



Chinese Food And Beverage Group Limited 華人飲食集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(於開曼群島註冊成立並於百慕達存續之有限公司)

Stock Code 股份代號 : 8272



Annual Report 年報

2019





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

This report will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and the Company's website at www.cfbgroup.com.hk.

CONTENTS

Corporate Information	3
Five-Year Financial Summary	4
Management Discussion and Analysis	5
Directors' Profile	12
Report of Directors	14
Corporate Governance Report	22
Independent Auditor's Report	69
Consolidated Statement of Profit or Loss and Other Comprehensive Income	73
Consolidated Statement of Financial Position	75
Consolidated Statement of Changes in Equity	77
Consolidated Statement of Cash Flows	79
Notes to the Consolidated Financial Statements	81



Corporate Information



BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Chow Cheuk Hang
Mr. Eric Todd (*appointed on 17 March 2020*)
Ms. Li Yuet Mei, Dilys (*resigned on 17 March 2020*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau Man Tak
Mr. Yeung Wai Hung, Peter
Mr. Ma Stephen Tsz On

COMPANY SECRETARY

Mr. Pang Kin Ki, Gregory (*appointed on 17 March 2020*)

COMPLIANCE OFFICER

Mr. Chow Cheuk Hang

AUDIT COMMITTEE

Mr. Lau Man Tak (*Chairman*)
Mr. Yeung Wai Hung, Peter
Mr. Ma Stephen Tsz On

REMUNERATION COMMITTEE

Mr. Yeung Wai Hung, Peter (*Chairman*)
Mr. Lau Man Tak
Mr. Ma Stephen Tsz On

NOMINATION COMMITTEE

Mr. Yeung Wai Hung, Peter (*Chairman*)
Mr. Lau Man Tak
Mr. Ma Stephen Tsz On

AUDITOR

Asian Alliance (HK) CPA Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 906, Wings Building
No. 110–116 Queen's Road Central
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

PRINCIPAL BANKERS

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

WEBSITE ADDRESS

www.cfbgroup.com.hk

STOCK CODE

8272



Five-Year Financial Summary

The financial results of the Group for the financial years 2015 to 2019 and the assets and liabilities of the Company and its subsidiaries (collectively, the “Group”) as at 31 December 2015, 2016, 2017, 2018 and 2019 are as follows:

	Year ended 31 December 2019 HK\$'000	Year ended 31 December 2018 HK\$'000	Year ended 31 December 2017 HK\$'000	Year ended 31 December 2016 HK\$'000 (Restated)	Year ended 31 December 2015 HK\$'000
Results					
Continuing operations					
Revenue	18,133	23,152	41,673	44,390	62,097
Gross profit	3,588	3,788	13,840	15,073	14,844
(Loss) profit for the year from continuing operations	(11,874)	85,043	(24,797)	(86,981)	(104,101)
Discontinued operation					
Loss for the year from discontinued operations	–	–	(1,772)	(22,886)	–
(Loss) profit for the year	(11,874)	85,043	(26,569)	(109,867)	(104,101)
(Loss) profit for the year attributable to					
— Owners of the Company	(10,887)	85,041	(25,753)	(108,704)	(104,086)
— Non-controlling interests	(987)	2	(816)	(1,163)	(15)
	(11,874)	85,043	(26,569)	(109,867)	(104,101)
Assets and liabilities					
Total assets	46,116	57,437	268,602	283,191	338,532
Total liabilities	53,309	38,331	289,180	287,555	530,302
Net (liabilities)/assets	(7,193)	19,106	(20,578)	(4,364)	(191,770)



Management Discussion and Analysis

BUSINESS AND FINANCIAL REVIEW

Revenue

During the year ended 31 December 2019 (the “**Reporting Period**”), the Group recorded a revenue of approximately HK\$18,133,000 (2018: approximately HK\$23,152,000), approximately representing a 22% decrease as compared with the last corresponding period.

Results for the year

The Group recorded a loss of approximately HK\$11,874,000 for the Reporting Period, as compared with a profit of approximately HK\$85,043,000 of the last corresponding period. The turnaround of the Group’s result is mainly attributable to decrease in other operating income and other gains as there were (i) a gain on disposal of 31% equity interest in Flame Soar Limited of approximately HK\$56,781,000; and (ii) dividend of approximately HK\$51,951,000 from financial assets at fair value through profit or loss recorded in the previous corresponding year whereas no such gain have been recorded for the Reporting Period.

During the year ended 31 December 2019, administrative and other operating expenses decreased from approximately HK\$18,069,000 to approximately HK\$13,694,000 due to cost-saving measures among the Group; selling and distribution expenses decreased from approximately HK\$8,296,000 to approximately HK\$5,678,000 due to discontinuation of the operation in Fooklore and finance costs also decreased from approximately HK\$12,964,000 to approximately HK\$2,704,000, mainly due to the convertible bonds payable with approximately HK\$91,789,000 had been fully settled.

Catering Business

The segmental revenue of the catering business for the Reporting Period was approximately HK\$18,133,000 (2018: approximately HK\$23,152,000), representing a decrease of approximately 22% as compared with the previous corresponding period. The catering business mainly comprised two restaurants namely, Fooklore (享福) and Real Stone Grills (堅石燒).

Fooklore (享福)

Fooklore was tailored to provide Chinese banqueting services for corporate and family gatherings. After the renovation in July 2018, the revenue contributed by Fooklore could not achieve the satisfactory result. Due to the deteriorating business performance and consistent loss-making from, among other things, the inefficiencies in cost management, the Board considered that it would be unhealthy for the Group to keep operating the restaurant. Consequently, the operation in Fooklore was discontinued in June 2019.

During the Reporting Period, Fooklore recorded revenue from catering business of approximately HK\$9,702,000 (2018: approximately HK\$21,777,000).



Management Discussion and Analysis

Real Stone Grills (堅石燒)

In June 2019, the Group reallocated its resource to invest in a company by a majority stake of approximately 52.38% for launching a Korean restaurant under the name of Real Stone Grill. Real Stone Grill operates as a restaurant serving Korean cuisine and is located at Yau Tsim Mong District which is one of most densely populated district, having the highest flow of tourist and locals in Hong Kong. It is positioned as a middle end restaurant with approximately 3,000 square feet and around 100 seats to provide quality imported meat and a variety of Korean cuisine to customers who look for spacious and comfortable dining experience. Also there has an innovative facility which emits fragrant spray onto customers after dining so as to remove their smells of grilling. The Board is of the view that Real Stone Grill is expected to grow steadily and has a better performance than Chinese restaurant given that Korean restaurant is more competitive as it offers affordable pricing with mid-range price whereas the Chinese restaurant provides upper-end and expensive dining experience. Real Stone Grill has greater attraction to additional young customers than other traditional cuisine, accompanied by the spread of contemporary Korean pop-culture which is highly influential amongst young people in Hong Kong.

Since the protests had started in June 2019, the slump in tourist arrivals resulted in weak sales performance in the second quarter in Hong Kong. The revenue contributed by Real Stone Grill still achieved in growth steadily and intended to have a better performance.

In response to the public health risks associated with the outbreak of COVID-19 (“**COVID-19**”) in early 2020, our restaurant have been established the sterilization measures such as providing the hand sanitizer, temperature measure at the entry, wearing face mask when entry of restaurant and, etc. In the meantime, we have adjusted the operating hours according to latest demand. We will continue to adopt different approaches to tackle the challenge, closely monitor the development of the circumstances and work diligently to sustain in this difficult time.

During the Reporting Period, Real Stone Grills recorded revenue from catering business of approximately HK\$7,124,000 (2018: Nil).

Securities Trading

There was no acquisition or disposal of any held-for-trading investments during the Reporting Period.

OUTLOOK AND PROSPECT

The Group’s catering business remains Real Stone Grills. The catering business in Hong Kong has been under an exceptionally adverse business environment since the start of the protest of the second half of 2019 and the COVID-19 in early 2020, local residents have also distanced themselves from dining activities in order to avoid cross contamination and prevent community outbreaks. The prevention and control of the epidemic has continued to be the core of the Group’s catering business. Notwithstanding the degree of impact of the COVID-19 will depend on the duration of the epidemic and prevention and control activities taken by the Government, the catering business in Hong Kong is challenging in the second half of 2020. The Group expects after the COVID-19 has been under control, the revenue generated by Real Stone Grill will continue to grow.

In view of the above, management is actively seeking for potential business opportunities in the catering and food processing industry, aiming at further substantiating its existing operations together with its expansion plan on its Korean restaurants. Management believes through the acquisition of potential the catering and food processing could generate growing and sustainable income source for the Group.



Management Discussion and Analysis

CAPITAL STRUCTURE

At the extraordinary general meeting of the Company held on 12 June 2019, the shareholders of the Company have approved, among others, the change of its domicile from the Cayman Islands to Bermuda and the reorganization of its share capital. The capital reorganization (the “**Capital Reorganization**”) involved the following:

1. Share consolidation

Pursuant to the share consolidation (the “**Share Consolidation**”), every forty (40) issued and unissued existing shares of HK\$0.02 each were consolidated into one (1) consolidated share of HK\$0.80 each (the “**Consolidated Shares**”) and where applicable, the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation was rounded down to a whole number by cancelling any fraction in the issued share capital of the Company arising from the Share Consolidation.

2. Capital reduction and share subdivision

- (a) The issued share capital of the Company was reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.79 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share was reduced from HK\$0.80 to HK\$0.01 (the “**Capital Reduction**”);
- (b) Immediately following the Capital Reduction, each of the authorized but unissued Consolidated Shares of HK\$0.80 each was sub-divided into eighty (80) new shares of HK\$0.01 each; and
- (c) The credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company arising from the Share Consolidation; and (ii) the Capital Reduction were credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

Upon the Capital Reorganization becoming effective on 18 July 2019, the authorized share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each, of which 79,254,000 shares were in issue and the aggregate nominal value of the issued share capital was HK\$792,540. For details, please refer to the announcements of the Company dated 30 April 2019, 20 May 2019, 12 June 2019, 26 June 2019, 17 July 2019 and the circular of the Company dated 20 May 2019.

As at 31 December 2019, the Company’s issued share capital was HK\$792,540 (2018: HK\$63,403,000) and the number of its issued ordinary shares was 79,254,000 shares of HK\$0.01 each (2018: 3,170,160,000 shares of HK\$0.02 each).

CHANGE IN BOARD LOT SIZE

On 18 July 2019, the board lot size for trading of the Company’s shares on the Exchange has been changed from 20,000 shares to 5,000 shares.

SIGNIFICANT INVESTMENTS

As at 31 December 2019, the Group has 19% (2018: 19%) equity interest in Flame Soar Limited, which through a number of its subsidiaries is engaged in the operation of high-end Chinese restaurant business, serving Cantonese cuisine and provision of banquet catering services.



Management Discussion and Analysis

PROFIT GUARANTEE

On 25 October 2018, Rich Paragon Limited (“**Rich Paragon**”), a wholly-owned subsidiary of the Company has entered into the shareholders’ agreement (the “**Shareholders’ Agreement**”) with the shareholders of Flame Soar Limited (“**Flame Soar**”).

In accordance with the Shareholders’ Agreement, Fortunate Soar Limited and its immediate holding company, namely Fook Lam Moon Holdings Limited (collectively, the “**Guarantors**”) severally and irrevocably guarantee to Rich Paragon that the audited EBITDA* of the restaurant operators (the “**Restaurant Operators**”) of Flame Soar for the guaranteed amount (the “**Guaranteed Amount**”) of HK\$49,693,319, HK\$51,184,119, HK\$52,719,642 and HK\$54,301,231 for the financial years (the “**Financial Year(s)**”) ending on 31 December 2018, 2019, 2020 and 2021, respectively (the “**Profit Guarantee**”). In case the Profit Guarantee is not met or satisfied in any one of the Financial Years, the Guarantors shall in respect of the Financial Year, jointly or severally pay to Rich Paragon a cash compensation (“**Compensation**”) in amount determined by applying the following formula:

Compensation = (Guaranteed Amount – audited EBITDA of the Restaurant Operators) x 19%

* *EBITDA means, in respect of a Financial Year, the total operating profit (or, as the case may be, loss) of the Restaurant Operators for continuing operations before each of the following items: (i) interest; (ii) tax; (iii) depreciation of tangible assets; and (iv) amortisation of goodwill, general provision and other intangible assets*

Pursuant to the audited EBITDA of the Restaurant Operators for the Financial Year 2018, the Profit Guarantee was not met and the Compensation of approximately HK\$751,000 based on the above formula was recognized during the Reporting Period. Since the audited financial statements of the Restaurant Operators for the Financial Year 2019 has not been prepared by the Restaurant Operators approximately up to the date of this report, the Compensation, if any, for the Financial Year 2019 was uncertain.

ADVANCE TO ENTITY

Advance to entity in the amount of HK\$44,000,000

Details of advance to entity in the amount of HK\$44,000,000 paid to Key Ally Limited were set out under the section of “Advance to Entity” on pages 13 to 14 of the Company’s quarterly report for the three months ended 31 March 2014. The Directors considered that the likelihood of recovery of the outstanding principal and accrued interest amount was very remote and the impairment loss of other receivables of approximately HK\$28,225,000 was recognised during the eight months ended 31 December 2013. During the Reporting Period, the Group has received approximately HK\$180,000 from Key Ally Limited. The Group will proceed to recover the outstanding amount in reliance on legal advice.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has principally financed its operations by internal resources and other borrowings from financial institutions. As at 31 December 2019, the Group has net current liabilities of approximately HK\$42,643,000 (2018: approximately HK\$31,229,000) which includes the bank balances and cash of approximately HK\$1,966,000 (2018: approximately HK\$1,294,000).

As at 31 December 2019, the Group had other borrowings amounted to approximately HK\$14,505,000 (2018: approximately HK\$2,095,000). The gearing ratio, computed as total liabilities to total assets, is 1.16 the end of the Reporting Period (2018: 0.67).



Management Discussion and Analysis

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2019, the Company has pledged 70% (2018: 70%) equity interests of Able Wind Limited to secure an other borrowing of HK\$2,910,000 (2018: HK\$1,000,000).

CAPITAL COMMITMENTS

As at 31 December 2019, the Group did not have any capital commitment (2018: Nil).

CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any material contingent liability (2018: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

In June 2019, the Group obtained a majority stake of approximately 52.38% equity interest in a company which operates a restaurant under the name of "Real Stone Grill" in Yau Tsim Mong District, and such company has become the Company's subsidiary.

Save as disclosed in this report, the Group did not have any other material acquisition and disposal of subsidiaries and affiliated companies for the year ended 31 December 2019 and up to the date of this report.

CHANGE OF DOMICILE, PRINCIPAL REGISTRAR AND REGISTERED OFFICE; ADOPTION OF NEW MEMORANDUM OF CONTINUANCE AND BYE-LAWS

During the Reporting Period, the Company has been deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The change of domicile (the "Change of Domicile") became effective on 25 June 2019.

With effect from the Change of Domicile becoming effective, (i) the registered office of the Company has been changed to Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda; and (ii) Conyers Corporate Services (Bermuda) Limited of Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda has been appointed as the principal share registrar and transfer office of the Company in Bermuda. Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong remains as the branch share registrar and transfer office of the Company in Hong Kong.

In connection with the Change of Domicile, the New Memorandum of Continuance and Bye-laws were adopted by the Company with effect from Tuesday, 25 June 2019 (Bermuda time) (Wednesday, 26 June 2019 (Hong Kong time)).

For details, please refer to the announcements of the Company dated 30 April 2019, 20 May 2019, 12 June 2019, 26 June 2019, 17 July 2019 and the circular of the Company dated 20 May 2019.



Management Discussion and Analysis

LITIGATIONS

Reference is made to the claim by Megamillion Asia Limited (“**Megamillion**”), an indirect wholly-owned subsidiary of the Company, against Cheong Tat International Development Limited (“**Cheong Tat**”) the particulars of which have been disclosed at pages 9 to 10 of the annual report of the Company for the financial year ended 30 April 2013. Megamillion had obtained judgment against Cheong Tat on (i) principal amount of the loan and interest accrued thereon (the “**Loan Amount**”), and (ii) the amount for redemption of the convertible bond (the “**Redemption Amount**”).

Cheong Tat and Megamillion entered into a deed of settlement dated 31 December 2013 (the “**Deed of Settlement**”) under and pursuant to which Cheong Tat transferred certain portfolio of shares in a Hong Kong listed company for full and final settlement of the Loan Amount.

Subject to legal advice and pending ascertainment that Cheong Tat has assets available for execution, Megamillion will proceed to recover the Redemption Amount.

Fooklore, the restaurant managed and operated by Union Sky Wealth Limited (an indirect wholly-owned subsidiary of the Company) serving exquisite Cantonese and Sichuan cuisine on Second Basement Floor of Empire Hotel, has been sued by certain suppliers (for amounts due and owing in the Small Claims Tribunal) (the “**Small Claim Cases**”). The management company of Fooklore is assisting to involve in negotiations with the respective claimants for settlement. The Company will make further disclosure of the Small Claim Cases wherever appropriate or necessary.

Save as disclosed above, as at the date of this report, no member of the Group was engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against any member of the Group and that the Company will disclose any Megamillion’s recovery action and other litigation matters of material importance wherever appropriate or necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, for the continuing operations the Group employed a total of 42 employees (2018: 60). Staff costs for the Reporting Period, including Directors’ emoluments, were approximately HK\$10,593,000 (2018: approximately HK\$14,428,000).

The Group decided the remuneration and compensation payable to its staff based on individual performance and expertise. Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group’s performance as well as individual contribution.

DIVIDEND

The Board does not recommend the payment of dividend for the year ended 31 December 2019 (2018: Nil).

COMPETING INTERESTS

For the year ended 31 December 2019, the Directors are not aware of any business or interest of the Directors, the substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.



Management Discussion and Analysis

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transaction by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing rules. The Company had also made specific enquiry to all the Directors and the Company was not aware of any noncompliance with the required standard of dealings regarding securities transactions by the Directors during the year ended 31 December 2019.

AUDIT COMMITTEE

The Company established an Audit Committee on 10 June 2003 with latest written terms of reference adopted on 31 December 2018 in compliance with the GEM Listing Rules. The full terms of reference setting out details of duties of the Audit Committee is available on the websites of the Exchange and the Company.

The Audit Committee currently consists of three independent non-executive Directors namely Mr. Lau Man Tak, Mr. Yeung Wai Hung, Peter and Mr. Ma Stephen Tsz On. The chairman of the Audit Committee is Mr. Lau Man Tak, who has appropriate professional qualifications and experience in accounting matters.

The Group's audited consolidated financial statements for the year ended 31 December 2019 including the accounting principles and practices adopted have been reviewed by the Audit Committee. The Audit Committee considers that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and other legal requirements, and that adequate disclosures have been made.



Directors' Profile

EXECUTIVE DIRECTORS

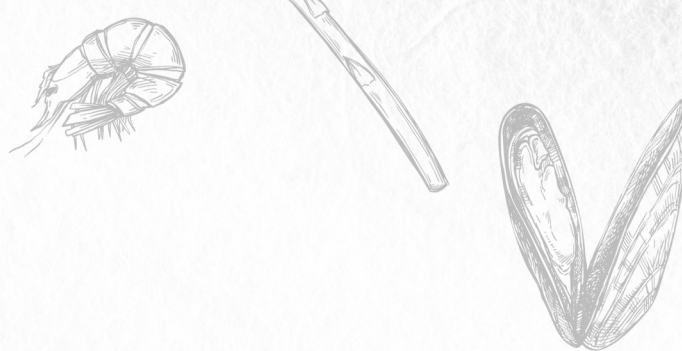
Mr. Chow Cheuk Hang ("Mr. Chow"), aged 36, joined the Group on 22 December 2016 as an independent non-executive Director, a member of each of the audit committee (the "**Audit Committee**"), the remuneration committee ("**Remuneration Committee**") and the nomination committee ("**Nomination Committee**") of the Company. He has been re-designated from an independent non-executive Director to an executive Director and has simultaneously ceased to be a member of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 13 January 2017. He holds a degree of Bachelor of Civil Engineering from the University of Hong Kong. Mr. Chow currently serves as Chief Operating Officer at China Creative Digital Entertainment Limited (stock code: 8078), a Company listed on GEM of the Exchange. Mr. Chow has over 10 years of experience in finance and accounting. He was a director in charge of Business Development at a venture capital with numerous successful cases in Asia.

Mr. Eric Todd ("Mr. Todd"), aged 58, possesses extensive professional experience in the auditing, financial management, investment and media industry. Mr. Todd holds a bachelor of science degree in business administration from Boston University in the United States. He was a certified public accountant in the State of California, the United States from September 1989 to January 2010. Mr. Todd started his career at the Hong Kong office of KPMG (formerly known as KPMG Peat Marwick) from 1985 to 1990 and subsequently joined the Standard Chartered Bank Group and worked from 1991 to 1995. Prior to joining the Company, he had been employed as a business consultant and also served as finance director for several companies engaged in the media industry.

As at the date of this report, Mr. Todd is an executive director of DeTai New Energy Group Limited (stock code: 559), a non-executive director of Leyou Technologies Holdings Limited (stock code: 1089) and an executive director of Shi Shi Services Limited (stock code: 8181). Mr. Todd was also an independent non-executive director of Boill Healthcare Holdings Limited (stock code: 1246) from July 2016 to August 2017. The securities of these companies are listed on the Exchange.

Mr. Todd was an executive director of Hsin Chong Group Holdings Limited ("**Hsin Chong**") from March 2017 to March 2019, whose securities were listed on the Main Board of the Exchange. Hsin Chong was a company incorporated in Bermuda and principally engaged in building construction, civil engineering, electrical and mechanical installation, property development and investment. Winding-up petitions in relation to Hsin Chong were filed in Bermuda in January 2019 and joint and several provisional liquidators were appointed. Details of the winding-up petitions were disclosed in the announcements of Hsin Chong dated 21 January 2019 and 21 February 2019 respectively. After Mr. Todd resigned from the directorship in Hsin Chong, he did not receive any further update in relation to the winding-up proceedings of Hsin Chong. According to the Royal Gazette of Bermuda, an order that Hsin Chong be wound up by the Supreme Court of Bermuda under the provisions of the Companies Act 1981 was made on 20 January 2020. During the time when Mr. Todd was the director of Hsin Chong, he was mainly responsible for the corporate rescue of Hsin Chong including negotiations with the creditors and potential investors. Mr. Todd has confirmed that he is not a party to the winding up proceedings, there is no wrongful act, misconduct or misfeasance on his part leading to the above winding up proceedings and he is not aware of any actual or potential claim that has been or will be made against him as a result thereof.

