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Vision International Holdings Limited

威誠國際控股有限公司

(於開曼群島註冊成立的有限公司)

(股份代號：8107)

截至2018年12月31日止年度 年度業績公告

威誠國際控股有限公司(「本公司」)董事(「董事」)會(「董事會」)欣然公佈本公司及其附屬公司(「本集團」)截至2018年12月31日止年度之經審核綜合財務業績。本公告載列本公司2018年年度報告(「2018年年度報告」)全文，並符合香港聯合交易所有限公司GEM證券上市規則(「GEM上市規則」)有關年度業績初步公告附載資料的相關規定。本公司2018年年度報告的印刷版本將於適當時候寄發予本公司的股東，並可於GEM網站www.hkgem.com及本公司網站www.vision-holdings.com.hk閱覽。

承董事會命

Vision International Holdings Limited

威誠國際控股有限公司

主席兼執行董事

高銑印先生

香港，2019年3月18日

於本公告日期，本公司執行董事為高銑印先生、高文灝先生及鍾嘉榮先生；以及本公司獨立非執行董事為杜景仁先生、郭志堅先生及陳劍榮先生。

本公告的資料乃遵照GEM上市規則而刊載，旨在提供有關本集團的資料；本公司的董事願就本公告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本公告所載資料在各重要方面均屬準確完備，沒有

誤導或欺詐成分，且並無遺漏其他事項，足以令致本公告或其所載任何陳述產生誤導。

本公告將由其刊登日期起最少七日於GEM網站www.hkgem.com「最新公司公告」網頁及於本公司網站www.vision-holdings.com.hk刊登。

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

香港聯合交易所有限公司（「聯交所」）GEM 的特色

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

*This report for which the directors (the “**Directors**”) of Vision International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**” or “**our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

GEM 的定位，乃為中小型公司提供的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於 GEM 上市公司普遍為中小型公司，在 GEM 買賣的證券可能會較於主板買賣的證券承受較大的市場波動風險，同時無法保證在 GEM 買賣的證券會有高流通量的市場。

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本報告的資料乃遵照聯交所 GEM 證券上市規則（「**GEM 證券上市規則**」）而刊載，旨在提供有關威誠國際控股有限公司（「**本公司**」，及連同其附屬公司統稱「**本集團**」或「**我們**」）的資料；本公司董事（「**董事**」）願就本報告的資料共同及個別地承擔全部責任。董事在作出一切合理查詢後，確認就其所深知及確信，本報告所載資料在各重要方面均屬準確完備，並無誤導或欺詐成分，且並無遺漏其他事項，足以令致本報告所載任何陳述或本報告產生誤導。

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Ko Sin Yun (*Chairman*)
Mr. Ko Man Ho
Mr. Cheng Ka Wing

Independent Non-Executive Directors:

Mr. To King Yan, Adam
Mr. Kwok Chee Kin
Mr. Chan Kim Sun

AUDIT COMMITTEE

Mr. Chan Kim Sun (*Chairman*)
Mr. To King Yan, Adam
Mr. Kwok Chee Kin

REMUNERATION COMMITTEE

Mr. To King Yan, Adam (*Chairman*)
Mr. Chan Kim Sun
Mr. Kwok Chee Kin

NOMINATION COMMITTEE

Mr. Ko Sin Yun (*Chairman*)
Mr. Chan Kim Sun
Mr. To King Yan, Adam

COMPANY SECRETARY

Ms. Ngai Kit Fong, *FCIS, FCS (PE)*

COMPLIANCE OFFICER

Mr. Cheng Ka Wing

AUTHORISED REPRESENTATIVES FOR THE PURPOSE OF THE GEM LISTING RULES

Mr. Cheng Ka Wing
Ms. Ngai Kit Fong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

董事會

執行董事：

高銑印先生(*主席*)
高文灝先生
鍾嘉榮先生

獨立非執行董事：

杜景仁先生
郭志堅先生
陳劍樂先生

審核委員會

陳劍樂先生(*主席*)
杜景仁先生
郭志堅先生

薪酬委員會

杜景仁先生(*主席*)
陳劍樂先生
郭志堅先生

提名委員會

高銑印先生(*主席*)
陳劍樂先生
杜景仁先生

公司秘書

倪潔芳女士 · *FCIS · FCS(PE)*

合規主管

鍾嘉榮先生

授權代表(就 GEM 上市規則而言)

鍾嘉榮先生
倪潔芳女士

辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE INFORMATION

公司資料

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3/F, China United Plaza
1002–1008 Tai Nan West Street
Cheung Sha Wan
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

Cricket Square
Hutchins Drive
P.O. Box 268
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited

17M
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPLIANCE ADVISER

Giraffe Capital Limited

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

Miao & Co. (in Association with Han Kun Law Offices)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited Hong Kong Branch

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountant

STOCK CODE

8107

COMPANY'S WEBSITE

www.vision-holdings.com.hk

總部及香港主要營業地點

香港
九龍
長沙灣
大南西街1002–1008號
華匯廣場3樓

開曼群島的股份過戶登記總處

Conyers Trust Company (Cayman) Limited

Cricket Square
Hutchins Drive
P.O. Box 268
Grand Cayman KY1-1111
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司

香港
灣仔
皇后大道東183號
合和中心
17M樓

合規顧問

智富融資有限公司

本公司有關香港法律的法律顧問

繆氏律師事務所(與漢坤律師事務所聯營)

主要往來銀行

香港上海滙豐銀行有限公司
大華銀行有限公司香港分行

核數師

德勤•關黃陳方會計師行

執業會計師

股份代號

8107

公司網站

www.vision-holdings.com.hk

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board of Directors (the “**Board**”) of the Company, I am pleased to present the annual report of the Group for the year ended 31 December 2018.

LISTING

The shares of the Company (the “**Share(s)**”) were successfully listed (the “**Listing**”) on GEM of the Stock Exchange on 4 May 2018 (the “**Listing Date**”), it was a significant landmark in the development of the Group. The Listing provides the Company with access to one of the world's essential capital markets, boosts up the confidence of the customers and suppliers of the Group, improves the Group's reputation and advances its corporate governance.

BUSINESS OVERVIEW

Throughout the year of fierce competition and challenging market environment, the Group's total revenue for the year ended 31 December 2018 increased to HK\$111.9 million, showing a significant increase of approximately 56.7% as compared to the year ended 31 December 2017. Meanwhile, the net profit of the Group for the year ended 31 December 2018 decreased to HK\$12.5 million, showing a decrease of approximately 44.3% as compared to the year ended 31 December 2017. This decrease in profitability was mainly caused by the significant decrease in the financial guarantee income after the Listing as a result of the reducing financial guarantee liability, the increase in administrative expenses due to the increase in staff costs and professional fees as a result of being a listed company, and the legal and professional fees arising from the purchase of the showroom which was an one-off transaction.

Excluding the Listing expenses and financial guarantee income, the adjusted profit for the year ended 31 December 2018 increased by HK\$2.5 million to HK\$15.5 million, from HK\$13.0 million for the year ended 31 December 2017. The increase in the adjusted profit was mainly driven by the increase in revenue.

各位股東：

本人謹代表本公司董事會（「**董事會**」）同寅，欣然呈報本集團截至2018年12月31日止年度的年度報告。

上市

2018年5月4日（「**上市日期**」），本公司股份（「**股份**」）於聯交所GEM成功上市（「**上市**」），成為本集團發展的重要里程碑。上市為本公司提供了進入世界重要資本市場之一的機會，增強了本集團客戶及供應商信心，提高了本集團的聲譽，並推進其公司管治。

業務回顧

截至2018年12月31日止年度，面對激烈競爭和充滿挑戰的市場環境，全年本集團的總收益增加至111,900,000港元，與截至2017年12月31日的年度相比大幅增加約56.7%。同時，本集團於截至2018年12月31日止年度的淨利潤減少至12,500,000港元，與截至2017年12月31日的年度相比減少約44.3%。盈利能力的減少主要由於財務擔保收入於上市後大幅減少，乃由於財務擔保負債下跌、行政開支增加（由於作為一間上市公司導致員工成本及專業費用增加）及來自購買展廳的法律及專業費用（屬一次性交易）。

扣除上市開支及財務擔保收入，經調整溢利由截至2017年12月31日止年度的13,000,000港元增加2,500,000港元至截至2018年12月31日止年度的15,500,000港元。經調整溢利增加主要由收益增加所帶動。

CHAIRMAN'S STATEMENT

主席報告

PROSPECTS

During the year ended 31 December 2018, the Group acquired a new showroom to showcase its product offerings as one of its business strategies. The Directors believe that a permanent showroom will give more confidence to the Group's customers and strengthen the Group's corporate image. In view of the foregoing, the Directors believe that the Group will be able to solicit new customers, as well as to increase our geographic footprint to new apparel retail markets, which in turn will drive the business growth of the Group. The Board will also continue to explore opportunities to diversify the Group's operations so that our customer base could be further strengthened and diversified.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my sincere gratitude to the Group's management and staff for their commitment and dedication throughout the year. I would also like to express my deep gratitude to all our business partners, customers, suppliers and the shareholders of the Company (the "**Shareholders**") for their continuous support. The growth of the Group would not be attained without the support and efforts from all the stakeholders. We shall continue to strive our best to develop and grow to maximise values for our Shareholders.

Ko Sin Yun

Chairman and Executive Director

Hong Kong, 18 March 2019

前景

於截至2018年12月31日的年度內，作為其業務戰略之一，本集團購入一個新展廳，用於展示其產品。董事們相信，永久性展廳將為本集團的客戶帶來更多的信心，並增強集團的企業形象。鑒於上述情況，董事會認為，本集團將能夠覓得新客戶以及增加我們的地區足跡至新服裝零售市場，從而推動集團的業務增長。董事會亦將繼續探索機會，令集團運營多樣化，以便客戶群得到進一步加強及多樣化。

致謝

本人謹代表董事會，藉此機會向集團管理層及員工表示衷心的感謝，感謝他們全年的承諾及奉獻。同時亦對我們所有的商業夥伴、客戶、供應商及本公司股東（「股東」）的持續支持表示深切的謝意。如無所有利益相關者的支持及努力，集團的發展將無法實現。我們將繼續努力發展壯大，為股東創造最大價值。

高銑印

主席兼執行董事

香港，2019年3月18日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group is an apparel supply chain management (“SCM”) services provider based in Hong Kong delivering one-stop solution to customers in Europe and Asia. We have developed a vertically integrated business model and our services range across market trend analysis, product design and development, sourcing of suppliers, production management, logistics services and quality control. We primarily generate revenue from the supply of middle to high-end apparel products to the customers. Through engaging us for apparel SCM services, our customers are able to focus their resources on their retail businesses and respond quickly to the fast-evolving changes of fashion industry, as they do not have to separately engage different suppliers for various types of services throughout the apparel supply chain.

For the year ended 31 December 2018, the Group recorded revenue of approximately HK\$111.9 million, showing a significant increase of approximately 56.7% as compared to revenue of approximately HK\$71.4 million for the same period in 2017. The gross profit margin of the Group decreased to 28.5% for the year ended 31 December 2018 as compared to 37.2% from the preceding year. This change in the Group’s profitability was mainly attributable by the change in customer mix of the Group.

Despite the abovementioned decrease in gross profit margin, with an increase in revenue, the gross profit increased from HK\$26.5 million for the year ended 31 December 2017 to HK\$31.9 million for the year ended 31 December 2018.

Excluding the Listing expenses and financial guarantee income, the adjusted profit for the year ended 31 December 2018 increased by HK\$2.5 million to HK\$15.5 million, from HK\$13.0 million for the year ended 31 December 2017.

業務回顧

本集團為一間以香港為總部的服裝供應鏈管理（「**供應鏈管理**」）服務供應商，為歐洲及亞洲的客戶提供一站式解決方案。我們已發展垂直整合業務服務模式，而我們的服務範圍包括市場趨勢分析、產品設計及開發、物色供應商、生產管理、物流服務及質量控制。我們主要憑藉向客戶提供中高端服裝產品產生收益。透過委聘我們提供服裝供應鏈管理服務，我們的客戶能夠將資源集中於零售業務，並迅速應對時裝業瞬息萬變的轉變，由於彼等毋須為服裝供應鏈中的各類服務另行委聘不同供應商。

截至2018年12月31日止年度，本集團錄得收益約為111,900,000港元，顯示相比於2017年同期的收益約71,400,000港元大幅增加約56.7%。相比上年度的37.2%，本集團截至2018年12月31日止年度的毛利率下降至28.5%。該本集團盈利能力的變動主要歸因於本集團的客戶組合變動。

儘管上述毛利率下降，隨著收益增加，毛利由截至2017年12月31日止年度的26,500,000港元增加至截至2018年12月31日止年度的31,900,000港元。

扣除上市開支及財務擔保收入，經調整溢利由截至2017年12月31日止年度的13,000,000港元增加2,500,000港元至截至2018年12月31日止年度的15,500,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The Group's business objective is to become a key market player in the Hong Kong apparel SCM industry. The proceeds raised from the Listing is targeted to be used for expanding our business to maintain and strengthen our market position by pursuing our business strategies. An analysis comparing the business objectives as set out in the prospectus of the Company date 23 April 2018 (the "Prospectus") with the Group's actual business progress for the period from the Listing Date up to 31 December 2018 is set out below:

業務目標與實際業務進展的比較

本集團的業務目標乃成為香港服裝供應鏈管理行業的主要市場參與者。上市所得款項旨在用於擴展業務，藉推行業務策略以維持並鞏固我們的市場定位。本公司日期為2018年4月23日的招股章程（「招股章程」）所載業務目標與本集團自上市日期起至2018年12月31日止期間的實際業務進度的比較分析載列如下：

Business objectives	Actual business progress for the period from the Listing Date to 31 December 2018
業務目標	自上市日期起至2018年12月31日止期間的實際業務進度
Continue our growth by solidifying our relationship with existing customers and exploring new customers 透過鞏固我們與現有客戶的關係及開拓新客戶延續我們的增長	Our staff paid visits to our existing and new customers. 員工探訪我們的現有及新客戶。
Increase our geographic footprint to new apparel retail markets 增加我們的業務覆蓋範圍至新服裝零售市場	Our staff explored and paid visits to a number of potential new customers located in Finland, Poland, Spain, Italy, Korea, Austria and Switzerland. The Group successfully commenced business relationship with new customers in Korea, Austria and Switzerland during the year ended 31 December 2018. 員工探索及探訪位於芬蘭、波蘭、西班牙、意大利、韓國、奧地利及瑞士的許多潛在新客戶。截至2018年12月31日止年度，本集團成功與韓國、奧地利及瑞士的新客戶開展業務關係。
Set up a new showroom to showcase our product offerings 設立新陳列室以展示我們的產品組合	The Group has acquired a new showroom on 10 September 2018 to showcase its product offerings. 本集團於2018年9月10日收購新陳列室以展示我們的產品組合。
Strengthen our design and development capabilities to develop new design collections 加強我們的設計及開發能力以開發新設計系列	The Group has prepared a wider variety of sample products for our design collections in our new showroom. 本集團已於新陳列室預備我們更多種類的设计系列樣本產品。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued)

業務目標與實際業務進展的比較(續)

Business objectives 業務目標	Actual Progress for the period from the Listing Date to 31 December 2018 實際進度
Enhance our quality control process 提升我們的質量控制過程	Our quality control team performed on-site quality inspections at the location of our suppliers. 質量控制團隊於供應商所在地點進行實地質量檢驗。
Repay bank borrowings 償還銀行借款	HK\$5.2 million of bank borrowing has been repaid, as set out in the section headed “Statement of Business Objectives and Use of Proceeds” in the Prospectus. 誠如招股章程「業務目標聲明及所得款項用途」一節所載，已償還銀行借款5,200,000港元。

FINANCIAL REVIEW

Revenue

The Group's revenue increased by 56.7% from HK\$71.4 million for the year ended 31 December 2017 to HK\$111.9 million for the year ended 31 December 2018. The increase was mainly driven by the increased revenue from existing customers in Germany and France and new customers in Korea, Austria and Switzerland.

Cost of sales

Cost of sales mainly consists of purchase costs, import duty and other cost of sales. Purchase cost represents the cost of finished goods purchased from suppliers located in the People's Republic of China (the “PRC”), Madagascar and Cambodia. Cost of sales increased by 78.2% from HK\$44.9 million for the year ended 31 December 2017 to HK\$80.0 million for the year ended 31 December 2018, which was in line with the increase in sales for the year ended 31 December 2018.

Gross profit and gross profit margin

Gross profit was HK\$26.5 million and HK\$31.9 million for the years ended 31 December 2017 and 2018, respectively. Gross profit margin decreased from 37.2% for the year ended 31 December 2017 to 28.5% for the year ended 31 December 2018, which was mainly due to the change in customer mix of the Group. In addition, the gross profit margins of new customers in Germany and France were lower than the overall average gross profit margin which enabled the Group to develop the German and French apparel market.

財務回顧 收益

本集團的收益由截至2017年12月31日止年度的71,400,000港元增加56.7%至截至2018年12月31日止年度的111,900,000港元。該增加主要由來自德國及法國的現有客戶以及來自韓國、奧地利及瑞士的新客戶的收益均有所增加。

銷售成本

銷售成本主要包括採購成本、進口稅及其他銷售成本。採購成本指向位於中華人民共和國(「中國」)、馬達加斯加及柬埔寨的供應商購買製成品的成本。銷售成本由截至2017年12月31日止年度的44,900,000港元增加78.2%至截至2018年12月31日止年度的80,000,000港元，與截至2018年12月31日止年度的銷售額增加相符。

毛利及毛利率

毛利於截至2017年及2018年12月31日止年度分別為26,500,000港元及31,900,000港元。毛利率由截至2017年12月31日止年度的37.2%下降至截至2018年12月31日止年度的28.5%，主要由於本集團客戶組合變動。此外，德國及法國新客戶的毛利率低於讓本集團能夠發展德國及法國服裝市場的整體平均毛利率。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Other income

Other income amounted to HK\$22.3 million and HK\$2.8 million for the years ended 31 December 2017 and 2018, respectively, mainly representing the financial guarantee income and sample sales income. As the Group provided cross financial guarantee in favour of banks for bank loans of certain related companies, such arrangement resulted in a financial guarantee liability recognised at fair value at initial recognition. Such financial guarantee liability had been amortised over the term of the financial guarantee contract and be recognised as financial guarantee income. The financial guarantee income decreased significantly as all financial guarantee liability was released upon Listing and no financial guarantee income has been incurred thereafter.

Other losses

Other losses mainly represents (i) the net loss on structured foreign currency forward contracts; and (ii) the net foreign exchange loss resulted from fluctuations in the exchange rate of the foreign currency incurred in our operation. Following the change in functional currency to United States Dollars (“**US\$**”) during the year ended 31 December 2017, the effect of foreign currency was insignificant to the Group.

Selling and distribution expenses

Selling and distribution expenses mainly include staff costs, customer service fee, freight and transportation cost, travelling expenses, design fee, sample and development cost and other selling and distribution expenses.

Selling and distribution expenses amounted to HK\$6.1 million and HK\$7.0 million for the years ended 31 December 2017 and 2018 respectively. Such increase was primarily due to the increase in our staff cost, travelling expenses and design fee as a result of the increased sales during the year.

財務回顧(續)

其他收入

截至2017年及2018年12月31日止年度，其他收入分別為22,300,000港元及2,800,000港元，主要指財務擔保收入及樣品銷售收入。由於本集團就若干關聯公司的銀行貸款向銀行提供交叉財務擔保，該項安排導致於初步確認時按公平值確認財務擔保負債。該等財務擔保負債已於財務擔保合約期間攤銷及確認為財務擔保收入。財務擔保收入大幅減少，乃由於所有財務擔保負債於上市後解除，且其後並無產生財務擔保收入。

其他虧損

其他虧損主要指(i)結構性外幣遠期合約的虧損淨額；及(ii)營運所產生的外幣匯率波動導致的外匯虧損淨額。功能貨幣於截至2017年12月31日止年度改為美元(「**美元**」)後，外幣對本集團的影響屬微不足道。

銷售及分銷開支

銷售及分銷開支主要包括員工成本、客戶服務費、貨運及運輸成本、差旅開支、設計費、樣本開發成本以及其他銷售及分銷開支。

截至2017年及2018年12月31日止年度，銷售及分銷開支分別為6,100,000港元及7,000,000港元。有關增加主要由於於年內銷售額增加導致員工成本、差旅開支及設計費增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Administrative expenses

Administrative expenses mainly include professional fees, staff costs (including Directors' remuneration), amortisation of intangible assets, depreciation, rent and rates and other administrative expenses.

Administrative expenses amounted to HK\$4.2 million and HK\$7.8 million for the years ended 31 December 2017 and 2018 respectively. Such increase was mainly due to (i) an increase in our staff costs and professional fees as a result of being a listed company, (ii) the legal and professional fees of approximately HK\$0.4 million arising from the purchase of showroom which was an one-off transaction and (iii) the amortisation of intangible assets resulting from the acquisition of two trademarks in July 2017. Amortisation of intangible assets is recognised on a straight-line basis over its estimated useful lives of 10 years.

Finance costs

Finance costs amounted to approximately HK\$0.4 million and HK\$0.2 million for the years ended 31 December 2017 and 2018 respectively. The decrease was mainly due to the decrease in average bank borrowing balance during the year.

Income tax expense

Income tax expense mainly represents Hong Kong profits tax on the assessable profits arising from Hong Kong and is amounted to HK\$2.7 million and HK\$3.2 million for the years ended 31 December 2017 and 2018, respectively.

Profit for the year

Profit attributable to owners of the Group for the year ended 31 December 2018 was HK\$12.5 million, while the Group recorded a profit attributable to owners of the Group of HK\$22.5 million for the year ended 31 December 2017. Such decrease was mainly due to a drop in the financial guarantee income of HK\$20.7 million as a result of the reducing financial guarantee liability after the Listing.

財務回顧(續)

行政開支

行政開支主要包括專業費用、員工成本(包括董事薪酬)、無形資產攤銷、折舊、租金及差餉以及其他行政開支。

截至2017年及2018年12月31日止年度，行政開支分別為4,200,000港元及7,800,000港元。有關增加主要由於(i)成為上市公司所導致的員工成本及專業費用增加；(ii)來自購買陳列室(屬一次性交易)的法律及專業費用約400,000港元；及(iii)於2017年7月因收購兩個商標而產生的無形資產攤銷。無形資產攤銷按直線法基準確認，預期可使用年期為10年。

財務成本

截至2017年及2018年12月31日止年度，財務成本分別約為400,000港元及200,000港元。有關減少主要由於年內平均銀行借貸減少。

所得稅開支

所得稅開支主要指就香港產生的應課稅溢利按稅率計算的香港利得稅，而截至2017年及2018年12月31日止年度分別為2,700,000港元及3,200,000港元。

年內溢利

截至2018年12月31日止年度，本集團擁有人應佔溢利為12,500,000港元，而本集團錄得截至2017年12月31日止年度的本集團擁有人應佔溢利為22,500,000港元。有關下降主要由於上市後財務擔保負債下跌導致財務擔保收入減少20,700,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Profit for the year (Continued)

Excluding the Listing expenses and financial guarantee income, the adjusted profit for the year ended 31 December 2018 increased by HK\$2.5 million to HK\$15.5 million, from HK\$13.0 million for the year ended 31 December 2017. The increase in the adjusted profit was mainly driven by the increase in revenue.

Charge on the Group's assets

As at 31 December 2018, the Group mortgaged the property comprising workshops 1–3 and 5–7 on 3rd Floor of China United Plaza, No. 1008 Tai Nan West Street, Kowloon, Hong Kong to a bank for the bank finance facility for the Group.

As at 31 December 2017, the Group pledged a bank deposits of approximately HK\$18.0 million to a bank to secure cross financial guarantee in favour of banks for bank loans of certain related companies. Such financial guarantee provided by the Group to related companies has been released upon Listing.

Share capital

The Shares were successfully listed on the GEM of the Stock Exchange on the Listing Date and there has been no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary shares. As at 31 December 2018, the Company's issued share capital was HK\$10,000,000 and the number of its issued shares was 1,000,000,000 of HK\$0.01 each.

Related Party Transactions

For the year ended 31 December 2018, the Company purchased certain goods from Meridian Industries Garment (Cambodia) Limited ("MIGCL"). MIGCL is controlled by Mr. Ko Sek Yan ("Mr. Murray Ko"), the elder brother of Mr. Ko Sin Yun ("Mr. Ko"). The cumulative purchase from MIGCL for the year ended 31 December 2018 was approximately HK\$2.97 million. The payment amount was determined based on market price and our Directors (including the independent non-executive Directors) considered that the connected transaction as described above has been entered into in the ordinary and usual course of business of the Group and had been based on arm's length negotiations and on normal commercial terms.

財務回顧(續)

年內溢利(續)

撇除上市開支及財務擔保收入後，截至2018年12月31日止年度的經調整溢利由截至2017年12月31日止年度的13,000,000港元增加2,500,000港元至截至2018年12月31日止年度的15,500,000港元。經調整溢利增加主要由於收益增加。

本集團資產抵押

於2018年12月31日，本集團將由位於香港九龍大南西街1008號華匯廣場3樓1至3號及5至7號工場組成的物業按揭予一間銀行以取得本集團的銀行財務融資。

於2017年12月31日，本集團已向一家銀行質押為數約18,000,000港元的銀行存款，以抵押本集團就若干關聯公司的銀行貸款向銀行獲得的交叉財務擔保。本集團向關聯公司提供的該財務擔保已於上市時解除。

股本

股份於上市日期在聯交所GEM成功上市，而本集團資本結構自此並無變動。本集團股本僅由普通股組成。於2018年12月31日，本公司已發行股本為10,000,000港元，而已發行股份數目為1,000,000,000股每股面值0.01港元的普通股。

關連方交易

截至2018年12月31日止年度，本公司向Meridian Industries Garment (Cambodia) Limited ("MIGCL")購買若干貨品。MIGCL由高銑印先生(「高先生」)胞兄高錫印先生(「高錫印先生」)控制。截至2018年12月31日止年度，向MIGCL的累計購買約2,970,000港元。付款金額乃根據市場價格釐定，而董事(包括獨立非執行董事)認為上述關連交易乃於本集團日常及一般業務過程中訂立，且經公平磋商及按正常商業條款釐定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Related Party Transactions (Continued)

Pursuant to Rule 20.74 of the GEM Listing Rules, the relevant applicable percentage ratios (other than the profit ratio) was prescribed under Chapter 20 of the GEM Listing Rules of transactions contemplated under the above arrangements was less than 5% and the total consideration was less than HK\$3 million, hence the connected transaction contemplated herein was fully exempt from the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Major and Connected Transaction

On 10 September 2018, Vision Garments Limited (“**Vision Garments**”), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong, being the purchaser (the “**Purchaser**”) and Wisewing International Limited being the vendor (the “**Vendor**”) entered into the sales and purchase agreement to acquire a property comprising workshops 1–3 and 5–7 on 3rd Floor of China United Plaza, No. 1008 Tai Nan West Street, Kowloon, Hong Kong as showroom at the consideration of HK\$27.5 million (the “**Consideration**”). The Vendor is beneficially wholly owned by Mr. Murray Ko. As Mr. Murray Ko is the elder brother of Mr. Ko and Mr. Ko is a controlling Shareholder holding 75% of the issued share capital of the Company, the chairman of the Board and an executive Director of the Company, the Vendor is an associate (as defined in the GEM Listing Rules) of Mr. Ko and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules. As at 31 December 2018, the Consideration has been fully settled. For details of the transaction, please refer to the circular of the Company dated 21 September 2018 and the relevant poll results announcement dated 15 October 2018.

財務回顧(續)

關連方交易(續)

根據GEM上市規則第20.74條，上述安排項下擬進行交易的相關適用百分比率(盈利率除外)(定義見GEM上市規則第20章)低於5%，而總代價少於3,000,000港元，因此，其擬進行關連交易獲全面豁免遵守GEM上市規則第20章項下的年度審閱、申報、公佈及獨立股東批准規定。

主要及關連交易

於2018年9月10日，本公司於香港註冊成立的間接全資附屬公司威誠製衣有限公司(「威誠製衣」)作為買方(「買方」)與智榮國際有限公司作為賣方(「賣方」)訂立買賣協議，以收購由位於香港九龍大南西街1008號華匯廣場3樓1至3號及5至7號工場組成的物業作為陳列室，代價為27,500,000港元(「代價」)。賣方由高錫印先生實益全資擁有。由於高錫印先生乃高先生胞兄，而高先生為一名控股股東，持有本公司已發行股本75%，並為本公司董事會主席兼執行董事。因此，根據GEM上市規則第20章，賣方為高先生的聯繫人(定義見GEM上市規則)，故屬本公司的關連人士。於2018年12月31日，代價已悉數償付。有關該項交易的詳情，請參閱本公司日期為2018年9月21日的通函及日期為2018年10月15日的相關按股數投票表決結果公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Continued)

Financial guarantee liability and contingent liabilities

Before the Listing, the Group and certain companies controlled by Mr. Murray Ko and his spouse entered into several banking facilities agreements and cross guarantees were provided by the Group and such companies controlled by Mr. Murray Ko and his spouse. The estimated fair value of the financial guarantee was recognised as financial guarantee liability with the equivalent amount charged to equity as shareholder distribution at the agreement date. The financial guarantee income was recognised in profit or loss over the term of agreement. The financial guarantee liabilities were all denominated in HK\$. For further information about our financial guarantee liability, please refer to note 23 to the Accountants' Report set out in Appendix I of the Prospectus. Such financial guarantee provided by the Group to related companies was released upon Listing.

Save as the abovementioned financial guarantee liability which was released upon the Listing, the Group did not have any material contingent liabilities or guarantees as at 31 December 2018.

Foreign exchange exposure

The revenue of the Group is mainly denominated in US\$, while a certain amount of the revenue is denominated in HK\$ and Euro ("EUR").

The Group considers that the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$.

For the transaction denominated in EUR during the year ended 31 December 2018, the Group considers there is no significant foreign exchange risks in respect of EUR.

Nevertheless, the Group will endeavour to manage the foreign exchange risk by closely monitoring the movement of foreign currency rates and will consider hedging significant foreign currency exposure should the need arise.

財務回顧(續)

財務擔保負債及或然負債

於上市前，本集團與由高錫印先生及其配偶控制的若干公司訂立數份銀行融資協議，由本集團及高錫印先生及其配偶所控制的該等公司提供交叉擔保。財務擔保的估計公平值確認為財務擔保負債，而相等金額於協議日期以股東分派從權益扣除。財務擔保收入於協議期內在損益確認。財務擔保負債全部以港元計值。有關我們財務擔保負債的進一步資料，請參閱招股章程附錄一所載會計師報告附註23。本集團向關聯公司提供的該財務擔保於上市時解除。

除上述於上市時解除的財務擔保負債外，本集團於2018年12月31日並無任何重大或然負債或擔保。

外匯風險

本集團的收益主要以美元計值，而收益的若干款項以港元及歐元(「歐元」)計值。

本集團認為，由於港元與美元掛鈎，有關美元的外匯風險並不重大。

就截至2018年12月31日止年度以歐元計值的交易而言，本集團認為並無有關歐元的重大外匯風險。

然而，本集團將致力藉密切監控外匯匯率變動管理外幣風險，並將於需要時考慮對沖重大外匯風險。

MANAGEMENT DISCUSSION AND ANALYSIS

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PROSPECTS

The Listing marks a major milestone as well as a new chapter of the Company. Due to the uncertainties of the Hong Kong economy, the Directors anticipate that the Group's business will face various challenges in the foreseeable future such as (i) the reliance on a limited number of major customers; (ii) the fast-changing fashion trends; (iii) the reliance on third party suppliers for the manufacturing of apparel products; and (iv) the increase in cost of raw materials and labour.

Nonetheless, the management of the Company is confident that the Group can succeed and enhance the shareholders' value, based on the years of experience of the senior management of the Company in apparel SCM market. Going forward, the Group's objective is to become a key market player in the Hong Kong apparel SCM industry, with an aim to optimise the returns to the Group's shareholders. The Group will continue to strengthen its key market player position in the apparel SCM industry in Hong Kong and enhance the overall competitiveness and market share.

With our objective of becoming a key market player in the Hong Kong apparel SCM industry, we will continue our growth by solidifying our relationship with existing customers and exploring new customers, increase our geographic footprint to new apparel retail markets, strengthen our design and development capabilities to develop new design collections, and enhance our quality control process.

USE OF PROCEEDS

The net proceeds from the Listing, after deducting the actual underwriting commission and expenses paid by the Company in connection thereto, were approximately HK\$32.2 million ("**Actual Net Proceeds**"). The Company intends to utilise the net proceeds according to the section headed "Statement of Business Objectives and Use of Proceeds" of the Prospectus.

