



環球戰略集團有限公司

GLOBAL STRATEGIC GROUP LIMITED
環球戰略集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號: 8007)

Annual Report **2019**
年報



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香港聯合交易所有限公司（「聯交所」）GEM的特色

GEM的定位，乃為中小型公司提供一個上市的市場，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之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的GEM證券上市規則（「GEM上市規則」）而刊載，旨在提供有關環球戰略集團有限公司（「本公司」及其附屬公司，統稱「本集團」）的資料；本公司的董事（「董事」）願就本報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，並無誤導或欺詐成份，且並無遺漏任何其他事項，足以令致本報告或其所載任何陳述產生誤導。

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財務撮要

Financial Highlights

		As at 30 September 2019 於九月三十日 二零一九年 HK\$'000 千港元	As at 31 December 於十二月三十一日			
			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Results	業績					
- Revenue	- 收益	330,995	108,716	49,749	36,379	217,068
- Loss	- 虧損	(63,662)	(88,431)	(39,998)	(39,189)	(81,455)
- Loss per share	- 每股虧損					
Basic (in HK cents)	基本 (港仙)	(2.42)	(5.89)	(2.94)	(0.62)	(2.07)
Diluted (in HK cents)	攤薄 (港仙)	(2.54)	(5.89)	(2.94)	(0.62)	(2.07)
				(restated) (經重述)		
Financial Position	財務狀況					
- Non-current assets	- 非流動資產	436,512	488,312	516,382	457,038	57,275
- Current assets	- 流動資產	58,809	65,605	17,124	25,695	26,486
- Current liabilities	- 流動負債	110,412	61,903	51,169	53,765	3,244
- Non-current liabilities	- 非流動負債	107,126	134,599	261,230	206,611	-
- Equity	- 權益	277,783	357,415	221,107	222,357	80,517
Financial Ratios	財務比率					
- Current assets/Current liabilities	- 流動資產/流動負債	0.5	1.1	0.3	0.5	8
- Assets/Equity	- 資產/權益	1.8	1.5	2.4	2.2	1.0

企業資訊

Corporate Information

於二零一九年十二月十六日 As at 16 December 2019

EXECUTIVE DIRECTORS

Cheung Tuen Ting (*Chief Executive Officer*)

Wu Guoming

Li Wentao

Duan Fanfan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Leung Oh Man, Martin

Sun Zhi Jun

Huang Yu Jun

COMPANY SECRETARY

Lau Tat Man

COMPLIANCE OFFICER

Cheung Tuen Ting

AUTHORISED REPRESENTATIVES

Cheung Tuen Ting

Lau Tat Man

AUDIT COMMITTEE

Leung Oh Man, Martin (*Chairman*)

Sun Zhi Jun

Huang Yu Jun

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Sun Zhi Jun (*Chairman*)

Leung Oh Man, Martin

Huang Yu Jun

NOMINATION COMMITTEE

Sun Zhi Jun (*Chairman*)

Leung Oh Man, Martin

Huang Yu Jun

執行董事

張端亭 (*行政總裁*)

吳國明

李文濤

段凡帆

獨立非執行董事

梁傲文

孫志軍

黃玉君

公司秘書

劉達民

規章主任

張端亭

法定代表

張端亭

劉達民

審核委員會

梁傲文 (*主席*)

孫志軍

黃玉君

人力資源及薪酬委員會

孫志軍 (*主席*)

梁傲文

黃玉君

提名委員會

孫志軍 (*主席*)

梁傲文

黃玉君

企業資訊

Corporate Information

於二零一九年十二月十六日 As at 16 December 2019

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL OFFICE IN HONG KONG

15/F
80 Gloucester Road
Wan Chai
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Ltd.
Agricultural Bank of China
Hubei Zhijiang Rural Commercial Bank
Bank of Communications Co., Ltd.

LEGAL ADVISER

Michael Li & Co

AUDITOR

RSM Hong Kong
29/F, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The R&H Trust Co. Ltd.
Windward 1
Regatta Office Park PO Box 897
Grand Cayman KY1-1103
Cayman Islands

註冊辦事處

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港主要辦事處

香港
灣仔
告士打道80號
15樓

主要往來銀行

中國銀行(香港)有限公司
中國農業銀行
湖北枝江農村商業銀行
交通銀行股份有限公司

法律顧問

李智聰律師事務所

核數師

羅申美會計師事務所
香港
銅鑼灣
恩平道二十八號
利園二期二十九字樓

主要股份過戶登記處

The R&H Trust Co. Ltd.
Windward 1
Regatta Office Park PO Box 897
Grand Cayman KY1-1103
Cayman Islands

企業資訊

Corporate Information

於二零一九年十二月十六日 As at 16 December 2019

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPANY WEBSITE

www.globalstrategicgroup.com.hk

STOCK CODE ON GEM

8007

INFORMATION AND ENQUIRIES

15/F
80 Gloucester Road
Wan Chai
Hong Kong

e-mail: info@globalstgr.com.hk

股份過戶登記香港分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心54樓

企業網址

www.globalstrategicgroup.com.hk

GEM股份代號

8007

查詢或索取資料

香港
灣仔
告士打道80號
15樓

電子郵件: info@globalstgr.com.hk

行政總裁報告

CEO's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Global Strategic Group Limited (the "Company"), I am hereby pleased to present the audited results of the Company and its subsidiaries (collectively referred as, the "Group") for the period from 1 January 2019 to 30 September 2019 (the "Reporting Period") for your review.

RESULTS OF OPERATIONS

During the Reporting Period, the steady development of the natural gas business recorded a segment revenue of approximately HK\$30,923,000 (2018: HK\$42,147,000). In the commodities trading business, the revenue from the trading of copper segment was approximately HK\$68,691,000 (2018: HK\$64,529,000). For the petrochemical products business launched in 2019, the segment revenue was approximately HK\$226,379,000. The segment revenue from the leasing business of the steel support axial force servo system was approximately HK\$5,002,000 (2018: HK\$2,040,000). After further considering corporate expenses, financial costs and certain other expenses, the Group recorded a net loss attributable to owners of the Company of approximately HK\$31,585,000 during the reporting period, compared to approximately HK\$70,595,000 in 2018.

REVIEW AND OUTLOOK

During the Reporting Period, the global economy had been volatile due to (i) the US interest rate hikes; (ii) the escalating trade tensions between the US and the PRC; (iii) the depreciation of the Renminbi against the US dollar; and (iv) the growing possibility of Brexit. In contrast, the PRC economy remained on track and manageable and the PRC government had taken a supportive policy to encourage internal consumption in order to encounter the effects of the trade dispute between the US and the PRC, such as reduction in the bank's reserve requirement ratios to increase money supply in financial system.

致各位股東：

本人謹代表環球戰略集團有限公司（「本公司」）董事（「董事」）會（「董事會」）欣然呈報本公司及其附屬公司（統稱「本集團」）自二零一九年一月一日起至二零一九年九月三十日止期間（「報告期間」）之經審核業績，敬請各位閱覽。

經營業績

於報告期間，天然氣業務的平穩發展，錄得其分部收益約為30,923,000港元（二零一八年：42,147,000港元）。商品貿易業務中，買賣銅分部收益約為68,691,000港元（二零一八年：64,529,000港元），於2019年開展之買賣石化產品業務，分部收益約為226,379,000港元。鋼支撐軸力伺服系統之租賃業務之分部收益約為5,002,000港元（二零一八年：2,040,000港元）。經進一步考慮企業支出、財務成本及若干其他支出後，本集團於報告期間錄得本公司擁有人應佔虧損淨額約為31,585,000港元，相比二零一八年約為70,595,000港元。

回顧及展望

於報告期間，全球經濟持續波動，這是由於(i)美國加息；(ii)中美貿易摩擦加劇；(iii)人民幣兌美元貶值；(iv)英國脫歐之可能性越來越高。另一方面，中國經濟仍然處於正軌，經濟情況亦繼續受控，而中國政府已採取扶持政策鼓勵內需，以應對中美貿易糾紛之影響，譬如削減銀行的存款準備金比率，以增加金融體系之貨幣供應。

行政總裁報告

CEO's Statement

The Group remains positive about the prospects of natural gas supply and trading of petrochemical products from principal business. In the natural gas supply business, the Group holds 30 years of exclusive gas supply rights in Yichang, Hubei. Under this advantage, with the future expansion of the industrial park, the number of potential customers will increase accordingly. Development needs to be accompanied by a stable natural gas supply. In 2019, a gas supply agreement with CNPC Natural Gas Sales Hubei Branch was successfully established to lay the foundation for stable natural gas supply.

Due to the Mainland launch of “Coal-to-Gas” policy, promoting the traditional coal-fired enterprises to use natural gas as energy in the production process. With reference to the PRC Natural Gas Industry Development Report (2019)* (中國天然氣發展報告(2019)) published in August 2019, natural gas consumption in 2018 increased by 17.5% (2017 growth rate: 14.8%) as comparing to 2017. The portion of natural gas consumption from industrial purpose captured 48.8% to the total natural gas consumption.

Since 2017, the Yichang Government had formulated the “Three Years Plan”(宜昌化工產業專項整治及轉型升級三年行動方案). The plan made the chemical enterprises along the Yangtze River move to Yaojiagang Chemical Zone (姚家港化工園). Yichang Biaodian's natural gas pipeline has covered most area of the zone, which greatly increased the development opportunities of the natural gas business.

In the petrochemical product trading business, it plans to develop in the restructuring business. The Group is expanding its customer network and diversifying petrochemical products.

At the end of October 2019, the Group completed the acquisition of a company with insurance brokerage business and became a wholly-owned subsidiary of the Group. The Group aims to actively explore local sources of revenue with the insurance brokerage business.

The Group will look for new potential growth opportunities in a very diligent manner through merger & acquisition, business integration and expansion in order to sustain the growth and profitability of the Group.

本集團對重點業務天然氣供應及石化產品貿易的前景保持樂觀。於天然氣供應業務上，本集團持有湖北宜昌地區長達三十年之天然氣獨家供應權，在此優勢下，配合工業園區將來的擴展，潛在客戶的數量相應遞增，為配合將來天然氣供應業務之發展，需要配合穩定之天然氣供應，於二零一九年成功與中國石油天然氣股份有限公司天然氣銷售湖北分公司訂立天然氣供應協議，為穩定之天然氣供應打下基礎。

由於內地實施了「煤改氣」政策，推動了傳統依賴燃煤作生產之企業在生產過程中必須使用天然氣作為能源。參考二零一九年八月發布的《中國天然氣發展報告(2019)》，二零一八年的天然氣消費量與2017年相比增長了17.5% (二零一七年增長率：14.8%)。工業用途天然氣消耗量佔天然氣總消耗量的48.8%。

自二零一七年以來，宜昌市政府制定了《宜昌化工產業專項整治及過渡升級三年行動方案》，該計劃使長江沿江的化工企業搬到姚家港化工園。宜昌標典的天然氣管道已經覆蓋了園區的大部分範圍，大大地增加天然氣業務的發展機遇。

於石化產品貿易業務上，計劃在原有業務上加以發展，本集團正在擴充客戶網絡及將石化產品品種多元化。

於二零一九年十月底，本集團完成收購一間從事保險經紀業務之公司，並成為本集團的全資附屬公司，本集團目標以保險經紀業務積極開拓本地之收益來源。

本集團將嚴謹地透過併購、業務合併及擴張尋求新的潛在增長機會，以維持本集團之增長及盈利能力。

行政總裁報告

CEO's Statement

ACKNOWLEDGEMENT

Here, on behalf of the Board of the Company, I hereby wish to extend my gratitude for the hard work contributed by all staff and the Directors, as well as the support to the Company from all our customers, creditors, business partners and the shareholders. At the same time, we welcome Mr. Li Wentao and Mr. Duan Fanfan who acts as executive director since October and November 2019 respectively. We will adhere to proven management strategy, grasp market trend and opportunities, and endeavor to bring greater value to our shareholders and make new contribution to the community.

Cheung Tuen Ting
Chief Executive Officer

Hong Kong, 16 December 2019

致謝

本人謹藉此機會，代表本公司董事會向全體員工及董事致以衷心謝意，感謝他們的辛勞付出，同時向我們的所有客戶、債權人、商業合作伙伴及股東致謝，感謝他們對本公司的支持。同時，我們熱烈歡迎李文濤先生及段凡帆先生分別自二零一九年十月及十一月起擔任執行董事。我們將秉承有效的管理策略，捕捉市場趨勢和機遇，矢志為股東創造更高價值，為社區作出新貢獻。

張端亭
行政總裁

香港，二零一九年十二月十六日

管理層討論及分析

Management Discussion and Analysis

FINANCIAL AND BUSINESS REVIEW

During the period, the Group changed its financial year end date from 31 December to 30 September in order to avoid competition of resources with other listed companies during the peak reporting season and remove uncertainty from the variation in the dates of the Chinese New Year Holiday which put pressure on the workflow. The Board considered that the change of financial year end date facilitated the preparation of the consolidated financial statements of the Group. The current period of consolidated financial statements covers a nine-month period from 1 January 2019 to 30 September 2019 and the comparative financial statements cover a twelve-month period from 1 January 2018 to 31 December 2018. The comparative amounts are therefore not entirely comparable.

The Group recorded revenue of approximately HK\$330,995,000 for the period from 1 January 2019 to 30 September 2019 as compared with approximately HK\$108,716,000 for the year ended 31 December 2018, gross profit of approximately HK\$12,410,000 for the period from 1 January 2019 to 30 September 2019 against approximately HK\$6,048,000 for the year ended 31 December 2018 and net loss of approximately HK\$63,662,000 for the period from 1 January 2019 to 30 September 2019 as compared to loss of approximately HK\$82,911,000 from continuing operations for the year ended 31 December 2018.

Analysis on the performance of the Group including revenue and results of commodities trading business of both copper and petrochemicals, natural gas operations and leasing business before allocation of the corporate overheads is set out in note 11 “Segment Information” to the consolidated financial statements.

The trading of copper in commodities trading business generated revenue of approximately HK\$68,691,000 for the period from 1 January 2019 to 30 September 2019 as compared to approximately HK\$64,529,000 for the year ended 31 December 2018. The trading of petrochemicals in commodities trading business, which was commenced in 2019, generated revenue of approximately HK\$226,379,000 for the period from 1 January 2019 to 30 September 2019.

財務及業務回顧

於本期間，本集團將其財政年度結算日由十二月三十一日更改為九月三十日，以避免在申報高峰期與其他上市公司的資源競爭，以及排除中國農曆新年假期日期變動帶來的不確定因素，這為工作流程帶來壓力。董事會認為，更改財政年度結算日有助於本集團編製綜合財務報表。綜合財務報表的本期間涵蓋自二零一九年一月一日至二零一九年九月三十日九個月期間，而比較財務報表涵蓋二零一八年一月一日至二零一八年十二月三十一日十二個月期間。因此，比較數額並不完全可供比較。

本集團自二零一九年一月一日至二零一九年九月三十日期間錄得收益約為330,995,000港元，相比截至二零一八年十二月三十一日止年度約為108,716,000港元，自二零一九年一月一日至二零一九年九月三十日期間毛利約為12,410,000港元，相比截至二零一八年十二月三十一日止年度約為6,048,000港元，以及自二零一九年一月一日至二零一九年九月三十日期間虧損淨額約為63,662,000港元，而截至二零一八年十二月三十一日止年度持續經營業務的虧損約為82,911,000港元。

本集團的表現分析包括商品貿易業務（銅及石化產品）、天然氣業務及租賃業務的收益及業績（分配作公司開支前），載於綜合財務報表附註11「分部資料」。

自二零一九年一月一日至二零一九年九月三十日期間，買賣銅之商品貿易業務產生約68,691,000港元的收益，而截至二零一八年十二月三十一日止年度則約為64,529,000港元。於二零一九年開始的商品貿易業務的石化產品貿易自二零一九年一月一日至二零一九年九月三十日期間產生收益約226,379,000港元。

管理層討論及分析

Management Discussion and Analysis

The Group generated revenue from sales of natural gas and pipeline installation services of approximately HK\$30,923,000 for the period from 1 January 2019 to 30 September 2019 as compared to approximately HK\$42,147,000 for the year ended 31 December 2018.

The total operating expenses, including selling and distribution costs, general and administrative expenses and finances costs, for the period from 1 January 2019 to 30 September 2019 was approximately HK\$50,814,000 as compared to approximately HK\$88,839,000 for the year ended 31 December 2018, representing a decrease of 43% which was resulting from the decrease in finance costs of approximately HK\$17,494,000 attributable to a drastic decrease in loan from non-controlling shareholders of a subsidiary and its related parties upon repayment near the late 2018 and share option expenses of approximately HK\$7,804,000.

Finance costs of the Group were approximately HK\$8,203,000 for the period from 1 January 2019 to 30 September 2019 (year ended 31 December 2018: approximately HK\$25,697,000), which consisted of the imputed interest expense on non-current interest free loan from non-controlling shareholders of a subsidiary and its related parties, interests on bank borrowings, non-convertible bonds and convertible bond designed at FVTPL.

Loss for the period from 1 January 2019 to 30 September 2019 was decreased by 28% to approximately HK\$63,662,000, compared with loss of approximately HK\$88,431,000 for the year ended 31 December 2018. The decrease in loss for the period from 1 January 2019 to 30 September 2019 was mainly due to the net effect of impairment losses made on both current and non-current assets (i.e. goodwill, property, plant and equipment, intangible assets as well as loan receivables) and the reasons as aforesaid.

自二零一九年一月一日至二零一九年九月三十日期間，本集團之天然氣及管道安裝服務銷售所得收益約為30,923,000港元，而截至二零一八年十二月三十一日止年度約為42,147,000港元。

自二零一九年一月一日至二零一九年九月三十日期間的總營運開支包括銷售及分銷開支、一般及行政支出以及財務成本，約為50,814,000港元，截至二零一八年十二月三十一日止年度的總營運開支約為88,839,000港元，減少43%，乃由於財務成本減少約17,494,000港元（乃由於來自一間附屬公司之非控股股東及其關連方的貸款在於接近二零一八年底還款後大幅減少）及購股權開支約7,804,000港元所致。

本集團自二零一九年一月一日至二零一九年九月三十日期間之財務成本約為8,203,000港元（截至二零一八年十二月三十一日止年度：約25,697,000港元），其包括一間附屬公司之非控股股東及其關連方所提供非即期免息貸款之推定利息開支、銀行借貸利息、不可換股債券及指定按公平值計入損益之可換股債券。

自二零一九年一月一日至二零一九年九月三十日期間之虧損減少28%至約63,662,000港元，而截至二零一八年十二月三十一日止年度則虧損約88,431,000港元。自二零一九年一月一日至二零一九年九月三十日期間之虧損減少乃主要由於就流動及非流動資產（即商譽、物業、廠房及設備、無形資產以及應收貸款）作出的減值虧損的淨影響及上述原因所致。

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UPDATE ON NATURAL GAS BUSINESS

The Group acquired 宜昌市標典天然氣利用有限公司 (“Yichang Biaodian”), which is engaged in natural gas supply operation, in 2016. However, Yichang Biaodian has suffered losses since acquisition resulting from the following reasons:

- (i) the pipeline installation in Yaojiagang Chemical Zone has been substantially completed in 2018, which covered most area of the zone to supply natural gas to factories operating in the zone. However, due to the slow progress of the chemical enterprises’ removals and construction of new factories in the zone, some potential customers did not engage with Yichang Biaodian for natural gas supply;
- (ii) the slowdown of the PRC economic growth impacted on the existing customers’ operation resulting in reduction in the natural gas consumption as estimated; and
- (iii) some customers delayed the transformation from coal-boiler to natural gas boiler as they concerned that the unstable supply of industrial natural gas happened in 2018, will continue in 2019.

By considering the reasons as aforesaid, the management of the Group performed impairment testing in accordance with Hong Kong Accounting Standard 36 “Impairment of Assets” (“HKAS 36”) on the assets belongs to Yichang Biaodian.

天然氣業務的最新資料

本集團於二零一六年收購宜昌市標典天然氣利用有限公司(「宜昌標典」)，該公司從事天然氣供應業務。然而，由於下列原因造成宜昌標典自收購以來持續虧損：

- (i) 於二零一八年已基本完成姚家港化工園區的管道安裝，涵蓋該園區大部分地區，以向在該園區營運的工廠供應天然氣。然而，由於該園區的化工企業遷移及新廠房建設的進展緩慢，部分潛在客戶並未委聘宜昌標典供應天然氣；
- (ii) 中國經濟增長下滑對現有客戶的營運造成影響，估計天然氣銷量將會減少；及
- (iii) 部分客戶延遲將燃煤鍋爐轉變為天然氣鍋爐，原因為其擔憂於二零一八年發生的不穩定供應工業天然氣事宜於二零一九年將會再次發生。

經考慮所述原因，本集團管理層根據香港會計準則第36號「資產減值」(「香港會計準則第36號」)對歸屬於宜昌標典的資產進行減值測試。

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The key assumptions used in the value in use (“VIU”) calculation for impairment assessment based on a valuation prepared by an independent valuer are those regarding the expected average revenue growth rate, expected average net profit margin and discount rate for the next five years:

- Expected average revenue growth rate and expected average profit margin for the next five years were based on past practices and management’s expectations on market development; and
- Discount rate was estimated using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating unit (“CGU”), i.e. Yichang Biaodian.

The key assumptions used in the impairment assessment in 2019 changed from that of 2018:

- In 2019, the expected revenue growth rate estimated for the next five years was 54%. In 2018, the expected revenue growth rate estimated for the next five years was 79%; and
- In 2019, the expected average net profit margin estimated for the next five years was 13%. In 2018, the expected average net profit margin estimated for the next five years was 11%.

The valuation method of discounted cash flow was adopted for the calculation of the VIU of the CGU. In accordance with HKAS 36, the recoverable amount should be the higher of (i) the fair value less costs of disposal, and (ii) the VIU. After assessing both the VIU and the fair value, the valuation opted for the VIU because it was the higher between the two figures. VIU is based on the estimated future cash flows expected to be derived from the CGU discounted to their present value using a pre-tax discount rate of 16.44% (2018: 14.41%) that reflects current market assessments of the time value of money and the risks specific to the CGU. There is no change to the valuation method adopted in 2018 and 2019.

基於獨立估值師編製的估值的減值評估的使用價值（「使用價值」）計算所用主要假設為與未來五年的預期平均收益增長率、預期平均純利率及貼現率有關：

- 未來五年的預期平均收益增長率及預期平均利潤率乃基於過往慣例及管理層對市場發展的預期；及
- 貼現率乃採用反映當前市場對貨幣的時間價值的評估及現金產生單位（「現金產生單位」）（即宜昌標典）具體的風險的稅前利率估計。

於二零一九年減值評估所用的主要假設乃自二零一八年變動而來：

- 於二零一九年，未來五年的預期收益增長率估計為54%。於二零一八年，未來五年的預期收益增長率估計為79%；及
- 於二零一九年，未來五年的預期平均純利率估計為13%。於二零一八年，未來五年的預期平均純利率估計為11%。

貼現現金流量的估值方法乃就計算現金產生單位的使用價值而採納。根據香港會計準則第36號，可收回金額應為以下兩者的較高者(i) 公平值減出售成本；及(ii)使用價值。於評估使用價值及公平值後，估值選擇使用價值，乃由於其為兩個數字中的較高者。使用價值乃基於預期將自現金產生單位所得的估計未來現金流量，乃採用反映市場當前對貨幣的時間價值及現金產生單位特定的風險的評估的稅前貼現率16.44%（二零一八年：14.41%）貼現至其現值。於二零一八年及二零一九年所採納的估值方法概無變動。

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Based on the assessment, the recoverable amount of Yichang Biaodian was HK\$404,734,000 and impairment losses on goodwill, property, plant and equipment, intangible assets and right-of-use assets of HK\$4,207,000, HK\$18,127,000, HK\$14,287,000 and HK\$117,000 were recognised respectively in 2019.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's operation is being financed by internally generated cashflow, bank borrowings and external financing. The Group follows a policy of prudence in managing its working capital. The management will continue to closely monitor the financial position of the Group to maintain its financial capacity.

Amounts due to non-controlling shareholders of a subsidiary and its related parties

As at 30 September 2019, the amounts due to Hubei Biaodian Natural Gas Co., Ltd ("Hubei Biaodian") and its subsidiary and Mr. Xiong Songgan ("Mr. Xiong") and his controlled entities were approximately HK\$25,439,000 and HK\$18,150,000 respectively, when comparing approximately HK\$20,397,000 and HK\$19,253,000 at 31 December 2018 respectively. Hubei Biaodian owns 20.92% of Yichang Biaodian and Mr. Xiong is the controlling shareholder of Hubei Biaodian.

The advance made by the above non-controlling shareholders of the Group during the period was used for Yichang Biaodian's capital expenditure purpose.

基於評估，於二零一九年，宜昌標典的可收回金額為404,734,000港元，而就商譽、物業、廠房及設備、無形資產及使用權資產的減值虧損分別確認4,207,000港元、18,127,000港元、14,287,000港元及117,000港元。

流動資金、財務資源及資本架構

本集團透過內部產生之現金流量、銀行借貸及外部融資以撥付營運所需資金。本集團管理營運資本時採納審慎政策。管理層將持續密切監察本集團之財務狀況，以維持其財務實力。

應付一間附屬公司之非控股股東及其關連方款項

於二零一九年九月三十日，應付湖北標典天然氣有限公司（「湖北標典」）及其附屬公司以及熊崧淦先生（「熊先生」）及其控制實體之款項分別約為25,439,000港元及18,150,000港元，而於二零一八年十二月三十一日分別約為20,397,000港元及19,253,000港元。湖北標典擁有宜昌標典20.92%股權，而熊先生為湖北標典之控股股東。

本期間本集團上述非控股股東作出之墊款已用作宜昌標典之資本支出。

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Bank and other borrowings

The bank borrowings assigned RMB16,000,000 (equivalent to HK\$17,729,000) carry an interest at a variable rate, with an effective interest rate of 8.01% per annum. The bank borrowings are guaranteed and pledged with several properties owned by Mr. Xiong, his spouse and a company held and controlled by him.

As at 30 September 2019,

- (a) the Group's aggregate amount of bank and cash balances was approximately HK\$3,325,000 (as at 31 December 2018: approximately HK\$2,297,000).
- (b) the Group's total borrowings comprised (i) amounts due to non-controlling shareholders of a subsidiary and its related parties; and (ii) bank borrowings, (iii) due to directors; (iv) non-convertible bonds; and (v) convertible bond designated at fair value thought profit or loss; (vi) lease liabilities; and (vii) due to a related company totalling approximately HK\$120,120,000 (as at 31 December 2018: HK\$98,046,000).
- (c) the Group's total gearing ratio was approximately 42% (at 31 December 2018: 27%). The gearing ratio was calculated as the Group's total borrowings divided by total equity of the Group.
- (d) the current ratio of the Group was approximately 0.5 (at 31 December 2018: 1.1). The management will continue to closely monitor the financial position of the Group to maintain its financial capacity.

銀行及其他借貸

銀行借貸人民幣16,000,000元(相當於17,729,000港元)按浮動利率計息,實際利率為每年8.01%。銀行借貸由熊先生、其配偶以及彼持有及控制的一間公司所擁有的多間物業作擔保及抵押。

於二零一九年九月三十日,

- (a) 本集團之銀行及現金結餘總額約為3,325,000港元(於二零一八年十二月三十一日:約2,297,000港元)。
- (b) 本集團之借貸總額包括(i)應付一間附屬公司之非控股股東及其關連方款項;(ii)銀行借貸;(iii)應付董事款項;(iv)不可換股債券;(v)指定按公平值計入損益之可換股債券;(vi)租賃負債;及(vii)應付一間關聯公司款項,合共約120,120,000港元(於二零一八年十二月三十一日:98,046,000港元)。
- (c) 本集團之總資產負債比率約為42%(於二零一八年十二月三十一日:27%)。資產負債比率按本集團之借貸總額除以本集團權益總額計算。
- (d) 本集團之流動比率約為0.5(於二零一八年十二月三十一日:1.1)。管理層將持續密切監察本集團之財務狀況,以維持其財務實力。

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PLEDGE OF ASSETS

The Group pledged a property approximately amounted to HK\$2,304,000 to an independent third party for obtaining an advance of HK\$111,000 as at 30 September 2019 (as at 31 December 2018: Nil).

CONTINGENT LIABILITIES

During the year ended 31 December 2018, Yichang Biaodian entered into disputes with one of its suppliers regarding the quality of work performed by such suppliers. Legal proceedings were initiated by the supplier (the "Plaintiff") and on 14 December 2018, pursuant to the application from the Plaintiff, the Court in Yichang granted an order to preserve the bank deposits of Yichang Biaodian amounted to approximately RMB478,000 (equivalent to approximately HK\$544,000).

On 13 March 2019, the Court issued civil mediation agreement which set out that the Plaintiff and Yichang Biaodian agreed with the repayment terms in relation to the aforesaid amount. Yichang Biaodian is required to repay RMB200,000 on or before 30 April 2019 and an order could be applied to unfreeze the bank accounts; and Yichang Biaodian was required to settle RMB2,000,000 on or before 30 September 2019 and the remaining outstanding amount on or before 30 March 2020. The Plaintiff has the rights to apply for a court order to enforce Yichang Biaodian to settle all its debts if it fails to repay RMB2,200,000 to the Plaintiff on or before 30 September 2019. Amount of RMB8,787,000 (equivalent to approximately HK\$10,006,000) were fully provided as liabilities of the Group at 31 December 2018. The restricted bank balance was released on 11 April 2019 upon agreement between the Plaintiff and Yichang Biaodian.

On 20 November 2019, the Plaintiff has exercised its rights to apply for a court order to enforce Yichang Biaodian for settlement of amount overdue as Yichang Biaodian only repaid RMB200,000 up to 30 September 2019. Since the case was at preliminary stage, the management of the Group was assessing the possible outcome that bringing to Yichang Biaodian.

抵押資產

於二零一九年九月三十日，本集團就獲得一筆墊款111,000港元向一名獨立第三方抵押一項約為2,304,000港元的物業（於二零一八年十二月三十一日：無）。

或然負債

於截至二零一八年十二月三十一日止年度，宜昌標典與其中一間供應商發生爭議，內容有關該供應商所進行之工作質素。供應商（「原告」）已提出法律程序，於二零一八年十二月十四日，根據原告之申請，宜昌市法院已頒令保留宜昌標典之銀行存款約人民幣478,000元（相當於約544,000港元）。

於二零一九年三月十三日，法院發出民事調解協議，當中載列原告及宜昌標典協定有關上述金額之償還條款。宜昌標典須於二零一九年四月三十日或之前償還人民幣200,000元，且可申請頒令解凍銀行賬戶；及宜昌標典須於二零一九年九月三十日或之前清償人民幣2,000,000元及於二零二零年三月三十日或之前清償餘下尚未償還金額。倘宜昌標典未能於二零一九年九月三十日或之前向原告償還人民幣2,200,000元，則原告有權申請法院頒令強制宜昌標典結算其所有債務。人民幣8,787,000元（相當於約10,006,000港元）已於二零一八年十二月三十一日全數撥備為本集團之負債。受限制銀行結餘於原告與宜昌標典協定後於二零一九年四月十一日解除。

於二零一九年十一月二十日，原告已行使其權利申請法院頒令強制宜昌標典結算逾期款項，原因是直至二零一九年九月三十日，宜昌標典僅償還人民幣200,000元。由於該案件處於初期階段，故本集團管理層評估宜昌標典的可能結果。

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PROSPECT

The prospect of 2020 might be clouded by the uncertainties of the lingering Sino-US trade tension, exchange rate of Renminbi, the nationwide deleveraging situation, even the slowdown of property market in China will possibly impede economic growth. The management of the Group will embrace those challenges and will continue to optimise the operation efficiency in all Group's current business segments, in particular emphasizing the development of the insurance broker business and the petrochemical commodity trading business for developing the services of commodities network step by step.

Meanwhile, the Group will look for new potential growth opportunities in a very diligent manner through merger & acquisition, business integration and expansion in order to sustain the growth and profitability of the Group.

EVENTS AFTER REPORTING PERIOD

Completion of acquisition of a subsidiary

On 25 July 2019, LW Capital Group Limited ("Purchaser"), a wholly-owned subsidiary of the Company, entered into an agreement with Mr. Poon Kwan Shu ("Vendor"), pursuant to which the Purchaser agreed to acquire the entire equity interests in the LW Insurance Brokers Limited ("Target Company") at a consideration HK\$2,373,000.

The Target Company is principally acting as insurance broker business.

On 31 October 2019, all the conditions precedents under Agreement have been fulfilled and the completion of the Acquisition took place on 31 October 2019. The Target Company had become a wholly-owned subsidiary of the Company and financial result of the Target Company will be consolidated into the Company's consolidated financial statements.

前景

二零二零年前景可能被中美貿易持續緊張趨勢、人民幣匯率、全國去槓桿情況的不確定性所籠罩，甚至中國房地產市場放緩將可能阻礙經濟增長。本集團管理層將迎接該等挑戰並將繼續優化本集團所有當前業務分部的營運效率，尤其是著重發展保險經紀業務及石化商品貿易業務，逐步推進商品物聯網服務。

同時，本集團將嚴謹地透過併購、業務合併及擴張尋求新的潛在增長機會，以維持本集團之增長及盈利能力。

報告期後事項

完成收購一間附屬公司

於二零一九年七月二十五日，本公司的全資附屬公司利達金融集團有限公司（「買方」）與潘君瑞先生（「賣方」）訂立一份協議，據此，買方同意按代價2,373,000港元購買利達保險經紀有限公司（「目標公司」）的全部股權。

目標公司主要從事保險經紀業務。

於二零一九年十月三十一日，該協議項下的所有先決條件已達成，且收購事項於二零一九年十月三十一日完成。目標公司已成為本公司的全資附屬公司，且目標公司的財務業績將於本公司的綜合財務報表內綜合入賬。

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EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

The Group's foreign currency exposure is limited as most of its transactions, assets and liabilities are denominated in Hong Kong dollars and Renminbi.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 September 2019, the Group employed 56 staff members (at 31 December 2018: 50 staff). Remuneration is determined with reference to market terms and the performance, qualifications and experience of the individual employee. Remuneration includes monthly salaries, performance-linked bonuses, retirement benefits schemes and other benefits such as medical scheme and share option scheme. The Group's remuneration policies and packages are reviewed by management on regular basis. The Company has established a Human Resources and Remuneration Committee. The Directors' emoluments are determined with reference to Directors' duties, responsibilities and the operating performance of the Group.

匯率波動風險

由於本集團大部分交易、資產及負債均以港元及人民幣計值，因此本集團的外匯風險有限。

人力資源及薪酬政策

於二零一九年九月三十日，本集團僱用56名僱員（於二零一八年十二月三十一日：50名僱員）。本集團參考市場條款，並按照個別僱員本身的表現、資歷及經驗釐定其薪酬。薪酬包括月薪、業績花紅、退休福利計劃以及醫療計劃及購股權計劃等其他福利。管理層會定期審閱本集團之薪酬政策及福利組合。本公司已成立人力資源及薪酬委員會。董事薪酬乃參照董事的職務、職責及本集團的營運表現而釐定。

董事及高級管理層的履歷

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Cheung Tuen Ting (Chief Executive Officer)

Mr. Cheung Tuen Ting (“Mr. Cheung”), aged 38, has been the executive Director since 26 July 2017. Mr. Cheung obtained a bachelor of commerce degree majoring in accounting and finance from Deakin University Australia in 2007. Mr. Cheung also was the director of Panamax Aktiengesellschaft, a company listed on the Frankfurt Stock Exchange, from June 2016 to June 2017. Prior to that, Mr. Cheung also was a financial planning manager at Bank of China from July 2010 to March 2012, a financial consultant at Convoy Financial Services Limited from July 2007 to October 2009 and a financial planning manager at FTLife Insurance Company Limited from September 2012 to February 2019.

Mr. Wu Guoming

Mr. Wu Guoming (“Mr. Wu”), aged 53, has been the executive Director since 30 April 2018. He holds a degree in Business Management from Wuhan University, a degree in Civil Engineering from China University of Petroleum and a degree in Economic Management from Shanghai Jiao Tong University. Mr. Wu was the engineering manager and the deputy general manager at Shanghai Guangda Construction Decoration Engineering Company* (上海光大建築裝飾工程公司). Since 2001, Mr. Wu has been the general manager and the chairman of Shanghai Guangda Basic Engineering Co., Ltd (上海廣大基礎工程有限公司). Furthermore, Mr. Wu is the director of China Civil Engineering Society (中國土木工程學會) and a construction technology committee member of Chinese Institution of Soil Mechanics and Geotechnical Engineering – China Civil Engineering Society (中國土木工程學會土力學及岩土工程分會). Mr. Wu has vast experience in business management and construction business development.

執行董事

張端亭先生 (行政總裁)

張端亭先生(「張先生」)，三十八歲，自二零一七年七月二十六日起擔任執行董事。張先生於二零零七年於澳洲迪肯大學(Deakin University)獲得商學士學位，主修會計學及金融學。由二零一六年六月至二零一七年六月，張先生亦於Panamax Aktiengesellschaft (在法蘭克福證券交易所上市的公司)出任董事。在此之前，張先生亦由二零一零年七月至二零一二年三月於中國銀行擔任財務策劃經理，由二零零七年七月至二零零九年十月於康宏理財服務有限公司擔任財務顧問，及由二零一二年九月至二零一九年二月於富通保險有限公司擔任財務策劃經理。

吳國明先生

吳國明先生(「吳先生」)，五十三歲，自二零一八年四月三十日起擔任執行董事。彼持有武漢大學工商管理學位、中國石油大學土木工程學位及上海交通大學經濟管理學位。吳先生曾為上海光大建築裝飾工程公司之工程經理及副總經理。自二零零一年起，吳先生一直擔任上海廣大基礎工程有限公司之總經理兼主席。此外，吳先生亦為中國土木工程學會之理事及中國土木工程學會土力學及岩土工程分會之施工技術專業委員會委員。吳先生於業務管理及建築業務發展方面擁有豐富經驗。

董事及高級管理層的履歷

Biographical Details of Directors and Senior Management

Mr. Li Wentao

Mr. Li Wentao (“Mr. Li”), aged 37, has been the executive Director since 11 October 2019. He holds a bachelor degree in Pharmacy from Hubei University of Chinese Medicine* (湖北省中醫藥大學) and a master degree in Economic Management and Investment from Shanghai Jiao Da Education Group* (上海交大教育集團). Mr. Li was the deputy department head of orthopedic department at Shanghai Jingfeng Pharmaceutical Company Limited* (上海景峰製藥股份有限公司), and the marketing director of Hubei Zhongchuang Medical Products Company Limited* (湖北中創醫療用品有限公司). Since 2018, Mr. Wu has been the vice president of Hubei Xinwenxing Pharmaceutical Company Limited* (湖北新文星醫藥有限公司). Mr. Li has vast experience in brand building and integration of market resources.

Mr. Duan Fanfan

Mr. Duan Fanfan (“Mr. Duan”), aged 36, has been the executive Director since 8 November 2019. He holds a bachelor degree in International Business from Charles Sturt University and a master degree in Professional Accounting from Deakin University. Mr. Duan was General Manager in Victoria & South Australia of Domino’s Pizza Enterprises in Australia. He was granted with various Leadership Awards in the years from 2009 to 2013. Since 2014, he has been Chief Executive Officer of ATI International Trading Pty Ltd, specializing in the business development for bilateral import and export trading between China and Australia. Mr. Duan has vast experience in retail hospitality services sector and international trading.

李文濤先生

李文濤先生(「李先生」)，三十七歲，自二零一九年十月十一日起擔任執行董事。彼持有湖北省中醫藥大學藥學學士學位及上海交大教育集團經濟管理及投資碩士學位。李先生曾為上海景峰製藥股份有限公司之骨科事業部副部長及湖北中創醫療用品有限公司之營銷總監。自二零一八年起，李先生一直擔任湖北新文星醫藥有限公司之副總裁。李先生於品牌推廣及市場資源整合擁有豐富經驗。

段凡帆先生

段凡帆先生(「段先生」)，三十六歲，自二零一九年十一月八日起擔任執行董事。彼持有Charles Sturt University之國際商業學士學位及Deakin University之專業會計碩士學位。段先生曾為澳洲Domino’s Pizza Enterprises之維多利亞及南澳洲的總經理，在二零零九年至二零一三年間，多次獲頒發傑出領導獎項。自二零一四年起，段先生一直擔任ATI International Trading Pty Ltd之首席執行官，專注於中國與澳洲雙邊進出口貿易之業務發展。段先生於零售款待業務及國際貿易擁有豐富經驗。

董事及高級管理層的履歷

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

Mr. Leung Oh Man, Martin

梁傲文先生

Mr. Leung Oh Man, Martin (“Mr. Leung”), aged 39, has been the independent non-executive Director since 16 October 2014. Mr. Leung has been serving as an independent non-executive director of KNT Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1025) since 31 January 2019. Mr. Leung holds a Bachelor’s Degree of Commerce in Accounting and Finance from the University of Toronto in Canada. Mr. Leung is the general manager of TL Property Consultants International Ltd. (“TLP”), a consultancy group principally engaged in asset management of real estate sector. Prior to joining TLP, he had worked at a multinational accounting and auditing firm for about 8 years. Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Surveyors.

梁傲文先生（「梁先生」），三十九歲，自二零一四年十月十六日起擔任獨立非執行董事。梁先生於二零一九年一月三十一日起擔任為嘉藝控股有限公司（聯交所主板上市公司，股份代號：1025）獨立非執行董事。梁先生持有加拿大多倫多大學會計及財務學商學士學位。梁先生為置梁行房地產顧問國際有限公司（「置梁行」）的總經理，置梁行為一家房地產顧問集團，主要從事資產管理。加入置梁行前，彼曾在一家跨國會計及核數公司工作約8年。梁先生為香港會計師公會及香港測量師學會之會員。

Mr. Sun Zhi Jun

孫志軍先生

Mr. Sun Zhi Jun (“Mr. Sun”), aged 52, has been an independent non-executive Director since 24 August 2015. Mr. Sun graduated from Shanghai Medical Instrumentation College in the PRC in 1988. Mr. Sun currently serves as Director of Strategy and Business Development for Deep Voxel Intelligent Technology (Shanghai) Co., Ltd.* (邃藍智能科技(上海)有限公司), a company specializing in artificial intelligence development in the medical field in PRC.

孫志軍先生（「孫先生」），五十二歲，自二零一五年八月二十四日起擔任獨立非執行董事。孫先生於一九八八年畢業於中國上海醫療器械高等專科學校。孫先生目前擔任邃藍智能科技(上海)有限公司（一間於中國專注於醫療領域人工智能開發的公司）之戰略和業務發展董事。

Ms. Huang Yu Jun

黃玉君女士

Ms. Huang Yu Jun (“Ms. Huang”), aged 61, has been an independent non-executive Director since 24 August 2015. She was a financial manager of a branch office of Shanghai Electric International Economic & Trading Co., Ltd. (上海電氣國際經濟貿易有限公司), a subsidiary of Shanghai Electric Group Company Limited (stock code: 2727, a company listed on the Main Board of the Stock Exchange). Ms. Huang obtained a certificate of accounting profession from Ministry of Finance in the PRC. In 2005, she graduated from Shanghai TV University (now known as Shanghai Open University) in the PRC with a professional certificate in business administration.