Directors' Profile



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau Man Tak ("Mr. Lau"), aged 50, joined the Group on 19 February 2019 as an independent non-executive Director, the chairman of the Audit Committee, and a member of each of the Remuneration Committee and Nomination Committee of the Company. He graduated from The Hong Kong Polytechnic University with a bachelor's degree of arts in accountancy in November 1991. Mr. Lau has more than 19 years of experience in finance and accounting. He has been an associate member of the Hong Kong Institute of Certified Public Accountants since September 1997, a fellow member of The Association of Chartered Certified Accountants since July 2002, a fellow member of The Hong Kong Institute of Directors since August 2012 and a member and a fellow member of the Hong Kong Securities and Investment Institute since April 2000 and November 2015, respectively.

Mr. Lau is currently the chairman and an executive director of TEM Holdings Limited (stock code: 8346), a company listed on GEM of the Exchange, and an independent non-executive director of each of Kingston Financial Group Limited (stock code: 1031) and Synergis Holdings Limited (stock code: 2340), both listed on the Main Board of the Exchange. He is also a non-executive director and chairman of REF Holdings Limited (stock code: 1631), a company listed on the Main Board of the Exchange. Mr. Lau was an independent non-executive director of Sincere Watch (Hong Kong) Limited (stock code: 444) from June 2012 to December 2016, a company listed on the Main Board of the Exchange.

Mr. Yeung Wai Hung, Peter ("Mr. Yeung"), aged 62, joined the Group on 1 December 2013 as an independent non-executive Director, a member of the Audit Committee and the chairman of each of the Remuneration Committee and the Nomination Committee. He holds a bachelor of laws degree from the University of London and a postgraduate certificate in laws from the University of Hong Kong. He possesses experience in the areas of mergers and acquisitions and commercial contracts. He is a solicitor of High Court of Hong Kong. Mr. Yeung has been a practicing solicitor for over 30 years and a partner of Messrs. Hau, Lau, Li & Yeung Solicitors & Notaries since 1992.

Mr. Yeung is currently an independent non-executive director of CircuTech International Holdings Limited (stock code: 8051), a company listed on GEM of the Exchange.

Mr. Yeung was an independent non-executive director of The Hong Kong Building and Loan Agency Limited (stock code: 145), a company listed on the Main Board of the Exchange, from 1 February 2011 to 2 June 2018.

Mr. Ma Stephen Tsz On ("Mr. Ma"), aged 41, joined the Group on 16 February 2017 as an independent non-executive Director, a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. He is a barrister-at-law at Wellington Chambers. He was admitted to practice law as a barrister in the High Court of Hong Kong in 2006. Mr. Ma holds a Postgraduate Certificate in Laws from The University of Hong Kong, a Graduate Diploma in Law from The Nottingham Trent University and a Bachelor's degree in Business Administration from Simon Fraser University.

Mr. Ma is currently an independent non-executive director of hmvod Limited (stock code: 8103), a company listed on GEM of the Exchange.



Report of Directors

The Directors present this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in note 41 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 73 and 75 of this annual report.

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

OPERATING SEGMENTS

An analysis of the Group's performance by the principal activities and geographical locations of operations for the year ended 31 December 2019 is set out in note 9 to the consolidated financial statements.

PLANT AND EQUIPMENT

Details of movements in plant and equipment during the year ended 31 December 2019 are set out in note 20 to the consolidated financial statements.

BUSINESS REVIEW AND COMMENTARY

Financial Results

The financial results and business review of the Group for the year ended 31 December 2019 is set out in this annual report on the section of "Management Discussion and Analysis" from pages 5 to 11.

Environmental Protection framework and its performance

The Group recognises its corporate responsibilities to protect the environment to fulfill sustainable development and also consider measures to minimize food wastage.

In order to minimise the impact of its business operation on the environment, the office and restaurants of the Group has implemented measures for environmental protection, including using energy efficient appliances and equipment to reduce energy consumption and gas emissions.

Lighting appliances in office and restaurants is gradually replaced by LED (Light Emitting Diode) lighting appliances. Regional lighting control and air-conditioning systems are programmed to turn off illumination and air-conditioning respectively for certain unoccupied areas of office and restaurants based on the actual operational need.

Brooms and mops are used to clean floor in the kitchen, dining area and outdoor areas to avoid spraying water.

Report of Directors



Compliance with laws and regulations

Intellectual property rights of the Group mainly consist of information management systems and secret recipes. To enhance the employees' awareness of preserving such intellectual property rights, the Group has implemented rules in the employees' manual regulating the usage of the Group's intellectual property. Only a minimum number of employee on a "need-to-know" basis would have access to the recipes. The Group's employment contracts also contains confidentiality provisions with respect to handling of its confidential information.

The Group also complies with the provisions of the Personal Data (Privacy) Ordinance to ensure that the personal data collected will be treated confidentially and for specific purposes only.

To ensure the safety of employees, the Group has also observed the Occupational Safety and Health Ordinance. Staff manual includes guidance and practices for operational staff to follow to create a hazard-free environment.

Relationships with major stakeholders

As an equal opportunity employer, the Group evaluate employees during recruitment, retention and promotion process irrespective of their race, gender, culture or physical condition. Staff is the most important asset and resource of the Group as they help sustain its core values and culture. The Group offered on-job training and encouraged its staff to attend external training courses to develop personal skills.

The Group has always strived to provide quality gourmet and premium dining experience and environment to the customers.

Goods received from suppliers are required to comply with the current food labeling and relevant hygiene and sanitary regulations. Spontaneous review and survey will be conducted by the Group on suppliers on an on-going basis to monitor the product quality and service level. If there are any supplier fails to meet the required quality standard, notice would be sent to the suppliers demanding for improvements so as to ensure the Group's product quality and protect the interests of consumers.

Principal risks and uncertainties

The Group realised the importance of sufficient financial funding, and will keep on to monitor and measure the liquidity and funding risk on an on-going basis, and ensure a sufficient cash flow for the business operations.

In the food and beverage industry, food safety is one of the major operational risk factor. Operational risk is resulting from inadequate or failed internal processes, people and systems or from external events. It can arise from day to day operations or external events, and is relevant to every aspect of the Group's business. The operational risk is monitored by key indicator and other internal control activities. Risks are identified and assessed, which then report to the Directors to implement controls to manage the risk and monitor the effectiveness of these controls.

Loyalty of customers has always been a treasure of the Group. The Group always values the comments and opinions from the customers. When feedbacks were received from the customers, we handled immediately and review the customers' expectation on an on-going basis.

SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period, together with the reasons thereof, are set out in note 33 to the consolidated financial statements.



Report of Directors

SHARE OPTION SCHEME

The share option scheme of the Company was adopted on 31 October 2013 (the “**Share Option Scheme**”). During the year ended 31 December 2019, there was no share option granted, exercised, cancelled or lapsed under the share option schemes and no share option remained outstanding at the beginning and at the end of the Reporting Period under the Share Option Scheme of the Company.

The purpose of the Share Option Scheme is to provide the people and the parties working for the interests of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interests with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group.

Pursuant to the Share Option Scheme, the Board may, at its discretion, invite (i) employees of the Company (whether full-time or part-time) or any of its subsidiaries or any entity (“**Invested Entity**”) in which the Group holds an equity interest; (ii) Directors (whether executive directors, non-executive directors or independent non-executive directors) or directors of any of the subsidiaries or Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of any member of the Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The scheme mandate limit was refreshed at the Company’s annual general meeting held on 27 June 2018. The total number of Shares which may be issued upon exercise of all options to be granted was 317,016,000 Shares, representing 10% of the total number of the Shares in issue as at the date of this report. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

Pursuant to the Share Option Scheme, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted pursuant to the Share Option Scheme and any other share option schemes of the Company to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the date upon which the offer for the grant of options is made but shall end in any event not later than ten years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

Pursuant to the Share Option Scheme, HK\$1.00 per offer of grant is payable by the grantee to the Company on acceptance of the option offer as consideration for the grant. The option must be accepted within 28 days from the date on which an offer of option is made to a grantee.



Report of Directors

The exercise price per option shall be determined by the Board at its absolute discretion and notified to each grantee and shall be no less than the highest of: (i) the closing price of the Shares as stated in the Exchange's daily quotation sheets on the date on which an offer of the option is made, which must be a Business Day (as defined in the Share Option Scheme); (ii) the average closing price of the Shares as stated in the Exchange's daily quotation sheets for the five consecutive trading days immediately preceding the date on which an offer of the option is made; and (iii) the nominal value of the Share.

The Share Option Scheme will remain valid for a period of 10 years commencing on 31 October 2013.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2019 are set out in the consolidated statement of changes in equity on page 77 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company had no reserve available for distribution to the Shareholders (2018: Nil).

DIVIDEND POLICY

The Company has adopted a dividend policy that aims to enhance the Shareholders' value. The following parameters/factors shall be considered by the Board for declaration of dividend:

- Circumstances under which the Shareholders may or may not expect dividend;
- Financial Parameters/factors that shall be considered for declaration of dividend;
- Internal and external factors that shall be considered for declaration of dividend;
- Utilization of retained earnings; and
- Multiple classes of Shares.

The payment of dividend is also subject to any restrictions under the applicable laws, the Company's Memorandum and Articles of Associations.

The policy shall be reviewed periodically and submitted to the Board for approval if amendments are required.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years ended 31 December 2019 is set out on page 4 of this annual report.



Report of Directors

DIRECTORS

The Directors who held office during the Reporting Period and up to the date of this report were:

Executive Directors

Mr. Chow Cheuk Hang

Mr. Eric Todd (*appointed on 17 March 2020*)

Ms. Li Yuet Mei Dilys (*appointed on 1 December 2019 and resigned on 17 March 2020*)

Ms. Wong Hei Man (*appointed on 30 January 2019 and resigned on 1 December 2019*)

Mr. Yuen Koon Tung (*resigned on 30 January 2019*)

Mr. Lam Raymond Shiu Cheung (*resigned on 30 January 2019*)

Independent Non-executive Directors

Mr. Lau Man Tak (*appointed on 19 February 2019*)

Mr. Yeung Wai Hung, Peter

Mr. Ma Stephen Tsz On

Mr. Kam Tik Lun (*resigned on 19 February 2019*)

Mr. Ho Siu King Stanley (*resigned on 19 February 2019*)

Pursuant to Article 86(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

Pursuant to Article 87(1) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement at least once every three years.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors of the Group are set out on pages 12 to 13 of this annual report.

DIRECTORS' SERVICE CONTRACTS

All existing executive Directors, namely Mr. Chow Cheuk Hang and Mr. Eric Todd, have each entered into a service contract with the Company and may be terminated by not less than one-month's notice in writing served by either party to the other in accordance with the provisions set out in the respective service contract. Each of them is entitled to a monthly salary on a 13-month basis and a discretionary bonus, the amount of which will be determined by the Board at its absolute discretion having regard to the operation results of the Company and their performance.

All existing independent non-executive Directors, namely Mr. Lau Man Tak, Mr. Yeung Wai Hung, Peter and Mr. Ma Stephen Tsz On, have each renewed or entered into a letter of appointment with the Company for a fixed term of one year and may be terminated by not less than one-month's notice in writing served by either party to the other in accordance with the provisions set out in the respective letter of appointment.

None of the Directors has entered into any service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment compensation other than the statutory compensation.



Report of Directors

DIRECTORS' AND THE FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

Details of the emoluments of the Directors and of the five highest paid individuals of the Group are set out in notes 16 and 17 to the consolidated financial statements respectively.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2019, the interests and short positions of the Directors and the chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, were as follows:

LONG POSITIONS IN THE ORDINARY SHARES AND UNDERLYING SHARES OF HK\$0.02 EACH IN THE CAPITAL OF THE COMPANY

Name of Director	Nature of interests/holding capacity	Number of Shares	Number of underlying Shares	Total number of Shares and underlying Shares	Approximate percentage of interests the Company's in issued share capital
Mr. Yeung Wai Hung, Peter	Personal	3,437	–	3,437	0.004%

Save as disclosed above, as at 31 December 2019, none of the Directors and the chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of the SFO), as recorded in the register required to be kept under Section 352 of the SFO; or as notified to the Company and the Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under section "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION" above, as at 31 December 2019, neither the Company nor any of its subsidiaries was a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors and the chief executive of the Company to acquire benefits by means of the acquisition of Shares in, or debt securities, including debentures, of the Company or any other body corporate, or there have, at any time during the year ended 31 December 2019, subsisted such arrangement(s) as aforesaid and none of the Directors and the chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.



Report of Directors

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

As at 31 December 2019, so far as is known to the Directors, other than Directors and the chief executive of the Company, no other party held interests or short positions (directly or indirectly) in the Shares or underlying Shares were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken during the year ended 31 December 2019 are provided under note 40 to the consolidated financial statements. These related party transactions did not fall under the definition of connected transaction or continuing connected transaction as defined in the GEM Listing Rules.

EQUITY-LINKED ARRANGEMENTS

Except for Share Options Scheme as mentioned above and the convertible bonds issued as disclosed in the note 32 to the consolidated financial statements of the Company, the Company had no other equity-linked arrangements entered into during the year and subsisted as at 31 December 2019.

DIRECTORS' INTERESTS IN CONTRACTS

No transaction, arrangement or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted for the year or at any time during the year ended 31 December 2019.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2019.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, revenue from the five largest customers of the Group's catering business accounted for was 7% (2018: 6%) of the Group's total sales and the five largest suppliers in this segment accounted for 48% (2018: 38%) of the Group's total purchases. In addition, no largest customer of the Group's total sales in the segment of the catering business can be accounted for the Reporting Period (2018: Nil) whilst the largest supplier accounted for approximately 18% (2018: approximately 9%) of the Group's total purchases.

During the year ended 31 December 2019, none of the Directors, their close associates, or any substantial shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the Group's five largest customers and suppliers.

COMPETING INTERESTS

For the year ended 31 December 2019, the Directors are not aware of any business or interest of the Directors, the substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.



Report of Directors

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 22 to 34 of this annual report.

INDEMNITY OF DIRECTORS

A permitted indemnity provision that provides for indemnity against liability incurred by Directors is currently in force and was in force throughout the year ended 31 December 2019.

AUDITORS

The consolidated financial statements for the years ended 31 December 2017, 2018 and 2019 were audited by Asian Alliance (HK) CPA Limited ("**Asian Alliance**") who will retire and, being eligible, offer themselves for reappointment upon conclusion of the forthcoming annual general meeting. A resolution for the re-appointment of Asian Alliance as auditors of the Company to hold office until conclusion of the next annual general meeting at a fee to be agreed with the Directors will be proposed at the forthcoming annual general meeting.

APPRECIATION

The Board would like to thank all business partners and Shareholders for their continued support and confidence in our management and the Company. It is our vision to continue our Group's corporate strategy to explore other industries with good business potential and growth prospects to gain attractive returns for our investors.

By order of the Board

Chow Cheuk Hang
Executive Director

Hong Kong, 25 March 2020



Corporate Governance Report

COMPLIANCE OF THE CODE PROVISIONS

Throughout the year ended 31 December 2019, the Company applied the principles and complied with the code provisions on Corporate Governance Practices as set out in Corporate Governance Code and Corporate Governance Report (Appendix 15) to the GEM Listing Rules (the “**CG Code**”) except for the following deviations:

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company did not appoint a chairman or a chief executive during the year ended 31 December 2019. The functions of the chairman and chief executive are performed by the executive Directors. The Board is of the view that there existed a balance of power and authority and will review the current practice from time to time and make appropriate changes if considered necessary.

Under code provision A.2.7 of the CG Code, the chairman of the board (“**Chairman**”) should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. As the Company does not have a Chairman, no such meeting was held in this regard for the year ended 31 December 2019.

Pursuant to code provision C.1.3 of the CG Code, where the directors are aware of material uncertainties relating to events or conditions that may cast significant doubt on the issuer’s ability to continue as a going concern, they should be clearly and prominently disclosed and discussed at length in the Corporate Governance Report.

The auditors of the Company issued a disclaimer of opinion over the Group’s ability to continue as a going concern due to the conditions indicate the material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. They are: (i) the Group incurred a loss attributable to the owners of the Company of approximately HK\$10,887,000 and had net cash used in operating activities for the year ended 31 December 2019; (ii) as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$42,643,000; (iii) the Group had net liabilities of approximately HK\$7,193,000, in which total borrowings amounted to approximately HK\$14,505,000, while its bank balances and cash amounted to approximately HK\$1,966,000.

The Board has adopted and considered different measures with different dimensions to further improve its cash flow, e.g. (i) the Group has continued to enforce cost-saving measures to reduce the administrative and operating expenses and finance costs; (ii) negotiating with its suppliers and creditors to extend payment due date; (iii) seeking investors to issue new shares and/or convertible bonds; (iv) exploring other fund raising opportunities enable the Group to restructure its core business and to obtain funds to improve its financial position. In view of the aforesaid, the Board, including the Audit Committee, believes that the above measures, if materialised, will not only bring to the Group a significant improvement on the financial performance but also help to address the Disclaimer of Opinions of the Auditor, and accordingly is of the view that the Group could continue as a going concern.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transaction by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry to all the Directors and the Company was not aware of any noncompliance with the required standard of dealings regarding securities transactions by the Directors during the year ended 31 December 2019.

Corporate Governance Report



BOARD OF DIRECTORS

The Board currently comprises five Directors, including two executive Directors, namely Mr. Chow Cheuk Hang and Mr. Eric Todd; and three independent non-executive Directors, namely Mr. Lau Man Tak, Mr. Yeung Wai Hung, Peter and Mr. Ma Stephen Tsz On.

The overall management of the Company's business is vested in the Board which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All the Directors should make decisions objectively in the interests of the Company. The Board has the full support from the executive Directors.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors of the Company. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the executive Directors.

The Board also assumes the responsibilities of maintaining high standard of corporate governance, including, among others, developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, and reviewing the Company's compliance with the CG Code.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. Independent non-executive Directors and non-executive Director are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. Accordingly, selection of candidates to the Board is based on a range of measurable objectives, including but not limited to skills, knowledge, gender, age, cultural and educational background, or professional experience, having due regard to the Company's own business model and specific needs from time to time. With the existing Board members coming from a variety of business and professional background, the Company considers that the Board possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the Company's business.

Details of backgrounds and qualification of the Directors are set out in the "DIRECTORS' PROFILE" of this annual report.



Corporate Governance Report

The Board members have no financial, business, family or other material or relevant relationships with each other. The Board meets regularly discuss the Company's affairs and operations. During the year ended 31 December 2019, the Board passed several written resolutions and held 17 Board meetings which were convened when board-level decisions on particular matters were required in person, by phone or through other electronic means of communication. In addition, one annual general meeting and one extraordinary general meetings were held. Details of the attendance record of these meetings of each member of the Board are as follows:

Name of Directors	Attendance/Number of	
	Board meetings	General meetings
Executive Directors		
Mr. Chow Cheuk Hang	17/17	2/2
Mr. Eric Todd (<i>appointed on 17 March 2020</i>)	N/A	N/A
Ms. Li Yuet Mei Dilys (<i>appointed on 1 December 2019 and resigned on 17 March 2020</i>)	N/A	N/A
Ms. Wong Hei Man (<i>appointed on 30 January 2019 and resigned on 1 December 2019</i>)	16/17	2/2
Mr. Yuen Koon Tung (<i>resigned on 30 January 2019</i>)	1/1	N/A
Mr. Lam Raymond Shiu Cheung (<i>resigned on 30 January 2019</i>)	1/1	N/A
Independent Non-executive Directors		
Mr. Lau Man Tak (<i>appointed on 19 February 2019</i>)	14/14	2/2
Mr. Yeung Wai Hung, Peter	16/17	2/2
Mr. Ma Stephen Tsz On	16/17	2/2
Mr. Kam Tik Lun (<i>resigned on 19 February 2019</i>)	3/3	N/A
Mr. Ho Siu King Stanley (<i>resigned on 19 February 2019</i>)	1/3	N/A

During the regular meetings of the Board, the Directors discussed and formulated the overall strategies of the Group, reviewed and monitored the business and financial performances and discuss the quarterly, half-yearly and annual results, as well as discussed and decided on other significant matters.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Director has confirmed in writing his annual confirmation on independence as required by Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive Directors to be independent. Each of the independent non-executive Director has a fixed term of one year appointment with the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Articles of Association of the Company (the "**Articles**"), (i) all Directors will be subject to retirement by rotation once every three years and the new Directors appointed by the Board to fill a causal vacancy during the year shall be subject to re-election by the Shareholders at the next following general meeting after appointment; and (ii) one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to one-third but not less than one-third), shall retire from office by rotation and being eligible, offer themselves for re-election at each annual general meeting and that any new Director appointed by the Board during the year shall hold office until the next following general meeting after appointment, and he or she shall be eligible for re-election at that meeting.

Corporate Governance Report



CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors have been given relevant guideline materials regarding the relevant laws and regulations applicable to the Directors and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors of the Company. All Directors have been updated on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. Continuing briefings and professional development to Directors will be arranged whenever necessary.

The Company provides regular updates on changes and developments relating to the Group's business and the legislative and regulatory environments to the Directors at the Board meetings.

During the year ended 31 December 2019, all relevant Directors had participated in continuous professional development in the following manner:

Name of Directors	Type of continuous professional development programmes
Executive Directors	
Mr. Chow Cheuk Hang	B
Mr. Eric Todd (<i>appointed on 17 March 2020</i>)	N/A
Ms. Li Yuet Mei Dilys (<i>appointed on 1 December 2019 and resigned on 17 March 2020</i>)	B
Ms. Wong Hei Man (<i>appointed on 30 January 2019 and resigned on 1 December 2019</i>)	B
Mr. Yuen Koon Tung (<i>resigned on 30 January 2019</i>)	B
Mr. Lam Raymond Shiu Cheung (<i>resigned on 30 January 2019</i>)	B
Independent Non-executive Directors	
Mr. Lau Man Tak (<i>appointed on 19 February 2019</i>)	B
Mr. Yeung Wai Hung, Peter	B
Mr. Ma Stephen Tsz On	B
Mr. Kam Tik Lun (<i>resigned on 19 February 2019</i>)	B
Mr. Ho Siu King Stanley (<i>resigned on 19 February 2019</i>)	B

Notes:

A: attending seminars/forums/workshops/conferences relevant to the business on directors' duties

B: reading regulatory updates

AUDIT COMMITTEE

The Company established an Audit Committee on 10 June 2003 with latest written terms of reference adopted on 31 December 2018 in compliance with the GEM Listing Rules. In accordance with provisions set out in the CG Code which are available on the websites of the Exchange and the Company.



Corporate Governance Report

The Audit Committee currently consists of three independent non-executive Directors namely Mr. Lau Man Tak, Mr. Yeung Wai Hung, Peter and Mr. Ma Stephen Tsz On. The chairman of the Audit Committee is Mr. Lau Man Tak, who has appropriate professional qualifications and experience in accounting matters.

The Audit Committee is mainly responsible for the followings:

- (i) to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (ii) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (iii) to monitor integrity of the Company's financial statements and the annual report and accounts, half-year report and quarterly reports, and to review significant financial reporting judgments contained in them;
- (iv) to review the Group's financial controls, internal control and risk management systems;
- (v) to discuss the risk management and internal control systems, with management to ensure that management has performed its duty with effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function;
- (vi) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and
- (vii) to act as the key representative body for overseeing the Company's relations with the external auditor.