前景

上市為本公司樹立一大里程碑並展開新的一章。由於香港經濟的不明朗因素，董事預期本集團的業務於可預見將來將面臨各種挑戰，如(i)依賴為數有限的主要客戶；(ii)潮流趨勢瞬息萬變；(iii)依賴第三方供應商製造服裝產品；及(iv)原材料及勞工成本增加。

然而，基於本公司高級管理層於服裝供應鏈管理市場的多年經驗，彼等有信心本集團能夠成功並提升股東價值。展望未來，本集團的目標是致力成為香港服裝供應鏈管理行業的主要市場參與者，旨在充分擴大本集團股東的回報。本集團將繼續鞏固其於香港服裝供應鏈管理行業的主要市場參與者地位，並提升整體競爭力及市場份額。

為致力成為香港服裝供應鏈管理行業的主要市場參與者，我們將繼續透過鞏固與現有客戶的關係及開拓新客戶以延續我們的增長、增加業務覆蓋範圍至新服裝零售市場、加強設計及開發能力以開發新設計系列以及提升我們的質量控制流程。

所得款項用途

經扣除本公司實際就上市支付的包銷佣金及開支後，上市所得款項淨額約為32,200,000港元（「**實際所得款項淨額**」）。本公司擬根據招股章程「業務目標聲明及所得款項用途」一節動用所得款項淨額。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

USE OF PROCEEDS (Continued)

The table below sets out an adjusted allocation of the Actual Net Proceeds, the actual usage of the Actual Net Proceeds and the unutilised Actual Net Proceeds as at 31 December 2018.

所得款項用途(續)

下表載列於2018年12月31日的實際所得款項淨額的經調整分配、實際所得款項淨額的經調整用途及未動用實際所得款項淨額。

Business strategies as set out in the Prospectus	Adjusted allocation of the Actual Net Proceeds	Actual usage of the Actual Net Proceeds as at 31 December 2018	Unutilised Actual Net Proceeds as at 31 December 2018
		Actual usage of the Actual Net Proceeds as at 31 December 2018	Unutilised Actual Net Proceeds as at 31 December 2018
招股章程所載業務策略	實際所得款項淨額的經調整分配	實際所得款項淨額的經調整用途	於2018年12月31日的未動用實際所得款項淨額
	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元
(1) Continue our growth by solidifying our relationship with existing customers and exploring new customers 透過鞏固我們與現有客戶的關係及開拓新客戶延續我們的增長	3.3	0.6	2.7
(2) Set up a new showroom to showcase our product offerings 設立新陳列室以展示我們的產品組合	17.5	17.5	0.0
(3) Strengthen our design and development capabilities to develop new design collections 加強我們的設計及開發能力以開發新設計系列	2.2	0.1	2.1
(4) Enhance our quality control process 提升我們的質量控制過程	0.8	0.2	0.6
(5) Repay bank borrowings 償還銀行借款	5.2	5.2	-
(6) Fund general working capital needs 撥付一般營運資金所需	3.2	0.8	2.4
Total 總計	32.2	24.4	7.8

The unutilised Actual Net Proceeds is placed in a licensed bank in Hong Kong.

未動用實際所得款項淨額存放於一間香港持牌銀行。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 December 2018, the Group's operations were generally financed through an internally generated cash flows, proceeds from the share offer (the "Share Offer") and borrowings from banks. The Group's policy is to regularly monitor our current and expected liquidity requirements and our relationship with banks to ensure the maintenance of sufficient reserves of cash and funding to meet the liquidity requirements in both short and long run.

As at 31 December 2018, the total equity of the Group was HK\$82.4 million (31 December 2017: HK\$37.9 million). The Group's cash and cash equivalent as at 31 December 2018 was HK\$37.8 million (31 December 2017: HK\$23.8 million). The Group's bank borrowings as at 31 December 2018 was HK\$10.9 million (31 December 2017: HK\$6.8 million). Our working capital represented by the net current assets as at 31 December 2018 was HK\$44.1 million (31 December 2017: HK\$28.1 million). Our current ratio was 3.0 times as at 31 December 2018, increased from 2.7 times as at 31 December 2017. Such increase in working capital and current ratio was mainly due to the substantial increase in the bank balances and cash from the net proceeds raised from the Listing. Our turnover days of trade receivables and trade payables were 45.0 days and 22.9 days for the year ended 31 December 2018, respectively (31 December 2017: 39.6 days and 19.9 days respectively). Such increase in trade receivables turnover days is mainly due to an increase in trade receivables balances as at 31 December 2018, while such increase in trade payables turnover days is mainly due to an increase in trade payables balances as at 31 December 2018. Our gearing ratio (calculated based on bank borrowings divided by total equity) was 13.2% as at 31 December 2018 (31 December 2017: 17.9%), such decrease was mainly due to the substantial increase in the equity after Listing.

Based on the above analysis, coupled with sufficient cash and bank balances, our strong and sound financial position offers adequate liquidity and financial resources to meet our working capital requirements.

資本結構、流動資金及財務資源

截至2018年12月31日止年度，本集團的營運一般由來自內部產生的現金流量、股份發售（「股份發售」）所得款項及銀行借款提供資金。本集團的政策為定期監察我們當前及預期的流動資金需求及我們與銀行的關係，確保維持足夠的現金及資金儲備，以滿足短期及長期的流動資金需求。

於2018年12月31日，本集團的總權益為82,400,000港元（2017年12月31日：37,900,000港元）。於2018年12月31日，本集團的現金及現金等價物為37,800,000港元（2017年12月31日：23,800,000港元）。於2018年12月31日，本集團的銀行借貸為10,900,000港元（2017年12月31日：6,800,000港元）。我們於2018年12月31日以流動資產淨值方式呈列的營運資金為44,100,000港元（2017年12月31日：28,100,000港元）。我們於2018年12月31日的流動比率為3.0倍，較2017年12月31日的2.7倍增加。有關營運資金及流動比率增加主要由於來自上市所籌集所得款項淨額的銀行結餘及現金大幅增加。我們於截至2018年12月31日止年度的貿易應收款項及貿易應付款項的周轉日數分別為45.0日及22.9日（2017年12月31日：分別39.6日及19.9日）。有關貿易應收款項周轉日數增加主要由於貿易應收款項結餘於2018年12月31日增加，而有關貿易應付款項周轉日數增加主要由於貿易應付款項結餘於2018年12月31日增加。我們於2018年12月31日的資產負債比率（按銀行借貸除以總權益計算）為13.2%（2017年12月31日：17.9%），有關減少主要由於上市後的權益大幅增加。

基於上述分析，加上充足的現金及銀行結餘，我們強大而穩健的財務狀況提供足夠的流動資金及財務資源以滿足我們的營運資金需求。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

DIVIDENDS

The Board has declared interim dividends with an aggregate amount of HK\$6.5 million (2017: HK\$4.3 million) to its then sole shareholder in April 2018 which had been fully settled. The Board has also declared a third quarter dividend of HK\$0.01 per Share, amounting to a total of HK\$10 million (corresponding period in 2017: Nil) which was paid on 18 December 2018.

The Board recommends the payment of a final dividend of HK\$0.013 per Share, amounting to a total of HK\$13 million for the year ended 31 December 2018 (2017: Nil) to the Shareholders whose names appear on the register of members of the Company on 10 May 2019. The proposed final dividend, subject to the approval of the Shareholders at the forthcoming annual general meeting (the “AGM”) to be held on 3 May 2019, will be paid on or about 23 May 2019.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Monday, 29 April 2019 to Friday, 3 May 2019 (both days inclusive) during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 26 April 2019.

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on note 5 of the financial statements.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2018, the Group employed a total number of 11 full-time employees and engaged three external design consultants (31 December 2017: ten full-time employees and three external design consultants). The staff costs of the Group (including Directors' remuneration, employees' salaries, wages, other benefits and contribution to defined contribution retirement plan) for the year ended 31 December 2018 were approximately HK\$5.1 million (2017: HK\$4.5 million).

股息

董事會已於2018年4月向其當時唯一股東宣派中期股息合共6,500,000港元(2017年:4,300,000港元)，已全數結清。董事會亦已宣派第三季度股息每股0.01港元，合共10,000,000港元(2017年同期:零)，於2018年12月18日派付。

董事會建議就截至2018年12月31日止年度派付末期股息每股0.013港元，合共13,000,000港元(2017年:零)予於2019年5月10日名列本公司股東名冊的股東。建議末期股息須待股東於2019年5月3日召開的股東週年大會(「股東週年大會」)批准後，將於2019年5月23日或之前支付。

就股東週年大會暫停辦理股份過戶登記手續

本公司將自2019年4月29日(星期一)至2019年5月3日(星期五)(首尾兩日包括在內)暫停辦理股份過戶登記手續，期間將不會受理任何股份過戶登記。為符合資格出席股東週年大會及於會上投票，本公司未登記股份持有人應確保所有股份過戶文件連同相關股票必須於2019年4月26日(星期五)下午四時三十分之前送達本公司的香港股份過戶登記分處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712–1716號舖)，以辦理登記手續。

分部資料

本集團所呈列分部資料誠如財務報表附註5所披露。

僱員及薪酬政策

於2018年12月31日，本集團合共僱用11名全職僱員及聘請三名外部設計顧問(2017年12月31日:十名全職僱員及聘請三名外部設計顧問)。截至2018年12月31日止年度，本集團的員工成本(包括董事薪酬、僱員薪金、工資、其他福利及定額供款退休計劃的供款)約為5,100,000港元(2017年:4,500,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICY

(Continued)

Our remuneration package includes basic salary, bonuses and allowances. We review the performance of our employees regularly, and the review outcome is used for the employees' salary review and promotion appraisal. We have set up a competitive remuneration system that links a portion of our employees' compensation to the performance of our business in order to provide incentives to our employees to strive for better results.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the year ended 31 December 2018, the Group had not made any material acquisition or disposal of subsidiaries, associates and joint ventures (2017: Nil).

COMMITMENTS

As at 31 December 2018, the Group did not have significant capital commitments (31 December 2017: Nil).

SIGNIFICANT INVESTMENTS

During the year ended 31 December 2018, the Group acquired a new showroom to showcase its product offerings as one of its business strategies.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any plan for material investments or capital assets as at 31 December 2018.

僱員及薪酬政策(續)

我們的薪酬待遇包括基本薪金、花紅及津貼。我們定期審核僱員的表現，並將審核結果用於僱員薪酬檢討及晉升評核。我們建立具競爭力的薪酬制度，將部分僱員薪酬與業務績效掛鉤，以激勵僱員爭取更好的業績。

重大附屬公司、聯營公司及合營企業收購及出售事項

截至2018年12月31日止年度，本集團並無作出任何重大附屬公司、聯營公司及合營企業收購或出售(2017年：無)。

承擔

於2018年12月31日，本集團並無重大資本承擔(2017年12月31日：無)。

重大投資

截至2018年12月31日止年度期間，作為其業務策略之一，本集團購入一間新陳列室以展示其產品組合。

重大投資及資本資產的未來計劃

於2018年12月31日，本集團並無任何涉及重大投資或資本資產的計劃。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

EXECUTIVE DIRECTORS

Mr. Ko Sin Yun (高銑印) (“Mr. Ko”), aged 57, is the chairman of the Board and an executive Director of the Group. Mr. Ko was appointed as our executive Director and chairman of the Board on 19 January 2017 and 8 July 2017 respectively. He is the father of Mr. Ko Man Ho (“**Mr. Morris Ko**”). He is primarily responsible for overseeing overall management, business development strategic planning of the Group. He has been the director of Vision Garments and Market Gala Limited (“**Market Gala**”) since 22 March 2010 and 20 March 2010, respectively.

Mr. Ko has more than 20 years of managerial and entrepreneurial experience. He founded the Group in March 2010. Mr. Ko has been involved in the trading business in Hong Kong since 1998. He is the founder and a director of Silverise Electronic Limited (銀華電子有限公司), a company incorporated in Hong Kong in February 1988 and principally engaged in the trading of electronic components in Hong Kong. Mr. Ko is also the director of Azima International Company Limited (楠本國際有限公司), a private company in Hong Kong with its principal business activity being property investments. Mr. Ko obtained a bachelor’s degree of engineering in electronics engineering from Chung Yuan Christian University in Taiwan in June 1983.

Mr. Ko Man Ho (高文灝), aged 29, was appointed as our executive Director and chief executive officer on 8 July 2017 and 1 January 2017, respectively. He is the son of Mr. Ko. He is primarily responsible for the overall management and administration of the business operation of the Group.

He has been a director of Vision Garments since 15 May 2017. Mr. Morris Ko joined Vision Garments as merchandiser in August 2010. In April 2014, Mr. Morris Ko’s employment with Vision Garments was transferred to Meridian Industries Limited (“**Meridian**”) and he worked for Meridian as merchandiser. In view of the business needs of Vision Garments, Mr. Morris Ko had been designated by Meridian to work for Vision Garments exclusively and had been in charge of our sales and sourcing team from December 2014 until December 2016. Since January 2017, Mr. Morris Ko was again employed by Vision Garments and has acted as our chief executive officer. Mr. Morris Ko graduated from Tung Wah Group of Hospitals Kap Yan Directors’ College in Hong Kong in May 2007.

執行董事

高銑印先生(「高先生」)，57歲，為本集團董事會主席及執行董事。高先生於2017年1月19日及2017年7月8日分別獲委任為我們的執行董事及董事會主席。彼為高文灝先生(「高文灝先生」)的父親。彼主要負責監察本集團的整體管理、業務發展及策略性規劃。彼分別自2010年3月22日及2010年3月20日起一直為威誠製衣及Market Gala Limited(「**Market Gala**」)的董事。

高先生在管理及企業管理方面擁有逾20年經驗。彼於2010年3月創立本集團。高先生自1998年起一直參與香港的貿易業務。彼為銀華電子有限公司的創始人兼董事。銀華為於1988年2月在香港註冊成立的公司，並主要在香港從事電子零件買賣。高先生亦為楠本國際有限公司的董事，該公司為一間香港私人公司，其主要業務為物業投資。高先生於1983年6月取得台灣中原大學電子工程學士學位。

高文灝先生，29歲，於2017年7月8日及2017年1月1日分別獲委任為我們的執行董事及行政總裁。彼為高先生的兒子。彼主要負責本集團的整體管理及業務運作管理。

彼自2017年5月15日起一直為威誠製衣的董事。高文灝先生於2010年8月加入威誠製衣任採購員。高文灝先生於2014年4月由威誠製衣轉職至勗灝實業有限公司(「**勗灝**」)，於勗灝任職採購員。因威誠製衣的業務需要，高文灝先生獲勗灝指派專門於威誠製衣工作，並自2014年12月起直至2016年12月一直負責掌管我們的銷售及採購團隊。自2017年1月起，高文灝先生再次獲威誠製衣聘用，自此擔任我們的行政總裁。高文灝先生於2007年5月畢業於香港東華三院甲寅年總理中學。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層的履歷詳情

EXECUTIVE DIRECTORS (Continued)

Mr. Cheng Ka Wing (鍾嘉榮) (“Mr. Cheng”), aged 37, was appointed as our executive Director on 8 July 2017. He is also the compliance officer of the Group. Mr. Cheng is primarily responsible for the supervision of the Group’s financial reporting, financial planning, treasury and internal control. In January 2017, Mr. Cheng joined the Group as the chief financial officer of Vision Garments. He has been a director of Vision Garments since 1 June 2017.

Mr. Cheng has accumulated over 10 years of experience mainly in asset management, corporate finance and treasury management. Before joining the Group, Mr. Cheng worked at Standard Chartered Bank (Hong Kong) Limited from November 2006 to September 2007 as an analyst, at BNP Paribas Hong Kong Branch as an analyst from October 2007 to February 2013, at Meridian and Wisewing Business Centre Limited from August 2013 to September 2014 as chief investment officer, and at New Rise Construction Engineering Limited from October 2014 to December 2016 as financial controller.

Mr. Cheng graduated from The University of Hong Kong with a bachelor’s degree in social sciences in December 2003, and from the University of Durham with a master’s degree in financial management in January 2006. He is a CFA® charterholder since September 2010.

執行董事 (續)

鍾嘉榮先生(「鍾先生」)，37歲，於2017年7月8日獲委任為我們的執行董事。彼亦為本集團的合規主任。鍾先生主要負責監督本集團的財務申報、財務規劃、庫務及內部控制。於2017年1月，鍾先生加入本集團擔任威誠製衣的財務總監。彼自2017年6月1日起一直為威誠製衣的董事。

鍾先生主要在資產管理、企業融資及財資管理方面累積了逾10年經驗。在加入本集團之前，鍾先生於2006年11月至2007年9月在渣打銀行(香港)有限公司擔任分析師、於2007年10月至2013年2月在法國巴黎銀行香港分行擔任分析師、於2013年8月至2014年9月在颯及智榮商務中心有限公司擔任投資總監，以及於2014年10月至2016年12月在新昇建築工程有限公司擔任財務總監。

鍾先生於2003年12月畢業於香港大學並取得社會科學學士學位，以及於2006年1月畢業於杜倫大學並取得財務管理碩士學位。彼自2010年9月起為特許金融分析師(CFA®)的特許持有人。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層的履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. To King Yan, Adam (杜景仁) (“**Mr. To**”), aged 59, was appointed as our independent non-executive Director on 16 April 2018. He is primarily responsible for overseeing the management independently and providing independent judgement on the issues of strategy, performance, resources and standard of conduct of the Group.

Mr. To worked at the Legal Department of Hong Kong (currently the Department of Justice of Hong Kong) as Assistant Crown Counsel from September 1984 to September 1986 and as Crown Counsel from September 1986 to February 1987. Mr. To joined K.B. Chau & Co., a firm of solicitors in Hong Kong, since February 1987 and is currently a partner of this firm with his practice focusing on conveyancing and litigation. Mr. To graduated from the University of London with a bachelor of laws degree in 1983. Mr. To has been a practising solicitor of the High Court of Hong Kong since 1986. In addition, he is also qualified to practise law in England and Wales and Australia, and is a China Appointed Attesting Officer. Since August 2009, Mr. To has been an independent non-executive director of Rykadan Capital Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2288). Mr. To was an independent non-executive director of Shen You Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8377) from November 2017 to September 2018.

Mr. Kwok Chee Kin (郭志堅) (“**Mr. Kwok**”), aged 59, was appointed as our independent non-executive Director on 16 April 2018. He is primarily responsible for overseeing the management independently and providing independent judgement on the issues of strategy, performance, resources and standard of conduct of the Group.

獨立非執行董事

杜景仁先生(「杜先生」)，59歲，於2018年4月16日獲委任為我們的獨立非執行董事。彼主要負責獨立監督管理及就本集團的策略、表現、資源及操守水準提供獨立判斷。

杜先生於1984年9月至1986年9月在香港律政署(現為香港律政司)擔任政府助理檢察官，並於1986年9月至1987年2月擔任政府檢察官。杜先生自1987年2月起加入香港一間律師行周啟邦律師事務所，現為該事務所的合夥人，專職於業權轉易及訴訟。杜先生於1983年畢業於倫敦大學並取得法律學士學位。杜先生自1986年起為香港高等法院的執業律師。此外，彼亦有英格蘭及威爾士及澳洲執業資格，並為中國委託公證人。自2009年8月起，杜先生一直擔任宏基資本有限公司(一間在聯交所主板上市的公司(股份代號：2288))的獨立非執行董事。杜先生於2017年11月至2018年9月為申酉控股有限公司(一間在聯交所GEM上市的公司(股份代號：8377))的獨立非執行董事。

郭志堅先生(「郭先生」)，59歲，於2018年4月16日獲委任為我們的獨立非執行董事。彼主要負責獨立監督管理及就本集團的策略、表現、資源及操守水準提供獨立判斷。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層的履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

Mr. Kwok is a physiotherapist with more than thirty years' experience. He worked as a physiotherapist at the Medical and Health Department of Hong Kong (currently the Department of Health of Hong Kong) from August 1982 to December 1985. From January 1987 to February 1994, he worked in Australia. He worked part-time or full time at various hospitals and clinics including Hampton Rehabilitation Hospital, Box Hill Hospital, Royal Children Hospital and Medical Center in Ford Motor Company, and established his own clinic, the Victoria Sports Spinal Physiotherapy and Acupuncture Clinics. In February 1994, he moved back to Hong Kong and established the ASA Physiotherapy Clinics. Mr. Kwok was also the team physiotherapist for various sports teams in Australia and in Hong Kong. He was invited to be the team physiotherapist for the Hong Kong Olympic Committee, at 1996 Summer Olympic Games. He was also a physiotherapist for the 12th Asian Games held in 1994, the 2nd East Asian Games held in 1997, the 13th Asian Games held in 1998 and the 3rd East Asian Games held in 2001. Mr. Kwok graduated from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a professional diploma in physiotherapy in 1982, The Chinese University of Hong Kong with a master of sciences degree in 2006 and the Hong Kong Baptist University with a bachelor of Chinese medicine degree in 2008. He is currently a registered physiotherapist and a registered Chinese medicine practitioner.

獨立非執行董事(續)

郭先生為物理治療師，具備逾三十年經驗。彼曾於1982年8月至1985年12月在香港醫務衛生署(現為香港衛生署)擔任物理治療師。於1987年1月至1994年2月，彼於澳洲工作。彼於多間醫院及診所(包括Hampton Rehabilitation Hospital、Box Hill Hospital、Royal Children Hospital及福特汽車公司醫療中心)兼職或全職工作，並建立其自有診所Victoria Sports Spinal Physiotherapy and Acupuncture Clinics。於1994年2月，彼回流香港及建立ASA Physiotherapy Clinics。郭先生亦為澳洲及香港多支運動團隊的為團隊物理治療師。彼獲邀加入香港奧林匹克委員會於1996年夏季奧林匹克運動會的團隊物理治療師。彼亦為1994年第12屆亞洲運動會、1997年第2屆東亞運動會、1998年第13屆亞洲運動會及2001年第3屆東亞運動會的物理治療師。郭先生於1982年畢業於香港理工學院(現稱香港理工大學)並取得物理治療專業文憑、於2006年畢業於香港中文大學並取得理學碩士學位，以及於2008年畢業於香港浸會大學並取得中醫學士學位。彼目前為註冊物理治療師及註冊中醫。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

Mr. Chan Kim Sun (陳劍榮) (“**Mr. Chan**”), aged 37, was appointed as our independent non-executive Director on 16 April 2018. He is primarily responsible for overseeing the management independently and providing independent judgement on the issues of strategy, performance, resources and standard of conduct of the Group.

From October 2004 to March 2010, Mr. Chan joined HLB Hodgson Impey Cheng Limited, an established firm of certified public accountants as an accountant before being promoted as audit manager in April 2008. From August 2011 to September 2014, Mr. Chan served as finance controller and from September 2012 to September 2014 as company secretary of China Infrastructure Investment Limited, a company primarily engaged in properties investment, sale of natural gas as well as investment holding, and the shares of which are listed on the Stock Exchange (stock code: 600). Mr. Chan is currently a non-practising member of the Hong Kong Institute of Certified Public Accountants and is a fellow of the Association of Chartered Certified Accountants. Mr. Chan graduated from The Hong Kong University of Science and Technology with a bachelor’s degree in business administration majoring in accounting and finance in November 2003. Since December 2015, Mr. Chan has been an independent non-executive director of Virscend Education Company Limited, the shares of which are listed on the Stock Exchange (stock code: 1565).

獨立非執行董事(續)

陳劍榮先生(「陳先生」)，37歲，於2018年4月16日獲委任為我們的獨立非執行董事。彼主要負責獨立監督管理及就本集團的策略、表現、資源及操守水準提供獨立判斷。

陳先生於2004年10月至2010年3月加入國衛會計師事務所有限公司(一間知名執業會計師事務所)任職會計師，並於2008年4月獲晉升為審計經理。於2011年8月至2014年9月，陳先生曾於中國基建投資有限公司(一間主要從物業投資、天然氣銷售以及投資控股的公司，其股份在聯交所上市(股份代號：600))任職財務總監，並於2012年9月至2014年9月擔任該公司的公司秘書。陳先生現為香港會計師公會非執業會員及特許公認會計師公會資深會員。陳先生於2003年11月畢業於香港科技大學，取得工商管理學士學位，主修會計及財務。自2015年12月起，陳先生一直擔任成實外教育有限公司(其股份在聯交所上市(股份代號：1565))的獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷詳情

SENIOR MANAGEMENT

Ms. Lam Hau Chu (林巧珠) (“**Ms. Lam**”), aged 53, was appointed as our design manager on 1 January 2017. She is primarily responsible for overseeing the product design and development of the Group.

Ms. Lam has been working in the apparel industry for 29 years. Prior to joining the Group, Ms. Lam worked as merchandiser at Meridian from April 1989 to August 2010. Ms. Lam joined the Group in September 2010 as designer of Vision Garments. In April 2015, pursuant to a management arrangement with Meridian, our related party, for the period from 1 April 2015 to 31 December 2016 (the “**Management Arrangement**”), Ms. Lam’s employment was transferred to Meridian, which then re-assigned Ms. Lam to work at Vision Garments as designer and in charge of our design team. As the Management Arrangement was terminated in December 2016, Ms. Lam was again employed by Vision Garments as design manager on 1 January 2017. Ms. Lam graduated from Kit Sam Middle School in 1984.

Ms. Lo Wai Han (盧慧嫻) (“**Ms. Lo**”), aged 61, was appointed as our quality control manager on 1 January 2017. She is primarily responsible for overseeing the quality control aspects of the Group’s business.

Ms. Lo has over 25 years of garment quality control experience in the apparel industry. Ms. Lo had worked at Meridian as quality control staff since August 1992. From December 2014 to December 2016, Ms. Lo had been designated by Meridian to work for Vision Garments exclusively as quality control supervisor in charge of our quality control team. Since January 2017, Ms. Lo has been employed by Vision Garments as quality control manager.

高級管理層

林巧珠女士(「林女士」)，53歲，於2017年1月1日獲委任為我們的設計經理。彼主要負責監督本集團的產品設計及開發。

林女士已於成衣業工作達29年。在加入本集團之前，林女士於1989年4月至2010年8月在勵灝擔任採購員。林女士於2010年9月加入本集團擔任威誠製衣的設計師。於2015年4月，根據與我們的關聯方勵灝為期2015年4月1日至2016年12月31日的管理安排(「**管理安排**」)，林女士轉職至勵灝，而勵灝其後重新委任林女士於威誠製衣擔任設計師及掌管我們的設計團隊。由於管理安排於2016年12月終止，林女士於2017年1月1日再度獲威誠製衣聘用為設計經理。林女士於1984年畢業於潔心會林炳炎中學。

盧慧嫻女士(「盧女士」)，61歲，於2017年1月1日獲委任為我們的質量控制經理。彼主要負責監督本集團業務的質量控制。

盧女士在成衣業界擁有逾25年成衣質量控制的經驗。盧女士自1992年8月起在勵灝擔任質量控制員工。於2014年12月至2016年12月，盧女士獲勵灝調派專門為威誠製衣工作，擔任質量控制監督，負責領導我們的質量控制團隊。自2017年1月起，盧女士獲威誠製衣聘用為質量控制經理。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to maintaining and achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

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

The Board is of the view that throughout the period from the Listing Date to 31 December 2018, the Company has complied with all the code provisions as set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules in respect of securities transaction by directors (the "**Required Standard**").

Specific enquiry has been made to all Directors and the Directors have confirmed that they have complied with the Required Standard throughout the period from the Listing Date to 31 December 2018.

The Company has also extended the coverage of the Required Standard adoption to the senior management of the Company who are likely to be in possession of unpublished price-sensitive information of the Company (the "**relevant employees**"). No incident of non-compliance of the Required Standard by the relevant employees was noted by the Company.

公司管治常規

本公司董事會致力維持及達致高水平的企業管治。

董事會相信，高水平的企業管治對於為本集團保障股東利益、提升企業價值、制定業務策略及政策以及提升透明度及問責性提供框架而言至關重要。

本公司的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(「**企業管治守則**」)所載的原則及守則條文。

董事會認為，自上市日期至2018年12月31日整個期間，本公司一直遵守企業管治守則所載所有守則條文。

董事進行證券交易

本公司已採納GEM上市規則第5.48至5.67條所載有關董事進行證券交易的交易必守標準(「**必守標準**」)。

本公司已向全體董事作出特定查詢，而董事已確認彼等於上市日期至2018年12月31日整個期間一直遵守必守標準。

本公司亦已將必守標準採納的範圍擴大至可能擁有本公司未公佈的股價敏感資料的本公司高級管理層(「**相關僱員**」)。本公司並無發現相關僱員不遵守必守標準的事件。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board currently comprises the following Directors:

Executive Directors

Mr. Ko Sin Yun (*Chairman of the Board and Chairman of the Nomination Committee*)

Mr. Ko Man Ho (*Chief Executive Officer*)

Mr. Cheng Ka Wing (*Chief Financial Officer and Compliance Officer*)

Independent Non-executive Directors

Mr. To King Yan, Adam (*Chairman of the Remuneration Committee and Member of the Audit Committee and Nomination Committee*)

Mr. Kwok Chee Kin (*Member of the Audit Committee and Remuneration Committee*)

Mr. Chan Kim Sun (*Chairman of the Audit Committee and Member of the Remuneration Committee and Nomination Committee*)

The biographical information of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 20 to 25 of this annual report.

The relationships between the Directors are disclosed in the respective Director's biography under the section "Biographical Details of Directors and Senior Management" on page 20 to 25 of this annual report.

董事會

董事會監督本集團的業務、策略決策及表現，並應客觀地作出符合本公司最佳利益的決定。

董事會應定期檢討董事本公司履行其職責是須作出的貢獻，以及董事有否投入足夠時間履行其職責。

董事會組成

董事會目前包括下列董事：

執行董事

高銑印先生(董事會主席兼提名委員會主席)

高文灝先生(行政總裁)

鍾嘉榮先生(財務總監兼合規主任)

獨立非執行董事

杜景仁先生(薪酬委員會主席兼審核委員會及提名委員會成員)

郭志堅先生(審核委員會及薪酬委員會成員)

陳劍樂先生(審核委員會主席兼薪酬委員會及提名委員會成員)

有關董事的履歷資料載於本年報第20至25頁「董事及高級管理層的履歷詳情」一節。

董事之間的關係於本年報第20頁至25頁「董事及高級管理層的履歷詳情」一節下各董事的履歷中披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Mr. Ko and Mr. Morris Ko respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

Independent Non-executive Directors

During the period from the Listing Date to 31 December 2018, the Board at all times met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

Each of the independent non-executive Directors has entered into a letter of appointment with the Company with an initial term of three years commencing from the Listing Date subject to termination by either party, giving at least three months' notice in writing.

According to the Articles of Association of the Company (the "**Articles**"), one-third of the Directors for the time being (if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors should be eligible for re-election at the relevant AGM. In addition, any new Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of shareholders after his/her appointment, whereas any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM. The retiring Directors shall be eligible for re-election.

董事會(續)

主席及行政總裁

主席及行政總裁的職位分別由高先生及高文灝先生擔任。主席發揮領導作用，並負責董事會的有效運作及領導。行政總裁一般專注於本公司的業務發展以及日常管理及營運。

獨立非執行董事

於上市日期至2018年12月31日期間，董事會始終符合GEM上市規則有關委任至少三名獨立非執行董事(佔董事會三分之一)且其中一人具備適當的專業資格或會計或相關財務管理專業知識的規定。

本公司已根據GEM上市規則第5.09條所載的獨立性指引，收到各獨立非執行董事就其獨立性所發出的書面年度確認。本公司認為，全體獨立非執行董事均屬獨立。

委任及重選董事

各獨立執行董事已與本公司訂立委任函，初步任期自上市日期起為期三年，可由任何一方發出至少三個月書面通知予以終止。

根據本公司的組織章程細則(「**細則**」)，目前三分之一的董事(倘彼等的人數並非三的倍數，則最接近但不少於三分之一的人數)應在每屆股東週年大會輪值退任，惟每名董事須至少每三年輪值退任一次。退任董事應符合資格在相關股東週年大會上重選連任。此外，任何獲董事會委任以填補臨時空缺的新董事，任期僅至其獲委任後的首次股東大會為止，而任何獲董事會委任為現任董事會新增成員的董事，任期僅至下屆股東週年大會為止只能在下一屆股東週年大會上任職。退任董事符合資格重選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

董事會(續)

董事的責任

董事會應負責領導及控制本公司，並共同負責指導及監督本公司事務。

董事會直接(並透過其委員會間接)透過制定戰略及監督其實施以領導及指導管理層、監督本集團的營運及財務表現，以及確保健全的內部控制即風險管理系統到位。

全體董事(包括獨立非執行董事)均為董事會帶來廣泛的寶貴業務經驗、知識及專業精神，確保其高效及有效運作。

獨立非執行董事負責確保本公司提供高標準的監管報告，並在董事會中提供制衡作用，以對企業的行動及營運作出有效獨立判斷。

全體董事均可全面及時獲取本公司的一切資料，並可應要求在適當情況下為履行彼等對本公司的職責而尋求獨立專業意見，費用概由本公司承擔。

董事須向本公司披露彼等擔任的其他職務。

董事會保留其對所有與政策事宜、戰略及預算、內部控制及風險管理、重大交易(尤其可能涉及利益衝突者)、財務資料、委任董事及本公司其他重大營運事宜有關的主要事宜的決策權。與執行董事會決策、知識及統管本公司日常營運及管理有關的責任乃管理層的既授責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors from the Listing Date and up to date of this report are summarized as follows:

Director

董事

Type of Training ^{Note}

培訓種類 ^{附註}

Executive Directors

執行董事

Mr. Ko Sin Yun	高銑印先生	B
Mr. Ko Man Ho	高文灝先生	B
Mr. Cheng Ka Wing	鍾嘉榮先生	B

Independent Non-Executive Directors

獨立非執行董事

Mr. To King Yan, Adam	杜景仁先生	B
Mr. Kwok Chee Kin	郭志堅先生	B
Mr. Chan Kim Sun	陳劍樂先生	A, B

Note:

附註：

Types of Training

培訓種類

- A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops
- B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

- A: 出席培訓課程，包括但不限於，簡報會、研討會、會議及工作坊
- B: 閱讀相關新聞快訊、報章、期刊、雜誌及有關刊物

董事會 (續)

董事的持續專業發展

董事應及時了解監管發展及變化，以便有效履行彼等的職責，並確保彼等對董事會作出知情及相關的貢獻。

每名新委任董事於首次獲委任時已獲提供正式、全面及度身訂造的就職培訓，以確保適當了解本公司的業務及營運，並充分了解董事於GEM上市規則及相關法定要求下的責任及義務。

董事應參與適當的持續專業發展，以發展及更新彼等的知識及技能。本公司將為董事安排內部簡報會，並在適當情況下向董事提供相關主題的閱讀材料。本公司鼓勵全體董事出席相關培訓課程，費用概由本公司承擔。

董事於上市日期及直至本報告日期收到有關董事職責以及監管及業務發展的持續專業發展記錄概述如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 3.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Kim Sun (Chairman), Mr. To King Yan, Adam and Mr. Kwok Chee Kin.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are, among others, to make recommendations to the Board on the appointment, reappointment and removal of external auditor, review the financial information, oversee the financial reporting process, internal control and risk management systems and audit process, and perform other duties and responsibilities as assigned by the Board.