黃玉君女士（「黃女士」），六十一歲，自二零一五年八月二十四日起為獨立非執行董事，彼曾為上海電氣集團股份有限公司（一間於聯交所主板上市之公司（股份代號：2727））之一間附屬公司上海電氣國際經濟貿易有限公司分公司之財務經理。黃女士自中國財政部獲得會計專業證書。於二零零五年，彼畢業於中國上海電視大學（現稱上海開放大學），取得企業管理專業證書。

董事及高級管理層的履歷

Biographical Details of Directors and Senior Management

COMPANY SECRETARY

Mr. Lau Tat Man

Mr. Lau Tat Man (“Mr. Lau”), aged 50, has been appointed as the Company Secretary since 10 July 2019. Mr. Lau obtained his Bachelor of Arts (Honours) in Accountancy from Polytechnic University of Hong Kong in 1992. He is Associate of The Hong Kong Institute of Chartered Secretaries and has been practising in company secretarial and compliance in Hong Kong and Mainland China for more than 25 years.

SENIOR MANAGEMENT

Mr. Nip Chi Kin

Mr. Nip Chi Kin (“Mr. Nip”), aged 38, is the Financial Controller of the Group since June 2018. He had 19 years’ experience in auditing, accounting and financial field.

公司秘書

劉達民先生

劉達民先生（「劉先生」），五十歲，自二零一九年七月十日起擔任公司秘書。劉先生於一九九二年取得香港理工大學會計學文學士（榮譽）學位。彼為一名香港特許秘書公會會員，並在香港和中國大陸擁有超過二十五年的公司秘書和合規經驗。

高級管理層

聶志堅先生

聶志堅先生（「聶先生」），三十八歲，自二零一八年六月起擔任本集團財務總監。彼於審計、會計及財務方面擁有十九年的經驗。

董事報告

Report of the Directors

The Directors present their annual report and the audited consolidated financial statements for the period from 1 January 2019 to 30 September 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 26 to the consolidated financial statements.

BUSINESS REVIEW

Business review of the Group is set out in the paragraph headed "Management Discussion and Analysis" of this annual report.

RESULTS

The results of the Group for the period from 1 January 2019 to 30 September 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 63 and 64.

CHANGE OF FINANCIAL YEAR END DATE

Pursuant to a resolution of the Directors passed on 23 August 2019, the financial year end date of the Company has been changed from 31 December to 30 September effective from 30 September 2019. Details regarding change of financial year end date are disclosed in the Company's announcement dated 23 August 2019.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the period in property, plant and equipment of the Group are set out in note 21 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the reporting period are set out in note 42 to the consolidated financial statements.

董事謹提呈彼等自二零一九年一月一日至二零一九年九月三十日期間之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。其附屬公司之主要業務載於綜合財務報表附註26。

業務回顧

本集團業務回顧載於本年報「管理層討論及分析」一段。

業績

本集團自二零一九年一月一日至二零一九年九月三十日期間之業績載於第63至64頁之綜合損益及其他全面益表內。

更改財政年度結算日

根據於二零一九年八月二十三日通過的一項董事決議案，於二零一九年九月三十日起，本公司的財政年度結算日由十二月三十一日更改為九月三十日。有關財政年度結算日更改的詳情披露於本公司日期為二零一九年八月二十三日的公佈。

物業、廠房及設備

本集團於期內有關物業、廠房及設備之變動詳情載於綜合財務報表附註21。

股本

報告期內本公司之股本變動詳情載於綜合財務報表附註42。

董事報告

Report of the Directors

DISTRIBUTABLE RESERVE OF THE COMPANY

The share premium of the Company is available for paying distributions or dividends to its shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or dividend payment the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can be distributed out of the profits, special reserve and share premium of the Company. The Company's reserve available for distribution to its shareholders as at 30 September 2019 amounted to approximately HK\$21,713,000 (as at 31 December 2018: HK\$99,211,000).

DIRECTORS

The Directors during the period and up to the date of this report are:

Executive Directors:

Mr. Cheung Tuen Ting, *Chief Executive Officer*
Mr. Wu Guoming
Mr. Li Wentao
(appointed on 11 October 2019)
Mr. Duan Fanfan
(appointed on 8 November 2019)
Mr. Long Wenming
(resigned on 27 September 2019)
Mr. Han Leiping (resigned on 20 September 2019)
Mr. Chen Hualiang
(retired on 21 June 2019)

Independent non-executive Directors:

Mr. Leung Oh Man, Martin
Mr. Sun Zhi Jun
Ms. Huang Yu Jun
Ms. Kwan Sin Yee
(retired on 21 June 2019)

本公司之可分派儲備

本公司可撥充股份溢價以向其股東派發分派或股息，惟須受本公司組織章程大綱及章程細則之條款限制，及緊隨派發分派或股息後，本公司能償還日常業務過程中到期債項，方可作實。遵照本公司之組織章程細則，本公司可撥充溢利、特別儲備及股份溢價以派發股息。於二零一九年九月三十日，本公司可供分派予其股東之儲備約為21,713,000港元（二零一八年十二月三十一日：99,211,000港元）。

董事

期內及截至本報告刊發日期止，董事為：

執行董事：

張端亭先生，*行政總裁*
吳國明先生
李文濤先生
(於二零一九年十月十一日獲委任)
段凡帆先生
(於二零一九年十一月八日獲委任)
龍文明先生
(於二零一九年九月二十七日辭任)
韓磊平先生 (於二零一九年九月二十日辭任)
陳華良先生
(於二零一九年六月二十一日退休)

獨立非執行董事：

梁傲文先生
孫志軍先生
黃玉君女士
關倩兒女士
(於二零一九年六月二十一日退休)

董事報告

Report of the Directors

DIRECTORS (Continued)

In accordance with the provisions of the Company's Articles of Association, Mr. Li Wentao, Mr. Duan Fanfan, Mr. Sun Zhi Jun will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. No director has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). Each of the independent non-executive Directors has a service contract with the Company for a term of one year commencing on the date of their respective appointment but is subject to retirement by rotation and re-election at an annual general meeting of the Company in accordance with the Articles of Association of the Company.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed under the section titled "Connected Transactions" below, no Director or connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding company of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2019, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of GEM Listing Rules were as follows:

董事 (續)

根據本公司組織章程細則之條文，李文濤先生、段凡帆先生及孫志軍先生將於應屆股東週年大會退任並符合資格重選連任。董事概無訂立任何本集團不能於一年內毋須作出補償（法定補償除外）而終止之服務合約。獨立非執行董事各自與本公司訂立服務合約，年期自各自獲委任之日起為期一年，惟須根據本公司組織章程細則於本公司股東週年大會輪值退任及膺選連任。

董事於交易、安排或合約之權益

除下文「關連交易」一節中所披露者外，概無董事或董事之關連實體於本公司之控股公司或本公司任何附屬公司或同系附屬公司於期內所訂立對本集團業務而言屬重大之任何交易、安排或合約中直接或間接擁有重大權益。

董事及最高行政人員於本公司或其相聯法團的股份、相關股份及債券之權益及淡倉

於二零一九年九月三十日，董事及最高行政人員各自於本公司或任何其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有的記錄於本公司根據證券及期貨條例第352條須予存置之登記冊，或根據GEM上市規則第5.46條所述董事進行買賣之準則規定須另行知會本公司及聯交所權益及淡倉如下：

董事報告

Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (Continued)

董事及最高行政人員於本公司或其相聯法團的股份、相關股份及債券之權益及淡倉(續)

Interests in the Company

於本公司之權益

The table below sets out the aggregate long positions in the shares, underlying shares and debentures of the Company held by the Directors and chief executives of the Company:

下表載列本公司董事及最高行政人員所持本公司股份、相關股份及債券之好倉總額：

Directors/chief executive	Corporate interests	Number of underlying shares held under equity derivatives 根據權益 衍生工具持有之 相關股份數目	Total interests	Long (L) of short (S) position	Percentage of interests
董事/最高行政人員	公司權益		總權益	好倉(L) 或淡倉(S)	權益百分比
Mr. Cheung Tuen Ting	56,000,000	6,000,000 (Note) (附註)	62,000,000	L	4.76%
張端亭先生					
Mr. Wu Guoming	132,200,000	6,000,000 (Note) (附註)	138,200,000	L	10.60%
吳國明先生					
Mr. Leung Oh Man Martin	-	600,000 (Note) (附註)	600,000	L	0.05%
梁傲文先生					
Ms. Huang Yu Jun	-	600,000 (Note) (附註)	600,000	L	0.05%
黃玉君女士					
Mr. Sun Zhi Jun	-	600,000 (Note) (附註)	600,000	L	0.05%
孫志軍先生					

L: Long position

L: 好倉

Note: These interests represented the interests in underlying shares in respect of the share options granted by the Company to the directors.

附註：該等權益指就本公司授予董事之購股權而於相關股份之權益。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS *(Continued)*

Interests in the Company *(Continued)*

Save as disclosed above, as at 30 September 2019, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of GEM Listing Rules.

董事及最高行政人員於本公司或其相聯法團的股份、相關股份及債券之權益及淡倉 *(續)*

於本公司之權益 *(續)*

除上文所披露者外，於二零一九年九月三十日，按本公司根據證券及期貨條例第352條須予存置之登記冊記錄所示，或根據GEM上市規則第5.46條有關董事進行買賣之準則規定向本公司及交易所另行作出之通知，本公司董事或最高行政人員概無在本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

主要股東及其他人士於本公司股份及相關股份之權益及淡倉

As at 30 September 2019, other than the interests and short positions of the Directors disclosed above, the following person (not being a Director or chief executive of the Company) had interests or short positions in the share or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

於二零一九年九月三十日，根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，除上文披露之董事權益及淡倉外，下列人士（並非本公司董事或最高行政人員）於本公司之股份或相關股份中擁有權益或淡倉：

Name of shareholder 股東姓名／名稱	Number of shares held, capacity and nature of interest 所持股份數目、身份及權益性質			Approximate percentage of the issued share capital 佔已發行股本 概約百分比
	Directly beneficially owned 直接實益擁有	Through controlled corporation 透過受控制法團	Total 總額	
Hong Kong Hao Yue International Trading Co., Limited 香港顯越國際貿易有限公司	223,200,000 (L) (Note) (附註)	-	223,200,000 (L)	17.12%
Mr. Zhang Hai Ping 張海平先生	-	223,200,000 (L) (Note) (附註)	223,200,000 (L)	17.12%
Mr. Wu Guoming 吳國明先生	138,200,000 (L)	-	138,200,000 (L)	10.60%

L: Long position

L: 好倉

Note: Hong Kong Hao Yue International Trading Co., Limited is wholly-owned by Mr. Zhang Hai Ping.

附註：香港顯越國際貿易有限公司由張海平先生全資擁有。

Save as disclosed above, none of the substantial shareholders or other (other than Directors and chief executive of the Company) person had any interest or short position in the shares or underlying shares of the Company according to the register required to be kept by the Company under Section 336 of the SFO as at 30 September 2019.

除上文所披露者外，於二零一九年九月三十日，按本公司根據證券及期貨條例第336條須予存置之登記冊記錄所示，主要股東或其他人士（本公司董事及最高行政人員除外）並無擁有本公司股份或相關股份之權益或淡倉。

CONVERTIBLE BOND

On 3 May 2018, the Company and Mr. Lo Hou On (the “Subscriber”) entered into a subscription agreement, according to which the Company agreed to issue, and the Subscriber agreed to subscribe for in principal amount of HK\$20,000,000 with interest rate of 10% per annum, convertible bond due 2020.

The Convertible Bond are convertible into shares at the initial conversion price of HK\$0.54 per share at the option of the holder thereof, at any time on or before the issue date up to the 4:00 p.m. on the prior to the maturity date. There was no conversion of the convertible bond as at the date of this annual report. The Company will redeem each Convertible Bond on the maturity date at its principal amount together with accrued and unpaid interest thereon. The issue of Convertible Bond were completed on 4 June 2018. Upon full conversion of the outstanding Convertible Bond, the Company may issue 37,037,037 shares, adding the issued shares of the Company to 1,340,477,037 shares. Details of the Convertible Bond during the period are set out in note 40 to the consolidated financial statements.

可換股債券

於二零一八年五月三日，本公司與勞後安先生（「認購人」）訂立認購協議，據此，本公司同意發行而認購人同意認購本金額為20,000,000港元及年利率為10%的可換股債券，有關可換股債券於二零二零年到期。

可換股債券可按每股股份0.54港元的初始換股價格轉換為股份，並基於持有人的選擇，於發行日當日至到期日當日下午四時正為止內任何時間予以行使換股權。於本年報日期，概無轉換可換股債券。本公司將於到期日按其本金額連同應計及未付利息贖回各份可換股債券。發行可換股債券於二零一八年六月四日完成。尚未轉換的可換股債券倘全數轉換後，本公司可發行37,037,037股股份，本公司已發行股份數目將增加至1,340,477,037股。有關期內可換股債券的詳情載於綜合財務報表附註40。

SHARE OPTION SCHEME AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

On 30 November 2012, the Company adopted a share option scheme (the "Scheme"). As at 31 December 2018, 58,600,000 option has been granted by the Company under the Scheme. Particulars of the Scheme are set out in note 44 to the consolidated financial statements.

The purpose of the Scheme is to attract and to retain quality personnel and other persons and to provide them with incentive to contribute to the business and operation of the Group. Under the Scheme, the Directors may grant options to any eligible persons of the Group, including (i) any director, employee or consultant of the Company, a subsidiary or an affiliate; or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Company, a subsidiary or an affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Company, a subsidiary or an affiliate; or (iv) any person or entity whose service to the Group or business with the Group contribute or is expected to contribute to the business or operation of the Group as may be determined by the Directors from time to time, to subscribe for shares of the Company. Options granted are exercisable for a period (up to ten years from the date of grant of the option) as decided by the Board.

購股權計劃及董事購買股份或債券之權利

於二零一二年十一月三十日，本公司採納一項購股權計劃（「該計劃」）。於二零一八年十二月三十一日，本公司根據該計劃授出58,600,000份購股權。該計劃的詳情載於綜合財務報表附註44。

該計劃之目的在於吸納及留任優秀人員及其他人士，藉以鼓勵彼等為本集團之業務及營運作出貢獻。根據該計劃，董事可向本集團任何合資格人士授出購股權，包括(i)本公司、附屬公司或聯屬公司之任何董事、僱員或顧問；或(ii)全權託管對象包括本公司、附屬公司或聯屬公司之任何董事、僱員或顧問之任何全權信託；或(iii)本公司、附屬公司或聯屬公司之任何董事、僱員或顧問實益擁有之公司；或(iv)董事可能不時酌情認定之任何人士或實體，其為本集團提供服務或其曾經或預期對本集團之業務或營運有所貢獻，以認購本公司股份。根據董事會決定，購股權可於購股權授出日期起計最多十年期間內行使。

SHARE OPTION SCHEME AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES *(Continued)*

The exercise price (subject to adjustment as provided therein) of the option under the Scheme is equal to the highest of (i) the nominal value of share; (ii) the closing price per share as stated in the Stock Exchange's daily quotation sheet on the date of grant of the option, which must be a business day and (iii) the average closing price per share as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant. The maximum number of shares in respect of which the options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company at the date of Shareholders' approval of the Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any one grantee in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue on the last date of such 12-month period from time to time, without prior approval obtained from the Company's shareholders.

During the period, 16,400,000 share options had been forfeited. Details of specific categories of options, please refer to note 44 to the Group's consolidated financial statements.

購股權計劃及董事購買股份或債券之權利 (續)

該計劃項下購股權之行使價(可按其中之規定作出調整)相當於(i)股份面值; (ii)於授出購股權日期(須為營業日)在聯交所每日報價表所報之每股股份收市價; 及(iii)緊接授出日期前五個營業日聯交所每日報價表所報之每股股份平均收市價, 三者以最高者為準。根據該計劃可授出之購股權所涉及股份數目上限不得超過本公司於該計劃獲股東批准當日已發行股本10%。然而, 因行使全部未行使購股權而可予發行之股份總數上限不得超出本公司不時已發行股本30%。在未經本公司股東事先批准之情況下, 於任何十二個月期間內, 向任何單一承授人授出購股權所涉及之股份數目, 不得超過在該十二個月期間內最後一日本公司之不時已發行股份之1%。

期內, 已沒收16,400,000份購股權。有關購股權具體類別的詳情, 請參閱本集團綜合財務報表附註44。

董事報告

Report of the Directors

SHARE OPTION SCHEME AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES (Continued)

購股權計劃及董事購買股份或債券之權利 (續)

Details of the movements of share options forfeited during the review period and outstanding as at 30 September 2019 are as follows:

於回顧期及於二零一九年九月三十日尚未行使的已沒收的購股權變動詳情如下：

		Number of share options 購股權數目			Exercise period (both dates inclusive) 行使期 (包括首尾兩日)	Exercise price 行使價 HK\$ 港元	Closing price immediately before the date of grant 緊接 授出日期前的 收市價 HK\$ 港元
At 1 January 2019 於二零一九年 一月一日	Forfeited during the Period 於期內被沒收	Outstanding as at 30 September 2019 於二零一九年 九月三十日 尚未行使					
Directors	董事						
Mr. Leung Oh Man, Martin	梁傲文先生	600,000	-	600,000	21 December 2017 to 21 December 2019 二零一七年十二月二十一日至 二零一九年十二月二十一日	0.556	0.555
Ms. Kwan Sin Yee	關倩兒女士	600,000	600,000	-	21 December 2017 to 21 December 2019 二零一七年十二月二十一日至 二零一九年十二月二十一日	0.556	0.555
Mr. Sun Zhi Jun	孫志軍先生	600,000	-	600,000	21 December 2017 to 21 December 2019 二零一七年十二月二十一日至 二零一九年十二月二十一日	0.556	0.555
Ms. Huang Yu Jun	黃玉君女士	600,000	-	600,000	21 December 2017 to 21 December 2019 二零一七年十二月二十一日至 二零一九年十二月二十一日	0.556	0.555
Mr. Cheung Tuen Ting	張端亭先生	6,000,000	-	6,000,000	21 December 2017 to 21 December 2019 二零一七年十二月二十一日至 二零一九年十二月二十一日	0.556	0.555
Mr. Long Wenming	龍文明先生	4,000,000	4,000,000	-	18 January 2018 to 18 January 2020 二零一八年一月十八日至 二零二零年一月十八日	0.785	0.720
Mr. Chen Hualiang	陳華良先生	4,000,000	4,000,000	-	18 January 2018 to 18 January 2020 二零一八年一月十八日至 二零二零年一月十八日	0.785	0.720
Mr. Han Leiping	韓磊平先生	4,000,000	4,000,000	-	18 January 2018 to 18 January 2020 二零一八年一月十八日至 二零二零年一月十八日	0.785	0.720
Mr. Wu Guoming	吳國明先生	6,000,000	-	6,000,000	9 October 2018 to 9 October 2020 二零一八年十月九日至 二零二零年十月九日	0.466	0.475
Total Directors	董事總數	26,400,000	12,600,000	13,800,000			

董事報告

Report of the Directors

SHARE OPTION SCHEME AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES (Continued)

購股權計劃及董事購買股份或債券之權利 (續)

		Number of share options 購股權數目			Exercise period (both dates inclusive) 行使期 (包括首尾兩日)	Exercise price 行使價 HK\$ 港元	Closing price immediately before the date of grant 緊接 授出日期前的 收市價 HK\$ 港元
		At 1 January 2019 於二零一九年 一月一日	Forfeited during the Period 於期內被沒收	Outstanding as at 30 September 2019 於二零一九年 九月三十日 尚未行使			
Employees	僱員	600,000	600,000	-	21 December 2017 to 21 December 2019 二零一七年十二月二十一日至 二零一九年十二月二十一日	0.556	0.555
		400,000	-	400,000	18 January 2018 to 18 January 2020 二零一八年一月十八日至 二零二零年一月十八日	0.785	0.720
		31,200,000	3,200,000	28,000,000	9 October 2018 to 9 October 2020 二零一八年十月九日至 二零二零年十月九日	0.466	0.475
Total Employees	僱員總數	32,200,000	3,800,000	28,400,000			
Total All Categories	所有類別總計	58,600,000	16,400,000	42,200,000			

SHARE OPTION SCHEME AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES *(Continued)*

On 30 September 2019, the total number of shares options of the Company available for issue under the Scheme had been fully granted. Unless otherwise determined by the Directors, there is no minimum period required under the Scheme for the holding of an option before it can be exercised. There is no consideration for the application or acceptance of an option under the Scheme. The remaining life of the Scheme is approximately four years and to be expired on 30 November 2022.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for about 88% of the turnover of the Group and the largest customer of the Group accounted for about 54% of the total turnover.

During the year, the five largest suppliers of the Group accounted for about 70% of the purchases of the Group and the largest supplier of the Group accounted for about 18% of the total purchases.

None of the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital), has an interest in any of the Group's five largest customers and suppliers.

Details of the subsidiary's controlling shareholder's beneficial interest in the Group are further explained in the section titled "Connected Transactions" below.

購股權計劃及董事購買股份或債券之權利 (續)

於二零一九年九月三十日，根據該計劃可予發行之本公司購股權總數已悉數授出。除董事另行訂明外，該計劃並無規定購股權於可行使前須持有之最短期間。根據該計劃申請或接納購股權毋須代價。該計劃之餘下期間約為四年，將於二零二二年十一月三十日屆滿。

主要客戶及供應商

年內，本集團五大客戶佔本集團營業額約88%，而本集團最大客戶則佔總營業額約54%。

年內，本集團五大供應商佔本集團採購額約70%，本集團最大供應商佔購買總額約18%。

董事、彼等之聯繫人或本公司任何股東（據董事所知，擁有超過5%本公司已發行股本者）概無於本集團五大客戶及供應商中擁有權益。

附屬公司之控股股東於本集團之實益權益詳情於下文「關連交易」一節進一步闡釋。

CONNECTED TRANSACTIONS

During the period ended 1 January 2019 to 30 September 2019, the Group had the following continuing connected transactions.

Continuing Connected Transactions – Upstream Natural Gas Sales Agreement

As 宜昌中石油昆侖天然氣有限公司 (Yichang PetroChina Kunlun Natural Gas Co., Ltd*) (“Yichang Kunlun”) is owned as to 49% by 湖北標典天然氣有限公司 (Hubei Biaodian Natural Gas Co., Ltd*) (“Hubei Biaodian”) and Hubei Biaodian is a substantial shareholder (within the meaning of GEM Listing Rules) of 宜昌市標典天然氣利用有限公司 (Yichang Biaodian Natural Gas Utilization Co., Ltd.*) (“Yichang Biaodian”) holding 20.92% equity interest in Yichang Biaodian, whereas Mr. Xiong, is the ultimate controlling shareholder of Hubei Biaodian and a director of Yichang Biaodian, each of Yichang Kunlun and Hubei Biaodian, is a connected person of the Company and the transactions (the “Continuing Connected Transactions”) contemplated under the Upstream Natural Gas Sales Agreement constitute continuing connected transactions for the Company under GEM Listing Rules.

The omission by the Company to comply with the GEM Listing Rules requirements to make timely disclosure for the Continuing Connected Transactions was due to inadvertent mistake and the delay on the part of Yichang Kunlun in entering into the Upstream Natural Gas Sales Agreement and the Supplemental Upstream Natural Gas Sales Agreement as there has been a change in the management of Yichang Kunlun. The Company wishes to apologise in this regard and an announcement will be published to provide details of the Continuing Connected Transactions as soon as possible.

* The English translation of Chinese names of the entities are included for information purpose only, and should not be regarded as the official translation of such Chinese names.

關連交易

自二零一九年一月一日至二零一九年九月三十日期間，本集團訂有以下持續關連交易。

持續關連交易 – 上游天然氣銷售協議

由於宜昌中石油昆侖天然氣有限公司（「宜昌昆侖」）由湖北標典天然氣有限公司（「湖北標典」）擁有49%權益及湖北標典為持有宜昌市標典天然氣利用有限公司（「宜昌標典」）20.92%股權之宜昌標典主要股東（定義見GEM上市規則），而熊先生為湖北標典之最終控股股東及宜昌標典之董事，故宜昌昆侖及湖北標典各自為本公司之關連人士，故根據GEM上市規則，上游天然氣銷售協議項下擬進行之交易（「持續關連交易」）構成本公司之持續關連交易。

本公司未有遵守GEM上市規則規定就持續關連交易作出及時作出披露乃因無心之失及宜昌昆侖之管理層變動令宜昌昆侖延遲訂立上游天然氣銷售協議及補充上游天然氣銷售協議所致。本公司對此表示歉意，將盡快發布公告以提供有關持續關連交易的詳細信息。

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from 1 January 2019 to 30 September 2019.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issue shares as required under GEM Listing Rules.

PRE-EMPTIVE RIGHTS

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

COMPETING INTERESTS

During the period, none of the Directors, the controlling shareholders of the Company (as defined in GEM Listing Rules) or their respective associates had any business or interest which competed or might compete with the business of the Group nor had any other conflict of interest with the Group.

購買、出售或贖回本公司之上市證券

自二零一九年一月一日至二零一九年九月三十日期間，本公司或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。

足夠公眾持股量

根據本公司之公開資料及據董事所知，於本報告日期，股份之公眾持股量足夠符合GEM上市規則不少於本公司已發行股份25%之規定。

優先購股權

本公司之組織章程細則或開曼群島法律概無載有任何有關優先購股權之規定，規定本公司須按比例向現有股東提呈發售新股份。

競爭業務權益

期內，本公司各董事或控股股東（定義見GEM上市規則）或彼等各自之聯繫人士概無擁有任何與本集團業務構成競爭或可能構成競爭之業務或於其中擁有權益，亦概無與本集團發生任何其他利益衝突。

董事報告

Report of the Directors

MANAGEMENT CONTRACTS

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the period.

REMUNERATION POLICY

The remuneration of the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee.

The emoluments of the Directors were recommended by the Human Resources and Remuneration Committee of the Company after considering factors such as the Company's Directors' duties, responsibilities and the operating performance of the Group.

The Company has adopted the Scheme as an incentive to Directors and eligible employees. Details of the scheme are set out in note 44 to the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 54 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISIONS

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the reporting period. Appropriate insurance cover on Directors' and officers' liabilities has been provided by the Company to cover potential legal actions from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duties.

管理合約

期內，概無訂立或訂有任何涉及本集團整體或任何重要部分業務的管理及行政合約（僱傭合約除外）。

薪酬政策

本集團乃參考市場水平，並按照僱員個人之表現、資歷及經驗釐定僱員薪酬。

本公司人力資源及薪酬委員會於建議董事酬金時，考慮因素包括本公司董事之職責、責任及本集團之經營表現。

本公司已採納該計劃作為對董事及合資格僱員之獎勵。計劃詳情載於綜合財務報表附註44。

報告期後事項

報告期後之重大事項載於綜合財務報表附註54。

許可彌償條文

惠及董事的許可彌償條文目前已生效及於整個報告期有效。本公司已為董事及高級職員提供適當責任保險，以保障針對董事及高級職員提出之潛在法律行動，該等人士就各自的職務或執行其職責時因所作出、發生的作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，可獲確保就此免受任何損害。

董事報告

Report of the Directors

AUDITORS

Deloitte Touche Tohmatsu (“Deloitte”), who was the auditor of the Group from 2000 to 2017, has resigned as the auditor of the Group with effect from 30 January 2019. Deloitte, in their letter of resignation, confirmed that there were no matters in connection with their resignation that needed to be brought to the attention of holders of securities or creditors of the Company. The Board also confirmed that there was no disagreement or unresolved matter between the Company and Deloitte, and that they were not aware of any matters in relation to the resignation of Deloitte as auditor of the Group that needed to be brought to the attention of holders of securities of the Company.

The Company has appointed RSM Hong Kong as the auditors of the Company for the Year with effect from 30 January 2019. RSM Hong Kong will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting. A resolution to reappoint RSM Hong Kong and to authorise the Directors to fix its remuneration will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Cheung Tuen Ting
CHIEF EXECUTIVE OFFICER

16 December 2019

核數師

德勤•關黃陳方會計師行（「德勤」，為本集團自二零零零年至二零一七年之核數師）已辭任本集團核數師，自二零一九年一月三十日起生效。德勤於其辭任函中確認，概無有關其辭任之事宜須敦請本公司證券持有人或債權人垂注。董事會亦確認，本公司與德勤概無意見分歧或未決事宜，且彼等並不知悉有關德勤辭任本集團核數師之任何事宜須敦請本公司證券持有人垂注。

本公司已委任羅申美會計師事務所為本公司於本年度之核數師，自二零一九年一月三十日起生效。羅申美會計師事務所將於應屆股東週年大會上退任，並符合資格獲續聘。續聘羅申美會計師事務所及授權董事釐定其酬金之決議案將於應屆股東週年大會上提呈。

代表董事會

張端亭
行政總裁

二零一九年十二月十六日

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. It met all the code provisions of the Corporate Governance Code (“CG Code”) set out in Appendix 15 of GEM Listing Rules in the period from 1 January 2019 to 30 September 2019 except for the following deviation:

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company did not appoint a chairman from 19 April 2018. The Board will keep reviewing the current structure from time to time and appoint candidate with suitable knowledge, skill and experience as chairman of the Company, if identified.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealing set out in Rules 5.48 to 5.67 of GEM Listing Rules (the “Required Standard”) as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the Required Standard during the period from 1 January 2019 to 30 September 2019.

CONFIRMATION OF INDEPENDENCE

The Company confirms it has received from each of its independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 5.09 of GEM Listing Rules, and considers that the independent non-executive Directors to be independent.

企業管治常規

本公司致力維持高水平之企業管治常規。自二零一九年一月一日至二零一九年九月三十日期間，本公司遵守GEM上市規則附錄十五企業管治守則（「企業管治守則」）所載之所有守則條文，惟以下偏離者除外：

根據企業管治守則之守則條文第A.2.1條，主席及行政總裁之角色應予分開，不應由同一人士兼任。自二零一八年四月十九日起，本公司並無委任主席。董事會將不時繼續檢討目前架構，並於物色到具備合適知識、技能及經驗之人選時委任有關人選為本公司主席。

董事的證券交易

本公司已採納GEM上市規則第5.48至5.67條所載的交易必守標準（「必守標準」）作為董事進行證券交易之行為守則。經向全體董事作出特定查詢後，全體董事均已確認自二零一九年一月一日至二零一九年九月三十日期間已遵守必守標準。

確認獨立性

本公司確認已接獲各獨立非執行董事根據GEM上市規則第5.09條規定就其獨立性發出之年度確認函，並認為該等獨立非執行董事均屬獨立人士。

BOARD OF DIRECTORS

The Company is governed by a board of directors (the “Board”) which has the responsibility for leadership and control of the Company. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs. The Board set strategies and directions for the Group’s activities and lead the Group’s management team through the Directors with a view to developing its business and enhancing shareholder value.

During the period from 1 January 2019 to 30 September 2019, the Board’s composition and the individual attendance of each Director at the Board meetings, board committee meetings and shareholder meetings during the period from 1 January 2019 to 30 September 2019 are set out in the table below:

董事會

本公司受董事會（「董事會」）監管，彼等須負責領導及監察本公司。董事負責指示及監控本集團之事務，共同帶領本集團邁向成功。董事會製訂本集團業務之策略及方向，並透過董事領導本集團的管理層團隊，使業務得以發展及提升股東價值。

自二零一九年一月一日至二零一九年九月三十日期間，董事會組成及各位董事自二零一九年一月一日至二零一九年九月三十日期間出席董事會會議、董事委員會會議及股東大會的情況載於下表：

		Attendance/Number of Meetings held during the tenure of his/her office in the year 出席次數／年內在彼任內舉行會議次數				
		Board Meeting 董事會會議	Human Resources & Remuneration Committee 人力資源及薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會	Shareholder Meeting 股東大會
Executive Directors	執行董事					
Mr. Cheung Tuen Ting, Chief Executive Officer	張端亭先生， 行政總裁	4/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Wu Guoming	吳國明先生	4/5	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Li Wentao (appointed on 11 October 2019)	李文濤先生 (於二零一九年十月十一日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Duan Fanfan (appointed on 8 November 2019)	段凡帆先生 (於二零一九年十一月八日獲委任)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Long Wenming (resigned on 27 September 2019)	龍文明先生 (於二零一九年九月二十七日辭任)	1/5	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Chen Hualiang (retired on 21 June 2019)	陳華良先生 (於二零一九年六月二十一日退休)	4/4	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Han Leiping (resigned on 20 September 2019)	韓磊平先生 (於二零一九年九月二十日辭任)	5/5	N/A 不適用	N/A 不適用	N/A 不適用	0/1

BOARD OF DIRECTORS (Continued)

董事會 (續)

		Attendance/Number of Meetings held during the tenure of his/her office in the year 出席次數/年內在彼任內舉行會議次數				
		Human Resources & Remuneration Committee 人力資源及薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會	Shareholder Meeting 股東大會	
		Board Meeting 董事會會議				
Independent Non-Executive Directors	獨立非執行董事					
Mr. Leung Oh Man, Martin	梁傲文先生	3/5	N/A 不適用	N/A 不適用	4/4	
Mr. Sun Zhi Jun	孫志軍先生	5/5	N/A 不適用	N/A 不適用	3/4	
Ms. Huang Yu Jun	黃玉君女士	5/5	N/A 不適用	N/A 不適用	4/4	
Ms. Kwan Sin Yee (retired on 21 June 2019)	關倩兒女士 (於二零一九年六月二十一日退休)	0/4	N/A 不適用	N/A 不適用	0/3	

N/A: Not applicable

不適用：不適用

During the period from 1 January 2019 to 30 September 2019, the Board held five Board meetings to review, among other matters, the Group's financial and operating performance and discuss the business direction and strategy. Agenda and accompanying board papers were sent to all Directors in a timely manner.

自二零一九年一月一日至二零一九年九月三十日期間，董事會舉行五次董事會會議，以檢討（其中包括）本集團的財務及營運表現，並討論業務方針及策略。會議議程及相關董事會文件已及時發送至全體董事。

Directors who could not attend in person could participate the Board meetings and Shareholder meetings through other electronic means of communications.

無法親身出席董事會會議及股東大會的董事可以其他電子通訊方式參與。

The biographical information of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 19 to 22 in this annual report.

董事之履歷詳情載於本年報第19至22頁「董事及高級管理層的履歷」一節。

BOARD OF DIRECTORS *(Continued)*

The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development. During the period from 1 January 2019 to 30 September 2019 and up to the date of this report, Mr. Cheung Tuen Ting, Mr. Wu Guoming, Mr. Li Wentao, Mr. Duan Fanfan, Mr. Leung Oh Man, Martin, Mr. Sun Zhi Jun and Ms. Huang Yu Jun engaged in business activities in their respective fields as continuous professional development to develop and refresh their knowledge and skills so as to ensure that their contributions to the Board remain informed and relevant. Mr. Leung Oh Man, Martin has participated in continuous professional development programs required by The Hong Kong Institute of Certified Public Accountants. The Directors also participated in other trainings and professional developments such as attending seminars, studying reading materials relating to the Group or its industries and businesses; rules and regulations; business management; or the roles, functions and duties of a listed company director.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and for setting its agenda and taking into account any matters proposed by other directors for inclusion in the agenda. Through the Board, he is responsible for ensuring that good corporate governance practices and procedures are followed by the Group.

董事會 (續)

本公司致力就所有董事之持續專業發展安排合適的培訓並提供有關經費。自二零一九年一月一日至二零一九年九月三十日期間及截至本報告刊發日期，張端亭先生、吳國明先生、李文濤先生、段凡帆先生、梁傲文先生、孫志軍先生及黃玉君女士在彼等各自的商務活動範疇內參與持續專業發展，從而發展並更新其知識及技能，確保其能繼續具備所需資訊及適切地對董事會作出貢獻。梁傲文先生已按照香港會計師公會的要求參與持續專業發展。董事亦參與其他培訓及專業發展，例如出席研討會，閱覽資料文獻，內容包括有關本集團或其行業及業務；規則及條例；商業管理；或上市公司董事的角色、職能及責任等。

行政總裁

行政總裁須負責領導董事會，確保董事會能有效益地履行其各方面之職務，並須負責釐定議程，以及考慮將其他董事所提出之事宜載入議程內。透過董事會，彼負責確保本集團有遵守良好企業管治常規及程序。

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee (the “Remuneration Committee”) did not held meetings during the period from 1 January 2019 to 30 September 2019. The Remuneration Committee held one meeting at October 2019. The Remuneration Committee has reviewed and approved the Group’s remuneration policy, including that for the executive Directors, and the levels of remuneration paid to executive directors and senior management of the Group. The terms of reference of the Remuneration Committee follow the guidelines set out in the Code and it is responsible for, among other things, making recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The remuneration paid and payable to the Directors for the period from 1 January 2019 to 30 September 2019 is set out in note 16 to the consolidated financial statements.

The remuneration paid and payable to the senior management excluding directors by band for the period from 1 January 2019 to 30 September 2019 is set out below:

Remuneration of band	薪酬範圍	Number of individuals 人數
HK\$0 – HK\$500,000	零港元至500,000港元	1

BOARD DIVERSITY

The Board has adopted a policy concerning diversity of Board members (the “Board Diversity Policy”) which is summarized as follows:

The Company is committed to maintaining a highly effective Board which should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of its business. When deciding on the appointment of directors, it is the policy of the Company to consider a number of factors, including but not limited to, gender, age, cultural and educational background, professional experience, and other qualifications, skills and experience which the Company considers that it will make a positive contribution to the performance of the Board.

人力資源及薪酬委員會

自二零一九年一月一日至二零一九年九月三十日期間，人力資源及薪酬委員會（「薪酬委員會」）並無舉行會議。薪酬委員會於二零一九年十月舉行一次會議。薪酬委員會審閱及批准本集團（包括執行董事）之薪酬政策，及本集團執行董事及高級管理層之薪酬水平。本公司根據守則所載之指引制訂薪酬委員會之職權範圍，其職能之一為向董事會建議個別執行董事及高級管理層的薪酬待遇。自二零一九年一月一日至二零一九年九月三十日期間，已付及應付董事之酬金載列於綜合財務報表附註16。

自二零一九年一月一日至二零一九年九月三十日期間，已付及應付高級管理層（不包括董事）的薪酬（按範圍劃分）如下：

董事會成員多元化

董事會已採納一項有關董事會成員多元化之政策（「董事會成員多元化政策」），該政策撮要如下：

本公司致力令董事會保持優秀效益，務求平衡董事會所具備之技巧、經驗及多樣的觀點與角度，配合集團業務所需。當決定委任董事時，本公司之政策將考慮多項因素，包括（但不限於）性別、年齡、文化及教育背景、專業經驗及其他本公司認為對董事會表現帶來正面貢獻之資歷、技能及經驗。

BOARD DIVERSITY *(Continued)*

The Nomination Committee of the Company (the “Nomination Committee”) monitors the implementation of the Board Diversity Policy and reviews it from time to time and shall bring to the attention of the Board any significant issues or recommendations as and when necessary and appropriate. Any reviews, updates and amendments to the Board Diversity Policy shall be approved by the Board.

NOMINATION COMMITTEE

The terms of reference of the Nomination Committee have been determined with reference to the Code.

The Nomination Committee is responsible for identifying potential new directors and making recommendations to the Board for decision. A director appointed by the Board is subject to re-election by shareholders at the first annual general meeting after his/her appointment. All Directors are subject to retirement by rotation at least once every 3 years. In accordance with the Company’s Articles of Association, one third of the directors are subject to retirement by rotation and re-election by shareholders at each annual general meeting of the Company.

Potential new Directors are selected with reference to the Board Diversity Policy whenever necessary and appropriate.

The Nomination Committee did not held meetings during the period from 1 January 2019 to 30 September 2019.

The Nomination Committee held one meeting at October 2019 and work performed included reviewing the structure, size and composition of the Board, the independence of the independent non-executive Directors and the nomination of new Directors.

董事會成員多元化 (續)

本公司之提名委員會(「提名委員會」)監察董事會成員多元化政策之執行，並不時作出檢討，在需要及適當時向董事會提出任何重要事宜或建議。董事會成員多元化政策有任何檢討、更新及修訂須經董事會通過。

提名委員會

本公司已參考守則釐訂提名委員會之職權範圍。

提名委員會負責物色有潛質成為新任董事之人士，並就董事會作出決定提供推薦建議。由董事會委任之董事須於其獲委任後之首個股東週年大會上經股東重選。所有董事須最少每三年輪值退任一次。根據本公司之組織章程細則，本公司每屆股東週年大會上須有三分之一董事輪值退任及經股東重選。

提名委員會於必要及適當時參考董事會成員多元化政策挑選有潛質成為新任董事之人士。

自二零一九年一月一日至二零一九年九月三十日期間，提名委員會並無舉行會議。

提名委員會於二零一九年十月舉行一次會議。其工作包括審閱董事會之架構、人數及組成、獨立非執行董事之獨立性及新董事之提名。

CORPORATE GOVERNANCE FUNCTIONS

The Board has adopted the terms of reference for corporate governance functions set out in the Code and has delegated the Group's corporate governance functions to the Audit Committee of the Company (the "Audit Committee").

AUDIT COMMITTEE

The terms of reference of the Audit Committee, with the inclusion of the corporate governance functions, follow the guidelines set out in the Code. The Audit Committee is responsible for, among other things, having relationship with the Company's auditors, reviewing the Group's financial information and its financial reporting, financial reporting system, risk management and internal control systems and corporate governance, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function. The Audit Committee reports to the Board any significant issues relating to its terms of reference.

During the period from 1 January 2019 to 30 September 2019, the Audit Committee held four meetings and work performed included reviewing the Group's quarterly, half-yearly and annual results, its risk management and internal control systems, and corporate governance matters for inclusion in the Company's Annual Report.

AUDITORS' REMUNERATION

The remuneration paid to RSM Hong Kong for audit and non-audit services for the period from 1 January 2019 to 30 September 2019 amounted to approximately HK\$1,100,000 and approximately HK\$417,000 respectively. The non-audit services provided by RSM Hong Kong to the Group were in relation to the review service on taxation, quarter results, and limited assurance services on continuing connected transaction.

The remuneration paid to RSM Hong Kong for audit for the year ended 31 December 2018 amounted to approximately HK\$1,080,000.

企業管治職能

董事會已採納守則所載有關企業管治職能之職權範圍，並已將本集團之企業管治職能指派予本公司審核委員會（「審核委員會」）。

審核委員會

審核委員會之職權範圍（包括其企業管治職能）按照守則所載之指引制訂。審核委員會職能包括與本公司核數師建立關係、審閱本集團之財務資料及其財務申報、財務申報制度、風險管理及內部監控制度以及企業管治，其中包括本集團在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工培訓課程及有關預算是否足夠。審核委員會向董事會匯報任何跟其職權範圍相關之重要事宜。

自二零一九年一月一日至二零一九年九月三十日期間，審核委員會共舉行四次會議，工作包括審閱本集團之季度、半年度及全年業績，風險管理及內部監控系統，及刊登於本公司年報內之企業管治事宜。

核數師酬金

自二零一九年一月一日至二零一九年九月三十日期間，就審核及非審核服務已付羅申美會計師事務所之酬金分別約為1,100,000港元及約為417,000港元。羅申美會計師事務所提供予本集團的非審核服務涉及稅務、季度業績的審閱服務及持續關連交易的有限核證服務。

截至二零一八年十二月三十一日止年度就審核及非審核服務支付予羅申美會計師事務所的酬金約為1,080,000港元。

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the accounts of the Company. As at 30 September 2019, the Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements of the Company on a going-concern basis.