During the year ended 31 December 2019, the Audit Committee held 4 meetings and passed several written resolutions to consider and approve the following:

- (i) to review of the quarterly, half-year and annual financial statements before submission to the Board, with a focus on compliance with accounting standards, the GEM Listing Rules and other requirements in relation to financial reporting of the Audit Committee;
- (ii) to discuss the effectiveness of the corporate governance, internal control and risk management systems throughout the Group, including financial, operational and compliance controls, and the preparation for environmental, social and governance reporting;
- (iii) to scrutinise the Company's performance in achieving agreed corporate goals and objectives;
- (iv) to review the accounting principles and practices adopted by the Group and other financial reporting matters; and
- (v) to address the audit issues raised by the external auditors of the Group.

Corporate Governance Report



Review of Risk Management and Internal Control Systems

The Audit Committee is delegated by the Board with the responsibility to provide independent oversight of the Group's financial reporting and internal control systems, and the adequacy of the external and internal audits. The Audit Committee reviewed the effectiveness of the Group's risk management and internal control systems by reviewing the reports (including the internal audit work plan) issued by the independent external assurance provider.

The Audit Committee reviewed and concurred with the management's confirmation that for the year ended 31 December 2019: (i) the Group's risk management and internal control systems were effective and adequate; and (ii) the Group had complied satisfactorily with the requirements of the CG Code in respect of risk management and internal control systems.

Review of Accounting, Financial Reporting and Internal Audit Functions

The Audit Committee 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 individual attendance record of each member of the Audit Committee is as follows:

Name of Directors	Attended/ Eligible to attend
Mr. Lau Man Tak (<i>Chairman</i>) (<i>appointed on 19 February 2019</i>)	4/4
Mr. Yeung Wai Hung, Peter	4/4
Mr. Ma Stephen Tsz On	3/4
Mr. Kam Tik Lun (<i>resigned on 19 February 2019</i>)	N/A
Mr. Ho Siu King Stanley (<i>resigned on 19 February 2019</i>)	N/A

The Group's unaudited quarterly and interim results and audited annual results in respect of the year ended 31 December 2019 have been reviewed by the Audit Committee.

There was no disagreement between the Board and the Audit Committee on the selection, appointment of the external auditors during the year ended 31 December 2019.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 10 September 2004 with latest revised written terms of reference adopted on 26 July 2013 which deal clearly with its authority and duties, in accordance with the requirement of the CG Code. In accordance with provisions set out in the CG Code which are available on the websites of the Exchange and the Company.

The Remuneration Committee currently consists of three independent non-executive Directors namely Mr. Yeung Wai Hung, Peter (chairman), Mr. Lau Man Tak and Mr. Ma Stephen Tsz On.



Corporate Governance Report

The role and function of the Remuneration Committee includes:

- (i) to make recommendations to the Board on the Company's policy and structure for all Directors' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) to review and recommend the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) to make recommendations to the Board on the remuneration packages of individual executive Directors. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (iv) to make recommendations to the Board on the remuneration of non-executive Directors;
- (v) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
- (vi) to review and recommend compensation payable to executive Directors for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and otherwise fair and not excessive;
- (vii) to review and recommend compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (viii) to ensure that no Director or any of his associates is involved in deciding his own remuneration.

During the year ended 31 December 2019, the Remuneration Committee held 5 meetings to consider and approve the following:

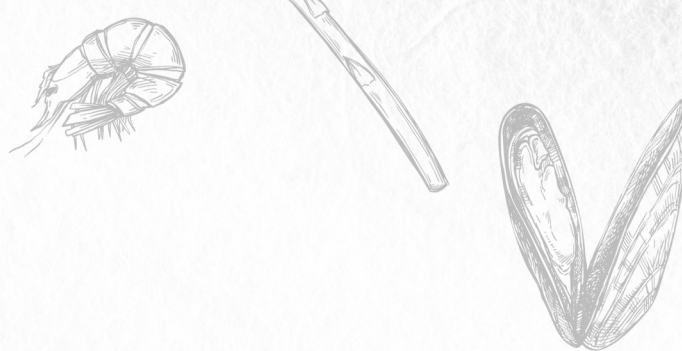
- (i) determining the policy for the remuneration of executive Directors, assessing the performance of executive Directors and approving the terms of executive directors' service contracts;
- (ii) to review the current remuneration policies and appraisal system;
- (iii) to recommend to the Board the Directors' remuneration; and
- (iv) to recommend to the Board the remuneration proposals for the newly appointed Directors.

The individual attendance record of each member of the Remuneration Committee is as follows:

Name of Directors	Attended/ Eligible to attend
Mr. Yeung Wai Hung, Peter (<i>Chairman</i>)	5/5
Mr. Lau Man Tak (<i>appointed on 19 February 2019</i>)	3/3
Mr. Ma Stephen Tsz On	4/5
Mr. Kam Tik Lun (<i>resigned on 19 February 2019</i>)	1/2
Mr. Ho Siu King Stanley (<i>resigned on 19 February 2019</i>)	1/2

The emolument payable to Directors depends on their respective contractual terms under service contract/letter of appointment, if any, and as recommended by the Remuneration Committee and approved by the Board.

Corporate Governance Report



NOMINATION COMMITTEE

The Company established a Nomination Committee on 15 March 2012 with latest written terms of reference adopted on 31 December 2018 which deal clearly with its authority and duties, in accordance with the requirement of the CG Code. In accordance with provisions set out in the CG Code which are available on the websites of the Exchange and the Company.

The Nomination Committee currently consists of three independent non-executive Directors namely Mr. Yeung Wai Hung, Peter (chairman), Mr. Lau Man Tak and Mr. Ma Stephen Tsz On.

The role and function of the Nomination Committee includes:

- (i) to review the structure, size, composition and diversity (including but not limited to skills, knowledge, gender, age, cultural and educational background, or professional experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) to identify suitably qualified individuals to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships on merits and against objective criteria, with due regard on the benefits of diversity on the Board;
- (iii) to assess the independence of independent non-executive Directors;
- (iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive of the Company, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future; and
- (v) to review the Board Diversity Policy and nomination policy, as appropriate, and the measurable objectives that the Board has set for implementing the Board Diversity Policy and nomination policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually.

During the year ended 31 December 2019, the Nomination Committee held 5 meetings and passed several written resolutions to consider and approve the following:

- (i) to review the structure, size, diversity and composition of the Board and the independence of independent non-executive Directors; and
- (ii) to make recommendation to the Board on the appointment and re-appointments of executive Directors and independent non-executive Directors.

The individual attendance record of each member of the Nomination Committee is as follows:

Name of Directors	Attended/ Eligible to attend
Mr. Yeung Wai Hung, Peter (<i>Chairman</i>)	5/5
Mr. Lau Man Tak (<i>appointed on 19 February 2019</i>)	3/3
Mr. Ma Stephen Tsz On	4/5
Mr. Kam Tik Lun (<i>resigned on 19 February 2019</i>)	1/2
Mr. Ho Siu King Stanley (<i>resigned on 19 February 2019</i>)	1/2



Corporate Governance Report

DIRECTOR NOMINATION POLICY

Director Nomination Policy of the Group ("**Nomination Policy**") is in place and was adopted in writing in the Year taking into consideration the revised Listing Rules effective from 1 January 2019. The Nomination Policy sets out the procedures, process and criteria for identifying and recommending candidates for election to the Board.

CORPORATE GOVERNANCE FUNCTION

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board in compliance with code provision D.3.1 of the CG Code, which include:

- (i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (ii) to review and monitor the training and continuous professional development of Directors;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year ended 31 December 2019, the Board has reviewed the policy of the corporate governance and the corporate governance report of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Company established a shareholders' communication policy and review it on a regular basis to ensure its effectiveness. The Company communicates with the Shareholders and the potential investors (the "**Investors**") of the Company mainly in the following ways:

- (i) the holding of annual general meetings and extraordinary general meetings ("**EGM**"), if any, which may be convened for specific purpose and provide opportunities for the Shareholders and Investors to communicate directly with the Board;
- (ii) the publication of quarterly, half-yearly and annual reports, announcements and/or circulars as required under the GEM Listing Rules and/or press releases of the Company providing updated information of the Group; and
- (iii) the latest information of the Group will be available on the websites of the Exchange and the Company.

The notice of annual general meetings and any EGM at which the passing a special resolution is to be considered shall be called by not less than 21 clear days' notice prior to the date of meetings. All other EGM maybe called by not less than 14 clear days' notice prior to the date of meetings.

Corporate Governance Report



Procedures for Shareholders to convene an Extraordinary General Meeting

The following procedures for Shareholders to convene an EGM are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

- (i) any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company (the "**Eligible Shareholder(s)**") 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 of the Company (the "**Company Secretary**"), to require an EGM to be called by the Board for the transaction of any business specified in such requisition;
- (ii) Eligible Shareholders who wish to convene an EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned to the head office and principal place of business of the Company in Hong Kong at Room 906, Wings Building, No. 110–116 Queen's Road Central, Central, Hong Kong, or the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for the attention of the Board and/or the Company Secretary;
- (iii) the Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted in the EGM, and must be signed by the Eligible Shareholder(s) concerned together with a deposit of a sum of money reasonable sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by the shareholders concerned in accordance with the statutory requirements to all the registered Shareholders;
- (iv) the Requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered Shareholders. On the contrary, if the Requisition has been verified as not in order or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM; and
- (v) if within 21 days of the deposit of the Requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Procedures for Shareholders to put forward proposals at Shareholders' meetings

There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of the Cayman Islands. However, pursuant to the Articles, Shareholders who wish to move a resolution may by means of Requisition convene an EGM following the procedures set out above.

Procedures for sending enquiries to the Board

Procedures for sending enquiries to the Board Shareholders may send their enquiries and concerns to the Board by addressing them to the head office and principal place of business of the Company in Hong Kong at Room 906, Wings Building, No. 110–116 Queen's Road Central, Hong Kong by post or by fax to (852) 3106 3281 for the attention of the Board and/or the Company Secretary.



Corporate Governance Report

COMPANY SECRETARY

Mr. Pang Kin Ki, Gregory (“**Mr. Pang**”) has been appointed as the Company Secretary since 17 March 2020. Mr. Pang has taken no less than 15 hours of relevant professional training for the year ended 31 December 2019. Mr. Pang is delegated by an external service provider and the primary corporate contact person in the Company is Mr. Chow Cheuk Hang, the executive Director and compliance officer of the Company.

DIRECTORS’ RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements which give a true and fair view of the state of affairs of the Group and in presenting the quarterly, interim and annual financial statements, and announcements to the Shareholders. The Directors aim to present a balanced and understandable assessment of the Group’s position and prospects with timely publication of the financial statements of the Group. Except from the issues discussed under paragraph “Material fundamental uncertainties relating to going concern basis” in the Independent Auditor’s Report, as at 31 December 2019 the Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group’s ability to continue as a going concern.

The statements of the external auditor of the Company, Asian Alliance (HK) CPA Limited, about their reporting responsibilities on the financial statements of the Group are set out in the Independent Auditor’s Report from pages 69 to 72 of this annual report.

DIRECTORS’ AND OFFICERS’ LIABILITIES INSURANCE AND INDEMNITY

To indemnify Directors and officers of the Company against all costs, charges, losses, expenses and liabilities incurred by them in the executive of and discharge of their duties or in relation thereto, the Company has arranged insurance cover for this purpose.

AUDITOR’S REMUNERATION

The auditor’s remuneration in respect of the Group’s audit services and non-audit services for the Company are as follows:

	2019 HK\$’000	2018 HK\$’000
Audit services	580	1,252
Non-audit services	290	450

INVESTORS RELATIONS

The Company’s website offers communication channel between the Company and the Shareholders and the Investors. Apart from disclosure of all necessary information to the Shareholders in compliance with the GEM Listing Rules, news update of the Company’s business development and operation are available on the Company’s website.

There was no significant change in the Company’s constitutional documents for the year ended 31 December 2019.

Corporate Governance Report



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.

To this end, appropriate 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 year 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 ensure 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 working group, is also responsible for reviewing the Company's corporate social responsibility strategy, principles and policies; setting guidances, direction and overseeing practices and procedures; and monitoring progress on the Company's corporate social responsibility and related activities.

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 year 2019.

1st line of defence — Risk management

- An Enterprise Risk Management ("ERM") Policy is in place with defined authority for 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. Training programmes were arranged for the Group's employees.
- 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.



Corporate Governance Report

2nd line of defence — Risk oversight

- The Group's ERM Policy is developed and endorsed by the Audit Committee 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.
- 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.

Enterprise Risk Management Policy

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.

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.

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.



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主板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。

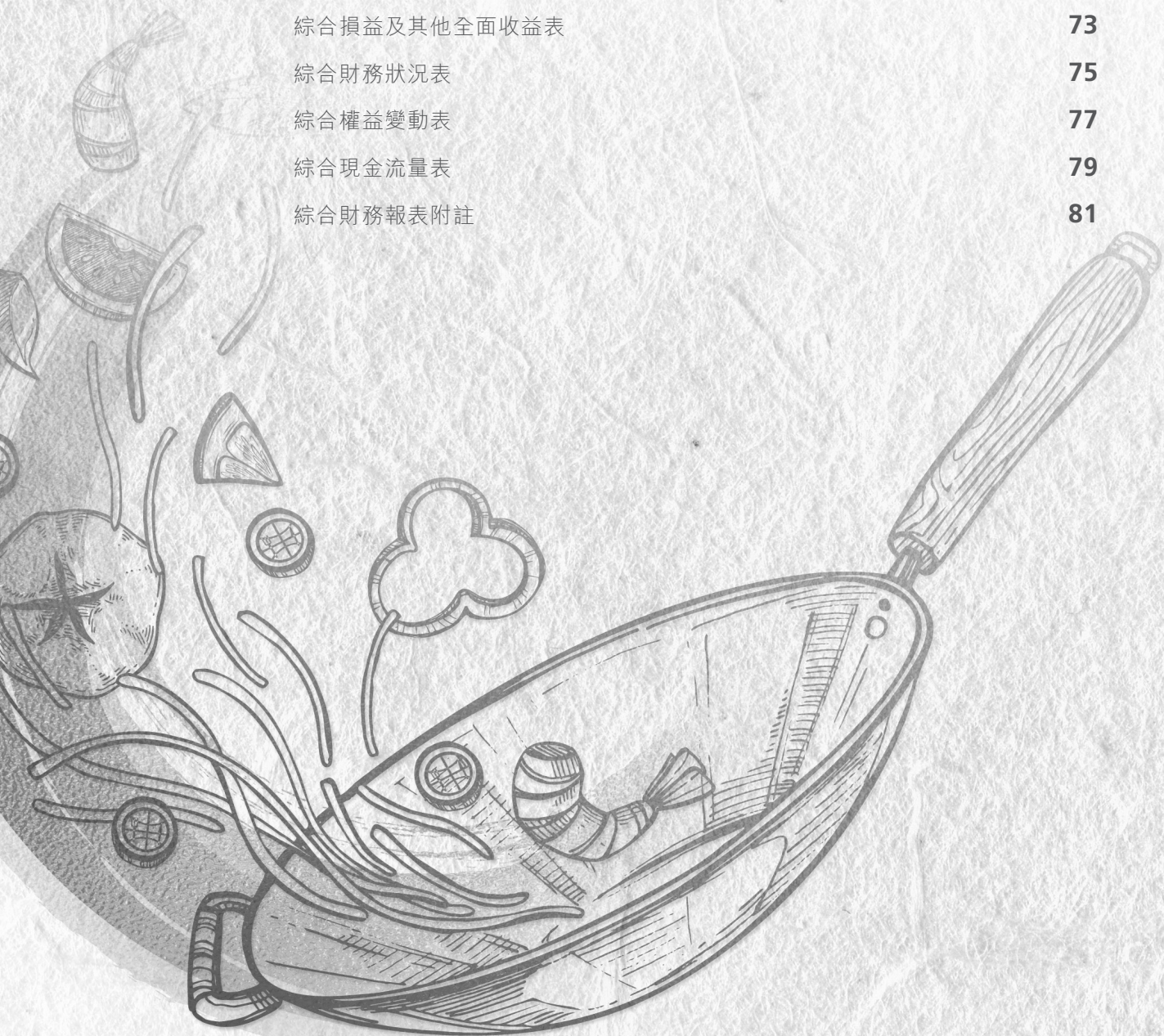
香港交易及結算所有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告的資料乃遵照聯交所 GEM 證券上市規則(「GEM 上市規則」)而刊載，旨在提供有關華人飲食集團有限公司(「本公司」)的資料；本公司的董事(「董事」)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，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本報告所載任何陳述或本報告產生誤導。

自刊發日期起計，本報告將至少一連七天刊載於 GEM 網站 www.hkgem.com 之「最新公司公告」一頁內及本公司網站 www.cfbgroup.com.hk 內。

目 錄

公司資料	37
五年財務概要	38
管理層討論及分析	39
董事簡歷	46
董事會報告	48
企業管治報告	56
獨立核數師報告	69
綜合損益及其他全面收益表	73
綜合財務狀況表	75
綜合權益變動表	77
綜合現金流量表	79
綜合財務報表附註	81



公司資料



董事會

執行董事

周倬行先生
達振標先生(於二零二零年三月十七日獲委任)
李月薇女士(於二零二零年三月十七日辭任)

獨立非執行董事

劉文德先生
楊偉雄先生
馬子安先生

公司秘書

彭建祺先生(於二零二零年三月十七日獲委任)

監察主任

周倬行先生

審核委員會

劉文德先生(主席)
楊偉雄先生
馬子安先生

薪酬委員會

楊偉雄先生(主席)
劉文德先生
馬子安先生

提名委員會

楊偉雄先生(主席)
劉文德先生
馬子安先生

核數師

華融(香港)會計師事務所有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總辦事處及香港主要營業地點

香港
中環
皇后大道中 110-116 號
永恆商業大廈 906 室

股份登記及過戶總處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港股份過戶登記分處

聯合證券登記有限公司
香港
北角
英皇道 338 號
華懋交易廣場 2 期
33 樓 3301-04 室

主要往來銀行

富邦銀行(香港)有限公司
香港上海滙豐銀行有限公司
中國銀行(香港)有限公司

網址

www.cfbgroup.com.hk

股份代號

8272

五年財務概要

本集團於二零一五年至二零一九年各財政年度之財務業績以及本公司及其附屬公司(統稱「本集團」)於二零一五年、二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日之資產及負債載列如下：

	截至 二零一九年 十二月三十一日 止年度 千港元	截至 二零一八年 十二月三十一日 止年度 千港元	截至 二零一七年 十二月 三十一日 止年度 千港元	截至 二零一六年 十二月 三十一日 止年度 千港元 (經重列)	截至 二零一五年 十二月 三十一日 止年度 千港元
業績					
持續經營業務					
收入	18,133	23,152	41,673	44,390	62,097
毛利	3,588	3,788	13,840	15,073	14,844
年內來自持續經營業務之(虧損)溢利	(11,874)	85,043	(24,797)	(86,981)	(104,101)
已終止經營業務					
年內來自已終止經營業務之虧損	-	-	(1,772)	(22,886)	-
年內(虧損)溢利	(11,874)	85,043	(26,569)	(109,867)	(104,101)
以下人士應佔年內(虧損)溢利：					
— 本公司擁有人	(10,887)	85,041	(25,753)	(108,704)	(104,086)
— 非控股權益	(987)	2	(816)	(1,163)	(15)
	(11,874)	85,043	(26,569)	(109,867)	(104,101)
資產及負債					
總資產	46,116	57,437	268,602	283,191	338,532
總負債	53,309	38,331	289,180	287,555	530,302
(負債)/資產淨值	(7,193)	19,106	(20,578)	(4,364)	(191,770)

管理層討論及分析



業務及財務回顧

收入

截至二零一九年十二月三十一日止年度(「報告期間」)，本集團錄得收入約18,133,000港元(二零一八年：約23,152,000港元)，較去年同期減少約22%。

年內業績

於報告期間，本集團錄得虧損約11,874,000港元，而去年同期則錄得溢利約85,043,000港元。本集團業績急轉主要是由於其他經營收入及其他收益減少，因為(i)出售Flame Soar Limited 31%股權之收益約56,781,000港元；及(ii)於去年同期錄得按公平值於損益列賬之金融資產派發的股息約51,951,000港元，而於報告期間未有錄得該等收益。

截至二零一九年十二月三十一日止年度，行政及其他經營開支由約18,069,000港元減少至約13,694,000港元，乃由於本集團採取節省成本措施；銷售及分銷開支由約8,296,000港元減少至約5,678,000港元，乃由於享福終止營運；以及財務成本亦由約12,964,000港元減少至約2,704,000港元，主要乃由於可換股債券應付款項約91,789,000港元已悉數償付。

餐飲業務

餐飲業務於報告期間之分部收益約為18,133,000港元(二零一八年：約23,152,000港元)，較去年同期減少約22%。餐飲業務主要包括兩間餐廳，分別為享福及堅石燒。

享福

享福專長於為公司及家庭聚會提供中式飲宴服務。於二零一八年七月翻新後，享福貢獻的收入無法達致令人滿意的業績。由於(其中包括)成本管理不力導致業績不斷下滑並持續錄得虧損，董事會認為繼續經營該餐廳對本集團實屬不利，因此，享福已於二零一九年六月終止經營。

於報告期間，享福錄得餐飲業務收益約9,702,000港元(二零一八年：約21,777,000港元)。



管理層討論及分析



堅石燒

於二零一九年六月，本集團重新調配資源投資於一家公司，持有該公司約52.38%的多數股權，以開設一間名為堅石燒的韓式餐廳。堅石燒作為韓式風味餐廳，坐落於油尖旺區，該區乃香港人口最為密集的地區之一，遊客及本港人流量最大。堅石燒定位為中檔餐廳，佔地面積約3,000平方呎，設有約100個座位，旨在為尋求寬敞舒適用餐體驗的顧客提供優質進口肉及各種韓式風味餐飲。堅石燒亦配備創新設施，可於顧客用餐後噴灑香水，以消除燒烤氣味。鑒於韓式餐廳的定價適中，價格處於中檔水平，而中式餐廳的用餐體驗較為高端昂貴，因此韓式餐廳更具競爭力，故董事會認為，堅石燒預期會穩定增長，其業績表現將勝於中式餐廳。當代韓流文化在香港年輕一代中極具影響力，隨著這種文化的傳播，堅石燒較其他傳統飲食而言將吸引到更多的年輕顧客就餐。

自抗議活動於二零一九年六月開始以來，遊客人數減少導致香港第二季度銷售業績疲軟。堅石燒貢獻的收入仍穩定增長，並有望有更好的表現。

為應對二零二零年初爆發COVID-19(「COVID-19」)所帶來的公共健康風險，我們的餐廳已制定消毒措施，例如提供洗手液、於入口處測量體溫、於進入餐廳時佩戴口罩等。與此同時，我們已根據最新要求調整營業時間。我們將繼續採取不同的方法以應對挑戰，密切監察形勢的發展，並努力渡過難關。