During the period from the Listing Date to 31 December 2018, the Audit Committee held three meetings to review the first quarterly, half-yearly and third quarterly financial results and reports and significant issues on the financial reporting, operational and compliance controls.

The Audit Committee also met the external auditor once without the presence of the executive Directors.

董事委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司特定範疇的事務。本公司所有董事委員會均已制定具體書面職權範圍，明確規定其職權與職責。審核委員會、薪酬委員會及提名委員會的職權範圍於本公司網站及聯交所網站登載，並可應要求提供予股東。

各董事委員會的主席及成員的名單載於第3頁「公司資料」。

審核委員會

審核委員會包括三名獨立非執行董事，即陳劍樂先生(主席)、杜景仁先生及郭志堅先生。

審核委員會的職權範圍不遜於企業管治守則所載者。審核委員會的主要職責為(其中包括)就委任、重新委任及罷免外部核數師、審查財務資料、監督財務申報程序、內部控制及風險管理系統及審核程序，以及履行董事會指派的其他職責及責任。

於上市日期至2018年12月31日期間，審核委員會舉行三次會議，檢討第一季、半年及第三季度財務業績及報告，以及財務報告、營運及合規控制的重大事宜

審核委員會亦在並無執行董事出席的情況下與外部核數師會面。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

Remuneration Committee

The Remuneration Committee consists of three independent non-executive Directors, namely Mr. To King Yan, Adam (Chairman), Mr. Chan Kim Sun and Mr. Kwok Chee Kin.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include making recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, reviewing performance-based remuneration, and ensuring none of the Directors determine their own remuneration.

The Remuneration Committee met once during the period from the Listing Date to 31 December 2018 to review the remuneration policy and structure of the Company and the remuneration packages of the Directors and senior management and other related matters.

Details of the remuneration of the senior management by band are set out in note 11 of the Notes to the Consolidated Financial Statements of this annual report.

Nomination Committee

The Nomination Committee consists of one executive Director, namely Mr. Ko Sin Yun (Chairman), and two independent non-executive Directors, namely Mr. To King Yan, Adam and Mr. Chan Kim Sun.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board, and selecting or making recommendations on the selection of individuals nominated for directorships.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning board diversity as set out in the Company's board diversity policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

董事委員會 (續)

薪酬委員會

薪酬委員會包括三名獨立非執行董事，即杜景仁先生(主席)、陳劍樂先生及郭志堅先生。

薪酬委員會的職權範圍不遜於企業管治守則所載者。薪酬委員會的主要職能包括就有關本集團全體董事及高級管理層的整體薪酬政策及架構向董事會作出推薦建議、檢討以表現為基礎的薪酬及確保概無董事釐定其本身的薪酬。

薪酬委員會於上市日期至2018年12月31日期間舉行一次會議，檢討本公司的薪酬政策及架構及董事及高級管理層的薪酬待遇以及其他相關事宜。

有關高級管理層按範圍劃分的薪酬的詳情，載於本年報綜合財務報表附註11。

提名委員會

提名委員會包括一名執行董事，即高銑印先生(主席)，及兩名獨立非執行董事，即杜景仁先生及陳劍樂先生。

提名委員會的職權範圍不遜於企業管治守則所載者。提名委員會的主要職責包括檢討董事會的架構、規模及組成，以及甄選獲提名擔任董事職務的人士或就其作出推薦建議。

在評估董事會組成時，提名委員會將考慮本公司的董事會多元化政策所載有關董事會多元化的各個方面及因素，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、知識及服務年期。提名委員會將在必要時討論並商定實現董事會多元化的可衡量目標，並就其向董事會作出推薦建議以供採納。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee met once during the period from the Listing Date to 31 December 2018 to review the structure, size and composition of the Board. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

During the period from the Listing Date to 31 December 2018, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Required Standard and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

Regular board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. As the Company was listed on 4 May 2018, only three regular board meetings were held and no AGM was held during the period from the Listing Date to 31 December 2018.

董事委員會(續)

提名委員會(續)

在識別及甄選合適的董事人選時，提名委員會在向董事會作出推薦建議前，將考慮人選的性格、資格、經驗、獨立性及其他相關標準，以配合企業戰略並實現董事會多元化(如適用)。

提名委員會於上市日期至2018年12月31日期間舉行一次會議，檢討董事會的架構、規模及組成。提名委員會認為，董事會已維持適當的多元化平衡。

企業管治職能

董事會負責履行企業管治守則守則條文第D.3.1條所載的職能。

於上市日期至2018年12月31日期間，董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司遵守法律及監管、遵守必守標準及本公司遵守企業管治守則的政策及常規以及於本企業管治報告筆錄的資料。

董事及委員會成員出席記錄

定期董事會會議應每年舉行四次，當中涉及董事親自或透過電子通訊方式積極參與。由於本公司於2018年5月4日上市，於上市日期至2018年12月31日期間，僅舉行了三次董事會定期會議，並無舉行股東週年大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS (Continued)

The attendance record of each Director at the Board and Board committee meetings and the general meetings of the Company held during period from the Listing Date to 31 December 2018 is set out in the table below:

董事及委員會成員出席記錄(續)

於上市日期至2018年12月31日期間，各董事出席董事會及董事委員會會議以及本公司股東大會的出席記錄載列於下表：

Name of Director 董事姓名	Attendance/Number of Meetings 出席／會議記錄					
	Board 董事會	Audit committee 審核委員會	Remuneration committee 薪酬委員會	Nomination committee 提名委員會	Annual committee meeting 股東週年大會	Other General Meeting 其他股東大會
Mr. Ko Sin Yun 高銑印先生	3/3	N/A 不適用	N/A 不適用	1/1	N/A 不適用	1/1
Mr. Ko Man Ho 高文灝先生	3/3	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Cheng Ka Wing 鍾嘉榮先生	3/3	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. To King Yan, Adam 杜景仁先生	3/3	3/3	1/1	1/1	N/A 不適用	1/1
Mr. Kwok Chee Kin 郭志堅先生	3/3	3/3	1/1	N/A 不適用	N/A 不適用	1/1
Mr. Chan Kim Sun 陳劍榮先生	3/3	3/3	1/1	1/1	N/A 不適用	1/1

Apart from regular board meetings, the Chairman also held one meeting with the independent non-executive Directors without the presence of executive Directors during the period from the Listing Date to 31 December 2018.

除董事會定期會議外，於上市日期至2018年12月31日期間，主席亦於並無執行董事出席的情況下與獨立非執行董事舉行過一次會議。

Independent non-executive Directors have attended the extraordinary general meeting held on 15 October 2018 to gain and develop a balanced understanding of the view of shareholders.

獨立非執行董事出席於2018年10月15日舉行的股東特別大會，以取得及均衡了解股東意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted a series of internal control policies, procedures and programs designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

風險管理及內部控制

董事會承認其對風險管理及內部控制系統的責任並檢討其有效性。該等系統旨在管理而非消除未能實現業務目標的風險，且僅能對重大錯報或損失提供合理而非絕對的保證。

董事會全面負責評估及釐定其願意為實現本公司戰略目標而承擔風險的性質及程度，以及建立及維持適當及有效的風險管理及內部控制系統。

審核委員會協助董事會領導管理層並監督其風險管理及內部控制系統的設計、實施及監控。

本公司已制定及採用一系列內部控制政策、程序及計劃，旨在為實現目標提供合理保證，包括有效及高效的營運、可靠的財務報告以及遵守適用的法律法規。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

The ultimate goal of the Company's risk management process is to identify and focus on the issues in its business operations that create impediments to the Company's success. The risk management process starts with identifying the major risks associated with the corporate strategy, goals and objectives. The key process points in the risk management include:

- **Identify:** The Company identifies current and emerging risks in its business operations and categorises those risks into a reasonable profile based on timeframe, likelihood, intensity and impact severity. The Company establishes four risk categories, including strategic risks, financial risks, operating risks and legal risks.
- **Assess:** The Company assesses and prioritises risks so that the most important risks can be identified and dealt with. Based on both qualitative and quantitative analyses, the Company prioritises risks in terms of likelihood and impact severity.
- **Mitigate:** Based on the assessment of (i) the probability and impact severity of the risks and (ii) cost and benefit of the mitigation plans, the Company chooses the appropriate option for dealing with risks, including risk elimination by suspending the associated business activities, risk reduction by adopting appropriate control measures, risk transfer by outsourcing or purchasing insurance policies, and risk acceptance by choosing to accept risks of low priority.
- **Measure:** The Company measures its risk management by determining if changes have been implemented and if changes are effective. In the event of any weakness in control, the Company follows up by adjusting its risk management measures and reporting material issues to the Directors.

風險管理及內部控制(續)

本公司風險管理流程的最終目標乃識別及專注於其業務營運中會對本公司的成功造成障礙的問題。風險管理流程始於識別與企業戰略、目標及目的相關的主要風險。風險管理的關鍵過程點包括：

- **識別：** 本公司識別其業務營運中當前及新出現的風險，並根據時間範圍、可能性、強度及影響嚴重程度將該等風險分類為合理概況。本公司建立四個風險類別，包括戰略風險、財務風險、經營風險及法律風險。
- **評估：** 本公司評估風險並將其劃分優先次序，以便識別及處理最重要的風險。基於定性及定量分析，本公司在可能性及影響嚴重性方面將風險劃分優先次序。
- **緩解：** 根據對(i)風險的概率及影響嚴重程度以及(ii)緩解計劃的成本及收益的評估，本公司選擇適當的方案來處理風險，包括通過暫停相關業務活動來消除風險、通過採取適當控制措施降低風險、通過外包或投購保單轉移風險，以及通過選擇接受低優先級的風險來接受風險。
- **衡量：** 本公司透過釐定是否已實施改變以及改變是否有效來衡量其風險管理。倘控制權出現任何弱點，本公司將透過調整風險管理措施並向董事報告重大事項以作出跟進。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

All divisions conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2018.

The Company has engaged external professional firm for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee. An assessment on our internal control systems has been examined by the external professional firm.

Whistleblowing procedures are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

風險管理及內部控制(續)

所有部門均定期進行內部控制評估，以識別可能影響本集團業務的風險以及各個方面，包括主要營運及財務流程、監管合規性及資料安全。

管理層與部門主管協調、評估風險發生的可能性、提供治療計劃及監控風險管理進度，並向審核委員會及董事會報告所有調查結果及系統的有效性。

管理層已向董事會及審核委員會匯報截至2018年12月31日止年度的風險管理及內部監控系統的有效性。

本公司已委聘外部專業公司提供內部審計職能，並對風險管理及內部監控系統的充足性及有效性進行獨立檢討。內部審計職能審查了與會計實務及一切重大控制有關的關鍵問題，並向審核委員會提供調查結果及改進的推薦建議。我們的內部控制系統評估已由外聘專業公司檢查。

檢舉程序乃為方便本公司僱員以保密方式提出有關本公司財務報告、內部控制或其他事項可能存在的不當行為的關注。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS (Continued)

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2018.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 66 to 71 of this annual report.

風險管理及內部控制(續)

本公司已制定其披露政策，為本公司董事、高級管理層及相關僱員提供處理機密資料、監控資料披露及回覆查詢的一般指引。

本公司已實施控制程序，以確保嚴禁未經授權存取及使用內部資料。

董事有關財務報表的責任

董事確認彼等有責任編製本公司截至2018年12月31日止年度的財務報表。

董事並不知悉任何與可能對本公司持續經營能力構成重大疑問的事件或情況有關的重大不確定因素。

本公司獨立核數師關於其就財務報表的申報責任的聲明載於本年報66至71頁的獨立核數師報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

The remuneration paid to the external auditor of the Company, Messrs. Deloitte Touche Tohmatsu, in respect of audit services and non-audit services for the year ended 31 December 2018 amounted to HK\$0.9 million and HK\$3.3 million respectively.

An analysis of the remuneration paid to the external auditor of the Company, in respect of audit services and non-audit services for the year ended 31 December 2018 is set out below:

Service Category		Fees Paid/ Payable
服務類別		已付／應付費用
		HK\$ million
		百萬港元
Audit Services	審計服務	0.9
Non-audit Services	非審計服務	3.3
		4.2

COMPANY SECRETARY

Ms. Ngai Kit Fong of Tricor Services Limited, an external service provider, has been engaged by the Company as the company secretary. Ms. Ngai's primary contact person at the Company is Mr. Cheng, executive Director and Chief Financial Officer of the Company. Ms. Ngai also confirmed that she has taken no less than 15 hours of relevant professional training during the year ended 31 December 2018.

核數師酬金

截至2018年12月31日止年度，就審計服務及非審計服務向本公司外部核數師德勤·關黃陳方會計師行支付的酬金分別為900,000港元及3,300,000港元。

截至2018年12月31日止年度，就審計服務及非審計服務向本公司外部核數師德勤·關黃陳方會計師行支付的酬金的分析載列如下：

公司秘書

外部服務供應商卓佳證券登記有限公司的倪潔芳女士已獲本公司委聘為公司秘書。倪女士在本公司的主要聯絡人為本公司執行董事兼財務總監鍾先生。倪女士亦確認，截至2018年12月31日止年度，她已接受不少於15小時的相關專業培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

The Company engages with shareholders through various communication channels and a shareholders' communication policy is in place to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

Convening an Extraordinary General Meeting

According to article 58 of the Articles, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

If a Shareholder wishes to propose a person other than a retiring Director for election as a Director of the Company at a general meeting, pursuant to article 85 of the Articles, the Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the Shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's head office or the office of the Company's branch share registrar. The period for lodgement of such notices shall commence on the day after the despatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

股東權利

本公司透過各種溝通渠道與股東接洽，並制定股東溝通政策，以確保股東的意見及關注得到妥善處理。本公司定期檢討政策以確保其有效性。

召開股東特別大會

根據細則第58條，任何一位或以上於遞呈要求當日持有不少於本公司繳足股本(具本公司股東大會之投票權)十分之一的股東於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理該要求中指明的任何事務。若於遞呈當日起21日內，董事會沒有開展召開有關大會之程序，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會之缺失而產生的所有合理開支應由本公司向遞呈要求人償付。

於股東大會提出建議

倘股東擬於股東大會上提名退任董事以外人選參選本公司董事，則根據細則第85條，該名正式合資格出席股東大會並可於會上投票的股東(並非擬提名的人士)須發出由其妥為簽署的書面通知，當中表明建議提名該人士參選董事的意向，連同獲提名人士簽署表示願意參選的通知。有關通知須送交本公司的總辦事處或本公司的股份過戶登記分處。送交有關通知的期間須於寄發舉行有關股東大會的通告翌日開始，且不得遲於有關股東大會舉行日期前7日結束。

向董事會提出查詢

如向本公司董事會提出任何查詢，股東可向本公司發出書面查詢。本公司通常不會處理口頭或匿名查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 3/F, China United Plaza, 1002-1008 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
(For the attention of the Board of Directors)

Email: contactus@vision-garments.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through AGMs and other general meetings.

During the period from the Listing Date to 31 December 2018, the Company has not made any changes to its Articles. An up to date version of the Company's Articles is also available on the Company's website and the Stock Exchange's website.

Policies relating to Shareholders

The Company has in place a shareholders' communication policy to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company has adopted a policy on payment of dividends pursuant to code provision E.1.5 of the CG Code that has become effective from 1 January 2019.

聯絡方式

股東可將上述查詢或要求發送至下列各項：

地址：香港九龍長沙灣大南西街1002-1008號
華匯廣場3樓
(註明收件人為董事會)

電郵：contactus@vision-garments.com

為免生疑問，股東必須遞交及發出正式簽署的書面要求、通知或聲明或查詢(視情況而定)的正本至上述地址，並提供彼等的全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

與股東及投資者溝通

本公司認為與股東進行有效溝通對於加強投資者關係及投資者對本集團業務表現及策略的了解至關重要。本公司致力(尤其是透過股東週年大會及其他股東大會)與股東保持持續對話。

於上市日期至2018年12月31日期間，本公司並無對其細則作出任何變動。本公司細則的最新版本亦可於本公司網站及聯交所網站查閱。

與股東有關的政策

本公司已制定股東溝通政策，以確保股東的意見及關注得以妥善處理。本公司定期檢討政策以確保其有效性。

本公司已根據企業管治守則的守則條文第E.1.5條採納有關派付股息的政策，自2019年1月1日起生效。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Preparation basis and scope

Vision International Holdings Limited (the “**Company**” together with its subsidiaries, hereinafter referred to as the “**Group**”) is pleased to present our first Environmental, Social and Governance Report (the “**ESG Report**”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance (“**ESG**”) issues.

This Report is prepared in accordance with Appendix 20 of The GEM Listing Rules — “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) and summarises the ESG performance of the Group. The Group has complied with the disclosure requirements of the “comply or explain” provisions set out in the ESG Reporting Guide. In view of our first time disclosure of certain key performance indicator (“**KPIs**”), which is considered as material, the Group will continue to optimize and improve the disclosure of KPIs.

The Board has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for evaluating and determining the Group’s ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place.

This Report illustrates the Group’s policies and performance regarding the environmental and social aspects during the reporting Period from 1 January 2018 to 31 December 2018 (the “**Reporting Period**”).

The information contained herein is sourced from official documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group’s relevant policies. The ESG Report is prepared and published in both English and Chinese. In the event of contradiction or inconsistency, the English version shall prevail.

關於本報告

編製基準及範圍

威誠國際控股有限公司(「**本公司**」，連同其附屬公司於下文統稱為「**本集團**»)欣然呈列我們的首份環境、社會及管治報告(「**環境、社會及管治報告**»)以提供本集團管理影響營運的重大問題(包括環境、社會及管治(「**環境、社會及管治**»)問題)的情況概覽。

本報告乃根據GEM上市規則附錄20-「環境、社會及管治報告指引」(「**環境、社會及管治報告指引**»)編製，並概述本集團的環境、社會及管治表現。本集團已遵守環境、社會及管治報告指引所載的「不遵守就解釋」條文的披露規定。考慮到我們首次披露該等重要的若干關鍵績效指標(「**KPI**»),本集團將繼續優化及改善對KPI的披露。

董事會全面負責本集團的環境、社會及管治的策略和報告。董事會負責評估及確定本集團的環境、社會及管治的相關風險，並確保設有適當及有效的環境、社會及管治風險管理及內部控制系統。

本報告闡述本集團於2018年1月1日至2018年12月31日的報告期間(「**報告期間**»)的環境及社會方面的政策及表現。

本報告所載資料源自本集團官方文件及統計資料，以及附屬公司根據本集團相關政策所提供的有關控制、管理及營運的綜合資料。本環境、社會及管治報告以中、英文編製及發佈，如有任何抵觸或不相符之處，應以英文版本為準。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION

The Group is an apparel SCM services provider based in Hong Kong, delivering one-stop solution to customers in Europe, predominantly Germany. The Group will continue in assessing the impacts of its business on the major environmental, social and governance aspects and to include in the ESG report.

The Group recognises the importance of sustainable development. Sustainability is crucial for the Group's growth in order to achieve business excellence and enhance long-term competitiveness. The Group has established and implemented various policies to manage and monitor the risks related to environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this Report.

STAKEHOLDERS ENGAGEMENT

The Group opens up communication with its stakeholders, including government, shareholder, investors, employees and consumers, through utilizing different channels as listed the table below. Through the stakeholders engagement, the Group understands the expectations and concerns of stakeholders. The feedbacks obtained through these channels allow the Group to further formulate the sustainable development strategy.

緒言

本集團是一間以香港為總部的服裝供應鏈管理服務供應商，為歐洲(主要為德國)的客戶提供一站式解決方案。本集團將繼續評估其業務對主要環境、社會及管治層面造成的影響，並於環境、社會及管治報告呈列。

本集團認可可持續發展的重要性。為達至卓越業務及提升長遠競爭力，可持續發展對本集團增長至為重要。本集團已制定及實施多項政策，以管理及監察與環境、就業、經營常規及社區相關的風險。有關不同範疇上對可持續發展的管理方針詳情於本報告說明。

持份者參與

本集團通過利用下表所列的不同渠道與其持份者(包括政府、股東、投資者、僱員及消費者)展開溝通。通過持份者參與，本集團可了解持份者的期望及顧慮。通過該等渠道獲得的反饋使本集團可進一步制定可持續發展策略。

Stakeholder 持份者	Expectation 期望	Engagement channel 參與渠道	Measures 措施
Government	<ul style="list-style-type: none"> — To comply with the laws — Proper tax payment — Promote regional economic development and employment 	<ul style="list-style-type: none"> — On-site inspections and checks — Research and discussion through work conferences, work reports preparation and submission for approval — Annual reports — Website 	<ul style="list-style-type: none"> — Operated, managed and paid taxes according to laws and regulations — Strengthened safety management — Accepted the Government's supervision, inspection and evaluation — Actively undertook social responsibilities
政府	<ul style="list-style-type: none"> — 遵守法律 — 妥善繳付稅項 — 推動地區經濟發展及就業 	<ul style="list-style-type: none"> — 實地視察及檢查 — 通過工作會議進行研究及討論、編製工作報告及提交作批准 — 年報 — 網站 	<ul style="list-style-type: none"> — 根據法律及法規進行經營管理及繳付稅項 — 加強安全管理 — 接受政府監督、檢查及評估 — 積極履行社會責任

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDERS ENGAGEMENT (Continued)

持份者參與(續)

Stakeholder 持份者	Expectation 期望	Engagement channel 參與渠道	Measures 措施
Shareholders and Investors	<ul style="list-style-type: none"> — Low risk — Return on the investment — Information disclosure and transparency — Protection of interests and fair treatment of shareholders 	<ul style="list-style-type: none"> — Annual general meeting and other shareholders' meetings — Annual reports, circulars and announcements — Newsletters — Meeting with investors and analysts 	<ul style="list-style-type: none"> — Issued notices of general meetings and proposed resolutions according to laws and regulations — Disclosed company's information by publishing announcements/circulars and periodic reports during the year — Carried out different forms of investor activities with an aim to improve investors' recognition — Held results briefing once — Disclosed company contact details on website and in reports and ensured all communication channels are available and effective.
股東及投資者	<ul style="list-style-type: none"> — 低風險 — 投資回報 — 資料披露及透明度 — 保障權益及公平對待股東 	<ul style="list-style-type: none"> — 股東週年大會及其他股東會議 — 年報、通函及公告 — 新聞稿 — 與投資者及分析師會面 	<ul style="list-style-type: none"> — 根據法律及法規發出股東大會通告及提出決議案 — 於年內通過刊發公告／通函及定期報告披露公司資料 — 進行不同形式的投資者活動，以期提升投資者的認可 — 舉行一次業績簡報會 — 於網站及報告中披露公司聯繫資料詳情並確保所有溝通渠道可用及有效。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDERS ENGAGEMENT (Continued)

持份者參與(續)

Stakeholder 持份者	Expectation 期望	Engagement channel 參與渠道	Measures 措施
Employees	— Safeguard the rights and interests of employees	— Conference	— Provided a healthy and safe working environment
	— Working environment	— Training, seminars, briefing sessions	— Developed a fair mechanism for promotion
	— Career Development opportunities	— Cultural and sport activities	— Established labor unions at all levels to provide communication platforms for employees
	— Self-actualization	— Newsletters	— Cared for employees by helping those in need
	— Health and safety	— Intranet and emails	— Organizing employee activities
	—	—	—
僱員	— 保障僱員權利及權益	— 會議	— 提供健康及安全的工作環境
	— 工作環境	— 培訓、研討會、簡報會	— 建立公平的晉升機制
	— 職業發展機會	— 文化及體育活動	— 成立各級工會為僱員提供溝通平台
	— 自我實現	— 新聞稿	— 關心及幫助有需要的僱員
	— 健康及安全	— 內網及電郵	— 組織僱員活動
Customers	— Safe and high-quality products	— Website, brochures, annual reports	— Strengthened quality management to ensure stable production and smooth transportation
	— Stable relationship	— Email and customer service hotline	— Entered into long-term strategic cooperation agreements
	— Information transparency	— Feedback forms	—
	— Integrity	— Regular meetings	—
	— Business ethics	—	—
客戶	— 安全及優質產品	— 網站、小冊子、年報	— 加強質量管理以確保穩定生產及順暢運輸
	— 穩定關係	— 電郵及客戶服務熱線	— 訂立長期戰略合作協議
	— 資料透明度	— 意見表格	—
	— 廉潔	— 定期會議	—
	— 商業道德	—	—

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL ASPECTS

Emission

Given the nature of the operations, the Group poses less negative impact to the environment than most traditional industries. The Group is not aware of any material environmental liability risk or compliance costs. However, the Group is committed to continuously improving our business environmental sustainability. In striving to do the right things as a company, the Group recognises that it has a responsibility to reduce the impact of the operations and be accountable for the resources and materials it uses each day.

The Group's businesses are mostly carried out locally in office. The Group has encompassed the general approach towards controlling environmental impacts of office activities. The Group's most significant environmental impacts are greenhouse gas ("GHG") emissions from electricity consumption, such as from the air-conditioning system, the lighting system, computers, printers and other office equipment. The Group does not engage in any discharge of waste into water and land, and there was no significant generation of hazardous wastes and non-hazardous wastes. In line with the aim to minimise emissions, the Group has implemented energy saving practices which are mentioned in the session of "Use of Resources" to reduce the GHG emissions.

The GHG emission during the Reporting Period is as follow:

Table 1 GHG Emission

Scope		Equivalent CO ₂ emission (kg) 二氧化碳當量排放 (千克)
Scope 1	範疇 1	Nil 無
Scope 2	範疇 2	6,696
Total	總計	6,696
Intensity	密度	77.5 kg/m ² 千克/平方米

Note:

The calculation of GHG is based on the "Corporate Accounting and Reporting Standard" from greenhouse gas protocol.

Scope 1: Direct emission from vehicle that owned by the Group
 Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group
 Scope 3: Other indirect emission is optional disclosure that the corresponding emission is not controlled by the Group

環境層面

排放物

由於業務的性質，本集團對環境的負面影響少於大部分傳統行業。本集團並不知悉任何重大環境責任風險或合規成本。然而，本集團致力於不斷提升業務的環境可持續性。作為一間公司，在致力作出正確之舉時，本集團認同其有責任減少其營運產生的影響並對每日所用的資源及材料負責。

本集團的業務大部分於本地的辦公室進行。本集團已採取一般方針來控制辦公室活動對環境造成的影響。本集團最主要的環境影響是耗用電力而排放的溫室氣體(「溫室氣體」)，如來自空調系統、照明系統、電腦、打印機及其他辦公設備。本集團並無向水及土地排放任何廢物，亦無產生大量的有害廢棄物及無害廢棄物。為配合減排目標，本集團已實施「資源使用」一節中所述的節約能源措施以減少溫室氣體排放。

於報告期內的溫室氣體排放如下：

表 1 溫室氣體排放

Scope		Equivalent CO ₂ emission (kg) 二氧化碳當量排放 (千克)
Scope 1	範疇 1	Nil 無
Scope 2	範疇 2	6,696
Total	總計	6,696
Intensity	密度	77.5 kg/m ² 千克/平方米

附註：

溫室氣體乃根據溫室氣體盤查議定書中的「企業會計與報告標準」計算得出。

範疇 1：來自本集團所擁有車輛的直接排放
 範疇 2：本集團耗用外購電力所產生的間接排放
 範疇 3：非本集團所控制的其他間接排放是選擇性資料披露

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL ASPECTS (Continued)

Use of Resources

The Group places high priority on the efficient use of resources. The major resources used by the Group are electricity, water and paper. Due to our business nature, no packaging material is used. The Group strives to improve the efficient use of natural resources, such as minimising waste/emissions and implementing effective recycling program. Practical measures are implemented as follows:

Electricity

Electricity saving measures are encouraged. Electrical appliances are required to be set as energy saving mode where possible. For computers, the automatic sleep mode is scheduled to be 20 minutes or less. The room temperature should be set at a range from 20°C to 26°C. Also, power supply should be switched off when they are not in use. Preference will be given to office equipment with relatively high energy efficiency.

The energy consumption during the Reporting Period is as follows:

Table 2 Energy Consumption

Energy		Consumption (kWh) 消耗量 (千瓦時)
Electricity	電力	12,400
Energy Intensity	能源密度	143.52 kWh/m ² 千瓦時/平方米

Water

The impact of freshwater use is relatively insignificant for the Group as its businesses are services-focused. The Group did not encounter any problems in sourcing water that is fit for purpose. Water rate charges do not form a separate item in the rent, yet the Group encourages staff to reduce water wastage, such as, by not running water taps while cleaning in the pantry.

環境層面 (續)

資源使用

本集團高度重視有效使用資源。本集團使用的主要資源為電力、水及紙張。鑒於我們的業務性質，我們並無使用任何包裝材料。本集團努力提升使用天然資源的效益，例如盡量減少廢棄物/排放物及實行之有效的回收計劃。我們採取的務實措施如下。

電力

我們鼓勵採取節約用電的措施。規定電器盡可能調校為節能模式。電腦於20分鐘內自動進入睡眠模式。室內溫度應設定於攝氏20度至攝氏26度之間。此外，電力供應不使用時應該關掉，以及首選使用能源效益較高的辦公設備。

於報告期內的能源消耗量如下：

表2 能源消耗量

用水

本集團經營服務主導型業務，故對用水造成的影響相對不大。本集團在求取適用水源上並無遇到任何問題。水費並非租金中的一個獨立項目，但本集團鼓勵員工減少浪費用水，例如在茶水間清潔時不一直打開水龍頭。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL ASPECTS (Continued)

Use of Resources (Continued)

Paper

Reduction in paper use indirectly reduces the overall GHG emission. The Group has been taking various steps to reduce paper consumption such as to reduce the use of paper by printing or photocopying on both sides of paper, where applicable and to encourage the employees to use suitable font size/shrinkage mode to minimise pages, if possible. Besides, electronic media is recommended for circulation/communication, to minimise using paper.

During the Reporting Period, the paper consumption was 30 kg.

During the Reporting Period, the Group consumed/generated no significant hazardous waste, non-hazardous waste, water and packaging materials due to its business nature. The Group is not aware of any material violation in all applicable environmental laws and regulations.

The Environment and Natural Resources

The Group raises staff's awareness on environmental issues through education and training and enlist employees' support in improving the Group's performance, promote environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability and evaluate regularly and monitor past and present business activities impacting upon health, safety and environmental matters. With the integration of policies mentioned in sections "Emission" and "Use of Resource", the Group strives to minimise the impacts to the environment and natural resources.

SOCIAL ASPECTS

Employment

We consider our employees to be our valuable assets and therefore attach great importance to our recruitment. We recruit employees possessing necessary skills and creative talents to help execute and achieve our business strategies and objectives. The Group assesses the available human resources on a continuous basis and will determine whether additional personnel are required to cope with the business development of the Group. The Group's staff policy book sets out our standards for compensation and dismissal, promotion, working hours, rest periods and other benefits and welfare.

環境層面 (續)

資源使用 (續)

紙張

減少用紙直接減少整體溫室氣體排放。本集團已採取多項措施減少紙張消耗，如使用雙面印刷或影印(如適用)減少用紙，及鼓勵僱員在可行情況下使用適當字體/縮細模式以盡量減少頁數。此外，我們亦建議使用電子媒介進行傳閱/通訊，以盡量減少用紙。

於報告期間，紙張消耗為30千克。

於報告期間，鑒於業務性質，本集團並無耗用/產生大量有害廢棄物、無害廢棄物、用水及包裝材料。本集團並不知悉任何嚴重違反所有適用環境法律及法規的情況。

環境及天然資源

本集團通過教育及培訓以提升員工對環境事宜的意識，並徵集僱員的支持以提升本集團的表現，向客戶、業務合作夥伴及股東推廣環保意識，並對社區舉辦有關環保及可持續發展的活動給予支持，以及定期評估及監察過往及現時影響健康、安全及環境事宜的業務活動。藉著對「排放物」及「資源使用」兩節所述的政策進行整合，本集團竭力將其對環境及天然資源所造成的影響減至最低。

社會層面

僱傭

我們視僱員為我們的寶貴資產，因此我們非常重視招聘。我們招聘具備所需技能及創意才能的僱員，協助執行及實現我們的業務策略和目標。本集團持續評估可用人力資源並將釐定是否需要額外人員以應付本集團之業務發展。本集團的員工政策手冊載列我們有關賠償及解僱、晉升、工作時數、休息時間及其他待遇及福利的標準。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL ASPECTS (Continued)

Employment (Continued)

The Group entered into separate labour contracts with each of our employees in accordance with the applicable labour laws of Hong Kong. We have set up a competitive remuneration system that links a portion of our employees' compensation to the performance of our business in order to provide incentives to our employees to strive for better results. Our remuneration package includes basic salary, bonuses and allowances. We place great emphasis on employee performance in determining their remuneration. We review the performance of our employees regularly, and the review outcome is used for the employee's salary review and promotion appraisal.