The responsibilities of the external auditors about their financial reporting are set out in the Independent Auditor's Report attached to the Company's consolidated financial statements for the period from 1 January 2019 to 30 September 2019.

The Board has, through the Audit Committee, conducted a review of the effectiveness of the Group's risk management and internal control system with an aim to safeguard the shareholders' investment and the Company's assets in compliance with the provisions of the Code. The purpose is to provide reasonable, but not absolute, assurance against material misstatements, errors, losses or fraud, and to manage rather than eliminate risks of failure in achieving the Group's business objectives.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining sound and effective risk management and internal control systems to safeguard the interests of shareholders and the Group's assets. The Board also acknowledges its responsibility for overseeing the Group's risk management, financing reporting, and internal control systems on an ongoing basis and reviewing their effectiveness at least annually through the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal controls, and the resourcing of the finance and internal audit functions.

問責及核數

董事明白彼等有編製本公司賬目的責任。於二零一九年九月三十日，董事並不知悉任何可能會嚴重影響本公司持續經營能力的重大不明朗事件或情況。因此，董事已按持續經營基準編製本公司之綜合財務報告。

外聘核數師對財務申報之責任載列於本公司自二零一九年一月一日至二零一九年九月三十日期間之綜合財務報表內之獨立核數師報告。

董事會已按照守則條文，透過審核委員會對本集團風險管理及內部監控系統之效益進行檢討，以保障股東之投資及本公司之資產。目的在於合理（而非絕對地）保證並無重大失實陳述、錯誤、損失或欺詐，以及管理而非抵銷未能達致本集團業務目標之風險。

風險管理及內部監控

董事會確認須負責評估及釐定董事會為達成本集團策略目標所願承擔的風險性質及程度，及維持完備及有效的風險管理及內部監控系統，以保障股東利益及本集團資產。董事會亦確認須按持續基準負責監督本集團風險管理、財務申報及內部監控系統，並透過審核委員會至少每年檢討其成效。審核委員會協助董事會履行其監察及企業管治職責，涵蓋本集團的財務、營運、合規、風險管理及內部監控以及財務資源及內部審核職能。

RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

To this end, appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. Besides, management continues to allocate resources for the risk management and internal control systems to provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives.

The Board, through the Audit Committee, has delegated the internal audit function to an independent external assurance provider, who has conducted a review on the adequacy and effectiveness of the Group's risk management and internal control systems for the period from 1 January 2019 to 30 September 2019. The Board considers that the Group's risk management and internal control systems are effective and adequate.

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

The Board reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes, on the Group's accounting, financial reporting and internal audit functions.

The Board, through delegation of its authority to an environmental, social and governance ("ESG") working group, is also responsible for reviewing the Company's corporate social responsibility strategies, principles and policies; setting guidelines, direction and overseeing practices and procedures; and monitoring progress on the Company's corporate social responsibility and related activities.

風險管理及內部監控 (續)

為此，適當的政策及監控經已訂立及制定，以確保保障資產不會在未經許可下使用或處置，依從及遵守相關規則及規例，根據相關會計標準及監管申報規定保存可靠的財務及會計記錄，以及適當地識別及管理可能影響本集團表現的主要風險。此外，管理層持續就風險管理及內部監控系統配置資源，而其僅合理而非絕對保證可防範重大失實陳述或損失，因為其目的均旨在管理，而非消除未能達成業務目標的風險。

董事會透過審核委員會已將內部審核職能授權予一間獨立外聘核證機構，其對本集團於自二零一九年一月一日至二零一九年九月三十日期間的風險管理及內部監控系統的充足程度及成效進行檢討。董事會認為本集團的風險管理及內部監控系統行之有效及充足。

董事會透過審核委員會領導及指導管理層，其工作包括制定策略及監督管理層執行情況、監控本集團營運及財務表現，以及確保設有完備的風險管理及內部監控系統。

董事會已審閱及信納有關本集團的會計、財務申報及內部審核職能方面的資源、員工資質及經驗以及培訓課程為足夠。

董事會透過授權環境、社會及管治（「環境、社會及管治」）工作組亦負責審閱本公司企業社會責任策略、原則及政策，設定指引及方向，監督實踐及程序以及監控本公司企業社會責任及有關活動的進度。

RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

The following highlights the key risk management measures under the Group's "Three Lines of Defence" model and enhancements made by the Group for the period.

1st line of defence – Risk management

- Management conducted an annual Internal Control Self-Assessment for the period. Management confirmed that appropriate internal control policies and procedures have been established and complied with.
- Various policies, procedures and guidelines are in place with defined authority for effective segregation of duties, controls and risk management, and they are subject to regular review.
- The Group's anti-bribery and anti-corruption guidelines are in place to set out minimum standards in recognizing circumstances which may lead to or give the appearance of involving corruption or unethical business conduct, to help avoid conduct which is clearly prohibited, and to encourage everyone in the Group to seek appropriate guidance promptly when needed.
- The Group's whistleblowing policy is in place to facilitate internal reporting of any malpractice and unethical conduct within the Group without fear of reprisal and victimization.

2nd line of defence – Risk oversight

- The Group's Enterprise Risk Management ("ERM") Policy is developed to outline the principles, governance, roles and responsibilities, and approach within a coherent risk management framework that addresses and prioritizes risks that are material and relevant to the Group's corporate goals.

風險管理及內部監控 (續)

期內，本集團「三道防線」模式下所採納的主要風險管理措施及本集團作出的增強舉措概述如下。

第一道防線－風險管理

- 期內，管理層進行年度內部監控自我評核。管理層確認已設有並遵守適當的內部監控政策及程序。
- 實施及定期檢討多項列明權責的政策、程序和指引，以有效劃分職責、監控及風險管理。
- 本集團實施防止賄賂及防止貪污政策，列出相關最低標準以助識別可能導致又或被認為涉及貪污或不道德業務操守的情況，以助杜絕明文禁止的行為，及鼓勵本集團員工適時尋求恰當的指引。
- 本集團實施舉報政策，使僱員可毋須畏懼遭報復及迫害而敢於內部舉報本集團任何失當行為或不道德的業務操守。

第二道防線－風險監察

- 本集團企業風險管理（「企業風險管理」）政策經已制訂，列出在一個具一致性的風險管理框架下原則、管治、角色與職責以及方針。該框架用以處理與本集團企業目標相關的重大風險，並為有關風險重要性排序。

RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

2nd line of defence – Risk oversight *(Continued)*

- The Group's ERM Framework aims to help management assess and manage risks arising from and associated with new business activities and environments, including emerging risks. An integrated risk assessment approach was adopted to address risks across various subsidiaries of the Group, to assess those risks on an integrated group-wide basis.

3rd line of defence – Independent assurance

- The external assurance provider takes up the internal audit function, who is responsible for conducting independent reviews of the adequacy and effectiveness of the Group's internal control systems and reporting the review results regularly to the Board through the Audit Committee.

For internal audit, a risk-based approach is adopted. The three years' work plan of external assurance provider for internal audit, is subject to review annually, covers major activities and processes of the Group's operations, businesses and service units. The results of these audit activities are communicated to the Audit Committee and key members of senior management of the Group. Audit issues are tracked, followed up for proper implementation, and their progress are reported to the Audit Committee and senior management of the Group (as the case may be) periodically. The external assurance provider for internal audit provides independent assurance to the Board, the Audit Committee and the senior management of the Group on the adequacy and effectiveness of internal controls for the Group.

風險管理及內部監控 (續)

第二道防線－風險監察 (續)

- 本集團企業風險管理框架旨在協助管理層評估及管理新業務及環境所產生和相關的風險(包括新興風險)。採用綜合風險評估方式處理本集團各附屬公司的風險，及從整體集團層面評估該等風險。

第三道防線－獨立檢證

- 外聘核證機構負責內部審核職責，負責對本集團內部監控系統的充足程度及成效進行獨立檢討，並透過審核委員會定期向董事會報告檢討結果。

就內部審核而言，本集團採納以風險為本的審核方法。外聘核證機構就內部審核的三年工作計劃(須每年檢討)涵蓋本集團經營、業務及服務單位的主要活動及流程。該等審核工作結果將與本集團審核委員會及高級管理層主要成員進行溝通。審核委員會會追蹤審核事務，並於其後跟進，力求妥善實行，而外聘核證機構定期向本集團審核委員會及高級管理層(視情況而定)匯報其進展。外聘核證機構就內部審核向本集團董事會、審核委員會及高級管理層提供有關本集團內部監控的充足程度及成效的獨立核證。

RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

The Group's ERM Policy is established by the Board as an effective and adequate approach to be applied across the Group to manage the risks associated with its business and operations. This policy is designed to enhance enterprise risk management of the Group through a holistic and integrated framework so that all material risks faced by the Group are identified and appropriately managed to:

- (i) promote consistent risk identification, measurement, reporting and mitigation;
- (ii) set a common risk language to avoid any conflicting terminology or confusion in risk reporting;
- (iii) develop and communicate policies on enterprise risk management and controls aligned with the business strategy; and
- (iv) enhance reporting to provide transparency of risks across the Group.

The Company has adopted policies and procedures for assessing and, where prudent, improving the effectiveness of its risk management and internal control systems, including requiring the management of the Group at least annually to assess whether the risk management and internal control systems are functioning effectively in the belief that this will enhance the corporate governance of the Company and its business practices in the future.

The Company regulates the handling and dissemination of inside information as set out in the Code of Conduct to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

風險管理及內部監控 (續)

本集團企業風險管理政策由董事會設立並視之為一項有效的方式，為於本集團內充分地管理與其業務及營運相關的風險。該政策旨在透過一個全面及綜合的框架從而加強本集團企業風險管理，使本集團可識別及妥善管理其面對的所有重大風險，以達致以下目的：

- (i) 推行一致的風險識別、計量、報告及紓減措施；
- (ii) 建立共通的風險語言，避免風險匯報時於用語上構成任何矛盾或混淆；
- (iii) 制定及傳達符合業務策略的企業風險管理及監控政策；及
- (iv) 加強匯報以提高本集團所面對風險的透明度。

本公司已採納多項政策及程序，以評估及審慎地提高風險管理及內部監控系統的成效，包括要求本集團管理層須至少每年評估風險管理及內部監控系統是否為有效運作。本公司相信，這將有助提升本公司日後的企業管治及業務經營水平。

本公司對操守守則所載的內幕消息的處理和發佈進行規範，以確保內幕消息在獲適當批准披露前一直保密，並確保有效及一致地發佈有關消息。

COMPANY SECRETARY

The current company secretary is Mr. Lau Tat Man who replaced Mr. Chan Hank, Daniel on 10 July 2019. They undertook totally not less than 15 hours of relevant professional training during the period from 1 January 2019 to 30 September 2019.

COMPLIANCE OFFICER

Mr. Cheung Tuen Ting is the compliance officer of the Company. His biographical details are set out in Biographical Details of Directors and Senior Management on page 19 of this report.

DIVIDEND POLICY

The Company seeks to maintain a balance between meeting the shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company's dividend policy aims to allow shareholders to participate in the Company's profit and for the Company to retain adequate reserves for future growth. In proposing any dividend payout, the Company would consider various factors including the Company and the Group's actual and expected financial performance, the Group's current and future operations, the level of the Group's debts to equity ratio, liquidity position and capital requirement of the Group, general market conditions and any other factors that the Board deems appropriate.

公司秘書

自二零一九年七月十日起，劉達民先生取代陳恒先生成為目前本公司的公司秘書。彼等自二零一九年一月一日至二零一九年九月三十日期間已接受合共不少於15小時的相關專業培訓。

規章主任

張端亭先生為本公司之規章主任。其履歷詳情載於本報告第19頁之董事及高級管理層的履歷詳情一節。

股息政策

本公司尋求於達致股東預期以及具可持續股息政策之審慎資本管理之間維持平衡。本公司之股息政策旨在令股東參與本公司之溢利，並令本公司保留充足儲備以供未來增長之用。於建議派付任何股息時，本公司將考慮多項因素，包括本公司及本集團之實際及預期財務表現、本集團之目前及未來營運、本集團之債務權益比率水平、本集團之流動資金狀況及資本需要、整體市況以及董事會視為適當之任何其他因素。

COMMUNICATIONS WITH SHAREHOLDERS

The Company maintains an on-going dialogue with its shareholders through various channels including announcements and annual, interim and quarterly reports published on its website at www.globalstrategicgroup.com.hk and the Company's general meetings. All shareholders are encouraged to attend general meetings and they may put to the Board any enquiries about the Group through its website at www.globalstrategicgroup.com.hk or in writing sent to the principal office of the Company at 15/F., 80 Gloucester Road, Wan Chai, Hong Kong. The Directors, company secretary or other appropriate members of senior management respond to enquiries from shareholders promptly. The Chairman, the Chief Executive Officer, chairmen of board committees (or their respective delegates) and external auditors attend the annual general meeting and are available to answer questions raised by shareholders. Shareholders may also access the Company's corporate website for the Group's information.

Pursuant to Article 58 of the Company's Articles of Association, shareholders 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 company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business (including any proposals) specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in the same manner.

股東通訊

本公司與其股東一直透過不同渠道保持溝通，包括於公司網頁 www.globalstrategicgroup.com.hk 刊登公佈及全年、中期及季度報告以及舉行本公司股東大會。本公司鼓勵所有股東出席股東大會，股東可透過公司網頁 www.globalstrategicgroup.com.hk，或以書面形式送交本公司香港主要辦事處香港灣仔告士打道80號15樓，向董事會提問有關本集團之事宜。董事、公司秘書或其他合適高級管理層成員將儘快回應股東提問。主席、行政總裁、董事會轄下委員會之主席（或其代表）及外聘核數師均出席股東週年大會，並回答股東提問。股東亦可登入本公司網頁查閱本集團的資料。

根據本公司組織章程細則第58條，任何於呈遞要求日期持有不少於本公司實繳股本（附有於本公司股東大會投票權利）十分之一的股東，於任何時候均有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項（包括任何建議）；該大會應於呈遞該要求後兩個月內舉行。倘呈遞後二十一日內董事會未開始召集該大會，則呈遞要求人士可自行以同樣方式作出此舉。

CONSTITUTIONAL DOCUMENTS

The Board is not aware of any significant changes in the Company's constitutional documents during the period from 1 January 2019 to 30 September 2019. Memorandum and articles of association of the Company is available on both the website of the Stock Exchange and the Company.

DIRECTORS' RESPONSIBILITY IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group (the "Consolidated Financial Statements") which give a true and fair view and are in accordance with Hong Kong Financial Reporting Standards published by the Hong Kong Institute of Certified Public Accountants. The Directors endeavor to ensure a balanced, clear and understandable assessments of the Group's performance, position and prospects in financial reporting. Accordingly, appropriate accounting policies are selected and applied consistently; judgments and estimates made are prudent and reasonable.

The statement of the Company's auditors about their reporting responsibilities on the Consolidated Financial Statements is set out in the Independent Auditor's Report on page 54 to 62.

章程文件

自二零一九年一月一日至二零一九年九月三十日期間，董事會並不知悉本公司章程文件的任何重大變動。本公司的組織章程大綱及章程細則可於聯交所網站及本公司網站獲取。

董事編製綜合財務報表的責任

董事承認彼等須負責根據香港會計師公會頒佈之香港財務報告準則編製真實而公平之本集團綜合財務報表（「綜合財務報表」）。董事將盡力確保於財務申報中對本集團之表現、狀況及前景作出平衡、清晰及合理之評估。因此，選擇及貫徹使用合適之會計政策；所作出之判斷及估計當屬審慎及合理。

本公司核數師關於其對綜合綜合財務報表申報責任的聲明載於第54至第62頁獨立核數師報告。



TO THE SHAREHOLDERS OF GLOBAL STRATEGIC GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

致環球戰略集團有限公司列位股東
(於開曼群島註冊成立之有限公司)

OPINION

意見

We have audited the consolidated financial statements of Global Strategic Group Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 63 to 232, which comprise the consolidated statement of financial position as at 30 September 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 1 January 2019 to 30 September 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師行已完成審核載於第63頁至第232頁環球戰略集團有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表。綜合財務報表包括於二零一九年九月三十日之綜合財務狀況表，自二零一九年一月一日至二零一九年九月三十日期間之綜合損益及其他全面收益表、綜合股本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。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2019, and of its consolidated financial performance and its consolidated cash flows for the period from 1 January 2019 to 30 September 2019 in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

本核數師行認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一九年九月三十日的綜合財務狀況以及其自二零一九年一月一日至二零一九年九月三十日期間的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

BASIS FOR OPINION

意見的基準

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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.

本核數師行已根據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。本核數師行在該等準則下的責任已於本報告「核數師就審計綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的「專業會計師道德守則」(「守則」)，本核數師行獨立於 貴集團，並已履行守則中的其他道德責任。本核數師行相信，本核數師行所獲得的審計憑證能充足及適當地為本核數師行的審計意見提供基礎。

獨立核數師報告

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

Key Audit Matter

關鍵審計事項

1. Going concern assessment

持續經營評估

Refer to note 2 to the consolidated financial statements, the Group incurred a net loss of HK\$63,662,000 for the period from 1 January 2019 to 30 September 2019. And, as of the date, the Group had a net current liabilities of HK\$51,603,000. These conditions indicated that there is uncertainty about the Group's ability to continue as a going concern as the Group's cash flows from operations was not sufficient to cover its operating costs.

謹此提述綜合財務報表附註2，自二零一九年一月一日至二零一九年九月三十日期間，貴集團產生虧損淨額63,662,000港元。同時，於該日期，貴集團的流動負債為51,603,000港元。該等狀況顯示對貴集團的持續經營能力存在不確定性，原因為貴集團之經營現金流量不足以應付其經營成本。

關鍵審計事項

關鍵審計事項為根據本核數師行的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項於本核數師行審計整體綜合財務報表及出具意見時處理，而本核數師行不會對該等事項提供獨立的意見。所識別的關鍵審計事項如下：

How our audit addressed the Key Audit Matter

本核數師行的審計如何處理關鍵審計事項

Our procedures in relation to management assessment of going concern included:

本核數師行有關管理層持續經營評估的程序包括：

- Assessing the reasonableness of the key inputs and the assumptions adopted by management in the preparation of the cash flow forecasts based on the historical performance of the Group's operations and our knowledge of the business.
- 根據貴集團業務之過往表現及本核數師行對該業務之知識，評估管理層於編製現金流量預測時採納之主要輸入數據及假設之合理性。

獨立核數師報告

Independent Auditor's Report

Key Audit Matter

關鍵審計事項

1. Going concern assessment (Continued)

持續經營評估 (續)

Notwithstanding the above, the Group's management considered that it was appropriate to prepare the consolidated financial statements on a going concern basis. Management also considered that there was not a material uncertainty in relation to going concern based on their assessment of the Group's cash position and expected liquidity requirements for the foreseeable future.

儘管如上文所述，貴集團管理層認為，按持續經營基準編製綜合財務報表屬適當。管理層亦認為，根據其對貴集團現金狀況及可見未來之預期流動資金需要之評估，並不存在有關持續經營之重大不確定性。

How our audit addressed the Key Audit Matter

本核數師行的審計如何處理關鍵審計事項

- Discussing with management their plans for the development of the natural gas operation, leasing business and the commodity trading business, and their plans to control costs, and evaluated the reasonableness of the cash flow forecasts based on those plans.
- 與管理層討論其有關發展天然氣業務、租賃業務及商品貿易業務之計劃及其控制成本之計劃，並根據該等計劃評估現金流量預測之合理性。
- Considering the impact of reasonably possible downside changes in the assumptions underlying the cash flow forecasts and assessed the possible mitigating actions identified by management.
- 考慮現金流量預測之相關假設之合理可能不利變動，並評估管理層識別之可能緩解行動。
- Assessing the validity of financial support from a major shareholder of the Company with reference to the fair value of assets held by the shareholder.
- 根據本公司一名主要股東所持資產之公平值評估其所提供的財務支持的效力。

Key Audit Matter

關鍵審計事項

2. Impairment assessment of goodwill, intangible assets, property, plant and equipment and right-of-use assets

商譽、無形資產、物業、廠房及設備以及使用權資產減值評估

We identified the impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets arising from Yichang Biaodian Natural Gas Utilisation Co., Ltd ("Yichang Biaodian") as a key audit matter due to the fact that Yichang Biaodian incurred net loss of HK\$15,602,000, before impairment, in the current period.

本核數師行將宜昌市標典天然氣利用有限公司（「宜昌標典」）產生的商譽、無形資產、物業、廠房及設備以及使用權資產確定為關鍵審計事項，此乃由於宜昌標典在減值前於本期間產生虧損淨額15,602,000港元。

How our audit addressed the Key Audit Matter

本核數師行的審計如何處理關鍵審計事項

Our procedures in relation to impairment assessment included:

本核數師行有關減值評估的程序包括：

- Assessing the competence, capabilities and objectivity of the management's independent valuer, and verifying the qualifications of the valuer; discussing the scope of its work with the management and reviewing its terms of engagement to determine that there were no matters that affected its objectivity or imposed scope limitations upon it;
- 評估管理層獨立估值師的勝任能力、專業能力及客觀性，並核驗估值師的資格；與管理層討論其工作範圍及審閱其委聘條款，以釐定並無事項影響其客觀性或對其施加範圍限制；
- Confirming that the approaches it used are in compliance with the requirement under Hong Kong Accounting Standard 36 "Impairment of Assets";
- 確認其所採用的方法符合香港會計準則第36號「資產減值」的要求；
- Analysing the underlying cash flows used in the models to determine whether they are reasonable and supportable;
- 分析於有關模型中使用的相關現金流量，以釐定彼等是否合理及言之有據；

Key Audit Matter

關鍵審計事項

2. Impairment assessment of goodwill, intangible assets, property, plant and equipment and right-of-use assets

(Continued)

商譽、無形資產、物業、廠房及設備以及使用權資產減值評估 (續)

As stated in note 24(a), the Group engaged an independent professional valuer to assist in an impairment assessment by estimating the recoverable amount of the cash-generating unit with reference to value in use calculation, which required significant judgement on assumptions and inputs adopted in the underlying cash flows and in selecting an appropriate discount rate.

如附註24(a)所述，貴集團聘用獨立專業估值師，透過參考使用價值計算後估計現金產生單位的可收回金額（這需要對於相關現金流量中及於選擇合適貼現率時採用的假設及輸入數據作出重大判斷），協助進行減值評估。

Based on the assessment, impairment loss of HK\$36,738,000, in aggregate, were recognised on the goodwill and intangible assets, property, plant and equipment and right-of-use assets of Yichang Biaodian as at 30 September 2019.

基於評估，於二零一九年九月三十日，就宜昌標典之商譽及無形資產、物業、廠房及設備以及使用權資產確認減值虧損合共36,738,000港元。

How our audit addressed the Key Audit Matter

本核數師行的審計如何處理關鍵審計事項

- Understanding the projected cash flows, including the assumptions relating to revenue growth rates and comparing operating margins against historical performance;
- 了解預測現金流量（包括有關收益增長率的假設）及比較經營利潤率與過往表現；
- Involving our internal valuation experts to evaluate the methodology of the valuation, inputs used for the cash flow forecast and factors considered in the discount rates and assess these rates; and
- 委託本核數師行的內部估值專家參與評估估值方法、現金流量預測所用輸入數據以及於貼現率中考慮的因素，並評估該等比率；及
- Assessing the adequacy of the disclosures in relation to the impairment assessment.
- 評估與減值評估有關的披露的充分性。

獨立核數師報告

Independent Auditor's Report

OTHER INFORMATION

The directors are responsible for the Other Information. The Other Information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

其他資料

董事須對其他資料負責。其他資料包括年報內所載的所有資料，惟綜合財務報表及本核數師行載於其中的核數師報告除外。

本核數師行對綜合財務報表的意見並不涵蓋其他資料，本核數師行亦不對該等其他資料發表任何形式的保證結論。

就本核數師行對綜合財務報表的審計，本核數師行的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本核數師行在審計過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於本核數師行已執行的工作，倘本核數師行認為其他資料存在重大錯誤陳述，本核數師行需要報告該事實。本核數師行就此並無任何事項須報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

在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。

審核委員會協助董事履行監督 貴集團的財務報告過程的職責。

獨立核數師報告

Independent Auditor's Report

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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, we exercise professional judgement 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.

核數師就審計綜合財務報表須承擔的責任

本核數師行的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本核數師行意見的核數師報告。本核數師行僅向閣下（作為整體）報告，除此之外本報告別無其他目的。本核數師行概不就本報告的內容對任何其他人士負責或承擔責任。

合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。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綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，本核數師行運用專業判斷，保持專業懷疑態度。本核數師行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為本核數師行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部監控，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。

獨立核數師報告

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並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。倘本核數師行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，則修訂本核數師行的意見。本核數師行的結論乃基於直至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業務。
- 評估綜合財務報表的整體列報方式、結構及內容（包括披露）事項以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。本核數師行負責 貴集團審計的方向、監督及執行。本核數師行為審計意見承擔全部責任。

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

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

本核數師行與審核委員會溝通審計的計劃範圍及時間以及重大審計發現等，其中包括本核數師行在審計中識別出內部監控的任何重大不足之處。

本核數師行亦向審核委員會提交聲明，表明本核數師行已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響本核數師行獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

獨立核數師報告

Independent Auditor's Report

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Wo Cheung.

從與審核委員會溝通的事項中，本核數師行確定該等對本期綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。本核數師行在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於本核數師行之報告中註明某事項造成的負面後果超過產生的公眾利益，則本核數師行決定不應在報告中註明該事項。

出具本獨立核數師報告的審計項目合夥人為王和祥先生。

RSM Hong Kong

Certified Public Accountants

29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

16 December 2019

羅申美會計師事務所

執業會計師

香港
銅鑼灣
恩平道二十八號
利園二期二十九字樓

二零一九年十二月十六日

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

		Notes 附註	Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Continuing operations	持續經營業務			
Revenue	收益	8	330,995	108,716
Cost of sales	銷售成本		(318,585)	(102,668)
Gross profit	毛利		12,410	6,048
Other income	其他收入	9	6,581	2,241
Other losses	其他虧損	10	(211)	(148)
Gain/(loss) on fair value change on convertible bond designated at fair value through profit or loss ("FVTPL")	指定按公平值計入損益 (「按公平值計入損益」) 之可換股債券之公平值變動收益/(虧損)		3,940	(4,186)
Selling and distribution costs	銷售及分銷成本		(16,706)	(18,917)
General and administrative expenses	一般及行政支出		(25,905)	(44,225)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	21	(18,127)	–
Impairment loss on intangible assets	無形資產減值虧損	25	(15,057)	–
Allowance for trade receivables	應收貿易賬款撥備	6(b)(i)	(50)	–
Allowance for loan receivables	應收貸款撥備	6(b)(ii)	(7,138)	–
Allowance for bond receivables	應收債券撥備	6(b)(ii)	(177)	–
Finance costs	財務成本	12	(8,203)	(25,697)
Loss before tax	除稅前虧損		(68,643)	(84,884)
Income tax credit	所得稅抵免	13	4,981	1,973
Loss for the period/year from continuing operations	來自持續經營業務之期/年內虧損	14	(63,662)	(82,911)
Discontinued operations	已終止經營業務			
Loss for the period/year from discontinued operations	來自已終止經營業務之期/年內虧損	18	–	(5,520)
Loss for the period/year	期/年內虧損		(63,662)	(88,431)
Other comprehensive income	其他全面收益			
<i>Item that may be reclassified to profit or loss:</i>	<i>可能會重新分類至損益之項目:</i>			
Exchange differences arising on translation of financial statements to presentation currency	將財務報表換算為呈列貨幣產生之匯兌差異		(16,303)	(6,208)

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

		Notes 附註	Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Other comprehensive income for the period/year, net of tax	期／年內其他全面收益 (已扣稅)		(16,303)	(6,208)
Total comprehensive income for the period/year	期／年內度全面收益總額		(79,965)	(94,639)
Loss for the period/year attributable to:	以下人士應佔期／年內 虧損：			
Owners of the Company	本公司擁有人		(31,585)	(70,595)
Non-controlling interests	非控股權益		(32,077)	(17,836)
			(63,662)	(88,431)
Total comprehensive income for the period/year attributable to:	以下人士應佔期／年內 全面收益總額：			
Owners of the Company	本公司擁有人		(38,745)	(73,799)
Non-controlling interests	非控股權益		(41,220)	(20,840)
			(79,965)	(94,639)
Loss per share	每股虧損	20		
From continuing and discontinued operations	來自持續經營及 已終止經營業務			
Basic (HK cents per share)	基本 (每股港仙)		(2.42)	(5.89)
Diluted (HK cents per share)	攤薄 (每股港仙)		(2.54)	(5.89)
From continuing operations	來自持續經營業務			
Basic (HK cents per share)	基本 (每股港仙)		(2.42)	(5.43)
Diluted (HK cents per share)	攤薄 (每股港仙)		(2.54)	(5.43)

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一九年九月三十日 As at 30 September 2019

		Notes	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	21	242,422	277,688
Right-of-use assets	使用權資產	22	4,811	–
Prepaid land lease payments	預付土地租賃款項	23	–	1,606
Goodwill	商譽	24	–	4,323
Intangible assets	無形資產	25	178,685	204,658
Deposits for acquisition of subsidiaries	收購附屬公司按金	28	6,830	–
Deposit for acquisition of property, plant and equipment	收購物業、廠房及設備按金		3,764	–
Long term deposit	長期按金	28	–	37
			436,512	488,312
Current assets	流動資產			
Prepaid land lease payments	預付土地租賃款項	23	–	33
Inventories	存貨	27	370	492
Trade and other receivables	應收貿易及其他賬款	28	22,783	11,662
Loan receivables	應收貸款	29	12,799	29,504
Bond receivables	應收債券	30	9,710	13,125
Value-added tax (“VAT”) recoverable	可收回增值稅 (「增值稅」)		6,940	7,783
Current tax assets	流動稅項資產		161	165
Restricted bank deposits	受限制銀行存款	31(a)	–	544
Bank and cash balances	銀行及現金結餘	31(b)	3,325	2,297
			56,088	65,605
Assets classified as held for sale	分類為持作出售資產	32	2,721	–
			58,809	65,605

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一九年九月三十日 As at 30 September 2019

			At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他賬款	33	50,537	44,922
Contract liabilities	合約負債	34	2,396	2,852
Lease liabilities	租賃負債	35	2,705	-
Due to a related company	應付一間關聯公司款項	52(d)	554	-
Due to directors	應付董事款項	36	347	2,105
Non-convertible bonds	不可換股債券	37	31,885	9,747
Bank borrowings	銀行借貸	38	2,216	2,277
Convertible bond designated at FVTPL	指定按公平值計入 損益之可換股債券	40	19,771	-
Current tax liabilities	流動稅項負債		1	-
			110,412	61,903
Net current (liabilities)/assets	流動(負債)/資產淨額		(51,603)	3,702
Total assets less current liabilities	總資產減流動負債		384,909	492,014
Non-current liabilities	非流動負債			
Due to non-controlling shareholders of a subsidiary and its related parties	應付一間附屬公司之非控股股東及其關連方款項	39	43,589	39,650
Lease liabilities	租賃負債	35	540	-
Non-convertible bonds	不可換股債券	37	3,000	3,000
Bank borrowings	銀行借貸	38	15,513	17,081
Convertible bond designated at FVTPL	指定按公平值計入 損益之可換股債券	40	-	24,186
Deferred tax liabilities	遞延稅項負債	41	44,484	50,682
			107,126	134,599
			277,783	357,415

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一九年九月三十日 As at 30 September 2019

		Notes 附註	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	42	32,586	32,586
Reserves	儲備	43(a)	34,398	231,347
Equity attributable to owners of the Company	本公司擁有人應佔權益		66,984	263,933
Non-controlling interests ("NCI")	非控股權益 (「非控股權益」)		210,799	93,482
Total equity	權益總額		277,783	357,415

Approved by the Board of Directors on 16 December 2019 and are signed on its behalf by:

於二零一九年十二月十六日獲董事會批准並由下列董事代表簽署：

Cheung Tuen Ting
張端亭

Wu Guoming
吳國明

綜合股本權益變動表

Consolidated Statement of Changes in Equity

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Capital reserve	Share premium	Other reserve	Translation reserve	Share options reserve	Subsidiary shares to be issued	Accumulated losses	Total	NCI	Total equity
		(note 42)	(note 43(b)(i))	(note 43(b)(ii))	(note 43(b)(iv))	(note 43(b)(v))	(note 44)	(note 46)				
		股本	資本儲備	股份溢價	其他儲備	換算儲備	購股權儲備	附屬公司股份	累計虧損	總計	非控股權益	權益總額
		(附註42)	(附註43(b)(i))	(附註43(b)(ii))	(附註43(b)(iv))	(附註43(b)(v))	(附註44)	(附註46)				
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	28,275	7,540	223,502	32,102	(347)	2,446	-	(185,864)	107,664	113,453	221,107
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(3,204)	-	-	(70,595)	(73,799)	(20,840)	(94,639)
Forfeiture of share options granted (note 44)	沒收已授出購股權 (附註44)	-	-	-	-	-	(542)	-	542	-	-	-
Disposal of interest to NCI (note 47(d))	出售權益予非控股權益 (附註47(d))	-	-	-	-	-	-	-	35	35	(35)	-
Issuance of ordinary shares	發行普通股	4,276	-	62,937	-	-	-	-	-	67,213	-	67,213
Recognition of share-based payments (note 44)	確認以股份為基礎的付款 (附註44)	-	-	-	-	-	7,804	-	-	7,804	-	7,804
Exercise of share option	行使購股權	35	-	995	-	-	(251)	-	-	779	-	779
Advanced receipts for capital contributions (note 46)	預收注資 (附註46)	-	-	-	-	-	-	153,377	-	153,377	-	153,377
Deemed capital contribution arising from non-current interest-free loan from non-controlling shareholders of a subsidiary and its related parties (note 39)	一間附屬公司之非控股股東及其關連方提供非即期免息貸款產生之視作注資 (附註39)	-	-	-	870	-	-	-	-	870	904	1,774
At 31 December 2018	於二零一八年十二月三十一日	32,586	7,540	287,434	32,972	(3,551)	9,457	153,377	(255,882)	263,933	93,482	357,415
At 1 January 2019	於二零一九年一月一日	32,586	7,540	287,434	32,972	(3,551)	9,457	153,377	(255,882)	263,933	93,482	357,415
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	(7,160)	-	-	(31,585)	(38,745)	(41,220)	(79,965)
Subsidiary shares issued to NCI (note 46)	向非控股權益發行附屬公司股份 (附註46)	-	-	-	30,145	-	-	(153,377)	-	(123,232)	123,232	-
Deemed disposal of interest to NCI (note 47(d))	視作向非控股權益出售權益 (附註47(d))	-	-	-	(50,945)	1,179	-	-	14,711	(35,055)	35,055	-
Forfeiture of share options granted (note 44)	沒收已授出購股權 (附註44)	-	-	-	-	-	(3,491)	-	3,491	-	-	-
Deemed capital contribution arising from non-current interest-free loan from non-controlling shareholders of a subsidiary and its related parties (note 39)	一間附屬公司之非控股股東及其關連方提供非即期免息貸款產生之視作注資 (附註39)	-	-	-	83	-	-	-	-	83	250	333
At 30 September 2019	於二零一九年九月三十日	32,586	7,540	287,434	12,255	(9,532)	5,966	-	(269,265)	66,984	210,799	277,783

綜合現金流量表

Consolidated Statement of Cash Flows

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
	Notes 附註		
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務所得現金流量		
Loss before tax	除稅前虧損		
Continuing operations	持續經營業務	(68,643)	(84,884)
Discontinued operations	已終止經營業務	-	(5,520)
		(68,643)	(90,404)
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備之 折舊	13,530	13,490
Depreciation of right-of-use assets	使用權資產折舊	2,074	-
Amortisation of intangible assets	無形資產攤銷	5,711	8,492
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	-	39
Finance costs	財務成本	8,203	25,697
Interest income	利息收入	(2,295)	(1,067)
(Gain)/loss on fair value change on convertible bond designated at FVTPL	指定按公平值計入損益之 可換股債券之公平值 變動(收益)/虧損	(3,940)	4,186
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	-	424
Loss on de-registration of subsidiaries	附屬公司撤銷註冊之 虧損	94	48
Impairment loss on intangible assets	無形資產減值虧損	15,057	4,500
Impairment loss on goodwill	商譽減值虧損	4,207	8,005
Impairment loss on property, plant and equipment	物業、廠房及設備減值 虧損	18,127	-
Impairment loss on right-of-use assets	使用權資產減值虧損	117	-
Allowance for trade receivables	應收貿易賬款撥備	50	-
Allowance for loan receivables	應收貸款撥備	7,138	-
Allowance for bond receivables	應收債券撥備	177	-
Other receivables written off	其他應收款項撇銷	10	-
Share-based payment expense	以股份為基礎的付款開支	-	7,804

綜合現金流量表

Consolidated Statement of Cash Flows

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

	Notes 附註	Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	(383)	(18,786)
Increase in trade and other receivables	應收貿易及其他賬款增加	(11,238)	(7,169)
Decrease/(increase) in inventories	存貨減少/(增加)	122	(198)
Decrease/(increase) in restricted bank deposits	受限制銀行存款減少/(增加)	544	(544)
Increase/(decrease) in trade and other payables and contract liabilities	應付貿易及其他賬款及合約負債增加/(減少)	1,463	(8,081)
Increase in amount due to a related party	應付關聯方款項增加	554	-
Cash used in operations	經營所耗之現金	(8,938)	(34,778)
Income tax paid	已付所得稅	(18)	(37)
NET CASH USED IN OPERATING ACTIVITIES	經營業務所耗之現金淨額	(8,956)	(34,815)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Acquisition of property, plant and equipment	收購物業、廠房及設備	(6,182)	(9,932)
Proceeds from deposits for disposal of property, plant and equipment	出售物業、廠房及設備之存款所得款項	2,884	-
Interest received	已收利息	1,823	942
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	1,190
Increase in loan receivables	應收貸款增加	(15,580)	(29,439)
Receipt from repayment of loan receivables	收到應收貸款還款	24,850	-
Increase in bond receivables	應收債券增加	(3,000)	(13,000)
Receipt from repayment of bond receivables	收到應收債券還款	6,500	-
Deposits paid for acquisition of subsidiaries	收購附屬公司已付按金	(6,830)	-
Deposit paid for acquisition of property, plant and equipment	收購物業、廠房及設備已付按金	(3,764)	-
Cash inflow arising from acquisition of a subsidiary	收購一間附屬公司產生之現金流量	-	164
Decrease/(increase) in VAT recoverable	可收回增值稅減少/(增加)	843	(1,040)
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	投資活動所得/(所耗)現金淨額	1,544	(51,115)

綜合現金流量表

Consolidated Statement of Cash Flows

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
	Notes 附註		
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Proceeds from issue of new ordinary shares	發行新普通股所得款項	-	67,992
Repayment to a shareholder of the Company, net of	還款予本公司股東，淨額	-	(25,355)
Repayment to non-controlling shareholders of a subsidiary its related parties, net of	還款予一間附屬公司之非控股股東及其關連方，淨額	(1,598)	(156,742)
New bank borrowings raised (Decrease)/increase in amounts due to directors	已籌集新增銀行借貸 應付董事款項(減少)/增加	-	17,080
Repayment of lease liabilities	償還租賃負債	(2,161)	-
Proceeds from convertible bond designated at FVTPL	來自指定按公平值計入損益之可換股債券之所得款項	-	20,000
Proceeds from non-convertible bonds	來自不可換股債券之所得款項	20,748	12,500
Repayment of non-convertible bonds	償還不可換股債券	(296)	-
Repayments of bank borrowings	償還銀行借貸	(1,160)	(2,376)
Advance receipts from capital contribution	預收注資	-	153,377
Interest paid	已付利息	(1,404)	(7,724)
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得現金淨額	12,372	81,293
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等額增加/(減少)增加淨額	4,960	(4,637)
Effect of foreign exchange rate changes	外匯匯率變動之影響	(3,932)	(135)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	期/年初現金及現金等額	2,297	7,069
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	期/年末現金及現金等額	3,325	2,297

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

1. GENERAL INFORMATION

Global Strategic Group Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is 15/F., 80 Gloucester Road, Wanchai, Hong Kong. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 26 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 30 September 2019, Hong Kong Hao Yue International Trading Co., Limited, a company incorporated in Hong Kong, is the ultimate parent and Mr. Zhang Hai Ping is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

1. 一般資料

環球戰略集團有限公司(「本公司」)在開曼群島根據開曼群島經修訂公司法註冊成立為獲豁免有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands。主要營業地點之地址為香港灣仔告士打道80號15樓。本公司之股份在香港聯合交易所有限公司(「聯交所」)GEM上市。

本公司為一間投資控股公司，其附屬公司之主要業務載於綜合財務報表附註26。

本公司董事認為，於二零一九年九月三十日，於香港註冊成立之公司香港顛越國際貿易有限公司為最終母公司，而張海平先生為本公司的最終控股方。

2. 編製基準

該等綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」);香港會計準則(「香港會計準則」);及詮釋。該等綜合財務報表亦符合聯交所GEM證券上市規則之適用披露條文以及香港公司條例(香港法例第622章)之披露規定。本集團所採納之主要會計政策披露如下。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

2. BASIS OF PREPARATION (Continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The Directors have given careful consideration to the going concern of the Group in light of the fact that the Group incurred a net loss of HK\$63,662,000 for the period from 1 January 2019 to 30 September 2019, and, as of that date, the Group had net current liabilities of HK\$51,603,000. In addition, as at 30 September 2019, the Group had capital commitments and other commitments amounting to HK\$7,102,000 and HK\$973,000 as disclosed in note 50 and 51 respectively.

Mr. Wu Guoming (“Mr. Wu”), a substantial shareholder and a director of the Company as at 30 September 2019, has agreed to provide sufficient funds to the Group so that the Group will be able to meet all current obligations as they fall due in the coming twelve months after the period ended 30 September 2019.

In addition, approximately HK\$7,500,000 non-convertible bonds subsequently at the maturity have been renewed.

2. 編製基準 (續)

香港會計師公會已頒佈若干新訂及經修訂之香港財務報告準則，並於本集團之本會計期間首次生效或可供提早採用。附註3提供於本會計期間及以往會計期間因初始應用與本集團相關內容而產生會計政策變動的資料，有關變動資料反映於該等綜合財務報表。

鑑於本集團於自二零一九年一月一日至二零一九年九月三十日期間產生虧損淨額63,662,000港元，及截至該日期，本集團的流動負債淨額為51,603,000港元，董事已仔細考慮本集團的持續經營情況。此外，誠如附註50及51所披露，於二零一九年九月三十日，本集團的資本承擔及其他承擔分別為7,102,000港元及973,000港元。

本公司於二零一九年九月三十日之主要股東及董事吳國明先生（「吳先生」）已同意向本集團提供充足資金，以便本集團能夠償付截至二零一九年九月三十日止期間後未來十二個月的所有到期即期債務。

此外，其後到期約7,500,000港元的不可換股債券已續期。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

2. BASIS OF PREPARATION (Continued)

Taking into account the above factors, the Directors are of the opinion that, together with the internal financial resources of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next twelve months commencing from the date of the consolidated financial statements. Hence, the consolidated financial statements have been prepared on a going concern basis.