於報告期間，堅石燒錄得餐飲業務收益約7,124,000港元(二零一八年：零)。

證券買賣

於報告期間，並無收購或出售任何持作買賣投資。

展望及前景

本集團的餐飲業務仍為堅石燒。自二零一九年下半年抗議活動開始及二零二零年初爆發COVID-19以來，香港的餐飲業一直處於異常不利的經營環境下，本地居民亦遠離餐飲活動以避免交叉污染並防止社區爆發。疫情防控仍為本集團的餐飲業務的核心。儘管COVID-19的影響程度將視乎疫症持續時間及政府所採取的防治措施，惟香港的餐飲業於二零二零年下半年仍充滿挑戰。本集團預期於COVID-19已受控後，堅石燒所產生的收入將繼續增長。

有鑑於此，管理層正積極尋求餐飲及食品加工業的潛在商機，旨在進一步充實其現有業務及擴展其韓國餐廳的計劃。管理層相信，通過收購潛力餐飲及食品加工業務可為本集團帶來不斷增長及可持續的收入來源。



管理層討論及分析

資本架構

於本公司於二零一九年六月十二日舉行的股東特別大會上，本公司股東已批准(其中包括)其由開曼群島遷冊至百慕達及重組其股本。股本重組(「股本重組」)涉及以下各項：

1. 股份合併

根據股份合併(「股份合併」)，每四十(40)股每股面值0.02港元之已發行及未發行現有股份將合併為一(1)股每股面值0.80港元之合併股份(「合併股份」)及(倘適用)緊隨股份合併後本公司已發行股本中之合併股份總數將透過註銷本公司已發行股本中因股份合併產生之任何碎股下調至完整數目。

2. 股本削減及股份拆細

- (a) 透過註銷本公司實繳股本之方式削減本公司已發行股本，就每股已發行合併股份註銷0.79港元，致令每股已發行合併股份之面值由0.80港元削減至0.01港元(「股本削減」)；
- (b) 緊隨股本削減後，每股面值0.80港元之法定但未發行合併股份分拆為八十(80)股每股面值0.01港元之新股；及
- (c) 本公司賬目因(i)註銷本公司已發行股本中因股份合併產生之任何碎股；及(ii)股本削減而產生之進賬額計入本公司之實繳盈餘賬(定義見百慕達一九八一年公司法)。

於股本重組於二零一九年七月十八日生效後，本公司法定股本為100,000,000港元，分為10,000,000,000股每股面值0.01港元的股份，其中79,254,000股股份已發行，而已發行股本面值總額為792,540港元。有關詳情，請參閱本公司日期為二零一九年四月三十日、二零一九年五月二十日、二零一九年六月十二日、二零一九年六月二十六日、二零一九年七月十七日的公佈及本公司日期為二零一九年五月二十日的通函。

於二零一九年十二月三十一日，本公司之已發行股本為792,540港元(二零一八年：約63,403,000港元)，其已發行普通股數目為79,254,000股每股面值0.01港元之股份(二零一八年：3,170,160,000股每股面值0.02港元之股份)。

更改每手買賣單位

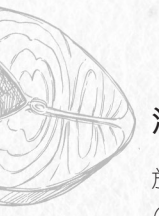
於二零一九年七月十八日，本公司於聯交所之股份之每手買賣單位已由20,000股股份更改為5,000股股份。

重大投資

於二零一九年十二月三十一日，本集團於Flame Soar Limited擁有19%股本權益(二零一八年：19%)，後者透過多間附屬公司從事經營高檔中餐廳業務，供應粵菜及提供宴會餐飲服務。



管理層討論及分析



溢利保證

於二零一八年十月二十五日，本公司之全資附屬公司Rich Paragon Limited（「**Rich Paragon**」）與Flame Soar Limited（「**Flame Soar**」）之股東訂立股東協議（「**股東協議**」）。

根據股東協議，Fortunate Soar Limited及其直接控股公司，即Fook Lam Moon Holdings Limited（統稱「**擔保人**」），個別及不可撤回地向Rich Paragon保證，Flame Soar之餐廳營辦商（「**餐廳營辦商**」）之經審核EBITDA為於截至二零一八年十二月三十一日、二零一九年十二月三十一日、二零二零年十二月三十一日及二零二一年十二月三十一日止財政年度（「**財政年度**」）各保證金額49,693,319港元、51,184,119港元、52,719,642港元及54,301,231港元（「**保證金額**」）（「**溢利保證**」）。倘於該等財政年度中任何一個保證年度未能符合或達成溢利保證，則擔保人應就該財政年度共同或個別地向Rich Paragon支付現金賠償（「**賠償**」），其金額乃利用以下公式釐定：

賠償 = (保證金額 - 餐廳營辦商之經審核EBITDA) x 19%

* EBITDA指就某財政年度，餐廳營辦商扣除下列各項目前來自持續經營業務經營溢利總額或（視情況而定）虧損：(i) 利息；(ii) 稅項；(iii) 有形資產折舊；及(iv) 餐廳營辦商之商譽、一般撥備及其他無形資產攤銷

根據餐廳營辦商於二零一八財政年度之經審核EBITDA，並未達成溢利保證，而基於上述公式之賠償約751,000港元於報告期間確認。由於直至本報告日期，尚未編制餐廳營辦商於二零一九財政年度之經審核財務報表，二零一九財政年度之賠償（如有）為不確定。

給予實體的墊款

給予實體為數44,000,000港元的墊款

支付予實體Key Ally Limited 44,000,000港元之墊款詳情載於本公司截至二零一四年三月三十一日止三個月之季度業績報告第13至14頁「給予實體的墊款」一節。董事認為，收回未償還本金額及應計利息之機會甚低，並已於截至二零一三年十二月三十一日止八個月確認其他應收款項之減值虧損約28,225,000港元。於報告期間，本集團從Key Ally Limited收取款項約180,000港元。本集團將循法律途徑收回未償還款項。

流動資金及財務資源

本集團主要以內部資源及來自金融機構的其他借貸撥付營運所需。於二零一九年十二月三十一日，流動負債淨額約為42,643,000港元（二零一八年：約31,229,000港元），包括銀行結餘及現金約1,966,000港元（二零一八年：約1,294,000港元）。

於二零一九年十二月三十一日，本集團有約14,505,000港元之其他借貸（二零一八年：約2,095,000港元）。資產負債比率（按負債總額對資產總額之比例計算）於報告期末為1.16（二零一八年：0.67）。



管理層討論及分析

本集團資產抵押

於二零一九年十二月三十一日，本公司抵押榮風有限公司70%股權(二零一八年：70%)以獲取一項其他借貸2,910,000港元(二零一八年：1,000,000港元)。

資本承擔

於二零一九年十二月三十一日，本集團並無任何資本承擔(二零一八年：無)。

或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債(二零一八年：無)。

附屬公司及聯屬公司之重大收購及出售

於二零一九年六月，本集團取得一家公司約52.38%的多數股權，該公司於油尖旺區經營一間名為「堅石燒」的餐廳，並已成為本公司的附屬公司。

除本報告披露者外，截至二零一九年十二月三十一日止年度及截至本報告日期，本集團並無任何其他附屬公司及聯屬公司之重大收購及出售。

遷冊、更改股份過戶登記總處及註冊辦事處以及採納新存續大綱及公司細則

於報告期間，本公司已於開曼群島撤銷註冊，並根據百慕達法例於百慕達正式存續為獲豁免公司。遷冊(「遷冊」)於二零一九年六月二十五日生效。

自遷冊生效起，(i)本公司之註冊辦事處已更改為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda；及(ii)Conyers Corporate Services (Bermuda) Limited(地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda)已獲委任為本公司於百慕達之股份過戶登記總處。聯合證券登記有限公司(地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室)仍為本公司於香港之股份過戶登記分處。

本公司已就遷冊採納新存續大綱及公司細則，自二零一九年六月二十五日(星期二)(百慕達時間)(二零一九年六月二十六日(星期三)(香港時間))起生效。

有關詳情，請參閱本公司日期為二零一九年四月三十日、二零一九年五月二十日、二零一九年六月十二日、二零一九年六月二十六日、二零一九年七月十七日之公佈及本公司日期為二零一九年五月二十日之通函。



管理層討論及分析



訴訟

茲提述本公司之間接全資附屬公司 Megamillion Asia Limited (「**Megamillion**」) 向暢達國際發展有限公司 (「**暢達**」) 提出的訴訟，詳情已披露於本公司截至二零一三年四月三十日止財政年度年報第9至10頁。Megamillion 已取得針對暢達的判決，涉及(i)貸款本金額及應計利息 (「**貸款款項**」)，及(ii)贖回可換股債券金額 (「**贖回金額**」)。

暢達與 Megamillion 訂立日期為二零一三年十二月三十一日的結算契據 (「**結算契據**」)，據此，暢達轉讓一間香港上市公司若干股份，以悉數及最終結清貸款款項。

待收到法律意見及有待確認暢達擁有可供執行的資產後，Megamillion 將繼續收回贖回金額。

享福是由聯合天富有限公司(本公司的間接全資附屬公司)管理及經營的餐廳，於皇悅酒店 LG2 層提供精美粵菜及四川菜，已被若干供應商起訴(於小額索賠法庭就應付款項及欠款)(「**小額索賠案**」)。享福的管理公司正協助參與與各索賠人協商達成和解。本公司將於適當或必要時就小額索賠案作出進一步披露。

除上文披露者外，於本報告日期，概無本集團任何成員公司涉及任何重大訴訟或索償，而就董事所知，本集團任何成員公司亦無任何尚未了結或面臨任何重大訴訟或索償。本公司將於適當或有需要時披露 Megamillion 任何收款行動及其他重大訴訟事宜。

僱員及薪酬政策

於二零一九年十二月三十一日，在持續經營業務中，本集團合共聘用42名僱員(二零一八年：60名)。於報告期間，員工成本(包括董事酬金)約為10,593,000港元(二零一八年：約14,428,000港元)。

本集團根據僱員之個別表現及專才釐定應付薪金及報酬。除基本薪金外，可根據本集團之業績及個別僱員之貢獻向合資格僱員授予購股權。

股息

董事會並不建議派發截至二零一九年十二月三十一日止年度之股息(二零一八年：無)。

競爭權益

截至二零一九年十二月三十一日止年度，董事並不知悉董事、本公司之主要股東或彼等各自之任何聯繫人士(定義見GEM上市規則)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權益，亦不知悉任何該等人士與本集團有或可能有任何其他利益衝突。



管理層討論及分析

董事之證券交易

本公司已採納有關董事進行證券交易之操守準則，有關守則與GEM上市規則第5.48至5.67條所載規定交易標準同樣嚴格。本公司亦已向全體董事作出特定查詢，而本公司並不知悉於截至二零一九年十二月三十一日止年度內有任何未符合董事進行證券交易之規定交易準則之違規事故。

審核委員會


本公司按照GEM上市規則之規定，於二零零三年六月十日成立審核委員會，並於二零一八年十二月三十一日採納最新之書面職權範圍。載有審核委員會職權詳情之職權範圍全文可於聯交所及本公司之網站查閱。

審核委員會現時由三名獨立非執行董事組成（即劉文德先生、楊偉雄先生及馬子安先生。審核委員會主席為劉文德先生，彼於會計範疇具備適當專業資格及經驗。

本集團截至二零一九年十二月三十一日止年度之經審核綜合財務報表（包括已採納之會計原則及慣例）已經由審核委員會審閱。審核委員會認為，該等業績之編製符合適用會計準則、GEM上市規則及其他法律規定，並且已披露足夠資料。



董事簡歷



執行董事

周倬行先生（「周先生」），36歲，於二零一六年十二月二十二日加入本集團，出任獨立非執行董事、本公司審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）成員。彼已由獨立非執行董事調任為執行董事，同時不再為審核委員會、薪酬委員會及提名委員會成員，自二零一七年一月十三日起生效。彼持有香港大學土木工程學士學位。周先生現任聯交所GEM上市公司中國創意數碼娛樂有限公司（股份代號：8078）之營運總監。周先生於財務及會計方面積累超過十年經驗。彼曾任一間創業投資公司的業務發展部總監，該創業投資公司在亞洲創下無數成功佳績。

達振標先生（「達先生」），58歲，於審計、財務管理、投資及媒體行業擁有豐富專業經驗。達先生持有美國波士頓大學之工商管理學士學位。彼於一九八九年九月至二零一零年一月為美國加利福尼亞州之註冊會計師。達先生於一九八五年至一九九零年加盟畢馬威會計師事務所（前稱畢馬域會計師行）香港辦事處開始其職業生涯，其後加入渣打銀行集團，並於一九九一年至一九九五年在該銀行任職。於加入本公司前，彼獲多間從事傳媒業的公司委聘為業務顧問及擔任財務主管。

於本報告日期，達先生為德泰新能源集團有限公司（股份代號：559）之執行董事、樂遊科技控股有限公司（股份代號：1089）之非執行董事及時時服務有限公司（股份代號：8181）之執行董事。達先生亦於二零一六年七月至二零一七年八月擔任保集健康控股有限公司（股份代號：1246）之獨立非執行董事。該等公司的證券現時在聯交所上市。

達先生於二零一七年三月至二零一九年三月擔任新昌集團控股有限公司（「新昌」）之執行董事，該公司的證券曾經在聯交所主板上市。新昌為於百慕達註冊成立之公司，主要從事樓宇建造、土木工程、機電安裝、物業發展及投資。有關新昌的清盤呈請已於二零一九年一月於百慕達提交，並已委任共同及若干臨時清盤人。有關清盤呈請的詳情已分別於二零一九年一月二十一日及二零一九年二月二十一日之公佈中披露。於達先生辭去新昌董事職務後，並無收到有關新昌清盤程序的任何進一步消息。根據百慕達皇家憲報，百慕達最高法院於二零二零年一月二十日根據一九八一年公司法的規定下令新昌清盤。於達先生擔任新昌之董事期間，彼主要負責新昌之公司補救事宜，包括與債權人及潛在投資者進行磋商。達先生確認，彼並非為有關清盤呈請之一方，並無任何導致上述清盤程序的不法、失當或不當行為，且並不知悉因此而對其提出之任何實際或潛在申索。

董事簡歷



獨立非執行董事

劉文德先生(「**劉先生**」)，50歲，於二零一九年二月十九日加入本集團，出任獨立非執行董事及本公司審核委員會主席並為薪酬委員會及提名委員會各自之成員。彼於一九九一年十一月在香港理工大學畢業，持有會計學文學士學位。劉先生於金融及會計方面擁有逾十九年經驗。彼自一九九七年九月起為香港會計師公會之會員，自二零零二年七月起為英國特許公認會計師公會之資深會員，自二零一二年八月起為香港董事學會之資深會員及分別自二零零零年四月及二零一五年十一月起為香港證券及投資學會之會員及資深會員。

劉先生現任創新電子控股有限公司(股份代號：8346)之主席兼執行董事，該公司於聯交所GEM上市。彼亦為金利豐金融集團有限公司(股份代號：1031)及昇捷控股有限公司(股份代號：2340)各自之獨立非執行董事，該等公司均於聯交所主板上市。彼亦為REF Holdings Limited(股份代號：1631)之非執行董事兼主席，該公司於聯交所主板上市。劉先生於二零一二年六月至二零一六年十二月亦曾擔任Sincere Watch (Hong Kong) Limited(股份代號：444)之獨立非執行董事，該公司於聯交所主板上市。

楊偉雄先生(「**楊先生**」)，62歲，於二零一三年十二月一日加入本集團，出任獨立非執行董事、審核委員會成員及薪酬委員會與提名委員會各自的主席。彼持有英國倫敦大學法律學士學位及香港大學法律深造文憑。彼於收購合併及商業合約方面積累豐富經驗。彼為香港高等法院律師。楊先生成為執業律師超過30年，並自一九九二年起成為侯劉李楊律師行之合夥人。

楊先生目前為聯交所GEM上市公司訊智海國際控股有限公司(股份代號：8051)之獨立非執行董事。

楊先生曾於二零一一年二月一日至二零一八年六月二日出任聯交所主板上市公司香港建屋貸款有限公司(股份代號：145)之獨立非執行董事。

馬子安先生(「**馬先生**」)，41歲，於二零一七年二月十六日加入本集團，出任獨立非執行董事兼本公司審核委員會、薪酬委員會及提名委員會各自的成員。彼為於Wellington Chambers執業之大律師。彼於二零零六年獲認許為香港高等法院執業大律師。馬先生持有香港大學法律研究文憑、Nottingham Trent University法律深造文憑及Simon Fraser University工商管理學士學位。

馬先生目前為聯交所GEM上市公司hmvod視頻有限公司(股份代號：8103)的獨立非執行董事。



董事會報告

董事謹提呈本報告，連同本集團截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。附屬公司之主要業務載於綜合財務報表附註41。

業績及分派

本集團截至二零一九年十二月三十一日止年度之業績載於本年報第73及75頁之綜合損益及其他全面收益表。

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

經營分部

截至二零一九年十二月三十一日止年度，按主要業務及營運所在地區劃分之本集團表現分析載於綜合財務報表附註9。

廠房及設備

於截至二零一九年十二月三十一日止年度之廠房及設備變動詳情載於綜合財務報表附註20。

業務回顧及評論

財務業績

本集團截至二零一九年十二月三十一日止年度之財務業績及業績回顧載於本年報第39至45頁「管理層討論及分析」一節。

環境保護框架及其表現

本集團深明其保護環境的企業責任，並致力減少廚餘，以實踐可持續發展。

為減低其業務經營對環境造成的影響，本集團辦公室及餐廳已實行環境保護措施，包括採用節能器材，以節約能源及減少廢氣排放。

辦公室及餐廳的照明用具已陸續更換為LED(發光二極管)照明用具。區域照明控制及空調系統根據實際營運所需，於辦公室及餐廳的若干未被佔用空間分別關閉電燈及空調設備。

使用掃帚及拖把清潔廚房地板、店面及戶外地方，避免灑水清潔。

董事會報告



遵守法例及規例

本集團的知識產權主要包括資訊管理系統及秘製食譜。為提高僱員對保護有關知識產權的意識，本集團已實施僱員手冊內列明的規則，規管本集團就知識產權的應用。僅於有需要時向少數員工披露秘製食譜。本集團與僱員簽訂的僱傭合約亦載有關於處理機密資料的保密規定。

本集團亦遵守個人資料(私隱)條例，確保所收集的個人資料經保密處理，並僅作指定用途。

為確保僱員安全，本集團亦已遵守職業安全及健康條例。僱員手冊包括前線員工所遵守的指引及規則，以建立無害環境。

與主要持份者之關係

作為奉行平等機會原則的僱主，本集團於招聘、保留人才及升任過程期間，不會考慮其種族、性別、文化或體格狀況。員工為本集團至關重要的資產及資源，此乃由於彼等協助維持本集團之核心價值及文化。本集團提供在職培訓，並鼓勵其員工參與外在培訓課程，以發展個人技能。

本集團一直堅持向客戶提供優質美食以及一流用餐體驗及環境。

獲取自供應商的貨品須遵從現行食品標籤及相關衛生條例。本集團將持續對供應商隨時進行檢討及調查，以監控產品質素及服務水平。倘有任何供應商未能符合本公司規定之品質標準，本集團將會向供應商發出通知，要求作出改善，以確保本集團之產品質素，並保障消費者權益。

主要風險及不確定因素

本集團明白充足財務資金的重要性，以及將持續監察及計算流動資金及資金風險，並確保有充足現金流量應付業務營運。

就食品及飲品行業而言，食品安全為其中一項主要營運風險因素。內部程序、人員及系統不足或失效或外來事件會產生營運風險。營運風險可自日常營運或外來事件產生，並就所有方面而言與本集團業務息息相關。營運風險由關鍵指標及其他內部控制活動監察。風險將獲識別及評估並於其後向董事報告，以實行控制措施，管理風險及監控該等控制措施的效用。

客戶的忠誠度對本集團而言一直至關重要。本集團一直重視客戶的評價及意見。當接獲客戶的反饋時，我們即時處理及持續檢討客戶的期望。

股本

本公司於報告期間之股本變動詳情連同其原因，載於綜合財務報表附註33。



董事會報告

購股權計劃

本公司於二零一三年十月三十一日採納購股權計劃(「購股權計劃」)。於截至二零一九年十二月三十一日止年度內，在購股權計劃項下概無任何已授出、已行使、已註銷或已失效之購股權，而於報告期間開始及結束時，在本公司購股權計劃項下亦無任何仍然未行使之購股權。

購股權計劃旨在提供機會予為本集團利益工作之人士及各方，以獲得本公司之股權，藉以將彼等之利益與本集團之利益緊密相連，從而鼓勵彼等為本集團之利益更努力地工作。

根據購股權計劃，董事會可酌情邀請(i)本公司或其任何附屬公司或本集團持有權益之任何實體(「投資實體」)之僱員(不論是全職或是兼職)；(ii)董事(不論是執行董事、非執行董事或獨立非執行董事)或任何附屬公司或投資實體之董事；(iii)本集團任何成員公司或任何投資實體之貨品或服務供應商；(iv)本集團任何成員公司或任何投資實體之客戶；(v)向本集團任何成員公司或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；(vi)本集團任何成員公司或任何投資實體之任何股東或本集團任何成員公司或任何投資實體發行之任何證券之持有人；(vii)本集團或任何投資實體之任何業務或業務發展範疇之(專業或非專業)顧問或諮詢人；及(viii)任何以合營、業務聯盟或其他業務安排對本集團之發展及成長作出貢獻或可能作出貢獻之其他集團或類別參與者。

計劃授權限額於二零一八年六月二十七日舉行之本公司股東週年大會上獲更新。因行使全部將予授出之購股權而可予以發行之股份總數為317,016,000股，佔於本報告日期已發行股份總數之10%。因行使根據購股權計劃及本公司任何其他購股權計劃已授出但尚未行使之全部購股權而可予以發行之最高股份數目不得超過不時已發行股份總數之30%。

根據購股權計劃，於任何十二個月期間內，因行使根據購股權計劃及本公司任何其他購股權計劃向每名參與者授出之購股權(包括已行使及尚未行使之購股權)而已發行及將予發行之股份總數，不得超過本公司已發行股份總數之1%。

購股權可根據購股權計劃於董事為各承授人釐定及通知之期間內任何時間獲行使，該期間自於作出授予購股權之要約時起，但無論如何不得遲於授出購股權日期起計十年，惟受該計劃提早終止之條文規限。除董事另有釐定並於向承授人發出之授出購股權之要約中闡明外，購股權計劃並無訂明購股權於獲行使前須持有之最短期間。