We also maintain employees' compensation insurance for all of our employees as required under the Employees' Compensation Ordinance and other applicable laws and regulations in Hong Kong. We operate defined contribution retirement benefits schemes under MPF schemes registered under the relevant laws and regulations for our employees in Hong Kong. Contributions to such schemes are based on a percentage of the employees' basic salaries.

During the Reporting Period, no material non-compliance regarding employment has been brought against the Group or its employees.

Health and Safety

As we do not own or operate any manufacturing facilities, we are not subject to any manufacturing-related occupational health, work safety and environmental issues. As required under Hong Kong laws, we take out employees' compensation insurance for our employees.

During the Reporting Period, no non-compliance cases were noted in relation to laws and regulations for health and safety.

Development and Training

We believe that on-going development and training of our employees is critical to our success. We are committed to employee development and provide various training to our employees to support their further development through education allowance to reimburse fees of external training seminars as stated in the staff policy book. We believe it is a win-win approach for achieving both employee and corporate goals as a whole.

社會層面 (續)

僱傭 (續)

本集團根據香港的適用勞工法例與各僱員訂立單獨的勞工合約。我們設立了一個具競爭性的薪酬制度，將僱員的部分酬金與我們的業務表現掛鉤，以激勵僱員爭取更佳成果。我們的薪酬待遇包括基本薪金、花紅及津貼。我們在釐定僱員薪酬時非常重視其表現。我們定期檢討僱員表現，而檢討結果用於僱員的薪金審查及晉升考核。

我們亦根據僱員補償條例及其他香港適用法律及法規為全體僱員投購僱員補償保險。我們亦為香港僱員設有根據相關法律及法規登記的強積金計劃下的界定供款退休福利計劃，並按僱員基本薪金的一定百分比向有關計劃供款。

於報告期間，本集團或其僱員概無有關僱傭的重大違規事項。

健康及安全

由於我們並無擁有或營運任何製造設施，我們不受任何與製造相關的職業健康、工作安全及環境事宜約束。根據香港法律規定，我們已為僱員投購僱員賠償保險。

於報告期間，並無發現任何不符合健康與安全法律或法規的個案。

發展及培訓

我們相信，僱員的持續發展與培訓對我們達致成功至關重要。我們致力於員工發展，並為僱員提供各類培訓，通過教育津貼報銷外部培訓研討會的費用(如員工政策手冊所述)，以支持彼等進一步發展。我們相信此乃可實現員工及企業整體目標之雙贏方式。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL ASPECTS (Continued)

Labour Standards

The Group is fully aware that child labour and forced labour violate fundamental human rights and also pose threat to sustainable social and economic development. The Group strictly complies with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and other relevant labour laws and regulations in Hong Kong. The Group prohibits the use of child labour and forced labour. Employment contracts and other records, documenting all relevant details of the employees (including age) are maintained properly for verification by relevant statutory body upon request.

During the Reporting Period, the Group has complied with policies and relevant laws and regulations regarding prevention of child labour or forced labour.

Supply Chain Management

To focus our time and resources on provision of apparel SCM services, we outsource the manufacturing of all apparel products ordered by our customers to our suppliers in the PRC, Madagascar and Cambodia.

Our sales and sourcing team is responsible for the overall production management including selecting and engaging suppliers for manufacturing of apparel products. We have adopted and implemented policies and procedures in selecting new suppliers for manufacturing of apparel products and monitoring their ongoing performance. We regularly select and evaluate our suppliers, based on a number of factors including technical capability, manufacturing capacity, quality, reputation, timely delivery, pricing, costs and payment terms. Besides, to determine whether to allocate production orders to suppliers in the PRC, Madagascar or Cambodia, we typically take into consideration of their prices, technical capabilities, production capacities, delivery schedules and their respective competitive strengths. Suppliers in different countries and different regions of the PRC have their own competitive strengths. For example, suppliers in the southern region of the PRC are equipped with advanced manufacturing equipment and are capable to manufacture a wide variety of apparel products. Suppliers in the central and northern regions of the PRC are in close proximity to raw material supply and thereby are able to manufacture apparel products at lower costs. For our suppliers in Madagascar and Cambodia, the costs of manufacturing apparel products are more competitive due to the lower labour costs in Madagascar and Cambodia, and the exemption of import duty for exporting apparel products from Madagascar and Cambodia to Europe.

社會層面 (續)

勞工準則

本集團深知童工及強迫勞工侵犯基本人權，亦對社會及經濟可持續發展構成威脅。本集團嚴格遵守香港法例第57章僱傭條例及其他有關勞動法律及法規。本集團禁止僱用童工及強迫勞工。本集團均妥善保存記錄僱員所有詳情(包括年齡)之僱傭合約及其他記錄，按要求供有關法定機構核實。

於報告期間，本集團已遵守有關防止童工或強迫勞工之政策及相關法律及法規。

供應鏈管理

為專注我們在提供服裝供應鏈管理服務上的時間及資源，我們將客戶訂購的所有服裝產品的生產外包予中國、馬達加斯加及柬埔寨的供應商。

我們的銷售及採購團隊負責整體生產管理，包括選擇及聘請供應商製造服裝產品。我們於就服裝產品製造挑選新供應商及監察彼等的持續表現時已採納及實行政策及程序。我們根據多項因素(包括技術能力、製造能力、質量、聲譽、按時交付、定價、成本及付款條款)定期甄選和評估供應商。此外，為釐定是否分配生產訂單至中國供應商、馬達加斯加或柬埔寨供應商，我們通常考慮其價格、技術能力、生產能力、交貨時間表及彼等各自的競爭優勢。不同國家及中國不同地區的供應商有其自身競爭優勢。例如，華南供應商配備先進製造設備，能夠製造多種類服裝產品。華中及華北供應商鄰近原材料供應，因而能夠按較低成本製造服裝產品。就我們的馬達加斯加及柬埔寨供應商而言，服裝產品製造成本較具競爭力，乃由於馬達加斯加的勞動成本較低及將服裝產品由馬達加斯加及柬埔寨出口往歐洲獲豁免進口關稅。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL ASPECTS (Continued)

Supply Chain Management (Continued)

We further evaluate such suppliers' performance through our inspections on apparel products. We follow up closely with our suppliers on production and delivery schedules in order to ensure that the finished products can be delivered in accordance with our customers' requirements.

Thus, we believe there are no significant environmental and social risks for our management decision on supply chain management.

Product Responsibility

Quality assurance

We maintain a quality control programme for the apparel products throughout the production process manufactured by our suppliers, with the view to ensuring the overall quality of the apparel products. Our quality control manager, who has over 25 years of experience in the field of quality control for apparel production, had been in charge of the quality control aspects of our operations. Our quality control team performs on-site inspections on the raw materials to be used on the apparel products and semi-finished products to ensure they meet the relevant specifications. In addition, our quality control team inspects and performs laboratory tests on the raw materials in accordance with the local and international standards, where necessary. Our quality control team reviews such test results and decides whether the raw materials meet our quality requirements.

We carry out inspections on the apparel products ordered by our customers during the production process using different inspection methods. Before the packaging and delivery of finished products to customers, we perform on-site quality inspections to ensure that all finished products comply strictly with customers' requirements and our internal standards. If any defect is found in the finished products, we require the suppliers to rectify the defects at no additional cost and subsequently re-examine the reprocessed products. After passing the final inspection, all finished products are packed for delivery.

For our quality control measure over selection of suppliers, please refer to aspect "Supply Chain Management" in this Report for further details.

社會層面 (續)

供應鏈管理 (續)

我們透過檢驗服裝產品進一步評估該等供應商的表現。我們與供應商密切跟進生產及交付時間表，以確保製成品能按客戶要求予以交付。

因此，我們相信我們管理層在供應鏈管理方面所作出的決定並無引起重大的環境及社會風險。

產品責任

質量保證

我們對供應商的整個服裝產品生產過程設有質量控制方案，從而確保服裝產品的整體質量。我們的質量控制經理（其在服裝生產的質量控制方面擁有逾25年經驗）負責我們業務的質量控制。我們的質量控制團隊對服裝產品及半製成品將使用的原材料進行實地檢驗，以確保原材料符合相關規格。此外，我們根據本地及國際標準，對原材料進行檢驗及實驗測試（如有需要）。我們的質量控制團隊審查有關測試結果，並決定原材料是否符合我們的質量要求。

我們於生產程序中利用不同的檢查方法，檢驗我們客戶訂購的服裝產品。在包裝及交付製成品予客戶之前，我們會進行實地質量檢測，以確保所有製成品均嚴格遵守客戶的要求及我們的內部標準。倘發現製成品有任何瑕疵，我們會要求供應商在無需額外成本的情況下整改缺陷，然後重新檢驗經處理產品。通過最終檢驗後，所有製成品將進行包裝及送貨。

有關我們在甄選供應商方面的質量控制措施的更多詳情，請參閱本報告「供應鏈管理」層面。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL ASPECTS (Continued)

Product Responsibility (Continued)

Product return policy

The apparel products ordered by our customers are subject to final inspections before delivery to ensure they conform with our specifications and quality requirements. We do not have a product return policy. However, we may return products due to quality issues or require our suppliers to rectify any defects our customers identified after delivery of the products. In the event that issues relating to product return arises, we follow up closely with our customers on any claims or requests for product return, payment refund, rectification or price discount, and may enter into negotiations with our customers to resolve the issue on a case by case basis.

Data protection

Employees are generally required to follow the confidentiality clause as stated in the staff policy book and employment contract, requesting employees not to disclose any trade secret or other confidential information concerning the business or affairs of our Group except for benefit of the Group with further authorisation.

During the Reporting Period, there were no cases of non-compliance against products and services related laws and regulations.

Anti-Corruption

To ensure operation efficiency and employees' development in a fair and honest working environment, the Group has formulated whistleblowing policy to avoid suspected corruption and provided channel such as by letters, meetings, emails or phone calls for employees to report suspected corruption. If there are any suspected case related to corruption, employees are encouraged to report the related cases through the mentioned channels. All these practical actions not only win the trust of customers, but also enhance the sense of belonging and fair play among our employees.

The Group has been in strict compliance with laws and regulations related to anti-corruption. During the Reporting Period, no legal cases regarding corrupt practices were brought against the Group or its employees.

Community Investment

As a socially responsible company, the Group is committed to understand the needs of the communities in which we operate. The Group strives to develop long-term relationship with our stakeholders and seek to make contributions to have a positive impact on community development.

社會層面 (續)

產品責任 (續)

產品退回政策

我們客戶訂購的服裝產品於送貨前須接受最後檢查以確保其符合我們的規格及質量要求。我們並無產品退回政策。然而，我們可因質量問題退回產品或要求我們的供應商整改客戶於產品交付後發現的任何缺陷。倘出現與產品退回的有關的問題，我們會就任何索償或要求產品退回、退款、整改或產品折扣密切跟進客戶情況，並可能按實際情況與客戶進行磋商以解決問題。

資料保護

僱員一般須遵守員工政策手冊及僱傭合約中所載的保密條款，其要求僱員不得披露涉及本集團業務或事務的任何商業機密或其他保密資料，惟為本集團利益作出並經進一步授權者除外。

於業績記錄期間，概無違反產品及服務相關法律及法規的情況。

反貪污

為確保營運效率及僱員可於公平廉潔的工作環境中發展，本集團已制定舉報政策以避免涉嫌貪污情況，並提供員工舉報涉嫌貪污的渠道，包括通過信函、會議、電郵或電話等方式。倘有任何涉嫌貪污的疑似情況，僱員應通過上述渠道報告相關情況。所有該等實際行動不僅贏得客戶的信任，亦增強僱員的歸屬感及促進公平作業。

本集團一直嚴格遵守有關反貪污的法律及法規。於報告期間，並無任何針對本集團或其僱員提出的涉及貪污的法律案件。

社區投資

作為一間負有社會責任感之公司，本集團致力了解我們營運所在社區的需求。本集團努力發展與持份者的長期關係，並竭力為社區發展貢獻正面影響。

REPORTS OF THE DIRECTORS

董事會報告

The Directors are pleased to present the first annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in note 1 to the consolidated financial statements of the Group. The principal activities of the Group are trading of apparel products with the provision of SCM services to customers.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statements of profit or loss and other comprehensive income on page 72 of this annual report.

The Board has declared interim dividends with an aggregate amount of HK\$6.5 million (2017: HK\$4.3 million) to its then sole shareholder in April 2018 which had been fully settled. The Board has also declared a third quarter dividend of HK\$0.01 per Share, amounting to a total of HK\$10 million (corresponding period in 2017: Nil) which was paid on 18 December 2018.

The Directors recommended the payment of a final dividend of HK\$0.013 per Share amounting to a total of HK\$13 million for the year ended 31 December 2018 (2017: Nil) to the Shareholders whose names appear on the register of members of the Company on 10 May 2019. The proposed final dividend, subject to the approval by the Shareholders at the AGM to be held on 3 May 2019, will be paid on or about 23 May 2019.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year in the property, plant and equipment of the Group are set out in note 14 of the consolidated financial statements of this annual report.

董事欣然提呈首份年度報告連同本集團截至2018年12月31日止年度的經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。其主要附屬公司的主要業務已載於本集團綜合財務報表附註1。本集團的主要業務為服裝產品買賣連同向客戶提供供應鏈管理服務。

遵守相關法律及規例

就董事會所知，本集團於回顧年度內並無重大違反或不遵守對本集團的業務及營運有重大影響的適用法律及法規。

業績及股息

本集團截至2018年12月31日止年度的業績載於本年報第72頁的綜合損益及其他全面收益表。

董事會已於2018年4月向其當時唯一股東宣派中期股息合共6,500,000港元(2017年：4,300,000港元)，已全數結清。董事會亦已宣派第三季度股息每股0.01港元，合共10,000,000港元(2017年同期：零)，於2018年12月18日派付。

董事會建議就截至2018年12月31日止年度派付末期股息每股0.013港元，合共13,000,000港元(2017年：零)予於2019年5月10日名列本公司股東名冊的股東。建議末期股息須待股東於2019年5月3日召開的股東週年大會批准後，將於2019年5月23日或之前支付。

物業、廠房及設備

於年內本集團物業、廠房及設備變動的詳情載於本年報綜合財務報表附註14。

REPORTS OF THE DIRECTORS

董事會報告

BUSINESS REVIEW

A review of the Group's performance for the year ended 31 December 2018 has been conducted and the key factors affecting its results and financial position are set out in the section headed "Management Discussion and Analysis" of this annual report. A fair review of, and an indication of likely future developments in the Group's business are set out in the sections headed "Chairman's Statement" in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the Group are summarized as follow:

- (a) Reliance upon limited number of major customers
- (b) Failure to respond to changes in fashion trends and preferences of our customers and end consumers
- (c) Reliance on supplies for the manufacturing of apparel products
- (d) Increase in the costs of raw materials or labour
- (e) Any other principal risks involved in the Group

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last 4 financial years is set out at pages 152.

SHARE CAPITAL

Details of the Company's share capital and movements during the year are set out in note 25 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rate basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the period from the Listing Date to 31 December 2018.

業務回顧

本集團已對截至2018年12月31日止年度的表現進行回顧，影響其業績及財務狀況的主要因素載於本年報「管理層討論與分析」一節。有關本集團業務的公平回顧及未來可能發展動向載於本年報「主席報告」一節。

主要風險及不確定因素

本集團的主要風險及不確定因素概述如下：

- (a) 依賴為數有限的主要客戶
- (b) 未能回應時裝潮流趨勢以及客戶及最終客戶的喜好的轉變
- (c) 依賴供應商製造服裝產品
- (d) 原材料或勞工成本增加
- (e) 本集團涉及的任何其他主要風險

財務概要

本集團最近4個財政年度的業績、資產及負債概要載於第152頁。

股本

本公司於年內的股本及變動的詳情載於綜合財務報表附註25。

優先購買權

根據細則或開曼群島法例，並無有關優先購買權的條文規定本公司須按比例向現有股東提呈發售新股份。

購買、出售或贖回本公司上市證券

於上市日期至2018年12月31日期間，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

REPORTS OF THE DIRECTORS

董事會報告

RESERVES

Details of movements in reserves on the Group and the Company during the year under review are set out in the consolidated statement of changes in equity on page 75 and note 32 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$33.9 million (2017: HK\$37.9 million).

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2018, the Group's largest and five largest customers' aggregate amount represented approximately 28.1% (2017: approximately 39.2%) and 77.1% (2017: approximately 87.8%) of the Group's total revenue respectively.

During the year under review, the Group's largest and five largest suppliers' aggregate amount represented approximately 31.8% (2017: approximately 32.6%) and 77.8% (2017: approximately 82.2%) of the Group's total purchase cost respectively.

To the best knowledge of the Directors, none of the Directors nor any of their close associates (as defined in the GEM Listing Rules) nor any shareholders who or which own more than 5% of the Company's issued share capital had any beneficial interest in any of the Group's five largest customers and/or suppliers during the year ended 31 December 2018.

儲備

於回顧年度內，本集團及本公司的儲備變動詳情分別載於第75頁的綜合權益變動表及綜合財務報表附註32。

可供分派儲備

於2018年12月31日，本公司的可供分派儲備根據開曼群島第22章公司法（1961年第3號法例，經綜合及修訂）計算約為33,900,000港元（2017年：37,900,000港元）。

主要客戶及供應商

於截至2018年12月31日止年度期間，本集團的最大客戶及五大客戶的總額分別佔本集團總收益約28.1%（2017年：約39.2%）及77.1%（2017年：約87.8%）。

於回顧年度內，本集團的最大供應商及五大供應商分別佔本集團總採購成本約31.8%（2017年：約32.6%）及77.8%（2017年：約82.2%）。

於截至2018年12月31日止年度期間，就董事所深知，概無董事或彼等的任何緊密聯繫人（定義見GEM上市規則）或任何擁有本公司已發行股本5%以上的股東於本集團任何五大客戶及／或供應商中擁有任何實益利益。

REPORTS OF THE DIRECTORS

董事會報告

DIRECTORS

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

Executive Directors

Mr. Ko Sin Yun (*Chairman*) (appointed on 19 January 2017)
Mr. Ko Man Ho (appointed on 8 July 2017)
(*Chief Executive Officer*)
Mr. Cheng Ka Wing (appointed on 8 July 2017)

Independent Non-executive Directors

Mr. To King Yan, Adam (appointed on 16 April 2018)
Mr. Kwok Chee Kin (appointed on 16 April 2018)
Mr. Chan Kim Sun (appointed on 16 April 2018)

Pursuant to article 84 of the Article, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at an AGM at least once every three years. A retiring Director shall be eligible for re-election.

In accordance with article 83(3) of the Articles, all the Directors including Mr. Ko Sin Yun, Mr. Ko Man Ho, Mr. Cheng Ka Wing, Mr. To King Yan, Adam, Mr. Kwok Chee Kin and Mr. Chan Kim Sun shall retire at the AGM and, being eligible, will offer themselves for re-election at the AGM.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out pages 20 to 25 of this annual report.

董事

於年內及截至本年報日期的董事如下：

執行董事

高銑印先生(主席) (於2017年1月19日獲委任)
高文灝先生 (於2017年7月8日獲委任)
(行政總裁)
鍾嘉榮先生 (於2017年7月8日獲委任)

獨立非執行董事

杜景仁先生 (於2018年4月16日獲委任)
郭志堅先生 (於2018年4月16日獲委任)
陳劍樂先生 (於2018年4月16日獲委任)

根據細則第84條，於每屆股東週年大會上，當時三分之一(或倘其數目並非三(3)的倍數，則為最接近但不少於三分之一)的董事須輪值告退，而每名董事須至少每三年於股東週年大會上退任一次。退任董事將合資格膺選連任。

根據則第83(3)條，全體董事(包括高銑印先生、高文灝先生、鍾嘉榮先生、杜景仁先生、郭志堅先生及陳劍樂先生)將於股東週年大會退任，並符合資格亦願意於股東週年大會上膺選連任。

董事及高級管理層的履歷詳情

本集團董事及高級管理層的履歷詳情載於本年報第20至25頁。

REPORTS OF THE DIRECTORS

董事會報告

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years commencing from the Listing Date and will continue thereafter until terminated by not less than one month's notice in writing served by either party on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company with an initial term of three years commencing from the Listing Date, subject to termination by either party by giving at least three months' notice in writing.

Save as disclosed above, none of the Directors has proposed or entered into any service agreement or appointment letter with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

INDEPENDENCE CONFIRMATION

The Company has received from each of the independent non-executive Directors regarding his independence in accordance with Rule 5.09 of the GEM Listing Rules and considers each of them being independent.

PERMITTED INDEMNITY PROVISIONS

Under the Articles, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, cost, charges, losses, damages and expenses incurred or sustained by him as a Director provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty attached to him. The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

EMOLUMENT POLICY

The Remuneration Committee will review and determine the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, and time devoted to the Group and the performance of the Group.

EMOLUMENTS OF THE DIRECTORS

Details of the emoluments of the Directors are set out in note 11 of the consolidated financial statements in this annual report.

董事服務合約

各執行董事已與本公司訂立服務協議，自上市日期起計初步為期三年，期滿後將一直延續直至向另一方發出不少於一個月的書面通知終止為止。

各獨立非執行董事已與本公司訂立委任函，任期自上市日期起計初步為期三年，惟可由任何一方以發出至少三個月的書面通知終止。

除上文披露者外，董事並無建議或已經與本公司或其任何附屬公司訂立任何本集團不可在一年內毋須支付補償（法定補償除外）而終止的服務協議或委任函。

獨立確認書

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條就其獨立性發出的確認書，並認為彼等各自均為獨立人士。

獲准許彌償條文

根據細則，每名董事須將獲以本公司資產及溢利作為彌償保證及擔保，使其不會因其身為股東而招致或產生的所有訴訟、費用、收費、損失、損害及開支蒙受損害，惟此彌償不得延伸至任何與其欺詐或不誠實有關的事宜。本公司已就董事可能面對的法律訴訟作適當投保。

薪酬政策

薪酬委員會將參考董事的職責、工作量、對本集團付出的時間以及本集團的表現，檢討及釐定董事的薪酬及福利待遇。

董事酬金

董事酬金的詳情載於本年報綜合財務報表附註11。

REPORTS OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 11 to the consolidated financial statements of this annual report, neither Director nor a connected entity of a Director had any material interest, either directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group, to which the Company or any of its subsidiaries was a party during the year ended 31 December 2018.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited to be the compliance adviser. As at 31 December 2018, as notified by Giraffe Capital Limited, except for the compliance adviser agreement entered into between the Company and Giraffe Capital Limited dated 3 August 2017, neither Giraffe Capital Limited nor any of its directors or employees or close associates, had or may have, any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 December 2018.

COMPETING INTEREST

During the year ended 31 December 2018, none of the Directors or any of their respective close associates (as defined in the GEM Listing Rules), engaged in any business that competes or may compete with the business of the Group, or had any other conflict of interest with the Group. A deed of non-competition dated 16 April 2018 was entered into by the controlling shareholders in favour of the Company (for itself and as a trustee for its subsidiaries) (the “**Deed**”), details of which were set out in the section headed “Relationship with Controlling Shareholder” of the Prospectus.

The Company has received an annual confirmation from the controlling Shareholders in respect of their compliance with the non-competition undertakings under the Deed throughout the period from the Listing Date to 31 December 2018. The independent non-executive Directors have also reviewed the compliance with the non-competition undertakings under the Deed by the controlling Shareholders and confirmed that the controlling Shareholders have not been in breach of the Deed from the Listing Date to 31 December 2018.

董事於交易、安排或合約中的權益

除於本年報綜合財務報表附註11所披露者外，於截至2018年12月31日止年度概無董事或董事的關連實體於本公司或其任何附屬公司所訂立對本集團業務而言屬重要的任何交易、安排或合約中直接或間接擁有任何重大權益。

合規顧問的權益

根據GEM上市規則第6A.19條，本公司已委聘智富融資有限公司為合規顧問。於2018年12月31日，誠如智富融資有限公司所告知，除本公司與大有融資所訂立日期為2017年8月3日的合規顧問協議外，智富融資有限公司或其任何董事或僱員或緊密聯繫人概無於本公司或本集團任何成員公司的證券中擁有或可能擁有任何根據GEM上市規則第6A.32條須知會本集團的權益（包括可認購有關證券之購股權或權利）。

競爭權益

截至2018年12月31日止年度，董事或彼等各自的任何緊密聯繫人（定義見GEM上市規則）概無參與任何與本集團業務競爭或可能競爭，或與本集團有任何其他利益衝突的業務。控股股東於2018年4月16日以本公司（為其本身及作為其附屬公司的受託人）為受益人訂立不競爭契據（「**契據**」），有關詳情載於招股章程「與控股股東的關係」一節。

本公司已接獲控股股東有關彼等於上市日期起至2018年12月31日止期間內遵守並履行契據項下不競爭承諾的年度確認。獨立非執行董事亦已審視控股股東遵守契據項下不競爭承諾的情況，並確認控股股東於上市日期起至2018年12月31日止期間內並無違反契據。

REPORTS OF THE DIRECTORS

董事會報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Required Standard regarding Directors' securities transactions. Having been enquired by the Company, all Directors confirmed that they had complied with the Required Standard from the Listing Date to the date of this report.

SHARE OPTION SCHEME

The share option scheme of the Company (the “**Share Option Scheme**”) was adopted pursuant to a resolution passed by the Company's then sole shareholder on 16 April 2018 for the primary purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants of the Share Option Scheme include any employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any of its subsidiaries (including any director of the Company or any of its subsidiaries) who is in full-time or part-time employment with or otherwise engaged by the Company or any of its subsidiaries at the time when an option is granted. The Share Option Scheme became effective on the Listing Date and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the Listing Date. The principal terms of the Share Option Scheme were summarised in the paragraph headed “Statutory and General Information — D. Share Option Scheme” in Appendix IV to the Prospectus. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme since its adoption and there was no outstanding share option as at the date of this report.

董事進行證券交易

本公司已採納必守標準作為董事進行證券交易的交易必守標準。經本公司作出查詢後，全體董事已確認彼等自上市日期起至本年報日期止均已遵守必守標準。

購股權計劃

本公司的購股權計劃(「**購股權計劃**」)乃根據本公司當時的唯一股東於2018年4月16日通過的決議案而獲採納，主要旨在向合資格參與者提供機會可於本公司中擁有個人權益，以及激勵、吸引及留聘對本集團長期發展及盈利能力有重要貢獻的合資格參與者。購股權計劃的合資格參與者包括本公司或其任何附屬公司的任何僱員、諮詢顧問、顧問、服務供應商、代理、客戶、夥伴或合營夥伴(包括本公司或其任何附屬公司的任何董事)。授出購股權時，彼等為本公司或其任何附屬公司的全職或兼職僱員或以其他方式獲聘用。購股權計劃於上市日期生效，除非被另行取消或修訂，購股權計劃將於上市日期起計10年內一直有效。購股權計劃的主要條款概述於招股章程附錄四「法定及一般資料 — D. 購股權計劃」一段。自採納計劃後，本公司概無根據購股權計劃授出、失效、行使或註銷任何購股權，且於本報告日期並無尚未行使的購股權。

REPORTS OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in the sub-sections headed “Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporation” and “Share Option Scheme” in this annual report, at no time during the year ended 31 December 2018 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the Securities and Future Ordinance (“SFO”) or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the shareholders of the Company and enhance the business growth of the Group. Where applicable, the Company has complied with the code provisions as set out in the CG Code since the Listing Date up to the date of this report.

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 26 to 41 of this annual report.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed during the year under review.

董事購買股份或債務證券的權利

除本年報「董事及最高行政人員於本公司或任何相聯法團的股份、相關股份及債權證的權益及淡倉」及「購股權計劃」分節所披露者外，截至2018年12月31日止年度內之任何時間，本公司或其任何附屬公司或其任何同系附屬公司概無參與訂立任何安排，致使董事或本公司主要行政人員（包括彼等的配偶或十八歲以下的子女）有權認購本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」））的證券或收購本公司或任何其他法人團體的股份或債權證以獲得利益。

企業管治常規及合規事宜

本公司的企業管治常規乃以GEM上市規則附錄十五所載的企業管治守則的原則及守則條文為依據。本公司董事會及管理層致力維持及達到高水平的企業管治常規，著重建立高質素的董事會、有效的問責制度及健全的企業文化，以維護本公司股東的利益，並提升本集團的業務增長。倘適用，本公司自上市日期起至本報告日期止一直遵守企業管治守則所載的守則條文。

本公司採納的企業管治常規的詳情載於本年報第26至41頁的企業管治報告。

股票掛鈎協議

除本年報所載購股權計劃外，概無股票掛鈎協議由本集團簽訂或於回顧年度存在。

REPORTS OF THE DIRECTORS

董事會報告

ENVIRONMENTAL POLICY

The Group aims to protect the environment by minimising adverse impacts of daily operations to environment, such as energy and recycling of office resources. The Group will continue to seek better environmental practices and promote the correct environmental attitudes and values within the organization. The Group has complied with all relevant laws, rules and regulations regarding environmental protection, health and safety, workplace conditions and employment.

Details of the environmental policy are set out in the ESG Report on pages 42 to 52 of this annual report.

MANAGEMENT CONTRACT

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Group were entered into or existed during the year under review.

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 latest practicable date prior to the issue of the annual report, there was a sufficient prescribed public float as required under the GEM Listing Rules.

SEGMENT INFORMATION

Details of the segment information of the Group for the year ended 31 December 2018 are set out in note 5 to the consolidated financial statements.

環境政策

本集團透過節能及辦公室資源循環利用盡量降低日常營運對環境的不利影響，藉此保護環境。本集團將繼續尋求更佳環境措施，並於組織內推廣正確的環保意識及價值觀。本集團已遵守有關環保、健康及安全、工作場所狀況及僱傭的所有有關法律、規則及法規。

有關環境政策的詳情，請參閱本年報42至52的環境、社會及管治報告。

管理合約

於回顧年度內，就本公司整體或任何重大部分並無訂立或存有管理及行政合約（僱傭合約除外）。

足夠公眾持股量

根據本公司可得的公開資料及據董事知悉，於本年報刊發前的最後實際可行日期，本公司已根據GEM上市規則維持足夠的規定公眾持股量。

分部資料

本集團於截至2018年12月31日止年度的分部資料詳情載於綜合財務報表附註5。

REPORTS OF THE DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 December 2018, the interests and short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) pursuant to Rule 5.46 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long Position in the Shares

Name of Director 董事姓名	Nature of interest and capacity 權益性質及身份	Number of Shares held 所持股份數目 (Note 1) (附註1)	Percentage of issued share capital 佔已發行股本百分比 (Note 3) (附註3)
Mr. Ko 高先生	Interest in a controlled corporation (Note 2) 於受控制法團的權益(附註2)	750,000,000 (L) 750,000,000 (L)	75% 75%

Notes:

- The letter "L" denotes to the long position in the Shares.
- The Shares are registered in the name of Metro Vanguard Limited ("Metro Vanguard"), a company incorporated in the British Virgin Islands, the issued share capital of which is wholly owned by Mr. Ko. Accordingly, Mr. Ko is deemed to be interested in all the Shares held by Metro Vanguard for the purpose of Part XV of the SFO.
- The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 31 December 2018 (i.e. 1,000,000,000 Shares).

董事及最高行政人員於本公司或任何相聯法團的股份、相關股份及債權證的權益及淡倉

於2018年12月31日，各董事或本公司最高行政人員於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中的權益及淡倉中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有的任何權益及淡倉)；或(b)根據證券及期貨條例第352條須登記於該條所述登記冊(「登記冊」)的權益及淡倉；或(c)根據有關董事進行證券交易的GEM上市規則第5.46條須知會本公司及聯交所的權益及淡倉如下：

於股份的好倉

附註：

- 字母「L」表示於股份中的好倉。
- 該等股份以Metro Vanguard Limited ("Metro Vanguard")(一間於英屬處女群島註冊成立的公司，其已發行股本由高先生全資擁有)的名義登記。因此，根據證券及期貨條例第XV部，高先生被視為於Metro Vanguard所持有的全部股份中擁有權益。
- 股權百分比乃基於本公司於2018年12月31日的已發行股份總數(即1,000,000,000股股份)計算。

REPORTS OF THE DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION (Continued)

Long Position in the Shares of Associated Corporation

董事及最高行政人員於本公司或任何相聯法團的股份、相關股份及債權證的權益及淡倉(續)

於相聯法團股份的好倉

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity/ Nature of interest 身份／權益性質	Number and class of securities 證券數目及類別	Percentage of issued share capital 佔已發行股本百分比
Mr. Ko	Metro Vanguard	Beneficial owner	100 Ordinary shares	100%
高先生	Metro Vanguard	實益擁有人	100股普通股	100%

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executive of the Company had any interests or 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 SFO) 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 required to be entered in the Register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

除上述所披露者外，於2018年12月31日，概無董事及本公司最高行政人員於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有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的權益或淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須登記於本公司股東名冊的權益或淡倉，或根據GEM上市規則第5.46條須知會本公司及聯交所的權益或淡倉。

REPORTS OF THE DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2018, the interest and short positions of the persons (other than the Directors or chief executive of the Company) in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long Position in the Shares

Name 名稱／姓名	Nature of interest and capacity 權益性質及身份	Number of Shares held 所持股份數目 (Note 1) (附註1)	Percentage of Issued share capital 佔已發行 股本百分比 (Note 3) (附註3)
Metro Vanguard Metro Vanguard	Beneficial owner 實益擁有人	750,000,000 (L)	75%
Ms. Chan Sau Fung 陳秀鳳女士	Interest of spouse (Note 2) 配偶權益(附註2)	750,000,000 (L)	75%

Notes:

- The letter "L" denotes to the long position in the Shares.
- Ms. Chan Sau Fung is the spouse of Mr. Ko. By virtue of the SFO, she is deemed to be interested in all Shares held by Metro Vanguard in which Mr. Ko is deemed to be interested.
- The percentage of shareholding was calculated based on the Company's total number of issued shares as at 31 December 2018 (i.e. 1,000,000,000 Shares).