During the period, the Group changed its financial year end date from 31 December to 30 September in order to avoid competition of resources with other listed companies during the peak reporting season and remove uncertainty from the variation in the dates of the Chinese New Year Holiday which put pressure on the workflow. The Board considered that the change of financial year end date facilitated the preparation of the consolidated financial statements of the Group. The current period of consolidated financial statements covers a nine-month period from 1 January 2019 to 30 September 2019 and the comparative financial statements cover a twelve-month period from 1 January 2018 to 31 December 2018. The comparative amounts are therefore not entirely comparable.

2. 編製基準 (續)

經計及上述因素，董事認為，連同本集團的內部財務資源，本集團擁有充足營運資金可滿足自綜合財務報表日期起計至少未來十二個月的現時需求。因此，綜合財務報表已按持續經營基準編製。

於本期間，本集團將其財政年度結算日由十二月三十一日更改為九月三十日，以避免在申報高峰期與其他上市公司的資源競爭，以及排除中國農曆新年假期日期變動帶來的不確定因素，這為工作流程帶來壓力。董事會認為，更改財政年度結算日有助於本集團編製綜合財務報表。綜合財務報表的本期間涵蓋自二零一九年一月一日至二零一九年九月三十日九個月期間，而比較財務報表涵蓋二零一八年一月一日至二零一八年十二月三十一日十二個月期間。因此，比較數額並不完全可供比較。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The HKICPA has issued a new HKFRS and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following new or revised HKFRSs are relevant to the Group:

HKFRS 16	Leases
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle

Except for HKFRS 16, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, and the related interpretations, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC) 15 Operating Leases-Incentives and HK(SIC) 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. HKFRS 16 introduced a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less and leases of low-value assets.

3. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈於本集團本期間首次生效的一項新訂香港財務報告準則及若干經修訂香港財務報告準則。其中與本集團有關之新訂或經修訂香港財務報告準則如下：

香港財務報告準則 租賃第16號	香港（國際財務報告詮釋委員會）— 詮釋第23號	香港財務報告準則 具有負補償之提前還款特性	香港財務報告準則（修訂本）	香港財務報告準則（修訂本）
				二零一五年至二零一七年週期之年度改進

除香港財務報告準則第16號外，概無發展將對如何編製或呈列本集團的本期或過往期間的業績及財務狀況產生重大影響。本集團並無應用任何於本會計期間尚未生效的新訂準則或詮釋。

香港財務報告準則第16號租賃

香港財務報告準則第16號取代香港會計準則第17號租賃及相關詮釋、香港（國際財務報告詮釋委員會）— 詮釋第4號「釐定安排是否包括租賃」、香港（準則詮釋委員會）第15號「經營租賃— 優惠」及香港（準則詮釋委員會）第27號「評估涉及租賃法律形式交易之內容」。香港財務報告準則第16號引入單一的會計模式予承租人，要求承租人確認所有租賃的使用權資產及租賃負債，租期為12個月或以下的租賃及低價值資產的租賃除外。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

出租人在香港財務報告準則第16號項下的會計準則與在香港會計準則第17號項下的會計準則大致不變。出租人將繼續使用與香港會計準則第17號類似的原則，將租賃分類為經營或融資租賃。因此，倘本集團為出租人，香港財務報告準則第16號對租賃並無影響。出租人會計要求乃轉承自香港會計準則第17號，大致維持不變。

香港財務報告準則第16號亦引入額外的定性及定量披露規定，旨在令財務報表使用者得以評估租賃對實體財務狀況、財務業績及現金流量的影響。

本集團自二零一九年一月一日起初始應用香港財務報告準則第16號。本集團選用經修訂追溯法，因此確認初始應用的累計影響作為對二零一九年一月一日的期初權益結餘的調整。比較資料尚未重列及繼續根據香港會計準則第17號呈報。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) *New definition of a lease*

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

有關過往會計政策變動之性質及影響以及所採用的過渡性選擇之進一步詳情載列如下：

(a) *租賃之新定義*

租賃定義之變動主要涉及控制之概念。香港財務報告準則第16號根據客戶是否於一段時間內控制使用已識別資產而定義租賃，可透過確定使用量釐定。在客戶既有權指示使用已識別資產，亦有權從該用途獲得幾乎所有經濟利益的情況下，則控制權已轉移。

本集團僅將香港財務報告準則第16號的租賃新定義應用於二零一九年一月一日或之後訂立或變更之合約。本集團已就於二零一九年一月一日前訂立的合約使用過渡可行權宜方法豁免先前就現有安排屬於租賃或包含租賃所作之評估。因此，先前根據香港會計準則第17號評估為租賃之合約繼續作為香港財務報告準則第16號項下租賃入賬，而先前評估為非租賃服務安排之合約繼續入賬為執行合約。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 7.07%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 30 September 2019;

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

(b) 承租人會計處理及過渡性影響

香港財務報告準則第16號取消承租人先前須按香港會計準則第17號，將租賃分類為經營租賃或融資租賃之規定。相反，本集團作為承租人時須將所有租賃資本化，包括先前根據香港會計準則第17號分類為經營租賃的租賃，惟短期租賃及低價值資產租賃除外。

就先前分類為經營租賃的租賃確認租賃負債時，本集團已於初始應用日期使用相關集團實體的增量借款利率。所採用的加權平均增量利率為7.07%。

為方便過渡至香港財務報告準則第16號，本集團於初始應用香港財務報告準則第16號當日應用下列確認豁免及可行權宜方法：

- (i) 選擇不應在香港財務報告準則第16號有關確認餘下租賃期於初始應用香港財務報告準則第16號當日起計12個月內屆滿（即租賃期於二零一九年九月三十日或之前屆滿）之租賃之租賃負債及使用權資產之規定；

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

- (ii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in a similar economic environment.
- (iii) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options;
- (iv) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- (v) relied on the assessment of whether leases are onerous by applying HKAS 37 as an alternative to an impairment review.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

(b) 承租人會計處理及過渡性影響 (續)

- (ii) 對在類似經濟環境下類似類別相關資產且餘下租期相若之租賃組合應用單一貼現率；
- (iii) 根據於初始應用日期之事實及情況，以事後方式釐定本集團帶有續租選擇權之租賃之租期；
- (iv) 於初始應用日期計量使用權資產時剔除初始直接成本；及
- (v) 倚賴通過應用香港會計準則第37號替代減值審閱評估租賃是否負有法律責任的評估。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先會釐定稅項扣減是否由使用權資產或租賃負債產生。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

The following table reconciles the operating lease commitments as disclosed in note 49 as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

		HK\$'000 千港元
Operating lease commitment at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	2,247
Less: total future interest expenses	減：未來利息開支總額	(45)
Present value of remaining lease payments, discounted using the incremental borrowing rate and lease liabilities recognised as at 1 January 2019	於二零一九年一月一日使用增量借款利率貼現之剩餘租賃付款現值及確認的租賃負債	2,202
Of which are:	其中：	
Current lease liabilities	即期租賃負債	1,172
Non-current lease liabilities	非即期租賃負債	1,030
		<u>2,202</u>

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

(b) 承租人會計處理及過渡性影響 (續)

就由租賃負債產生稅項扣減的租賃交易而言，本集團對使用權資產及租賃負債分別應用香港會計準則第12號所得稅規定。由於應用初始確認豁免，與使用權資產及租賃負債相關的暫時性差額於初始確認時及於租賃期內不予確認。

下表將附註49所披露於二零一八年十二月三十一日的經營租賃承擔與於二零一九年一月一日確認的期初租賃負債結餘對賬。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of consolidated financial position at 31 December 2018.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of “Finance leases payables”, these amounts are included within “Lease liabilities”, and the depreciated carrying amount of the corresponding leased assets is identified as right-of-use assets. There is no impact on the opening balance of equity.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

(b) 承租人會計處理及過渡性影響 (續)

先前分類為經營租賃的租賃相關使用權資產已按等同於就餘下租賃負債已確認的金額確認，並經於二零一八年十二月三十一日的綜合財務狀況表內已確認租賃相關的任何預付或應計租賃款項金額作出調整。

就採納香港財務報告準則第16號對所涉及之前分類為融資租賃的租賃的影響而言，本集團無需於初始應用香港財務報告準則第16號日期作出任何調整，惟結餘項目變動除外。因此，該等款項並非納入「應付融資租賃」而是納入「租賃負債」，且相應租賃資產的折舊賬面值識別為使用權資產。這對期初權益結餘概無影響。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(b) Lessee accounting and transitional impact (Continued)

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16	受採納香港財務報告準則第16號影響的於綜合財務狀況表內列示的項目	Carrying amount as at 31 December 2018	Re-classification	Recognition of leases	Carrying amount as at 1 January 2019
		於二零一八年十二月三十一日的賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	租賃確認 HK\$'000 千港元	於二零一九年一月一日的賬面值 HK\$'000 千港元
Assets	資產				
Right-of-use assets	使用權資產	-	1,639	2,202	3,841
Prepaid land lease payments (Note)	預付土地租賃款項(附註)	1,639	(1,639)	-	-
Liabilities	負債				
Lease liabilities	租賃負債	-	-	2,202	2,202

Note:

Upfront payments for leasehold lands in the PRC own used properties were classified as prepaid land lease as payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid land lease payments amounting to HK\$33,000 and HK\$1,606,000 respectively were classified to right-of-use assets.

3. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

(b) 承租人會計處理及過渡性影響(續)

下表概述採納香港財務報告準則第16號對本集團綜合財務狀況表的影響：

Effects of adoption of HKFRS 16 採納香港財務報告準則第16號的影響

附註：

在中國擁有二手物業的租賃土地預付款項於二零一八年十二月三十一日分類為預付土地租賃款項。應用香港財務報告準則第16號後，分別為33,000港元及1,606,000港元的即期及非即期預付土地租賃款項分類至使用權資產。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(c) Impact of the financial results and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of profit or loss, as compared to the results if HKAS 17 had been applied during the year.

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their principal element and interest element (note 47(c)). These elements are classified as financing cash outflows and operating cash outflows respectively. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the cash flow statement (note 47(e)).

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

(c) 對本集團財務業績及現金流量的影響

於二零一九年一月一日初始確認使用權資產及租賃負債後，本集團作為承租人須確認就未償還租賃負債結餘累計的利息開支及使用權資產的折舊，而非根據過往政策於租期內按直線法確認經營租賃所產生的租金開支。與倘若年內一直應用香港會計準則第17號而產生的業績相比，此舉對本集團綜合損益表內的呈報營運溢利產生正面影響。

於現金流量表中，本集團作為承租人須根據資本化租賃將已支付的租金分為其本金部分及利息（附註47(c)）。有關部分已分別分類為融資現金流出及經營現金流出。儘管現金流量總額不受影響，採納香港財務報告準則第16號會因此導致現金流量表內現金流量的呈列出現重大變動（附註47(e)）。

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(c) *Impact of the financial results and cash flows of the Group (Continued)*

The following tables give an indication of the estimated impact of the adoption of HKFRS 16 on the Group's financial result and cash flows for the period from 1 January 2019 to 30 September 2019, by adjusting the amounts reported under HKFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply in 2019 instead of HKFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under HKAS 17.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

(c) 對本集團財務業績及現金流量的影響 (續)

下表列示採納香港財務報告準則第16號對本集團自二零一九年一月一日至二零一九年九月三十日期間的財務業績及現金流量產生的估計影響，方式為調整該等綜合財務報表內根據香港財務報告準則第16號呈報的金額以計算根據香港會計準則第17號本應確認的假設金額（倘該項被取代的準則繼續應用於二零一九年而非應用香港財務報告準則第16號），以及將此等二零一九年假設金額與根據香港會計準則第17號擬備的二零一八年實際相應金額進行比較。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(c) Impact of the financial results and cash flows of the Group (Continued)

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

(c) 對本集團財務業績及現金流量的影響 (續)

	Period from 1 January 2019 to 30 September 2019		Year ended 31 December 2018		Compared to amounts reported for the year ended 31 December 2018 under HKAS 17	
	Amounts reported under HKFRS 16	Add back: HKFRS 16 depreciation and interest expense	Deduct: Estimated amounts related to operating lease as if under HKAS 17 (note 1)	Hypothetical amounts for the period from 1 January 2019 to 30 September 2019 as if under HKAS 17		
	根據香港財務報告準則第16號呈報的金額 HK\$'000 千港元	加回：香港財務報告準則第16號折舊及利息開支 HK\$'000 千港元	扣除：假設根據香港會計準則第17號有關經營租賃的估計金額 (附註1) HK\$'000 千港元	猶如根據香港會計準則第17號自二零一九年一月一日至二零一九年九月三十日期間的假設金額 HK\$'000 千港元	根據香港會計準則第17號比較於截至二零一八年十二月三十一日止年度呈報的金額 HK\$'000 千港元	
Financial result for the period from 1 January 2019 to 30 September 2019 impacted by the adoption of HKFRS 16:	受採納香港財務報告準則第16號影響的自二零一九年一月一日至二零一九年九月三十日期間財務業績：					
Loss from operation	營運虧損	(60,440)	2,074	(2,389)	(60,755)	(59,187)
Finance costs	財務成本	(8,203)	228	-	(7,975)	(25,697)
Loss before taxation	除稅前虧損	(68,643)	2,302	(2,389)	(68,730)	(84,884)
Loss for the year	年內虧損	(63,662)	2,302	(2,389)	(63,749)	(82,911)

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(c) Impact of the financial results and cash flows of the Group (Continued)

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

(c) 對本集團財務業績及現金流量的影響 (續)

		Period from 1 January 2019 to 30 September 2019	Year ended 31 December 2018
		自二零一九年一月一日至 二零一九年九月三十日期間	二零一八年 十二月三十一日 止年度
	Amounts reported under HKFRS 16	Estimated amounts related to operating leases as if under HKAS 17 (notes 1 & 2)	Hypothetical amounts for the period from 1 January 2019 to 30 September 2019 as if under HKAS 17 猶如根據香港 會計準則 第17號 假設根據香港 會計準則 第17號有關 經營租賃的 估計金額 (附註1及2)
	HK\$'000 千港元	HK\$'000 千港元	Compared to amounts reported for the year ended 31 December 2018 under HKAS 17 根據香港會計 準則第17號 比較於截至 二零一八年 十二月三十一日 止年度呈報的 金額 HK\$'000 千港元
Line items in the consolidated cash flow statement for the period from 1 January 2019 to 30 September 2019 impacted by the adoption of HKFRS 16:			
	受採納香港財務報告準則第16號影響的自二零一九年一月一日至二零一九年九月三十日期間綜合現金流量表內列示的項目：		
Cash used in operations	經營所耗之現金	(8,938)	(2,389)
		(11,327)	(34,778)
Net cash used in operating activities	經營業務所耗之現金淨額	(8,956)	(2,389)
		(11,345)	(34,815)
Capital element of lease rentals paid	已付的租賃租金的資本部分	(2,161)	2,161
		-	-
Interest element of lease rentals paid	已付的租賃租金的利息部分	(228)	228
		-	-
Net cash generated from financing activities	融資活動所得現金淨額	12,372	2,389
		14,761	81,293

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised HKFRSs (Continued)

HKFRS 16 Leases (Continued)

(c) Impact of the financial results and cash flows of the Group (Continued)

Note:

1. The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied in 2019. This estimate assumes that there were no difference between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied in 2019. Any potential net tax effect is ignored.
2. In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if HKAS 17 still applied.

3. 採納新訂及經修訂香港財務報告準則 (續)

(a) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

(c) 對本集團財務業績及現金流量的影響 (續)

附註：

1. 「有關經營租賃的估計金額」為二零一九年現金流量的估計，其與本應分類為經營租賃（假設香港會計準則第17號於二零一九年仍然適用）的租賃有關。此估計假設租金與現金流量之間並無差異，且所有於二零一九年訂立新租賃根據香港會計準則第17號本應分類為經營租賃（假設香港會計準則第17號於二零一九年仍然應用）。任何潛在稅務影響將不予理會。
2. 在表中該等現金流出乃由融資重新分類至經營，旨在計算經營業務所得現金淨額及融資活動所耗之現金淨額的假設金額，猶如香港會計準則第17號仍然應用。

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3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2019. These new and revised HKFRSs include the following which may be relevant to the Group.

3. 採納新訂及經修訂香港財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用於二零一九年一月一日開始之財政年度起已頒佈但尚未生效之新訂及經修訂香港財務報告準則。該等新訂及經修訂香港財務報告準則包括以下可能與本集團相關之準則。

		Effective for accounting periods beginning on or after 於下列日期或之後開始之會計期間生效
Amendments to HKFRS 3 Definition of a business	香港財務報告準則第3號(修訂本)業務的定義	1 January 2020 二零二零年一月一日
Amendments to HKAS 1 and HKAS 8 Definition of material	香港會計準則第1號及香港會計準則第8號(修訂本)重大的定義	1 January 2020 二零二零年一月一日
HKFRS 17 Insurance Contracts	香港財務報告準則第17號保險合約	1 January 2021 二零二一年一月一日
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform	香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)利率基準改革	1 January 2020 二零二零年一月一日
HKFRS 10 and HKAS 28 (Amendment) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	香港財務報告準則第10號及香港會計準則第28號(修訂本)投資者與其聯營公司或合營企業之間之資產出售或注資	To be determined 待定

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

(b) New and revised HKFRSs in issue but not yet effective *(Continued)*

The Group has already commenced an assessment of the impact of these new or revised standards, interpretation and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the Directors of the Company, no significant impact on the financial performance and position of the Group is expected when they become effective except for HKFRS 3. Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 October 2020.

3. 採納新訂及經修訂香港財務報告準則 *(續)*

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則 *(續)*

本集團已開始評估該等新訂或經修訂準則、詮釋及修訂本（其中若干與本集團營運相關）的影響。根據本公司董事作出的初始評估，預期在生效後不會對本集團的財務表現及狀況造成重大影響，惟香港財務報告準則第3號除外。香港財務報告準則第3號（修訂本）澄清及提供有關業務定義之額外指引。該修訂澄清，就被視為業務之一整套活動及資產而言，其必須最少包括可共同顯著促進產能之投入及相當工序。業務可毋須包括促進產能所需全部投入及工序。該等修訂取消對市場參與者是否有能力獲得業務並繼續產出產量之評估。取而代之，專注於獲得之投入及所獲得相當工序是否可共同顯著促進產能。該等修訂亦縮窄產出之定義，專注於向客戶提供之商品或服務、投資收入或進行日常活動所得其他收入。此外，該等修訂亦就評估所獲得工序是否達到相當程度提供指引，並引入選擇性公平值集中度測試，以簡化獲得之一系列活動及資產是否構成業務的評估。本集團預期自二零二零年十月一日起追溯採納該等修訂。

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4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 September. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

4. 重要會計政策

該等綜合財務報表已根據歷史成本法編製，惟以下會計政策另有提及除外（例如按公平值計量的若干金融工具）。

編製符合香港財務報告準則的財務報表需使用若干重大會計估計，亦需要管理層於應用本集團之會計政策之過程中作出判斷。其中涉及較高程度判斷或較複雜的，或對綜合財務報表而言屬重大影響之假設及估計於附註5內披露。

編製該等綜合財務報表時應用的重要會計政策載於下文。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至九月三十日之財務報表。附屬公司指本集團具有控制權之公司。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權利可賦予其掌控有關實體業務的能力（即大幅影響實體回報的業務）時，則本集團擁有對該實體的權力。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Consolidation (Continued)

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

4. 重要會計政策 (續)

(a) 綜合賬目 (續)

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權。在持有人能實際行使潛在投票權的情況下，方會考慮其潛在權利。

附屬公司乃自控制權轉移至本集團之當日起綜合入賬，並於控制權終止當日起停止綜合入賬。

出售附屬公司（導致失去控制權）之盈利或虧損指(i)出售代價之公平值加上對該附屬公司餘下投資之公平值與(ii)本公司應佔該附屬公司之資產淨值加上有關該附屬公司之任何剩餘商譽及任何累計外幣換算儲備間之差額。

集團公司間之交易、結餘及未變現收益相互抵銷。除非有證據顯示交易中所轉讓的資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策在有需要之處已作出修訂，以確保與本集團所採納之政策一致。

非控股權益指並非由本公司直接或間接應佔之權益。非控股權益呈列在綜合財務狀況表及綜合股東權益變動報表中之權益內。非控股權益在綜合損益表及綜合損益及其他全面收益表內以本年度盈利或虧損及總全面收益分別分配予非控股股東與本公司擁有人的方式列報。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

4. 重要會計政策 (續)

(a) 綜合賬目 (續)

即使在分配盈利或虧損及其他各項全面收益予本公司擁有人及非控股股東後，會導致非控股權益出現虧絀結餘，盈利或虧損及其他各項全面收益仍須分配予本公司擁有人及非控股股東。

本公司於附屬公司中之所有權權益變動（在不導致失去控制權的情況下）被視為權益交易（即各擁有人間之交易）。控制性及非控股權益之賬面值按彼等各自於該附屬公司之權益變動予以調整。非控股權益數額之調整與已付或已收代價公平值之差額，直接在權益內確認，並分配予本公司擁有人。

於本公司之財務狀況表內，於附屬公司之投資乃按成本減減值虧損撥備入賬，除非該投資被分類為持作出售（或包含於被分類為持作出售的出售組別）。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

4. 重要會計政策 (續)

(b) 業務合併及商譽

本集團採用收購法為業務合併中所收購之附屬公司列賬。於業務合併中所轉讓的代價是以所付出的資產在收購當日之公平值、所發行之股本工具及所產生之負債以及任何或然代價計量。收購相關成本於有關成本產生及獲得服務期間確認為開支。所收購之附屬公司之可識別資產及負債，均按其於收購當日之公平值計量。

所轉讓的代價之總和超出本集團應佔附屬公司可識別資產及負債之公平淨值之差額列作商譽。本集團應佔可識別資產及負債之公平淨值超出所轉讓的代價之總和之差額則於綜合損益內確認為本集團應佔之議價收購收益。

對於分階段進行之業務合併，先前已持有之附屬公司之權益按收購當日之公平值重新計量，而由此產生之盈利或虧損於綜合損益內確認。公平值會加入至於業務合併中所轉讓的代價之總和以計算商譽。

於附屬公司之非控股權益初始按非控股股東應佔該附屬公司於收購當日之可識別資產及負債之公平淨值比例計算。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Business combination and goodwill (Continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”) or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”).

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is the Company’s presentation currency. The functional currency of the Company is Renminbi (“RMB”). The directors consider that choosing HK\$ as the presentation currency best suits the needs of the shareholders and investors.

4. 重要會計政策 (續)

(b) 業務合併及商譽 (續)

於初始確認後，商譽乃按成本減累計減值虧損計量。就減值測試而言，業務合併所獲得之商譽會分配至預期將受益於合併協同效應之各現金產生單位（「現金產生單位」）或現金產生單位組別。商譽所分配之各單位或單位組別為本集團內就內部管理目的而監察商譽之最低層次。商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。含有商譽之現金產生單位之賬面值與其可收回金額作比較，可收回金額為使用價值與公平值減出售成本兩者之較高者。任何減值即時確認為開支，且其後不會撥回。

(c) 外幣換算

(i) 功能及呈報貨幣

本集團旗下各公司的財務報表內的項目均以該公司營運的主要經濟環境之貨幣（「功能貨幣」）計算。

綜合財務報表以港元（「港元」）呈報，港元為本公司呈報貨幣。本公司之功能貨幣為人民幣（「人民幣」）。董事認為選擇將港元作為呈報貨幣最切合股東及投資者需求。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

4. 重要會計政策 (續)

(c) 外幣換算 (續)

(ii) 各實體財務報表內之交易及結餘

以外幣結算之交易於初始確認時按交易當日之匯率換算為功能貨幣。以外幣計值之貨幣資產及負債按各報告期末之匯率予以換算。按換算政策所產生之匯兌盈虧於損益內確認。

以公平值計量及外幣計值的非貨幣項目按釐定公平值當日之適用匯率換算。

倘非貨幣項目之盈虧於其他全面收益內確認，則該盈虧之匯兌部份於其他全面收益內確認。倘非貨幣項目之盈虧於損益內確認，則該盈虧之匯兌部份於損益內確認。

(iii) 綜合賬目時之換算

本集團旗下各實體如使用與本公司之呈報貨幣不一致的功能貨幣，其業績及財務狀況均按下列方法換算為本公司的呈報貨幣：

- 每份財務狀況表內之資產及負債均按照該財務狀況表結算日之收盤匯率換算；

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) 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.

4. 重要會計政策 (續)

(c) 外幣換算 (續)

(iii) 綜合賬目時之換算 (續)

- 收益及開支均按本期間平均匯率換算(除非此平均數並非於交易日之現行匯率之累積影響之合理近似值,於此情況下,按交易日之匯率換算收益及開支);及
- 所有產生的匯兌差額均於其他全面收益確認並於外幣換算儲備累計。

於綜合賬目時,換算構成海外實體投資淨額一部分之貨幣項目產生之匯兌差額乃於其他全面收益中確認,並於外幣換算儲備中累計。當出售海外業務時,該等匯兌差額將重新分類至綜合損益作為出售盈虧之一部份。

收購海外實體所產生的商譽及公平值調整被視作該海外實體之資產及負債,並按收盤匯率予以換算。

(d) 物業、廠房及設備

物業、廠房及設備,乃按成本值減除其後之累計折舊及其後累計減值虧損(如有)後於綜合財務狀況表列賬。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	2.5% – 20%
Computer system and equipment	20% – 33 $\frac{1}{3}$ %
Furniture and fixtures	12.5% – 33 $\frac{1}{3}$ %
Leasehold improvements	20% – 60%
Motor vehicles	20% – 25%
Pipeline and equipment	5% – 20%
Plant and machinery	10%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. 重要會計政策 (續)

(d) 物業、廠房及設備 (續)

其後產生之成本僅在本集團有可能獲得與該項目有關之未來經濟利益，而該項目之成本能可靠地計量時，方會列入資產之賬面值或另行確認為資產（如適用）。所有其他維修及保養於產生期間在損益內確認。

物業、廠房及設備之折舊，以直線法在估計可使用年期內按足以撇銷其成本減其剩餘價值之比率計算。主要年率如下：

樓宇	2.5% – 20%
電腦系統及設備	20% – 33 $\frac{1}{3}$ %
傢俬及裝置	12.5% – 33 $\frac{1}{3}$ %
租賃裝修	20% – 60%
汽車	20% – 25%
管道及設備	5% – 20%
廠房及機器	10%

剩餘價值、可使用年期及折舊方法會於各報告期末進行檢討並作出調整（如適用）。

在建工程指在建樓宇及待安裝廠房及設備，乃按成本值減減值虧損列賬。折舊於相關資產可供使用時開始。

出售物業、廠房及設備之盈虧是指出售所得款項淨額與相關資產賬面金額之間的差額，並於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) *The Group as a lessee*

Policy applicable from 1 January 2019

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily car parking spaces. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

4. 重要會計政策 (續)

(e) 租賃

本集團在合同初始對合同進行評估，確定該合同是否是一項租賃或者包含一項租賃。如果一份合同在一段時間內為換取代價而讓渡使用一項已識別資產控制權，則該合同是一項租賃或包含一項租賃。

(i) 本集團為承租人

自二零一九年一月一日起適用的政策

倘合約包含租賃部分及非租賃部分，則本集團選擇就所有租賃不分开非租賃部分，並將各租賃部分及任何相關非租賃部分入賬列作單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債，不包括租期為12個月或以內的短期租賃，及低價值租賃，就此本集團主要為停車位租賃。當本集團訂立低價值資產租賃時，本集團決定是否按逐項租賃基準將租賃資本化。與並無資本化的該等租賃相關的租賃付款按整體基準於租期確認為開支。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable from 1 January 2019 (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

4. 重要會計政策 (續)

(e) 租賃 (續)

(i) 本集團為承租人 (續)

自二零一九年一月一日起適用的政策 (續)

倘租賃資本化，則租賃負債初始按租期內應付租賃付款的現值確認，並使用租賃中隱含的利率貼現或倘該利率不可即時釐定，則使用相關增量借款利率。於初始確認後，租賃負債按攤銷成本計量，且利息開支使用實際利率法計算。並非取決於指數或利率的可變租賃付款不納入租賃負債計量，因此於其產生的會計期間計入損益。

倘租賃資本化時確認的使用權資產初始按成本計量，包括租賃負債的初始金額加於開始日期或之前所作任何租賃付款，以及所產生的初始直接成本。在適用情況下，使用權資產成本亦包括估計成本，以拆除及移除相關資產或恢復相關資產或其所處地址，貼現至其現值，減所收取的任何租賃獎勵。使用權資產其後按成本減累計折舊及減值虧損列賬。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable from 1 January 2019 (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4. 重要會計政策 (續)

(e) 租賃 (續)

(i) 本集團為承租人 (續)

自二零一九年一月一日起適用的政策 (續)

本集團可合理確定可於租期末獲得相關租賃資產所有權的使用權資產自開始日期起至使用年限結束時折舊。否則，使用權資產於其估計可使用年期及租期之較短者以直線法折舊。

可退還已付租金按金根據香港財務報告準則第9號入賬，並初始按公平值計量。於初始確認時對公平值作出的調整被視為額外租賃服務，並計入使用權資產成本。

租賃負債於指數或利率變動引致的未來租賃付款變動或本集團估計預期根據剩餘價值擔保應付的款項變動或重新評估本集團是否可合理確定將行使購買、續期或終止選擇權引致的變動時予以重新計量。當租賃負債以此方式重新計量時，對使用權資產賬面值作出相應調整或計入損益（倘使用權資產賬面值已減至零）。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Leases (Continued)

(i) The Group as a lessee (Continued)

Policy applicable from 1 January 2019 (Continued)

The Group presents right-of-use assets that do not meet the definition of investment properties and lease liabilities separately in the consolidated statement of financial position.

Policy prior to 1 January 2019

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

Prepaid lease payments are stated at cost and subsequently amortised on the straight-line basis over the remaining term of the lease.

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

4. 重要會計政策 (續)

(e) 租賃 (續)

(i) 本集團為承租人 (續)

自二零一九年一月一日起適用的政策 (續)

本集團於綜合財務狀況表單獨呈列並不符合投資物業定義的使用權資產及租賃負債。

於二零一九年一月一日前的政策

並無將資產所有權的絕大部分風險及回報轉移至本集團的租賃入賬列作經營租賃。租賃付款(扣除自出租人收取的任何獎勵)於租期內採用直線法確認為開支。

預付租賃款按成本列賬，並隨後於剩餘租期採用直線法攤銷。

(ii) 本集團作為出租人

當本集團為出租人時，其於租賃開始時釐定各項租賃為融資租賃還是經營租賃。倘其將相關資產所有權附帶的絕大部分風險及回報轉移至承租人，則該租賃分類為融資租賃。否則，該租賃分類為經營租賃。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

4. 重要會計政策 (續)

(f) 無形資產

(i) 單獨收購之無形資產

單獨收購的可使用年期有限之無形資產，按成本減累計攤銷及累計減值虧損入賬。可使用年期有限的無形資產攤銷於估計可使用年期按直線法確認。估計可使用年期及攤銷方法於各報告期末予以檢討，任何估計變動的影響按預期基準入賬。單獨收購的可使用年期無限之無形資產，按成本減隨後累計減值虧損入賬。

(ii) 於業務合併中收購之無形資產

業務合併中收購之無形資產與商譽分開確認，初始按其於收購日期之公平值（被視作其成本）確認。

於初始確認後，於業務合併中收購之具有限可使用年期之無形資產按與單獨收購之無形資產相同之基準，以成本減累計攤銷及任何累計減值虧損呈報。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Intangible assets (Continued)

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.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised when the contract includes a significant financial component, the contract balance includes interest accrued under the effective interest method.

4. 重要會計政策 (續)

(f) 無形資產 (續)

無形資產於出售時或預計使用或出售該資產並無未來經濟效益時終止確認。終止確認無形資產所產生損益，按該資產之出售所得款項淨額與其賬面值之差額計量，在資產終止確認時於損益確認。

(g) 存貨

存貨按成本值及可變現淨值的較低者列賬。成本值以加權平均基準釐定。製成品之成本包括所有採購成本及將存貨達至現行地點及狀況所產生之其他成本。可變現淨值指日常業務過程中的估計售價減去估計完工成本及銷售所需的估計成本計算。

(h) 合約負債

當客戶於本集團確認相關收益前支付代價，則確認合約負債。倘本集團於本集團確認相關收益前擁有收取代價的無條件權利，亦確認合約負債。在該等情況下，倘合約包括重大融資成分，合約結餘包括根據實際利息法產生的利息，亦確認相應應收賬款。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group 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 and 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 FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4. 重要會計政策 (續)

(i) 金融工具的確認及終止確認

當本集團成為工具合約條文之訂約方時，會於綜合財務狀況表內確認金融資產及金融負債。

金融資產及金融負債初始按公平值計量。收購或發行金融資產及金融負債（除按公平值計入損益之金融資產及金融負債外）直接應佔之交易成本於初始確認時計入金融資產或金融負債之公平值或於其中扣除（視適用情況而定）。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本於損益內即時確認。

僅於資產現金流量的合約權利屆滿時，或將金融資產所有權的絕大部分風險及回報轉讓予另一實體時，本集團方會取消確認金融資產。倘本集團並未轉讓亦未保留所有權的絕大部分風險及回報，並繼續控制已轉讓資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留已轉讓金融資產所有權的絕大部分風險及回報，則本集團繼續確認該金融資產並亦確認已收所得款項的有抵押借款。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Recognition and derecognition of financial instruments (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(j) Financial assets

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. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(k) Trade and other receivables, loan receivables and bond receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

4. 重要會計政策 (續)

(i) 金融工具的確認及終止確認 (續)

本集團僅於其責任已獲解除、註銷或屆滿時方會取消確認金融負債。終止確認的金融負債的賬面值與已付及應付代價(包括已轉讓的任何非現金資產或所承擔負債)的差額於損益內確認。

(j) 金融資產

所有以正規途徑購入或銷售之金融資產乃按交易日期基準確認及取消確認。正規途徑買賣或銷售乃按市場法規或慣例所確定之時間框架內交付資產之金融資產購入或銷售。所有已確認的金融資產均按攤銷成本或公平值進行後續計量，視乎金融資產的分類而定。

(k) 應收貿易及其他賬款、應收貸款及應收債券

應收賬款於本集團擁有無條件收取代價的權利時確認。代價到期支付前，收取代價的權利僅須隨時間推移即可成為無條件。

應收賬款使用實際利率法按攤銷成本減信貸虧損撥備列賬。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses ("ECLs").

(m) Non-current assets held for sale and discontinued operation

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of the asset's or disposal group's previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group (i.e. the operations and cash flows of which can be clearly distinguished from the rest of the Group) that either has been disposed of, or is classified as held for sale, and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

4. 重要會計政策 (續)

(l) 現金及現金等額

現金及現金等額包括銀行及手頭現金，存放在銀行及其他金融機構的活期存款以及短期和高流動性的投資。這些投資可以隨時轉換為已知數額的現金，價值變動風險不大，並在購入後三個月內到期。現金及現金等額需接受預期信貸虧損（「預期信貸虧損」）評估。

(m) 持作出售非流動資產及已終止經營業務

倘非流動資產或出售組別之賬面值可主要通過銷售交易，而非通過持續使用而收回，則會分類為持作出售。此條件僅於出售極為可能及資產或出售組別可按其現時情況即時出售，方告達成。本集團須進行有關出售，而出售預期應可於分類日期計起一年內合資格確認為已完成出售。

分類為持作出售的非流動資產或出售組別按資產或出售組別的先前賬面值與公平值減出售成本之間較小者計量。

已終止經營業務為本集團已出售或分類為持作出售的部份（即能與本集團餘下的營運及現金流量明確區分的營運及現金流量），並代表獨立的主線業務或營運地區；其亦可為出售獨立主線業務或營運地區的單一協同計劃的一部份；或為一間純為轉售而購入的附屬公司。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Non-current assets held for sale and discontinued operation (Continued)

Classification as a discontinued operation occurs upon disposal or when the component meets the criteria to be classified as held for sale in accordance with HKFRS 5, if earlier. It also occurs when the component is abandoned.

When an operation is classified as discontinued, a single amount is presented in the statement of profit or loss, which comprises:

- The post-tax profit or loss of the discontinued operation; and
- The post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

(n) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out in (o) to (r) below.

4. 重要會計政策 (續)

(m) 持作出售非流動資產及已終止經營業務 (續)

分類為已終止經營業務於出售時或該部份符合根據香港財務報告準則第5號分類為持作出售的條件時(如為較早者)發生。其亦會於該部份被廢棄時發生。

於一項業務被分類為已終止經營時，會於損益表內呈列單一金額，該金額包括：

- 已終止經營業務的除稅後溢利或虧損；及
- 計量構成已終止經營業務的資產或出售組別的公平值減出售成本或於出售前述各項時所確認之稅後收益或虧損。

(n) 金融負債及股本工具

金融負債及股本工具乃根據所訂立合約安排之實質內容及香港財務報告準則中金融負債及股本工具之定義予以分類。股本工具為可證明經扣除其所有負債後於本集團資產擁有餘額權益之任何合約。就特定金融負債及股本工具採納之會計政策載於下文(o)至(r)。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(p) Convertible bonds

Convertible bonds which entitle the holder to convert the bonds into equity instruments, other than into a fixed number of equity instruments at a fixed conversion price, are regarded as combined instruments consisting of a liability and a derivative component. The entire convertible bond is designated as a financial liability at FVTPL.

Transaction costs are charged directly to profit or loss.

(q) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 重要會計政策 (續)

(o) 借貸

借貸初始按公平值扣除所產生之交易成本確認，其後則採用實際利率法按攤銷成本計量。

借貸被分類為流動負債，惟本集團有權無條件地將清償負債延遲報告期後至少十二個月者則除外。

(p) 可換股債券

賦予持有人權利按非固定兌換價將債券兌換為固定數目之股本工具之可換股債券乃視為由負債部分及衍生工具部分組成之複合工具。可換股債券整體指定為按公平值計入損益的金融負債。

交易成本直接自損益扣除。

(q) 應付貿易及其他賬款

應付貿易及其他賬款初始按其公平值確認，並於其後採用實際利率法按攤銷成本計量，除非貼現之影響輕微，在此情況下則按成本列賬。

(r) 股本工具

由本公司發行的股本工具乃按收取的所得款項減直接發行成本入賬。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the trading of copper and petrochemicals and sale of liquefied natural gas in bulk are recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specified location (delivery), and the agreed service performed. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from pipeline installation services is recognised at a point in time when the installation completed and the government inspected and issued approval report. Payment for installation services is not due from the customer until the installation services are complete.

The performance obligation of sale of natural gas through pipelines to the customer are satisfied over time as the customer simultaneously receives and consumes the benefits of the natural gas provided by the Group as it performs, therefore, revenue arising from the sale of natural gas through pipelines is recognised over time. The revenue from sale of natural gas is based on the price as set out by the government.

4. 重要會計政策 (續)

(s) 收益確認

收益在產品或服務的控制權按本集團預期有權獲取的承諾代價金額(不包括代表第三方收取的金額)轉移至客戶時確認。收益不包括增值稅或其他銷售稅,並經扣除任何貿易折扣。

買賣銅及石化產品及批量銷售液化天然氣的收益於商品之控制權轉移至客戶,即商品運送至客戶指定之目的地(交付)並達成協定服務時確認。交付完成後,客戶可全權酌情決定分銷方式及商品售價,並承擔轉售商品之主要責任及商品報廢及損失之風險。本集團於商品交付至客戶時確認應收賬款,原因為收取代價之權利於此時間點變為無條件,僅須待時間過去則可收取付款。

管道安裝服務的收益於安裝完成且政府已檢查及發佈批准報告之時間點確認。安裝服務完成之前客戶毋須支付安裝服務付款。

透過管道向客戶銷售天然氣的履約責任於客戶同時獲得並消耗本集團履約所提供之天然氣利益時隨時間完成,因此透過管道銷售天然氣產生的收益隨時間確認。銷售天然氣的收益乃以政府制定的價格為基準。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(s) Revenue recognition (Continued)

The Group provides leasing of steel support axial force servo system and related installation services and technology support to customer. Leasing income is recognised on a straight-line basis over the lease term in accordance with the accounting policy in note 4(e). Installation services and technology support services income are recognised as a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits of these services provided by the Group as it performs.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or fair value through other comprehensive income (“FVTOCI”) (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(t) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. 重要會計政策 (續)

(s) 收益確認 (續)

本集團向客戶提供鋼支撐軸力伺服系統租賃服務及相關安裝服務及技術支援。租金收入根據附註4(e)之會計政策於租賃期間按直線法確認。安裝服務及技術支援服務的收入隨時間確認已達成的履約責任，原因為客戶同時獲得並消耗本集團履約所提供之該等服務之利益。

利息收入於應計時採用實際利率法確認。就按攤銷成本或按公平值計入其他全面收益（「按公平值計入其他全面收益」）（轉入損益）計量且並無出現信貸減值的金融資產而言，資產的賬面總值適用實際利率。就出現信貸減值的金融資產而言，資產的攤銷成本（即扣除虧損撥備的賬面總值）適用實際利率。

(t) 政府補助

當有合理保證本集團將遵守政府補助的附帶條件及將獲得補助時，即確認政府補助。

與收入相關的政府補助將予以遞延，並將於配合擬補助的成本的期間內於損益內確認。

因已產生的開支或虧損或向本集團提供即時財務資助成為應收補償且並無日後相關成本的政府補助，乃於其成為應收款項的期間於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

4. 重要會計政策 (續)

(u) 僱員福利

(i) 僱員應享假期

有關年假及長期服務假期之僱員權益於應計予僱員時確認。直至報告期末，已為因僱員所提供服務而享有之年假及長期服務假期之估計負債作出撥備。

有關病假及產假之僱員權益於休假時方會確認。

(ii) 退休金承擔

本集團向定額供款退休金計劃作出供款，全體僱員均可參與。本集團及僱員向計劃作出之供款按僱員基本薪金某百分比作出計算。自損益中扣除之退休福利計劃成本即本集團應向基金支付之供款。

(iii) 離職福利

離職福利於本集團不能取消提供該等福利時及本集團確認重組成本並需支付離職福利時（以較早者為準）確認。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(v) Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

(w) 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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

4. 重要會計政策 (續)

(v) 以股份為基礎的付款

本集團向若干董事及僱員發行以股權結算以股份為基礎的付款。以股權結算以股份為基礎的付款乃於授出當日按股本工具之公平值計量（不包括非市場歸屬條件之影響）。於以股權結算以股份為基礎的付款授出當日釐定之公平值，根據本集團所估計最終歸屬之股份（並因應非市場性之歸屬條件之影響調整），於歸屬期內以直線法支銷。

(w) 借貸成本

收購、建設或生產合資格資產（其必須大量時間方可作其擬定用途或銷售的資產）直接應佔的借貸成本乃資本化作為該等資產的成本的部份，直至該等資產大致上可作其擬定用途或銷售為止。特定借貸於撥作合資格資產之支出前用作短暫投資所賺取之投資收入自可撥作資本之借貸成本中扣除。

如一般性借入資金用於獲取合資格資產，可撥作資本之借貸成本金額採用資本化率計算該項資產開支之方法釐定。資本化率為適用於該期間本集團未償還借貸之借貸成本加權平均值（為獲得合資格資產之特別借貸除外）。

所有其他借貸成本乃於其產生的期間內於損益內確認。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(x) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit recognised in profit or loss because of items 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.