根據購股權計劃，承授人接納購股權時須就每份授出之購股權向本公司支付1.00港元，作為授出購股權之代價。購股權必須於建議向承授人授出購股權日期起計28日內接納。



董事會報告

每份購股權之行使價將由董事會全權酌情釐定及知會各承授人，且行使價不會低於下列各項之最高者：(i) 授出購股權當日（必須為營業日（定義見購股權計劃）），在聯交所每日報價表所列之股份收市價；(ii) 緊接授出購股權當日前連續五個交易日，在聯交所每日報價表所列之股份平均收市價；及(iii) 股份面值。

購股權計劃將由二零一三年十月三十一日起計十年期間內維持有效。

儲備

本集團截至二零一九年十二月三十一日止年度之儲備變動詳情，載於本年報第 77 頁之綜合權益變動表。

可供分派儲備

於二零一九年十二月三十一日，本公司並無可供分派予股東之儲備（二零一八年：無）。

股息政策

本公司已採納旨在提升股東價值的股息政策。董事會於宣派股息時將考慮下列參數／因素：

- 股東未必預期獲派股息的情況；
- 就宣派股息須予以考慮的財務參數／因素；
- 就宣派股息須予以考慮的內外因素；
- 動用保留盈利；及
- 多類股份。

派發股息亦須受適用法律、本公司組織章程大綱及細則項下的任何限制規管。

該政策須定期檢討，如需修改，須提呈董事會審批。

五年財務概要

本集團截至二零一九年十二月三十一日止最近五個財政年度之業績及資產與負債概要載於本年報第 38 頁。



董事會報告

董事

於報告期間及直至本報告日期為止在任之董事如下：

執行董事

周倬行先生

達振標先生(於二零二零年三月十七日獲委任)

李月薇女士(於二零一九年十二月一日獲委任及於二零二零年三月十七日辭任)

黃熙雯女士(於二零一九年一月三十日獲委任並於二零一九年十二月一日辭任)

阮觀通先生(於二零一九年一月三十日辭任)

林兆昌先生(於二零一九年一月三十日辭任)

獨立非執行董事

劉文德先生(於二零一九年二月十九日獲委任)

楊偉雄先生

馬子安先生

金迪倫先生(於二零一九年二月十九日辭任)

何肇竟先生(於二零一九年二月十九日辭任)

根據細則第86(3)條，董事將有權不時及隨時委任任何人士出任董事，不論是填補董事會之臨時空缺或加入現有董事會為新增董事。任何就此獲董事會委任之董事將會留任直至本公司下屆股東大會為止，屆時將符合資格接受重選。

根據細則第87(1)條，於每屆股東週年大會上，當時三分之一之董事(或倘彼等之人數並非三(3)之倍數，則最接近但不少於三分之一之董事)須輪值退任，惟每名董事(包括有指定任期之董事)須最少每三年輪值退任一次。

董事簡歷

本集團董事之簡歷載於本年報第46至47頁。

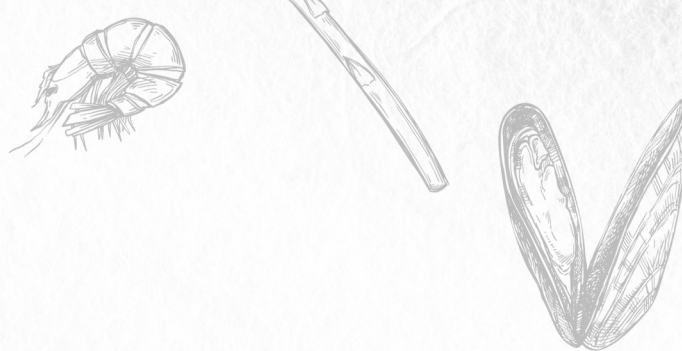
董事之服務合約

全體現任執行董事(即周倬行先生及達振標先生)各自已與本公司訂立服務合約。根據有關服務合約所載條文之規定，任何一方可透過向另一方發出不少於一個月之書面通知終止有關委任。各執行董事有權收取以13個月基準計算的每月薪金及酌情花紅，有關酌情花紅金額將由董事會經考慮本公司之經營業績及董事之表現後全權酌情釐定。

全體現任獨立非執行董事(即劉文德先生、楊偉雄先生及馬子安先生)各自已與本公司重續或訂立委任函，固定任期為一年，而根據有關委任函所載條文之規定，任何一方可透過向另一方發出不少於一個月之書面通知終止有關委任。

概無董事與本公司或其任何附屬公司訂立任何本集團不可於一年內免付賠償(法定賠償除外)予以終止之服務合約。

董事會報告



董事及五名最高薪人士之酬金

董事及本集團五名最高薪人士之酬金詳情分別載於綜合財務報表附註16及17。

董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券中之權益及淡倉

於二零一九年十二月三十一日，本公司之董事及最高行政人員以及彼等各自之聯繫人士於本公司及／或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有已記入根據證券及期貨條例第352條須予存置之登記冊之權益及淡倉；或根據GEM上市規則第5.46條至第5.67條規定已另行知會本公司及聯交所之權益及淡倉如下：

本公司股本中每股面值0.02港元之普通股及相關股份之好倉

董事姓名	權益性質／持有權益之身份	數目		股份及相關股份總數	佔本公司已發行股本權益之概約百分比
		股份	相關股份		
楊偉雄先生	個人	3,437	-	3,437	0.004%


除上文披露者外，於二零一九年十二月三十一日，本公司董事及最高行政人員以及彼等各自之聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例)之股份、相關股份及債券中擁有已記入根據證券及期貨條例第352條須予存置之登記冊中之任何權益或淡倉；或已根據GEM上市規則第5.46條至第5.67條規定另行知會本公司及聯交所之任何權益或淡倉。

董事及最高行政人員收購股份或債券之權利

除上文「董事及最高行政人員於本公司或任何相聯法團之股份、相關股份及債券中之權益及淡倉」一節所披露者外，於二零一九年十二月三十一日，本公司或其任何附屬公司概無作出任何目的或其中一個目的為令本公司董事及最高行政人員可透過收購本公司或任何其他法人團體之股份或債務證券(包括債券)而獲益之安排，或於截至二零一九年十二月三十一日止年度內任何時間訂有上述安排，而本公司董事及最高行政人員或彼等之配偶或十八歲以下之子女亦無擁有可認購本公司證券之任何權利或已行使任何有關權利。



董事會報告



主要股東及其他人士於股份及相關股份之權益及淡倉

概無其他人士，除本公司董事及最高行政人員外，就董事所知，於二零一九年十二月三十一日於股份或相關股份中直接或間接持有已記錄於根據證券及期貨條例第336條規定由本公司存置之登記冊之權益或淡倉。

關聯人士交易

於截至二零一九年十二月三十一日止年度進行的關聯人士交易詳情載於綜合財務報表附註40。該等關聯人士交易並不屬關連交易或持續關連交易(定義見GEM上市規則)所界定範疇。

股票掛鈎安排

除上述購股權計劃及於本公司綜合財務報表附註32中披露之已發行可換股債券外，本公司於年內並無訂立其他股票掛鈎安排而於二零一九年十二月三十一日並無現正生效之股票掛鈎安排。

董事於合約之權益

於截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司概無訂立於本年度或年內任何時間仍然存續，並對本集團業務而言屬重大，且董事於其中直接或間接擁有重大權益之任何交易、安排或合約。

管理合約

於截至二零一九年十二月三十一日止年度，概無訂立或存在有關本集團全部或任何重大部分業務的管理及行政合約。

主要客戶及供應商

截至二零一九年十二月三十一日止年度，來自本集團餐飲業務五大客戶之收入佔本集團總銷售額7%(二零一八年：6%)及此分部五大供應商佔本集團總採購額48%(二零一八年：38%)。此外，於報告期間，餐飲業務分部最大客戶並無佔本集團之總銷售額比例(二零一八年：無)，而最大供應商則佔本集團之總採購額約18%(二零一八年：約9%)。

截至二零一九年十二月三十一日止年度，概無董事、彼等之緊密聯繫人士或據董事所知擁有本公司股本超過5%之本公司任何主要股東，概無於本集團五大客戶及供應商中擁有任何權益。

競爭權益

截至二零一九年十二月三十一日止年度，董事並不知悉董事、本公司之主要股東及彼等各自之任何聯繫人士(定義見GEM上市規則)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權益，亦不知悉任何該等人士與本集團有或可能有任何其他利益衝突。



董事會報告

購買、出售或贖回本公司之上市證券

於報告期間，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。

優先購買權

細則或開曼群島法例概無任何有關優先購買權之條文，規定本公司須按比例向現有股東發售新股份。

足夠公眾持股量

於本年報日期，根據本公司可公開取得之資料以及就董事所知，本公司維持 GEM 上市規則所規定之公眾持股量。

企業管治

有關本公司採用之主要企業管治常規之報告，載於本年報第 56 至 68 頁。

董事彌償

就董事所蒙受法律責任給予彌償的獲准許彌償條文現已生效，並於截至二零一九年十二月三十一日止年度內一直有效。

核數師

截至二零一七年、二零一八年及二零一九年十二月三十一日止年度之綜合財務報表已由華融(香港)會計師事務所有限公司(「華融」)審核，其將任滿告退，惟合資格且願意於應屆股東週年大會結束時重選續聘。本公司將於應屆股東週年大會上提呈一項決議案，以董事議定之酬金續聘華融為本公司核數師，任期直至下屆股東週年大會結束為止。

致謝

董事會謹此衷心感謝各業務夥伴及股東對管理層及本公司一直以來之支持及信賴。我們的願景是貫徹推行本集團的企業策略，物色具有良好商業潛力及增長前景的其他行業，為投資者帶來具有吸引力的回報。

承董事會命

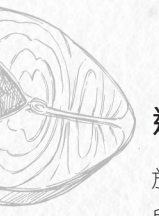
執行董事

周倬行

香港，二零二零年三月二十五日



企業管治報告



遵守守則條文

於截至二零一九年十二月三十一日止年度，本公司已應用GEM上市規則附錄十五《企業管治守則》及《企業管治報告》所載之企業管治常規守則（「**企業管治守則**」）守則條文之原則並遵守守則條文，惟以下偏離情況除外：

企業管治守則之守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，且不應由同一人擔任。於截至二零一九年十二月三十一日止年度，本公司並無委任主席或行政總裁。主席及行政總裁之職能由執行董事履行。董事會認為，權力與授權之間分佈均衡，並會不時檢討現行做法，倘有需要時將作出適當修改。

企業管治守則之守則條文第A.2.7條規定，董事會主席（「**主席**」）應每年與非執行董事（包括獨立非執行董事）最少舉行一次並無執行董事列席之會議。由於本公司並無主席，有鑑於此，於截至二零一九年十二月三十一日止年度並無召開上述會議。

根據企業管治守則的守則條文第C.1.3條，倘董事知悉有重大不明朗事件或情況可能會嚴重影響發行人持續經營的能力，董事應在企業管治報告中清楚顯著披露及詳細討論此等不明朗因素。

本公司核數師就本集團持續經營之能力發出無法表示意見，乃由於有情況顯示存在可能令本集團持續經營能力產生嚴重疑問的重大不確定因素，而本集團可能因此無法在正常業務過程中變現其資產及償還其負債。相關情況如下：(i)截至二零一九年十二月三十一日止年度，本集團產生本公司擁有人應佔虧損約10,887,000港元，並有經營活動所用現金淨額；(ii)截至當日，本集團的流動負債超過其流動資產約42,643,000港元；及(iii)本集團負債淨額約為7,193,000港元，其中借貸總額約為14,505,000港元，而本集團銀行結餘及現金約為1,966,000港元。

本集團已從多方面採納並考慮不同措施，以進一步改善其現金流量，例如(i)本集團繼續執行節省成本的措施，以減少行政及經營開支及財務成本；(ii)與其供應商及債權人磋商延長付款到期日；(iii)尋求投資者發行新股及／或可換股債券；及(iv)探索其他集資機會可使本集團重組其核心業務並獲得資金以改善其財務狀況。鑒於以上所述，董事會（包括審核委員會）相信以上措施倘獲落實，不僅將極大改善本集團的財務表現，亦將有助於解決核數師的不發表意見，因此董事會認為本集團能夠持續經營。

董事之證券交易

本公司已採納有關董事進行證券交易之操守準則，有關守則與GEM上市規則第5.48至5.67條所載規定交易標準同樣嚴格。本公司亦已向全體董事作出特定查詢，而本公司並不知悉於截至二零一九年十二月三十一日止年度內有任何未符合董事進行證券交易之規定交易準則之違規事件。

企業管治報告



董事會

董事會現時由五名董事組成，包括二名執行董事（分別為周倬行先生及達振標先生）；及三名獨立非執行董事（分別為劉文德先生、楊偉雄先生及馬子安先生）。

董事會負責本公司業務之整體管理，肩負著領導及監控本公司之責任，並共同承擔指導及監督本公司事務之責任，推動本公司達至成功。全體董事應以本公司之利益為依歸，客觀作出決策。本公司之執行董事全力支持董事會。

本公司日常管理、行政及業務運作委派予本公司執行董事處理，所委派職能及工作任務由董事會定期進行檢討。執行董事於訂立任何重大交易前須獲得董事會批准。

董事會亦承擔維持高水平企業管治之責任，當中包括制訂及檢討本公司之企業管治政策及常規、檢討及監察本公司在遵守法律及監管規定之政策及常規，以及檢討本公司遵守企業管治守則之情況。

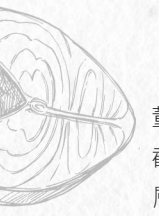
全體董事（包括獨立非執行董事）均為董事會帶來各種不同之寶貴營商經驗、知識及專業，使其有效率及有效地履行董事會之職能。獨立非執行董事及非執行董事獲邀擔任審核委員會、薪酬委員會及提名委員會之成員。

董事會已採納董事會成員多元化的政策，當中載有達致董事會成員多元化的方針。因此，在甄選董事會成員之候選人時，會以多項可計量目標為準，包括但不限於技能、知識、性別、年齡、文化及教育背景，或專業經驗，並應考慮本公司本身的業務模式及不時的具體需要。鑒於現時董事會成員來自不同業務及專業背景，本公司認為董事會擁有均衡之技能、經驗、專長及多元化觀點，以配合本公司業務所需。

董事之背景資料及資歷詳情載於本年報「董事簡歷」。



企業管治報告



董事會成員彼此間並無財務、業務、家族或其他重大或相關關係。董事會定期舉行會議討論本公司之事務及營運。於截至二零一九年十二月三十一日止年度，董事會曾通過多項書面決議案並舉行17次董事會會議，有關會議屬董事會層面，需要董事會成員親身、透過電話或其他電子通訊媒介決定特定事宜。此外，亦已舉行一次股東週年大會及一次股東特別大會。董事會各成員於該等會議之出席率詳情載列如下：

董事姓名	出席次數／會議次數	
	董事會會議	股東大會
執行董事		
周倬行先生	17/17	2/2
達振標先生(於二零二零年三月十七日獲委任)	不適用	不適用
李月薇女士(於二零一九年十二月一日獲委任及於二零二零年三月十七日辭任)	不適用	不適用
黃熙雯女士(於二零一九年一月三十日獲委任及於二零一九年十二月一日辭任)	16/17	2/2
阮觀通先生(於二零一九年一月三十日辭任)	1/1	不適用
林兆昌先生(於二零一九年一月三十日辭任)	1/1	不適用
獨立非執行董事		
劉文德先生(於二零一九年二月十九日獲委任)	14/14	2/2
楊偉雄先生	16/17	2/2
馬子安先生	16/17	2/2
金迪倫先生(於二零一九年二月十九日辭任)	3/3	不適用
何肇竟先生(於二零一九年二月十九日辭任)	1/3	不適用

於董事會定期會議上，董事討論及制定本集團之整體策略、審閱及監察業務及財務表現，以及討論季度、半年度及全年業績，以及就其他重大事件進行討論及作出決定。

獨立非執行董事

各獨立非執行董事已按照GEM上市規則第5.09條之規定，就其獨立性發出年度書面確認函。本公司認為全體獨立非執行董事均為獨立人士。各獨立非執行董事獲本公司委任，固定任期為期一年。

委任及重選董事

按照本公司之組織章程細則(「細則」)之規定，(i)所有董事將須每三年輪值告退一次，任何獲董事會委任填補年內臨時空缺之新任董事須在獲委任後之下一次股東大會上接受股東重選；及(ii)當時三分之一之董事(或倘董事人數並非三或三之倍數，則為最接近但不少於三分之一之人數)須輪值告退並符合資格於每屆股東週年大會上重選連任，而於年內獲董事會委任之新任董事可任職至獲委任後之下一次股東大會為止，屆時將符合資格於該股東大會上重選連任。

企業管治報告



持續專業發展

所有董事均已獲提供有關適用於董事之相關法例及規例之有關指引資料，而於新任董事獲委任為本公司董事後，亦會於短期內向其提供該等介紹資料。全體董事亦已獲提供有關GEM上市規則及其他適用監管要求之發展之最新資料，從而確保遵守有關規例，同時加強彼等對良好企業管治常規之意識。於有需要時，本公司亦會為董事安排持續的簡介會及專業發展活動。

本公司於董事會會議上就有關本集團業務以及立法及監管環境的變動及發展定期為董事提供更新資料。

截至二零一九年十二月三十一日止年度，全體相關董事均已藉著以下方式參與持續專業發展：

董事姓名	持續專業發展課程類別
執行董事	
周倬行先生	B
達振標先生(於二零二零年三月十七日獲委任)	不適用
李月薇女士(於二零一九年十二月一日獲委任及於二零二零年三月十七日辭任)	B
黃熙雯女士(於二零一九年一月三十日獲委任及於二零一九年十二月一日辭任)	B
阮觀通先生(於二零一九年一月三十日辭任)	B
林兆昌先生(於二零一九年一月三十日辭任)	B
獨立非執行董事	
劉文德先生(於二零一九年二月十九日獲委任)	B
楊偉雄先生	B
馬子安先生	B
金迪倫先生(於二零一九年二月十九日辭任)	B
何肇竟先生(於二零一九年二月十九日辭任)	B

附註：

A: 出席與董事職責業務相關的研討會／論壇／工作坊／會議

B: 閱覽監管條例更新資料

審核委員會

本公司按照GEM上市規則之規定，於二零零三年六月十日成立審核委員會，並於二零一八年十二月三十一日採納最新之書面職權範圍。其職權範圍符合企業管治守則所載之條文，並可於聯交所及本公司之網站查閱。



企業管治報告

審核委員會現時由三名獨立非執行董事組成(即劉文德先生、楊偉雄先生及馬子安先生)。審核委員會主席為劉文德先生，彼於會計範疇具備適當專業資格及經驗。

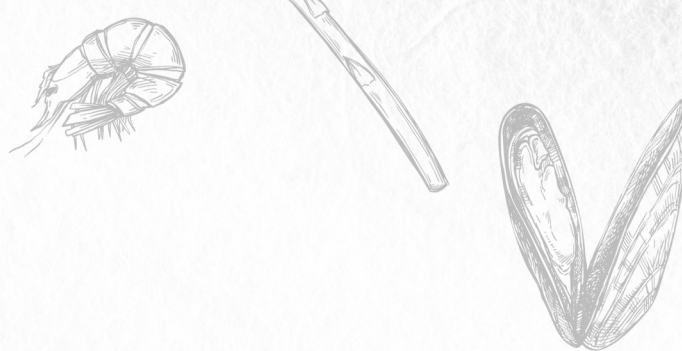
審核委員會主要負責以下方面：

- (i) 就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；
- (ii) 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；委員會應於核數工作開始前先與核數師討論核數性質及範疇及有關申報責任；
- (iii) 監察本公司的財務報表及年度報告及賬目、半年度報告及季度報告的完整性，並審閱報表及報告所載有關財務申報的重大判斷；
- (iv) 檢討本集團的財務監控、內部監控及風險管理制度；
- (v) 與管理層討論風險管理及內部監控制度，確保管理層已履行職責建立有效的系統。這討論應包括考慮本集團在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足；
- (vi) 檢討本公司設定的以下安排：本公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注。委員會應確保有適當安排，讓本公司對此等事宜作出公平獨立的調查及採取適當跟進行動；及
- (vii) 擔任本公司與外聘核數師之間的主要代表，負責監察兩者之間的關係。

於截至二零一九年十二月三十一日止年度內，審核委員會曾舉行四次會議並通過多項書面決議案，以考慮及批准以下各項：

- (i) 在向董事會提交前審閱季度、半年度及年度財務報表，並特別針對是否遵守會計準則、GEM上市規則及其他有關審核委員會財務申報的規定；
- (ii) 討論本集團的企業管治、內部監控及風險管理制度是否有效，包括財務監控、運作監控及合規監控以及編製環境、社會及管治報告；
- (iii) 檢視本公司於達致協定企業方向及目標的表現；
- (iv) 檢討本集團採納之會計原則及實務以及其他財務申報事宜；及
- (v) 回答本集團外聘核數師就審計問題提出的提問。

企業管治報告



檢討風險管理及內部監控制度

董事會委派審核委員會負責就本集團之財務報告及內部監控制度，以及外部及內部審核之足夠性提供獨立監察。審核委員會透過審閱由獨立外部核證服務提供者發出之報告(包括內部審核工作計劃)，檢討本集團風險管理及內部監控制度的成效。

審核委員會審閱並同意管理層就以下事項作出確認，截至二零一九年十二月三十一日止年度：(i)本集團之風險管理及內部監控制度屬充足有效；及(ii)本集團已適當遵守企業管治守則有關風險管理及內部監控制度之規定。

檢討會計、財務報告及內部審核職能

審核委員會已檢討有關本集團於會計、財務報告及內部審核職能方面是否具備充足資源、員工資歷及經驗及培訓課程，並信納有關結果。

各審核委員會成員之個別出席記錄如下：

董事姓名	出席次數／ 合資格出席次數
劉文德先生(主席)(於二零一九年二月十九日獲委任)	4/4
楊偉雄先生	4/4
馬子安先生	3/4
金迪倫先生(於二零一九年二月十九日辭任)	不適用
何肇竟先生(於二零一九年二月十九日辭任)	不適用

本集團截至二零一九年十二月三十一日止年度之未經審核季度及中期業績以及經審核年度業績已經由審核委員會審閱。

於截至二零一九年十二月三十一日止年度，董事會與審核委員會在外聘核數師之選擇及聘任問題上並無出現分歧。

薪酬委員會

本公司已於二零零四年九月十日根據企業管治守則之規定，成立薪酬委員會，並於二零一三年七月二十六日採納最新之經修訂書面職權範圍，當中清楚釐定其授權及職責。其職權範圍符合企業管治守則所載之條文，並可於聯交所及本公司之網站查閱。

