公司	Hong Kong 香港	100 shares of HK\$50,000 each 100股每股面值50,000港元之股份	100% (Indirect) (間接)	100% (Indirect) (間接)	Trading 貿易
Mega Field International Limited 偉大國際有限公司	Hong Kong 香港	1 share of HK\$1 each 1股面值1港元之股份	100% (Direct) (直接)	100% (Direct) (直接)	Fashion Garment 時尚服裝
Ottoman Evershine Construction	Turkey 土耳其	Paid up capital of USD50,000 實繳股本50,000美元	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
Boyraci Construction	Turkey 土耳其	Registered capital of TL21,000,000 註冊資本21,000,000土耳其里拉	60% (Indirect) (間接)	60% (Indirect) (間接)	Building construction properties development and lease of properties 樓宇建造、物業開發及 物業租賃業務
Ottoman Evershine Finance Limited 奧斯曼財務有限公司	Hong Kong 香港	1 share of HK\$1 each 1股面值1港元之股份	100% (Indirect) (間接)	100% (Indirect) (間接)	Money Lending 放債
Pro-King Corporation Limited 博御有限公司	Hong Kong 香港	1 share of HK\$1 each 10,000股每股面值 1港元之股份	100% (Direct) (直接)	100% (Direct) (直接)	Investment holdings 投資控股
鑫盛國際貿易(深圳)有限公司	PRC 中國	Registered capital of RMB8,000,000 註冊資本人民幣8,000,000元	100% (Indirect) (間接)	100% (Indirect) (間接)	Trading 貿易
Patalogue Limited 派得樂有限公司	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值 1港元之股份	100% (Direct) (直接)	100% (Direct) (直接)	Mobile application business 手機應用程式業務
Vital Fortune International Investment Limited 福生國際投資有限公司	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Direct) (直接)	100% (Direct) (直接)	Investment holdings 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

44. 主要附屬公司之權益詳情 (續)

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊成立／成立及 經營地點	Particulars of issued/registered and paid up capital 已發行／註冊及 實繳股本詳情	Proportion of ownership interest 所有權權益比例		Principal activity 主要業務
			Group's effective holding 本集團實際持有		
			2019 二零一九年	2018 二零一八年	
Fortune Ford Limited 福永高有限公司	Hong Kong 香港	10,001 shares of total HK\$10,492,837 10,001股 合共10,492,837港元之股份	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
鄭州鼎望瀚鑫貿易有限公司 (note i) (附註 i)	PRC 中國	Registered capital USD1,000,000 註冊資本1,000,000美元	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
柘城縣襄安陵有限公司 (note ii) (附註 ii)	PRC 中國	Registered capital RMB1,000,000 註冊資本人民幣1,000,000元	90% (Indirect) (間接)	90% (Indirect) (間接)	Construction and development of Cemetery 公墓建設及開發
Ottoman Evershine Holdings Limited 奧斯曼控股有限公司	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Direct) (直接)	100% (Direct) (直接)	Investment holdings 投資控股
深圳市平行家居有限公司 (note i) (附註 i)	PRC 中國	Registered capital RMB13,000,000 註冊資本人民幣13,000,000元	51% (Indirect) (間接)	51% (Indirect) (間接)	Retail trade of window frames doors and wardrobe 零售窗框、門及衣櫃
Maxwise Limited 名慧有限公司	Hong Kong 香港	100,000 shares of HK\$1 each 100,000股每股面值1港元之股份	55% (Indirect) (間接)	55% (Indirect) (間接)	Trading of chrome ore 鉻礦交易
Sharp Pick Ventures Limited	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Direct) (直接)	100% (Direct) (直接)	Rental service 租賃服務
Spring Hero Developments Limited	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Indirect) (間接)	100% (Indirect) (間接)	Rental service 租賃服務
Ever Eagle Invest Trading Company	Hong Kong 香港	10 shares of HK\$1 each 10股每股面值1港元之股份	70% (Indirect) (間接)	70% (Indirect) (間接)	Trading 貿易
Ottoman Evershine Software Limited	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