Deferred tax is recognised on 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

4. 重要會計政策 (續)

(x) 稅項

所得稅指即期稅項及遞延稅項之總額。

現時應付稅項乃按年度／期間應課稅溢利計算。因其他年度之應課稅或應扣減之收入或開支項目及毋須課稅或不可作稅項扣減之項目，故應課稅溢利與於損益確認之溢利不同。本集團之當期稅項負債按其於報告期末前已頒佈或大致上頒佈之稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之差額確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產則於可能有應課稅溢利以抵銷可扣減暫時差額、未動用稅務虧損或未動用稅務抵免時方予確認。倘暫時差額是因商譽或因不影響應課稅溢利或會計溢利之交易中的其他資產及負債之初始確認（業務合併除外）所產生，則不會確認有關資產及負債。

於附屬公司之投資所產生之應課稅暫時差額會確認遞延稅項負債，惟倘本集團可控制撥回暫時差額且暫時差額於可見未來將不會撥回，則作別論。

本集團於各報告期末審閱遞延稅項資產的賬面值，並在可能不再具有足夠應課稅溢利以收回全部或部分資產之情況下作出相應扣減。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(x) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. 重要會計政策 (續)

(x) 稅項 (續)

遞延稅項根據報告期末已頒佈或實質上已頒佈之稅率，按預期遞延負債清償或遞延資產變現期間應用之稅率計算。遞延稅項於損益中確認，除非其是與在其他全面收益或直接在權益中確認之項目有關，於此情況下遞延稅項亦於其他全面收益或直接於權益確認。

遞延稅項資產及負債之計量反映本集團於報告期末預期收回或結算其資產及負債之賬面值之方式的稅務影響。

為計量本集團確認使用權資產及相關租賃負債之租賃交易的遞延稅項，本集團首先釐定稅項扣減是否因使用權資產或租賃負債而產生。

就稅項扣減乃因租賃負債而產生的租賃交易而言，本集團就使用權資產及租賃負債單獨應用香港會計準則第12號的規定。因應用初始確認豁免，於初始確認時及租期內均不會確認與使用權資產及租賃負債有關的暫時差額。

當即期稅項資產與即期稅項負債可依法相互抵銷，且是與同一稅務機關所徵收之所得稅有關，加上本集團擬以淨額償付結清其即期稅項資產及負債時，遞延稅項資產及負債可相互抵銷。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(y) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. 重要會計政策 (續)

(y) 非金融資產減值

擁有無限可使用年期或尚未可予使用之無形資產每年及每當有事件或狀況變動顯示賬面值可能無法收回時進行減值檢討。

其他非金融資產之賬面值於各報告期末檢討有否減值需要，倘資產已減值，則作為開支透過綜合損益表撇減至其估計可收回金額。可收回金額按個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入除外。倘屬該情況，可收回金額按資產所屬之現金產生單位釐定。可收回金額按個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者計算。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間價值及資產／現金產生單位（已計量減值）之特有風險之稅前貼現率計算。

現金產生單位減值虧損首先就該單位之商譽進行分配，然後按比例在現金產生單位其他資產間進行分配。因估計轉變而導致其後可收回金額增加將計入損益直至撥回已作之減值，除非相關資產按重估價值入賬，在此情況下，減值虧損之撥回視為重估增值。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(z) Impairment of financial assets

The Group recognises a loss allowance for ECLs on trade and other receivables, loan receivables and bond receivables. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4. 重要會計政策 (續)

(z) 金融資產減值

本集團就應收貿易及其他賬款、應收貸款及應收債券確認預期信貸虧損之虧損準備。預期信貸虧損金額於各報告日期更新，以反映信貸風險自初始確認有關金融工具以來之變動。

本集團一直確認應收貿易賬款之全期預期信貸虧損。該等金融資產之預期信貸虧損乃根據本集團過往之信貸虧損經驗採用撥備方陣估計，並就債務人獨有之因素、整體經濟狀況以及於報告日期對現行及預測經濟狀況發展方向之評估（包括金錢時間值（如適用））作出調整。

對於所有其他金融工具，倘自初始確認後信貸風險顯著增加，則本集團確認全期預期信貸虧損。然而，倘自初始確認後金融工具的信貸風險並無顯著增加，則本集團按等於12個月預期信貸虧損的金額計量該金融工具的虧損準備。

全期預期信貸虧損指於金融工具預期年期內發生的所有可能違約事件所導致的預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件所導致的部分全期預期信貸虧損。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(z) Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- 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 for a particular financial instrument;

4. 重要會計政策 (續)

(z) 金融資產減值 (續)

信貸風險顯著增加

於評估自初始確認後金融工具的信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日期金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且具支持的定量和定性資料，包括毋需付出不必要的成本或努力而可得之歷史經驗及前瞻性資料。所考慮的前瞻性資料包括本集團債務人經營所在行業的未來前景，來自經濟專家報告、金融分析師、政府機構、相關智囊團及其他類似組織以及與本集團核心業務相關的實際及預測經濟資料的各種外部來源。

特別是，在評估信貸風險自初始確認以來是否顯著增加時會考慮以下資料：

- 金融工具外部（如有）或內部信貸評級的實際或預期顯著轉差；
- 某一特定金融工具的外部市場信貸風險指標顯著轉差；

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(z) Impairment of 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;
- significant increases in credit risk on other financial instruments of the same 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 on a financial asset 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.

4. 重要會計政策 (續)

(z) 金融資產減值 (續)

信貸風險顯著增加 (續)

- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 同一債務人其他金融工具的信貸風險顯著上升；
- 導致債務人償還債務能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

不論上述評估之結果如何，本集團認為，當合約付款逾期超過30天，則自初始確認以來金融資產的信貸風險已顯著增加，除非本集團有合理且具支持之資料證明相反情況。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(z) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) The financial instrument has a low risk of default;
- (ii) The debtor 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 financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. 重要會計政策 (續)

(z) 金融資產減值 (續)

信貸風險顯著增加 (續)

儘管有上述規定，若於報告日期金融工具被判定為具有較低信貸風險，本集團會假設金融工具的信貸風險自初始確認以來並未顯著上升。在以下情況下，金融工具會被判定為具有較低信貸風險：

- (i) 金融工具具有較低違約風險；
- (ii) 借款人有很強的能力履行近期的合約現金流量義務；及
- (iii) 經濟及商業環境的長期不利變動有可能但未必會降低借款人履行合約現金流量義務的能力。

本集團認為，若根據眾所周知的定義，資產的外部信貸評級為「投資級」，或若無外部評級，資產的內部信貸評級為「履行」，則該金融資產具有較低信貸風險。「履行」意味著交易對手具有強大的財務狀況且無逾期金額。

本集團定期監察識別信貸風險是否顯著上升所用標準的有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險的顯著上升。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(z) Impairment of 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).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset 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.

4. 重要會計政策 (續)

(z) 金融資產減值 (續)

違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回：

- 交易對手違反財務契諾；或
- 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人（包括本集團）全額還款（不考慮本集團持有的任何抵押品）。

不論上述分析，本集團認為，違約已於當金融資產逾期超過90天時發生，惟本集團有合理且可支持的資料證明更為滯後的違約標準更為適當除外。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(z) Impairment of financial assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

4. 重要會計政策 (續)

(z) 金融資產減值 (續)

信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一項或多項事件之時，該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

- 發行人或交易對手陷入嚴重財務困難；
- 違反合約，例如違約或逾期事件；
- 交易對手的貸款人出於與交易對手財務困難相關的經濟或合約原因，而向交易對手授予貸款人原本不會考慮的優惠；
- 交易對手可能破產或進行其他財務重組；或
- 金融資產的活躍市場因財務困難而消失。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(z) Impairment of financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor 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 where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECLs 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 as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

4. 重要會計政策 (續)

(z) 金融資產減值 (續)

撇銷政策

當有資料顯示借款人陷入嚴重財務困難，且並無實際收回的可能之時（包括借款人已清盤或進入破產程序），或應收貿易賬款逾期超過兩年（以較早發生者為準）本集團會撇銷金融資產。已撇銷的金融資產仍可根據本集團的收回程序實施強制執行，在適當情況下考慮法律意見。任何收回款項會於損益中確認。

預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損（即違約時虧損大小）及違約時風險敞口之函數。違約概率及違約虧損之評估乃按上述基於歷史數據按前瞻性資料作調整。就金融資產之違約風險而言，其指該資產於報告日期之賬面總值。就財務擔保合同而言，風險包括於報告日期提取的金額連同任何基於歷史趨勢、本集團對債務人特定未來融資需求的理解以及其他相關前瞻性資料釐定的預計將於未來違約日期前提取的額外金額。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(z) Impairment of financial assets (Continued)

Measurement and recognition of ECL (Continued)

For financial assets, the ECLs 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 original effective interest rate. For a lease receivable, the cash flows used for determining the ECLs is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

4. 重要會計政策 (續)

(z) 金融資產減值 (續)

預期信貸虧損之計量及確認 (續)

金融資產的預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預計收取的所有現金流量(按原定實際利率貼現)之間的差額估算。就租賃應收款項而言，根據香港財務報告準則第16號租賃，用於釐定預期信貸虧損的現金流量與用於計量租賃應收款項的現金流量一致。

倘於上一報告期間前本集團按與全期預期信貸虧損等額的方法計量金融工具的虧損撥備，而當前報告日期已確定不符合全期預期信貸虧損的條件，本集團於當前報告日期按12個月預期信貸虧損的相同金額計量虧損撥備，惟使用簡化法之資產除外。

本集團於損益中確認所有金融工具的減值收益或虧損，並透過虧損撥備賬項相應調整其賬面值。

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(aa) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(ab) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. 重要會計政策 (續)

(aa) 撥備及或然負債

倘若本集團因過往事件致使現時負有法律或推斷性責任而可能須要以經濟利益支付負債，在可作出可靠估計時，需就未有確定時間或金額之負債確認撥備。倘有關撥備金額有重大之時間值，則撥備會按預期用以支付負債之金額之現值列賬。

倘須要付出經濟利益之可能性不大，或未能可靠估計有關金額，則除非需付出經濟利益之可能性極微，否則有關責任承擔將列作或然負債披露。除非需付出經濟利益之可能性極微，否則需待日後某一宗或多宗事件是否實現後方能確認之可能產生的責任亦會披露為或然負債。

(ab) 報告期後事項

能提供有關本集團於報告期末狀況之額外資料或顯示其可持續經營之假設並不適宜之報告期後事項均為調整事項，並會在綜合財務報表中反映。不屬調整事項之報告期後事項如為重要者，會在綜合財務報表附註中披露。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

(i) Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimates, which are dealt with below).

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon measures taken by the Directors to improve the Group's financial position, cash flows and profitability and the financial support from a major shareholder, at a level sufficient to finance the working capital requirements of the Group as explained in note 2 to the consolidated financial statements.

(b) *Consolidation of entity with less than 50% equity interest holding*

Although the Group owns less than 50% of the equity interest in 宜昌市標典天然氣利用有限公司 (Yichang Biaodian Natural Gas Utilisation Co. Ltd.) ("Yichang Biaodian"), Yichang Biaodian is treated as a subsidiary because the Group is able to control the relevant activities of Yichang Biaodian as a result of the shareholders' agreement among the Group and other shareholders of Yichang Biaodian. The assessment on the control is set out in note 26(a).

5. 主要判斷及重大估計

(i) 應用會計政策時的主要判斷

在應用會計政策時，董事已作出下列對綜合財務報表確認的款項有最重大影響之判斷（除涉及估計者外，其於下文處理）。

(a) 持續經營基準

該等綜合財務報表乃按持續經營基準編製，基準的有效性取決於綜合財務報表附註2所闡述之董事為改善本集團之財務狀況、現金流量及盈利能力而採取之措施以及主要股東的財務支援是否足以為本集團的營運資金需求提供資金。

(b) 合併持有少於50%股權的實體

儘管本集團擁有宜昌市標典天然氣利用有限公司（「宜昌標典」）不足50%股權，但宜昌標典被視為附屬公司，原因是本集團因本集團與宜昌標典其他股東的股東協議而有能力控制宜昌標典的相關活動。對控制的評估載於附註26(a)。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

(i) Critical judgements in applying accounting policies (Continued)

(c) Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(d) Judgement of the Group's trading of copper and petrochemicals as a principal

The Group recognises revenue generated from trading of copper and petrochemicals on a gross basis acting as a principal. Significant judgement is made by the management of the Group in determining whether the Group is acting as a principal or agent in the Group's copper and petrochemicals trading business.

Considering that the Group controls the copper and petrochemicals before they are transferred to the customer as (i) the Group has primary responsibility for fulfilling the promise to provide the copper and petrochemicals including responsibility for the acceptability of the copper and petrochemicals; (ii) the Group bears the inventory risk; and (iii) the Group has discretion to establish the price of the copper and petrochemicals, management of the Group has assessed that the Group acts as principal.

The Group recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for those goods transferred.

5. 主要判斷及重大估計 (續)

(i) 應用會計政策時的主要判斷 (續)

(c) 信貸風險顯著增加

預期信貸虧損就第1階段資產按等於12個月預期信貸虧損的撥備計量，就第2階段或第3階段資產按全期預期信貸虧損的撥備計量。資產在其信貸風險自初始確認後顯著增加時轉入第2階段。香港財務報告準則第9號並無界定構成信貸風險顯著增加的因素。於評估資產的信貸風險是否顯著上升時，本集團會考慮合理且具支持的定量及定性前瞻性資料。

(d) 本集團作為當事人買賣銅及石化產品之判斷

本集團作為當事人按總額基準確認銅及石化產品買賣所得收益。本集團管理層於釐定本集團於本集團銅及石化產品買賣業務中是作為當事人還是代理人時作出重大判斷。

考慮到本集團於向客戶轉移銅及石化產品之前控制銅及石化產品，原因為(i)本集團有主要責任履行供應銅及石化產品之承諾，包括有關銅及石化產品之可接受程度之責任；(ii)本集團承擔存貨風險；及(iii)本集團擁有設定銅及石化產品之價格之酌情權，故本集團管理層評定本集團乃作為當事人行事。

本集團按其於交換所轉移貨品中預期有權獲得之代價總額確認收益。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Depreciation and impairment on property, plant and equipment

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The Group assesses whether property, plant and equipment and construction in progress have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value in use calculations of each CGU the property, plant and equipment belonged, which requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value.

5. 主要判斷及重大估計 (續)

(ii) 估計不明朗因素的主要來源

於報告期末對未來的主要假設及其他估計不明朗因素的主要來源(對下一財政年度之資產及負債的賬面值造成重大調整之重大風險)在下文討論。

(a) 物業、廠房及設備折舊及減值

本集團釐定本集團物業、廠房及設備之估計可使用年期、剩餘價值及相關折舊支出。此估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期及剩餘價值之過往經驗作出。倘可使用年期及剩餘價值與先前估計者不同，或本集團將撇銷或撇減已廢棄之技術過時或非策略性資產，則本集團將修訂折舊支出。

本集團根據會計政策評估物業、廠房及設備以及在建工程是否存在任何減值跡象。物業、廠房及設備之可收回金額乃根據物業、廠房及設備所歸屬之各現金產生單位的使用價值計算。為計算現值，本集團須估計該現金產生單位可能產生之未來現金流量及適當的貼現率。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(a) Depreciation and impairment on property, plant and equipment (Continued)

Impairment loss of HK\$18,127,000 (year ended 31 December 2018: Nil) was recognised for the period from 1 January 2019 to 30 September 2019 to write down the carrying amount of the property, plant and equipment to the recoverable amount of the CGUs belonged. The carrying amount of property, plant and equipment as at 30 September 2019 was HK\$242,422,000 (at 31 December 2018: HK\$277,688,000).

(b) Income taxes

The Group is subject to income taxes mainly in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the period ended 30 September 2019, HK\$4,981,000 (year ended 31 December 2018: HK\$1,973,000) of income tax was credited to profit or loss based on the estimated assessable loss from continuing operations.

5. 主要判斷及重大估計 (續)

(ii) 估計不明朗因素的主要來源 (續)

(a) 物業、廠房及設備折舊及減值 (續)

自二零一九年一月一日至二零一九年九月三十日期間，本集團確認減值虧損18,127,000港元（截至二零一八年十二月三十一日止年度：無），以將物業、廠房及設備之賬面值撇銷至所歸屬現金產生單位之可收回金額。於二零一九年九月三十日，物業、廠房及設備之賬面值為242,422,000港元（於二零一八年十二月三十一日：277,688,000港元）。

(b) 所得稅

本集團主要須繳納數個法定司法權區的所得稅。於釐定所得稅撥備時，須作出重大估計。於一般業務過程中，大部份最終稅項之交易及計算屬不確定。倘該等事項的最終評稅結果與初始記錄的數額存在差異，則相關差異將影響釐定期間所得稅及遞延稅項撥備。截至二零一九年九月三十日止期間，4,981,000港元（截至二零一八年十二月三十一日止年度：1,973,000港元）之所得稅根據持續經營業務產生的估計應評稅虧損計入損益。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(Continued)*

(ii) Key sources of estimation uncertainty *(Continued)*

(c) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the end of the reporting period became nil (at 31 December 2018: HK\$4,323,000) after an impairment loss of HK\$4,207,000 (year ended 31 December 2018: HK\$8,005,000) was recognised during the period from 1 January 2019 to 30 September 2019. Details of the impairment loss calculation are provided in note 24 to the consolidated financial statements.

5. 主要判斷及重大估計 (續)

(ii) 估計不明朗因素的主要來源 (續)

(c) 商譽減值

釐定商譽是否減值須評估獲分配商譽的現金產生單位的使用價值。計算使用價值要求本集團估計現金產生單位的預期未來現金流量及計算現值的適當貼現率。自二零一九年一月一日至二零一九年九月三十日期間確認減值虧損4,207,000港元(截至二零一八年十二月三十一日止年度:8,005,000港元)後,商譽於報告期末的賬面值變為零(於二零一八年十二月三十一日:4,323,000港元)。減值虧損計算之詳情載於綜合財務報表附註24。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(d) Amortisation and impairment on intangible assets

The Group determines the estimated useful lives and related amortisation for the Group's intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for the intangible assets with a finite useful life are reviewed by the management at least at the end of each reporting period. The Group assesses whether any indication of impairment in accordance with the accounting policy. The recoverable amounts of intangible assets have been determined based on value in use calculations of each CGU the intangible assets belonged which requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

Impairment loss of HK\$15,057,000 (year ended 31 December 2018: HK\$4,500,000 included in discontinued operation) was recognised for the period from 1 January 2019 to 30 September 2019. The carrying amount of intangible assets at 30 September 2019 was HK\$178,685,000 (at 31 December 2018: HK\$204,658,000).

5. 主要判斷及重大估計 (續)

(ii) 估計不明朗因素的主要來源 (續)

(d) 無形資產攤銷及減值

本集團釐定無形資產的預計可用年期及有關攤銷。無形資產之可用年期基於資產預期用途及市場需求或服務產出變動導致的技術過時而評估為固定期限或無固定期限。使用年期有限之無形資產於預計可用經濟年期內攤銷，並於有跡象顯示無形資產可能減值時評估減值。管理層至少於各呈報期末評估一次使用年期有限之無形資產之攤銷期及攤銷方法。本集團根據會計政策評估是否存在任何減值跡象。無形資產之可收回金額乃根據無形資產所歸屬之各現金產生單位的使用價值計算。為計算現值，本集團須估計該現金產生單位可能產生之未來現金流量及適當的貼現率。

自二零一九年一月一日至二零一九年九月三十日期間，本集團確認減值虧損15,057,000港元（截至二零一八年十二月三十一日止年度：4,500,000港元計入已終止經營業務）。於二零一九年九月三十日，無形資產之賬面值為178,685,000港元（於二零一八年十二月三十一日：204,658,000港元）。

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(Continued)*

(ii) Key sources of estimation uncertainty *(Continued)*

(e) Impairment of trade receivables

The management of the Group estimates the amount of impairment loss for ECL on trade receivables based on the credit risk of trade receivables. The amount of the impairment loss based on ECL model is measured 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. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 30 September 2019, the carrying amount of trade receivables, net of allowance for doubtful debts of HK\$48,000, was HK\$11,243,000 (at 31 December 2018: HK\$2,871,000).

5. 主要判斷及重大估計 (續)

(ii) 估計不明朗因素的主要來源 (續)

(e) 應收貿易賬款減值

本集團管理層基於應收貿易賬款的信貸風險估計應收貿易賬款預期信貸虧損的減值虧損金額。基於預期信貸虧損模式的減值虧損金額乃根據合約中應付本集團之合約現金流量總額及本集團預計收取之現金流量總額(以初始確認時釐定之實際利率貼現)之差額估計。倘未來現金流量少於預期或因事實及情況變化下調，則可能發生重大減值虧損。

於二零一九年九月三十日，應收貿易賬款的賬面值為11,243,000港元(扣除呆賬撥備48,000港元)(於二零一八年十二月三十一日：2,871,000港元)。

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of the Group entities such as United States dollars ("US\$") and HK\$. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 30 September 2019, if RMB had weakened 10% per cent against the HK\$ with all other variables held constant, consolidated loss after tax for the period would have been HK\$2,550,000 (at 31 December 2018: HK\$508,000) higher, arising mainly as a result of the foreign exchange loss on non-convertible bonds, convertible bond and bank balances denominated in HK\$, but partly offset by bonds receivables and loans receivables denominated HK\$. If RMB had strengthened 10% per cent against HK\$ with all other variables held constant, consolidated loss after tax for the period would have been HK\$2,550,000 (at 31 December 2018: HK\$508,000) lower, arising mainly as a result of the foreign exchange gain on non-convertible bonds, convertible bond and bank balances denominated in HK\$, but partly offset by bonds receivables and loans receivables denominated in HK\$.

6. 財務風險管理

本集團之業務令其面對多項金融風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃集中於金融市場之不可預測性，並尋求盡量減低對本集團財務表現之潛在不利影響。

(a) 外幣風險

由於本集團之部分業務交易、資產及負債乃以本集團實體之功能貨幣以外之貨幣（如美元（「美元」）及港元計值。本集團目前並無就外幣交易、資產及負債制訂任何外幣對沖政策。本集團密切監管其外幣風險並將於有需要時考慮對沖重大之外幣風險。

於二零一九年九月三十日，倘人民幣兌換港元已下跌10%，而其他所有變數維持不變，則本期間稅後綜合虧損可能增加2,550,000港元（於二零一八年十二月三十一日：508,000港元），此乃主要由於以港元計值之不可換股債券、可換股債券及銀行結餘產生外匯虧損，但部分被以港元計值之應收債券及應收貸款所抵銷。倘人民幣兌換港元上升10%，而其他所有變數維持不變，則本期間稅後綜合虧損可能減少2,550,000港元（於二零一八年十二月三十一日：508,000港元），此乃主要由於以港元計值之不可換股債券、可換股債券及銀行結餘產生外匯收益，但部分被以港元計值之應收債券及應收貸款所抵銷。

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

At 30 September 2019, if RMB had weakened 10% per cent against the US\$ with all other variables held constant, consolidated loss after tax for the period would have been HK\$460,000 (at 31 December 2018: Nil) higher, arising mainly as a result of the foreign exchange loss on non-convertible bonds denominated in US\$. If RMB had strengthened 10% per cent against US\$ with all other variables held constant, consolidated loss after tax for the period would have been HK\$460,000 (at 31 December 2018: Nil) lower, arising mainly as a result of the foreign exchange gain on non-convertible bonds denominated in HK\$.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

6. 財務風險管理 (續)

(a) 外幣風險 (續)

於二零一九年九月三十日，倘人民幣兌換美元下跌10%，而其他所有變數維持不變，則本期間稅後綜合虧損可能增加460,000港元（於二零一八年十二月三十一日：零），此乃主要由於以美元計值之不可換股債券產生外匯虧損。倘人民幣兌換美元上升10%，而其他所有變數維持不變，則本期間稅後綜合虧損可能減少460,000港元（於二零一八年十二月三十一日：零），此乃主要由於以港元計值之不可換股債券產生外匯收益。

(b) 信貸風險

信貸風險乃指因對手方將未能履行其於金融工具或客戶合約項下之責任而導致財務損失之風險。本集團之經營活動（主要為應收貿易賬款）以及融資活動（包括於銀行或金融機構之存款、外匯交易及其他金融工具）使其面臨信貸風險。本集團面臨之由現金及現金等額產生之信貸風險有限，乃由於對手方為具有國際信貸評級機構所評定較高信貸評級之銀行及金融機構，因此本集團認為信貸風險較低。

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 180 days from the date of billing. Debtors with balances that are more than 3 to 6 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(i) 應收貿易賬款

各業務單元在本集團既有關於客戶信貸風險管理之政策、程序及監控規限下，管理客戶信貸風險。高於某一金額之信貸，本集團均會對其進行個別信貸評估。此等評估主要針對客戶過往到期時之還款記錄及現時還款之能力，並考慮客戶之特定資料，以及與客戶經營業務之經濟環境相關之資料。應收貿易賬款自賬單日期起計180天內到期。本集團要求有逾期超過3至6個月結餘之債務人清償所有未付結餘，方會另行批授任何信貸。於正常情況下，本集團並未向客戶收取抵押品。

本集團按等同於全期預期信貸虧損之金額計量應收貿易賬款之虧損撥備，其乃使用撥備矩陣進行計算。由於本集團過往之信貸虧損並未就不同客戶分部顯示重大不同虧損模式，基於逾期狀態之虧損撥備不會進一步於本集團不同客戶基礎之間進一步區分。

綜合財務報表附註

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 30 September 2019:

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
30 September 2019	二零一九年九月三十日			
Current (not past due)	即期(未逾期)	0.42%	7,247	31
1 – 30 days past due	逾期1 – 30日	0.42%	67	–
31 – 60 days past due	逾期31 – 60日	0.42%	–	–
61 – 90 days past due	逾期61 – 90日	0.42%	–	–
91 – 180 days past due	逾期91 – 180日	0.42%	2,819	12
More than 180 days past due	逾期超過180日	0.42%	1,158	5
			11,291	48

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(i) 應收貿易賬款 (續)

下表載列於二零一九年九月三十日本集團面臨信貸風險之資料及應收貿易賬款之預期信貸虧損：

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
31 December 2018	二零一八年 十二月三十一日			
Current (not past due)	即期(未逾期)	–	–	–
1 – 30 days past due	逾期1–30日	–	2,718	–
31 – 60 days past due	逾期31–60日	–	1	–
61 – 90 days past due	逾期61–90日	–	4	–
More than 90 days past due	逾期超過90日	2.25%	148	–
			<u>2,871</u>	<u>–</u>

Expected loss rates are based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(i) 應收貿易賬款 (續)

預期虧損率乃根據過往三年之實際虧損經驗得出。該等比率會作出調整以反映已蒐集歷史數據之期間之經濟狀況、當前狀況及本集團對應收款項預期年期之經濟狀況之觀點之差異。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

Movement in the loss allowance account in respect of trade receivables during the period is as follows:

		2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	–
Impairment losses recognised for the period	期內確認的減值虧損	50
Exchange differences	匯兌差額	(2)
At 30 September	於九月三十日	48

(ii) Bonds, loans and other receivables

The Group transacts only with recognised and creditworthy third parties. Bonds, loans and other receivables balances are monitored on an ongoing basis.

The credit quality of the financial assets included in bonds, loans and other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(i) 應收貿易賬款 (續)

期內應收貿易賬款之虧損撥備變動如下：

		2019 二零一九年 HK\$'000 千港元
At 1 January	於一月一日	–
Impairment losses recognised for the period	期內確認的減值虧損	50
Exchange differences	匯兌差額	(2)
At 30 September	於九月三十日	48

(ii) 債券、貸款及其他應收款項

本集團僅與具聲譽及信譽良好之第三方進行交易。債券、貸款及其他應收款項結餘乃按持續基準監察。

當計入債券、貸款及其他應收款項之金融資產及其他資產並未逾期及並無資料顯示金融資產之信貸風險自初始確認以來已大幅增加，其信貸質素被視為「正常」。否則，金融資產之信貸質素被視為「呆賬」。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

(ii) Bond, loans and other receivables (Continued)

The loss allowance account in respect of bond, loan and other receivables during the period is as follows:

		Loan receivables	Bond receivables
		應收貸款	應收債權
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January 2019	於二零一九年一月一日	–	–
Impairment losses recognised for the period	期內確認的減值虧損	7,138	177
Exchange differences	匯兌差額	(135)	–
At 30 September 2019	於二零一九年九月三十日	<u>7,003</u>	<u>177</u>

The management of the Group assessed the risk of default based on both quantitative and qualitative information on hand after initial recognition. Based on their assessment, there was a significant increase in the loss allowance in loan receivables because of the increase in default risk that certain loan receivables have been overdue since maturity as they have financial difficulty to repay.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(ii) 債券、貸款及其他應收款項 (續)

期內債券、貸款及其他應收款項之虧損撥備賬如下：

本集團管理層基於初始確認後現有定量及定性資料評估違約風險。基於彼等之評估，由於若干應收貸款到期後因財務困難難以償還而逾期的違約風險增加，應收貸款虧損撥備大幅增加。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's financial liabilities is as follows:

		Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total undiscounted cash flows 未貼現 現金流量總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 30 September 2019	於二零一九年九月三十日					
Trade and other payables	貿易及其他應付款項	47,653	-	-	-	47,653
Lease liabilities	租賃負債	2,837	546	-	-	3,383
Due to a director	應付一名董事款項	347	-	-	-	347
Due to a related company	應付一間關聯公司款項	554	-	-	-	554
Non-convertible bonds	不可換股債券	33,502	3,180	-	-	36,682
Due to non-controlling shareholders of a subsidiary and its related parties	應付一間附屬公司非控股股東及其 關連方之款項	-	45,567	-	-	45,567
Bank borrowings	銀行借款	3,541	4,441	13,067	-	21,049
Convertible bond designated at FVTPL	指定為按公平值計入損益之 可換股債券	21,372	-	-	-	21,372
		109,806	53,734	13,067	-	176,607

6. 財務風險管理 (續)

(c) 流動資金風險

本集團之政策為定期監察當期及預期流動資金需求，以保證維持充足之現金儲備應付其短期及長期之流動資金需求。

本集團金融負債根據合約未貼現現金流量計算之到期分析如下：

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6. FINANCIAL RISK MANAGEMENT (Continued)

6. 財務風險管理 (續)

(c) Liquidity risk (Continued)

(c) 流動資金風險 (續)

		Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total undiscounted cash flows 未貼現 現金流量總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日					
Trade and other payables	貿易及其他應付款項	44,922	-	-	-	44,922
Due to a director	應付一名董事款項	2,105	-	-	-	2,105
Non-convertible bonds	不可換股債券	11,347	3,360	-	-	14,707
Due to non-controlling shareholders of a subsidiary and its related parties	應付一間附屬公司非控股股東及 其關連方之款項	39,650	-	-	-	39,650
Bank borrowings	銀行借款	3,812	3,192	14,262	-	21,266
Convertible bond designated at FVTPL	指定為按公平值計入損益之 可換股債券	2,000	20,861	-	-	22,861
		<u>103,836</u>	<u>27,413</u>	<u>14,262</u>	<u>-</u>	<u>145,511</u>

(d) Interest rate risk

(d) 利率風險

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of benchmark interest rate of the People's Bank of China arising from the Group's borrowing denominated in RMB.

本集團之現金流量利率風險主要集中於本集團以人民幣計值的借款產生的中國人民銀行基準利率波動。

Other than bank borrowing mentioned above, the Group's loan and bond receivables, non-convertible bonds and other borrowing bear interest at fixed interest rate and therefore are subject to fair value interest rate risk.

除上述銀行借款外，本集團應收貸款及債券、不可換股債券及其他借款均按固定利率計息，因此面臨公平值利率風險。

The Directors consider the Group's exposure to interest rate risk is not significant and therefore no sensitivity analysis has been prepared.

董事認為本集團承擔之利率風險並不重大，因此並無編製敏感度分析。

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6. FINANCIAL RISK MANAGEMENT (Continued)

6. 財務風險管理 (續)

(e) Categories of financial instruments at

(e) 於下列日期之金融工具分類

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Financial assets:	金融資產：		
Financial assets measured at amortised cost	按攤銷成本計量之金融資產	38,812	49,557
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本列賬之金融負債	148,002	118,782
Convertible bond designated at FVTPL	指定為按公平值計入損益之 可換股債券	19,771	24,186

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公平值

綜合財務狀況表所反映之本集團金融資產及金融負債之賬面值接近於彼等各自之公平值。

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

7. 公平值計量

公平值為市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付之價格。以下公平值計量披露使用之公平值層級，將計量公平值之估值技術所用輸入數據分為三個等級：

第一級輸入數據：本集團於計量日期可取得相同資產或負債於活躍市場之報價（未經調整）。

第二級輸入數據：資產或負債可直接或間接觀察之輸入數據，第一級包括之報價除外。

第三級輸入數據：資產或負債之不可觀察輸入數據。

本集團之政策為確認截至於事項或狀況變動導致該轉移之日期止該等三個等級之任何轉入及轉出。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy:

Recurring fair value measurements:	經常性公平值計量：
Financial liabilities	金融負債
Convertible bond designated at FVTPL	指定為按公平值計入損益之可換股債券

(b) Reconciliation of liabilities measured at fair value based on level 3:

At beginning of period/year	於期／年初	24,186	-
At date of issuance of convertible bond	於可換股債券發行日期	-	20,000
Total (gains) or losses recognised in profit or loss [#]	於損益確認之(收益)或虧損總額 [#]	(3,940)	4,186
Exchange differences	匯兌差額	(475)	-
At end of period/year	於期／年末	19,771	24,186

[#] The total gains or losses recognised in profit or loss at end of reporting period are presented in the face (31 December 2018: face) of the consolidated statement of profit or loss and other comprehensive income.

7. 公平值計量 (續)

(a) 公平值層級披露：

Fair value measurements using level 3 使用第三級之公平值計量

At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
19,771	24,186

(b) 根據第三層級按公平值計量之負債對賬：

Convertible bond designated at FVTPL 指定為按公平值計入損益之可換股債券

At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
24,186	-
-	20,000
(3,940)	4,186
(475)	-
19,771	24,186

[#] 於報告期末於損益確認的收益或虧損總額於綜合損益及其他收益表中按面值呈列(於二零一八年十二月三十一日：按面值呈列)。

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7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 September 2019:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For Level 3 fair value measurements, the Group will normally engage external valuation experts with recognised professional qualifications and recent experience to perform the valuations. The following table gives information about how the fair values of these financial liabilities are determined, in particular, the valuation technique(s) and input used.

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Effect on fair value		Fair value of liabilities	
			Range	for increase of inputs 輸入數據增加 對公平值的影響	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Convertible bond designated at FVTPL	Trinomial Option Pricing Model (at 31 December 2018: Binomial Option Pricing Model)	Stock price volatility	39.47%	Increase	19,771	24,186
指定為按公平值計入損益之可換股債券	三項式期權定價模式 (於二零一八年十二月三十一日: 二項式期權定價模式)	股價波幅		增加		

7. 公平值計量 (續)

(c) 於二零一九年九月三十日，本集團使用之估值程序及用於公平值計量之估值技術及輸入數據披露：

本集團財務總監負責財務報告所需資產及負債之公平值計量，包括第三層級公平值計量。財務總監直接向董事會匯報該等公平值計量。財務總監與董事會每年至少就估值程序及結果舉行兩次會議。

就第三層級公平值計量而言，本集團通常會聘請具備獲認可之專業資格及近期經驗之外部估值專家進行估值。下表載列之資料乃有關如何釐定該等金融負債之公平值，尤其是，所運用之估值技術及輸入數據。

第三層級公平值計量

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

8. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the period/year from continuing operations is as follows:

8. 收益

收益劃分

按期／年內持續經營業務之主要產品或服務線對來自客戶合約之收益劃分如下：

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15	香港財務報告準則第15號 範圍內來自客戶 合約之收益		
Disaggregated by major products or service lines	按主要產品或服務線劃分		
- Sales of goods	- 銷售貨品	295,070	64,529
- Sales of natural gas	- 銷售天然氣	29,833	40,342
- Rendering of services	- 提供服務	2,353	2,800
		327,256	107,671
Revenue from other sources	其他來源之收益		
- Leasing income	- 租金收入	3,739	1,045
		330,995	108,716

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

8. REVENUE (Continued)

Disaggregation of revenue (Continued)

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

8. 收益 (續)

收益劃分 (續)

本集團從以下主要產品線及地區隨時間及於時間點轉移商品及服務獲得收益：

	Trading of copper 買賣銅		Trading of petrochemicals 買賣石化產品		Sales of natural gas 銷售天然氣		Pipeline installation services 管道安裝服務		Provision of technology support services 提供技術支持服務		Total 總計	
	Period from 1 January 2019 to 30 September 2019	Year ended 31 December 2018	Period from 1 January 2019 to 30 September 2019	Year ended 31 December 2018	Period from 1 January 2019 to 30 September 2019	Year ended 31 December 2018	Period from 1 January 2019 to 30 September 2019	Year ended 31 December 2018	Period from 1 January 2019 to 30 September 2019	Year ended 31 December 2018	Period from 1 January 2019 to 30 September 2019	Year ended 31 December 2018
	自二零一九年一月一日至二零一九年九月三十日期間	二零一八年十二月三十一日止年度	自二零一九年一月一日至二零一九年九月三十日期間	二零一八年十二月三十一日止年度	自二零一九年一月一日至二零一九年九月三十日期間	二零一八年十二月三十一日止年度	自二零一九年一月一日至二零一九年九月三十日期間	二零一八年十二月三十一日止年度	自二零一九年一月一日至二零一九年九月三十日期間	二零一八年十二月三十一日止年度	自二零一九年一月一日至二零一九年九月三十日期間	二零一八年十二月三十一日止年度
	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元
Primary geographical markets	主要地區市場											
- The PRC except Hong Kong	68,691	64,529	226,379	-	29,833	40,342	1,090	1,805	1,263	995	327,256	107,671
Revenue from external customers	68,691	64,529	226,379	-	29,833	40,342	1,090	1,805	1,263	995	327,256	107,671
Timing of revenue recognition	收益確認時間											
Products transferred at a point in time	68,691	64,529	226,379	-	738	4,826	1,090	1,805	-	-	296,898	71,160
Products and services transferred over time	-	-	-	-	29,095	35,516	-	-	1,263	995	30,358	36,511
Total	68,691	64,529	226,379	-	29,833	40,342	1,090	1,805	1,263	995	327,256	107,671

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9. OTHER INCOME

9. 其他收入

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Continuing operations	持續經營業務		
Bank interest income	銀行利息收入	3	4
Interest income from bond receivables	應收債券之利息收入	863	457
Interest income from loan to third parties	提供予第三方貸款之利息收入	1,429	606
Net exchange gain	匯兌收益淨額	4,005	-
Government grant (note)	政府補貼(附註)	-	1,166
Others	其他	281	8
		6,581	2,241

Note: Government grant mainly comprised reward for the Group's construction of natural gas station located in the PRC.

附註：政府補貼主要包括對本集團建造位於中國的天然氣站的獎勵。

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10. OTHER LOSSES

10. 其他虧損

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Continuing operations	持續經營業務		
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	(100)
Loss on de-registration of subsidiaries	附屬公司撤銷註冊之虧損	(94)	(48)
Impairment loss on right-of-use assets	使用權資產之減值虧損	(117)	-
		(211)	(148)

11. SEGMENT INFORMATION

11. 分部資料

The Group has four (year ended 31 December 2018: three) operating segments as follows:

本集團之四個經營分部(截至二零一八年十二月三十一日止年度:三個)如下:

Trading of copper	- including income from trading of copper	買賣銅	- 包括銅金屬貿易之收入
Trading of petrochemicals	- including income from trading of petrochemical	買賣石化產品	- 包括石化產品貿易之收入
Natural gas operations	- including investment in natural gas projects, sales of natural gas, natural gas cooking appliance and accessories and pipeline installation	天然氣業務	- 包括投資天然氣項目、銷售天然氣、天然氣炊具及配件以及管道安裝
Leasing business	- including services rendered from leasing of steel support axial force servo system and technology support	租賃業務	- 包括就租賃鋼支撐軸力伺服系統及技術支援提供之服務

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11. SEGMENT INFORMATION *(Continued)*

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include amounts for discontinued operations, unallocated corporate expenses, certain other income, finance cost and income tax. Segment assets do not include assets of discontinued operations or held for sales, bank and cash balances and unallocated assets. Segment liabilities do not include liabilities of discontinued operations, convertible bond designated at FVTPL, non-convertible bonds, some other borrowings and unallocated liabilities. Segment non-current assets do not include deposits for acquisitions.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

11. 分部資料 (續)

本集團之可報告分部為提供不同產品及服務之策略性業務單位。由於各業務需要不同之技術及市場推廣策略，故各分部獨立管理。

經營分部之會計政策與綜合財務報表附註4所闡述者相同。分部溢利或虧損並不包括已終止經營業務之金額、未分配企業開支、若干其他收入、財務成本及所得稅。分部資產並不包括已終止經營業務或持作出售的資產、銀行及現金結餘及未分配資產。分部負債並不包括已終止經營業務負債、指定按公平值計入損益之可換股債券、不可換股債券、若干其他借貸及未分配負債。分部非流動資產並不包括收購事項之按金。

本集團將分部間銷售及轉讓列賬，猶如該等銷售或轉讓向第三方（即按現時市價）作出。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

11. SEGMENT INFORMATION (Continued)

11. 分部資料 (續)

(a) Information about operating segment profit or loss, assets and liabilities from continuing operations:

(a) 有關來自持續經營業務之經營分部溢利或虧損、資產及負債之資料：

		Trading of copper 買賣銅 HK\$'000 千港元	Trading of petrochemicals 買賣石化產品 HK\$'000 千港元	Natural gas operations 天然氣業務 HK\$'000 千港元	Leasing business 租賃業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Period from 1 January 2019 to 30 September 2019	自二零一九年一月一日至二零一九年九月三十日期間					
Revenue from external customers	來自外部客戶之收益	68,691	226,379	30,923	5,002	330,995
Segment (loss)/profit	分部(虧損)/溢利	(4,000)	320	(53,965)	3,390	(54,255)
Interest revenue	利息收益	-	1	1	1	3
Interest expense	利息開支	(19)	-	(4,597)	-	(4,616)
Depreciation and amortisation	折舊及攤銷	(156)	-	(17,396)	(587)	(18,139)
Net foreign exchange gain	匯兌收益淨額	381	-	138	-	519
Income tax (expense)/credit	所得稅(開支)/抵免	-	(19)	5,000	-	4,981
Other material non-cash items:	其他重大非現金項目：					
Impairment loss on goodwill	商譽減值虧損	-	-	(4,207)	-	(4,207)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	-	(18,127)	-	(18,127)
Impairment loss on intangible assets	無形資產減值虧損	-	-	(14,287)	-	(14,287)
Allowance for loan receivables	應收貸款撥備	(3,023)	-	-	-	(3,023)
Allowance for trade receivables	應收貿易賬款撥備	(21)	-	-	(29)	(50)
Additions to segment non-current assets	添置分部非流動資產	18	-	4,425	410	4,853
As at 30 September 2019	於二零一九年九月三十日					
Segment assets	分部資產	10,406	3,022	421,901	17,931	453,260
Segment liabilities	分部負債	(5,803)	(483)	(146,245)	(1,343)	(153,874)

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

11. SEGMENT INFORMATION (Continued)

(a) Information about operating segment profit or loss, assets and liabilities from continuing operations:

(Continued)

		Trading of copper 買賣銅 HK\$'000 千港元	Trading of petrochemicals 買賣石化產品 HK\$'000 千港元	Natural gas operations 天然氣業務 HK\$'000 千港元	Leasing business 租賃業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度					
Revenue from external customers	來自外部客戶之收益	64,529	-	42,147	2,040	108,716
Segment (loss)/profit	分部(虧損)/溢利	(2,131)	-	(38,307)	1,775	(38,663)
Interest revenue	利息收益	1	-	1	1	3
Interest expense	利息開支	-	-	(19,483)	-	(19,483)
Depreciation and amortisation	折舊及攤銷	(97)	-	(19,707)	(60)	(19,864)
Loss on disposal of fixed assets	出售固定資產虧損	(55)	-	-	-	(55)
Net foreign exchange loss	外匯虧損淨額	(23)	-	-	-	(23)
Income tax credit	所得稅抵免	-	-	1,973	-	1,973
Additions to segment non-current assets	添置分部非流動資產	1,963	-	14,898	7,187	24,048
As at 31 December 2018	於二零一八年 十二月三十一日					
Segment assets	分部資產	5,451	-	480,842	12,268	498,561
Segment liabilities	分部負債	(6,991)	-	(146,116)	(24)	(153,131)

11. 分部資料 (續)

(a) 有關來自持續經營業務之經營分部溢利或虧損、資產及負債之資料：

(續)

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11. SEGMENT INFORMATION (Continued)

(b) Reconciliations of segment revenue and profit or loss from continuing operations:

11. 分部資料 (續)

(b) 持續經營業務之分部收益與損益對賬：

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收益		
Consolidated revenue from continuing operations	持續經營業務之綜合收益	330,995	108,716
Profit or loss	損益		
Total profit or loss of reportable segments	可報告分部溢利或虧損總額	(54,255)	(38,663)
Unallocated amounts:	未分配金額：		
General and administrative expenses	一般及行政支出	(16,031)	(36,791)
Impairment loss on intangible assets	無形資產減值虧損	(770)	-
Allowance for loan receivables	應收貸款撥備	(4,115)	-
Allowance for bond receivables	應收債券撥備	(177)	-
Finance costs	財務成本	(3,587)	(6,214)
Other income	其他收入	6,352	1,063
Other losses	其他虧損	-	(93)
Fair value change of convertible bond designated at FVTPL	指定按公平值計入損益之可換股債券之公平值變動	3,940	(4,186)
Consolidated loss before tax from continuing operations	持續經營業務之除稅前綜合虧損	(68,643)	(84,884)

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

11. SEGMENT INFORMATION (Continued)

(b) Reconciliations of segment revenue and profit or loss from continuing operations: (Continued)

11. 分部資料 (續)

(b) 持續經營業務之分部收益與損益對賬：(續)

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Reconciliations of segment assets and liabilities:	分部資產與負債對賬：		
Assets	資產		
Total assets of reportable segments	可報告分部總資產	453,260	498,561
Assets relating to discontinued operations	有關已終止經營業務之資產	-	133
Assets held for sales	持作出售資產	2,721	-
Unallocated	未分配	39,340	55,223
Consolidated total assets	綜合總資產	495,321	553,917
Liabilities	負債		
Total liabilities of reportable segments	可報告分部總負債	153,874	153,131
Liabilities relating to discontinued operations	有關已終止經營業務之負債	-	75
Unallocated	未分配	63,664	43,296
Consolidated total liabilities	綜合總負債	217,538	196,502

Geographical information

All of the Group's revenue and non-current assets by location of customers or by location of assets are within the PRC, including Hong Kong.