薪酬委員會現時由三名獨立非執行董事組成(即楊偉雄先生(主席)、劉文德先生及馬子安先生)。



企業管治報告

薪酬委員會之角色及職能包括：

- (i) 就本公司全體董事薪酬政策及架構，及就設立正規而具透明度的程序以制訂此等薪酬政策，向董事會提出建議；
- (ii) 因應董事會所訂企業方針及目標而檢討管理層的薪酬建議，並就此提供建議；
- (iii) 就個別執行董事的薪酬待遇向董事會提出建議。這包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；
- (iv) 就非執行董事的薪酬向董事會提出建議；
- (v) 考慮同類公司支付的薪酬、須付出的時間及職責，以及本集團內其他職位的僱用條件；
- (vi) 檢討並建議因執行董事喪失或終止職務或委任而須向彼等支付的賠償，以確保該等賠償符合合約條款；若未能與合約條款一致，賠償亦須公平合理，不致過多；
- (vii) 檢討及建議因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排符合有關合約條款；若未能按有關合約條款釐定，有關賠償亦須合理適當；及
- (viii) 確保任何董事或其任何聯繫人士不得參與釐訂本身之薪酬。

於截至二零一九年十二月三十一日止年度內，薪酬委員會曾舉行五次會議，以考慮及批准以下事項：

- (i) 釐定執行董事之薪酬政策、評估執行董事之表現及批准執行董事服務合約之條款；
- (ii) 檢討目前之薪酬政策及評核制度；
- (iii) 向董事會建議董事之酬金；及
- (iv) 向董事會建議新委任董事之薪酬提案。

各薪酬委員會成員之個別出席記錄如下：

董事姓名	出席次數／ 合資格出席次數
楊偉雄先生(主席)	5/5
劉文德先生(於二零一九年二月十九日獲委任)	3/3
馬子安先生	4/5
金迪倫先生(於二零一九年二月十九日辭任)	1/2
何肇竟先生(於二零一九年二月十九日辭任)	1/2

應付董事酬金視乎服務合約／委任函(如有)項下彼等各自之合約條款以及薪酬委員會之推薦建議及董事會之批准而定。

企業管治報告



提名委員會

本公司於二零一二年三月十五日按照企業管治守則之規定，成立提名委員會，並於二零一八年十二月三十一日採納最新書面職權範圍，當中清楚釐定其授權及職責。其職權範圍符合企業管治守則所載之條文，並可於聯交所及本公司之網站查閱。

提名委員會現時由三名獨立非執行董事(即楊偉雄先生(主席)、劉文德先生及馬子安先生)組成。

提名委員會之角色及職能包括：

- (i) 最少每年檢討董事會的架構、人數、組成及成員多元化程度(包括但不限於技能、知識、性別、年齡、文化及教育背景或專業經驗)，並就任何擬作出的變動向董事會提出建議，以配合本公司的企業策略；
- (ii) 物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提供意見。委員會於物色合適人士時，應考慮有關人士的長處，並以客觀條件充分顧及董事會成員多元化的裨益；
- (iii) 評核獨立非執行董事的獨立性；
- (iv) 因應本公司的企業策略及日後需要的技能、知識、經驗及多元化元素，就董事委任或重新委任以及董事(尤其是本公司董事會主席及行政總裁)繼任計劃的有關事宜向董事會提出建議；及
- (v) 檢討董事會成員多元化政策和提名政策(倘適用)及董事會為執行董事會成員多元化政策和提名政策而制定的可計量目標和達標進度，以及每年在《企業管治報告》內披露檢討結果。

於截至二零一九年十二月三十一日止年度內，提名委員會曾舉行五次會議並通過多項書面決議案，以考慮及批准以下事項：

- (i) 檢討董事會的架構、人數、多元化及組成以及獨立非執行董事的獨立性；及
- (ii) 就執行董事及獨立非執行董事之委任及重新委任向董事會提出建議。

各提名委員會成員之個別出席記錄如下：

董事姓名	出席次數／ 合資格出席次數
楊偉雄先生(主席)	5/5
劉文德先生(於二零一九年二月十九日獲委任)	3/3
馬子安先生	4/5
金迪倫先生(於二零一九年二月十九日辭任)	1/2
何肇竟先生(於二零一九年二月十九日辭任)	1/2



企業管治報告



董事提名政策

本集團已實行董事提名政策(「**提名政策**」)，並於本年度經慮及自二零一九年一月一日起生效的經修訂上市規則，以書面形式採納。提名政策載述物色及推薦進入董事會的候選人的程序、流程及標準。

企業管治職能

本公司之企業管治職能由董事會根據董事會所採納之一套書面職權範圍而履行，有關書面職權範圍符合企業管治守則之守則條文第D.3.1條之規定，當中包括：

- (i) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (ii) 檢討及監察董事的培訓及持續專業發展；
- (iii) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (iv) 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
- (v) 檢討本公司遵守《企業管治守則》的情況及在《企業管治報告》內的披露。

於截至二零一九年十二月三十一日止年度，董事會已審閱本公司之企業管治政策及企業管治報告。

與股東的溝通

本公司已制訂一套股東傳訊政策，並會定期檢討以確保其有效。本公司主要以下列方式與本公司股東及有意投資者(「**投資者**」)保持溝通：

- (i) 舉行股東週年大會及就特定目的召開之股東特別大會(「**股東特別大會**」)(如有)，藉此提供機會讓股東及投資者直接與董事會溝通；
- (ii) 根據GEM上市規則之規定刊發季度、半年度及年度報告、公佈及／或通函及／或本公司之新聞稿，以提供本集團之最新資料；及
- (iii) 於聯交所及本公司之網站上提供本集團之最新資料。

股東週年大會及任何為通過特別決議案而召開的股東特別大會，須發出大會日期前最少21個足日的書面通告。所有其他股東特別大會則可透過發出大會日期前最少14個足日的書面通告召開。

企業管治報告



股東召開股東特別大會之程序

下列股東召開股東特別大會之程序乃受細則(經不時修訂)、適用法例及法規，特別是GEM上市規則(經不時修訂)所規限：

- (i) 於遞呈要求日期持有不少於本公司繳足股本(賦予權利於本公司股東大會上投票)十分之一的任何一名或多名股東(「合資格股東」)隨時有權向董事會或本公司之公司秘書(「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；
- (ii) 有意召開股東特別大會的合資格股東必須將經有關合資格股東簽署的書面要求(「要求書」)交回本公司於香港的總辦事處及主要營業地點(地址為香港中環皇后大道中110-116號永恆商業大廈906室)或本公司的香港股份過戶登記分處聯合證券登記有限公司(地址為香港北角英皇道338號華懋交易廣場二期33樓3301-04室)，收件人為董事會及／或公司秘書；
- (iii) 要求書必須清楚列明有關合資格股東之姓名、其股權、召開股東特別大會之原因及於股東特別大會所建議處理事宜之詳情，並必須由有關合資格股東簽署，連同合理足夠款項，用以支付本公司根據法定要求向所有登記股東發出決議案通知及傳遞有關股東呈交的陳述書所產生的開支；
- (iv) 要求書將由本公司的香港股份過戶登記分處所核實，於確定要求書為合適及適當時，董事會將根據細則之規定送達充分通知予所有登記股東以召開股東特別大會。相反，倘要求書確認為不適當或有關股東未能繳存足夠款項作為本公司上述用途的開支，則有關合資格股東將獲知會此結果，董事會將不會因而召開股東特別大會；及
- (v) 倘董事會未能在要求書遞交後21日內召開股東特別大會，則合資格股東可自行召開股東特別大會，而有關合資格股東因董事會未能召開該大會而產生的所有合理費用，將由本公司償付予有關合資格股東。

股東於股東大會提呈建議的程序


根據開曼群島公司法(經修訂)，概無條文批准股東於股東大會動議新決議案。然而，根據細則，有意動議決議案的股東可於依循上述程序後按提交要求書方式召開股東特別大會。

向董事會查詢的程序

股東可向本公司董事會寄發其查詢及關注事宜，以郵寄方式將上述事項寄交本公司於香港的總辦事處及主要營業地點(地址為香港中環皇后大道中110-116號永恆商業大廈906室)或傳真至(852) 3106 3281，收件人為董事會及／或公司秘書。



企業管治報告



公司秘書

自二零二零年三月十七日起，彭建祺先生（「彭先生」）已獲委任為公司秘書。截至二零一九年十二月三十一日止年度，彭先生已參加不少於15個小時的相關專業培訓。彭先生由外部服務供應商委派及本公司的主要公司聯繫人士為執行董事周倬行先生。

董事就財務報表承擔之責任

董事確認其須負責編製真實並能公平地呈現本集團業務狀況之財務報表，以及向股東提呈季度、中期及年度財務報表及公佈。董事致力公平及簡明地評核本集團之情況及前景，並會適時刊發本集團之財務報表。除於獨立核數師報告「有關持續經營之重大基本不確定事件」一段所論述之事項外，於二零一九年十二月三十一日，董事並不知悉有任何重大不確定事件或情況可能會嚴重影響本集團持續經營之能力。

本公司外聘核數師華融(香港)會計師事務所有限公司就本集團財務報表申報責任之聲明載列於本年報第69至72頁之獨立核數師報告。

董事及高級職員之責任保險及彌償

為彌償本公司董事及高級職員因執行及履行職責或與之有關所產生之所有費用、支出、損失、開支及債務，本公司已就此安排保險投保。

核數師酬金

向本公司提供之本集團之核數服務及非核數服務之核數師酬金如下：

	二零一九年 千港元	二零一八年 千港元
核數服務	580	1,252
非核數服務	290	450

投資者關係

本公司之網站為本公司、股東及投資者提供溝通渠道。除了遵守GEM上市規則向股東披露所有必須資料外，本公司網站亦提供有關本公司之業務發展及營運的最新消息。

截至二零一九年十二月三十一日止年度，本公司的章程文件概無出現任何重大變動。

企業管治報告



風險管理及內部監控

董事會承諾負責評估及釐定其達成本集團策略目標願意承擔風險之性質及程度，並維持健全且有效的風險管理及內部監控制度，以保障股東利益及本集團資產。董事會亦承諾負責持續監察本集團的風險管理、財務申報及內部監控制度，並至少每年透過審核委員會檢討其成效。審核委員會協助董事會履行其於本集團財務、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方面的監察及企業管治角色。

為此，適當的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，管理層繼續為風險管理及內部監控制度分配資源，以就防範重大失實陳述或損失提供合理而非絕對之保證，並且管理而非消除未能達成業務目標的風險。

董事會已通過審核委員會將內部審核職能授予獨立外部驗證服務提供者，彼已檢討本集團於二零一九年度之風險管理及內部監控制度的充足性及成效。董事會認為，本集團的風險管理及內部監控系統屬充足有效。董事會透過審核委員會帶領並指導管理層，方式包括制定及監察管理層實施策略、監控本集團營運及財務表現，以及確保設有健全的風險管理及內部監控制度。

董事會已檢討並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、員工資歷及經驗、培訓課程為充足。董事會透過授權予環境、社會及管治工作小組，負責檢討本公司企業社會責任的策略、原則及政策；制訂指引、方針及監督常規和程序；以及監察本公司在企業社會責任及相關活動的進程。

本集團於二零一九年度在「三道防線」模式下所採納的主要風險管理措施及所作出的改善概述如下。

第一道防線 — 風險管理

- 就風險管理實施及定期檢討列明權責的企業風險管理(「**企業風險管理**」)政策。
- 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。本集團已為其員工安排培訓課程。
- 本集團實施舉報政策，使僱員可毋須畏懼遭報復或迫害而敢於內部舉報任何不當行為或不道德的業務操守。



企業管治報告

第二道防線 — 風險監察

- 審核委員會制定並批准本集團之企業風險管理政策，列出在一個具一致性的風險管理框架下的原則、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。
- 本集團的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且相關的風險(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 — 獨立驗證

- 外部驗證服務提供者執行內部審核功能，負責對本集團之內部監控制度的充足性及成效進行獨立檢討，並通過審核委員會定期向董事匯報檢討結果。

企業風險管理政策

本集團的企業風險管理政策由董事會制定並視之為一項充足有效的方式，以供本集團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加強本集團的企業風險管理，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) 加強匯報以提高集團所面對風險的透明度。

本集團的內部審核採納以風險為本的審核方法。外部驗證服務提供者就內部審核的三年工作計劃(每年審閱)涵蓋本集團營運、業務及服務單位各項主要工作及程序。該等審核活動的結果會交予審核委員會及本集團高級管理層的主要成員。內部審核會查察審核事務，並於其後跟進，力求妥善實行，並會定期向審核委員會及本集團的高級管理層(視情況而定)匯報其進展。內部審核的外部驗證服務提供者就本集團內部監控的充足性及成效向董事會、審核委員會及本集團高級管理層提供獨立保證。

本公司對行為守則所載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。

Independent Auditor's Report 獨立核數師報告



TO THE MEMBERS OF CHINESE FOOD AND BEVERAGE GROUP LIMITED

華人飲食集團有限公司

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Chinese Food and Beverage Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 73 to 212, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance:

致華人飲食集團有限公司股東

(於開曼群島註冊成立及於百慕達存續的有限公司)

不發表意見

我們受委審核73頁至212頁所載的華人飲食集團有限公司(「貴公司」)及其附屬公司(合稱為「貴集團」)的綜合財務報表，其中包括於二零一九年十二月三十一日的綜合財務狀況表，以及綜合損益及其他全面收益表、綜合權益變動表及截至該年末之綜合現金流量表，以及綜合財務表附註，包括主要會計政策概要。

我們不會就 貴集團的綜合財務報表發表意見。基於本報告「不發表意見的基礎」一節所述多項不確定因素之間的潛在相互影響及其對綜合財務報表可能構成之累計影響，我們未能獲取充足的審核憑證，以就該等綜合財務報表的審核意見提供基礎。我們認為，綜合財務報表在所有其他方面已遵從香港公司條例的披露規定妥為編製。



Independent Auditor's Report 獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

Multiple fundamental uncertainties relating to going concern

As described in Note 2 to the consolidated financial statements, the Group incurred a loss for the year attributable to owners of the Company of approximately HK\$10,887,000 and had net cash used in operating activities of approximately HK\$6,844,000 for the year ended 31 December 2019. In addition, the Group's current liabilities exceeded its current assets by approximately HK\$42,643,000 and the Group had net liabilities of approximately HK\$7,193,000 as at 31 December 2019. As at the same date, the Group's total current borrowings amounted to approximately HK\$14,505,000, while its cash and cash equivalents amounted to approximately HK\$1,966,000.

These conditions, together with other matters described in Note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company (the "Directors") have been undertaking a number of measures to improve the Group's liquidity and financial position as described in Note 2 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, we were unable to ascertain whether the assumptions made by the Directors in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

不發表意見的基礎

有關持續經營的多項不確定因素

誠如綜合財務報表附註2所述，截至二零一九年十二月三十一日止年度，貴集團招致貴公司擁有人應佔年度虧損約10,887,000港元，且有經營活動所用現金淨額約為6,844,000港元。此外，於二零一九年十二月三十一日，貴集團的流動負債超過其流動資產約42,643,000港元及貴集團有負債淨值約7,193,000港元。於同日，貴集團之流動借款總額為約14,505,000港元，而其現金及現金等值為約1,966,000港元。

該等情況連同綜合財務報表附註2所述的其他事宜反映存在重大不確定因素可能導致對貴集團持續經營之能力存有重大懷疑。

貴公司董事（「董事」）已採取多項措施以改善貴集團的流動資金及財務狀況，詳情載於綜合財務報表附註2。綜合財務報表乃以持續經營基準編製，其有效性取決於該等措施之成果，而其受到眾多不確定因素所影響，我們未能確定董事於按持續經營基準編製綜合財務報表過程中所作之假設是否屬妥善及恰當。

Independent Auditor's Report

獨立核數師報告

Should the going concern assumption be inappropriate, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities respectively, write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments. However, the uncertainty surrounding the Group's future cash flows raises significant doubt about the Group's ability to continue as a going concern. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation, but we are unable to obtain adequate evidence concerning the Group's ability to meet any financial obligations as and when they fall due and we consider that this material uncertainty relating to going concern basis and their cumulative effect on the consolidated financial statements is so extreme that we have disclaimed our opinion.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

倘持續經營假設不適用，必須作出調整以分別將所有非流動資產及非流動負債重新分類為流動資產及流動負債，將資產價值撇銷至其可收回金額，及為可能產生的進一步負債計提撥備。綜合財務報表並無納入任何該等調整。然而，有關 貴集團未來現金流量的不明朗因素對 貴集團持續經營能力產生重大質疑。我們認為，綜合財務報表已就有關情況作出適當披露，惟我們無法獲得有關 貴集團有能力履行任何到期財務責任的充分憑證，且基於有關持續經營基準之該等重大不明朗因素及其可能對綜合財務報表之累計影響實屬非常，我們已作出保留意見。

董事及肩負管治責任者就綜合財務報表承擔的責任

董事須負責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及香港公司條例的披露規定擬備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擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

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，或別無其他實際的代替方案。

肩負管治責任者須負責監督 貴集團的財務報告過程。



Independent Auditor's Report 獨立核數師報告

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Chung Chi Chiu
Practising Certificate Number: P06610

8/F., Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

25 March 2020

核數師就審計綜合財務報表承擔的責任

我們的責任乃是根據香港會計師公會頒佈的香港審計準則對 貴集團的綜合財務報表進行審計，並根據百慕大公司法第90條僅向 閣下全體出具包括我們意見的核數師報告，且不可作其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或接受任何義務。由於我們的報告內「不發表意見的基礎」一節所述之事宜關係重大，我們未能取得足夠合適之審核證據，為該等綜合財務報表之審核意見提供基準。

根據香港會計師公會的專業會計師職業道德守則（「守則」），我們獨立於 貴集團，並已根據該守則履行其他道德責任

華融(香港)會計師事務所有限公司
執業會計師
鍾志釗
執業證書號碼：P06610

香港
銅鑼灣
高士威道8號
航空大廈8樓

二零二零年三月二十五日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue — catering services	收入 — 餐飲服務	8	18,133	23,152
Cost of sales	銷售成本		(14,545)	(19,364)
Gross profit	毛利		3,588	3,788
Other operating income	其他經營收入	10	1,268	62,060
Other gains and losses	其他收益及虧損	11	6,265	56,916
Impairment losses (recognised) reversed, net of impairment losses reversed (recognised)	減值虧損(確認)撥回，扣除已撥回(已確認)減值虧損	13	(919)	1,405
Selling and distribution expenses	銷售及分銷開支		(5,678)	(8,296)
Administrative and other operating expenses	行政及其他經營開支		(13,694)	(18,069)
Finance costs	融資成本	12	(2,704)	(12,964)
Share of profit of joint ventures	應佔聯營公司溢利	23	—	203
(Loss) profit before tax	除稅前(虧損)溢利		(11,874)	85,043
Income tax expense	所得稅開支	14	—	—
(Loss) profit for the year	年內(虧損)溢利	15	(11,874)	85,043
Other comprehensive expense	其他全面開支			
<i>Item that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益之項目：</i>			
Fair value loss on:	以下項目之公平值虧損：			
Investment in equity instrument at fair value through other comprehensive income	於按公平值於其他全面收益列賬之股本權益工具之投資		(14,239)	(45,359)
Other comprehensive expense for the year, net of income tax	年內其他全面開支，扣除所得稅		(14,239)	(45,359)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額		(26,113)	39,684

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(Loss) profit for the year attributable to:	下列人士應佔年內 (虧損)溢利：			
— Owners of the Company	— 本公司擁有人		(10,887)	85,041
— Non-controlling interests	— 非控股權益		(987)	2
			(11,874)	85,043
Total comprehensive (expense) income for the year attributable to:	下列人士應佔年內全面 (開支)收益總額：			
— Owners of the Company	— 本公司擁有人		(25,126)	39,682
— Non-controlling interests	— 非控股權益		(987)	2
			(26,113)	39,684
(Loss) earnings per share	每股(虧損)盈利			(Restated) (經重列)
— Basic and diluted	— 基本及攤薄	19	HK(13.74) cents 港仙	HK107.30 cents 港仙

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Plant and equipment	廠房及設備	20	3,825	4,751
Right-of-use assets	使用權資產	21	5,024	–
Interests in joint ventures	於合營企業權益	23	–	–
Equity instrument at fair value through other comprehensive income	按公平值於其他全面收益列賬之股本權益工具	22	25,562	39,801
Contingent consideration receivable — non-current portion	應收或然代價 — 非流動部分	24	5,151	5,834
			39,562	50,386
Current assets	流動資產			
Inventories	存貨	25	189	755
Trade and other receivables	貿易及其他應收款項	26	1,911	4,608
Contingent consideration receivable — current portion	應收或然代價 — 流動部分	24	2,488	394
Bank balances and cash	銀行結餘及現金	27	1,966	1,294
			6,554	7,051
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	28	33,689	35,951
Other borrowings	其他借貸	29	14,505	2,095
Lease liabilities — current portion	租賃負債 — 流動部分	30	1,003	–
Obligations under finance leases — current portion	融資租賃承擔 — 流動部分	31	–	234
			49,197	38,280
Net current liabilities	流動負債淨額		(42,643)	(31,229)
Total assets less current liabilities	總資產減流動負債		(3,081)	19,157

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current liabilities			
Lease liabilities — non-current portion	30	4,112	—
Obligations under finance leases — non-current portion	31	—	51
		4,112	51
Net (liabilities) assets		(7,193)	19,106
Capital and reserves			
Share capital	33	793	63,403
Reserves		(3,637)	(40,925)
Equity attributable to owners of the Company		(2,844)	22,478
Non-controlling interests	41	(4,349)	(3,372)
Total (deficit) equity		(7,193)	19,106

The consolidated financial statements on pages 73 to 212 were approved and authorised for issue by the board of directors on 25 March 2020 and are signed on its behalf by:

第73至212頁之綜合財務報表已於二零二零年三月二十五日獲董事會批准及授權刊發，並由下列人士代表簽署：

Chow Cheuk Hang

周倬行

Director

董事

Eric Todd

達振標

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Share premium	Contributed surplus	Fair value through other comprehensive income reserve 按公平值於其他全面收益列賬之儲備	Accumulated losses	Total	Non-controlling interests	Total
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	實繳盈餘 HK\$'000 千港元	之儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	63,403	497,676	-	-	(578,283)	(17,204)	(3,374)	(20,578)
Profit for the year	年內溢利	-	-	-	-	85,041	85,041	2	85,043
Other comprehensive expense for the year, net of income tax	年內其他全面開支，扣除所得稅								
Item that will not be reclassified to profit or loss:	不會重新分類至損益之項目：								
Fair value loss on investment in equity instrument at fair value through other comprehensive income	按公平值於其他全面收益列賬之於股本權益工具之投資之公平值虧損	-	-	-	(45,359)	-	(45,359)	-	(45,359)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	-	-	-	(45,359)	85,041	39,682	2	39,684
At 31 December 2018	於二零一八年十二月三十一日	63,403	497,676	-	(45,359)	(493,242)	22,478	(3,372)	19,106
Adjustments (Note 3)	調整(附註3)	-	-	-	-	(196)	(196)	-	(196)
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	63,403	497,676	-	(45,359)	(493,438)	22,282	(3,372)	18,910
Loss for the year	年內虧損	-	-	-	-	(10,887)	(10,887)	(987)	(11,874)
Other comprehensive expense for the year, net of income tax	年內其他全面開支，扣除所得稅								
Item that will not be reclassified to profit or loss:	不會重新分類至損益之項目：								
Fair value loss on investment in equity instrument at fair value through other comprehensive income	按公平值於其他全面收益列賬之於股本權益工具之投資之公平值虧損	-	-	-	(14,239)	-	(14,239)	-	(14,239)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	(14,239)	(10,887)	(25,126)	(987)	(26,113)
Cancellation of share premium (Note)	註銷股份溢價(附註)	-	(497,676)	497,676	-	-	-	-	-
Capital reduction (Note 33(b))	資本削減(附註33(b))	(62,610)	-	62,610	-	-	-	-	-
Capital contribution from non-controlling interest of a subsidiary	一間附屬公司之非控股權益出資	-	-	-	-	-	-	10	10
At 31 December 2019	於二零一九年十二月三十一日	793	-	560,286	(59,598)	(504,325)	(2,844)	(4,349)	(7,193)



Consolidated Statement of Changes in Equity

綜合權益變動表

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

Note:

Pursuant to an ordinary resolution passed at an extraordinary general meeting on 12 June 2019, the Company approved the share premium cancellation by way of cancellation of the entire amount of approximately HK\$497,676,000 standing to the credit of the share premium account of the Company and transfer the credits arising from such cancellation to an account designated as the contributed surplus account of the Company.