44. 主要附屬公司之權益詳情 (續)

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊成立／成立及 經營地點	Particulars of issued/registered and paid up capital 已發行／註冊及 實繳股本詳情	Proportion of ownership interest 所有權權益比例		Principal activity 主要業務
			Group's effective holding 本集團實際持有		
			2019 二零一九年	2018 二零一八年	
Ottoman Evershine Asset Management Limited	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元之股份	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
Ottoman Evershine Investment Limited	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
Ottoman Evershine Development Limited	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
Ottoman Evershine Construction Limited	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元之股份	100% (Indirect) (間接)	100% (Indirect) (間接)	Construction 建築
Ottoman Evershine Gayrimenkul Yatirimi Anonim Şirketi	Turkey 土耳其	Paid up capital of TL50,000 實繳股本50,000土耳其里拉	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
Ottoman Evershine İnşaat Proje Ticaret Anonim Şirketi	Turkey 土耳其	Paid up capital of TL50,000 實繳股本50,000土耳其里拉	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
Ottoman Evershine Financial Holdings Limited	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
Top Admire Enterprises Limited	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Indirect) (間接)	100% (Indirect) (間接)	Properties investment 物業投資
Wang Tai Group Investment (HK) Limited	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元之股份	100% (Indirect) (間接)	100% (Indirect) (間接)	Trading 貿易
深圳市宏泰實業有限公司 (note 1) (附註i)	PRC 中國	Registered capital of HK\$1,000,000 註冊資本1,000,000港元	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
Flat Limited	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	51% (Direct) (直接)	51% (Direct) (直接)	Investment holdings 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

44. 主要附屬公司之權益詳情 (續)

Name of company 公司名稱	Place of incorporation/ establishment and operation 註冊成立／成立及 經營地點	Particulars of issued/registered and paid up capital 已發行／註冊及 實繳股本詳情	Proportion of ownership interest 所有權權益比例		Principal activity 主要業務
			Group's effective holding 本集團實際持有		
			2019 二零一九年	2018 二零一八年	
Flat concept Limited	Hong Kong 香港	100 shares of HK\$1 each 100股每股面值1港元之股份	51% (Indirect) (間接)	51% (Indirect) (間接)	Investment holdings, inter 投資控股
Worthy Victory Limited	British Virgin Island 英屬處女群島	50,000 ordinary shares of USD1 each 50,000股每股面值1美元之普通股	100% (Indirect) (間接)	100% (Indirect) (間接)	PRC operating rights of mobile app 持有手機應用程式之 中國經營權
深圳市前海名慧貿易有限公司 (note i) (附註i)	PRC 中國	Registered capital of RMB5,000,000 註冊資本人民幣5,000,000元	55% (Indirect) (間接)	55% (Indirect) (間接)	Trading 貿易
Ottoman Evershine Financial Holdings Limited	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元之股份	100% (Indirect) (間接)	100% (Indirect) (間接)	Investment holdings 投資控股
深圳前海奧特曼工程有限公司 (note i) (附註i)	PRC 中國	Registered capital of RMB1,000,000 註冊資本人民幣1,000,000元	100% (Indirect) (間接)	100% (Indirect) (間接)	Construction 建築
廣州永耀工程有限公司 (note ii) (附註ii)	PRC 中國	Registered capital of RMB5,000,000 註冊資本人民幣5,000,000元	100% (Indirect) (間接)	100% (Indirect) (間接)	Construction 建築

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Notes:

- (i) Registered under the laws of the PRC as wholly foreign-owned enterprise.
- (ii) Registered under the laws of the PRC as limited liability enterprise.