Save as disclosed above, as at 31 December 2018, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

主要股東及其他人士於股份及相關股份的權益及淡倉

於2018年12月31日，除董事或本公司最高行政人員外，以下人士在本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須知會本公司及聯交所或須記入根據證券及期貨條例第336條本公司須存置的登記冊的權益及淡倉如下：

於股份的好倉

附註：

- 字母「L」表示於股份中的好倉。
- 陳秀鳳女士為高先生的配偶。根據證券及期貨條例，彼被視為於高先生被視為擁有權益的所有由Metro Vanguard持有之股份中擁有權益。
- 股權百分比乃基於本公司於2018年12月31日的已發行股份總數(即1,000,000,000股股份)計算。

除上文所披露者外，於2018年12月31日，本公司概無獲任何人士(董事或本公司最高行政人員除外)知會，表示其於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊的權益或淡倉。

REPORTS OF THE DIRECTORS

董事會報告

EVENT AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2018 and up to the date of this annual report.

REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the year ended 31 December 2018 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2018 comply with applicable reporting standards, GEM Listing Rules, and that adequate disclosures have been made.

AUDITOR

The consolidated financial statements for the year ended 31 December 2018 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for appointment.

The Company has not changed its external auditor during the year ended 31 December 2018 up to the date of this annual report. A resolution for their re-appointment as the auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Ko Sin Yun

Chairman

Hong Kong, 18 March 2019

報告期後事項

董事並不知悉於2018年12月31日後及直至本年報日期發生任何須予披露的重大事項。

審核委員會審閱

本集團截至2018年12月31日止年度的經審計綜合財務報表已由審核委員會審閱。審核委員會認為，本集團截至2018年12月31日止年度的綜合財務報表遵守適用財務報告準則、GEM上市規則，並已作出充足披露。

核數師

截至2018年12月31日止年度的綜合財務報表已由德勤•關黃陳方會計師行審核，而其將退任並符合資格膺選連任。

截至2018年12月31日止年度及直至本年報日期，本公司並無變更其外聘核數師。本公司將於應屆股東週年大會上提呈一項決議案，續聘彼等為本公司核數師。

代表董事會

高銑印

主席

香港，2019年3月18日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



TO THE MEMBERS OF VISION INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Vision International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 72 to 151, which comprise the consolidated statement of financial position as at 31 December 2018, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, 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 disclosure requirements of 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.

致威誠國際控股有限公司股東

(於開曼群島註冊成立之有限公司)

意見

吾等已審計威誠國際控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)載於第72至151頁的綜合財務報表，有關綜合財務報表包括於2018年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表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要。

吾等認為，綜合財務報表按照香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實及公平地反映 貴集團於2018年12月31日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已根據香港公司條例的披露規定妥為編製。

意見基準

吾等按照香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審計。吾等於該等準則項下的責任乃於本報告內核數師就審計綜合財務報表須承擔的責任一節進一步說明。吾等根據香港會計師公會專業會計師道德守則(「**守則**」)獨立於 貴集團，且吾等已根據守則履行其他道德責任。吾等相信，吾等已取得充分而恰當的審計憑證，足以為吾等的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the content 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.

關鍵審核事項

關鍵審計事項為吾等的專業判斷中，審計本期間綜合財務報表中最重要的事項。吾等於審計整體綜合財務報表及就此形成意見時處理該等事項，且吾等不會就此等事項單獨發表意見。

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

吾等在審計中處理關鍵審計事項的方法

Revenue Recognition

收益確認

We identified revenue recognition, regarding whether sales transaction have occurred as a key audit matter due to its significance to the consolidated financial statements. During the year ended 31 December 2018, revenue from sales of apparel products with provision of supply chain management amounted to HK\$111,862,000.

吾等將收益確認(有關銷售交易有否發生)識別為關鍵審計事項，原因為其對綜合財務報表的重要性。截至2018年12月31日止年度，來自提供供應鏈管理服務所產生服裝產品銷售的收益為111,862,000港元。

Revenue from the sales of apparel products with the provision of supply chain management services is recognised when the customer obtains the control of the apparel products, being when the apparel products are delivered to the customers at the designated location and the titles are passed to the customers. The accounting policy for revenue recognition is disclosed in note 3 to the consolidated financial statements.

來自提供供應鏈管理服務所產生服裝產品銷售的收益於客戶獲得服裝產品的控制權時，即當服裝產品於指定地點交付予客戶且所有權轉移至客戶時予以確認。收益確認的會計政策披露於綜合財務報表附註3。

Our procedures in relation to assessing the occurrence of sales of apparel products with the provision of supply chain management services included:

我們有關評估發生提供供應鏈管理服務所產生服裝產品銷售的程序包括：

- Obtaining an understanding of the revenue business process and revenue recognition policy; 了解收益業務過程及收益確認政策；
- Reviewing contract terms, on a sample basis, to evaluate whether the Group's accounting policy is in compliance with the relevant accounting standard; 抽樣審閱合約條款，以評估 貴集團的會計政策遵守相關會計準則與否；
- Testing the key controls over revenue recognition which addressing the occurrence, accuracy and timing of the revenue recognition; and 測試對收益確認的主要控制權，應對收益確認的發生、準確性及時間；及
- Tracing recorded sales transactions, on a sample basis, to the corresponding invoices, delivery documents and settlement records. 抽樣追蹤已記錄銷售交易至相應發票、交付文件及結算記錄。

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 disclosure requirements of 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 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

貴公司董事對其他資料負責。其他資料包括年報所載的資料，惟不包括當中的綜合財務報表及核數師報告。

吾等就綜合財務報表發表的意見並不涵蓋其他資料，且吾等並不就該等其他資料發表任何形式的鑒證結論。

審計綜合財務報表時，吾等的責任乃閱讀其他資料，並於此過程中考慮有關其他資料是否與綜合財務報表或吾等於審計中所了解的情況重大不相符，或似乎存在重大錯誤陳述。基於吾等已完成的工作，倘吾等認為該等其他資料存在重大錯誤陳述，吾等須報告該事實。就此而言，吾等並無任何報告。

董事及主管人士就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實及公平的綜合財務報表，並對彼等釐定為對編製不存在重大誤導陳述（不論由於欺詐或錯誤）的綜合財務報表而言屬必要的內部控制負責。

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

主管人士須負責監察 貴集團財務報告程序。

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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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.

核數師就審計綜合財務報表須承擔的責任

吾等的目標乃就綜合財務報表整體是否不存在重大錯誤陳述(不論由於欺詐或錯誤)取得合理保證,並出具載有吾等意見的核數師報告。吾等根據吾等的協定委聘條款僅向全體股東報告,不作其他用途。吾等並不就本報告內容向任何其他人士承擔責任或負責。合理保證是高水平的保證,但並不能保證按照香港審計準則進行的審計在存在重大錯誤陳述時總能發現。錯誤陳述可以由欺詐或錯誤引起,如果合理預期其單獨或匯總起來可能影響財務報表使用者依賴綜合財務報表所作出的經濟決定,則有關錯誤陳述可被視為重大。

作為根據香港審計準則進行審計的一部分,吾等在整個審計的過程中運用了專業判斷,保持了專業懷疑態度。吾等亦:

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險,設計及執行審計程序以應對這些風險,以及獲取充足和適當的審計憑證,作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述,或凌駕於內部控制之上,因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制,以設計適當的審計程序,但目的並非對貴集團內部控制的有效性發表意見。
- 評估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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

- 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.
- 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.

核數師就綜合財務報表審核須承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則吾等應當發表非無保留意見。吾等的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評估綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公平反映交易和事項。
- 就貴集團內各實體或業務活動的財務資料獲得充分適當的審計憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審計工作。吾等須為吾等的審計意見承擔全部責任。

吾等與主管人士就(其中包括)審計工作的計劃範圍及時間安排以及重大的審計發現(包括吾等於審計期間識別出的內部控制任何重大缺陷)進行溝通。

吾等亦向主管人士提交聲明，說明吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施(如適用)與負責管治的人員溝通。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 the independent auditor's report is Faith Corazon Del Rosario.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 March 2019

核數師就綜合財務報表審核須承擔的責任(續)

吾等從與主管人士溝通的事項中，決定哪些事項對本期綜合財務報表的審計工作最為重要，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

獨立核數師報告的審計項目合夥人是羅雅媛。

德勤•關黃陳方會計師行
執業會計師
香港
2019年3月18日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

				For the year ended 31 December	
				截至12月31日止年度	
				2018	2017
				2018年	2017年
				HK\$'000	HK\$'000
				千港元	千港元
		Notes			
		附註			
Revenue	收益	5	111,862	71,399	
Cost of sales	銷售成本		(80,002)	(44,867)	
Gross profit	毛利		31,860	26,532	
Other income	其他收入	6	2,759	22,270	
Other losses	其他虧損	7	(127)	(809)	
Selling and distribution expenses	銷售及分銷開支		(6,980)	(6,068)	
Administrative expenses	行政開支		(7,788)	(4,221)	
Listing expenses	上市開支		(3,818)	(12,115)	
Finance costs	財務成本	8	(153)	(397)	
Profit before taxation	除稅前溢利		15,753	25,192	
Income tax expense	所得稅開支	9	(3,241)	(2,727)	
Profit for the year	年內溢利	10	12,512	22,465	
Other comprehensive income	其他全面收益				
<i>Item that will not be reclassified subsequently to profit or loss</i>	<i>不可其後重新分類至損益的項目</i>				
Exchange differences arising on the translation of functional currency to presentation currency	來自換算功能貨幣至呈列貨幣的匯兌差異		-	878	
Total comprehensive income for the year	年內全面收益總額		12,512	23,343	
Earnings per share — basic (Hong Kong cents)	每股盈利 — 基本(港仙)	13	1.37	3.00	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018

於2018年12月31日

		As at 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
	Notes		
	附註		
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	14	30,004
			506
Intangible assets	無形資產	15	8,583
			9,583
Deposits	存款	17	153
			95
			38,740
			10,184
CURRENT ASSETS	流動資產		
Goods in transit	在運貨物	16	1,557
			926
Trade receivables, prepayments and deposits	貿易應收款項、預付款項及存款	17	26,687
			13,595
Amount due from ultimate holding company	應收最終控股公司款項	18	-
			8
Tax recoverable	可收回稅項		686
			6,466
Bank balances and cash	銀行結餘及現金	19	37,808
			23,767
			66,738
			44,762
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	20	11,702
			9,090
Contract liabilities	合約負債	21	17
			-
Bank borrowings	銀行借款	22	10,904
			6,800
Financial guarantee liability	財務擔保負債	23	-
			816
			22,623
			16,706
NET CURRENT ASSETS	流動資產淨額		44,115
			28,056
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		82,855
			38,240

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018

於2018年12月31日

		As at 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
		Notes	
		附註	
NON-CURRENT LIABILITY	非流動負債		
Deferred tax liabilities	遞延稅項負債	24	503
			343
NET ASSETS	資產淨額		82,352
			37,897
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	25	10,000
Reserves	儲備		72,352
			1
			37,896
			82,352
			37,897

The consolidated financial statements on pages 72 to 151 were approved by the Board of Directors on 18 March 2019 and are signed on its behalf by:

第72頁至151頁的綜合財務報表已於2019年3月18日獲得董事會批准並由下列董事代表簽署：

Mr. Ko Sin Yun

高銑印先生

DIRECTOR

董事

Mr. Ko Man Ho

高文灝先生

DIRECTOR

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018

截至2018年12月31日止年度

		Share capital 股本 HK\$'000 千港元 (Note 25) (附註25)	Share premium 股份溢價 HK\$'000 千港元	Other reserve 換算儲備 HK\$'000 千港元 (Note) (附註)	Translation reserve 換算儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
As at 1 January 2017	於2017年1月1日	-*	-	(99,345)	(8,130)	130,245	22,770
Profit for the year	年內溢利	-	-	-	-	22,465	22,465
Exchange differences arising on the translation of functional currency to presentation currency	來自換算功能貨幣至呈列貨幣的匯兌差異	-	-	-	878	-	878
Total comprehensive income for the year	年內全面收益總額	-	-	-	878	22,465	23,343
Dividends (note 12)	股息(附註12)	-	-	-	-	(4,300)	(4,300)
Deemed distribution arising from issue of financial guarantee to related companies	來自向關連公司發出財務擔保的視作分派	-	-	(3,916)	-	-	(3,916)
Effect of group reorganisation	集團重組的影響	1	-	(1)	-	-	-
At 31 December 2017	於2017年12月31日	1	-	(103,262)	(7,252)	148,410	37,897
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	12,512	12,512
Dividends (note 12)	股息(附註12)	-	-	-	-	(16,500)	(16,500)
Capitalisation issue (note 25(iv))	資本化發行(附註25(iv))	7,499	(7,499)	-	-	-	-
Issue of shares upon share offer (note 25(v))	因股份發售而發行股份(附註25(v))	2,500	53,750	-	-	-	56,250
Transaction cost directly attributable to issue of shares	發行股份直接應佔交易成本	-	(7,807)	-	-	-	(7,807)
At 31 December 2018	於2018年12月31日	10,000	38,444	(103,262)	(7,252)	144,422	82,352

* Amount less than HK\$1,000

* 金額少於1,000港元

Note: The Group has provided financial guarantee to companies controlled by Mr. Murray Ko and his spouse. Mr. Murray Ko is the brother of Mr. Ko, the controlling shareholder of the Company (defined in note 1). Such financial guarantee was measured at its fair value at initial recognition based on the credit spread (including the assumption on probability of default and recovery ratio) and the maximum exposure of the facility to the Group at the time of recognising the financial guarantee liability. The fair value of financial guarantee liability at initial recognition was recognised in other reserve of equity as deemed distribution to the shareholder, and the financial guarantee liability was measured at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (before application of HKFRS 9 "Financial Instrument" ("HKFRS 9"))/the amount of the loss allowance determined in accordance with HKFRS 9 (since 1 January 2018); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy. All financial guarantee liability was released upon the Listing (defined in note 1). Details of the financial guarantees are set out in note 23.

附註：本集團已向高錫印先生及其配偶控制的公司提供財務擔保。高錫印先生乃本公司控股股東高先生(定義見附註1)的胞兄。該財務擔保於初步確認時基於信貸息差(包括假設違約可能性及收回比率)及本集團於確認財務擔保負債時面臨融資的最高風險按其公平值計量。財務擔保負債於初步確認時的公平值於其他權益儲備確認為視作向股東分派，而財務擔保負債按下列的較高者計值：(i)合約項下的責任金額，其乃根據香港會計準則第37號「撥備、或然負債及或然資產」(於應用香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)之前)／根據香港財務報告準則第9號(自2018年1月1日起)釐定的虧損儲備金額而釐定；及(ii)初始確認的金額減去(倘適合)根據收益確認政策確認的累計攤銷。有關財務擔保的詳情載於附註23。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018

截至2018年12月31日止年度

		For the year ended	
		31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	15,753	25,192
Adjustments for:	經以下各項作出調整：		
Interest income	利息收入	(16)	(1)
Net loss on structured foreign currency forward contracts	結構性外幣遠期合約虧損淨額	-	70
Depreciation of property, plant and equipment	物業、廠房及設備折舊	379	88
Amortisation of intangible assets	無形資產攤銷	1,000	417
Financial guarantee income	財務擔保收入	(816)	(21,548)
Finance costs	財務成本	153	397
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	16,453	4,615
Increase in goods in transit	在運貨物增加	(631)	(478)
Increase in trade and other receivables, prepayments and deposits	貿易及其他應收款項、預付款項及按金增加	(16,853)	(6,873)
Increase in trade and other payables	貿易及其他應付款項增加	6,509	2,988
Decrease in contract liabilities	合約負債減少	(177)	-
Payment upon settlement of structured foreign currency forward contracts	來自結構性外幣遠期合約結算的付款	-	(70)
Cash from operations	經營所得現金	5,301	182
Income tax refund (paid)	已付所得稅退稅(已付)	2,699	(928)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營活動所得(所用)現金淨額	8,000	(746)
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	16	1
Purchase of property, plant and equipment	購買物業、廠房及設備	(29,877)	(594)
Acquisition of trademark	收購商標	-	(10,000)
Advance to ultimate holding company	向最終控股公司墊款	-	(8)
Repayment from ultimate holding company	來自最終控股公司的還款	8	-
Repayment from controlling shareholder	來自控股股東的還款	-	22,681
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得現金淨額	(29,853)	12,080

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018

截至2018年12月31日止年度

		For the year ended	
		31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	(153)	(397)
Dividends paid	已付股息	(16,500)	(4,300)
New bank borrowings raised	新籌得銀行借款	22,750	42,966
Repayments of bank borrowings	償還銀行借款	(18,646)	(49,144)
Repayment to a related company	向一間關連公司還款	-	(3,261)
Proceeds from issue of shares upon share offer	於股份發售後發行股份所得款項	56,250	-
Transaction cost directly attributable to issue of shares	發行股份直接應佔交易成本	(7,807)	-
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得(所用)現金淨額	35,894	(14,136)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	14,041	(2,802)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	23,767	25,691
Effect of foreign exchange rate changes	外匯匯率變動的影響	-	878
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年末現金及現金等價物	37,808	23,767

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

1. GENERAL AND GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

General

Vision International Holdings Limited (“**the Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 19 January 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 4 May 2018 (the “**Listing**”). The Company’s immediate and ultimate holding company is Metro Vanguard Limited (“**Metro Vanguard**”), a limited company incorporated in the British Virgin Islands (the “**BVI**”) with limited liability. The ultimate controlling party of Metro Vanguard is Mr. Ko Sin Yun (“Mr. Ko” or the “Controlling Shareholder”) who is also the executive director of the Company. The addresses of the Company’s registered office and principal place of business are 3/F, China United Plaza, 1002-1008 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Group are sales of apparel products with the provision of supply chain management services to customers mainly in Europe and Korea.

During the year ended 31 December 2017, due to the change of the underlying transactions, events and conditions that are relevant to the Group, the directors of the Company have reconsidered and determined that the functional currency of the Company should be changed from Euro (“**EUR**”) to United States Dollars (“**US\$**”) in order to better reflect the currency that mainly influences the development of the business activities of the Company. The change in the functional currency of the Company was applied prospectively from the date of change in accordance with HKAS 21 “The Effects of Changes in Foreign Exchange Rate”.

1. 一般資料及集團重組及綜合財務報表的編製及呈列基準

一般資料

威誠國際控股有限公司(「**本公司**」)於2017年1月19日根據開曼群島法例第22章《公司法》(1961年第3號法例，經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司，及其股份於2018年5月4日於香港聯合交易所有限公司(「**聯交所**」)GEM上市(「**上市**」)。本公司的直接及最終控股公司為Metro Vanguard Limited(「**Metro Vanguard**」，一間於英屬處女群島(「**英屬處女群島**」)註冊成立的有限公司)。Metro Vanguard的最終控制方為高銑印先生(「**高先生**」或「**控股股東**」)，亦為本公司的執行董事。本公司的註冊辦事處及主要營業地點的地址為香港九龍長沙灣大南西街1002-1008號華匯廣場3樓。

本公司的主要業務為投資控股。本集團的主要業務為銷售服裝產品，以及主要為歐洲及韓國客戶提供供應鏈管理服務。

截至2017年12月31日止年度，由於有與本集團相關的相關交易、事件及情況，本公司董事已重新考慮及釐定，本公司的功能貨幣由歐元(「**歐元**」)轉為美元(「**美元**」)，以更好地反映主要影響本公司業務活動發展的貨幣。本公司功能貨幣的變動自變動日期起根據香港會計準則第21號「外匯匯率變動的影響」予以應用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

1. GENERAL AND GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

General (Continued)

The consolidated financial statements is presented in Hong Kong dollars (“**HK\$**”), which is different from the functional currency of the Company. For the convenience of the financial statements users, the directors of the Company consider that presenting the consolidated financial statements in HK\$ is preferable as the Company’s shares are listed on GEM of the Stock Exchange.

All values are rounded to the nearest thousands (HK\$’000) except when otherwise indicated.

Group reorganisation and basis of preparation and presentation of the consolidated financial statements

Vision Garments Limited (“**Vision Garments**”) was a wholly owned operating subsidiary of Market Gala Limited (“**Market Gala**”). Market Gala was directly held and controlled by Mr. Ko Sin Yun (“**Mr. Ko**” or the “**Controlling Shareholder**”). To rationalise the structure of the Group in preparation for the listing of the Company’s shares on GEM of the Stock Exchange, the companies comprising the Group underwent a series of reorganisation as described below:

- i. On 28 November 2016, Metro Vanguard was incorporated in the BVI with limited liability with an authorised share capital of US\$ 50,000 divided into 50,000 shares of US\$1.00 each. On 19 December 2016, Metro Vanguard allotted and issued 1 fully paid share to Mr. Ko for cash at par value. On 29 December 2016, 99 fully paid shares of Metro Vanguard were further allotted and issued to Mr. Ko at par value.
- ii. On 29 December 2016, Metro Vanguard acquired 1 share of Market Gala (being the then entire issued share capital) from Mr. Ko at a consideration of US\$1.00.

1. 一般資料及集團重組及綜合財務報表的編製及呈列基準(續)

一般資料(續)

綜合財務報表以港元(「**港元**」)呈列，與本公司功能貨幣不同。為便利財務報告使用者，本公司董事認為，以港元呈列綜合財務報表較為合適，乃由於本公司股份於聯交所GEM上市。

除非另有說明，否則所有數值均四捨五入至最接近的千位數(千港元)。

集團重組及綜合財務報表的編製及呈列基準

威誠製衣有限公司(「**威誠製衣**」)為Market Gala Limited(「**Market Gala**」)的全資營運附屬公司。Market Gala由高銑印先生(「**高先生**」或「**控股股東**」)直接持有及控制。為籌備本公司股份於聯交所GEM上市而精簡本集團架構，本集團旗下公司進行一系列重組，詳情如下：

- i. 於2016年11月28日，Metro Vanguard於英屬處女群島註冊成立為有限公司，法定股本為50,000美元分為50,000股每股面值1.00美元的股份。於2016年12月19日，Metro Vanguard向高先生按面值配發及發行1股繳足股份，以換取現金。於2016年12月29日，99股繳足Metro Vanguard股份進一步按面值配發及發行予高先生。
- ii. 於2016年12月29日，Metro Vanguard向高先生收購1股Market Gala股份(即當時全部已發行股本)，代價為1.00美元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. GENERAL AND GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Group reorganisation and basis of preparation and presentation of the consolidated financial statements (Continued)

- iii. On 19 January 2017, the Company was incorporated in the Cayman Islands with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$ 1.00 each. On the same date, 1 fully paid share of the Company was allotted and issued at par to the initial subscriber, an independent third party, and transferred to Metro Vanguard at a consideration of US\$1.00.
- iv. On 15 February 2017, the Company acquired the 1 share (being the then entire issued share capital) of Market Gala from Metro Vanguard at a consideration of 99 new shares of the Company to be issued to Metro Vanguard, all credited as fully paid.

Pursuant to the reorganisation described above, the Company became the holding company of the companies now comprising the Group on 15 February 2017. Its immediate and ultimate holding company is Metro Vanguard which is controlled by Mr. Ko. The Company and its subsidiaries have been under the common control of Mr. Ko or since their respective dates of incorporation, where there is a shorter period. The Group resulting from the Group reorganisation, which involves interspersing the Company and Metro Vanguard between Market Gala and Mr. Ko, is regarded as a continuing entity. Accordingly, the consolidated financial statements has been prepared on the basis as if the Company has always been the holding company of the Group.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended 31 December 2017 include the results, changes in equity and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the year ended 31 December 2017, taking into account the respective dates of incorporation.

1. 一般資料及集團重組及綜合財務報表的編製及呈列基準(續)

集團重組及綜合財務報表的編制及呈列基準(續)

- iii. 於2017年1月19日，本公司於開曼群島註冊成立，法定股本為50,000美元分為50,000股每股面值1.00美元的股份。於同日，本公司1股繳足股份已按面值配發及發行予初步認購人(一名獨立第三方)，並以1.00美元代價轉讓予Metro Vanguard。
- iv. 於2017年2月15日，本公司向Metro Vanguard收購1股Market Gala股份(即當時全部已發行股本)，代價為本公司向Metro Vanguard予以發行的99股新股份，全部入賬列作繳足。

根據上述重組，本公司於2017年2月15日成為本集團現時旗下公司的控股公司。其直接及最終控股公司為Metro Vanguard，由高先生控制。本公司及其附屬公司或自其各自註冊成立日期以來(以較短者為準)一直受高先生共同控制。來自本集團重組(涉及將本公司及Metro Vanguard散置於Market Gala及高先生之中)的本集團被視為持續實體。因此，綜合財務報表已按猶如本公司一直為本集團控股公司的基準編製。

截至2017年12月31日止年度的綜合損益及全面收益表、綜合權益變動表以及綜合現金流量表包括本集團現時旗下公司的業績、權益變動及現金流量，猶如本公司一直為本集團的控股公司及現有集團架構於截至2017年12月31日止年度一直存在，當中計及其各自註冊成立日期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

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 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to Hong Kong Accounting Standards (“HKAS”) 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

HKFRS 15 “Revenue from Contracts with Customers”

In the current year, the Group has applied HKFRS 15 for the first time applying the limited retrospective method with the cumulative effect of initial application recognised at the date of initial application, 1 January 2018. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations with no material effect on timing and amount of revenues recognised in these consolidated financial statements.

The Group recognises revenue from the sales of apparel products with the provision of supply chain management services to customers which arise from contracts with customers.

2. 應用香港財務報告準則的新訂準則及修訂本

於本年度強制生效的香港財務報告準則的新訂準則及修訂本

本集團已於本年度首次應用下列由香港會計師公會頒佈的新訂香港財務報告準則及其修訂本：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收益及相關修訂
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價
香港財務報告準則2號(修訂本)	以股份支付的交易的分類及計量
香港財務報告準則4號(修訂本)	與香港財務報告準則第4號保險合約一併應用香港財務報告準則第9號金融工具
香港會計準則(「香港會計準則」)第28號(修訂本)	作為2014年至2016年週期香港財務報告準則的年度改進系列一部分
香港會計準則第40號(修訂本)	轉讓投資物業

香港財務報告準則第15號「客戶合約收益」

於本年度，本集團已首次有限追溯應用香港財務報告準則第15號，且初次應用此準則的累計影響於初次應用日期2018年1月1日予以確認。香港財務報告準則第15號已取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋，對該等綜合財務報表內確認收益的時間及金額並無造成重大影響。

本集團根據與客戶的合約通過向客戶提供供應鏈管理服務確認服裝產品銷售收益。

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綜合財務報表附註

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 15 “Revenue from Contracts with Customers” (Continued)

Revenue is recognised when the customer obtains the control of the apparel products, being when the apparel products are delivered to the customers at the designated location and the titles are passed to the customers.

Further information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in note 5 and note 3 respectively.

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

2. 應用香港財務報告準則的新訂準則及修訂本(續)

香港財務報告準則第15號「客戶合約收益」(續)

收益於客戶獲得服裝產品的控制權時，即當服裝產品於指定地點交付予客戶且所有權轉移至客戶時予以確認。

有關因採用香港財務報告準則第15號對本集團履約責任及會計政策的進一步資料分別於附註5及附註3披露。

初次應用香港財務報告準則第15號的影響概述

下列為對於2018年1月1日的綜合財務狀況表中確認的金額所作出的調整。不受變動影響的項目並不包括在內。

	Carrying amounts previously reported at 31 December 2017 先前於 2017年 12月31日 呈報的賬面值 HK\$'000 千港元	Reclassification 重新分類 HK\$'000 千港元	Carrying amounts under HKFRS 15 at 1 January 2018 根據香港財務報告 準則第15號於 2018年1月1日 的賬面值 HK\$'000 千港元
Current liabilities			
Trade and other payables	9,090	(194)	8,896
Contract liabilities	-	194	194

As at 1 January 2018, advances from customers of HK\$194,000 previously included in trade and other payables were reclassified to contract liabilities accordingly. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

The following tables summarise the impacts of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 December 2018 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

於2018年1月1日，先前計入貿易及其他應付款項的向客戶墊款194,000港元已相應重新分類至合約負債。因此，若干比較資料乃根據香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋而編製，所以若干比較資料未必具有可比性。

下表概述採用香港財務報告準則第15號對本集團於2018年12月31日的綜合財務狀況表及其於本年度的綜合現金流量表中每一項受影響項目的影響。不受變動影響的項目並不包括在內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 15 “Revenue from Contracts with Customers” (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

Impact on the consolidated statement of financial position

2. 應用香港財務報告準則的新訂準則及修訂本(續)

香港財務報告準則第15號「客戶合約收益」(續)

初次應用香港財務報告準則第15號的影響概述(續)

對於綜合財務狀況表的影響

		As reported	Adjustment	Carrying amounts without application of HKFRS 15
		如報告所列	調整	未採用香港財務報告準則第15號的金額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	11,702	17	11,719
Contracts liabilities	合約負債	17	(17)	-

Impact on the consolidated statement of cash flows

對於綜合現金流量表的影響

		As reported	Adjustment	Carrying amounts without application of HKFRS 15
		如報告所列	調整	未採用香港財務報告準則第15號的金額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Operating activities	經營活動			
Increase in trade and other payables	貿易及其他應付款項增加	2,806	(177)	2,629
Decrease in contracts liabilities	合約負債減少	(177)	177	-

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 “Financial Instruments”

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and financial guarantee contracts and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Classification and measurement of financial assets

All financial assets and financial liabilities continue to be measured on the same bases as were previously measured under HKAS 39.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

2. 應用香港財務報告準則的新訂準則及修訂本(續)

香港財務報告準則第9號「金融工具」

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及其他香港財務報告準則有關相應的修訂本。香港財務報告準則第9號引入1) 金融資產及金融負債之分類及計量；2) 金融資產的預期信貸虧損(「預期信貸虧損」)及財務擔保合約及3) 一般對沖會計處理的新規定。

本集團已按香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對於2018年1月1日(初次應用日期)並無終止確認的工具追溯應用分類及計量規定(包括預期信貸虧損模式下的減值)，而並無對已於2018年1月1日終止確認的工具應用有關規定。於2017年12月31日的賬面值與2018年1月1日的賬面值之間的差額於期初保留溢利及其他權益部分確認，而不會重列比較資料。因此，若干比較資料乃根據香港會計準則第39號「金融工具：確認及計量」而編製，所以若干比較資料未必具有可比性。

金融資產的分類及計量

所有金融資產及金融負債繼續以先前根據香港會計準則第39號採用的相同計量基準作出計量。

應用香港財務報告準則第9號導致的會計政策的資料於附註3披露。

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綜合財務報表附註

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 “Financial Instruments” (Continued)

Impairment of financial assets and financial guarantee contracts

As at 1 January 2018, the directors of the Company reviewed and assessed the Group’s existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed below.

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and measures the lifetime ECL on each debtor individually based on the present value of the difference between the contractual cash flows that are due to the Group and the cashflows that the Group expects to receive, with the consideration of forward looking information.

As at 1 January 2018, included in the trade receivables, HK\$6,520,000 are not past due and regarded as having low default risk by the management of the Company based on regular repayment history in the ECL assessment. The remaining balance amounted to HK\$2,171,000 are past due and the management of the Company has assessed the ECL of these balances by applying an average expected credit loss rate with reference to the market available information for retail industry. The management of the Group have assessed the ECL of all trade receivables as insignificant and therefore it did not result in an adjustment of opening retained profits.

2. 應用香港財務報告準則的新訂準則及修訂本(續)

香港財務報告準則第9號「金融工具」(續)

金融資產及財務擔保合約的減值

於2018年1月1日，本公司董事根據香港財務報告準則第9號的規定，使用毋須花費不必要成本或精力獲取的合理有據資料檢討及評估本集團現有金融資產的減值狀況。評估結果及其影響於下文詳述。

本集團應用香港財務報告準則第9號簡易方法計量預期信貸虧損，其對所有貿易應收款項及使用存續期預期信貸虧損，並基於應付本集團合約現金流與本集團預期收取的現金流之間差額對各債務個人個別計量存續期預期信貸虧損，當中考慮前瞻性資料。

於2018年1月1日，貿易應收款項當中6,520,000港元並無逾期，且本公司管理層基於預期信貸虧損評估的定期還款歷史視其為低違約風險。餘下結餘2,171,000港元已逾期，且本公司管理層已透過應用平均預期信貸虧損率評估該等結餘的預期信貸虧損，當中參考零售行業的市場上可取得資料。本集團管理層已評估所有貿易應收款項的預期信貸虧損為不重大，及因此並無導致年初保留溢利調整。

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For the year ended 31 December 2018

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 9 “Financial Instruments” (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

Loss allowances for other financial assets at amortised cost mainly comprise of deposits and bank balances and cash, are measured on 12-month ECL basis and there had been no significant increase in credit risk since initial recognition. For bank balances, the Group only transacts with reputable banks with high credit ratings assigned by international credit-rating agencies and consider the risk of default as low and 12-month ECL is insignificant.