附註：

根據一項於日期為二零一九年六月十二日之股東特別大會通過的普通決議案，本公司批准註銷股份溢價，方法為註銷本公司股份溢價賬全部進賬額約497,676,000港元，並將有關註銷所產生之進賬額轉撥至指定為本公司實繳盈餘賬之賬戶。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
(Loss) profit before tax	除稅前(虧損)溢利	(11,874)	85,043
Adjustments for:	就以下各項調整：		
Impairment loss recognised (reversed), net of impairment (reversed) recognised on other receivable	已確認(已撥回)減值虧損，扣除就其他應收款項已確認(已撥回)之減值虧損	196	(1,405)
Impairment loss recognised in respect of trade receivable	就貿易應收款項的確認減值虧損	723	—
Change in fair value of contingent consideration receivable	應收或然代價之公平值變動	(2,163)	1,165
Gain on disposal of a joint venture	出售一間合營企業之收益	—	(56,781)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	—	(1,620)
(Reversal of) provision for annual leave	就年假作出(撥回)撥備	(201)	158
Share of profit of joint ventures	應佔合營企業溢利	—	(203)
Depreciation of plant and equipment	廠房及設備折舊	1,703	2,484
Depreciation of right-of-use assets	使用權資產折舊	4,751	—
Gain on disposal of plant and equipment	出售廠房及設備之收益	(3,524)	—
Loss on written-off of plant and equipment	撇銷廠房及設備之虧損	44	73
Gain on disposal of right-of-use assets	出售使用權資產之收益	(622)	—
Dividend from equity investments	股本投資股息	(380)	(51,951)
Amortisation of deferred income	攤銷遞延收入	—	489
Finance costs	融資成本	2,704	12,964
Reimbursement of interest on convertible bonds	償付可換股債券利息	—	(9,000)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(8,643)	(18,584)
Decrease in inventories	存貨減少	566	211
Decrease in trade and other receivables	貿易及其他應收款項減少	2,211	6,410
Decrease in trade and other payables	貿易及其他應付款項減少	(978)	(2,237)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所耗之現金淨額	(6,844)	(14,200)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Proceeds from disposal of plant and equipment	出售廠房及設備之所得款項	—	—
Proceeds from disposal of a subsidiary	出售一間附屬公司之所得款項	—	50
Proceeds from disposal of a joint venture	出售一間合營企業之所得款項	—	66,787
Purchase of plant and equipment	購買廠房及設備	(3,843)	(5,292)
Refund of deposit paid for potential equity investment	退還就潛在股本投資的已付按金	—	20,000
Dividend received	已收股息	380	—
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所耗)所得之現金淨額	(3,463)	81,545
FINANCING ACTIVITIES	融資活動		
Repayment to joint ventures	還款予合營企業	—	(3,529)
Advance from a director	來自一名董事的墊款	—	608
Advance from a non-controlling shareholder	來自一名非控股股東的墊款	2,998	—
Capital contributions from non-controlling interests of a subsidiary	來自附屬公司非控股權益之注資	10	—
Proceeds from other borrowings	其他借貸之所得款項	12,540	1,500
Repayment of other borrowings	償還其他借貸	(130)	(65,485)
Repayment of lease liabilities/obligations under finance leases	償還租賃負債/融資租賃承擔	(3,649)	(585)
Interest paid on leases liabilities/obligations under finance leases	融資租賃/融資租賃承擔之已付利息	(3)	(16)
Interest paid on other borrowings	其他借貸之已付利息	(787)	(1,661)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得(所耗)之現金淨額	10,979	(69,168)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值之增加(減少)淨額	672	(1,823)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等值	1,294	2,870
Effect of foreign exchange rate changes	匯率變動之影響	—	247
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	於十二月三十一日之現金及現金等值, 即銀行結餘及現金	1,966	1,294



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

Chinese Food and Beverage Group Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Company Law of the Cayman Islands. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Exchange”).

During the year ended 31 December 2019, the Company redomiciled from the Cayman Islands into Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the law of Bermuda. The change of domicile was continued into Bermuda with limited liability with effect from 25 June 2019.

The addresses of the registered office is Clarendo House, 2 Church Street, Hamilton HK 11, Bermuda and the principal place of business of the Company is Room 906, 9/F., Wings Building, No. 110-116 Queen’s Road Central, Hong Kong. The directors of the Company (the “Directors”) do not consider any company to be the ultimate holding company and parent company of the Company.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries (together with the Company collectively referred to as the “Group”) are catering business and securities trading as set out in Note 41 to the consolidated financial statements.

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

2. BASIS OF PREPARATION

During the year ended 31 December 2019, the Group incurred a loss attributable to owners of the Company of approximately HK\$10,887,000 and had net cash used in operating activities of approximately HK\$6,844,000 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$42,643,000 and the Group had net liabilities of approximately HK\$7,193,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. The Directors considered that the consolidated financial statements of the Company has been prepared on a going concern basis after taking into consideration of the following measures:

1. 一般資料

華人飲食集團有限公司(「本公司」)為根據開曼群島公司法於開曼群島註冊成立之受豁免有限公司。本公司股份於香港聯合交易所有限公司(「聯交所」)GEM上市。

於截至二零一九年十二月三十一日止年度，本公司透過撤銷在開曼群島之註冊及根據百慕達法例以一間獲豁免公司的形式存續經營，將本公司由開曼群島遷冊至百慕達。該冊遷於百慕達存續之有限公司自二零一九年六月二十五日起生效。

本公司註冊辦事處地址為Clarendo House, 2 Church Street, Hamilton HK 11, Bermuda，本公司主要營業地點位於香港中環皇后大道中110-116號永恆商業大廈9樓906室。本公司董事(「董事」)並不將任何公司視為本公司的最終控股公司及母公司。

誠如綜合財務報表附註41所載，本公司之主要活動為投資控股，而其附屬公司(連同本公司統稱「本集團」)之主要活動為餐飲業務及證券買賣。

綜合財務報表乃按港元(「港元」)呈列，港元亦為本公司之功能貨幣。

2. 編製基準

截至二零一九年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約10,887,000港元，有經營活動所耗之現金淨額約6,844,000港元，截至該日，本集團的流動負債超過其流動資產約42,643,000港元，而本集團的負債淨額為約7,193,000港元。該等情況表明存在重大不確定性，可能會對本集團持續經營的能力產生重大懷疑。董事認為，本公司的綜合財務報表乃考慮以下措施後按持續經營基準編制：



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. BASIS OF PREPARATION (Continued)

- (a) The Group has continued to enforce cost-saving measures. The selling and distribution expenses and administrative and other operating expenses were reduced by 27% and the finance costs were reduced by 79%, as compared with the year ended 31 December 2018;
- (b) The Group is negotiating with its suppliers and creditors to extend payment due date;
- (c) Subject to the approval by the shareholders of the Company and the Exchange, the Group may have a potential fund raising exercise after the publication of annual results announcement of the Group for the year ended 31 December 2019; and
- (d) The Group is exploring other fund raising opportunities including, but not limited to, equity and debt financing.

The Directors are of the opinion that the Group would be able to have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for a period of not less than the next twelve months from 31 December 2019.

Accordingly, the Directors are of the opinion that it is appropriate to prepare these consolidated financial statements for the year ended 31 December 2019 on a going concern basis. The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2. 編製基準(續)

- (a) 本集團繼續實施節流措施。與截至二零一八年十二月三十一日止年度相比，銷售及分銷開支及行政及其他經營開支減少27%，而融資成本減少79%；
- (b) 本集團正與其供應商及債權人磋商延長付款到期日；
- (c) 待本公司股東及聯交所批准後，本集團可能會於公佈本集團截至二零一九年十二月三十一日止年度之年度業績公佈後進行潛在集資活動；
- (d) 本集團正在探索其他籌集資金的機會，包括但不限於股本及債務融資。

董事認為，本集團將能有充足營運資金為其營運提供資金及履行其自二零一九年十二月三十一日起不少於未來十二月期間內到期的財務責任。

因此，董事認為，以持續經營為基準編製該等截至二零一九年十二月三十一日止年度的綜合財務報表實屬合適。該等綜合財務報表並未包括任何因本集團未能取得充足未來資金所作的調整。倘本集團未能繼續持續經營，須作出調整以降低本集團資產的賬面值至其可收回金額，以就可能產生的進一步負債作出撥備及將非流動資產及負債分別重新分類為流動資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

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

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

HKFRS 16 Leases

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

Definition of a lease

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

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

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本年度強制性生效之新訂及經修訂香港財務報告準則

本集團於本年度首次應用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)–詮釋(「詮釋」)第23號	所得稅處理的不確定因素
香港財務報告準則第9號之修訂	提早還款特性及負補償
香港會計準則(「香港會計準則」)第19號之修訂	計劃修訂、縮減或結清
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益
香港財務報告準則之修訂	香港財務報告準則二零一五年至二零一七年週期之年度改進

除下文所載者外，於本年度應用新訂及經修訂香港財務報告準則並無對本年度及過往年度之本集團財務狀況及表現及／或於該等綜合財務報表所載之披露構成重大影響。

香港財務報告準則第16號租賃

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

租賃的定義

本集團已選擇可行權宜方法，就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)–詮釋第4號釐定安排是否包括租賃識別為租賃的合約應用香港財務報告準則第16號，而並無對先前並未識別為包括租賃的合約應用該準則。因此，本集團並無重新評估於初始應用日期前已存在的合約。

就於二零一九年一月一日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據香港財務報告準則第16號所載的規定應用租賃的定義。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

HKFRS 16 Leases (Continued)

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

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

- elect not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 15%.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本年度強制性生效之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)

作為承租人

本集團已追溯應用香港財務報告準則第16號並於初始應用日期(即二零一九年一月一日)確認累計影響。

於二零一九年一月一日,本集團於過渡期應用香港財務報告準則第16.C8(b)(ii)號以相關租賃負債之相等金額確認額外之租賃負債及使用權資產。於初始應用日期之任何差額於期初累計虧損確認及比較數字並無重列。

當於過渡期根據香港財務報告準則第16號應用修改追溯方法時,本集團對過往根據香港會計準則第17號分類為經營租約之租賃,以逐項租賃之基礎上,在各自的租賃合約相關範圍內應用以下權宜方案:

- 選擇對租期在初始應用日期12個月內完結之租賃不會確認使用權資產及租賃負債;
- 於初始應用日期計量使用權資產時撇除初始直接成本;及
- 就剩餘租期相近之類似經濟環境的類似級別相關資產的租賃組合應用單一折現率。

當就過往分類為經營租約之租賃確認租賃負債時,本集團應用相關集團實體於初始應用日期之漸進借貸率。應用之加權平均漸進借貸率為15%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR
(Continued)

HKFRS 16 Leases (Continued)

As a lessee (Continued)

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」) (續)

本年度強制性生效之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)

作為承租人(續)

	Note 附註	At January 2019 於二零一九年 一月 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	9,860
Lease liabilities discounted at relevant incremental borrowing rates	按相關漸進借款利率折現之租賃負債	8,981
Less: Practical expedient — leases with lease term ending within 12 months from the date of initial application	減：可行權宜方法 — 租約年期於初始應用日期起12個月內完結的租賃	(106)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16	採用香港財務報告準則第16號時確認與經營租賃相關之租賃負債	8,875
Add: Obligations under finance leases recognised at 31 December 2018	加：於二零一八年十二月三十一日確認的融資租賃承擔	285 (a)
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	9,160
Analysed as	分析為	
Current	流動	6,653
Non-current	非流動	2,507
		9,160

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

HKFRS 16 Leases (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」) (續)

本年度強制性生效之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)

作為承租人(續)

於二零一九年一月一日作自用的使用權資產之賬面值包含以下各項：

		Right-of-use Assets 使用權 資產
	Notes 附註	HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號後已確認有關經營租賃的使用權資產	8,875
Amounts included in plant and equipment under HKAS 17	根據香港會計準則第17號計入廠房及設備的金額	
— Assets previously under finance leases	— 過往於金融租賃項下的資產	551
Adjustments on rental deposits paid at 1 January 2019	於二零一九年一月一日已支付對租賃按金的調整	391
		9,817

Notes:

- (a) In relation to assets previously under finance leases, the Group reclassified the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to HK\$551,000 as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of approximately HK\$234,000 and approximately HK\$51,000 to lease liabilities as current and non-current liabilities respectively at 1 January 2019.
- (b) Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied under other receivables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, approximately HK\$587,000 and approximately HK\$391,000 were adjusted to refundable rental deposits paid and right-of-use assets respectively.

附註：

- (a) 就先前列於融資租賃項下之資產而言，本集團將於二零一九年一月一日仍列於租賃下之相關資產，賬面值為551,000港元，重新歸類為使用權資產。此外，本集團於二零一九年一月一日將約234,000港元及約51,000港元之融資租賃承擔分別作為流動及非流動負債重新分類至租賃負債。
- (b) 於應用香港財務報告準則第16號前，本集團認為已支付可退還租賃按金為香港會計準則第17號項下租約於其他應收款項下的權利及義務。根據香港財務報告準則第16號租賃付款的定義，該等按金並非與相關資產使用權有關的付款，並進行調整以反映過渡時的貼現影響。因此，約587,000港元及約391,000港元分別已調整至已付可退還的租金按金及使用權資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

HKFRS 16 Leases (Continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

The following table summarises the impact of transition to HKFRS 16 on accumulated losses at 1 January 2019.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」) (續)

本年度強制性生效之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)

作為出租人

根據香港財務報告準則第16號的過渡性條文，本集團毋須就本集團為出租人的租賃於過渡時作出任何調整，惟須根據香港財務報告準則第16號自初始應用日期起為該等租賃入賬，而比較資料並未經重列。

下表概述於二零一九年一月一日過渡至香港財務報告準則第16號對累計虧損的影響。

Accumulated losses

Adjustment on rental deposits paid at 1 January 2019

累計虧損

於二零一九年一月一日已支付對租賃按金的調整

Impact of adopting HKFRS 16 at 1 January 2019
於二零一九年一月一日
採納香港財務報告準則第16號的影響
HK\$'000
千港元

(196)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

HKFRS 16 Leases (Continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

		Notes 附註	Carrying amount previously reported at 31 December 2018 過往於 二零一八年 十二月三十一日 呈報之賬面值 HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	Carrying amount under HKFRS 16 at 1 January 2019 根據香港財務 報告準則第16號 於二零一九年 一月一日的賬面值 HK\$'000 千港元
Non-current assets	非流動資產				
Plant and equipment	廠房及設備	(a)	4,751	(551)	4,200
Right-of-use assets	使用權資產		-	9,817	9,817
Current assets	流動資產				
Trade and other receivables	貿易及其他應收款項	(b)	4,608	(587)	4,021
Current liabilities	流動負債				
Lease liabilities	租賃負債		-	6,653	6,653
Obligation under finance leases	融資租賃承擔	(a)	234	(234)	-
Non-current liabilities	非流動負債				
Lease liabilities	租賃負債		-	2,507	2,507
Obligation under finance leases	融資租賃承擔	(a)	51	(51)	-

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本年度強制性生效之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)

以下為對於二零一九年一月一日之綜合財務狀況表中確認之金額作出之調整。沒有受變動影響之項目並不包括在內。

附註：根據間接方法就呈報截至二零一九年十二月三十一日止年度從經營活動所得現金流量，計算營運資金變動已按上表所披露之綜合財務狀況表於二零一九年一月一日之期初數字來計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

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

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the *Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs and interpretations mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒布但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號之修訂	業務的定義 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營或合營企業之間的資產出售或注資 ³
香港會計準則第1號及香港會計準則第8號之修訂	重大的定義 ⁴
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	利率基準改革 ⁴

¹ 於二零二一年一月一日或之後開始之年度期間生效。

² 適用於收購日期為二零二零年一月一日或之後開始的首個年度期間開始當日或之後進行的業務合併及資產收購。

³ 於待定期日或之後開始之年度期間生效。

⁴ 於二零二零年一月一日或之後開始之年度期間生效。

除上文之新訂及經修訂香港財務報告準則外，二零一八年頒布了經修訂香港財務報告之概念框架。其重大修訂、*香港財務報告準則之概念框架指引之修訂*，將於二零二零年一月一日或之後開始的年度期間生效。

除下文所述之新訂及經修訂香港財務報告準則及詮釋外，董事預期應用所有其他新訂及經修訂香港財務報告準則於可見未來將不會對綜合財務報表產生重大影響。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE (Continued)

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」) (續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

香港會計準則第1號及香港會計準則第8號之修訂重大的定義

該等修訂透過載入作出重大判斷時的額外指引及解釋，對重要的定義進行修訂。尤其是有關修訂：

- 包含「掩蓋」重要資料的概念，其與遺漏或誤報資料有類似效果；
- 就影響使用者重要性的範圍以「可合理預期影響」取代「可影響」；及
- 包含使用詞組「主要使用者」，而非僅指「使用者」，於決定於財務報表披露何等資料時，該用語被視為過於廣義。

該等修訂與各香港財務報告準則的定義一致，並將在本集團於二零二零年一月一日開始的年度期間強制生效。預期應用該等修訂不會對本集團的財務狀況及表現造成重大影響，惟可能影響於綜合財務報表中的呈列及披露。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE (Continued)

Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in HKFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

二零一八年財務報告概念框架(「新框架」)及提述香港財務報告準則概念框架的修訂

新框架：

- 重新引入管理及審慎此等術語；
- 引入著重權利的新資產定義以及範圍可能比所取代定義更廣的新負債定義，惟不會改變負債與權益工具之間的區別；
- 討論歷史成本及現值計量，並就如何為某一資產或負債選擇計量基準提供額外指引；
- 指出財務表現主要計量標準為損益，且於特殊情況下方會使用其他全面收益，且僅用於資產或負債現值產生變動的收入或開支；及
- 討論不確定因素、終止確認、會計單位、報告實體及合併財務報表。

相應修訂已作出，致使有關若干香港財務報告準則中的提述已更新至符合新框架，惟部分香港財務報告準則仍參考該框架的先前版本。該等修訂於二零二零年一月一日或之後開始的年度期間生效，並可提早應用。除仍參考該框架先前版本的特定準則外，本集團將於其生效日期按新框架決定會計政策，尤其是會計準則未有處理的交易、事件或條件。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

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

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

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

4. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載列香港聯合交易所有限公司GEM證券上市規則(「GEM上市規則」)及香港公司條例(「公司條例」)所規定之適用披露。

誠如下文所載會計政策所闡釋，綜合財務報表乃於各報告期末根據歷史成本法編製(惟若干金融工具以公平值計量)。

歷史成本一般以貨物及服務交換所得代價的公平值為基準。

公平值乃市場參與者於有秩序交易中在計量日出售資產所收取或轉讓負債所支付的價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債的公平值時，本集團會考慮該等市場參與者於計量日對資產或負債定價時所考慮的資產或負債的特點。於該等綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬香港財務報告準則第2號以股份為基礎之付款範疇內以股份支付的交易及根據香港財務報告準則第16號(自二零一九年一月一日起)或香港會計準則第17號(於應用香港財務報告準則第16號前)入賬的租賃交易除外，其計量與公平值的計量存在一些相似之處但並非公平值，例如香港會計準則第2號存貨的可變現淨值或香港會計準則第36號資產減值的使用價值。

就於隨後期間按公平值交易及採用以不可觀察輸入數據計量公平值之估值技巧之金融工具而言，估值技巧予以校準以使於初步確認時估值技巧結果與交易價相等。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

4. 主要會計政策(續)

此外，就財務報告而言，公平值計量按公平值計量的輸入數據的可觀察程度及該等輸入數據對公平值計量整體的重要性劃分為第一、二及三級，詳情如下：

- 第一級輸入數據為實體於計量日可獲得的相同資產或負債於活躍市場的報價(未調整)；
- 第二級輸入數據為不包括第一級計量的報價的資產或負債的可直接或間接觀察的輸入數據；及
- 第三級輸入數據為資產或負債的無法觀察輸入數據。

主要會計政策載列如下。

綜合賬目基準

綜合財務報表載列本公司及由本公司控制之實體(包括結構性實體)以及其附屬公司之財務報表。當本公司符合以下各項時，即取得控制權：

- 對投資對象擁有控制權；
- 於來自參與投資對象業務的可變回報上承受風險或擁有權利；及
- 擁有使用其權力影響回報的能力。

本集團重新評估在事實及情況表明上文所列控制權的三個元素中的一個或多個發生變動時是否控制投資對象。

附屬公司於本集團取得該附屬公司的控制權時綜合入賬，並於本集團喪失對該附屬公司的控制權時終止綜合入賬。具體而言，自本集團取得控制權當日起直至本集團不再控制附屬公司當日，於年內收購或出售的附屬公司收支均計入綜合損益及其他全面收益表。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF CONSOLIDATION (Continued)

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. 主要會計政策 (續)

綜合賬目基準 (續)

損益及各個其他全面收益組成項目歸屬至本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬至本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

如有需要，附屬公司之財務報表會作出調整，使其會計政策與本集團所採用之會計政策相符一致。

集團內公司間的資產與負債、股本、收入、開支及與本集團成員公司間交易相關的現金流量已於綜合入賬時全數對銷。

於附屬公司之非控股權益與本集團權益分開呈列，乃指現時所有權權益，令持有人於清盤時有權按比例分佔相關附屬公司之淨資產。

本集團於現有附屬公司權益的變動

當本集團喪失對附屬公司的控制權時，該附屬公司的資產及負債及非控股權益(如有)會取消確認。收益或虧損於損益中確認，並以(i)所收代價公平值及任何保留權益公平值的總和；與(ii)本公司擁有人應佔附屬公司資產(包括商譽)及負債的賬面值之間的差額計算。過往於其他全面收益確認與該附屬公司有關的所有金額，採用猶如本集團已直接出售該附屬公司相關資產或負債的方法入賬，即重新分類至損益或按適用香港財務報告準則所規定／所准許者轉撥至另一類別之股本權益。在喪失控制權之日在前附屬公司保留的任何投資公平值於其後的會計處理中被視為按照香港財務報告準則第9號進行初步確認的公平值，或(如適用)於聯營公司或合營企業的投資初步確認的成本。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