地區資料

按客戶所在地或按資產所在地劃分之本集團所有收益及非流動資產均位於中國，包括香港。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

11. SEGMENT INFORMATION (Continued)

(c) Revenue from major customers:

An analysis of revenue from major customers which account for 10 percent or more of the Group's revenue is as follows:

Customer A	客戶A
Customer B	客戶B
Customer C	客戶C
Customer D	客戶D

Each of the major customers represents a single external customer whose transaction is generated from trading of petrochemicals and copper segment (year ended 31 December 2018: solely trading of copper segment).

11. 分部資料 (續)

(c) 來自主要客戶之收益：

來自主要客戶之收益（佔本集團收益10%或以上）之分析如下：

	Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Customer A	177,251	-
Customer B	55,312	39,704
Customer C	10,877	24,542
Customer D	8,801	10,815

各主要客戶指其交易產生自買賣石化產品及銅分部（截至二零一八年十二月三十一日止年度：僅買賣銅分部）的單一外部客戶。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

12. FINANCE COSTS

12. 財務成本

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Continuing operations	持續經營業務		
Interest on bank borrowings	銀行借貸利息	1,176	1,757
Imputed interest on loan from a former shareholder	一名前股東提供之貸款估算利息	-	4,811
Imputed interest on loan from non-controlling shareholders and its related parties	非控股股東及其關連方提供之貸款估算利息	3,421	31,893
Interest on convertible bond designated at FVTPL	指定按公平值計入損益之可換股債券之利息	1,497	1,156
Interest on non-convertible bonds	不可換股債券之利息	1,881	247
Interest on lease liabilities	租賃負債之利息	228	-
		8,203	39,864
Less: amounts capitalised in construction in progress	減：在建工程中資本化之金額	-	(14,167)
		8,203	25,697

The weighted average capitalisation rate was 9.75% for the year ended 31 December 2018.

截至二零一八年十二月三十一日止年度之加權平均資本化率為9.75%。

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Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

13. INCOME TAX CREDIT

Income tax relating to continuing operations has been recognised in profit or loss as following:

Current tax – PRC	即期稅項－中國
Provision for the year	本年度撥備
Deferred tax (note 41)	遞延稅項（附註41）

Pursuant to the rules and regulations of the Cayman Islands, Samoa, Seychelles and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in these regions.

Under the Law of the PRC on Enterprise Income Tax (the “EIT”) and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% (year ended 31 December 2018: 25%). The tax rate of Hong Kong Profits Tax in respect of Hong Kong subsidiaries is 16.5% (year ended 31 December 2018: 16.5%).

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the period from 1 January 2019 to 30 September 2019 (year ended 31 December 2018: Nil).

13. 所得稅抵免

已於損益中確認之有關持續經營業務之所得稅如下：

Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
19	—
(5,000)	(1,973)
(4,981)	(1,973)

根據開曼群島、薩摩亞及英屬處女群島（「英屬處女群島」）規則及法規，本集團於該等地區毋須繳納任何所得稅。

根據中國企業所得稅（「企業所得稅」）法及企業所得稅法實施細則，中國附屬公司的稅率為25%（截至二零一八年十二月三十一日止年度：25%）。有關香港附屬公司的香港利得稅稅率為16.5%（截至二零一八年十二月三十一日止年度：16.5%）。

由於本集團自二零一九年一月一日至二零一九年九月三十日期間並無應課稅溢利（截至二零一八年十二月三十一日止年度：無），故毋須作出香港利得稅撥備。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

13. INCOME TAX CREDIT (Continued)

The reconciliation between the income tax credit and the product of loss before tax multiplied by the PRC EIT rate is as follows:

13. 所得稅抵免 (續)

所得稅抵免與除稅前虧損乘以中國企業所得稅率之積之對賬如下：

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日 至二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Loss before tax	除稅前虧損	(68,643)	(84,884)
Tax credit at PRC EIT rate of 25% (2018: 25%)	按中國企業所得稅率25% (二零一八年: 25%)之 稅項抵免	(17,161)	(21,221)
Tax effect of expenses that are not deductible	不可扣減支出之稅務影響	8,008	3,218
Tax effect of income not taxable	免稅收入之稅務影響	(1,333)	(71)
Tax effect of tax losses and temporary differences not recognised	未確認稅項虧損及 暫時性差額之稅務影響	4,433	13,018
Utilisation of tax losses not previously recognised	動用先前未確認之稅項虧損	(19)	-
Tax effort of tax concession	稅務優惠之稅務影響	(75)	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營附屬公司 之不同稅率之影響	1,166	3,083
Income tax credit for the period/year	期/年內之所得稅抵免	(4,981)	(1,973)

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14. LOSS FOR THE PERIOD/YEAR FROM CONTINUING OPERATIONS

The Group's loss for the period/year from continuing operations is stated after charging/(crediting) the followings:

14. 持續經營業務之期／年內虧損

本集團持續經營業務之期／年內虧損乃經扣除／（計入）以下各項後列賬：

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Amortisation of intangible assets (included in selling and distribution cost)	無形資產攤銷 (計入銷售及分銷成本)	5,711	7,892
Amortisation of prepaid lease payments	預付租賃款項攤銷	-	39
Other receivables written off	其他應收款項撇銷	10	-
Auditor's remuneration	核數師薪酬		
– Audit service	– 審核服務	1,100	1,080
– Current	– 即期	115	-
– Under-provision in prior year	– 過往年度撥備不足	282	-
– Other services	– 其他服務		
		1,497	1,080
Cost of inventories sold	已售存貨成本	317,251	102,329
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,530	13,490
Depreciation of right-of-use assets (included in general and administrative expenses)	使用權資產折舊 (計入一般及行政支出)	2,074	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	100
Impairment loss on goodwill (included in general and administrative expenses)	商譽減值虧損 (計入一般及行政支出)	4,207	8,005
Net exchange gain	匯兌收益淨額	(4,005)	(330)
Operating lease charges	經營租賃費用	10	1,915

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15. EMPLOYEE BENEFITS EXPENSE

15. 僱員福利開支

	Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年九月 三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Employee benefits expense (including directors' emoluments):		
Salaries, bonuses and allowances	5,895	6,065
Equity-settled share option expense	-	7,804
Retirement benefit scheme contributions	330	286
	6,225	14,155

None of the Directors (year ended 31 December 2018: three) included in the five highest paid individuals in the Group during the period whose emoluments are reflected in the analysis presented in note 16(a). The emoluments of the five (year ended 31 December 2018: two) individuals during the period/year are as follows:

期內本集團五名最高薪酬人士包括零名(截至二零一八年十二月三十一日止年度:三名)董事,其酬金於附註16(a)呈列之分析中反映。期/年內五名(截至二零一八年十二月三十一日止年度:兩名)人士之酬金如下:

	Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Salaries, allowances and benefits in kind	1,260	353
Equity-settled share option expenses	-	1,564
Retirement benefit scheme contribution	50	16
	1,310	1,933

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15. EMPLOYEE BENEFITS EXPENSE (Continued)

15. 僱員福利開支 (續)

		Number of individuals 人數	
		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度
The emoluments fell within the following bands:	薪酬位於以下區間：		
Nil to HK\$1,000,000	零至1,000,000港元	5	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	—	1

During the period, no amount was paid or payable by the Group to the directors or any of the five highest paid individuals set out below as an inducement to join or upon joining the Group or as compensation for loss of office.

During the year ended 31 December 2018, certain non-director and non-chief executive highest paid employees were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 44 to the Group's consolidated financial statements.

期內，本集團並無支付或應付款項予下文所載董事及五名最高薪酬人士中的任何一名人士，作為吸引彼等加入或於加入本集團時之獎勵，或作為離職時之補償。

截至二零一八年十二月三十一日止年度，若干非董事及非最高行政人員的最高薪酬僱員根據本公司購股權計劃，就彼等向本集團提供的服務而獲授購股權。購股權計劃詳情載於本集團綜合財務報表附註44。

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16. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of each director is set out below:

16. 董事之福利及利益

(a) 董事酬金

各董事之酬金載列如下：

		For the period from 1 January 2019 to 30 September 2019 自二零一九年一月一日至二零一九年九月三十日期間				
		Fees	Salaries and other benefits	Equity-settled share option expense	Retirement benefits scheme contributions	Total directors' emoluments
		袍金	薪金及其他福利	以股權結算的購股權開支	退休福利計劃供款	董事酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Name of director	董事姓名					
Executive directors 執行董事						
Mr. Long Wenming (note (a))	龍文明先生(附註(a))	-	89	-	-	89
Mr. Chen Hualiang (note (b))	陳華良先生(附註(b))	-	57	-	-	57
Mr. Han Leiping (note (c))	韓磊平先生(附註(c))	-	86	-	-	86
Mr. Wu Guoming	吳國明先生	-	90	-	5	95
Mr. Cheung Tuen Ting	張端亭先生	-	180	-	9	189
Independent non-executive directors 獨立非執行董事						
Mr. Leung Oh Man, Martin	梁傲文先生	90	-	-	-	90
Ms. Kwan Sin Yee (note (d))	關倩兒女士(附註(d))	57	-	-	-	57
Mr. Sun Zhi Jun	孫志軍先生	90	-	-	-	90
Ms. Huang Yu Jun	黃玉君女士	90	-	-	-	90
Total	總計	327	502	-	14	843

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

16. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度				
		Fees	Salaries and other benefits	Equity-settled share option expense	Retirement benefits scheme contributions	Total directors' emoluments
		袍金	薪金及其他福利	以股權結算的購股權開支	退休福利計劃供款	董事酬金總額
Name of director	董事姓名	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors 執行董事						
Mr. Long Wenming (note (a))	龍文明先生 (附註(a))	-	118	952	-	1,070
Mr. Chen Hualiang (note (b))	陳華良先生 (附註(b))	-	118	952	-	1,070
Mr. Han Leiping (note (c))	韓磊平先生 (附註(c))	-	118	952	-	1,070
Mr. Wei Yuetong (note (e))	魏月童先生 (附註(e))	-	125	-	-	125
Mr. Wu Guoming (note (f))	吳國明先生 (附註(f))	-	80	791	4	875
Mr. Weng Lin Lei ("Mr. Weng") (note (g))	翁凜磊先生 (「翁先生」) (附註(g))	-	42	-	-	42
Mr. Cheung Tuen Ting	張端亭先生	-	200	-	10	210
Independent non-executive directors 獨立非執行董事						
Mr. Leung Oh Man, Martin	梁傲文先生	120	-	-	-	120
Ms. Kwan Sin Yee	關倩兒女士	120	-	-	-	120
Mr. Sun Zhi Jun	孫志軍先生	120	-	-	-	120
Ms. Huang Yu Jun	黃玉君女士	120	-	-	-	120
Total	總計	480	801	3,647	14	4,942

16. 董事之福利及利益 (續)

(a) 董事酬金 (續)

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度				
		Fees	Salaries and other benefits	Equity-settled share option expense	Retirement benefits scheme contributions	Total directors' emoluments
		袍金	薪金及其他福利	以股權結算的購股權開支	退休福利計劃供款	董事酬金總額
Name of director	董事姓名	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Executive directors 執行董事						
Mr. Long Wenming (note (a))	龍文明先生 (附註(a))	-	118	952	-	1,070
Mr. Chen Hualiang (note (b))	陳華良先生 (附註(b))	-	118	952	-	1,070
Mr. Han Leiping (note (c))	韓磊平先生 (附註(c))	-	118	952	-	1,070
Mr. Wei Yuetong (note (e))	魏月童先生 (附註(e))	-	125	-	-	125
Mr. Wu Guoming (note (f))	吳國明先生 (附註(f))	-	80	791	4	875
Mr. Weng Lin Lei ("Mr. Weng") (note (g))	翁凜磊先生 (「翁先生」) (附註(g))	-	42	-	-	42
Mr. Cheung Tuen Ting	張端亭先生	-	200	-	10	210
Independent non-executive directors 獨立非執行董事						
Mr. Leung Oh Man, Martin	梁傲文先生	120	-	-	-	120
Ms. Kwan Sin Yee	關倩兒女士	120	-	-	-	120
Mr. Sun Zhi Jun	孫志軍先生	120	-	-	-	120
Ms. Huang Yu Jun	黃玉君女士	120	-	-	-	120
Total	總計	480	801	3,647	14	4,942

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16. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

Notes:

- (a) Mr. Long Wenming was appointed on 8 January 2018 and resigned on 27 September 2019.
- (b) Mr. Chen Hualiang was appointed on 8 January 2018 and retired on 21 June 2019.
- (c) Mr. Han Leiping was appointed on 8 January 2018 and resigned on 20 September 2019.
- (d) Ms. Kwan Siu Yee was retired on 21 June 2019.
- (e) Mr. Wei Yuetong was re-appointed on 5 February 2018 and resigned on 6 June 2018.
- (f) Mr. Wu Guoming was appointed on 30 April 2018.
- (g) Mr. Weng Lin Lei was resigned on 19 April 2018.
- (h) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (i) The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- (j) There was no payment of the performance related incentive payments for both years.

Saved as disclosed above, neither the chief executive nor any of the directors waived any emoluments during the period from 1 January 2019 to 30 September 2019 (year ended 31 December 2018: Nil).

16. 董事之福利及利益 (續)

(a) 董事酬金 (續)

附註：

- (a) 龍文明先生於二零一八年一月八日獲委任及於二零一九年九月二十七日辭任。
- (b) 陳華良先生於二零一八年一月八日獲委任及於二零一九年六月二十一日退任。
- (c) 韓磊平先生於二零一八年一月八日獲委任及於二零一九年九月二十日辭任。
- (d) 關倩兒女士於二零一九年六月二十一日退任。
- (e) 魏月童先生於二零一八年二月五日獲重新委任及於二零一八年六月六日辭任。
- (f) 吳國明先生於二零一八年四月三十日獲委任。
- (g) 翁凜磊先生於二零一八年四月十九日辭任。
- (h) 上文所示執行董事之酬金乃主要針對彼等對本公司及本集團管理事務提供之服務。
- (i) 上文所示獨立非執行董事之酬金乃主要針對彼等作為本公司董事之服務。
- (j) 概無就該兩個年度支付與表現相關之獎金。

除上文所披露者外，自二零一九年一月一日至二零一九年九月三十日期間概無行政總裁或任何董事豁免任何酬金（截至二零一八年十二月三十一日止年度：無）。

16. BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(b) Directors' material interests in transactions, arrangements or contracts

Save for those disclosed in note 52 to the consolidated financial statements, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the period/year or at any time during the period/year.

17. RETIREMENT BENEFIT OBLIGATIONS

The Group enrolled all eligible employees in Hong Kong into a mandatory provident fund (the "MPF") scheme. The retirement benefit cost for the MPF scheme charged to profit or loss represents contributions to the MPF scheme by the Group at rates specified in the rules of the MPF scheme.

The employees of the subsidiaries in the PRC are members of the state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

During the period from 1 January 2019 to 30 September 2019, retirement benefits scheme contributions paid amounted to approximately HK\$330,000 (year ended 31 December 2018: HK\$286,000).

16. 董事之福利及利益 (續)

(b) 董事於交易、安排或合約中擁有之重大權益

除綜合財務報表附註52所披露者外，期／年末或期／年內任何時間概無其他本公司作為訂約方及本公司董事及董事之關連人士於其中直接或間接擁有重大權益之有關本集團業務之重大交易、安排或合約存續。

17. 退休福利責任

本集團安排於香港之所有合資格僱員參加強制性公積金(「強積金」)計劃。強積金計劃之退休福利成本，即本集團按強積金計劃規則所指定比率之供款，已於損益扣除。

中國附屬公司之僱員為中國政府設立的國家管理退休福利計劃之成員。本集團須將一定百分比的僱員工資向該退休福利計劃供款，以為福利撥付資金。本集團有關該退休福利計劃之唯一責任是根據該計劃作出必要供款。

自二零一九年一月一日至二零一九年九月三十日期間，已付退休福利計劃供款約為330,000港元(截至二零一八年十二月三十一日止年度：286,000港元)。

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18. DISCONTINUED OPERATIONS

During the year ended 31 December 2018, the Group ceased its business in provision of IT solution services due to deterioration of operating results and financial performance over the year of 2018. The analysis of the results of discontinued operations is as follows:

18. 已終止經營業務

於截至二零一八年十二月三十一日止年度，由於在二零一八年提供資訊科技解決方案服務業務之經營業績及財務表現持續惡化，故本集團已終止該業務。已終止經營業務之業績分析如下：

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Loss for the period/year from discontinued operations:	已終止經營業務之期／年內虧損：		
Revenue	收益	-	21
Cost of sales	銷售成本	-	(55)
Gross loss	毛虧	-	(34)
Other gains and losses	其他收益及虧損	-	(324)
Selling and distribution costs	銷售及分銷成本	-	(5,129)
General and administrative expenses	一般及行政支出	-	(33)
Loss for the period/year from discontinued operations (attributable to owners of the Company)	已終止經營業務之期／年內虧損 (本公司擁有人應佔)	-	(5,520)
Loss for the period/year from discontinued operations include the following:	已終止經營業務之期／年內虧損包括以下各項：		
Depreciation	折舊	-	29
Amortisation of intangible assets	無形資產攤銷	-	600
Impairment loss on intangible assets (note 25(b))	無形資產之減值虧損 (附註25(b))	-	4,500
Loss on write-off of property, plant and equipment	撇銷物業、廠房及設備之虧損	-	324
Cash flows from discontinued operations:	已終止經營業務之現金流量：		
Net cash outflows from operating activities	已終止經營業務之現金流出淨額	-	(85)
Net cash outflows	現金流出淨額	-	(85)

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19. DIVIDENDS

The directors do not recommend the payment of any dividend for the period from 1 January 2019 to 30 September 2019 (year ended 31 December 2018: Nil).

19. 股息

董事不建議就自二零一九年一月一日至二零一九年九月三十日期間派付任何股息（截至二零一八年十二月三十一日止年度：無）。

20. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

20. 每股虧損

每股基本及攤薄虧損乃根據以下各項計算：

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Loss from continuing and discontinued operations	持續及已終止經營業務之虧損		
Loss for the purpose of calculating basic earnings per share from continuing and discontinued operations	就計算持續及已終止經營業務之每股基本盈利而言之虧損	(31,585)	(70,595)
Effect of fair value change on convertible bond designated at FVTPL	指定按公平值計入損益之可換股債券公平值變動的影響	(3,940)	4,186
Effect of interest on convertible bond designated at FVTPL	指定按公平值計入損益之可換股債券利息之影響	1,497	1,156
Loss for the purpose of calculating diluted earnings per share from continuing and discontinued operations	就計算持續及已終止經營業務之每股攤薄盈利而言之虧損	(34,028)	(65,253)

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20. LOSS PER SHARE (Continued)

20. 每股虧損 (續)

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Loss from continuing operations	持續經營業務之虧損		
Loss for the purpose of calculating basic earnings per share from continuing operations	就計算持續經營業務之每股基本盈利而言之虧損	(31,585)	(65,075)
Effect of fair value change on convertible bond designated at FVTPL	指定按公平值計入損益之可換股債券公平值變動的影響	(3,940)	4,186
Effect of interest on convertible bond designated at FVTPL	指定按公平值計入損益之可換股債券利息之影響	1,497	1,156
Loss for the purpose of calculating diluted earnings per share from continuing operations	就計算持續經營業務之每股攤薄盈利而言之虧損	(34,028)	(59,733)

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20. LOSS PER SHARE (Continued)

Number of shares	股份數目
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	就計算每股基本盈利而言之普通股加權平均數
Effect of deemed conversion of convertible bond designated at FVTPL	視作轉換指定按公平值計入損益之可換股債券之影響
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	就計算每股攤薄盈利而言之普通股加權平均數

The computation of diluted loss per share for the period from 1 January 2019 to 30 September 2019 does not assume the exercise of the Company's outstanding share options, as this would result in the decrease in the loss per share.

The computation of diluted loss per share for the year ended 31 December 2018 does not assume the exercise of the Company's outstanding share options and conversion of convertible bond, as this would result in the decrease in the loss per share.

From discontinued operations

Basic and diluted loss per share from the discontinued operations for year ended 31 December 2018 was 0.46 HK cents per share, based on the loss for the year ended 31 December 2018 from discontinued operations attributable to the owners of the Company of approximately HK\$5,520,000 and the denominators used are the same as those detailed above for both basic and diluted loss per share in 2018.

20. 每股虧損 (續)

Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 '000 千股	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 '000 千股
1,303,440	1,198,986
37,037	37,037
1,340,477	1,236,023

自二零一九年一月一日至二零一九年九月三十日期間之每股攤薄虧損計算並不假設行使本公司尚未行使購股權，原因為其將導致每股虧損減少。

截至二零一八年十二月三十一日止年度之每股攤薄虧損計算並不假設行使本公司之尚未行使購股權及轉換可換股債券，原因為其將導致每股虧損減少。

已終止經營業務

根據本公司擁有人應佔已終止經營業務之截至二零一八年十二月三十一日止年度虧損約5,520,000港元及所用的分母與上文詳述二零一八年每股基本及攤薄虧損相同，已終止經營業務截至二零一八年十二月三十一日止年度之每股基本及攤薄虧損為每股0.46港仙。

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21. PROPERTY, PLANT AND EQUIPMENT

21. 物業、廠房及設備

		Buildings	Computer system and equipment 電腦系統及設備	Furniture and fixtures 傢俬及裝置	Leasehold improvements 租賃裝修	Motor vehicles 汽車	Pipeline and equipment 管道及設備	Plant and machinery 廠房及機器	Construction in progress 在建工程	Total 總額
		樓宇 HK\$'000 千港元 (note (a)) (附註(a))	設備 HK\$'000 千港元	傢俬及裝置 HK\$'000 千港元	租賃裝修 HK\$'000 千港元	汽車 HK\$'000 千港元	管道及設備 HK\$'000 千港元 (note (b)) (附註(b))	廠房及機器 HK\$'000 千港元	在建工程 HK\$'000 千港元	總額 HK\$'000 千港元
Cost	成本									
At 1 January 2018	於二零一八年一月一日	9,743	1,055	1,388	1,333	7,270	214,471	-	58,708	293,968
Additions	添置	-	8	43	25	1,955	390	7,187	14,491	24,099
Transfers	轉讓	395	-	-	-	-	70,851	-	(71,246)	-
Disposal	出售	-	-	-	-	(1,816)	-	-	-	(1,816)
Written off	撇銷	-	(558)	(24)	(37)	-	-	-	-	(619)
Exchange differences	匯兌差額	(496)	(30)	(66)	(68)	9	(10,913)	10	(1,953)	(13,507)
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	9,642	475	1,341	1,253	7,418	274,799	7,197	-	302,125
Additions	添置	-	170	133	1,056	-	3,528	410	885	6,182
Reclassified as held for sale (note 32)	重新分類為持作出售 (附註32)	(2,904)	-	-	(102)	(5,900)	-	-	-	(8,906)
Exchange differences	匯兌差額	(259)	(1)	(36)	(33)	(15)	(7,541)	(212)	(39)	(8,136)
At 30 September 2019	於二零一九年九月三十日	6,479	644	1,438	2,174	1,503	270,786	7,395	846	291,265
Accumulated depreciation and impairment	累計折舊									
At 1 January 2018	於二零一八年一月一日	735	446	412	69	4,391	6,724	-	-	12,777
Charge for the year	年內開支	372	133	282	264	1,354	11,025	60	-	13,490
Eliminated on disposals	於出售時對銷	-	-	-	-	(585)	-	-	-	(585)
Written off	撇銷	-	(195)	(16)	(25)	-	-	-	-	(236)
Exchange differences	匯兌差額	(55)	(18)	(30)	(17)	13	(902)	-	-	(1,009)
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	1,052	366	648	291	5,173	16,847	60	-	24,437
Charge for the period	期內開支	264	83	207	350	1,044	10,995	587	-	13,530
Impairment for the period (note (b))	期內減值(附註(b))	-	-	-	-	-	18,127	-	-	18,127
Reclassified as held for sale (note 32)	重新分類為持作出售 (附註32)	(600)	-	-	(78)	(5,507)	-	-	-	(6,185)
Exchange differences	匯兌差額	(40)	-	(26)	(16)	(14)	(942)	(28)	-	(1,066)
At 30 September 2019	於二零一九年九月三十日	676	449	829	547	696	45,027	619	-	48,843
Carrying amount	賬面值									
At 30 September 2019	於二零一九年九月三十日	5,803	195	609	1,627	807	225,759	6,776	846	242,422
At 31 December 2018	於二零一八年十二月三十一日	8,590	109	693	962	2,245	257,952	7,137	-	277,688

Notes:

- (a) The Group's buildings are located in the PRC under medium term leases.
- (b) The Group's pipeline and equipment belong to the CGU of Yichang Biaodian. Details of the impairment assessment of the CGU of Yichang Biaodian are set out in note 24(a) to the consolidated financial statements.

附註:

- (a) 本集團之樓宇均在中國以中期租約持有。
- (b) 本集團的管道及設備歸屬於宜昌標典之現金產生單位。宜昌標典現金產生單位的詳情載於綜合財務報表附註24(a)。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

22. RIGHT-OF-USE ASSETS

22. 使用權資產

		Leasehold land 租賃土地 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Leased motor vehicles 租賃汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019 (note 3)	於二零一九年一月一日 (附註3)	1,639	2,202	-	3,841
Additions	添置	-	2,740	465	3,205
Depreciation	折舊	(26)	(2,035)	(13)	(2,074)
Impairment (note 24(a))	減值(附註24(a))	(117)	-	-	(117)
Exchange differences	匯兌差額	(43)	(1)	-	(44)
At 30 September 2019	於二零一九年九月三十日	<u>1,453</u>	<u>2,906</u>	<u>452</u>	<u>4,811</u>

Lease liabilities of HK\$3,245,000 are recognised with related right-of-use assets of HK\$3,358,000 as at 30 September 2019. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

於二零一九年九月三十日，就相關使用權資產3,358,000港元確認租賃負債3,245,000港元。除出租人所持租賃資產的擔保權益外，租賃協議並無施加任何條款。租賃資產不得用作借款用途的擔保。

**Period from
1 January 2019
to 30 September
2019**
自二零一九年
一月一日至
二零一九年
九月三十日期間
HK\$'000
千港元

Depreciation expenses on right-of-use assets	使用權資產折舊開支	2,074
Interest expense on lease liabilities (included in finance costs)	租賃負債利息開支(計入財務成本)	228
Expenses relating to short-term lease (included in general and administrative expenses)	與短期租賃有關的開支 (計入一般及行政開支)	<u>10</u>

Details of total cash outflow for leases is set out in note 47(e).

租賃之現金流出總額的詳情載於附註47(e)。

22. RIGHT-OF-USE ASSETS (Continued)

For the period from 1 January 2019 to 30 September 2019, the Group leases properties, a motor vehicle and car parking spaces (year ended 31 December 2018: properties) for its operations. Lease contracts are entered into for fixed term of one to three years, but may have termination option to terminate the leasing agreement of motor vehicle after one year. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns a natural gas station and office complex located in the People's Republic of China (the "PRC"). The Group is the registered owner of these property interests, including the underlying leasehold land. Lump sum payments were made upfront to acquire these property interests. The leasehold land component of these owned properties is presented separately only if the payments made can be allocated reliably.

22. 使用權資產 (續)

自二零一九年一月一日至二零一九年九月三十日期間，本集團租賃物業、一輛汽車及停車位（截至二零一八年十二月三十一日止年度：物業）用於營運。租賃合約按一至三年的固定期限訂立，但有終止選擇權，可於一年後終止汽車租賃協議。租賃條款乃在個別基礎上磋商，包括各種不同條款及條件。於釐定租期及評估不可撤回期間的長度時，本集團應用合約的定義並釐定合約可強制執行的期間。

此外，本集團擁有位於中華人民共和國（「中國」）的天然氣站及辦公樓。本集團乃該等物業權益（包括相關租賃土地）的登記擁有人。為收購該等物業權益，已作出一次性付款。倘作出的付款可靠分配，則該等自有物業的租賃土地部分單獨呈列。

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Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

23. PREPAID LAND LEASE PAYMENTS

The Group's interests in prepaid land lease payments represent prepaid operating lease payments and their net book values are analysed as follows:

23. 預付土地租賃款項

本集團於預付土地租賃付款之權益指預付經營租賃付款及其賬面淨值分析如下：

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
At beginning of period/year	於期／年初	1,639	1,768
Reclassified as right-of-use assets	重新分類為使用權資產	(1,639)	–
Exchange adjustment	匯兌調整	–	(90)
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	–	(39)
At end of period/year	於期／年末	–	1,639
Current portion	流動部分	–	(33)
Non-current portion	非流動部分	–	1,606

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Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

24. GOODWILL

24. 商譽

		Yichang Biaodian 宜昌標典 HK\$'000 千港元 (Note (a)) (附註(a))	Shenzhen Energynt 深圳安捷能特 HK\$'000 千港元 (Note (b)) (附註(b))	Total 總計 HK\$'000 千港元
Cost	成本			
At 1 January 2018	於二零一八年一月一日	4,556	-	4,556
Arising on acquisition of subsidiaries (note 47(a))	收購附屬公司時產生 (附註47(a))	-	8,005	8,005
Exchange differences	匯兌差額	(233)	-	(233)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	4,323	8,005	12,328
Exchange differences	匯兌差額	(116)	(613)	(729)
At 30 September 2019	於二零一九年九月三十日	4,207	7,392	11,599
Accumulated impairment losses	累計減值虧損			
At 1 January 2018	於二零一八年一月一日	-	-	-
Impairment for the year	年內減值	-	8,005	8,005
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	-	8,005	8,005
Impairment for the period	期內減值	4,207	-	4,207
Exchange differences	匯兌差額	-	(613)	(613)
At 30 September 2019	於二零一九年九月三十日	4,207	7,392	11,599
Carrying amount	賬面值			
At 30 September 2019	於二零一九年九月三十日	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	4,323	-	4,323

24. GOODWILL (Continued)

Notes:

- (a) The Group acquired 49% of the equity interest in Yichang Biaodian in 2016. The goodwill arising from the acquisition is allocated to CGU of Yichang Biaodian.

The recoverable amount of the CGU has been determined on the basis of its value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGU operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors. Yichang Biaodian's cash flows beyond the 5-year period are extrapolated using a steady 3% (at 31 December 2018: 3%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry in which Yichang Biaodian operates. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted revenue and gross margin, such estimation is based on Yichang Biaodian's past performance and management's expectations for the market development. The pre-tax rate used to discount the forecast cash flows from the Group's is 13.23% (at 31 December 2018: 14.41%).

24. 商譽 (續)

附註：

- (a) 本集團於二零一六年收購宜昌標典的49%股權。收購事項產生的商譽分配至宜昌標典現金產生單位。

現金產生單位之可收回金額乃根據使用貼現現金流量法之使用價值釐定。貼現現金流量法之關鍵假設涉及貼現率、增長率及預算毛利率以及期內收益。本集團使用稅前比率估計貼現率，其反映當前市場對貨幣時間價值及現金產生單位特定風險之評估。增長率乃根據現金產生單位業務經營所在地區之長期平均經濟增長率而定。預算毛利率及營業額乃根據過往慣例及對市場發展之預期而定。

本集團源自董事批准之最新財務預算編製現金流量預測。宜昌標典超過5年期之現金流量乃使3%（於二零一八年十二月三十一日：3%）之穩定增長率推算。該增長率乃根據相關行業增長預測而定，且不超過宜昌標典經營之相關行業之平均長期增長率。使用價值計算之其他關鍵假設涉及現金流入／流出估計，包括預算銷售及毛利率，有關估計乃根據宜昌標典之過往表現及管理層對市場發展之預期而定。用於貼現本集團預測現金流量之稅前比率為13.23%（於二零一八年十二月三十一日：14.41%）。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

24. GOODWILL (Continued)

Notes: (Continued)

(a) (Continued)

Before impairment testing, the carrying amount of goodwill allocated to Yichang Biaodian was HK\$4,207,000 (at 31 December 2018: HK\$4,323,000). The recoverable amount of this CGU was below the carrying amount of the CGU of which the assets belong. Yichang Biaodian did not perform as expected because of:

- (i) slow progress of chemical enterprises' removals and construction of new factories;
- (ii) decrease in existing customers' demand on natural gas consumption due to slowdown of the PRC economic growth; and
- (iii) customers' expectation on stability of natural gas supply.

Accordingly, the Group has revised its cash flow forecasts for this CGU. The CGU has been reduced to its recoverable amount of HK\$404,734,000. Therefore, impairment losses on non-current assets were recognised in profit or loss for the period from 1 January 2019 to 30 September 2019 and the charges to profit or loss are analysed as follows:

- (b) The goodwill arose from the acquisition of 深圳安捷能特分散式能源有限公司 ("Shenzhen Energynt") in 2018, which was expected to engage in the solar photovoltaic business. Due to the changes in the state government policies on the construction scale of ordinary photovoltaic power stations, the Group revised its cash flow forecast for this CGU that leading to the recoverable amount became nil. An impairment loss of HK\$8,005,000 was recognised on goodwill during the year ended 31 December 2018.

24. 商譽 (續)

附註：(續)

(a) (續)

進行減值測試前，分配至宜昌標典的商譽賬面值為4,207,000港元（於二零一八年十二月三十一日：4,323,000港元）。此現金產生單位的可收回金額低於資產所屬現金產生單位的賬面值。宜昌標典表現未達預期，原因是：

- (i) 化工企業拆除及興建新工廠的進展緩慢；
- (ii) 現有客戶對天然氣消耗的需求因中國經濟發展放緩而減少；及
- (iii) 客戶期望天然氣供應穩定。

因此，本集團已就該現金產生單位修訂其現金流量預測。現金產生單位已減少至其可收回金額404,734,000港元。因此，自二零一九年一月一日至二零一九年九月三十日期間，於損益確認非流動資產減值虧損，於損益扣除的費用分析如下：

		2019
		二零一九年
		HK\$'000
		千港元
Property, plant and equipment (note 21)	物業、廠房及設備（附註21）	18,127
Goodwill	商譽	4,207
Intangible assets (note 25)	無形資產（附註25）	14,287
Right-of-use assets (note 22)	使用權資產（附註22）	117
Charged to profit or loss	計入損益	<u>36,738</u>

- (b) 商譽產生自於二零一八年收購深圳安捷能特分散式能源有限公司（「深圳安捷能特」）（預期從事太陽能光伏業務）。由於國家政府對普通光伏發電站建設規模之政策變動，本集團修訂該現金產生單位的現金流量預測導致可收回金額為零，截至二零一八年十二月三十一日止年度，就商譽確認減值虧損8,005,000港元。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

25. INTANGIBLE ASSETS

25. 無形資產

		Car license	Cost of mobile application	Natural gas supply exclusive rights	Total
	車牌	流動應用程式成本	天然氣獨家供應權	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
	(note (a))	(note (b))	(note (c))		
	(附註(a))	(附註(b))	(附註(c))		
Cost	成本				
At 1 January 2018	於二零一八年一月一日	1,520	9,000	236,400	246,920
Exchange differences	匯兌差額	-	-	(12,076)	(12,076)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	1,520	9,000	224,324	234,844
Exchange differences	匯兌差額	-	-	(6,028)	(6,028)
At 30 September 2019	於二零一九年九月三十日	1,520	9,000	218,296	228,816
Accumulated amortisation and impairment	累計攤銷及減值				
At 1 January 2018	於二零一八年一月一日	-	3,900	14,118	18,018
Charge for the year	年內開支	-	600	7,892	8,492
Impairment losses (note 18)	減值虧損(附註18)	-	4,500	-	4,500
Exchange differences	匯兌差額	-	-	(824)	(824)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	-	9,000	21,186	30,186
Charge for the period	期內開支	-	-	5,711	5,711
Impairment losses (note 24(a))	減值虧損(附註24(a))	770	-	14,287	15,057
Exchange differences	匯兌差額	-	-	(823)	(823)
At 30 September 2019	於二零一九年九月三十日	770	9,000	40,361	50,131
Carrying amount	賬面值				
At 30 September 2019	於二零一九年九月三十日	750	-	177,935	178,685
At 31 December 2018	於二零一八年十二月三十一日	1,520	-	203,138	204,658

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

25. INTANGIBLE ASSETS (Continued)

Notes:

- (a) Car license represented the China/Hong Kong cross border car license acquired from an independent third party. The Directors are of the opinion that the car license has an indefinite useful life as the car license is transferrable and able to renew on an annual basis with minimal cost and hence no amortisation is provided. At the end of the reporting period, the car license is carried at cost less any subsequent accumulated impairment losses.

The Group carried out reviews of the recoverable amount of the car license as at 30 September 2019 and recognised an impairment loss of HK\$770,000 for car license in profit or loss. The recoverable amount of HK\$750,000 is determined on market comparison approach with reference to market comparison on respective car license in the market by an independent valuation expert. There was no change in the valuation approach for the year ended 31 December 2018 and for the period from 1 January 2019 to 30 September 2019. The measurement of the fair value of car license was within Level 2 of the fair value hierarchy.

- (b) The mobile application represents the web-based and mobile application platform for customer's design of garments. The amount was fully impaired during the year ended 31 December 2018 because the related business activities discontinued since 2018.
- (c) The natural gas supply exclusive rights arose from the acquisition of Yichang Biaodian completed on 24 February 2016 and is amortised over the remaining years of the contractual period of 30 years till the years ranging from 2041 to 2044.

As there was continuous loss made by Yichang Biaodian and indication of impairment exists, the Group performed impairment assessment on natural gas supply exclusive rights and other assets which belong to the CGU of Yichang Biaodian. Details of impairment assessment are set out in note 24(a).