For outstanding financial guarantees provided to related parties as disclosed in note 23, the Group considers there has been no significant increase in credit risk since initial recognition and hence the loss allowance is assessed on 12m ECL basis.

Based on the assessment by the management of the Company, the ECL on other financial assets at amortised cost and financial guarantee is insignificant and therefore it did not result in an adjustment of opening retained profits.

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

2. 應用香港財務報告準則的新訂準則及修訂本(續)

香港財務報告準則第9號「金融工具」(續)

金融資產及財務擔保合約的減值(續)

按攤銷成本計量的其他金融資產(主要包括存款以及銀行結餘及現金)的虧損撥備按12個月預期信貸虧損基準計量，自初次確認後信貸風險並無顯著增加。就銀行結餘而言，本集團僅與聲譽卓著且獲國際信貸評級機構給予高信貸評級的銀行進行交易，且認為違約風險低及12個月預期信貸虧損並不重大。

就附註23所披露的向關聯方提供的未償還財務擔保而言，本集團認為自初次確認後信貸風險並無顯著增加，因此虧損撥備乃按12個月預期信貸虧損基準評估。

基於本公司管理層的訂估，按攤銷成本計量的其他金融資產及財務擔保之預期信貸虧損並不重大，及因此並無導致年初保留溢利調整。

除上文所述者外，於本年度應用新訂及香港財務報告準則修訂本對本集團於本年度及過往年度的財務表現及狀況及／或該等綜合財務報表所載的披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after a date to be determined

³ Effective for annual periods beginning on or after 1 January 2021

⁴ 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

⁵ Effective for annual periods beginning on or after 1 January 2020

The directors of the Company anticipates that the application of these new and revised HKFRSs and interpretations will have no material impact on the Group's consolidated financial statements in the foreseeable future.

2. 應用香港財務報告準則的新訂準則及修訂本(續)

已頒佈但尚未生效的香港財務報告準則的新訂準則及修訂本

本集團並無提早應用以下已頒佈但尚未生效的香港財務報告準則的新訂準則及修訂本：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港(國際財務報告詮釋委員會)-詮釋第23號	所得稅處理之不確定性 ¹
香港財務報告準則3號(修訂本)	業務的定義 ⁴
香港財務報告準則9號(修訂本)	反向補償提前還款特徵 ¹
香港財務報告準則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企業之間的資產出售或出資 ²
香港會計準則1號及香港會計準則第8號(修訂本)	重大的定義 ⁵
香港會計準則第19號(修訂本)	計劃修正、縮減或清償 ¹
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益 ¹
香港財務報告準則(修訂本)	香港財務報告準則2015年至2017年週期年度改進 ¹

¹ 於2019年1月1日或之後開始的年度期間生效

² 於將釐定的日期或之後開始的年度期間生效

³ 於2021年1月1日或之後開始的年度期間生效

⁴ 適用於收購日期為2020年1月1日或之後開始的首個年度期間開始當日或之後進行的業務合併及資產收購

⁵ 於2020年1月1日或之後開始的年度期間生效

本公司董事預期應用該等新訂及經修訂香港財務報告準則及詮釋於可見未來將不會對本集團綜合財務報表產生重大影響。

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3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period (as explained in the accounting policies 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 characteristic 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 the 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 within the scope of HKAS 17 “Leases”, 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”.

3. 重要會計政策

綜合財務報表已按照香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括聯交所GEM證券上市規則及香港公司條例規定的適用披露。

綜合財務報表已經按歷史成本法編製，惟於各報告期末按公平值計量的若干金融工具除外（如下文會計政策所闡釋）。歷史成本一般乃按交換貨品及服務所給予的代價的公平值為基準得出。

公平值為於市場參與者之間的有序交易於計量日期就出售資產所收取或就轉讓負債所支付的價格，而不論該價格是否直接可予觀察或使用其他估值技巧估計。於估計資產或負債的公平值時，倘市場參與者在於計量日期為資產或負債定價時會考慮資產或負債的特性，則本集團亦會考慮該等特性。綜合財務報表就計量及／或披露目的的公平值乃按該基準計量，惟屬於香港財務報告準則第2號「以股份為基準的付款」範疇之內的以股份為基準的付款交易、屬於香港會計準則第17號範疇之內的租賃交易，以及與公平值類似但並非公平值的計量，如香港會計準則第2號「存貨」的可變現淨值或香港會計準則第36號「資產減值」的使用價值除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

In addition, 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 principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporates 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 reassess 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.

3. 重要會計政策(續)

此外，就財務申報目的而言，公平值計量乃按公平值計量輸入數據可予觀察的程度及輸入數據對公平值計量的整體重要程度而分類為第1、2或3層，其乃載述如下：

- 第1層輸入數據為相同資產或負債於實體可接通的活躍市場於計量日期的報價(未經調整)；
- 第2層輸入數據為第1層內報價以外的輸入數據，其乃直接或間接就資產或負債而言可予觀察；及
- 第3層輸入數據為資產或負債的不可觀察輸入數據。

所採用的主要會計政策如下：

合併基準

綜合財務報表納入本公司及由本公司及其附屬公司所控制的實體的財務報表。當本公司符合下列各項時，則取得控制權：

- 對被投資方具有權力；
- 就其參與被投資方的可變回報面臨風險或具有權利；及
- 有能力運用其權力影響其回報。

倘事實及情況顯示上列三項控制權的其中一項或以上元素出現變動，則本集團會重新評估其是否控制被投資方。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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 and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 3)

Under HKFRS 15, 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.

3. 重要會計政策(續)

合併基準(續)

附屬公司在本集團取得對該附屬公司的控制權時開始合併入賬，並在本集團失去對該附屬公司的控制權時終止。具體而言，年內所收購或出售的附屬公司的收入及開支均自本集團取得控制權當日起直至本集團不再控制該附屬公司當日為止計入綜合損益及其他全面收益表。

倘有需要，會對附屬公司的財務報表作出調整，以使其會計政策與本集團的會計政策貫徹一致。

有關本集團成員公司之間交易的全部集團內公司間資產及負債、權益、收入、開支及現金流量均於合併時全數對銷。

客戶合約收益(根據附註3過渡應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於履行履約責任時(或就此)確認收入，即與特定履約責任相關的貨品或服務的「控制權」轉移予客戶時確認收入。

履約責任指一項或一組明確的貨品或服務或基本相同的一系列明確貨品或服務。倘符合下列其中一項標準，控制權在一段時間內轉移，而收益確認會按一段時間內已完成相關履約責任的進度進行：

- 於本集團履約時客戶同時收取及耗用由本集團履約所帶來的利益；
- 本集團履約創設及提升於本集團履約時由客戶控制的資產；及
- 本集團履約並無產生對本集團有替代用途的資產，且本集團可享有強制執行權，以支付至今已履約部分的款項。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 3) (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group as a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group as an agent).

The Group is a principal as it controls the specified good before that good is transferred to a customer.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

3. 重要會計政策(續)

客戶合約收益(根據附註3過渡應用香港財務報告準則第15號後)(續)

否則，收益於客戶獲得明確商品或服務的控制權時確認。

合約資產指本集團向客戶轉讓商品或服務而作為交換有權收取代價但尚未成為無條件的權利。合約資產根據香港財務報告準則第9號評估減值。相反，應收款項代表本集團對代價的無條件權利，即代價僅隨時間推移即會成為到期應付。

合約負債指本集團向客戶轉讓本集團已收取客戶代價(或代價到期應付)的貨品或服務的責任。

與相同合約有關的合約資產及合約負債按淨額基準入賬及呈列。

委託人與代理人

當另一方從事向客戶提供商品或服務，本集團釐定其承諾的性質是否為提供指定商品或服務本身的履約義務(即本集團為委託人)或安排由另一方提供該等商品或服務(即本集團為代理人)。

當本集團在向客戶轉讓商品之前控制指定商品，則本集團為委託人。

獲得合約的增量成本

獲得合約的增量成本指本集團與客戶訂立合約產生之倘未獲得該合約則不會產生的成本。

倘該等成本可於一年內完全攤銷至損益，則本集團會採用可行權宜方法支付所有取得合約的增量成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (before application of HKFRS 15 on 1 January 2018)

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business and net of discount.

Revenue is recognised when the amount of revenue can be reliably measured: when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

3. 重要會計政策(續)

收益確認(於2018年1月1日應用香港財務報告準則第15號前)

收益乃按已收或應收代價的公平值計量，並指於日常業務過程中就已售貨品的應收款項並扣除折讓。

當收益金額能可靠計量；未來經濟利益將可能流向本集團及就本集團各項活動達到特定標準時(如下文所述)，方確認收益。

貨品銷售於交付貨品及所有權轉移時確認。

利息收入乃參照未償還本金按適用之實際利率以時間基準計算(適用的實際利率即準確貼現金融資產預計年期內估計未來現金收入至資產於初次確認時的賬面淨值的利率)。

租賃

當租賃條款將所有權的絕大部分風險及回報轉移至承租人，則將租賃分類為融資租賃。所有其他租賃被分類為經營租賃。

本集團作為承租人

經營租賃付款於租期內按直線法確認開支。倘就訂立經營租賃收取租賃獎勵，則該等獎勵乃確認為負債。獎勵的合計利益乃按直線基準確認為租金開支的減項。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasehold land and building

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

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

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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 重要會計政策(續)

租賃土地及樓宇

當本集團就一項物業權益付款時，而該項物業權益包括租賃土地及樓宇部分，本集團會根據評估各部分所有權的絕大部分風險及回報是否已轉移至本集團而將其劃分，除非肯定兩個部分均屬經營租賃，於此情況，則整項租賃分類為經營租賃。具體而言，整項代價(包括任何一筆過預付款項)於初次確認時按租賃土地及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分間分配。

倘若相關款項能可靠地分配，列為經營租賃的租賃土地權益於綜合財務狀況表中呈列為「預付租賃款項」，並以直線法於租賃期內攤銷。當租賃付款不能在租賃土地及樓宇部分之間作可靠分配，則整個物業一般分類為融資租賃項下的租賃土地。

外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易乃按交易日期的當前匯率確認。於報告期末，以外幣計值的貨幣項目乃按該日的當前匯率重新換算。以外幣按歷史成本計量的非貨幣項目不予重新換算。

有關結清貨幣項目及重新換算貨幣項目產生的匯兌差額乃於其產生期間於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

The change in functional currency of the Company was applied prospectively from the date of change. All items were translated into new functional currency at the exchange rate on that date. The cumulative currency translation differences which had arisen from the translation of foreign operations up to the date of the change in functional currency were not reclassified from equity to profit or loss until the disposal of the relevant operations.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

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

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

3. 重要會計政策(續)

外幣(續)

就呈列綜合財務報表而言，本集團實體的資產及負債乃按於報告期末當時的匯率換算為本集團的呈列貨幣(即港元)。收入及開支項目乃按該期間的平均匯率換算。所產生的匯兌差額(如有)於其他全面收益內確認並於權益項下之匯兌儲備內累計。

本公司功能貨幣的變更已自變更日期起按未來適用法應用。所有項目均按該日的匯率換算為新的功能貨幣。於出售相關業務之前，來自外國業務轉換產生的累積貨幣換算差異直至功能貨幣變更日期並未從權益重新分類至損益。

借貸成本

收購、興建或生產合資格資產(即需要大量時間方準備好作擬定用途或出售的資產)直接應佔的借貸成本乃加至該等資產的成本，直至該等資產已大致上準備好作其擬定用途或出售為止。

所有其他借貸成本乃在其產生期間的損益中確認。

稅項

所得稅開支指現時應付稅項與遞延稅項的總和。

目前應付稅項乃按年內應課稅溢利得出。應課稅溢利有別於綜合損益及其他全面收益表所報的「除稅前溢利」，原因是於其他年度應課稅或可扣減的收入或開支及永不課稅或扣減的項目。本集團的即期稅項負債乃使用於報告期末已經頒佈或大致頒佈的稅率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

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

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

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

Current and deferred tax are recognised in profit or loss, except when they relate 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.

3. 重要會計政策(續)

稅項(續)

遞延稅項乃按綜合財務報表內資產及負債的賬面值與計算應課稅溢利所用相應稅基之間的暫時差額確認。遞延稅項負債一般乃就所有應課稅暫時差額確認。遞延稅項資產一般乃就所有可扣減暫時差額確認，惟以可能動用應課稅溢利以抵銷該等可扣減暫時差額為限。倘初步確認(業務合併除外)交易中的資產及負債所產生的暫時差額既不影響應課稅溢利亦不影響會計溢利，該等遞延稅項資產及負債均不予確認。

遞延稅項資產的賬面值乃於報告期末審閱，並以不再可能具有充裕應課稅溢利用以容許將予收回的全部或部分資產為限予以扣減。

遞延稅項資產及負債均按於清償負債或變現資產期間應用的稅率(按照於報告期間前已經頒佈或大致頒佈的稅率(及稅法))計量。

計量遞延稅項負債及資產反映跟從本集團預期於報告期末收回或結清其資產及負債賬面值的方式的稅務結果。

即期及遞延稅項均於損益中確認，惟倘其與在其他全面收益中確認或直接在權益中確認的項目相關，則即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful 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.

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.

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 lives. The estimated useful life and amortisation method are reviewed at the end of the reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

3. 重要會計政策(續)

物業、廠房及設備

物業、廠房及設備乃按成本減去其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表中列賬。

折舊乃確認以於其估計可使用年期內使用直線法撇銷資產成本減去其剩餘價值。估計可使用年期、剩餘價值及折舊法均於報告期末審閱，而任何估計變動的影響均按提前基準入賬。

物業、廠房及設備項目乃於出售時或當持續使用資產預期不會產生未來經濟利益時終止確認。出售或棄用物業、廠房及設備項目所產生的任何收益或虧損乃按銷售所得款項與該資產賬面值之間的差額釐定，並於損益中確認。

單獨取得的無形資產

單獨取得的具有有限可使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有有限可使用年期的無形資產的攤銷乃以直線法就其估計可使用年期確認。估計可使用年期及攤銷方式乃於報告期末審閱，而估計任何變動的影響則按前瞻基準入賬。

無形資產乃於出售時或當預期自使用或出售將不會產生未來經濟利益時終止確認。終止確認無形資產所產生的收益及虧損(按出售所得款項淨額與資產賬面值之間的差額計量)於終止確認資產時於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Short-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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.

Financial instruments (after application of HKFRS 9 on 1 January 2018)

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. 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) 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 fair value through profit or loss are recognised immediately in profit or loss.

3. 重要會計政策(續)

退休福利成本

強制性公積金計劃的付款於僱員提供服務使其有權獲得供款時作為開支收取。

短期僱員福利

短期僱員福利於僱員提供服務時按預期將支付的未貼現福利金額確認。除非另有香港財務報告準則規定或允許將福利計入資產成本，否則所有短期僱員福利均確認為開支。

存貨

存貨乃按成本與可變現淨值的較低者列賬。存貨成本乃按先進先出法釐定。可變現淨值指存貨的估計售價減所有估計完成成本及進行銷售所需的成本。

金融工具(於2018年1月1日應用香港財務報告準則第9號後)

金融資產及金融負債於集團實體成為工具合約條文的訂約方時予以確認。所有日常買賣的金融資產於交易日確認及終止確認。日常買賣指須根據市場規則或慣例訂立的時間內交收資產的金融資產買賣。

金融資產及金融負債初次按公平值計量，惟與客戶合約產生的貿易應收款項除外，其自2018年1月1日起初次根據香港財務報告準則第15號計量。收購或發行金融資產及金融負債(按公平值計入損益的金融資產或金融負債除外)直接應佔的交易成本均於初次確認時加入至或扣除自金融資產或金融負債的公平值(按適用者)。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本即時於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (after application of HKFRS 9 on 1 January 2018) (Continued)

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.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value. All of the Group's financial assets are subsequently measured at amortised costs.

3. 重要會計政策 (續)

金融工具(於2018年1月1日應用香港財務報告準則第9號後)
(續)

實際利率法為計算金融資產或金融負債攤銷成本及於相關期間分配利息收入及利息開支所用的方法。實際利率法為於初次確認時將金融資產或金融負債預期年內或(倘適當)較短期間的估計未來現金收入及款項(包括組成實際利率一部分的所有已付或已收費用及點數、交易成本及其他溢價或折讓)準確折現至賬面淨值的利率。

金融資產

金融資產的分類及其後計量

符合下列條件的金融資產其後按攤銷成本計量：

- 金融資產乃按目標為持有金融資產以收取合約現金流量的業務模式持有；及
- 合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

所有其他金融資產其後按公平值計量。本集團的所有金融資產其後按攤銷成本計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (after application of HKFRS 9 on 1 January 2018) (Continued)

Financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, deposits and bank balances) and financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and measures the lifetime ECL on each debtor individually based on the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cashflows that the Group expects to receive, with the consideration of forward looking information.

3. 重要會計政策(續)

金融工具(於2018年1月1日應用香港財務報告準則第9號後)
(續)

金融資產(續)

攤銷成本及利息收入

利息收入就其後按攤銷成本計量的金融資產採用實際利率法確認。利息收入透過將實際利率用於金融資產總賬面值來計算，惟其後已變為信貸減值的金融資產(見下文)除外。就其後已變為信貸減值的金融資產而言，利息收入透過將實際利率用於自下個報告期起計的金融資產攤銷成本來確認。倘信貸減值金融工具的信貸風險降低令金融資產不再維持信貸減值，則利息收入於斷定資產不再維持信貸減值後，透過將實際利率用於自報告期開始起計的金融資產總賬面值來確認。

金融資產減值

本集團就根據香港財務報告準則第9號須予減值的金融資產(包括貿易應收款項、存款及銀行結餘)及財務擔保合約的預期信貸虧損確認虧損撥備。預期信貸虧損的金額於各報告日期更新，以反映信貸風險自初次確認以來的變動。

全期預期信貸虧損指相關工具於其預計年內所有可能違約事件產生的預期信貸虧損。相反，12個月預期信貸虧損(「**12個月預期信貸虧損**」)指預計於報告日期後12個月內可能發生的違約事件產生的全期預期信貸虧損部分。

本集團應用香港財務報告準則第9號簡易方法計量預期信貸虧損，其對所有貿易應收款項及使用存續期預期信貸虧損，並基於根據合約應付本集團合約現金流與本集團預期收取的現金流之間差額對各債務個人個別計量存續期預期信貸虧損，當中考慮前瞻性資料。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (after application of HKFRS 9 on 1 January 2018) (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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;

3. 重要會計政策(續)

金融工具(於2018年1月1日應用香港財務報告準則第9號後)
(續)

金融資產(續)

金融資產減值(續)

就所有其他工具而言，本集團計量等於12個月預期信貸虧損的虧損撥備，除非當信貸風險自初次確認以來顯著上升，則本集團確認全期預期信貸虧損。是否應以全期預期信貸虧損確認乃根據自初次確認以來發生違約的可能性或風險顯著上升而評估。

信貸風險大幅增加

於評估信貸風險是否自初次確認以來已大幅增加時，本集團比較金融工具於報告日期出現違約的風險與該金融工具於初次確認日期出現違約的風險。作此評估時，本集團均會考慮合理及有理據的定量及定性資料，包括過往經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加；

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (after application of HKFRS 9 on 1 January 2018) (Continued)

Financial assets (Continued)

Significant increase in credit risk (Continued)

- 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.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

3. 重要會計政策(續)

金融工具(於2018年1月1日應用香港財務報告準則第9號後)
(續)

金融資產(續)

信貸風險大幅增加(續)

- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；
- 導致債務人履行其債務責任的能力大幅下降的債務人所在監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，本集團假定合約付款逾期超過30日時，信貸風險自初次確認以來已大幅增加，除非本集團有合理及可靠資料證明可予收回則當別論。

儘管上文所述，倘於報告日期債務工具的信貸風險釐定為低，本集團假定債務工具的信貸風險自初次確認以來並無大幅提高。倘(i)債務工具違約風險低，(ii)借款人短期內履行合約現金流量責任的能力強勁及(iii)經濟及營商環境較長期的不利變動可能(但未必)會降低借款人履行合約現金流量責任的能力，則債務工具的信貸風險釐定為低。當按照全球理解的定義債務工具的內部或外部信貸評級為「投資級別」，則本集團將視該債務工具的信貸風險為低。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (after application of HKFRS 9 on 1 January 2018) (Continued)

Financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Also, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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 the financial assets have been occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer of the borrower; or
- A breach of contract, such as a default or past due event; or
- 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; or
- It is becoming probably that the borrower will enter bankruptcy or other financial reorganisation.

3. 重要會計政策 (續)

金融工具(於2018年1月1日應用香港財務報告準則第9號後)(續)

金融資產(續)

違約定義

本集團認為以下事項構成內部信貸風險管理違約事件，此乃由於過往經驗顯示符合以下任何一項標準的應收款項通常無法收回：

- 交易對手方違反財務契約時；或
- 內部產生或自外部取得的資料顯示，債務人不大可能支付全額款項予債權人(包括本集團)(並未考慮本集團所持有的任何抵押品)。

此外，本集團視工具逾期超過90日為違約，除非本集團有合理及可靠資料證明更寬鬆的違約標準更為合適則另作別論。

發生信貸減值的金融資產

當發生一個或多個事件對金融資產的估計未來現金流量有不利影響時，則金融資產「已發生信貸減值」。金融資產已發生信貸減值的證據包括關於以下事件的可觀察數據：

- 發行人或借款人出現重大財務困難；或
- 違反合約，例如拖欠或逾期事件；或
- 由於與借款人財務困難相關的經濟或合約原因，借款人的貸款方已向借款人授予貸款方原本不會考慮的特許權；或
- 借款人可能破產或進行其他財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (after application of HKFRS 9 on 1 January 2018) (Continued)

Financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice when appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount with the exception of trade receivables where the correspondence adjustment is recognised through a loss allowance account.

3. 重要會計政策(續)

金融工具(於2018年1月1日應用香港財務報告準則第9號後)
(續)

金融資產(續)

撇銷政策

當有資料顯示交易對手方陷入嚴重財務困難及並無實際可收回預期(例如當交易對手方被清盤或已進入破產程序時或(就貿易應收款項而言)該等款項已逾期兩年以上時(以較早發生者為準)),本集團會把該金融資產撇銷。已經撇銷的金融資產可能在適當時考慮法律意見之後根據本集團的收回程序被採取強制行動。任何收回均於損益中確認。

計量及確認預期信貸虧損

預期信貸虧損的計量為一項違責機率、違責損失率(即違責時的損失大小)及違責風險承擔功能。評估違責機率及違責損失率乃基於按前瞻性資料作出調整的歷史數據進行。

一般而言,預期信貸虧損乃按根據合約應付本集團的所有合約現金流量與本集團預期將收取的所有現金流量的差額估計,並按初次確認時釐定的實際利率貼現。

就財務擔保合約而言,虧損撥備乃根據香港財務報告準則第9號釐定的虧損撥備與初次確認金額當中較高者,減去(倘適用)擔保期間所確認累計收入。

本集團通過調整所有金融工具的賬面值而於損益內確認其減值收益或虧損,惟貿易應收款項除外,其相應調整通過虧損撥備賬戶確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (after application of HKFRS 9 on 1 January 2018) (Continued)

Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

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.

Financial liabilities at amortised cost

The Group's financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial instruments (before application of HKFRS 9 on 1 January 2018)

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. 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 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 fair value through profit or loss are recognised immediately in profit or loss.

3. 重要會計政策(續)

金融工具(於2018年1月1日應用香港財務報告準則第9號後)
(續)

金融負債及權益

已發行的債務及權益工具乃按合約安排的實質分類為金融負債或權益。

權益工具

權益工具指證明在扣除實體所有負債後在其資產中擁有剩餘權益的任何合約。本集團發行的權益工具乃按已收取的所得款項(扣除直接發行成本)確認。

按攤銷成本列賬的金融負債

本集團的金融負債包括其後採用實際利率法按攤銷成本計量的貿易及其他應付款項及銀行借款。

金融工具(於2018年1月1日應用香港財務報告準則第9號前)

金融資產及金融負債於集團實體成為工具合約條文的訂約方時予以確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔的交易成本乃於初次確認時加入至或扣除自金融資產或金融負債的公平值(按適用者)。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本即時於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (before application of HKFRS 9 on 1 January 2018) (Continued)

Financial assets

Financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables and deposits, amount due from ultimate holding company and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

3. 重要會計政策(續)

金融工具(於2018年1月1日應用香港財務報告準則第9號前)
(續)

金融資產

金融資產乃分類為貸款及應收款項。該分類取決於金融資產的性質及目的，並按初次確認時間釐定。所有常規方式金融資產買賣均按交易日為基準確認及終止確認。常規方式買賣為需要於法規或市場慣例制定的時限內交付資產的金融資產買賣。

實際利率法

實際利率法為於有關期間計算債務工具攤銷成本及分配利息收入的方法。實際利率為於金融資產的預期年期或(如適用)較短期間切實貼現估計未來現金收款(包括已付或已收而形成實際利率、交易成本及其他溢價或折讓完整部分的一切費用及點數)至初次確認的賬面淨值的方法。

除分類為按公平值計入當期損益的金融資產外，利息收入就債務工具按實際利率基準確認，其利息收入計入淨收益或虧損。

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款且並無活躍市場報價的非衍生金融資產。於初步確認後，貸款及應收款項(包括貿易應收款項及按金、應收最終控股公司及以及銀行結餘及現金)乃使用實際利率法按攤銷成本，並減去任何已識別的減值虧損(見下文有關金融資產減值的會計政策)計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (before application of HKFRS 9 on 1 January 2018) (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment of financial assets could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 重要會計政策 (續)

金融工具(於2018年1月1日應用香港財務報告準則第9號前)
(續)

金融資產(續)

金融資產減值

金融資產乃於報告期末進行減值跡象評估。倘有客觀證據顯示，由於一項或以上於初次確認金融資產後發生的事件，令金融資產的估計未來現金流量已受到影響，則金融資產被視為已減值。

金融資產減值的客觀證據可包括：

- 發行人或交易對手出現重大財務困難；或
- 違約，如拖欠或遲繳利息或本金付款；或
- 借款人可能將會破產或進行財務重組。

已確認減值虧損金額為資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值之間的差額。

金融資產的賬面值乃以就直接有關所有金融資產的減值虧損扣減，惟貿易應收款項則除外，其賬面值乃通過使用備抵賬扣減。備抵賬的賬面值變動乃於損益內確認。當貿易應收款項被視為不可收回時，其乃用以撇銷備抵賬。其後收回過往撇銷的金額乃計入損益內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (before application of HKFRS 9 on 1 January 2018) (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the receivable at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified either as 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 instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

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 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.

3. 重要會計政策(續)

金融工具(於2018年1月1日應用香港財務報告準則第9號前)(續)

金融資產(續)

金融資產減值(續)

就按攤銷成本計量的金融資產而言，倘於其後期間，減值虧損金額有所減少，且該減少可客觀地與於確認減值虧損後發生的事件聯繫，則過往確認的減值虧損乃透過損益撥回，以應收款項於撥回減值當日的賬面值不超過倘並無確認減值原應存在的攤銷成本為限。

金融負債及股本工具

集團實體發行的債務及股本工具乃根據合約安排的內容及金融負債及股本工具的定義分類為金融負債或權益。

股本工具

股本工具為任何證明本集團的資產經扣除其所有負債後的剩餘權益的合約。本集團實體所發行的股本工具乃按已收所得款項(扣除直接發行成本)確認。

按攤銷成本計算的金融負債

金融負債(包括貿易及其他應付款項及銀行借款)其後以實際利率法按攤銷成本計量。

實際利率法

實際利率法為於有關期間內計算金融負債攤銷成本及分配利息開支的方法。實際利率為於金融負債的預期年期或(如適用)較短期間切實貼現估計未來現金付款(包括已付或已收而形成實際利率、交易成本及其他溢價或折讓完整部分的一切費用)至初步確認的賬面淨值的方法。

利息開支乃按實際利率法確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (before application of HKFRS 9 on 1 January 2018) (Continued)

Derecognition

The Group derecognised a financial asset only when the contractual rights to the cash flows from the assets expire or, when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss.

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 liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial guarantee contract is recognised initially at its fair value. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (before application of HKFRS 9 on 1 January 2018)/the amount of the loss allowance determined in accordance with HKFRS 9 (since 1 January 2018); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy.

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

3. 重要會計政策(續)

金融工具(於2018年1月1日應用香港財務報告準則第9號前)
(續)

終止確認

僅當自資產收取現金流量的合約權利屆滿或其將金融資產及資產擁有權的絕大部份的風險及回報轉移至另一實體，本集團方會終止確認金融資產。

於終止確認金融資產時，資產賬面值與已收及應收代價之間的差額乃於損益中確認。

本集團僅會於本集團的責任獲解除、取消或屆滿時終止確認金融負債。已終止確認金融負債的賬面值與已付及應付代價之間的差額乃於損益中確認。

財務擔保合約

財務擔保合約為規定發出人支付指定金額，以補償持有人由於指定欠債人未能根據債務工具條款於到期時付款而蒙受之損失。

財務擔保合約初次按公平值確認。於初次確認後，本集團以(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定的合約責任金額(於2018年1月1日應用香港財務報告準則第9號前)/根據香港財務報告準則第9號(自2018年1月1日起)釐定的虧損撥備金額；及(ii)初次確認的金額減(如適用)根據收益確認政策的累計攤銷，兩者中以較高者計算財務擔保合約。

有形及無形資產減值虧損

本集團於報告期末均會審閱其有形資產及具有有限可使用年期的無形資產的賬面值，以釐定有否跡象顯示該等資產遭受減值虧損。如有任何該等跡象，則會估計相關資產的可收回金額，以決定減值虧損(如有)的程度。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment losses on tangible and intangible assets (Continued)

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) 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 immediately in profit or loss.

3. 重要會計政策(續)

有形及無形資產減值虧損(續)

有形及無形資產的可收回金額個別估計。倘無法估計個別的可收回金額，則本集團估計資產所屬現金產生單位的可收回金額。倘可識別分配的合理一致基準，則公司資產亦分類為獨立現金產生單位或以其他方式分配至可識別分配合理一致基準的現金產生單位最小組別。

可收回金額為公平值減出售成本與使用價值兩者中的較高者。評估使用價值時，估計未來現金流量會按照可反映現時市場對貨幣時間值及未調整未來現金流量估計的資產(或現金產生單位)特定風險的評估的稅前貼現率，貼現至其現值。

倘估計資產(或現金產生單位)的可收回金額將少於其賬面值，則資產(或現金產生單位)的賬面值將調減至其可收回金額。減值虧損會即時於損益確認。

倘減值虧損於日後撥回，則資產或現金產生單位之賬面值增至重新估計可收回金額，惟增加後的賬面值不得高於假設過往年度並無就資產或現金產生單位確認減值虧損而原應釐定的賬面值。減值虧損撥回即時於損益確認。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following is the key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Provision of ECL for trade receivables

Upon the application of HKFRS 9 on 1 January 2018, the Group estimates the amount of loss allowance of accounts receivables based on the credit risk and past due status of accounts receivables. The loss allowance amount is measured as the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive, with the consideration of forward-looking information. The assessment of credit risk of accounts receivables involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise accordingly. As at 31 December 2018, the carrying amounts of trade receivables is HK\$18,866,000.

4. 估計不確定因素的主要來源

於應用本集團的會計政策(載述於附註3)時,本公司董事須就並非可即時自其他來源獲得的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃按過往經驗及被視為相關的其他因素得出。實際結果可能有別於該等估計。

估計及相關假設乃按持續基準審閱。倘修訂僅影響該期間,會計估計修訂乃於修訂估計的期間確認,或倘修訂影響當前及未來期間,則於修訂及未來期間確認。

以下為於報告期末有關未來而具有對未來十二個月內的資產及負債賬面值造成重大調整的重大風險的主要假設以及其他估計不確定因素的主要來源。

貿易應收款項的預期信貸虧損撥備

自2018年1月1日應用香港財務報告準則第9號後,本集團按應收賬款的信貸風險及逾期狀況估計應收賬款的虧損撥備金額。虧損撥備金額按根據合約應付本集團合約現金流與本集團預期收取的現金流之間的差額現值計量,當中考慮前瞻性資料。應收賬款的信貸風險評估涉及高度估計及不明朗因素。當實際未來現金流少於預期或超過預期,重大減值虧損或重大減值虧損撥回可能因此產生。於2018年12月31日,貿易應收款項的賬面值為18,866,000港元。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment of trade receivables

Prior to the application of HKFRS 9 on 1 January 2018, when there is objective evidence of impairment loss, the Group would estimate the future cash flows from the trade receivables. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2017, the carrying amounts of trade receivables is HK\$8,691,000. No impairment loss was charged to profit or loss during year ended 31 December 2017.

5. REVENUE AND SEGMENT INFORMATION

Revenue

For the year ended 31 December 2018

Revenue from contracts with customers represents the fair value of amounts received and receivable from the sales of apparel products with the provision of supply chain management services to customers by the Group.

Timing of revenue recognition and category of revenue

Recognised at a point in time and short-term contracts:

Sales of apparel products with the provision of supply chain management services to customers

於某個時間點及短期合約確認：

向客戶銷售服裝產品及提供服裝供應鏈管理服務

2018
2018年
HK\$'000
千港元

111,862

The customers of the Group are mainly large department stores in Europe. All of the Group's sales of apparel products with the provision of supply chain management services are provided directly to the customers. Contracts with the Group's customers are fixed-price contracts.