Details of non-wholly owned subsidiaries that have material non-controlling interests

The summarised financial information below represents amounts before intragroup eliminations:

Boyracı Construction

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	40,769	5,427
Non-current assets	非流動資產	80,184	130,488
Current liabilities	流動負債	1,888	2,918
Non-current liabilities	非流動負債	22,405	25,005
Equitable attributable to the shareholders of the Company	本公司股東應佔權益	57,996	64,795
Non-controlling interests	非控股權益	38,664	43,197

44. 主要附屬公司之權益詳情 (續)

附註：

- (i) 根據中國法律註冊為外商獨資企業。
- (ii) 根據中國法律註冊為有限責任企業。

擁有重大非控股權益之非全資附屬公司

詳情下列財務資料概要乃經扣除集團內公司間撇銷前之金額：

Boyracı Construction

		Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Period from 1 October to 31 December 2018 二零一八年 十月一日至 十二月三十一日 期間 HK\$'000 千港元
Revenue	收益	888	220
Other income	其他收入	1,864	—
Expense	開支	(1,827)	(209)
Profit for the year/period	年／期內溢利	925	11
Profit attributable to non-controlling interests	非控股權益應佔溢利	370	4
Net cash inflow/(outflow) from:	現金流入／(流出)淨額：		
Operating activities	經營活動	3,798	(403)
Investing activities	投資活動	(4,828)	(1,381)
Financing activities	融資活動	1,323	1,827
Net cash inflow	現金流入淨額	293	43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

柘城縣襄安陵有限公司

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	2,786	3,403
Non-current assets	非流動資產	48,859	46,238
Current liabilities	流動負債	20,921	18,111
Non-current liabilities	非流動負債	1,961	—
Equity attributable to shareholders of the Company	本公司股東應佔權益	25,887	28,377
Non-controlling interests	非控股權益	2,876	3,153

44. 主要附屬公司之權益詳情 (續)

柘城縣襄安陵有限公司

柘城縣襄安陵有限公司

柘城縣襄安陵有限公司

		Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收益	98	63
Expenses	開支	(2,871)	(78,795)
Loss for the year	年內虧損	(2,773)	(78,732)
Loss attributable to non-controlling interests	非控股權益應佔虧損	(277)	(7,873)
Net cash (outflow)/inflow from:	現金(流出)/流入淨額：		
Operating activities	經營活動	(156)	(1,664)
Investing activities	投資活動	(13)	(17)
Financing activities	融資活動	316	147
Net cash inflow/(outflow)	現金流入/(流出)淨額	147	(1,534)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

45. NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

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

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2020

The directors consider that the application of all new and amendments to HKFRSs and HKASs is unlikely to have a material impact on the Group's financial position and performance as well as disclosure in foreseeable future.

45. 已發佈但尚未生效之新修訂及修訂準則及詮釋

截至本財務報表刊發日期，香港會計師公會已發佈但尚未於截至二零一九年十二月三十一日止年度生效之數項修訂及新準則，而本集團並未在本財務報表中採用此等修訂及新準則。其中可能與本集團相關者如下：

本集團並無提前應用下列已發佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號(修訂本)	業務之定義 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司間之資產出售或注資 ³
香港會計準則第1號及香港會計準則第8號(修訂本)	重大之定義 ⁴
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基準改革 ⁴

¹ 於二零二一年一月一日或之後開始之年度期間生效

² 對收購日期為二零二零年一月一日或之後開始之年度期間開始時或之後之業務合併及資產收購有效

³ 於待定期或之後開始之年度期間生效

⁴ 於二零二零年一月一日或之後開始之年度期間生效

董事認為，應用所有新訂及經修訂香港財務報告準則及香港會計準則不大可能於可見將來對本集團之財務狀況及表現及披露資料造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

45. NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to HKFRS 3 Definition of a Business

The amendments:

- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis;
- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; and
- narrow the definition of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with earlier application permitted.

The amendments to HKFRS 3 are not expected to have significant impact on the Group's consolidated financial statements.