25. 無形資產 (續)

附註：

- (a) 車牌指於向獨立第三方收購之中港跨境車牌。董事認為，由於車牌可轉讓及能夠以極低成本每年續領，其可使用年期為無限，因此並無計提攤銷。於報告期末，車牌乃按成本減任何其後累計減值虧損列賬。

本集團對截至二零一九年九月三十日車牌的可收回金額進行審閱，並於損益確認車牌之減值虧損770,000港元。可收回金額750,000港元乃由獨立估值專家經參考市場上相關車牌的市場比較，按市場比較法釐定。截至二零一八年十二月三十一日止年度及自二零一九年一月一日至二零一九年九月三十日期間，估值方法概無變動。車牌之公平值計量屬於第二級公平值層級。

- (b) 流動應用程式指用於客戶設計服裝之網絡及流動應用平台。由於相關業務活動自二零一八年終止，故截至二零一八年十二月三十一日止年度，有關款項已悉數減值。
- (c) 天然氣獨家供應權產生於本集團於二零一六年二月二十四日完成收購宜昌標典，並於直至二零四一年至二零四四年止30年之剩餘合約期內攤銷。

由於宜昌標典持續虧損及存在減值跡象，本集團對天然氣獨家供應權及歸屬於宜昌標典現金產生單位的其他資產進行減值評估。減值評估之詳情載於附註24(a)。

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26. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 30 September 2019 are as follows:

26. 於附屬公司之投資

於二零一九年九月三十日之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Percentage of equity attributable to the Group		Principal activities 主要業務
			At 30 September 2019 於二零一九年九月三十日	At 31 December 2018 於二零一八年十二月三十一日	
DIGITALHONGKONG.COM INC.	BVI 英屬處女群島	US\$1 1美元	100%	100%	Inactive 並無業務
Great China Inc Limited 漢御有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 並無業務
Digital Hong Kong Limited 數碼香港國際有限公司	Hong Kong 香港	HK\$2 2港元	100%	100%	Investment holding 投資控股
Logo Plus Limited	Hong Kong 香港	HK\$1,000 1,000港元	100%	100%	Inactive 並無業務
DIGITAL COMMERCE LIMITED	Hong Kong 香港	HK\$2 2港元	100%	100%	Investment holding 投資控股
Man Kong Trading Co.	Hong Kong 香港	HK\$1 1港元	100%	100%	Investment holding 投資控股
萬江酒店管理(深圳)有限公司*	PRC 中國	US\$1,060,000 1,060,000美元	100%	100%	Dormant 暫無業務
Pickworth Limited	Samoa 薩摩亞	US\$1 1美元	100%	100%	Investment holding 投資控股
Rich Ascent International Limited 豐晉國際有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 並無業務
Calgary Investments Limited	Samoa 薩摩亞	US\$1 1美元	100%	100%	Investment holding 投資控股
Global Billion Access Investments Limited 環球進億投資有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	Investment holding 投資控股

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Percentage of equity attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			At 30 September 2019 於二零一九年 九月三十日	At 31 December 2018 於二零一八年 十二月三十一日	
Hong Kong Global Billion Access Investments Limited 香港環球進億投資有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Investment holding 投資控股
Global Billion Trading (Shenzhen) Limited* 環球進億貿易(深圳)有限公司	PRC 中國	HK\$14,000,000 14,000,000港元	100%	100%	Investment holding 投資控股
Yichang Biaodian# (note (a)) 宜昌標典# (附註(a))	PRC 中國	RMB58,800,000 (2018: RMB30,000,000) 人民幣 58,800,000元 (二零一八年: 人民幣 30,000,000元)	25%	49%	Natural gas operations 天然氣業務
King Sailing International Limited 帝航國際有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	Investment holding 投資控股
Hong Kong King Sailing Limited 香港帝航有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive and not yet commenced in business 並無業務及尚未開展業務
帝航能源(深圳)有限公司# ([「帝航能源」] (Dihang Energy (Shenzhen) Company Limited* ("Dihang Energy"))	PRC 中國	HK\$10,000,000 10,000,000港元	100%	100%	Design and construction of new energy power generation equipment, energy storage systems and power equipment, technology development, technical services and technology transfer 設計及建造新能源發電設備、能源儲存系統及電力設備、技術開發、技術服務及技術轉移

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Percentage of equity attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			At 30 September 2019 於二零一九年 九月三十日	At 31 December 2018 於二零一八年 十二月三十一日	
Shenzhen Energynt 深圳安捷能特	PRC 中國	RMB25,000,000 人民幣 25,000,000元	100%	100%	Commodity trading 商品貿易
安徽安捷能特新能源有限公司(附註(b)) (Anhui Anjie Nengte New Energy Company Limited*) (note (b))	PRC 中國	RMB10,000,000 人民幣 10,000,000元	-	100%	Investment holding 投資控股
滄州安捷新能源科技有限公司(附註(b)) (Cangzhou Anjie New Energy Technology Company Limited*) (note (b))	PRC 中國	RMB2,000,000 人民幣 2,000,000元	-	100%	Dormant 暫無業務
冠縣能特光伏科技有限公司(附註(b)) (Guanxian Nengte Photovoltaic Technology Company Limited*) (note (b))	PRC 中國	RMB2,000,000 人民幣 2,000,000元	-	100%	Dormant 暫無業務
上海安捷能特貿易有限公司	PRC 中國	RMB30,000,000 人民幣 30,000,000元	100%	100%	Dormant 暫無業務
浙江自貿區安鑄能源有限公司 (「浙江安鑄」) ("Zhejiang Anzhu")	PRC 中國	RMB30,000,000 人民幣 30,000,000元	100%	100%	Commodity trading 商品貿易
福建安鑄供應鏈管理有限公司	PRC 中國	RMB55,000,000 人民幣 55,000,000元	60%	-	Commodity trading 商品貿易

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Percentage of equity attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			At 30 September 2019 於二零一九年 九月三十日	At 31 December 2018 於二零一八年 十二月三十一日	
Charmland Treasure Limited	Seychelles 塞舌爾	US\$100 100美元	60%	60%	Investment holding 投資控股
Hong Kong Sunrise Electric Technology Limited 香港元昇電力科技有限公司	Hong Kong 香港	HK\$10,000 10,000港元	60%	60%	Investment holding (Not yet commenced business) 投資控股 (尚未開展業務)
Eternal Goal Limited	Seychelles 塞舌爾	US\$100 100美元	60%	60%	Investment holding 投資控股
Hong Kong Eternal Goal Limited	Hong Kong 香港	HK\$10,000 10,000港元	60%	60%	Inactive 並無業務
Heroic Sunshine Limited	Seychelles 塞舌爾	US\$100 100美元	60%	60%	Investment holding 投資控股
Hong Kong Central Environmental Technology Limited 香港森籌環境科技有限公司	Hong Kong 香港	HK\$10,000 10,000港元	60%	60%	Investment holding 投資控股
森籌環境科技(上海)有限公司*	PRC 中國	RMB10,000,000 人民幣 10,000,000元	60%	60%	Leasing business of the steel support axial force servo system 鋼支撐軸力伺服系統租賃業務
森朗(上海)商貿有限公司	PRC 中國	RMB30,000,000 人民幣 30,000,000元	60%	60%	Dormant 暫無業務
森麗(浙江自貿區)能源有限公司	PRC 中國	RMB30,000,000 人民幣 30,000,000元	60%	60%	Dormant 暫無業務

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 於附屬公司之投資 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Percentage of equity attributable to the Group		Principal activities 主要業務
			At 30 September 2019 於二零一九年九月三十日	At 31 December 2018 於二零一八年十二月三十一日	
East Perfection Development Limited 東宜發展有限公司	BVI 英屬處女群島	US\$10 10美元	100%	100%	Investment holding 投資控股
East Prefection (Hong Kong) Limited 東宜發展(香港)有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100%	100%	Inactive 並無業務
Billion Champion Business Limited 兆安貿易有限公司	BVI 英屬處女群島	US\$10 10美元	100%	100%	Investment holding 投資控股
Billion Champion (Hong Kong) Limited 兆安(香港)有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100%	100%	Inactive 並無業務
LW Capital Group Limited 利達金融集團有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100%	-	Investment holding 投資控股
LW (Hong Kong) Finance Limited 利達(香港)財務有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100%	-	Dormant 暫無業務
Bright Able Century Limited	BVI 英屬處女群島	US\$1 1美元	100%	100%	Investment holding 投資控股
Smart Target Billion Limited 達億進有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Investment holding 投資控股
LW Manin Immigration Consultancy Limited (Formerly known as Global Manin Immigration Consultancy Limited) 利達萬年移民顧問有限公司 (前稱環球萬年移民顧問有限公司)	Hong Kong 香港	HK\$10,000 10,000港元	60%	-	Dormant 暫無業務

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

- (a) Yichang Biaodian is a subsidiary of the Group even though the Group has only 25% (at 31 December 2018: 49%) ownership interest in Yichang Biaodian.

The Group has held 25% (at 31 December 2018: 49%) equity interest in Yichang Biaodian upon the capital contribution from two shareholders on 4 January 2019. 湖北標典天然氣有限公司 (“Hubei Biaodian”), 宜昌地鉑港能源有限公司, 宜昌美岩能源有限公司 and Mr. Li Wanqing (“Mr. Li”) (collectively the “Non-controlling Shareholders”) owned 21%, 24%, 20% and 10% equity interest in Yichang Biaodian, respectively, after the capital contribution and up to the date of this report.

The Directors, with the assistance of the legal counsel in the PRC, assessed whether or not the Group still has control over Yichang Biaodian based on whether the Group has the practical ability to direct the relevant activities at Yichang Biaodian unilaterally. In making their judgement, the Directors considered the Group’s power to affect the board of directors (the “BOD”) of Yichang Biaodian. The BOD of Yichang Biaodian, responsible for all relevant activities at Yichang Biaodian, consisted of eleven directors, of which six were appointed by the Group while the other five directors were appointed by the Non-controlling Shareholders. BOD resolutions of Yichang Biaodian were reached by more than two-third of the attending directors. In accordance with the terms of a further shareholders’ agreement entered into among the Group and the Non-controlling Shareholders, in any events where the Group and the Non-controlling Shareholders have diverged views in the BOD meetings, the Group, being the single largest shareholder of Yichang Biaodian, has the power to make the final decision.

Based on the assessment mentioned above, the Directors concluded that the Group under the terms of the shareholders’ agreement had the current ability to direct the relevant activities of Yichang Biaodian and therefore the Group has control over Yichang Biaodian after the capital contribution.

- (b) The subsidiary was deregistered during the year.
- # These subsidiaries are foreign investment enterprise established pursuant to the law of the PRC.

26. 於附屬公司之投資 (續)

附註:

- (a) 儘管本集團僅擁有宜昌標典之25% (二零一八年十二月三十一日: 49%) 擁有權, 惟宜昌標典為本集團之附屬公司。

本集團於兩名股東於二零一九年一月四日注資後持有宜昌標典25% (二零一八年十二月三十一日: 49%) 股權。於注資後及直至本報告日期, 湖北標典天然氣有限公司 (「湖北標典」)、宜昌地鉑港能源有限公司、宜昌美岩能源有限公司及李萬清先生 (「李先生」) (統稱「非控股股東」) 分別擁有宜昌標典之21%、24%、20%及10%股權。

董事在中國的法律顧問的協助下, 根據本集團是否擁有實際能力單方面指示宜昌標典的相關活動評估本集團是否控制宜昌標典。在作出判斷時, 董事已考慮本集團對宜昌標典董事會 (「該董事會」) 的影響力。宜昌標典該董事會負責宜昌標典的所有相關活動, 成員包括十一名董事, 當中六名由本集團委任, 而另外五名董事則由非控股股東委任。宜昌標典該董事會決議案由超過三分之二的與會董事決定。根據本集團與非控股股東訂立的進一步股東協議之條款, 倘於該董事會會議上, 本集團與非控股股東有不同意見, 則本集團作為宜昌標典的單一最大股東有權作出最終決策。

基於上述評估, 董事總結, 根據股東協議的條款, 本集團有現時能力指示宜昌標典的相關活動, 因此, 本集團於注資後擁有宜昌標典之控制權。

- (b) 該附屬公司於年內取消註冊。
- # 該等附屬公司為根據中國法律成立的外資企業。

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes: (Continued)

- (c) The following table shows information on the subsidiaries that have NCI material to the Group. The summarised financial information represents amounts before inter-company eliminations.

26. 於附屬公司之投資 (續)

附註：(續)

- (c) 下表顯示具有對本集團而言屬重大之非控股權益之附屬公司之資料。概要財務資料為於公司間抵銷前的金額。

		Yichang Biaodian 宜昌標典	
		At 30 September 2019 於二零一九年 九月三十日	At 31 December 2018 於二零一八年 十二月三十一日
Principal place of business/country of establishment	主要營運地點／成立國家	PRC/PRC 中國／中國	
% of ownership interests/voting rights held by NCI	非控股權益持有之擁有權權益／投票權百分比	75%/45%	51%/50%
		HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產	413,046	470,462
Current assets	流動資產	8,862	11,064
Non-current liabilities	非流動負債	(103,586)	(122,757)
Current liabilities	流動負債	(39,224)	(176,751)
Net assets	資產淨值	279,098	182,018

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes: (Continued)

- (c) The following table shows information on the subsidiaries that have NCI material to the Group. The summarised financial information represents amounts before inter-company eliminations. (Continued)

26. 於附屬公司之投資 (續)

附註：(續)

- (c) 下表顯示具有對本集團而言屬重大之非控股權益之附屬公司之資料。概要財務資料為於公司間抵銷前的金額。(續)

		Yichang Biaodian 宜昌標典	
		At 30 September 2019 於二零一九年 九月三十日	At 31 December 2018 於二零一八年 十二月三十一日
Principal place of business/country of establishment (Continued)	主要營運地點／成立國家 (續)	PRC/PRC 中國／中國	
Accumulated NCI	累計非控股權益	208,882	92,829
Revenue	收益	30,923	42,147
Loss	虧損	(44,560)	(36,334)
Total comprehensive income	全面收益總額	(56,645)	(42,442)
Loss allocated to NCI	分配予非控股權益之虧損	(42,484)	(18,530)
Net cash generated from/(used in) operating activities	經營業務所得／(所用)現金淨額	5,303	(940)
Net cash used in investing activities	投資活動所用現金淨額	(3,865)	(473)
Net cash (used in)/generated from financing activities	融資活動(所用)／所得現金淨額	(2,757)	1,933
Net (decrease)/increase in cash and cash equivalents	現金及現金等額(減少)／增加淨額	(1,319)	520

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27. INVENTORIES

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Finished goods	製成品	183	492
Raw materials	原材料	187	-
		370	492

27. 存貨

28. TRADE AND OTHER RECEIVABLES

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Current	流動		
Trade receivables (note (a))	應收貿易賬款 (附註(a))	11,291	2,871
Less: Impairment losses (note 6(b))	減: 減值虧損 (附註6(b))	(48)	-
		11,243	2,871
Deposits	按金	1,279	826
Prepayments	預付款項	9,805	7,612
Others	其他	456	353
		11,540	8,791
		22,783	11,662
Non-current	非流動		
Deposits for acquisition of subsidiaries (note (b))	收購附屬公司的按金 (附註(b))	6,830	-
Other deposit	其他按金	-	37
		6,830	37

28. 應收貿易及其他賬款

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28. TRADE AND OTHER RECEIVABLES

(Continued)

Notes:

- (a) Generally there is no credit period for customers of sales of natural gas as the customers need to prepay before the usage of the natural gas. For a few specific customers they can use the gas on credit and the Group allows an average credit period of 60 days (year ended 31 December 2018: 60 days). The Group recognises revenue for natural gas pipeline installation service when the installation is completed and the Group allows an average credit period of 30 days (year ended 31 December 2018: 30 days) upon completion. For trading of copper and petrochemicals, deposits are usually required and the remaining balance is usually receivable approximately within 180 days (year ended 31 December 2018: 180 days) upon completion of the transaction. For leasing business, the Group allows an average credit period of 30 days (year ended 31 December 2018: 30 days) upon recognition.

The ageing analysis of trade receivables at the end of the reporting period based on the invoice date is as follows:

28. 應收貿易及其他賬款 (續)

附註:

- (a) 銷售天然氣的客戶通常並不獲提供信貸期，原因為客戶需於使用天然氣前預先付款。就少數可以信貸方式使用天然氣之特定客戶而言，本集團允許60日（截至二零一八年十二月三十一日止年度：60日）之平均信貸期。本集團於安裝完成時確認天然氣管道安裝服務之收益，且本集團允許於完成後有30日（截至二零一八年十二月三十一日止年度：30日）之平均信貸期。就買賣銅及石化產品而言，通常規定要有按金，餘額通常於交易完成後約180日（截至二零一八年十二月三十一日止年度：180日）內收取。就租賃業務而言，本集團允許於確認後30日（截至二零一八年十二月三十一日止年度：30日）之平均信貸期。

於報告期末時根據發票日期呈列之應收貿易賬款賬齡分析如下：

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
0 to 30 days	0至30日	2,849	2,718
31 to 60 days	31至60日	-	1
61 to 90 days	61至90日	-	4
91 to 180 days	91至180日	7,284	135
Over 180 days	超過180日	1,158	13
		11,291	2,871

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28. TRADE AND OTHER RECEIVABLES

(Continued)

Notes: (Continued)

(a) (Continued)

Before accepting any new customer, the Group's finance and sales management team would assess the potential customer's credit quality and defines credit limits by customer. Limits attributable to customers are reviewed regularly with reference to past settlement history. The Group's finance and sales management team considers trade receivables that are neither past due nor impaired to be of good credit quality as continuous repayments have been received.

The carrying amounts of the Group's trade receivables are denominated in RMB.

(b) The amount represented deposits paid to two vendors for acquiring two subsidiaries during the period.

On 25 July 2019, the Group entered into a share transfer agreement with a vendor, who was independent from the Group, to acquire 100% equity interest in an insurance broker company incorporated in Hong Kong with limited liabilities at a consideration of HK\$2,373,000. A deposit of HK\$1,400,000 was paid to the vendor as a deposit for acquiring the shares from the vendor. The acquisition has been completed on 31 October 2019.

On 20 September 2019, the Group signed a letter of intent with a private company established in the PRC (the "investee"), engaging in development and distribution of healthcare technologies and products, to invest in the investee. A deposit of RMB4,900,000 (equivalent to HK\$5,430,000) was paid to the investee as a deposit for capital contribution. The deposit will be refunded to the Group on or before 10 April 2020, if the acquisition fails before 31 March 2020.

The carrying amounts of the Group's deposits, prepayments and other receivables are mainly denominated in RMB.

28. 應收貿易及其他賬款 (續)

附註：(續)

(a) (續)

在接納任何新客戶前，本集團財務及銷售管理團隊會評估潛在客戶之信貸質素，並釐定客戶之信貸額。客戶之信貸額會參考過往付款記錄而定期進行審閱。本集團財務及銷售管理團隊認為，由於能持續收取還款，故所有既未逾期亦未減值之應收貿易賬款均具良好信貸質素。

本集團應收貿易賬款之賬面值以人民幣計值。

(b) 金額指就於期內收購兩間附屬公司支付予兩名賣方的按金。

於二零一九年七月二十五日，本集團與一名賣方（獨立於本集團）訂立股份轉讓協議，以收購於香港註冊成立的保險經紀公司（有限責任）之全部股權，代價為2,373,000港元。本集團已向賣方支付按金1,400,000港元，作為向賣方收購股份的按金。收購事項於二零一九年十月三十一日完成。

於二零一九年九月二十日，本集團與一間在中國成立從事醫療技術及產品開發及分銷的私營公司（「被投資方」）訂立意向函，以投資被投資方。本集團已向被投資方支付人民幣4,900,000元（相當於5,430,000港元），作為注資按金。倘收購事項未能於二零二零年三月三十一日前落實，按金將於二零二零年四月十日或之前退還予本集團。

本集團按金、預付款項及其他應收款項的賬面值主要以人民幣計值。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

29. LOAN RECEIVABLES

Loan receivables, unsecured
Less: impairment losses (note 6(b))

應收貸款·無抵押
減：減值虧損(附註6(b))

At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
19,802	29,504
(7,003)	—
12,799	29,504

The Group granted loans to certain independent third parties during the period from 1 January 2019 to 30 September 2019, which will be mature between 24 March 2020 to 26 September 2020. Loan receivables are unsecured and are charged on effective interest rate mutually agreed with the contracting parties, at a fixed rate ranging from 0% to 12% (year ended 31 December 2018: 0% to 12%) per annum. The borrowers are obliged to settle the amounts according to the terms set out in the relevant agreements.

The Group seeks to maintain strict control over its outstanding loan receivables so as to minimise credit risk. The granting of loans is subject to approval by the management, whilst overdue balances are reviewed regularly by the management.

本集團自二零一九年一月一日至二零一九年九月三十日期間向若干獨立第三方授出貸款，貸款將於二零二零年三月二十四日至二零二零年九月二十六日到期。應收貸款乃無抵押，按合約各方相互協定的實際年利率介乎0%至12%（截至二零一八年十二月三十一日止年度：0%至12%）計息。借款人有責任按照相關協議所載之條款償付金額。

本集團力求對其尚未償還應收貸款維持嚴格監控，以盡量降低信貸風險。授出貸款須經管理層批准，而逾期結餘由管理層定期審閱。

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29. LOAN RECEIVABLES (Continued)

The carrying amounts of the Group's loan receivables are denominated in the following currencies:

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
HK\$	港元	12,253	17,661
RMB	人民幣	546	11,843
		12,799	29,504

29. 應收貸款 (續)

本集團應收貸款之賬面值以下列貨幣計值：

30. BOND RECEIVABLES

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Unlisted debt instruments, at amortised cost, issued by a listed company	一間上市公司發行之非上市債務工具，按攤銷成本	3,000	6,000
Accrued interest receivables	應收應計利息	150	61
		3,150	6,061
		(a)	
Unlisted debt instruments, at amortised cost, issued by an unlisted company	一間非上市公司發行之非上市債務工具，按攤銷成本	6,500	7,000
Accrued interest receivables	應收應計利息	237	64
		6,737	7,064
		(b)	
Less: impairment losses (note 6 (b))	減：減值虧損 (附註6(b))	(177)	-
		9,710	13,125

30. 應收債券

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30. BOND RECEIVABLES (Continued)

Notes:

- (a) On 2 April 2019, the Group subscribed bonds from a listed company with principal amount of HK\$3,000,000. The bonds are unsecured and interest-bearing at fixed rates of 10% per annum. The carrying amount of HK\$3,150,000 will be receivable on 2 April 2020. The bonds can be redeemed by the bond issuer at 100% of the outstanding principal amount, together with accrued interest up to settlement date.

On 19 October 2018, 29 November 2018 and 13 December 2018, the Group subscribed bonds from a listed company with principal amount of HK\$2,000,000, HK\$1,000,000 and HK\$3,000,000 respectively. The bonds were unsecured and interest-bearing at fixed rates of 10% per annum. The carrying amount of HK\$2,037,000, HK\$1,009,000 and HK\$3,015,000 were settled on 25 January 2019, 1 March 2019 and 13 March 2019 respectively.

- (b) On 4 May 2019, the Group subscribed bonds from an unlisted company with a principal amount of HK\$6,500,000. The bonds are unsecured and interest-bearing at fixed rates of 12% per annum. The carrying amount of HK\$6,737,000 will be receivable on 3 May 2020. The bonds can be redeemed by the bond issuer at 100% of the outstanding principal amount, together with accrued interest up to settlement date.

On 4 November 2018, the Group subscribed bonds from an unlisted company with a principal amount of HK\$7,000,000. The bonds were unsecured and interest-bearing at fixed rates of 12% per annum. The carrying amount of HK\$564,000 was received on 25 March 2019 and remaining amount of HK\$6,500,000 was further extended on 4 May 2019.

The carrying amount of the Group's bond receivables are denominated in HK\$.

30. 應收債券 (續)

附註：

- (a) 於二零一九年四月二日，本集團向一間上市公司認購本金額為3,000,000港元的債券。該等債券為無抵押，按固定年利率10%計息。賬面值3,150,000港元將於二零二零年四月二日收取。該等債券可由債券發行人按尚未償還本金額之100%連同直至結算日期應計之利息贖回。

於二零一八年十月十九日、二零一八年十一月二十九日及二零一八年十二月十三日，本集團分別向一間上市公司認購本金額為2,000,000港元、1,000,000港元及3,000,000港元的債券。債券為無抵押，並按固定年利率10%計息。賬面值2,037,000港元、1,009,000港元及3,015,000港元分別於二零一九年一月二十五日、二零一九年三月一日及二零一九年三月十三日結算。

- (b) 於二零一九年五月四日，本集團向一間非上市公司認購本金額為6,500,000港元的債券。債券為無抵押，並按固定年利率12%計息。賬面值6,737,000港元將於二零二零年五月三日收取。債券可由債券發行人按尚未償還本金額之100%連同直至結算日期應計之利息贖回。

於二零一八年十一月四日，本集團向一間非上市公司認購本金額為7,000,000港元的債券。債券為無抵押，並按固定年利率12%計息。賬面值564,000港元已於二零一九年三月二十五日收取，及剩餘款項6,500,000港元已於二零一九年五月四日進一步展期。

本集團應收債券之賬面值以港元計值。

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31. RESTRICTED BANK DEPOSITS AND BANK AND CASH BALANCES

- (a) Yichang Biaodian entered into disputes with one of its suppliers regarding the quality of work performed by such supplier on 14 December 2018. Pursuant to the application from the supplier, the Court in Yichang granted an order to preserve the bank deposits of Yichang Biaodian amounted to approximately RMB478,000 (equivalent to approximately HK\$544,000). The amount was released on 11 April 2019 upon the agreement between the supplier and Yichang Biaodian regarding the settlement arrangement.
- (b) The carrying amount of the Group's bank and cash balances is denominated in the following currencies:

31. 受限制銀行存款及銀行及現金結餘

- (a) 於二零一八年十二月十四日，宜昌標典就其一名供應商進行的工程質量與其發生糾紛。根據供應商的申請，宜昌市法院已頒令保留宜昌標典金額約為人民幣478,000元（相當於約544,000港元）的銀行存款。該金額於供應商與宜昌標典就結算安排訂立協議後於二零一九年四月十一日解除。
- (b) 本集團銀行及現金結餘之賬面值以下列貨幣計值：

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
HK\$	港元	2,824	1,220
RMB	人民幣	494	1,077
US\$	美元	7	-
		3,325	2,297

As at 30 September 2019, the bank and cash balances of the Group denominated in RMB was HK\$432,000 (at 31 December 2018: HK\$1,077,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

於二零一九年九月三十日，以人民幣計值之本集團銀行及現金結餘為432,000港元（於二零一八年十二月三十一日：1,077,000港元）。人民幣兌換為外幣須遵守中國外匯管理條例以及結匯、售匯及付匯管理規定。

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32. ASSETS CLASSIFIED AS HELD FOR SALE

32. 分類為持作出售資產

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Building (note (a))	樓宇 (附註(a))	2,304	-
Leasehold improvements (note (a))	租賃裝修 (附註(a))	24	-
Motor vehicle (note (b))	汽車 (附註(b))	393	-
		2,721	-

Notes:

- (a) On 24 September 2019, the Group entered into a sales and purchase agreement with an independent third party (the "Purchaser") to dispose its building located in the PRC together with associated leasehold improvements at a consideration of RMB2,150,000 (equivalent to HK\$2,382,000). The disposal is expected to be completed within three months upon receipt of deposit. No impairment loss was recognised neither on reclassification of the building and associated leasehold improvements as held for sale, nor at 30 September 2019 as the directors of the Group expect that the fair value less costs to sell is higher than the carrying amount.

As at 30 September 2019, the building was pledged to the Purchaser for obtaining an advance of HK\$111,000 to the Group which was included in other payables and accruals.

- (b) On 24 September 2019, the Group entered into a motor vehicle transfer agreement with an independent third party to dispose one of its motor vehicles at a consideration of HK\$1,500,000. The disposal is expected to be completed within 90 days after the date of transfer agreement signed. No impairment loss was recognised neither on reclassification of the motor vehicle as held for sale, nor at 30 September 2019 as the directors of the Group expect that the fair value less costs to sell is higher than the carrying amount.

附註：

- (a) 於二零一九年九月二十四日，本集團與一名獨立第三方（「買方」）訂立買賣協議，以出售其位於中國的樓宇連同相關租賃裝修，代價為人民幣2,150,000元（相當於2,382,000港元）。預期出售事項於收到按金後三個月內完成。並無就將樓宇及相關租賃裝修重新分類為持作出售亦無於二零一九年九月三十日確認減值虧損，原因為本集團董事預計公平值減出售成本高於賬面值。

於二零一九年九月三十日，為使本集團取得111,000港元墊款（計入其他應付款項及應計費用），樓宇已抵押予買方。

- (b) 於二零一九年九月二十四日，本集團與一名獨立第三方訂立汽車轉讓協議，以按代價1,500,000港元出售其汽車。預期出售事項將於簽立轉讓協議日期後90天內完成。並無就將汽車重新分類為持作出售亦無於二零一九年九月三十日確認減值虧損，原因為本集團董事預計公平值減出售成本高於賬面值。

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33. TRADE AND OTHER PAYABLES

Trade payables (note (a))	應付貿易賬款(附註(a))
Payable for construction in progress	在建工程應付賬款
Receipt in advance (note (b))	預收款項(附註(b))
Other payables and accruals	應付其他賬款及應計費用

Notes:

- (a) Generally, there is no credit period for suppliers of natural gas as the Group need to prepay before the purchase of the natural gas. For liquefied natural gas, the credit period granted by supplier to the Group was 30 days (year ended 31 December 2018: 30 days). For other business, the credit period granted by supplier to the Group ranged from 60 to 180 days (year ended 31 December 2018: 30 to 180 days).

The ageing analysis of trade payables, based on date of receipt of goods, is as follows:

0 to 30 days	0至30日
31 to 60 days	31至60日
Over 60 days	超過60日

The trade payables are non-interest bearing and normally settled on 30 to 180 days terms.

33. 應付貿易及其他賬款

	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
	1,670	28
	32,859	31,637
	2,884	-
	13,124	13,257
	50,537	44,922

附註：

- (a) 一般而言，天然氣供應商並無授出信貸期，原因為本集團須於購買天然氣前預先付款。就液化天然氣而言，供應商授予本集團的信貸期為30日（截至二零一八年十二月三十一日止年度：30日）。就其他業務而言，供應商授予本集團的信貸期介乎60至180日（截至二零一八年十二月三十一日止年度：30至180日）。

根據收取貨品日期呈列的應付貿易賬款的賬齡分析如下：

	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
	-	13
	1,149	-
	521	15
	1,670	28

應付貿易賬款為不計息及通常須於30至180日期間內償付。

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33. TRADE AND OTHER PAYABLES (Continued)

Notes: (Continued)

(a) (Continued)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

HK\$	港元
RMB	人民幣

(b) The amounts represented deposits received for disposal of building and motor vehicle of the Group, as disclosed in note 32, from independent third parties.

34. CONTRACT LIABILITIES

Billings in advance of performance obligation	履約預付款項
- Sales of goods	- 銷售貨品
- Sales of natural gas	- 銷售天然氣
- Pipeline installation services	- 管道安裝服務

33. 應付貿易及其他賬款 (續)

附註：(續)

(a) (續)

本集團應付貿易賬款之賬面值乃以下列貨幣計值：

At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
15	15
1,655	13
1,670	28

(b) 款項指就出售本集團樓宇及汽車向獨立第三方收取的按金(披露於附註32)。

34. 合約負債

At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
5	46
1,996	2,544
395	262
2,396	2,852

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34. CONTRACT LIABILITIES (Continued)

Contract liabilities relating to sales of goods, sales of natural gas and pipeline installation services are balances due to customers under goods sales contracts, natural gas sales contracts and pipeline installation services contracts. They arise because customers pay deposits for the contracts which exceed the revenue recognised to date.

There were no significant changes in the contract liabilities balances during the reporting period.

Movements in contract liabilities:

		2019 二零一九年 HK\$'000 千港元
Balance at 1 January	於一月一日的結餘	2,852
Decrease in contract liabilities as a result of recognising revenue during the year that was included in contract liabilities at the beginning of the period	因年內確認收益導致的合約負債減少計入期初合約負債	(2,756)
Increase in contract liabilities as a result of billing in advance of sales of natural gas and pipeline installation services	因銷售天然氣及管道安裝服務預付款項導致合約負債增加	2,303
Exchange differences	匯兌差額	(3)
Balance at 30 September	於九月三十日的結餘	<u>2,396</u>

There is no billings in advance of performance received that is expected to be recognised as income after more than one year (at 31 December 2018: Nil).

34. 合約負債 (續)

與銷售貨品、銷售天然氣及管道安裝服務有關的合約負債乃就貨品銷售合約、天然氣銷售合約及管道安裝服務合約應付客戶的結餘。由於客戶支付超過至今確認之收益的合約按金，故出現上述情況。

於報告期內，合約負債結餘並無重大變動。

合約負債的變動：

		2019 二零一九年 HK\$'000 千港元
Balance at 1 January	於一月一日的結餘	2,852
Decrease in contract liabilities as a result of recognising revenue during the year that was included in contract liabilities at the beginning of the period	因年內確認收益導致的合約負債減少計入期初合約負債	(2,756)
Increase in contract liabilities as a result of billing in advance of sales of natural gas and pipeline installation services	因銷售天然氣及管道安裝服務預付款項導致合約負債增加	2,303
Exchange differences	匯兌差額	(3)
Balance at 30 September	於九月三十日的結餘	<u>2,396</u>

預期並無於一年後確認為收益的履約預付款項（於二零一八年十二月三十一日：無）。

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35. LEASE LIABILITIES

35. 租賃負債

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款之現值	
		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Within one year	一年內	2,837	-	2,705	-
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	546	-	540	-
		3,383	-	3,245	-
Less: Future finance charges	減：未來融資費用	(138)	-	N/A 不適用	N/A 不適用
Present value of lease obligations	租賃責任之現值	3,245	-	3,245	-
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：12個月內應付結算款項 (如流動負債項下所示)			(2,705)	-
Amount due for settlement after 12 months	12個月後應付結算款項			540	-

The carrying amount of the Group's lease liabilities is denominated in the following currencies:

本集團租賃負債之賬面值按以下貨幣計值：

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
HK\$	港元	3,090	-
RMB	人民幣	155	-
		3,245	-

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35. LEASE LIABILITIES (Continued)

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Comparative information as at 31 December 2018 has not been restated. Further details on the impact of the transition to HKFRS 16 are set out in note 3.

36. DUE TO DIRECTORS

The amounts due to directors are unsecured, interest-free and repayable on demand.

37. NON-CONVERTIBLE BONDS

35. 租賃負債 (續)

本集團已使用經修訂追溯法初始應用香港財務報告準則第16號，並調整於二零一九年一月一日的期初結餘，以確認與先前根據香港會計準則第17號分類為經營租賃的租賃有關的租賃負債。於二零一八年十二月三十一日的比較資料並無重列。過渡至香港財務報告準則第16號之影響的進一步詳情載於附註3。

36. 應付董事款項

應付董事款項均為無抵押、免息及須於要求時償還。

37. 不可換股債券

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Non-convertible bonds	不可換股債券	34,885	12,747
Analysed as:	分析如下:		
Current liabilities	流動負債	31,885	9,747
Non-current liabilities	非流動負債	3,000	3,000
		34,885	12,747

37. NON-CONVERTIBLE BONDS (Continued)

From 18 October 2018 to 9 November 2018, the Group issued fixed rate non-convertible bonds with total principal amount of HK\$9,500,000 to independent third parties. The non-convertible bonds are unsecured and interest-bearing at fixed rates ranging from 12% to 14% per annum in arrears and will be repayable on dates ranging from 17 October 2019 to 8 November 2019. Up to the date of this report, maturity date of non-convertible bonds amount of HK\$7,500,000, in aggregate, have been further extended by six months to a year subsequently and amount of HK\$2,000,000 has been overdue upon maturity.

On 29 November 2018, the Group and the Company issued fixed rate non-convertible bonds with principal amount of HK\$3,000,000 to an independent third party. The non-convertible bonds are interest-bearing at fixed rate of 12% per annum in arrears and will be repayable on 28 November 2020. The bonds were unconditionally and irrevocably secured by personal guarantee provided by a director of the Company.

From 14 February 2019 to 23 September 2019, the Group issued fixed rate non-convertible bonds with principal amount in aggregate of HK\$20,561,000 to certain independent third parties, of which with principal amount of HK\$2,000,000 bonds were unconditionally and irrevocably secured by personal guarantee provided by a director of the Company. The non-convertible bonds are unsecured and interest-bearing at fixed rates ranging from 6% to 20% per annum in arrears and will be repayable on dates ranging from 22 December 2019 to 9 September 2020.

The carrying amounts of the non-convertible bonds issued approximate their fair values. The non-convertible bonds can be redeemed by the Group at 100% of the outstanding principal amount, together with accrued interest up to mature date.

37. 不可換股債券 (續)

於二零一八年十月十八日至二零一八年十一月九日，本集團已向獨立第三方發行本金總額為9,500,000港元之固定利率不可換股債券。不可換股債券為無抵押並按介乎每年12%至14%之固定欠款利率計息，須於介乎二零一九年十月十七日至二零一九年十一月八日之日期償還。直至本報告日期，合共7,500,000港元不可換股債券之到期日其後進一步延遲六個月至一年，且2,000,000港元到期後逾期。

於二零一八年十一月二十九日，本集團與本公司已向獨立第三方發行本金總額為3,000,000港元之固定利率不可換股債券。不可換股債券按每年12%之固定欠款利率計息，須於二零二零年十一月二十八日償還。債券由本公司董事提供之個人擔保無條件及不可撤回作抵押。

自二零一九年二月十四日至二零一九年九月二十三日，本集團向若干獨立第三方發行本金總額為20,561,000港元之固定利率不可換股債券，其中本金額2,000,000港元不可換股債券由本公司一名董事作出的個人擔保無條件及不可撤回地抵押。不可換股債券為無抵押、按介乎每年6%至20%的固定欠款利率計息，須於介乎二零一九年十二月二十二日至二零二零年九月九日之日期償還。

已發行之不可換股債券之賬面值與其公平值相若。本集團可按未償還本金額100%連同直至到期日應計之利息贖回不可換股債券。

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37. NON-CONVERTIBLE BONDS (Continued)

Non-convertible bonds issued at fixed interest rates expose the Group to fair value interest rate risk.

The carrying amount of the Group's non-convertible bonds is denominated in the following currencies:

37. 不可換股債券 (續)

按固定利率發行之不可換股債券令本集團面臨公平值利率風險。

本集團不可換股債券之賬面值以下列貨幣計值：

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
HK\$	港元	29,367	12,747
US\$	美元	5,518	-
		34,885	12,747

38. BANK BORROWINGS

38. 銀行借貸

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Bank borrowings (note (a))	銀行借貸 (附註(a))	17,729	19,358

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38. BANK BORROWINGS (Continued)

The bank borrowings are repayable as follows:

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Within one year	一年內	2,216	2,277
More than one year, but not exceeding two years	一年以上但不超過兩年	3,324	2,278
More than two years, but not more than five years	兩年以上但不超過五年	12,189	14,803
		15,513	17,081
		17,729	19,358
Portion of bank loans that are due for repayment after one year but contain a repayment on demand clause (shown under current liabilities)	須於一年後償還惟附帶須 按要求償還之條款之 銀行借貸部分 (於流動負債項下列示)	-	-
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：須於12個月內清償之款項 (於流動負債項下列示)	(2,216)	(2,277)
Amount due for settlement after 12 months	須於12個月後清償之款項	15,513	17,081

Notes:

- (a) The bank borrowings are secured by several properties owned by non-controlling interests of Yichang Biaodian, including Mr. Xiong Songgan ("Mr. Xiong"), a director and legal representative of Yichang Biaodian, and his spouse, and a company held and controlled by Mr. Xiong. The bank borrowings are also jointly guaranteed by non-controlling interests of Yichang Biaodian, including Hubei Biaodian, Mr. Xiong and his spouse and Mr. Li.
- (b) The amounts are based on scheduled repayment dates set out in the respective loan agreements.

38. 銀行借貸 (續)

銀行借貸須按以下方式償還：

	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Within one year	2,216	2,277
More than one year, but not exceeding two years	3,324	2,278
More than two years, but not more than five years	12,189	14,803
	15,513	17,081
	17,729	19,358
Portion of bank loans that are due for repayment after one year but contain a repayment on demand clause (shown under current liabilities)	-	-
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,216)	(2,277)
Amount due for settlement after 12 months	15,513	17,081

附註：

- (a) 銀行借貸以宜昌標典非控股權益（包括宜昌標典董事及法定代表人熊崧淦先生（「熊先生」）及其配偶）擁有之若干物業以及由熊先生持有及控制的一間公司作抵押。銀行借貸亦由宜昌標典之非控股權益（包括湖北標典、熊先生及其配偶以及李先生）共同擔保。
- (b) 該等金額乃基於各貸款協議所載的計劃還款日期。

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38. BANK BORROWINGS (Continued)

The carrying amount of the Group's bank borrowing balance is denominated in RMB.

The effective interest rate of the Group's bank borrowings is 8.01% (at 31 December 2018: 8.01%).

The Group's bank borrowings carried interest based on the benchmark interest rate issued by the People's Bank of China during the both years. Interest rate will be adjusted if the benchmark interest rate changes, thus exposing the Group to cash flow interest rate risk.

39. DUE TO NON-CONTROLLING SHAREHOLDERS OF A SUBSIDIARY AND ITS RELATED PARTIES

Particulars of the amounts due to non-controlling shareholders of a subsidiary and its related parties of which are non-trade related are as follows.

38. 銀行借貸 (續)

本集團之銀行借貸結餘賬面值乃按人民幣計值。

本集團銀行借貸的實際利率為8.01% (於二零一八年十二月三十一日: 8.01%)。

於兩個年度內,本集團銀行借貸以中國人民銀行發佈的基準利率計息。倘基準利率變動,利率將會作出調整。因此,本集團面臨現金流量利率風險。

39. 應付一間附屬公司之非控股股東及其關連方款項

應付一間附屬公司之非控股股東及其關連方之非貿易相關款項詳情如下。

Name 姓名/名稱	Relationship 關係	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Hubei Biaodian and its subsidiary 湖北標典及其附屬公司	note (a) 附註(a)	25,439	20,397
Mr. Xiong and his controlled entities 熊先生及其控制實體	note (b) 附註(b)	18,150	19,253
		43,589	39,650

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39. DUE TO NON-CONTROLLING SHAREHOLDERS OF A SUBSIDIARY AND ITS RELATED PARTIES (Continued)

Notes:

- (a) Hubei Biaodian is the 21% (at 31 December 2018: 41%) non-controlling shareholder of Yichang Biaodian.
- (b) Mr. Xiong is the controlling shareholder of Hubei Biaodian.

Amounts due to Hubei Biaodian and Mr. Xiong represented advances for Yichang Biaodian's capital expenditure purposes. They are not repayable within 12 months from the date of this report. These balances are unsecured and interest free. These amounts are carried at amortised cost using the effective interest method, with an effective interest rate of 10% (at 31 December 2018: 10%).

40. CONVERTIBLE BOND DESIGNATED AT FVTPL

On 4 June 2018, the Group issued one tranche of convertible bond ("CB") with principal value of HK\$20,000,000. The CB bears 10% interest per annum payable annually and has maturity period of two years from the issue date to 3 June 2020. Any CB not converted will be redeemed on 3 June 2020.

The CB entitles the bondholders to convert the bonds into new ordinary shares of the Company at conversion price of HK\$0.54, subject to any anti-dilution adjustments and certain events such as share consideration, share subdivision or reclassification, capitalisation issue, capital distribution, rights issue and other equity or equity derivative issued, etc.

39. 應付一間附屬公司之非控股股東及其關連方款項 (續)

附註：

- (a) 湖北標典為擁有宜昌標典21%股權（於二零一八年十二月三十一日：41%）之非控股股東。
- (b) 熊先生為湖北標典之控股股東。

應付湖北標典及熊先生之款項為用於宜昌標典資本開支之墊款。有關款項毋須於本報告日期起計12個月內償還。該等結餘為無抵押及免息。該等金額採用實際利率法按攤銷成本列賬，實際利率為10%（於二零一八年十二月三十一日：10%）。

40. 指定按公平值計入損益之可換股債券

於二零一八年六月四日，本集團發行一筆本金額為20,000,000港元的可換股債券（「可換股債券」）。可換股債券按年利率10%計息，須每年支付。到期期限為自發行日期至二零二零年六月三日的兩年。任何未轉換的可換股債券將於二零二零年六月三日贖回。

可換股債券賦予債券持有人權利，以轉換價0.54港元將債券轉換為本公司新普通股，惟可作出任何反攤薄調整及受若干事件（例如股份合併、股份拆細或重新分類、資本化發行、資本分配、供股及其他已發行權益或權益衍生工具等）規限。

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40. CONVERTIBLE BOND DESIGNATED AT FVTPL (Continued)

The maximum number of ordinary shares to be converted is 37,037,037 shares and none of them was converted up to 30 September 2019.

The entire convertible bond is designated as a financial liability through profit or loss and classified as current liability as at 30 September 2019 (at 31 December 2018: non-current).