本集團的客戶為歐洲的大型百貨公司。本集團所有提供供應鏈管理服務的服裝產品銷售均直接向客戶提供。與本集團客戶訂立的合約為固定價格合約。

4. 估計不確定因素的主要來源(續)

貿易應收款項的估計減值

於2018年1月1日應用香港財務報告準則第9號前，倘有客觀證據顯示出現減值虧損，本集團將估計貿易應收款項的未來現金流量。減值虧損金額會按資產賬面值與按該金融資產原訂實際利率(即初次確認時計算的實際利率)對估計未來現金流量(不包括尚未產生的未來信貸虧損)進行折現後的現值兩者之間的差額確認。倘實際未來現金流量少於預期，則可能會出現重大減值虧損。於2017年12月31日，貿易應收款項的賬面值為8,691,000港元。截至2017年12月31日止年度，概無任何減值虧損於損益扣除。

5. 收益及分部資料

收益

截至2018年12月31日止年度

來自客戶合約收益指本集團向客戶提供供應鏈管理服務所產生服裝產品銷售的已收及應收款項的公平值。

收益確認時間及收益分類

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截至2018年12月31日止年度

5. REVENUE AND SEGMENT INFORMATION

(Continued)

Revenue (Continued)

All revenue contracts are for period of one year or less. As permitted by HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

For the year ended 31 December 2017

Revenue represents revenue arising on sales of apparel products with the provision of supply chain management service for the year.

Segment information

The Group's operating segment is determined based on information reported to the chief operating decision maker (the "CODM") of the Group, being the executive directors of the Company throughout the year, for the purpose of resource allocation and performance assessment. For management purpose, the Group operates in one business unit based on their products, and its sole operating segment is the sales of apparel products with the provision of apparel supply chain management. The CODM monitors the revenue, results, assets and liabilities of its business unit as a whole and regularly reviews financial information prepared in accordance with HKFRSs which is consistent with those presented in this report, and without further discrete financial information. Accordingly, no analysis of segment information other than entity-wide information is presented.

5. 收益及分部資料(續)

收益(續)

所有收益合約為期一年或以下。如香港財務報告準則第15號所准許，分配至該等未達成合約的交易價格並無披露。

截至2017年12月31日止年度

收益指於年內銷售服裝產品及提供服裝供應鏈管理服務所產生的收益。

分部資料

本集團的經營分部乃根據年內就資源分配及表現評估向本集團主要經營決策者(即本公司的執行董事)(「主要經營決策者」)呈報的資料釐定。就管理而言，本集團根據其產品經營一個業務單位，及其唯一經營分部：提供服裝供應鏈管理銷售服裝產品。主要經營決策者監控其業務單位的整體收益、業績、資產及負債，並定期審閱根據香港財務報告準則編製的財務資料，該等財務資料與綜合財務報表所呈列者一致，且並無其他獨立財務資料。因此，並無呈列除實體範圍資料外的分部資料分析。

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5. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Geographical information

The Group's operations are mainly located in Hong Kong.

The Group's revenue from customers by geographical location of customers.

5. 收益及分部資料(續)

分部資料(續)

地區資料

本集團業務主要位於香港。

本集團按地理位置劃分之客戶收益如下。

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Germany	德國	71,112	64,433
France	法國	17,900	5,228
Switzerland	瑞士	3,288	510
Austria	奧地利	6,434	–
Hong Kong	香港	539	1,228
Korea	韓國	12,397	–
China	中國	192	–
		111,862	71,399

Revenue from customers individually contributing over 10% of the Group's revenue of the corresponding year are as follows:

個別佔本集團相應年度收益10%以上的客戶收益如下：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Customer A	客戶A	31,483	27,959
Customer B	客戶B	24,499	20,649
Customer C	客戶C	12,397	– [#]

[#] No revenue was generated from the relevant customer for the year.

[#] 年內概無來自相關客戶產生的收益。

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5. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Geographical information (Continued)

Non-current assets (excluding deposits) by geographical location of assets are detailed below:

5. 收益及分部資料(續)

分部資料(續)

地區資料(續)

按資產地理位置劃分的非流動資產(不包括存款)詳情如下:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong	香港	30,004	506
Germany	德國	8,583	9,583
		38,587	10,089

6. OTHER INCOME

6. 其他收入

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Financial guarantee income (note 23)	財務擔保收入(附註23)	816	21,548
Sample sales income	樣品銷售收入	1,927	721
Bank interest income	銀行利息收入	16	1
		2,759	22,270

7. OTHER LOSSES

7. 其他虧損

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Net loss on structured foreign currency forward contracts	結構性外幣遠期合約虧損淨額	-	(70)
Net foreign exchange loss	外匯虧損淨額	(127)	(739)
		(127)	(809)

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8. FINANCE COSTS

8. 融資成本

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank borrowings	銀行借款利息	153	397

9. INCOME TAX EXPENSE

9. 所得稅開支

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong Profits Tax:	香港利得稅：		
Current tax	即期稅	3,081	2,404
Over-provision in prior years	於過往年度超額撥備	-	(20)
		3,081	2,384
Deferred taxation (note 24)	遞延稅項(附註24)	160	343
		3,241	2,727

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%.

於2018年3月21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**」)，引入兩級利得稅率制度。該條例草案於2018年3月28日簽署成為法律，並於翌日刊憲。根據兩級利得稅率制度，合資格集團實體的首2百萬港元溢利將按8.25%的稅率納稅，而2百萬港元以上的溢利將按16.5%的稅率納稅。不符合兩級利得稅率制度資格的集團實體的溢利將繼續按16.5%的劃一稅率納稅。

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9. INCOME TAX EXPENSE (Continued)

Accordingly, starting from the current year, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

9. 所得稅開支(續)

因此，自本年度起，香港利得稅按首2百萬港元應課稅溢利的8.25%及2百萬港元以上應課稅溢利的16.5%計算。

年內稅項開支可與綜合損益及其他全面收益表的除稅前溢利對賬如下：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	15,753	25,192
Tax at the applicable Hong Kong Profits Tax rates (16.5%)	按適用香港利得稅稅率(16.5%) 計算的稅項	2,599	4,157
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(137)	(3,555)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	944	2,145
Over-provision in prior years	過往年度超額撥備	-	(20)
Income tax at concessionary rate	按減免稅率的所得稅	(165)	-
Income tax expense for the year	年內所得稅開支	3,241	2,727

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10. PROFIT FOR THE YEAR

10. 年內溢利

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year has been arrived at after charging:	年內溢利乃經扣除以下各項後達致：		
Directors' remuneration (note 11):	董事薪酬(附註11)：	2,511	1,504
Other staff costs:	其他員工成本：		
— Salaries and other benefits	— 工資及其他福利	2,506	2,833
— Retirement benefit scheme contributions	— 退休福利計劃供款	103	120
		2,609	2,953
Total employee benefits expenses	僱員福利費用總額	5,120	4,457
Auditor's remuneration	核數師酬金	900	480
Depreciation of property, plant and equipment	物業、廠房及設備折舊	379	88
Amortisation of intangible assets	無形資產攤銷	1,000	417
Cost of inventories recognised as cost of sales	確認為銷售成本的存貨成本	80,002	44,867
Minimum lease payments under operating leases in respect of land and building	土地及樓宇經營租賃的最低租賃付款	279	279

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors' and the chief executive's emoluments

Mr. Ko was appointed as an executive director of the Company on 19 January 2017. Mr. Ko Man Ho, son of Mr. Ko, and Mr. Cheng Ka Wing were appointed as executive directors of the Company on 8 July 2017. Mr. To King Yan, Adam Mr. Chan Kim Sun and Mr. Kwok Chee Kin were appointed as independent non-executive directors of the Company on 16 April 2018.

The remuneration paid or payable to the directors of the Company were as follows:

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11. 董事、主要行政人員及僱員酬金

董事及主要行政人員酬金

高先生於2017年1月19日獲委任為本公司執行董事。高文灝先生(高先生的兒子)及鍾嘉榮先生於2017年7月8日獲委任為本公司執行董事。杜景仁先生、陳劍樂先生及郭志堅先生於2018年4月16日獲委任為本公司獨立非執行董事。

已付或應付本公司董事之薪酬如下：

截至2018年12月31日止年度

		Salaries and other benefits	Contributions to retirement benefits scheme	Total
	Fee	薪金及其他 福利	退休福利計劃 供款	總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors	執行董事			
Mr. Ko	高先生	291	-	15
Ko Man Ho	高文灝	-	955	18
Cheng Ka Wing	鍾嘉榮	-	977	18
		291	1,932	51
				2,274
Independent non-executive directors	獨立非執行董事			
To King Yan, Adam	杜景仁	79	-	-
Chan Kim Sun	陳劍樂	79	-	-
Kwok Chee Kin	郭志堅	79	-	-
		237	-	-
		528	1,932	51
				2,511

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued) For the year ended 31 December 2017

11. 董事、主要行政人員及僱員酬金(續) 截至2017年12月31日止年度

		Fee	Salaries and other benefits 薪金及其他福利	Contributions to retirement benefits scheme 退休福利計劃供款	Total 總計
		袍金 HK\$'000 千港元	福利 HK\$'000 千港元	供款 HK\$'000 千港元	總計 HK\$'000 千港元
Executive directors	執行董事				
Ko Sin Yun	高銑印	296	-	7	303
Ko Man Ho (Note)	高文灝(附註)	-	578	18	596
Cheng Ka Wing (Note)	鍾嘉榮(附註)	-	587	18	605
		296	1,165	43	1,504

Note: The total remuneration paid to Mr. Ko Man Ho and Mr. Cheng Ka Wing during the year ended 31 December 2017 were for their services as employees of the Group's operating subsidiary prior to and after their appointment as executive directors of the Company on 8 July 2017.

附註：截至2017年12月31日止年度，向高文灝先生及鍾嘉榮先生支付的總薪酬乃有關彼等於2017年7月8日獲委任為本公司執行董事前後作為本集團的營運附屬公司僱員提供的服務。

The emoluments of executive directors shown above were for their services in connection with the management of the affairs of the Group.

上文所示執行董事酬金乃就其管理本集團事務的服務所支付。

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

上文所示獨立非執行董事酬金乃就其作為本公司董事的服務所支付。

Employees' emoluments

The below table shows the five highest paid individuals of the Group during the year, of which two (2017: one) are directors of the Company for the year ended 31 December 2018.

僱員酬金

下表顯示年內本集團的最高薪酬人士，其中兩名(2017年：一名)人士於截至2018年12月31日止年度為本公司董事。

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,295	2,307
Retirement benefit scheme contributions	退休福利計劃供款	85	77
		3,380	2,384

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Employees' emoluments (Continued)

The emoluments were within the following bands:

		2018	2017
		2018年	2017年
Nil to HK\$1,000,000	零至1,000,000港元	5	5

During the year, no emoluments were paid by the Group to any of the directors of the Company or the chief executive of the Group or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during the year.

12. DIVIDENDS

No dividend has been paid or declared by the Company since its date of incorporation to 31 December 2017. However, a subsidiary of the Company had declared interim dividends in the amount of HK\$4,300,000 to the Controlling Shareholder during the year ended 31 December 2017.

The directors of the Company has declared interim dividends with an aggregate amount of HK\$6,500,000 to its then sole shareholder in April 2018 which had been fully settled.

Save as aforesaid, the Board declared a third quarter dividend of HK\$0.01 per Share, amounting to a total of HK\$10,000,000 on 18 December 2018 which had been fully settled.

The Board recommends the payment of a final dividend of HK\$0.013 per share for the year ended 31 December 2018 (2017: nil) to the Shareholders whose names appear on the register of members of the Company on 10 May 2019. The proposed final dividend, subject to the approval of the Shareholders at the forthcoming annual general meeting (the "AGM") to be held on 3 May 2019, will be paid on or about 23 May 2019. This proposed dividend is not reflected as dividend payable in these consolidated financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2019.

11. 董事、主要行政人員及僱員酬金(續)

僱員酬金(續)

其薪酬處於以下範圍：

2018	2017
2018年	2017年

年內，本集團概無向任何本公司董事或本集團主要行政人員或五名最高薪人士支付任何酬金，為加入本集團或於加入本集團後的獎勵或離任補償。年內，概無董事放棄任何酬金。

12. 股息

自其註冊成立日起至2017年12月31日，本公司並無派付或宣派任何股息。然而，於截至2017年12月31日止年度，本公司一間附屬公司向其控股股東宣派中期股息4,300,000港元。

於2018年4月，本公司董事已向其當時的唯一股東宣派中期股息總額6,500,000港元，並已悉數結算。

除上述者外，於2018年12月18日，董事會建議派付第三季度股息每股0.01港元，合共10,000,000港元，並已悉數結算。

董事會建議就截至2018年12月31日止年度派付末期股息每股0.013港元(2017年：零)予於2019年5月10日名列本公司股東名冊的股東。建議末期股息須待股東於2019年5月3日召開的股東週年大會(「股東週年大會」)批准後，將於2019年5月23日或之前支付。該等建議股息並未於該等綜合財務報表中反映為應付股息，惟將反映為截至2019年12月31日止年度的保留盈利分配。

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13. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

13. 每股盈利

每股基本盈利乃基於以下數據計算：

	2018	2017
	2018年	2017年
	HK\$'000	HK\$'000
	千港元	千港元
Earnings:		
	12,512	22,465
	'000	'000
	千股	千股
Number of shares:		
	915,753	750,000

For the year ended 31 December 2017, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the reorganisation and the Capitalisation Issue (as disclosed in note 25) had been effective on 1 January 2017.

截至2017年12月31日止年度，用於計算每股基本盈利的普通股加權平均數已假設重組及資本化發行(披露於附註25)已於2017年1月1日生效而釐定。

For the year ended 31 December 2018, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Capitalisation Issue had been effective on 1 January 2018.

截至2018年12月31日止年度，用於計算每股基本盈利的普通股加權平均數已假設資本化發行已於2018年1月1日生效而釐定。

No diluted earnings per share is presented as there is no potential ordinary shares outstanding for both years.

由於兩個年度內均無任何潛在已發行普通股，故均無呈每股攤薄盈利。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold land and building	Computer and office equipment	Total
		租賃土地及 樓宇	電腦及辦公 設備	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
COST				
At 1 January 2017	於2017年1月1日	-	-	-
Additions	添置	-	594	594
At 31 December 2017	於2017年12月31日	-	594	594
Additions (Note 27)	添置(附註27)	29,877	-	29,877
At 31 December 2018	於2018年12月31日	29,877	594	30,471
ACCUMULATED DEPRECIATION				
At 1 January 2017	於2017年1月1日	-	-	-
Provided for the year	年內撥備	-	88	88
At 31 December 2017	於2017年12月31日	-	-	88
Provided for the year	年內撥備	260	119	379
At 31 December 2018	於2018年12月31日	260	207	467
CARRYING AMOUNTS				
At 31 December 2018	於2018年12月31日	29,617	387	30,004
At 31 December 2017	於2017年12月31日	-	506	506

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the term of remaining land lease
Computer and office equipment	20%

At 31 December 2018, leasehold land and building of the Group with carrying value of approximately HK\$29,617,000 (2017: nil) were pledged with a bank to secure a loan granted to the Group.

上述物業、廠房及設備項目乃每年按以下比率按直線法進行折舊：

租賃土地及樓宇	於餘下土地租賃年期內
電腦及辦公設備	20%

於2018年12月31日，本集團賬面值約29,617,000港元(2017年：零)的租賃土地及樓宇抵押予一間銀行，以取得授予本集團的貸款。

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15. INTANGIBLE ASSETS

15. 無形資產

		Trademarks 商標 HK\$'000 千港元
COST	成本	
At 1 January 2016 and 31 December 2016	於2016年1月1日及2016年12月31日	–
Additions	添置	10,000
At 31 December 2017	於2017年12月31日	10,000
Additions	添置	–
At 31 December 2018	於2018年12月31日	10,000
AMORTISATION	攤銷	
At 1 January 2016 and 31 December 2016	於2016年1月1日及2016年12月31日	–
Provided for the year	年內撥備	417
At 31 December 2017	於2017年12月31日	417
Provided for the year	年內撥備	1,000
At 31 December 2018	於2018年12月31日	1,417
CARRYING AMOUNT	賬面值	
At 31 December 2018	於2018年12月31日	8,583
At 31 December 2017	於2017年12月31日	9,583

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Trademarks 10 years

The Group acquired two trademarks from an independent third party at an aggregate consideration of HK\$10,000,000 in July 2017.

上述無形資產具有有限使用年期。該等無形資產於以下期間以直線法攤銷：

商標 10年

本集團於2017年7月以總代價10,000,000港元向一名獨立第三方收購兩個商標。

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16. GOODS IN TRANSIT

16. 在運貨物

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Finished goods in transit	在運製成品	1,557	926

17. TRADE RECEIVABLES, PREPAYMENTS AND DEPOSITS

17. 貿易應收款項、預付款項及存款

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	貿易應收款項	18,866	8,691
Rental and utilities deposits	租金及公用事業存款	153	95
Prepayments	預付款項	7,821	1,201
Deferred listing expenses	遞延上市開支	-	3,703
		26,840	13,690
Presented as non-current assets	呈列為非流動資產	153	95
Presented as current assets	呈列為流動資產	26,687	13,595
		26,840	13,690

As at 31 December 2018, included in the balance of prepayments, there is an amount of HK\$2,484,000 (2017: nil) paid to a related company namely Meridian Industries Garment (Cambodia) Limited ("MIGCL") which it is controlled by Mr. Murray Ko, brother of Mr. Ko and his spouse, such balance is in connection with the sales of apparel products with the provision of supply chain management services.

於2018年12月31日，向一間關連公司 Meridian Industries Garment (Cambodia) Limited (「MIGCL」，由高先生的胞兄高錫印先生及其配偶所控制) 支付款項2,484,000 港元(2017年：零)，該等結餘與服裝產品銷售及提供服裝供應鏈管理服務有關。

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17. TRADE RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

The Group either demands for full settlement upon delivery of goods or allows credit periods of no longer than 30 days upon delivery of goods, except that the Group allows credit period of no longer than 120 days upon delivery of goods for certain customers.

The following is an ageing analysis of trade receivables of the Group net of allowance for credit losses, if any presented based on the invoice dates:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	貿易應收款項		
1 to 30 days	1至30天	7,728	5,687
31 to 60 days	31至60天	2,453	2,031
61 to 90 days	61至90天	853	13
Over 90 days	90天以上	7,832	960
		18,866	8,691

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributed to customers and credit term granted to customers are reviewed regularly. The majority of the trade receivables that are neither past due nor impaired have no history of defaulting on repayments.

17. 貿易應收款項、預付款項及存款 (續)

本集團要求於交付貨物時全數結清或授出由交付貨物起不多於30天的信貸期，除了若干客戶，本集團授出由交付貨物起計不多於120天的信貸期。

以下為本集團任何按發票日期呈列的貿易應收款項的賬齡分析(扣除信貸虧損撥備)：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	貿易應收款項		
1 to 30 days	1至30天	7,728	5,687
31 to 60 days	31至60天	2,453	2,031
61 to 90 days	61至90天	853	13
Over 90 days	90天以上	7,832	960
		18,866	8,691

在接納任何新客戶前，本集團評估對潛在客戶的信貸質素，並釐定客戶的信貸額度。劃撥客戶的信貸額度及授予客戶的信貸期會定期檢討。並無逾期亦無減值的大部分貿易應收款項並無拖欠還款記錄。

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17. TRADE RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

As at 31 December 2017, included in the Group's trade receivables balance were debtors with aggregate carrying amount of HK\$2,171,000 as at 31 December 2017, which were past due at the end of the reporting period for which the Group had not provided for impairment loss as the Group considered such balances could be recovered based on historical experience or have been subsequently settled. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables which were past due but not impaired:

		At 31 December 2017 於12月31日 HK\$'000 千港元
Overdue by:	逾期：	
1 to 30 days	1至30天	695
31 to 60 days	31至60天	1,377
61 to 90 days	61至90天	13
Over 90 days	90天以上	86
		2,171

Before the application of HKFRS 9 on 1 January 2018, in determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of each reporting period. The trade receivables past due but not provided for as at the end of each reporting period were either subsequently settled or no historical default of payments was noted by the respective customers and the management of the Group believes that no impairment required.

No allowance for bad and doubtful debt was provided during the year ended 31 December 2017 and no balance of provision for bad and doubtful debt had been recognised as at 31 December 2017.

17. 貿易應收款項、預付款項及存款(續)

於2017年12月31日，本集團的貿易應收款項結餘包括賬面總值為2,273,000港元的應收款項，其於報告期末逾期。本集團並無就此計提減值虧損，乃由於本集團基於過往經驗認為可收回有關結餘或其後已結清。本集團並無就該等結餘持有任何抵押品。

已逾期但未減值的貿易應收款項賬齡分析如下：

於2018年1月1日應用香港財務報告準則第9號前，於釐定貿易應收款項的可收回性時，本集團會考慮自初次授出信貸日期起至各報告期末止的貿易應收款項信貸質素的任何變動。於各報告期末已逾期但尚未作出撥備的貿易應收款項已其後結算或並無發現各客戶的歷史違約，且本集團管理層認為其無需減值。

截至2017年12月31日止年度並無作出壞賬及呆賬撥備，且於2017年12月31日並無確認壞賬及呆賬撥備結餘。

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17. TRADE RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Upon the application of HKFRS 9 on 1 January 2018, the Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and measures the lifetime ECL on each debtor individually.

As at 31 December 2018, included in the trade receivables were an aggregate amount of HK\$12,898,000 which are not past due and regarded as having low default risk by the management of the Company based on regular repayment history in the ECL assessment.

As at 31 December 2018, included in the trade receivables, HK\$5,968,000 are past due and out of the past due balances, HK\$3,688,000 has been past due 90 days or more and are not considered as in default by considering the on-going business relationship, repayment history and expected future settlement. For the remaining balance amounting to HK\$2,280,000, the management of the Company has assessed the ECL of these balances by applying an average expected credit loss rate with reference to the market available information for retail industry.

The management of the Group have assessed the ECL of all trade receivables as insignificant and therefore it did not result in an impairment allowance for the current year.

Since the application of HKFRS 9 on 1 January 2018, there has been no change in the estimation techniques or significant assumptions made.

Trade receivables and deposits denominated in currencies other than the functional currency of the relevant group entities are set out below:

17. 貿易應收款項、預付款項及存款 (續)

於2018年1月1日應用香港財務報告準則第9號後，本集團應用香港財務報告準則第9號簡易方法以計量預期信貸虧損，其對所有貿易應收款項及使用存續期預期信貸虧損，並對各債務個人個別計量存續期預期信貸虧損。

於2018年12月31日，貿易應收款項總額12,898,000港元並無逾期，且本公司管理層基於預期信貸虧損評估的定期還款歷史視其為低違約風險。

於2018年12月31日，貿易應收款項當中5,968,000港元已逾期，而逾期結餘當中3,688,000港元已逾期90天或以上，且經考慮持續業務關係、還款歷史及預期未來結算而不被視為違約。就餘下結餘2,280,000港元而言，本公司管理層已透過應用平均預期信貸虧損率評估該等結餘的預期信貸虧損，當中參考零售行業的市場上可取得資料。

本集團管理層已評估所有貿易應收款項的預期信貸虧損為不重大，及因此並無導致本年度減值撥備。

自2018年1月1日應用香港財務報告準則第9號後，估值方法或重大假設並無出現變動。

相關集團實體的功能貨幣以外貨幣列值的貿易應收款項及存款載列如下：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
EUR	歐元	4,912	1,608
HK\$	港元	854	117
Renminbi ("RMB")	人民幣(「人民幣」)	-	874

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18. AMOUNTS DUE FROM/TO RELATED PARTIES

Amount due from ultimate holding company

18. 應收／應付關連方款項

應收最終控股公司款項

		As at 31 December		Maximum amount outstanding during the year ended 31 December	
		於12月31日		最高未償還金額	
		2018	2017	2018	2017
		2018年	2017年	2018年	2017年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Metro Vanguard	Metro Vanguard	-	8	8	8

The amount was non-trade in nature, denominated in HK\$, interest-free, unsecured and repayable on demand and was settled during the year ended 31 December 2018.

Amount due from controlling shareholder

During the year ended 31 December 2017, the maximum amount due from Mr. Ko being approximately HK\$22,681,000 which is non-trade in nature denominated in HK\$, unsecured, interest-free and repayable on demand. The amount has been settled during the year ended 31 December 2017.

該款項為非貿易性質、以港元計值、免息、無抵押及按要求償還，且於截至2018年12月31日止年度結算。

應收控股股東款項

於截至2017年12月31日止年度，應付高先生款項的最高金額約22,681,000港元為非貿易性質、以港元計值、無抵押、免息及按要求償還。該金額已於截至2017年12月31日止年度結算。

19. BANK BALANCES AND CASH

Bank balances and cash denominated in currencies other than the functional currency of the relevant group entities and the Company are set out below:

19. 銀行結餘及現金

以相關集團實體及本公司的功能貨幣以外貨幣列值的銀行結餘及現金載列如下：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
EUR	歐元	3,479	2,684
HK\$	港元	789	1,042
RMB	人民幣	110	63

Certain bank balances of the Group are subject to covenants with a bank, details of which is disclosed in note 22.

For the year ended 31 December 2018, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant as the Group only transacts with reputable banks with high credit ratings assigned by international credit rating agencies. Details of impairment assessment of bank balances for the year ended 31 December 2018 are set out in note 29.

本集團若干銀行結餘受與一間銀行的契諾所限，有關詳情於附註22披露。

截至2018年12月31日止年度，本集團對銀行結餘進行減值評估，得出結論對手方銀行的違約可能性極低，乃由於本集團僅與獲國際信貸評級機構評為高信貸評分的信譽良好銀行交易。有關截至2018年12月31日止年度銀行結餘的減值評估詳情載於附註29。

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20. TRADE AND OTHER PAYABLES

20. 貿易及其他應付款項

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	貿易應付款項	8,390	1,668
Accrued expenses	應計開支	1,554	5,804
Deposits received	已收按金	-	194
Other payables	其他應付款項	1,758	1,424
		11,702	9,090

The credit period on purchase of goods is no longer than 30 days. The ageing analysis of the trade payables of the Group presented based on the invoice dates at the end of each reporting period is as follows:

購買貨品的信貸期為不多於30天。於各報告期末，本集團按發票日期呈列的貿易應付款項賬齡分析如下：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
1 to 30 days	1至30天	7,957	489
31 to 60 days	31至60天	433	1,179
		8,390	1,668

Trade and other payables denominated in currencies other than the functional currency of the relevant group entities are set out below.

以相關集團實體的功能貨幣以外貨幣列值的貿易及其他應付款項載列如下：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
EUR	歐元	1,132	682
HK\$	港元	1,518	6,293
RMB	人民幣	18	15

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21. CONTRACT LIABILITIES

21. 合約負債

	As at 31 December 2018 於2018年 12月31日 HK\$'000 千港元	As at 1 January 2018* 於2018年 1月1日* HK\$'000 千港元
Contract liabilities:		
	合約負債：	
Sales of apparel products with the provision of supply chain management services	17	194
	服裝產品銷售及提供服裝供應鏈管理服務	

* The amount in this column are after the adjustments from the application of HKFRS 15.

* 本欄中的金額為於應用香港財務報告準則第15號後作出調整。

When the Group receives a deposit before the control of the apparel products are passed to the customers, this will give rise to contract liabilities at the start of a contract, until the control of the apparel products are passed to the customers and revenue of the respective contracts are recognised.

倘本集團於服裝產品的控制權轉移至客戶前收到存款，則合約負債於合約生效時產生，直至服裝產品的控制權轉移至客戶及已確認各合約的收益。

For the contract liabilities as at 1 January 2018, the entire balances are recognised and will be recognised as revenue to profit or loss during the year ended 31 December 2018.

就2018年1月1日的合約負債而言，已確認全部結餘，並將於截至2018年12月31日止年度將於損益確認為收益。

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22. BANK BORROWINGS

22. 銀行借款

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Secured bank borrowings	已抵押銀行借款	10,904	–
Unsecured bank borrowings	未抵押銀行借款	–	6,800
		10,904	6,800
Carrying amounts of bank borrowings based on scheduled repayment dates set out in the loan agreements:	根據貸款協議所載的計劃還款日期之銀行借款賬面值：		
Within one year	一年內	584	4,800
More than one year, but not more than two years	一年以上，但不超過兩年	608	2,000
More than two years, but not more than five years	兩年以上，但不超過五年	1,942	–
More than five years	五年以上	7,770	–
		10,904	6,800
Analysed as:	分析如下：		
Amounts due within one year shown under current liabilities and contain a repayment on demand clause	列於流動負債項下一年內到期並包含按要求償還條款的金額	584	4,800
Amounts that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	於報告期末起計一年內未能償還但具按要求償還的金額（列於流動負債項下）	10,320	2,000
		10,904	6,800
Less: amounts shown under current liabilities	減：列於流動負債項下的款項	(10,904)	(6,800)
		–	–

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22. BANK BORROWINGS (Continued)

The variable-rate bank borrowings carry interests at premiums over Hong Kong Interbank Offered Rate (“**HIBOR**”). The effective interest rate on bank borrowings is 2.83% per annum as at 31 December 2018 (2017: ranging from 2.71% to 2.96% per annum).

As at 31 December 2018, the entire balance of the Group’s bank borrowing is secured by the Group’s property, plant and equipment with carrying amount of HK\$29,617,000.

As at 31 December 2017, the Group together with certain related companies controlled by Mr. Murray Ko and his spouse entered into several banking facilities with banks in Hong Kong for combined facilities with an aggregate amount of approximately HK\$473,959,000, which are shared by the Group and related parties. The banking facilities are secured by assets held by the Group or related parties and/or guaranteed by related parties, details of which is set out as follow:

- (a) Unlimited personal guarantee by Mr. Murray Ko and his spouse;
- (b) Unlimited cross corporate guarantee by related companies controlled by Mr. Murray Ko and his spouse;
- (c) Unlimited cross corporate guarantee by Vision Garments (a subsidiary of the Company);
- (d) Time deposits held with a bank, whereas the bank deposits amounts held by Vision Garments (a subsidiary of the Company) and related companies controlled by Mr. Murray Ko and his spouse are not less than HK\$100,000,000 in aggregate as at 31 December 2017;
- (e) Certain properties of related companies controlled by Mr. Murray Ko and his spouse;
- (f) Certain life insurance policies held by related companies controlled by Mr. Murray Ko and his spouse; and
- (g) Cash deposits of not less than HK\$500,000 together with all interest accrued thereon by Mr. Ko as at 31 December 2017.

22. 銀行借款(續)

浮動利率銀行借款根據香港銀行同業拆息(「香港銀行同業拆息」)之溢價計息。於2018年12月31日，銀行借款的實際年利率為2.83%(2017年：年利率介乎2.71%至2.96%)。

於2018年12月31日，本集團銀行借貸的全部結餘由本集團賬面值為29,617,000港元的物業、廠房及設備作抵押。

於2017年12月31日，本集團聯同高錫印先生及其配偶控制的若干關連公司與多家香港銀行就總金額約473,959,000港元的合併融資訂立數份銀行融資，由本集團及關連方分攤。銀行融資由本集團或關連方持有的資產及／或關連方提供的擔保作抵押，詳情載列如下：

- (a) 高錫印先生及其配偶的無限額個人擔保；
- (b) 高錫印先生及其配偶控制的關連公司的無限額交叉公司擔保；
- (c) 本公司一間附屬公司威誠製衣的無限額交叉公司擔保；
- (d) 於一家銀行的定期存款，於2017年12月31日，由本公司一間附屬公司威誠製衣及高錫印先生及其配偶控制的關連公司持有的銀行存款金額合共不少於100,000,000港元；
- (e) 高錫印先生及其配偶控制的關連公司的若干物業；
- (f) 高錫印先生及其配偶控制的關連公司持有的若干人壽保險保單；及
- (g) 於2017年12月31日不少於500,000港元的現金按金連同高先生的所有有關應計利息。

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22. BANK BORROWINGS (Continued)

In addition, bank borrowings of HK\$6,800,000 are guaranteed by the Government of the Hong Kong Special Administrative Region and the Hong Kong Mortgage Corporation Limited, respectively, under the SME Financing Scheme and personal guarantee limited to HK\$12,000,000 by Mr. Ko.

Such personal guarantee, corporate guarantee and securities provided by related parties were released upon the Listing, and the entire balance of bank borrowing as at 31 December 2017 is fully settled during year ended 31 December 2018.