Conceptual Framework for Financial Reporting 2019 (the "New Framework") and the Amendments

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

45. 已發佈但尚未生效之新修訂及修訂準則及詮釋(續)

香港財務報告準則第3號(修訂本)「業務之定義」

修訂本內容：

- 加入選擇性集中度測試，簡化對被收購之一組活動及資產是否屬於業務之評估，並可選擇按逐項交易基準決定是否採用選擇性集中度測試；
- 澄清有關被收購之一組活動及資產若要滿足業務之定義，其必須最少包含「投入」及「實質性流程」，且兩者共同能夠顯著促進創造「產出」；及
- 集中對焦向客戶所提供之貨品及服務，以及移除對節省成本能力之描述，以收窄業務及產出之定義。

修訂本適用於收購日期為二零二零年一月一日或之後開始之首個年度報告期間或之後進行之所有業務合併及資產收購，並可提前應用。

香港財務報告準則第3號(修訂本)預期不會對本集團之綜合財務報表造成重大影響。

二零一九年版財務報告概念框架(「新框架」)及修訂

新框架內容：

- 重新引入「受託責任」及「審慎」一詞；
- 引入新的資產定義(新定義較著重於權利)及新的負債定義，新的定義很大可能較所取代之定義更為廣泛，惟不會改變負債與權益工具之間的區別；
- 討論有關歷史成本及現值之計量，並就如何為某一資產或負債選擇計量基準提供額外指引；
- 表明財務表現之主要計量標準為損益賬。只有在特殊情況下才會使用其他全面收益，且只會是由資產或負債之現值變動產生之收入或開支；及
- 討論有關不確定性、終止確認、會計單位、報告實體及合併財務報表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

45. NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Conceptual Framework for Financial Reporting 2019 (the “New Framework”) and the Amendments (Continued)

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

46. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective method. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2.

47. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 19 June 2020.

45. 已發佈但尚未生效之新修訂及修訂準則及詮釋(續)

二零一九年版財務報告概念框架(「新框架」)及修訂(續)

若干香港財務報告準則中之提述已透過作出相應修訂而更新至符合新框架，惟部分香港財務報告準則仍參考舊版本之框架。該等修訂本於二零二零年一月一日或之後開始之年度期間生效，並可提早應用。除特定準則仍參考舊版本之框架外，本集團將於生效日期開始按新框架釐定會計政策，尤其是該等於各項會計準則下未能處理之交易、事件或狀況。

46. 比較數據

本集團已於二零一九年一月一日採用經修訂之追溯法初步應用香港財務報告準則第16號。根據此方法，並未重列比較資料。有關會計政策變動之進一步詳情於附註2披露。

47. 批准財務報表

綜合財務報表已於二零二零年六月十九日經董事會批准及授權刊發。

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

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

本集團過往五個財政年度之業績以及資產及負債概要載列如下：

		For the year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元 (Re-presented) (經重列)	2015 二零一五年 HK\$'000 千港元
Revenue from continuing operations	來自持續經營業務之收益	3,438	4,427	27,948	135,462	72,900
Loss before taxation	除稅前虧損	(92,558)	(113,446)	(69,329)	(68,546)	(29,866)
Profit from discontinued operations	來自已終止業務之溢利	—	—	580	2,706	16,108
Taxation	稅項	(523)	3	—	916	228
Loss for the year	本年度虧損	(93,081)	(113,443)	(68,749)	(64,924)	(13,530)
Net loss from ordinary activities attributable to owner	下列各項之日常業務虧損淨額擁有人應佔	(92,278)	(105,087)	(66,961)	(65,399)	(11,996)
attributable to non-controlling interests	非控股權益應佔	(803)	(8,356)	(1,788)	475	(1,534)

		As at 31 December 於十二月三十一日				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total assets	總資產	307,615	384,564	419,453	421,923	308,576
Total liabilities	總負債	(226,935)	(201,521)	(232,112)	(227,441)	(91,809)
Non-controlling interests	非控股權益	(39,191)	(43,834)	(10,354)	(12,667)	(8,701)
		41,489	139,209	176,987	181,815	208,066