The movements of the components of the convertible bond are as follows:

40. 指定按公平值計入損益之可換股債券(續)

可轉換普通股數目最高為37,037,037股，直至二零一九年九月三十日，該等股份並無獲轉換。

於二零一九年九月三十日，全部可換股債券指定為計入損益之金融負債並歸類為流動負債（於二零一八年十二月三十一日：非流動）。

可換股債券之組成部分變動如下：

		Convertible Bond 可換股債券 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日之結餘	–
Proceeds from convertible bond	可換股債券所得款項	20,000
Loss arising on change of fair value	公平值變動產生之虧損	5,274
Fair value of convertible bond at date of issue	於發行日期之可換股債券公平值	25,274
Gain arising on change of fair value	公平值變動產生之收益	(1,088)
Balance at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日之結餘	24,186
Gain arising on change of fair value	公平值變動產生的收益	(3,940)
Exchange differences	匯兌差額	(475)
Balance at 30 September 2019	於二零一九年九月三十日的結餘	19,771

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40. CONVERTIBLE BOND DESIGNATED AT FVTPL (Continued)

The Group's convertible bond is valued by an independent valuer by using trinomial tree model (at 31 December 2018: binomial option pricing model) with the following key assumptions:

40. 指定按公平值計入損益之可換股債券(續)

本集團之可換股債券由獨立估值師運用三叉樹模型(於二零一八年十二月三十一日:二項式期權定價模型)進行估值,當中使用之主要假設如下:

		4 June 2018 (date of initial recognition) 二零一八年 六月四日 (初始確認日期)	31 December 2018 二零一八年 十二月三十一日	30 September 2019 二零一九年 九月三十日
Share price of the Company	本公司股價	HK\$0.46 港元	HK\$0.48 港元	HK\$0.241 港元
Conversion price (Note)	換股價(附註)	HK\$0.108 港元	HK\$0.54 港元	HK\$0.54 港元
Expected volatility	預期波幅	54.27%	49.95%	39.47%
Time to maturity	到期時間	2 years 年	1.43 years 年	0.68 years 年
Risk-free rate	無風險利率	1.84%	1.75%	1.87%
Dividend yield	股息收益率	0.00%	0.00%	0.00%

Note: The number of share and share price have been adjusted pursuant to the share consolidation effective on 19 November 2018.

附註: 股份數目及股份價格已根據於二零一八年十一月十九日生效之股份合併調整。

40. CONVERTIBLE BOND DESIGNATED AT FVTPL (Continued)

The fair value of the convertible bond designated at FVTPL at 30 September 2019 to be approximately HK\$19,771,000 (at 31 December 2018: HK\$24,186,000) which was estimated by an independent valuation expert.

The valuation approach has been changed from binomial option pricing model to trinomial tree option pricing model in deriving the fair value of the convertible bond. The management considered that change of valuation approach would present a fairer value of CB. The measurement of the fair value of convertible bond was within level 3 of the fair value hierarchy.

The significant unobservable input in the fair value measurement is expected volatility. As at 30 September 2019, it is estimated that with all other variables held constant, an increase/decrease in the expected volatility by 5% would increase/decrease the Group's loss after tax by HK\$25,000/HK\$12,000 as a result of change in its fair value.

40. 指定按公平值計入損益之可換股債券 (續)

於二零一九年九月三十日，指定按公平值計入損益之可換股債券公平值將約為19,771,000港元（二零一八年十二月三十一日：24,186,000港元），乃由獨立估值專家估計所得。

得出可換股債券公平值時，估值方法已由二項式期權定價模型轉為三叉樹期權定價模型。管理層認為，估值方法之變動將表現可換股債券之公平值。可換股債券之公平值計量屬於第三級公平值層級。

公平值計量所採用之重大不可觀察輸入數據為預期波幅。於二零一九年九月三十日，在所有其他可變因素維持不變情況下，倘預期波幅上升／降低5%，預期將令本集團除稅後虧損因公平值變動增加／減少25,000港元／12,000港元。

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41. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities recognised and movements thereon during the current period and prior year:

		Revaluation of assets 資產重估 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	55,571
Exchange differences	匯兌差額	(2,916)
Credited to profit or loss (note 13)	計入損益(附註13)	(1,973)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	50,682
Exchange differences	匯兌差額	(1,198)
Credited to profit or loss (note 13)	計入損益(附註13)	(5,000)
At 30 September 2019	於二零一九年九月三十日	44,484

At the end of the reporting period, the Group had unused tax losses of HK\$221,932,000 (at 31 December 2018: HK\$205,884,000) available to offset against future profits. The unrecognised tax losses of HK\$184,675,000 (at 31 December 2018: HK\$178,314,000) can be carried forward indefinitely. The remaining HK\$37,493,000 (at 31 December 2018: HK\$27,570,000) related to tax losses in the PRC which will expire in one to five years.

No provision for deferred tax assets has been recognised in respect of tax losses and other temporary differences due to unpredictability of future profit streams.

41. 遞延稅項負債

以下為於本期間及往年確認的主要遞延稅項負債及其相關變動：

於報告期末，本集團未動用之稅項虧損約為221,932,000港元(於二零一八年十二月三十一日：205,884,000港元)，可供抵銷未來溢利。未確認稅項虧損184,675,000港元(於二零一八年十二月三十一日：178,314,000港元)可無限期結轉。餘下之37,493,000港元(於二零一八年十二月三十一日：27,570,000港元)與中國稅項虧損有關，其將於一至五年內屆滿。

由於不能預測未來溢利流，故並無就有關稅項虧損及其他暫時性差異確認遞延稅項資產撥備。

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42. SHARE CAPITAL

42. 股本

		At 30 September 2019 於二零一九年九月三十日		At 31 December 2018 於二零一八年十二月三十一日	
		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.005 each	每股面值0.005港元之普通股	3,200,000	80,000	16,000,000	80,000
Share consolidated (note (d))	股份合併(附註(d))	-	-	(12,800,000)	-
Ordinary shares of HK\$0.025 each	每股面值0.025港元之普通股	3,200,000	80,000	3,200,000	80,000
Issued and fully paid:	已發行及繳足：				
At beginning of period/year	於期/年初	1,303,440	32,586	5,655,000	28,275
Exercise of share options (note (a))	行使購股權(附註(a))	-	-	7,000	35
Placing of new shares (note (b))	配售新股份(附註(b))	-	-	555,200	2,776
Placing of new shares (note (c))	配售新股份(附註(c))	-	-	300,000	1,500
Share consolidation (note (d))	股份合併(附註(d))	-	-	(5,213,760)	-
At end of period/year	於期/年末	1,303,440	32,586	1,303,440	32,586

Notes:

- (a) This represented 7,000,000 shares options exercised at a price of HK\$0.1112 each by the eligible participants of the Group.
- (b) This represented an aggregate of 555,200,000 placing shares issued on 13 July 2018 at a price of HK\$0.071 each, resulting in a credit to share capital and share premium by HK\$2,776,000 and HK\$35,504,000, respectively, netting off the placing cost of HK\$1,139,000.
- (c) This represented an aggregate of 300,000,000 placing shares issued on 2 October 2018 at a price of HK\$0.1 each, resulting in a credit to share capital and share premium by HK\$1,500,000 and HK\$27,433,000, respectively, netting off the placing cost of HK\$1,067,000.
- (d) On 19 November 2018, every five issued and unissued shares of HK\$0.005 each in the Company were consolidated into one consolidated share of HK\$0.025 each.

附註：

- (a) 其指由本集團合資格參與者按每股0.1112港元之價格行使之7,000,000份購股權。
- (b) 其指於二零一八年七月十三日按每股0.071港元之價格發行之合共555,200,000股配售股份，導致計入的股本及股份溢價分別為2,776,000港元及35,504,000港元（已扣除配售成本1,139,000港元）。
- (c) 其指於二零一八年十月二日按每股0.1港元之價格發行之合共300,000,000股配售股份，導致計入的股本及股份溢價分別為1,500,000港元及27,433,000港元（已扣除配售成本1,067,000港元）。
- (d) 於二零一八年十一月十九日，本公司每五股每股面值0.005港元之已發行及未發行股份已合併為每股面值0.025港元之一股合併股份。

42. SHARE CAPITAL (Continued)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The primary objective of the Group's capital risk management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period from 1 January 2019 to 30 September 2019.

42. 股本 (續)

本集團資本管理之目標是維護本集團之持續經營能力，並透過優化債務與股權平衡而為股東帶來豐厚回報。

本集團按風險比例設定資本金額。本集團根據經濟環境之變化及相關資產之風險特徵，管理資本架構並加以調整。為維持或調整資本架構，本集團可調整派付股息、發行新股、回購股份、募集新債務、贖回現有債務或出售資產以減輕債務。

本集團資本風險管理之主要目標為確保本集團持續經營之能力及保持健康的資本比率以支持其業務並最大限度提升股東價值。

本集團管理其資本架構並根據經濟狀況變化對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東之股息、歸還股東資本或發行新股。自二零一九年一月一日至二零一九年九月三十日期間，目標、政策或程序均未改變。

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42. SHARE CAPITAL (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity of the Group. Net debt includes interest-bearing bank and other borrowings and convertible bond, less cash and bank balances and excludes discontinued operation. Capital includes equity attributable to owners of the Company. The gearing ratio at the end of the reporting period was as follows:

42. 股本 (續)

本集團使用資本負債比率監控資本，資本負債比率乃按本集團淨負債除以總權益計算。淨負債包括計息銀行及其他借貸以及可換股債券，減現金及銀行結餘且不計及已終止經營業務。資本包括本公司持有人應佔權益。於報告期末資本負債比率如下：

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Lease liabilities (note 35)	租賃負債 (附註35)	3,245	-
Due to a related company	應付一間關聯公司款項	554	-
Due to directors (note 36)	應付董事款項 (附註36)	347	2,105
Non-convertible bonds (note 37)	不可換股債券 (附註37)	34,885	12,747
Bank borrowings (note 38)	銀行借貸 (附註38)	17,729	19,358
Due to non-controlling shareholders of a subsidiary and its related parties (note 39)	應付一間附屬公司之非控股股東及其關連方款項 (附註39)	43,589	39,650
Convertible bond designated at FVTPL (note 40)	指定按公平值計入損益之可換股債券 (附註40)	19,771	24,186
Total borrowings	借貸總額	120,120	98,046
Less: Bank and cash balances (note 31)	減：銀行及現金結餘 (附註31)	(3,325)	(2,297)
Net debt	債務淨額	116,795	95,749
Total equity	權益總額	277,783	357,415
Gearing ratio	資產負債比率	42%	27%

The increase in the gearing ratio during the period from 1 January 2019 to 30 September 2019 resulted primarily from increase in non-convertible bonds and due to non-controlling shareholders of a subsidiary and its related parties.

自二零一九年一月一日至二零一九年九月三十日期間，資產負債比率增加乃主要由於不可換股債券及應付一間附屬公司之非控股股東及其關連方款項增加。

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42. SHARE CAPITAL (Continued)

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

The Group checks the substantial share interests showing the non-public float through the Stock Exchange's website and it demonstrates continuing compliance with the 25% limit throughout the year. At 30 September 2019, 89.47% (at 31 December 2018: 84.77%) of shares were in public hands.

Apart from above, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

43. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Capital reserve

The capital reserve represents the difference between the nominal value of the share capital issued by the Company and the fair value allocated to the separable net assets of the subsidiaries at the date of acquisition arisen from a group reorganisation in March 2000.

42. 股本 (續)

外部施加的唯一資本要求為，為維持本集團於聯交所上市，其必須擁有至少25%股份的公眾持股量。

本集團透過聯交所網站核查顯示非公眾持股量的大量股份權益，其證明於整個年度持續遵守25%限額。於二零一九年九月三十日，89.47%股份（於二零一八年十二月三十一日：84.77%）由公眾持有。

除上述外，本公司及其附屬公司均不受外部施加之資本限制。

43. 儲備

(a) 本集團

本集團的儲備金額及其變動於綜合損益及其他全面收益表及綜合權益變動表內呈列。

(b) 儲備性質及目的

(i) 資本儲備

資本儲備指二零零零年三月之集團重組所產生本公司所發行股本面值與附屬公司可分割資產淨額於收購日獲指定之公平值之差額。

43. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(ii) Special reserve

The special reserve represents the difference between the book values of the underlying net assets of DIGITALHONGKONG.COM INC., DIGITAL COMMERCE LIMITED and Digital Hong Kong Limited at the date on which the shares of these companies were acquired by the Company together with the acquisition of a shareholder's loan of HK\$7,640,000, and the nominal amount of the Company's shares issued for the acquisition. The special reserve is available for distribution under the Companies Law (Revised) of the Cayman Islands.

(iii) Share premium

Share premium represents the amount of the excess of issue price of the Company's shares over its par value.

(iv) Other reserve

Other reserve represents deemed capital contribution arising from non-current interest-free loan from shareholders and the loss on disposal arising from deemed disposal of 24% equity interest in Yichang Biaodian.

(v) Translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(c)(iii) to the consolidated financial statements.

43. 儲備 (續)

(b) 儲備性質及目的 (續)

(ii) 特別儲備

特別儲備乃指於本公司收購 DIGITALHONGKONG.COM INC.、DIGITAL COMMERCE LIMITED 及數碼香港國際有限公司股份當日，該等公司相關資產賬面淨值連同所收購之股東貸款7,640,000港元，與就此項收購而發行之本公司股份面值兩者間之差額。根據開曼群島經修訂公司法，特別儲備可供分派之用。

(iii) 股份溢價

股份溢價指本公司股份的發行價超過其面值的金額。

(iv) 其他儲備

其他儲備指非流動免息股東貸款及視作出售宜昌標典24%股權之虧損而產生之視作注資。

(v) 換算儲備

外幣換算儲備包括由於換算境外業務之財務報表所致之所有外匯差額。該儲備乃按綜合財務報表附註4(c)(iii)所載會計政策處理。

44. SHARE-BASED PAYMENT

On 30 November 2012, the Company adopted a share option scheme (the “Scheme”). The purpose of the Scheme is to attract and to retain quality personnel and other persons and to provide them with incentive to contribute to the business and operation of the Group. Under the Scheme, the Directors may grant options to any eligible person of the Group, including (i) any director, employee or consultant of the Company, a subsidiary or an affiliate; or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Company, a subsidiary or an affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Company, a subsidiary or an affiliate; or (iv) any person or entity whose service to the Group or business with the Group contribute or is expected to contribute to the business or operation of the Group as may be determined by the Directors from time to time, to subscribe for shares of the Company. Options granted are exercisable for a period of up to ten years from the date of grant of the option as decided by the board.

The exercise price (subject to adjustment as provided therein) of the option under the Scheme is equal to the highest of (i) the nominal value of share; (ii) the closing price per share as stated in the Stock Exchange’s daily quotation sheet on the date of grant of the option, which must be a business day and (iii) the average closing price per share as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the date of grant. The maximum number of shares in respect of which the options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company at the date of approval of the Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any one grantee in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue on the last date of such 12-month period from time to time, without prior approval from the Company’s shareholders.

44. 以股份為基礎的付款

於二零一二年十一月三十日，本公司採納一項購股權計劃（「計劃」）。該計劃之目的在於吸納及留任優秀人員及其他人士，藉以鼓勵彼等為本集團之業務及營運作出貢獻。根據該計劃，董事可向本集團任何合資格人士授出購股權，包括 (i) 本公司、附屬公司或聯屬公司之任何董事、僱員或顧問；或 (ii) 全權託管對象包括本公司、附屬公司或聯屬公司之任何董事、僱員或顧問之任何全權信託；或 (iii) 本公司、附屬公司或聯屬公司之任何董事、僱員或顧問實益擁有之公司；或 (iv) 董事可能不時酌情認定之任何人士或實體，其為本集團提供服務或其曾經或預期對本集團之業務或營運有所貢獻，以認購本公司股份。根據董事會決定，購股權可於購股權授出日期起計最多十年期間內行使。

該計劃項下購股權之行使價（可按其中之規定作出調整）相當於 (i) 股份面值；(ii) 於授出購股權日期（須為營業日）在聯交所每日報價表所報之每股股份收市價；及 (iii) 緊接授出日期前五個營業日聯交所每日報價表所報之每股股份平均收市價，三者以最高者為準。根據該計劃可授出之購股權所涉及股份數目上限不得超過本公司於該計劃獲批准當日已發行股本10%。然而，因行使全部未行使購股權而可予發行之股份總數上限不得超出本公司不時已發行股本30%。在未經本公司股東事先批准之情況下，於任何十二個月期間內，向任何單一承授人授出購股權所涉及之股份數目，不得超過在該十二個月期間內最後一日本公司之不時已發行股份之1%。

44. SHARE-BASED PAYMENT (Continued)

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by grantee.

On 30 September 2019, 16,400,000 shares of the Company available for issue under the Scheme adopted by the Company on 30 November 2012 (at 31 December 2018: no shares) of HK\$0.025 each in the share capital of the Company, representing approximately 28% (on 31 December 2018: 0%) of the issued share capital of the Company. Unless otherwise determined by the Directors, there is no minimum period required under the Scheme for the holding of an option before it can be exercised. There is no consideration for the application or acceptance of an option under the Scheme. The remaining life of the Scheme is approximately three years and to be expired on 30 November 2022.

Details of specific categories of options are as follows:

Year 年份	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價
2017 二零一七年	21 December 2017 二零一七年十二月二十一日	N/A 不適用	21 December 2017 – 21 December 2019 二零一七年十二月二十一日至 二零一九年十二月二十一日	HK\$0.556 0.556港元
2018 二零一八年	18 January 2018 二零一八年一月十八日	N/A 不適用	18 January 2018 – 18 January 2020 二零一八年一月十八日至 二零二零年一月十八日	HK\$0.785 0.758港元
2018 二零一八年	9 October 2018 二零一八年十月九日	N/A 不適用	9 October 2018 – 9 October 2020 二零一八年十月九日至 二零二零年十月九日	HK\$0.466 0.466港元

44. 以股份為基礎的付款 (續)

提呈授出購股權可於提呈日期起計21日內，由承授人於支付名義代價合共1港元時接納。

於二零一九年九月三十日，本公司股本中16,400,000股每股面值0.025港元之股份根據本公司於二零一二年十一月三十日採納之計劃可予發行（於二零一八年十二月三十一日：無股份），佔本公司已發行股本約28%（於二零一八年十二月三十一日：0%）。除非董事另行訂明外，計劃並無規定購股權於可行使前須持有之最短期間。根據計劃申請或接納購股權毋須代價。計劃之餘下期間約為三年，將於二零二零年十一月三十日屆滿。

購股權特定類別詳情如下：

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44. SHARE-BASED PAYMENT (Continued)

The following table discloses movements of the Company's share options held by employees during the year:

Option type	購股權類型	Outstanding at 1 January 2019 於二零一九年 一月一日 尚未行使	(Exercised)/ granted during period 期內 (行使)/授出	Forfeited during period (note) 期內沒收(附註)	Outstanding at 30 September 2019 於二零一九年 九月三十日 尚未行使
2017	二零一七年	9,000,000	-	(1,200,000)	7,800,000
2018	二零一八年	49,600,000	-	(15,200,000)	34,400,000
		58,600,000	-	(16,400,000)	42,200,000
Exercisable at the end of the period	於期末可行使	58,600,000			42,200,000
Weighted average exercise price	加權平均行使價	0.547	-	0.706	0.486

下表披露年內僱員所持本公司購股權的變動：

Option type	購股權類型	Outstanding at 1 January 2018 於二零一八年 一月一日 尚未行使	Granted during period 期內授出	Exercised during period 期內行使	Forfeited during period (note) 期內沒收(附註)	Outstanding at 31 December 2018 於二零一八年 十二月三十一日 尚未行使
2017	二零一七年	13,400,000	-	(1,400,000)	(3,000,000)	9,000,000
2018	二零一八年	-	49,600,000	-	-	49,600,000
		13,400,000	49,600,000	(1,400,000)	(3,000,000)	58,600,000
Exercisable at the end of the period	於期末可行使					58,600,000
Weighted average exercise price	加權平均行使價	0.556	0.546	0.556	0.556	0.547

Note: The forfeiture represented the share options granted to the eligible participants of the Group, which were forfeited upon their resignations during the period.

附註：沒收指已授予本集團合資格參與者，並因彼等於期內辭職而沒收的購股權。

44. SHARE-BASED PAYMENT (Continued)

In respect of the share options exercised during the year ended 31 December 2018, the weighted average share price at the dates of exercise was HK\$0.657. The options outstanding at the end of the period/year have a weighted average remaining contractual life of 0.75 years (at 31 December 2018: 1.5 years).

Options were granted on 18 January 2018 and 9 October 2018. The estimated fair values of the options granted on that date is HK\$2,947,000 and HK\$4,857,000 respectively.

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

Date of issue	發行日期	9 October 2018	18 January 2018
		二零一八年 十月九日	二零一八年 一月十八日
Share price	股價	HK\$0.465 港元	HK\$0.740 港元
Exercise price (note)	行使價 (附註)	HK\$0.466 港元	HK\$0.785 港元
Expected volatility	預期波幅	50.30%	61.88%
Expected life	預期年期	2 years 年	2 years 年
Risk-free rate	無風險利率	2.30%	1.32%
Expected dividend yield	預期收益率	0%	0%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 2 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised the total expense of HK\$7,804,000 for the year ended 31 December 2018 in relation to share options granted by the Company.

Note: The number of share and share price have been adjusted pursuant to share consolidation effective on 19 November 2018.

44. 以股份為基礎的付款 (續)

就截至二零一八年十二月三十一日止年度已行使購股權而言，於行使日期的加權平均股價為0.657港元。於期／年末時尚未行使購股權之加權平均餘下合約年期為0.75年（於二零一八年十二月三十一日：1.5年）。

購股權已於二零一八年一月十八日及二零一八年十月九日獲授出。於該日授出之購股權的估計公平值為2,947,000港元及4,857,000港元。

該等公平值乃使用二項式模型計算。模型的輸入數據如下：

預期波幅乃根據本公司過往2年股價的歷史波幅釐定。模型所用之預計年期已根據管理層之最佳估計，就不可轉讓、行使限制及行為因素所造成之影響予以調整。

本集團於截至二零一八年十二月三十一日止年度就本公司授出的購股權確認總開支7,804,000港元。

附註：股份數目及股份價格已根據於二零一八年十一月十九日生效之股份合併調整。

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Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

45. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

45. 本公司財務狀況表及儲備變動表

(a) Statement of financial position of the Company

(a) 本公司財務狀況表

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	82	150
Right-of-use assets	使用權資產	893	–
Investments in subsidiaries	於附屬公司之投資	–	–
Deposits for acquisition of subsidiaries	收購附屬公司的按金	5,430	–
		6,405	150
Current assets	流動資產		
Prepayment, deposits and other receivables	預付款項、按金及應收其他賬款	472	586
Loan receivables	應收貸款	12,253	17,661
Bond receivables	應收債券	9,710	13,125
Due from subsidiaries	應收附屬公司款項	83,241	140,710
Due from a director	應收一名董事款項	426	–
Bank and cash balances	銀行及現金結餘	2,440	807
		108,542	172,889
Current liabilities	流動負債		
Other payables	應付其他賬款	4,921	2,332
Lease liabilities	租賃負債	926	–
Due to a subsidiary	應付附屬公司款項	–	517
Due to directors	應付董事款項	145	1,460
Convertible bond designated at FVTPL	指定按公平值計入損益之可換股債券	19,771	–
Non-convertible bonds	不可換股債券	31,885	9,747
		57,648	14,056
Net current assets	流動資產淨值	50,894	158,833

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

45. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

(a) Statement of financial position of the Company

(Continued)

45. 本公司財務狀況表及儲備變動表(續)

(a) 本公司財務狀況表(續)

		At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Total assets less current liabilities	總資產減流動負債	57,299	158,983
Non-current liabilities	非流動負債		
Convertible bond designated at FVTPL	指定按公平值計入損益之可換股債券	-	24,186
Non-convertible bonds	不可換股債券	3,000	3,000
		3,000	27,186
Net assets	資產淨額	54,299	131,797
Capital and reserves	資本及儲備		
Share capital	股本	32,586	32,586
Reserves	儲備	21,713	99,211
TOTAL EQUITY	權益總額	54,299	131,797

Approved by the Board of Directors on 16 December 2019 and are signed on its behalf by:

於二零一九年十二月十六日獲董事會批准並由下列董事代表簽署：

Cheung Tuen Ting
張端亭

Wu Guoming
吳國明

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Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

45. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

(b) Reserve movement of the Company

		Capital reserve 資本儲備 HK\$'000 千港元 (note 43(b)(i)) (附註43(b)(i))	Special reserve 特別儲備 HK\$'000 千港元 (note 43(b)(ii)) (附註43(b)(ii))	Share premium 股份溢價 HK\$'000 千港元 (note 43(b)(iii)) (附註43(b)(iii))	Other reserve 其他儲備 HK\$'000 千港元 (note 43(b)(iv)) (附註43(b)(iv))	Translation reserve 換算儲備 HK\$'000 千港元 (note 43(b)(v)) (附註43(b)(v))	Share option reserve 購股權儲備 HK\$'000 千港元 (note 44) (附註44)	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	7,640	1,971	223,502	6,734	6,574	2,446	(153,484)	95,383
Loss for the year	本年度虧損	-	-	-	-	-	-	(59,851)	(59,851)
Other comprehensive income for the year	本年度其他全面收入	-	-	-	-	(7,806)	-	-	(7,806)
Forfeiture of share options granted	沒收已授出購股權	-	-	-	-	-	(542)	542	-
Issuance of shares	發行股份	-	-	62,937	-	-	-	-	62,937
Recognition of share-based payments	確認以股份為基礎的付款	-	-	-	-	-	7,804	-	7,804
Exercise of share option	行使購股權	-	-	995	-	-	(251)	-	744
At 1 January 2019	於二零一九年一月一日	7,640	1,971	287,434	6,734	(1,232)	9,457	(212,793)	99,211
Loss for the period	期內虧損	-	-	-	-	-	-	(73,563)	(73,563)
Other comprehensive income for the period	期內其他全面收入	-	-	-	-	(3,935)	-	-	(3,935)
Forfeiture of share options granted	沒收已授出購股權	-	-	-	-	-	(3,491)	3,491	-
At 30 September 2019	於二零一九年九月三十日	7,640	1,971	287,434	6,734	(5,167)	5,966	(282,865)	21,713

45. 本公司財務狀況表及儲備變動表 (續)

(b) 本公司之儲備變動

46. SUBSIDIARY SHARES TO BE ISSUED

Capital contribution received in advance 預收注資

Pursuant to the agreements between the shareholders of Yichang Biaodian and certain independent third parties, new capital will be introduced from these independent third parties and accordingly become non-controlling shareholders of Yichang Biaodian. Advance receipt represented the amount of the capital received in advance from these independent third parties. On 4 January 2019, these amounts were recognised as capital of Yichang Biaodian after the completion of the issue of capital issued.

46. 將發行的附屬公司股份

At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
-	153,377

根據宜昌標典股東與若干獨立第三方之協議，該等獨立第三方將引入新資本，並因此成為宜昌標典之非控股股東。預收款項指從該等獨立第三方預收資本之款項。於二零一九年一月四日，在已發行資本發行完成後，該等金額確認為宜昌標典之資本。

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自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

47. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

On 6 October 2017, Dihang Energy, an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement with 上海奢冠國際貿易有限公司, a related company which was owned as to 61% by and controlled by Mr. Weng, a then shareholder of the Group, and Shenzhen Energynt, pursuant to which Dihang Energy agreed to acquire the entire equity interests in Shenzhen Energynt at a nominal consideration of RMB1.

Shenzhen Energynt and its subsidiaries were principally engaged in design and construction of new energy power generation equipment, energy storage systems and power equipment, technology development, technical services and technology transfer.

On 3 January 2018, the Group had completed the acquisition of Shenzhen Energynt and was then became a 100% owned subsidiary of the Group.

47. 綜合現金流量表附註

(a) 收購附屬公司

於二零一七年十月六日，本公司之間接全資附屬公司帝航能源與上海奢冠國際貿易有限公司（由本集團當時之股東翁先生擁有及控制61%權益之關連公司）及深圳安捷能特訂立股權轉讓協議，據此，帝航能源同意收購深圳安捷能特之全部股權，名義代價為人民幣1元。

深圳安捷能特及其附屬公司主要從事設計及建造新能源發電設備、能源儲存系統及電力設備、技術開發、技術服務及技術轉移。

於二零一八年一月三日，本集團完成收購深圳安捷能特，深圳安捷能特其後成為本集團之全資附屬公司。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

47. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Acquisition of subsidiaries (Continued)

The fair value of the identifiable assets and liabilities of Shenzhen Energynt acquired are as follows:

		Shenzhen Energynt 深圳安捷能特 HK\$'000 千港元
Net assets acquired:	已收購資產淨值：	
VAT recoverable	可收回增值稅	17
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	1,202
Cash and bank balances	現金及銀行結餘	164
Current tax asset	流動稅項資產	174
Other payables and accruals	其他應付款項及應計費用	(9,562)
Total identifiable net liabilities	可識別淨負債總額	(8,005)
Goodwill (note 24)	商譽(附註24)	8,005
		—
Satisfied by:	按以下方式償付：	
Cash consideration	現金代價	RMB人民幣1元
Net cash outflow arising on acquisitions:	收購事項產生之現金流出淨額：	
Cash consideration paid	已付現金代價	—
Cash and cash equivalents acquired	已收購現金及現金等額	164
		164

Acquisition-related costs of HK\$667,000 have been charged to general and administrative expenses in the consolidated income statement for the year ended 31 December 2018.

(a) 收購附屬公司(續)

已收購之深圳安捷能特之可識別資產及負債公平值如下：

收購事項相關成本667,000港元已計入截至二零一八年十二月三十一日止年度之綜合收益表內之一般及行政開支。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

47. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Acquisition of subsidiaries (Continued)

The table below illustrates the revenue on sales of copper and the loss included in the consolidated statement of profit or loss since the acquisition date contributed by the acquisition.

Revenue	收益
Loss contributed to the Group	為本集團貢獻之虧損

Had the acquisitions as mentioned above been affected at the beginning of the year ended 31 December 2018, total amount of the revenue and loss for the year ended 31 December 2018 of the Group would not be materially different. Such pro-forma information is for illustrative purpose only and is not necessarily an indicator of revenue and results of operation of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year ended 31 December 2018, nor is it intended to be a projection of the future results.

(b) Major non-cash transaction

- (i) Imputed interest of approximately HK\$3,421,000 charged for the period ended 30 September 2019 (year ended 31 December 2018: HK\$31,893,000) was accrued to a non-controlling shareholder of a subsidiary and its related parties.
- (ii) During the year ended 31 December 2018, deemed capital arising from non-current interest free loan from non-controlling shareholders of a subsidiary and its related parties of approximately HK\$870,000 and HK\$904,000 were accrued to other reserves and non-controlling interests respectively.

47. 綜合現金流量表附註 (續)

(a) 收購附屬公司 (續)

下表闡述自收購日期起收購事項貢獻之銷售銅之收益及綜合損益表所載之虧損。

	Shenzhen Energynt 深圳安捷能特 HK\$'000 千港元
Revenue	64,247
Loss contributed to the Group	(1,740)

倘上述收購事項已於截至二零一八年十二月三十一日止年度初生效，則本集團之截至二零一八年十二月三十一日止年度收益及虧損總額將不會有重大差異。有關備考資料僅供說明用途，未必代表倘收購事項於截至二零一八年十二月三十一日止年度初完成時本集團應實際達致之收益及經營業績，亦無意作為未來業績之預測。

(b) 主要非現金交易

- (i) 於截至二零一九年九月三十日止期間已扣除之估算利息約3,421,000港元(截至二零一八年十二月三十一日止年度: 31,893,000港元)已計提至一間附屬公司之非控股股東及其關連方。
- (ii) 截至二零一八年十二月三十一日止年度，來自一間附屬公司之非控股股東及其關連方之非即期免息貸款產生之視作資本約870,000港元及904,000港元已分別於其他儲備及非控股權益中累計。

綜合財務報表附註

Notes to the Consolidated Financial Statements

自二零一九年一月一日至二零一九年九月三十日期間 For the period from 1 January 2019 to 30 September 2019

47. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

47. 綜合現金流量表附註 (續)

(c) 融資活動所產生負債之對賬

下表詳細說明本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債指於本集團綜合現金流量表內分類為融資活動所產生之現金流量或未來現金流量之負債。

	1 January 2019 二零一九年 一月一日 HK\$'000 千港元	Cash flows 現金流量 HK\$'000 千港元	Interest expenses 利息開支 HK\$'000 千港元	Non-cash movement 非現金變動 HK\$'000 千港元	Exchange differences 匯兌差額 HK\$'000 千港元	30 September 2019 二零一九年 九月三十日 HK\$'000 千港元
Bank borrowings (note 38) 銀行借貸(附註38)	19,358	(2,336)	1,176	-	(469)	17,729
Due to non-controlling shareholders of a subsidiary and its related parties (note 39) 應付一間附屬公司之非控股股東及其關連方款項(附註39)	39,650	(1,598)	3,421	(333)	2,449	43,589
Convertible bond designated at FVTPL (note 40) 指定按公平值計入損益之可換股債券(附註40)	24,186	-	1,497	(5,437)	(475)	19,771
Non-convertible bonds (note 37) 不可換股債券(附註37)	12,747	20,452	1,881	-	(195)	34,885
Due to directors (note 36) 應付董事款項(附註36)	2,105	(1,757)	-	-	(1)	347
Lease liabilities (note 35) 租賃負債(附註35)	-	(2,389)	228	5,407	(1)	3,245

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47. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

47. 綜合現金流量表附註 (續)

(c) Reconciliation of liabilities arising from financing activities (Continued)

(c) 融資活動所產生負債之對賬 (續)

		1 January 2018 二零一八年 一月一日 HK\$'000 千港元	Cash flows 現金流量 HK\$'000 千港元	Interest expenses 利息開支 HK\$'000 千港元	Non-cash movement 非現金變動 HK\$'000 千港元	Exchange differences 匯兌差額 HK\$'000 千港元	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Bank borrowings (note 38)	銀行借貸 (附註38)	6,000	16,461	(1,757)	-	(1,346)	19,358
Due to a shareholder of the Company	應付本公司股東款項	25,355	(25,355)	-	-	-	-
Due to non-controlling shareholders of a subsidiary and its related parties (note 39)	應付一間附屬公司之非控股股東及其關連方款項 (附註39)	176,704	(156,742)	-	30,119	(10,431)	39,650
Convertible bond designated at FVTPL (note 40)	指定按公平值計入損益之可換股債券 (附註40)	-	20,000	-	4,186	-	24,186
Non-convertible bonds (note 37)	不可換股債券 (附註37)	-	12,500	247	-	-	12,747
Due to directors (note 36)	應付董事款項 (附註36)	-	2,541	-	-	(436)	2,105

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Notes to the Consolidated Financial Statements

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47. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

47. 綜合現金流量表附註 (續)

(d) Decrease of interest in subsidiaries without loss of control

On 4 January 2019, the Group decreased the shareholding from 49% interests to 25% interests in Yichang Biaodian. The effect of the decrease on the equity attributable to the owners of the Company is as follows:

		HK\$'000 千港元
Carrying amount of non-controlling interests disposed	已出售之非控股權益賬面值	(35,055)
Consideration received from non-controlling interests	自非控股權益收取之代價	—
Loss on disposal recognised directly in equity	直接於權益確認的出售虧損	<u>(35,055)</u>

During the year ended 31 December 2018, the Group decreased the shareholding from 100% interests to 60% interests in the following subsidiaries. The effect of the decrease on the equity attributable to the owners of the Company is as follows:

(d) 於附屬公司之權益減少而並無失去控制權

於二零一九年一月四日，本集團將其於宜昌標典的股權由49%減少至25%。本公司擁有人股權減少的影響如下：

截至二零一八年十二月三十一日止年度，本集團將其於下列附屬公司之股權由100%權益減少至60%權益。本公司擁有人應佔權益減少之影響如下：

		Heroic Sunshine Limited HK\$'000 千港元	Charmland Treasure Limited HK\$'000 千港元	Eternal Goal Limited HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount of non-controlling interests disposed	已出售之非控股權益賬面值	10	15	10	35
Consideration received from non-controlling interests	自非控股權益收取之代價	—	—	—	—
Gain on disposal recognised directly in equity	直接於權益確認之出售收益	<u>10</u>	<u>15</u>	<u>15</u>	<u>35</u>

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47. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(e) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprise the following:

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日 期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Within operating cash flows	經營現金流量內	10	1,915
Within financing cash flows	融資現金流量內	2,389	-
		2,399	1,915

These amounts relate to the following:

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日 期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Lease rental paid	已付租賃租金	2,399	1,915
Payments for right-of-use assets	使用權資產付款	-	-
		2,399	1,915

47. 綜合現金流量表附註 (續)

(e) 租賃現金流出總額

計入租賃現金流量表的金額包括以下各項：

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日 期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Within operating cash flows	經營現金流量內	10	1,915
Within financing cash flows	融資現金流量內	2,389	-
		2,399	1,915

該等金額與下列有關：

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日 期間 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Lease rental paid	已付租賃租金	2,399	1,915
Payments for right-of-use assets	使用權資產付款	-	-
		2,399	1,915

48. LITIGATION

During the year ended 31 December 2018, Yichang Biaodian entered into disputes with one of its suppliers regarding the quality of work performed by such suppliers. Legal proceedings were initiated by the supplier (the "Plaintiff") and on 14 December 2018, pursuant to the application from the Plaintiff, the Court in Yichang granted an order to preserve the bank deposits of Yichang Biaodian amounted to approximately RMB478,000 (equivalent to approximately HK\$544,000).

On 13 March 2019, the Court issued civil mediation agreement which set out that the Plaintiff and Yichang Biaodian agreed with the repayment terms in relation to the aforesaid amount. Yichang Biaodian is required to repay RMB200,000 on or before 30 April 2019 and an order could be applied to unfreeze the bank accounts; and Yichang Biaodian was required to settle RMB2,000,000 on or before 30 September 2019 and the remaining outstanding amount on or before 30 March 2020. The Plaintiff has the rights to apply for a court order to enforce Yichang Biaodian to settle all its debts if it fails to repay RMB2,200,000 to the Plaintiff on or before 30 September 2019. Amount of RMB8,787,000 (equivalent to HK\$10,006,000) are fully provided as liabilities of the Group at 31 December 2018. The restricted bank balance was released on 11 April 2019 upon agreement between the Plaintiff and Yichang Biaodian.

On 20 November 2019, the Plaintiff has exercised its rights to apply for a court order to enforce Yichang Biaodian for settlement of amount overdue as Yichang Biaodian only repaid RMB200,000 up to 30 September 2019. Since the case was at preliminary stage, the management of the Group was assessing the possible outcome that bringing to Yichang Biaodian.

48. 訴訟

於截至二零一八年十二月三十一日止年度，宜昌標典與其中一間供應商發生爭議，內容有關該供應商所進行之工作質量。供應商（「原告」）已提出法律程序，於二零一八年十二月十四日，根據原告之申請，宜昌市法院已頒令保留宜昌標典之銀行存款約人民幣478,000元（相當於約544,000港元）。

於二零一九年三月十三日，法院發出民事調解協議，當中載列原告及宜昌標典協定有關上述金額之償還條款。宜昌標典須於二零一九年四月三十日或之前償還人民幣200,000元，且可申請頒令解凍銀行賬戶；及宜昌標典須於二零一九年九月三十日或之前清償人民幣2,000,000元及於二零二零年三月三十日或之前清償餘下尚未償還金額。倘宜昌標典未能於二零一九年九月三十日或之前向原告償還人民幣2,200,000元，則原告有權申請法院頒令強制宜昌標典結算其所有債務。人民幣8,787,000元（相當於10,006,000港元）已於二零一八年十二月三十一日全數撥備為本集團之負債。受限制銀行結餘於原告與宜昌標典協定後於二零一九年四月十一日解除。

於二零一九年十一月二十日，原告已行使其權利申請法院頒令強制宜昌標典結算逾期款項，原因是直至二零一九年九月三十日，宜昌標典僅償還人民幣200,000元。由於該案件處於初期階段，故本集團管理層評估宜昌標典的可能結果。

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49. OPERATING LEASE ARRANGEMENTS

At 31 December 2018 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		At 31 December 2018
		於二零一八年 十二月三十一日
		HK\$'000
		千港元
Within one year	一年內	1,571
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	676
		<u>2,247</u>

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term from two to three years and rentals are fixed over the lease terms and do not include contingent rentals.

The Group regularly entered into short-term leases for car parking spaces. As at 30 September 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 22. As at 30 September 2019, the outstanding lease commitments relating to these car parking spaces is HK\$39,000.

49. 經營租賃安排

於二零一八年十二月三十一日，不可撤銷經營租賃項下未來應付的最低租賃付款總額如下：

經營租賃付款指本集團就其辦公室樓宇應付的租金。租約通過磋商釐定，平均期限為兩至三年，租金按租期釐定，並不包括或然租金。

本集團定期就停車位訂立短期租賃。於二零一九年九月三十日，短期租賃投資組合與短期租賃開支披露於附註22的短期租賃投資組合相若。於二零一九年九月三十日，與該等停車位有關的未償還租賃承擔為39,000港元。

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50. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment, development of systems and networks		
– contracted but not accounted for	7,102	9,281

51. OTHER COMMITMENTS

At 30 September 2019, the Group had a commitment of HK\$973,000 in respect of the outstanding consideration for the acquisition of a subsidiary as disclosed in note 28(b).

50. 資本承擔

本集團於報告期末之資本承擔如下：

	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
資本承擔		
– 已訂約但未入賬	7,102	9,281

51. 其他承擔

誠如28(b)所披露，於二零一九年九月三十日，本集團有關收購一間附屬公司之未償還代價的承擔為973,000港元。

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52. RELATED PARTY TRANSACTIONS (Continued)

(c) Compensation of key management personnel

The details of remuneration of key management personnel, represents the emoluments of directors of the Company paid during the period/year and set out in note 16(a).

The remuneration of directors and other members of key management during the period/year was follows:

52. 關連人士交易 (續)

(c) 主要管理人員之薪酬

主要管理人員之薪酬詳情指期／年內已付本公司董事酬金，並載於附註16(a)。

期／年內董事及核心管理層其他成員之薪酬如下：

		Period from 1 January 2019 to 30 September 2019 自二零一九年 一月一日至 二零一九年 九月三十日期間 HK\$'000 千港元	Year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Short term benefits	短期福利	1,228	1,527
Share-based benefits	以股份為基礎之福利	-	4,429
		1,228	5,956

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52. RELATED PARTY TRANSACTIONS (Continued)

52. 關連人士交易 (續)

(d) Amounts due from/(to) related party

(d) 應收／(付)關聯方款項

Name of related party	Relationship	Terms	At 30 September 2019 於二零一九年 九月三十日 HK\$'000 千港元	At 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元
關聯方名稱	關係	條款		
上海廣大基礎工程有限公司	Controlled by a director of the Company	Unsecured, interest-free and repayable on demand	(554)	-
上海廣大基礎工程有限公司	由本公司一名董事控制	無抵押、免息及按要求償還		

53. CONTINGENT LIABILITIES

Apart from as disclosed elsewhere in these consolidated financial statements, the Group did not have any other significant contingent liabilities (at 31 December 2018: Nil).

53. 或然負債

除該等綜合財務報表其他部分所披露者外，本集團並無任何其他重大或然負債（於二零一八年十二月三十一日：無）。

54. EVENTS AFTER THE REPORTING PERIOD

As disclosed in noted 28(b), the Group entered into a share transfer agreement with a vendor, who was independent from the Group, to acquire 100% equity interest in an insurance broker company incorporated in Hong Kong with limited liabilities at a consideration of HK\$2,373,000.

The acquisition has been completed on 31 October 2019.

54. 報告期後事項

如附註28(b)所披露，本集團與一名賣方（獨立於本集團）訂立股份轉讓協議，以收購於香港註冊成立的保險經紀公司（有限責任）之全部股權，代價為2,373,000港元。

收購事項於二零一九年十月三十一日完成。