Bank borrowings denominated in currencies other than the functional currencies of the relevant group entities are set out below:

22. 銀行借款(續)

此外，6,800,000港元的銀行借款分別根據中小企業融資計劃由香港特別行政區政府及香港按揭有限公司擔保；及由高先生以12,000,000港元為限作個人擔保。

該等由關連方提供的個人擔保、公司擔保及擔保已於上市後獲解除，而於2017年12月31日的銀行借款全數結餘於截至2018年12月31日止年度悉數結清。

以相關集團實體的功能貨幣以外貨幣列值的銀行借款載列如下：

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	10,904	6,800

23. FINANCIAL GUARANTEE LIABILITY AND CONTINGENT LIABILITY

23. 財務擔保負債及或然負債

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元

Financial guarantee liability recognised on consolidated statements of financial position in respect of:	就向關連公司提供的擔保於綜合財務狀況表內確認的財務擔保負債(附註)		
Guarantees provided to related companies (Note)		-	816

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元

Financial guarantee income credited to profit or loss including:	計入損益的財務擔保收入包括：		
Guarantees provided to related companies (Note)	向關連公司提供的擔保(附註)	816	21,548

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23. FINANCIAL GUARANTEE LIABILITY AND CONTINGENT LIABILITY (Continued)

Note:

As detailed in note 22, the Group and certain companies controlled by Mr. Murray Ko and his spouse entered into several banking facilities agreements and cross guarantees are provided by the Group and the companies controlled by Mr. Murray Ko and his spouse. As at 31 December 2017, the combined facilities under such banking facilities and cross guarantees, which are provided by the Group to related companies, are with an aggregate amount of approximately HK\$472,123,000. The fair value of the financial guarantee as their respective initial recognition date were arrived at on the basis of valuation carried out by Avista Valuation Advisory Limited with address of 23rd Floor, Siu On Centre, No. 188 Lockhart Road, Wanchai, Hong Kong, independent qualified professional valuer not connected with the Group. The fair value of the financial guarantee was calculated based on credit spread (including the assumption on probability of default and recovery ratio) and the maximum exposure of the facility to the Group which is classified as level 3 fair value measurement. The estimated fair value of the financial guarantee was recognised as financial guarantee liability with the equivalent amount charged to equity as shareholder as deemed distribution at the initial recognition date. Subsequent to the initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (before application of HKFRS 9 on 1 January 2018)/the amount of the loss allowance determined in accordance with HKFRS 9 (since 1 January 2018); and (ii) the amount initially recognised less, when appropriate cumulative amortisation recognised in accordance with the revenue recognition policy.

The financial guarantee liabilities were all denominated in HK\$. All the cross guarantee provided by the Group to related companies were released upon Listing.

24. DEFERRED TAXATION

23. 財務擔保負債及或然負債(續)

附註：

誠如附註22所述，本集團及由高錫印先生及其配偶控制的若干公司訂立數份銀行融資協議，並由本集團及高錫印先生及其配偶控制的公司提供交叉擔保。於2017年12月31日，本集團向關連公司提供的該等銀行融資及交叉擔保之合併融資總額約為472,123,000港元。財務擔保於其各自初次確認日期的公平值乃按由與本集團無關聯的獨立合資格專業估值師艾華迪評估諮詢有限公司（地址為香港灣仔駱克道188號兆安中心23樓）進行的估值達至。財務擔保的公平值按信貸息差（包括假設違約可能性及收回比率）及本集團面臨的最高風險（分類為第3級公平值計量）計算。財務擔保的估計公平值確認為財務擔保負債，而相等金額於初次確認日期以股東視作分派從權益扣除。於初次確認後，本集團按以下各項之較高者計量財務擔保合約：(i) 根據香港會計準則第37號「撥備、或然負債及或然資產」釐定的合約項下責任金額（於2018年1月1日應用香港財務報告準則第9號前）／根據香港財務報告準則第9號（自2018年1月1日起）釐定的虧損撥備金額；及(ii) 初次確認金額減（倘適用）根據收益確認政策確認的累計攤銷。

財務擔保負債全部以港元計值。由本集團提供予關連公司的所有交叉擔保已於上市時獲解除。

24. 遞延稅項

		Accelerated tax depreciation	Intangible assets	Total
		加速稅項折舊	無形資產	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2017	於2017年1月1日	-	-	-
Charge to profit or loss (note 9)	自損益扣除(附註9)	82	261	343
At 31 December 2017	於2017年12月31日	82	261	343
(Credit) charge to profit or loss (note 9)	(計入)自損益扣除(附註9)	(5)	165	160
At 31 December 2018	於2018年12月31日	77	426	503

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25. SHARE CAPITAL

The balance of share capital as at 1 January 2017 represented the share capital of Market Gala attributable to Mr. Ko prior to the completion of the group reorganisation. The balance of share capital as at 31 December 2017 represented the share capital of the Company.

Details of movements of share capital of the Company are disclosed as follows:

25. 股本

於2017年1月1日的股本結餘指集團重組完成前高先生應佔Market Gala的股本。於2017年12月31日的股本結餘指本公司的股本。

本公司的股本變動詳情披露如下：

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Ordinary shares of US\$1 each Authorised: At 19 January 2017 (date of incorporation)	每股面值1美元的普通股 法定： 於2017年1月19日(註冊成立日期)	50,000	390
Ordinary shares of HK\$0.01 each Authorised: At 31 December 2017 (Note (i)) Increase in authorised share capital (Note (ii))	每股面值0.01港元的普通股 法定： 於2017年12月31日(附註(i)) 增加法定股本(附註(ii))	38,000,000 9,962,000,000	380 99,620
At 31 December 2018	於2018年12月31日	10,000,000,000	100,000
Issued and fully paid: At 19 January 2017 (date of incorporation) Issuance of shares (Note (iii))	已發行及已繳足： 於2017年1月19日(註冊成立日期) 發行股份(附註(iii))	1 99	– 1
At 31 December 2017 Capitalisation issue (Note (iv)) Issuance of new shares upon listing (Note (v))	於2017年12月31日 資本化發行(附註(iv)) 於上市時發行新股(附註(v))	100 749,999,900 250,000,000	1 7,499 2,500
At 31 December 2018	於2018年12月31日	1,000,000,000	10,000

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25. SHARE CAPITAL (Continued)

Notes:

- (i) Pursuant to the resolutions passed by the Board and the sole shareholder dated 7 July 2017, the authorised share capital of the Company was re-denominated into HK\$380,000, divided into 38,000,000 Shares of HK\$0.01 each.
- (ii) Pursuant to the resolutions of the sole shareholder passed on 16 April 2018, the authorised share capital of the Company was increased from HK\$380,000 to HK\$100,000,000 by the creation of an additional 9,962,000,000 shares of HK\$0.01 each.
- (iii) On 15 February 2017, as part of the Group's reorganisation, the Company acquired the entire issued share capital of Market Gala, from Metro Vanguard, at a consideration of 99 new Shares of the Company to Metro Vanguard, all credited as fully paid.
- (iv) Pursuant to the resolutions of the sole shareholder passed on 16 April 2018, conditional upon the share premium account of the Company being credited as a result of the share offer, the directors were authorised to capitalise the amount of HK\$7,499,999 from the amount standing to the credit of the share premium account of the Company to pay up in full at par of 749,999,900 Shares for allotment and issuance to Metro Vanguard ("Capitalisation Issue").
- (v) On 4 May 2018, 250,000,000 ordinary shares with a par value of HK\$0.01 each of the Company were issued at a price of HK\$0.225 per Share by way of share offer.

26. RETIREMENT BENEFIT SCHEMES

The Group participates the Mandatory Provident Fund Scheme (the "MPF Scheme") for all its qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

For members of the MPF Scheme, the Group contributes the lower of HK\$1,500 or 5% of relevant payroll costs per person to the MPF Scheme, which contribution is matched by the employees.

The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions. The total amounts contributed by the Group to the schemes and costs charged to the profit or loss represents contributions paid or payable to the scheme by the Group at rates specified in the rules of the scheme. The retirement benefits scheme contributions made by the Group amounted to HK\$154,000 for the year ended 31 December 2018 (2017: HK\$145,000).

25. 股本(續)

附註：

- (i) 根據董事會及唯一股東於2017年7月7日通過的決議案，本公司的法定股本重新計值為380,000港元，分為38,000,000股每股面值0.01港元的股份。
- (ii) 根據唯一股東於2018年4月16日通過的決議案，以增設9,962,000,000股每股面值0.01港元的股份的方式將本公司法定股本由380,000港元增加至100,000,000港元。
- (iii) 於2017年2月15日，作為集團重組的一部分，本公司向Metro Vanguard收購Market Gala的全部已發行股本，作為代價，本公司發行99股新股份予Metro Vanguard，全部入賬列作繳足。
- (iv) 根據唯一股東於2018年4月16日通過的決議案，待本公司股份溢價賬因股份發售及上市而入賬後，授權董事將本公司股份溢價賬金額中的7,499,999港元資本化，並按面值繳足749,999,900股股份，以供配發及發行予Metro Vanguard(「資本化發行」)。
- (v) 於2018年5月4日，本公司每股面值0.01港元的250,000,000股普通股以股份發售方式以每股0.225港元的價格發行。

26. 退休福利計劃

本集團為其全部香港合資格僱員參與強制性公積金計劃(「強積金計劃」)。計劃之資產與本集團之資產分開，並由受託人控制之基金持有。

就強積金計劃成員而言，本集團為參加強積金計劃的僱員作出1,500港元或相等於其薪金成本5%的金額(以較低者為準)作為供款，而僱員亦作出等額供款。

本集團就該等退休福利計劃僅有的責任為作出指定的供款。本集團向該等計劃作出的供款總額及計入損益的成本指本集團按該等計劃規則規定的比率向該計劃已付或應付的供款。截至2018年12月31日止年度，本集團作出的退休福利計劃供款為154,000港元(2017年：145,000港元)。

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27. RELATED PARTY DISCLOSURES

Related party balances

Details of the outstanding balances with related parties are set out in the consolidated statements of financial position and in notes 17, 18, 22 and 23.

Related party transactions

Saved as disclosed elsewhere in the consolidated financial statements, during the year ended 31 December 2018, the Group entered into the following transactions with related parties:

Name of related party 關連方名稱	Nature of transaction 交易性質	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
MIGCL MIGCL	Purchase for the apparel products 購買服裝產品	2,969	-
Wisewing International Limited (Note) Wisewing International Limited (附註)	Rental expenses 租金開支	-	49

Apart from the above disclosed, upon the approval from extraordinary general meeting which held on 15 October 2018, the Group completed the acquisition of a leasehold land and building from Wisewing International Limited at a cash consideration of HK\$27,500,000. Such leasehold land and building referred as an industrial unit which located in Hong Kong and it is used as a showroom of the Group.

Note: Wisewing International Limited is controlled by Mr. Murray Ko.

Compensation of key management personnel

The remuneration of directors of the Company, being the key management personnel, during the year were as follows:

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Short term benefits 短期福利	2,460	1,461
Post-employment benefits 離職後福利	51	43
	2,511	1,504

27. 關連方披露

關連方結餘

與關連方的未償還結餘詳情載於綜合財務報表及附註17、18、22及23。

關連方交易

除綜合財務報表其他部分所披露者外，於截至2018年12月31日止年度，本集團與關連方訂立以下交易：

除上述披露外，經2018年10月15日舉行的股東特別大會批准，本集團以現金代價27,500,000港元完成收購Wisewing International Limited的租賃土地及樓宇。該等租賃土地及樓宇指為位於香港的工業單位，並用作本集團的陳列室。

附註：Wisewing International Limited由高錫印先生控制。

主要管理人員報酬

於年內本公司董事(主要管理人員)的薪酬如下：

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28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group companies will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowings disclosed in note 22, net of cash and cash equivalents, and equity attributable to owner of the Company, comprising issued share capital, retained profits and other reserves.

The directors of the Group review the capital structure regularly. As part of this review, the directors consider the cost and the risks associated with each class of the capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through issue of new shares, issue of new debt and redemption of existing debts.

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

28. 資本風險管理

本集團管理其資本，以確保集團公司將能夠持續經營，同時通過優化債務及權益平衡最大限度地增加股東回報。整體策略自過往年度保持不變。

本集團的資本結構由淨債務組成，包括銀行借款（披露於附註22），扣除現金及現金等價物以及本公司擁有人應佔權益（包括已發行股本、保留溢利及其他儲備）。

本集團董事定期檢討資本結構。作為此檢討的一部分，董事考慮資本成本及與各類資本相關的風險。基於董事的建議，本集團將通過發行新股、發行新債務及贖回現有債務平衡其整體資本結構。

29. 金融工具

金融工具分類

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項（包括現金及現金等價物）	-	32,561
Financial assets at amortised cost	按攤銷成本計量的金融資產	56,827	-
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	21,052	15,696
Financial guarantee liability	財務擔保負債	-	816

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29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables and deposits, amount due from ultimate holding company, bank balances and cash, trade and other payables, bank borrowings and financial guarantee liability.

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Certain trade receivables, other receivables and deposits, bank balances and cash, trade and other payables, bank borrowings and financial guarantee liability of the Group are denominated in foreign currencies of the respective group entities which are exposed to foreign currency risk.

The Group currently do not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

29. 金融工具(續)

金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項及存款、應收最終控股公司款項、銀行結餘及現金、貿易及其他應付款項、銀行借款及財務擔保負債。

有關該等金融工具的詳情於相關附註披露。與該等金融工具相關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。減低該等風險的政策載於下文。管理層會管理及監察該等風險承擔，確保及時有效採取適當措施。

市場風險

貨幣風險

本集團的若干貿易應收款項、其他應收款項及存款、銀行結餘及現金、貿易及其他應付款項、銀行借款及財務擔保負債以各自集團實體的功能貨幣列值，該等貨幣面臨外幣風險。

本集團目前並無外幣對沖政策。然而，管理層監察外匯風險承擔，並將於需要時考慮對沖重大外幣風險。

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29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of each reporting period are as follows:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Assets	資產		
EUR	歐元	8,391	4,292
HK\$	港元	1,643	1,167
RMB	人民幣	110	937
Liabilities	負債		
EUR	歐元	1,132	682
HK\$	港元	12,422	13,909
RMB	人民幣	18	15

Sensitivity analysis

The Group is exposed to foreign currency risk on fluctuation of EUR, RMB and HK\$ for the years ended 31 December 2018 and 2017.

Since the exchange rate of HK\$ is pledged with US\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates. Therefore, the following sensitivity analysis does not include the effect between US\$ and HK\$.

29. 金融工具(續)

金融風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

於各報告期末，本集團以外幣列值的貨幣資產及負債之賬面值如下：

	2018	2017
	2018年	2017年
	HK\$'000	HK\$'000
	千港元	千港元
Assets		
EUR	8,391	4,292
HK\$	1,643	1,167
RMB	110	937
Liabilities		
EUR	1,132	682
HK\$	12,422	13,909
RMB	18	15

敏感度分析

本集團於截至2017年及2018年12月31日止年度面臨歐元、人民幣及港元波動的外幣風險。

由於港元匯率與美元掛鈎，本集團預期美元兌港元匯率不會出現任何重大變動。因此，以下敏感度分析不包括美元與港元之間的影響。

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29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Sensitivity analysis (Continued)

The following table details the Group's sensitivity to a 5% (2017: 5%) increase and decrease in foreign currencies against US\$ as at 31 December 2018. The percentage of the sensitivity rate used represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis adjusts their translation at the year end for a 5% change in foreign currency rates at the year ended. A positive number below indicates an increase in post-tax profit where foreign currencies strengthens 5% against US\$. For a 5% weakening of foreign currencies against US\$, there would be an equal and opposite impact on post tax profit.

	2018	2017
	2018年	2017年
	HK\$'000	HK\$'000
	千港元	千港元
Impact on post-tax profit of the Group	307	189
對本集團除稅後溢利的影響		

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of the HIBOR.

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 interest-bearing financial assets and financial liabilities outstanding at the end of the reporting period were outstanding for the whole year and basis points increase or decrease is used. Bank balances are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates on variable-rate interest-bearing financial liabilities had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the years ended 31 December 2018 would decrease/increase by HK\$46,000 (2017: HK\$28,000).

29. 金融工具 (續)

金融風險管理目標及政策 (續)

市場風險 (續)

敏感度分析 (續)

下表詳列本集團於2018年12月31日對外幣兌美元增值及減值5% (2017年：5%) 的敏感度。所用敏感度百分比代表管理層對外幣匯率可能合理變動之評估。敏感度分析於年末按年末的外幣匯率5%變動調整其換算。下文正數指外幣兌美元升值5%時，除稅後溢利增加。倘外幣兌美元貶值5%，將對除稅後溢利產生等額相反影響。

利率風險

本集團面臨有關浮息銀行結餘及銀行借款的現金流量利率風險。本集團的現金流量利率風險主要集中於香港銀行同業拆息之波動。

敏感度分析

以下敏感度分析根據於報告期末的利率風險釐定。編製此分析時已假設於報告期末尚未償還的計息金融資產及金融負債於整個年度均未償還並且使用基點增加或減少。敏感度分析並不包括銀行結餘，因本公司董事認為按浮動利率計息的銀行銀行結餘而產生的現金流量利率風險影響並不重大。

倘以浮動利率計息的金融負債之利率上升/下降50個基點，而所有其他變數維持不變，則本集團截至2018年12月31日止年度的溢利將分別減少/增加46,000港元 (2017年：28,000港元)。

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29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk

The Group's credit risk is primarily attributable to trade receivables as stated in note 17, and bank balances as stated in note 19. Other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of contingent liabilities in relation to financial guarantees provided by the Group is disclosed in note 23.

Trade receivables arising from contracts with customers

Management of the Group adopted a policy on providing credit facilities to new customers. A credit investigation of the customers or the ultimate customers if those contracts allow the Group to obtain payment directly from the ultimate customers under certain circumstance, including assessment of financial information and advice from business partners in relation to potential customers would be required to be launched. The level of credit granted must not exceed a predetermined level set by the management. Credit evaluation is performed on a regular basis.

As at 31 December 2018, the Group had concentration of credit risk as 25.8% (2017: 56.2%) of the total trade receivables was due from the Group's largest debtor. The Group's concentration of credit risk on the top five largest debtors accounted for 89.5% (2017: 95.7%) of the total trade receivables as at 31 December 2018. For a long-term customer, the Group allows a credit term of 120 days upon delivery of goods. For other customers, the Group either demands for full settlement upon delivery of goods or allows credit periods of no longer than 30 days upon delivery of goods.

29. 金融工具(續)

金融風險管理目標及政策(續)

信貸風險

本集團的信貸風險主要歸因於附註17所述的貿易應收款項及附註19所述的銀行結餘。除賬面值最能代表最高信貸風險的金融資產外，本集團面臨的最高信貸風險將導致本集團因就本集團提供財務擔保的或然負債金額而承受財務虧損，誠如附註23所披露。

來自客戶合約的貿易應收款項

本集團管理層針對向新客戶提供信貸融資採納一項政策。倘於若干情況下，該等合約允許本集團直接從最終客戶取得付款，則將須對客戶或最終客戶的信貸開展調查，包括對財務資料進行評估、聽取商業夥伴有關潛在客戶的意見。授出的信貸額度不得超過管理層設定的預定額度。信貸評估乃定期進行。

於2018年12月31日，本集團有集中信貸風險，乃由於貿易應收款項總額25.8% (2017年：56.2%)來自本集團的最大債務人。本集團就五大債務人的集中信貸風險佔於2018年12月31日的貿易應收款項總額89.5% (2017年：95.7%)。本集團向一名長期客戶提供的信貸期為交付貨物後120日。對於其他客戶，本集團要求於交付貨物時全數結清或授出由交付貨物起不多於30日的信貸期。

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29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk of trade receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on trade receivables. Under HKAS 39, provisions for impairment losses are made for irrecoverable amounts. Upon the application of HKFRS 9 on 1 January 2018, the Group applies simplified approach on trade receivable to provide for ECL prescribed by HKFRS 9 with details disclosed in note 17. In this regard, management of the Group considers that the credit risk on trade receivables is significantly reduced.

Bank balance

The Group has concentration of credit risk on its bank balances as the entire balances as at 31 December 2018 are deposited with four (2017: three) banks. The credit risk for bank balances is considered not material as such amounts are placed in reputable banks with high credit ratings assigned by international credit-rating agencies. There has been no recent history of default in relation to these banks and thus the risk of default is regard as low.

For deposits, management of the Group makes periodic as individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information starting from 1 January 2018. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits.

29. 金融工具 (續)

金融風險管理目標及政策 (續)

信貸風險 (續)

為使貿易應收款項的信貸風險減至最低，本集團管理層已委派一支團隊負責釐定信貸額度、信貸批准及確保對收回逾期債務採取跟進行動之其他監察程序。此外，本集團管理層於報告期末審閱每項個別債務的可收回金額，以確保就貿易應收款項的不可收回金額計提足夠減值虧損備。根據香港會計準則第39號，就不可收回金額計提足夠減值虧損備。於2018年1月1日應用香港財務報告準則第9號後，本集團應用簡易方法為香港財務報告準則第9號所規定的預期信貸虧損作出撥備。就此而言，本集團管理層認為貿易應收款項的信貸風險已大大降低。

銀行結餘

本集團就其銀行結餘有集中信貸風險，乃由於2018年12月31日的全部結餘存放於四間(2017年：三間)銀行。銀行結餘的信貸風險並不重大，乃由於該等款項存放於由國際信用評級機構評定具有高信用評級且信譽良好的銀行。近期概無與該等銀行相關的違約記錄，因此被視為低違約風險。

就按金而言，本集團管理層基於歷史結算記錄、過往經驗以及自2018年1月1日起可取得的合理有據的前瞻性資料對其他應收款項的可收回性定期進行個別評估。本集團管理層相信，本集團其他應收款項及按金的未結算結餘並無存在重大信貸風險。

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29. FINANCIAL INSTRUMENTS (Continued) Financial risk management objectives and policies (Continued)

Liquidity risk

In management of the liquidity risk, the Group and the Company monitor and maintain levels of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates.

Liquidity tables

		Weighted average effective interest rate 加權平均 實際利率 %	Repayable on demand 按要求償還 HK\$'000 千港元	Within 3 months 3個月內 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 31 December 2018	於2018年12月31日					
Non-derivative financial liabilities	非衍生金融負債					
Trade and other payables	貿易及其他應付款項	N/A 不適用	7,508	2,641	10,148	10,148
Bank borrowings – variable rate	銀行借款 – 浮動利率	2.83	10,904	-	10,904	10,904
			18,412	2,641	21,052	21,052
As at 31 December 2017	於2017年12月31日					
Non-derivative financial liabilities	非衍生金融負債					
Trade and other payables	貿易及其他應付款項	N/A 不適用	1,179	7,717	8,896	8,896
Bank borrowings – variable rate	銀行借款 – 浮動利率	2.84	6,800	-	6,800	6,800
Financial guarantee liability	財務擔保負債	N/A 不適用	472,123	-	472,123	816
			480,102	7,717	487,819	16,512

29. 金融工具 (續) 金融風險管理目標及政策 (續)

流動資金風險

於管理流動資金風險時，本集團及本公司監察現金及現金等價物的水平，將其維持於管理層認為合適的水平，以撥支本集團及本公司的營運所需，亦減低現金流量波動的影響。

下表詳述本集團及本公司的金融負債餘下合約到期情況。該表乃根據本集團及本公司須付金融負債最早之日的未貼現現金流量而制定。具體而言，包含按要求償還條款的銀行借款，不論有關銀行會否選擇行使其權利，均列入最早時段之組別內。其他金融負債之到期日乃以議定之償還日期為基準。

流動資金表

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29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

As at 31 December 2017, the amounts included above for financial guarantee liability were the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on the expectations at the end of the reporting period, management considered that it is more likely than not that no amount would be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantees which is a function of the likelihood that the financial receivables held by the counterparty which guaranteed suffer credit losses. Details of the financial guarantees are set out in note 23.

Bank borrowings with a repayment on demand clause are included in the “repayable on demand” time band in the above maturity analysis. As at 31 December 2018, the aggregate carrying amounts of these bank borrowings were HK\$10,904,000 (2017: HK\$6,800,000), respectively.

29. 金融工具 (續)

金融風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表 (續)

於2017年12月31日，上述財務擔保負債所含款項，乃為倘擔保的對手方申索全額擔保款項時本集團須根據有關安排清償該款項的最高金額。基於在報告期末之預期情況，管理層認為於安排下很有可能不須支付任何款項。然而，該估計可視乎對手方根據擔保提出申索的機率而改變，而該機率是由對手方所持有已擔保金融應收賬款發生信貸虧損可能性而決定的。有關財務擔保詳情載於附註23。

附有按要求償還條款的銀行借款包括在上述到期日分析之「按要求償還」的時段內。於2018年12月31日，該等銀行借款之賬面總額分別為10,904,000港元(2017年：6,800,000港元)。

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29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$13,590,000 as at 31 December 2018 (2017: HK\$6,946,000), respectively and set out as below:

	Weighted average interest rate 加權平均實際利率 %	Within 3 months 3個月內 HK\$'000 千港元	3 months to 1 year 3個月至1年 HK\$'000 千港元	1-5 years 1年至5年 HK\$'000 千港元	Over 5 years 5年以上 HK\$'000 千港元	Total undiscounted cash flow 未折現現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元	
Bank borrowings – variable rate As at 31 December 2018	銀行借款—浮動利率 於2018年12月31日	2.83	235	687	3,663	9,006	13,590	10,904
As at 31 December 2017	於2017年12月31日	2.84	1,245	3,686	2,015	-	6,946	6,800

The amounts included above for variable rate instruments for non-derivative financial liabilities are subject to change if changes in variable rates differ to those estimates of interest rates determined at the end of the year.

Fair value

The management considers that the carrying amounts of the financial assets and financial liabilities of the Group recorded at amortised cost in the consolidated financial statements at the end of each year approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

29. 金融工具(續)

金融風險管理目標及政策(續)

流動資金風險(續)

經考慮本集團之財務狀況，本公司董事認為銀行不大可能會行使其酌情權要求即時還款。本公司董事認為該等銀行借款將按貸款協議所載之計劃還款日期償還。於2018年12月31日，當時之本金及利息現金流出總額將為13,590,000港元(2017年：6,946,000港元)，詳情載列如下：

倘浮動利率的變動與年末釐定的利率估計不同，則上述有關非衍生金融負債的浮息工具之金額會發生變動。

公平值

管理層認為，本集團於各年末按攤銷成本計入綜合財務報表的金融資產及金融負債賬面值與其公平值相若。該等公平值乃根據基於貼現現金流量分析的公認定價模型釐定。

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30. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group had commitments for future minimum lease payments in respect of office premises rented under non-cancellable operating lease which fall due as follows:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	47	279
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	-	47
		47	326

The above operating lease payments represent rental payable by the Group for office premises. Lease for office premises is negotiated and fixed for a term of two years.

30. 經營租賃承擔

本集團作為承租人

本集團有關根據不可撤銷經營租賃所租辦公室場所(已到期)的未來最低租賃付款承擔如下:

上述經營租賃付款指本集團有關辦公室場所的應付租金。辦公室場所的租約協定為期兩年。

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31. NOTE TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

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 flow were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

31. 綜合現金流量表附註

下表詳述本集團產生自融資活動的負債的變動，包括現金及非現金變動。融資活動產生的負債為其現金流量曾於本集團的綜合現金流量表分類為或其未來現金流量將於本集團的綜合現金流量表分類為融資活動所得現金流量的負債。

		Accrued issue costs	Dividend payable	Bank borrowings	Amount due to a related company	Total
		應計發行成本	應付股息	銀行借款	關連公司款項	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於2017年1月1日	-	-	12,978	3,261	16,239
Financing cash flows	融資現金流量	-	(4,300)	(6,575)	(3,261)	(14,136)
Dividend declared	已宣派股息	-	4,300	-	-	4,300
Finance cost	財務成本	-	-	397	-	397
Issue cost accrued	應計發行成本	3,703	-	-	-	3,703
At 31 December 2017	於2017年12月31日	3,703	-	6,800	-	10,503
Financing cash flows	融資現金流量	(7,807)	(16,500)	3,951	-	(20,356)
Dividend declared	已宣派股息	-	16,500	-	-	16,500
Finance cost	財務成本	-	-	153	-	153
Issue cost accrued	應計發行成本	4,104	-	-	-	4,104
At 31 December 2018	於2018年12月31日	-	-	10,904	-	10,904

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32. FINANCIAL INFORMATION OF THE COMPANY

32. 本公司財務資料

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
NON-CURRENT ASSETS			
	非流動資產		
Unlisted investment in a subsidiary	於一間附屬公司的非上市投資	30,284	23,967
Amount due from a subsidiary	應收附屬公司款項	24,324	-
		54,608	23,967
CURRENT ASSETS			
	流動資產		
Prepayments	預付款項	339	3,703
Bank balances and cash	銀行結餘及現金	103	46
		442	3,749
CURRENT LIABILITIES			
	流動負債		
Other payables	其他應付款項	381	4,967
Amount due to a subsidiary	應付附屬公司款項	-	10,901
		381	15,868
NET CURRENT ASSETS (LIABILITIES)	流動資產(負債)淨額	61	(12,119)
NET ASSETS	資產淨額	54,669	11,848
CAPITAL AND RESERVES			
	資本及儲備		
Share capital	股本	10,000	1
Reserves	儲備	44,669	11,847
		54,669	11,848

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32. FINANCIAL INFORMATION OF THE COMPANY (Continued)

Movement in the Company's reserve

32. 本公司財務資料(續)

本公司儲備變動

		Share premium	Other reserve	Accumulated loss	Total
		股份溢價	其他儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 19 January 2017 (date of incorporation)	於2017年1月19日 (註冊成立日期)	-	-	-	-
Loss for the period	期內虧損	-	-	(12,120)	(12,120)
Reserve arising from group reorganisation	來自集團重組的儲備	-	23,967	-	23,967
As at 31 December 2017	於2017年12月31日	-	23,967	(12,120)	11,847
Loss for the year	年內虧損	-	-	(5,622)	(5,622)
Issue of shares upon share offer (note 25 (v))	資本化發行(附註25(v))	53,750	-	-	53,750
Capitalisation issue (note 25 (iv))	因股份發售而發行股份(附註25(v))	(7,499)	-	-	(7,499)
Transaction cost directly attributable to issue of shares	發行股份直接應佔交易成本	(7,807)	-	-	(7,807)
As at 31 December 2018	於2018年12月31日	38,444	23,967	(17,742)	44,669

As at 31 December 2018 and 2017, the amounts due from/to a subsidiary were denominated in HK\$, unsecured, interest-free and repayable on demand.

於2017年及2018年12月31日，應收／應付附屬公司款項乃以港元計值，無抵押，免息及須按要求償還。

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33. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2018 and 2017 are as follows:

Name of subsidiary	Place and date of incorporation	Place of operation	Issued and fully paid share capital	Equity interest attributable to the Group		Principal activity
				as at 31 December 2018	2017	
附屬公司名稱	註冊成立地點及日期	營業地點	已發行及繳足股本	本集團於12月31日的應佔股權	2017年	主要業務
				2018年	2017年	
				%	%	
Market Gala	BVI 10 March 2010	Hong Kong	Ordinary share US\$1	100	100	Investment holding Limited
Market Gala	英屬處女群島 2010年3月10日	香港	普通股1美元			投資控股有限公司
Vision Garments	Hong Kong 17 March 2010	Hong Kong	Ordinary shares HK\$24,000,000	100	100	Sales of apparel Limited products with the provision of apparel supply chain management services
威誠製衣	香港 2010年3月17日	香港	普通股 24,000,000港元			服裝產品銷售及提供服裝 供應鏈管理服務

None of the subsidiaries had issued and debt securities of the end of the year.

33. 附屬公司詳情

於2017年及2018年12月31日，附屬公司詳情如下：

年末概無附屬公司發行任何債務證券。

FINANCIAL SUMMARY

財務摘要

A summary of the results, assets, liabilities and equity of the Group for the last four financial years is as follows:

本集團於過去四個財政年度的業績、資產、負債及權益的概要載列如下：

RESULTS

業績

		Year ended 31 December 截至 12 月 31 日止年度			
		2018 2018 年 HK\$'000 千港元	2017 2017 年 HK\$'000 千港元	2016 2016 年 HK\$'000 千港元	2015 2015 年 HK\$'000 千港元
Revenue	收益	111,862	71,399	46,016	110,839
Profit before tax	除稅前溢利	15,753	25,192	45,209	56,867
Income tax expense	所得稅開支	(3,241)	(2,727)	(2,335)	(3,567)
Profit for the year	年內溢利	12,512	22,465	42,874	53,300
Profit for the year (excluding Listing expenses and financial guarantee income)	年內溢利(不包括上市開支及財務擔保收入)	15,514	13,032	14,888	23,448

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		As at 31 December 於 12 月 31 日			
		2018 2018 年 HK\$'000 千港元	2017 2017 年 HK\$'000 千港元	2016 2016 年 HK\$'000 千港元	2015 2015 年 HK\$'000 千港元
Current assets	流動資產	66,738	44,762	63,549	93,462
Non-current assets	非流動資產	38,740	10,184	10	10
Total assets	資產總額	105,478	54,946	63,559	93,472
Current liabilities	流動負債	22,623	16,706	40,789	70,648
Non-current liabilities	非流動負債	503	343	0	0
Total liabilities	負債淨額	23,126	17,049	40,789	70,648
Net assets	資產淨額	82,352	37,897	22,770	22,824
EQUITY	權益				
Equity attributable to owners of the Company	應佔本公司擁有人權益	82,352	37,897	22,770	22,824

Notes: The summary of the consolidated results of the Group for each of the three years ended 31 December 2015, 2016 and 2017 and of the assets, liabilities and equity as at 31 December 2015, 2016 and 2017 have been extracted from the Prospectus.

附註：截至2015年、2016年及2017年12月31日止三個年度各年的綜合業績摘要以及於2015年、2016年及2017年12月31日的資產、負債及權益乃摘錄自招股章程。

The financial information for the year ended 31 December 2014 were not disclosed as consolidated financial statements for the Group have not been prepared for such year. The summary above does not form part of the audited financial statements.

截至2014年12月31日止年度的財務資料並未披露，乃由於本集團尚未就該年度編制綜合財務報表。上述摘要並不構成經審核財務報表的一部分。