4. 主要會計政策(續)

業務合併

收購業務乃採用收購法入賬。於業務合併轉撥之代價按公平值計量，其乃按本集團轉撥之資產、本集團對被收購方前擁有人產生之負債及本集團於交換被收購方之控制權時所發行之股權於收購日期之公平值總和計算。與收購事項有關之成本一般於產生時在損益中確認。

於收購日期，已收購可識別資產及已承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及有關僱員福利安排之資產或負債分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方以股份為基礎之付款安排有關或與本集團訂立以股份為基礎之付款安排取代被收購方以股份為基礎之付款安排有關的負債或股本權益工具，乃於收購日期按香港財務報告準則第2號*以股份為基礎之付款計量*；及
- 根據香港財務報告準則第5號*持作出售非流動資產及已終止經營業務*分類為持作出售之資產(或出售組別)乃根據該準則計量；及
- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)的現值確認及計量，猶如收購的租賃於收購日為新租賃，惟(a)租約年期限於收購日期12個月內結束；或(b)相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量，並進行調整以反映與市場條件相比租賃的有利或不利條款。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS COMBINATIONS (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

4. 主要會計政策 (續)

業務合併 (續)

商譽乃以已轉讓之代價、於被收購方之任何非控股權益金額及收購方先前持有之被收購方股權之公平值(如有)之總和，超出所收購之可識別資產及所承擔之負債於收購日期之淨額的差額計量。倘經重新評估後，所收購之可識別資產及所承擔負債於收購日期之淨額高於已轉讓之代價、於被收購方之任何非控股權益金額以及收購方先前持有之被收購方股權之公平值(如有)之總和，則差額即時於損益內確認為議價收購收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔相關附屬公司資產淨值之非控股權益，可初步按非控股權益分佔被收購方可識別資產淨值之已確認金額比例或按公平值計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排，或然代價乃按其收購日期之公平值計量並被視為於業務合併中所轉讓代價的一部分。或然代價之公平值變動如符合計量期間調整資格則可追溯調整。計量期間調整為於「計量期間」(不得超過收購日期起計一年)就於收購日期存在之事實及情況獲得額外資料而引致之調整。

不合資格作為計量期間調整的或然代價的其後會計處理取決於或然代價是如何分類。分類為權益的或然代價不會在其後報告日期重新計量，而其後之結算於權益內列賬。分類為資產或負債之或然代價在其後報告日期按公平值重新計量，並在損益中確認相應的收益或虧損。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS IN JOINT VENTURES

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Any retained portion of an investment in a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

4. 主要會計政策(續)

於合營企業的投資

合營企業指一項合營安排，對安排擁有共同控制權之訂約方據此對合營安排之資產淨值擁有權利。共同控制權指按照合約協定對一項安排所共有之控制權，僅在相關活動必須獲得共同享有控制權之各方一致同意方能決定時存在。

合營企業之業績、資產及負債使用權益會計法計入此等綜合財務報表，除非有關投資(或當中部分)分類為持作銷售，於此情況下，則按香港財務報告準則第5號持作銷售之非流動資產及終止經營業務入賬。合營企業並未分類為持作銷售的投資的任何保留部分繼續使用權益法入賬。就權益會計法目的使用之合營企業財務報表乃採用與本集團在類似情況下就相似交易及事件所採用者一致之會計政策編製。根據權益法，於合營企業之投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該合營企業之損益及其他全面收益而作出調整。合營企業之資產淨值變動(損益及其他全面收益除外)不會入賬，除非有關變動導致本集團持有的擁有權權益變動。當本集團分佔合營企業之虧損超出本集團於該合營企業之權益時(包括實質上成為本集團於該合營企業投資淨額一部分之任何長期權益)，本集團終止確認其所佔進一步虧損。僅於本集團已產生法律或推定責任，或已代表該合營企業支付款項之情況下，方會進一步確認虧損。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS IN JOINT VENTURES (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. 主要會計政策 (續)

於合營企業的投資 (續)

於被投資方成為一間合營企業當日，對合營企業之投資採用權益法入賬。於收購一間合營企業之投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平淨值之任何部分乃確認為商譽，並計入投資之賬面值。本集團所佔可識別資產及負債於重新評估後之公平淨值與投資成本之任何差額，會於收購投資期間即時於損益確認。

本集團評估是否有客觀證據顯示於合營企業之權益可能出現減值。當有任何客觀證券存在時，投資之全部賬面值（包括商譽）將會根據香港會計準則第36號作為單一資產進行減值測試，方式為比較其可收回金額（使用價值及公平值減銷售成本之較高者）與其賬面值。已確認的任何減值損失不會分配至任何資產（包括商譽），構成投資賬面值的一部分。該減值虧損之任何撥回根據香港會計準則第36號確認，惟受隨後增加之可收回投資金額規限。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS IN JOINT VENTURES (Continued)

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant joint venture.

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

4. 主要會計政策(續)

於合營企業的投資(續)

倘本集團對合營企業失去共同控制權，其入賬列作出售被投資方的全部權益，所產生的損益於損益確認。倘根據香港財務報告準則第9號之範圍，本集團保留於前合營企業之權益且該保留權益為金融資產，則本集團會於該日按公平值計量保留權益，而該公平值被視為於初步確認時之公平值。於合營企業之賬面值與任何保留權益及出售合營企業之相關權益之所得款項公平值間之差額將計入釐定出售合營企業之收益或虧損中。此外，本集團會將先前在其他全面收益就該合營企業確認之所有金額入賬，基準與該合營企業直接出售相關資產或負債所需基準相同。因此，倘該合營企業先前已於其他全面收益確認之收益或虧損，會於出售相關資產或負債時重新分類至損益，本集團會於出售／部分出售相關合營企業時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

當於合營企業之投資成為於聯營公司之投資時，本集團將繼續使用權益法。於此類所有者權益變動發生時，公平值不會重新計量。

倘本集團削減其於合營企業之所有權權益而本集團繼續採用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收益確認與削減所有權權益有關之收益或虧損部分重新分類至損益。

當集團實體與本集團之合營企業進行交易時，則與合營企業交易所產生損益僅於合營企業之權益與本集團無關時，方於本集團之綜合財務報表確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

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

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

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

4. 主要會計政策 (續)

來自客戶合約的收入

本集團於達成履約責任時確認收入，即當特定履約責任的相關貨品或服務「控制權」轉移給客戶時。

履約責任指一項明確貨品或服務(或一批貨品或服務)或一系列大致相同之明確貨品或服務。

倘符合下列任一標準，則控制權隨時間轉移，而收入經參考完全達成相關履約責任之進度隨時間推移予以確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供之利益；
- 本集團之履約創造或增強客戶於本集團履約時控制的資產；或
- 本集團之履約未創造對本集團具有替代用途之資產，而本集團有強制執行權收取至今已履約部分之款項。

否則，收入乃於客戶獲得明確貨品或服務控制權時予以確認。

合約資產指本集團就換取本集團向客戶轉讓之貨品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號進行減值評估。相反，應收款項指本集團收取代價的無條件權利，即代價僅隨時間推移即成為到期支付。

合約負債指本集團因已自客戶收取代價(或到期的代價金額)，而須向客戶轉讓貨品或服務的責任。

與同一合約相關之合約資產及合約負債按淨額基準入賬及呈列。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in Note 3)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in Note 3)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of cafe that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

4. 主要會計政策(續)

租約

租約的定義(根據附註3的過渡應用香港財務報告準則第16號後)

如果合約賦予在一段時期內控制一項已識別資產的使用的權利以換取對價，則該合約是一項租約或包含一項租約。

對於首次應用日期或之後訂立或修訂或業務合併產生的合約，本集團根據香港財務報告準則第16號項下的定義，於開始日、修訂日或收購日(如適用)評估合約是否是一項租約或包含一項租約。除非合約條款和條件在後續發生變更，否則不會對此類合約進行重新評估。

本集團作為承租人(根據附註3的過渡應用香港財務報告準則第16號後)

將對價分攤至合約的各組成部分

倘合約包含一個租約成分以及一個或多個額外的租約或非租約成分，則本集團應基於租約成分的相關單獨價格及非租約成分的單獨價格總和，將合約中的對價在各租約成分之間進行分攤。

非租約部分因彼等的較單獨價格而有別於租約部分。

作為可行權宜方法，可將具有類似特徵的租約組合，前提是本集團能夠合理預計該組合對綜合財務報表的影響不會顯著不同於該組合中的單項租約。

短期租賃

本集團將短期租賃確認豁免適用於自開始日期起12個月或以下的租賃期且不包含購買選擇權的咖啡室租賃。短期租賃的租賃付款於租賃期內按直線法或其他系統化基準確認為開支。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in Note 3) (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

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.

4. 主要會計政策 (續)

租約 (續)

本集團作為承租人(根據附註3的過渡應用香港財務報告準則第16號後)(續)

使用權資產

使用權資產的成本包括：

- 租賃負債的初始計量金額；
- 在租約年期開始日或之前支付的任何租賃付款額，減去所取得的任何租約獎勵金額；
- 本集團發生的任何初始直接成本；及
- 本集團拆卸及移除相關資產、復原相關資產所在地或將相關資產恢復至租賃條款和條件所規定的狀態所發生的預計成本。

使用權資產按成本減去任何累計折舊和減值損失進行計量，並對租賃負債的任何重新計量作出調整。

對於本集團可合理確定在租約年期結束時取得相關租賃資產所有權的使用權資產，自租約年期開始日至使用壽命結束的期間內計提折舊。否則，使用權資產應按估計使用壽命和租約年期兩者中的較短者以直線法計提折舊。

本集團將使用權資產作為單獨項目於綜合財務狀況表中呈列。

可退回租賃按金

已支付的可退回租賃按金根據香港財務報告準則第9號進行核算，並且按公平值進行初始計量。初始確認時的公平值調整視為額外租賃付款並計入使用權資產的成本。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in Note 3) (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

The Group as a lessee (prior to 1 January 2019)

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

4. 主要會計政策(續)

租約(續)

本集團作為承租人(根據附註3的過渡應用香港財務報告準則第16號後)(續)

租賃負債

在租約年期開始日,本集團應當按該日尚未支付的租賃付款額現值確認及計量租賃負債。在計算租賃付款額的現值時,如果不易於確定租賃的內含利率,本集團則使用租約年期開始日的增量借款利率。

租賃付款額包括:

- 固定付款額(包括實質上的固定付款額),減去應收的租約獎勵措施金額;
- 取決於指數或費率的可變租賃付款額,初步計量時使用開始日期的指數或利率;
- 本集團預期應支付的剩餘價值擔保金額;
- 倘本集團合理確定將行使購買選擇權的行權價;及
- 終止租賃的罰款金額,如果租約年期反映出本集團將行使終止租賃的選擇權。

本集團作為承租人(於二零一九年一月一日前)

當租約之條款將擁有權之絕大部分風險及回報轉讓予承租人時,租約乃分類為融資租賃。所有其他租約均分類為經營租約。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (Continued)

The Group as a lessee (prior to 1 January 2019) (Continued)

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

4. 主要會計政策 (續)

租約 (續)

本集團作為承租人(於二零一九年一月一日前)(續)

以融資租賃持有之資產按租約開始時之公平值或最低租賃付款現值之較低者確認為本集團資產。出租人之相應負債於綜合財務狀況表列作融資租賃承擔。

租賃付款按比例於財務費用及租約承擔減少之間作出分配，從而就計算該等負債應付餘額得出固定息率。財務費用即時於損益確認，除非是直接歸屬於合資格資產，在該情況下其按照本集團的借貸成本一般政策(見下文會計政策)資本化。或然租金於產生期間確認為開支。

經營租約付款按有關租約年期以直線法確認為開支。由經營租約所產生之或然租金於其產生期間確認為開支。

本集團作為出租人

租約的分類及計量

本集團作為出租人的租約分類為融資租賃或經營租賃。當租約的條款實質上將與相關資產所有權相關的所有風險及報酬轉讓給承租人時，該項合約被歸類為融資租賃。所有其他租賃應歸類為經營租賃。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

LEASES (Continued)

The Group as a lessor (Continued)

Classification and measurement of leases (Continued)

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Rental income which are derived from the Group's ordinary course of business is presented as revenue.

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in Note 3)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

4. 主要會計政策(續)

租約(續)

本集團作為出租人(續)

租約的分類及計量(續)

經營租賃的租金收入在相關租約年期內按照直線法確認為損益。磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，有關成本於租約年期內按直線法確認為開支，除非投資物業按公平值模式計量。來自本集團日常業務的租金收入列為收入。

本集團作為出租人(根據附註3的過渡應用香港財務報告準則第16號後)

將對價分攤至合約的各組成部分

倘合約包括租約及非租約組成部分，本集團應用香港財務報告準則第15號，將合約對價分攤至租約及非租約組成部分。非租約組成部分與租約組成部分基於相關的單獨銷售價格進行分拆。

可退還租約保證金

已收到的可退還租約保證金根據香港財務報告準則第9號進行核算，並初始按公平值計量。初始確認時的公平值調整視為承租人的額外租賃付款額。

租約修改

本集團應當自修改生效日起，將經營租賃的修改作為一項新租賃進行會計處理，並將任何與原租賃相關的預付或應計租賃付款額視為新租賃的租賃付款額的一部分。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. 主要會計政策 (續)

外幣

於編製各個別集團實體之財務報表時，以實體之功能貨幣以外之貨幣(外幣)進行之交易按交易日期之適用匯率確認。於報告期間結束時，以外幣計值之貨幣項目均按報告期末之適用匯率重新換算。以外幣計值之按公平值列賬之非貨幣項目按於公平值釐定之日之適用匯率重新換算。以外幣計值根據歷史成本計量之非貨幣項目毋須重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額，於其產生期間在損益內確認。

就呈列綜合財務報表而言，本集團海外業務的資產及負債採用各報告期末適用的匯率換算為本集團的呈列貨幣(即港元)。收支項目按期內平均匯率換算，除非該期間匯率波動劇烈，在此情況下則使用交易日期之匯率。所產生的匯兌差額(如有)於其他全面收益確認，並於權益累計列入匯兌儲備(歸入非控股股東權益(如合適))項下。

於出售海外業務(即出售本集團於海外業務之全部權益或有關失去一間涉及海外業務附屬公司控制權之出售或出售於涉及海外業務之合營安排或聯營公司之部分權益，而其中保留權益成為金融資產)時，與該業務相關並歸屬於本公司擁有人之所有於權益中累計的匯兌差額均重新分類至損益。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCIES (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

BORROWING COSTS

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

EMPLOYEE BENEFITS

Retirement benefit costs and termination benefits

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

A liability for a termination benefit is recognised at the earlier of when the group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

4. 主要會計政策(續)

外幣(續)

收購海外業務時產生之商譽及所收購可識別資產公平值調整被視為該海外業務之資產及負債，並按各報告期末之現行匯率換算。由此產生之匯兌差額於其他全面收益內確認。

借貸成本

所有借貸成本均於產生期內在損益確認。

僱員福利

退休福利成本及終止福利

強制性公積金計劃(「強積金計劃」)之供款於僱員提供服務而令彼等可享有供款時列作開支。

終止福利之負債於本集團實體不能取消提供終止福利時及實體確認任何有關重組成本當日(以較早者為準)確認。

短期及其他長期僱員福利

短期僱員福利乃於僱員提供服務時按預計將支付之福利之未貼現金額確認。所有短期僱員福利均確認為開支，惟另有香港財務報告準則的其他準則規定或允許將有關福利計入資產成本。

僱員累計福利(如工資及薪金、年假及病假)於扣除任何已付金額後確認為負債。

就其他長期僱員福利確認之負債乃按預計本集團將就截至報告日期僱員所提供服務作出之估計未來現金流出之現值計量。服務成本、利息及重新計量引致負債賬面值的任何變動於損益確認，惟另有香港財務報告準則規定或允許計入資產成本則除外。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

TAXATION

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “(loss) profit before tax” because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

4. 主要會計政策 (續)

稅項

所得稅開支指即期應付稅項與遞延稅項之總和。

即期應付稅項乃根據年內之應課稅溢利計算。由於收入或開支於其他年度應課稅或可扣稅而該等項目毋須課稅或可扣稅，故應課稅溢利與「除稅前(虧損)溢利」不同。本集團之即期稅項負債乃按已於報告期間結束時實施或實質上實施之稅率計算。

遞延稅項根據綜合財務報表中資產及負債之賬面值與用作計算應課稅溢利之相應稅基間之暫時差額確認。一般須就所有應課稅暫時差額確認遞延稅項負債。僅在可能有應課稅溢利可供扣稅暫時差額抵銷時，一般方就所有可扣稅暫時差額確認遞延稅項資產。若於一項交易中，因業務合併以外原因初步確認資產及負債而引致之暫時差異既不影響應課稅溢利、亦不影響會計溢利，則不會確認該等遞延稅項資產及負債。此外，因商譽的初始確認產生的暫時差額，亦不會確認遞延稅項負債。

遞延稅項負債乃就與於附屬公司之投資以及於合營企業之權益有關之應課稅暫時差額確認，惟若本集團可控制暫時差額之撥回及暫時差額未必於可見將來撥回之情況除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產，僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

TAXATION (Continued)

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.

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

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

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

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 to the same taxation entity by the same taxation authority.

4. 主要會計政策(續)

稅項(續)

遞延稅項資產之賬面值於各報告期間結束時檢討及於不再可能有足夠之應課稅溢利可供收回全部或部分資產時扣減。

遞延稅項資產及負債乃按預期於清償負債或變現資產期間適用之稅率(按報告期間結束時已生效或實質上已生效之稅率(及稅法))計算。

遞延稅項負債及資產計量反映本集團於報告期間結束時所預期對收回或清償其資產及負債之賬面值方式所產生之稅務結果。

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遞延稅項而言，本集團首先釐定稅項減免是否歸屬於使用權資產或租賃負債。

就租賃交易(其減稅歸屬於租賃負債)而言，本集團對租賃交易整體應用香港會計準則第12號*所得稅*之規定。使用權資產與租賃負債之臨時差額以淨額估算。由於使用權資產折舊超過租賃負債主要部分之租金，而導致可扣除臨時淨差額。

倘存在合法可強制執行權利將即期稅項資產與即期稅項負債抵銷，且該等遞延稅項資產及負債乃與同一稅務機關向同一稅務實體徵收之所得稅相關，則遞延稅項資產與負債可相互抵銷。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

TAXATION (Continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

PLANT AND EQUIPMENT

Plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes.

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

Depreciation is recognised so as to write-off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

IMPAIRMENT ON PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

4. 主要會計政策 (續)

稅項 (續)

即期及遞延稅項於損益確認，惟當其與其他全面收益確認或直接於權益確認之項目相關(於該情況下，即期及遞延稅項亦分別於其他全面收益確認或直接於權益確認)時除外。倘因業務合併之初步會計方法而產生即期或遞延稅項，有關稅務影響會計入業務合併之會計方法內。

廠房及設備

廠房及設備乃持有用於生產或提供商品或服務，或用作行政用途的有形資產。

廠房及設備按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

資產乃減其剩餘價值按其估計可使用年期以直線法撇銷其成本而計提折舊。估計可使用年期、剩餘價值及折舊方法於各報告期間結束時檢討，並對估計之任何變動之影響按預期基準入賬處理。

廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。出售或停用廠房及設備項目產生之任何收益或虧損，按該資產之銷售所得款項與其賬面值間之差額釐定，並於損益中確認。

廠房及設備及使用權資產減值

於報告期間結束時，本集團審閱其廠房及設備及使用權資產之賬面值，以釐定是否有跡象顯示有關資產已蒙受減值虧損。如果存在任何該等跡象，則估計相關資產之可收回金額以釐定減值虧損程度(如有)。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMPAIRMENT ON PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

The recoverable amount of plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

4. 主要會計政策(續)

廠房及設備及使用權資產減值(續)

廠房及設備及使用權資產的可收回金額乃個別進行估計。倘若不大可能估計可收回金額，則本集團估計資產屬於的現金產生單位的可收回金額。

此外，本集團評估是否有跡象表明公司資產可能減值。若有此跡象，如可識別到合理及一致的分配基準，則公司資產亦被分配至個別現金產生單位，或於其他情況彼等被分配至現金產生單位的最小組合，而該現金產生單位的合理及一致分配基準可識別。

可收回金額為公平值減去銷售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至其現值，該貼現率能反映當前市場所評估之貨幣時間值及資產(或現金產生單位)特定風險(就此而言，未來現金流量估計尚未作出調整)。

倘資產或現金產生單位之可收回金額估計低於其賬面值，則資產或現金產生單位之賬面值將調低至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或一部分企業資產而言，本集團會將一組現金產生單位的賬面值(包括分配至該現金產生單位組別的企業資產或一部分企業資產的賬面值)與該組現金產生單位的可收回款項作比較。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位或該現金產生單位組別各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位或該現金產生單位組別其他資產。減值虧損會即時於損益確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMPAIRMENT ON PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

INVENTORIES

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

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the Directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

4. 主要會計政策 (續)

廠房及設備及使用權資產減值 (續)

倘減值虧損於其後撥回，資產或現金產生單位或現金產生單位組別之賬面值將增加至可收回金額的經修訂估值，惟經增加賬面值不得高於假設該資產（或現金產生單位或現金產生單位組別）於過往年度並無確認減值虧損所釐定之賬面值。減值虧損撥回即時於損益確認。

存貨

存貨按成本及可變現淨值之較低者入賬。存貨成本按先入先出法釐定。可變現淨值乃按存貨之估計售價扣除所有直至完成產生之估計成本及出售所需成本計算。

撥備

倘本集團因過往事件而承擔現有責任（法定或推定），且本集團有可能須解決該責任及能就責任金額作出可靠估計時，則確認撥備。

確認為撥備之款額乃按於報告期間結束時對解決當前責任所需代價的最佳估計，並計及有關責任所涉及的風險及不確定因素。倘撥備使用估計用於解決當前責任的現金流量計算，則其賬面值為該等現金流量的現值（倘資金時間值影響屬重大）。

受租約條款及條件的要求，將租賃資產恢復至原始狀態的成本的撥備於租約開始之日以董事對恢復資產所需支出最佳估計進行確認。我們會定期檢討估算並根據新情況進行適當調整。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest/dividend income which are derived from the Group’s ordinary course of business are presented as revenue.

4. 主要會計政策(續)

金融工具

金融資產及金融負債於集團實體為工具合約條文訂約方時確認。金融資產之所有定期買賣於交易日期確認及終止確認。定期購入或出售指按市場規定或慣例所定時限內進行資產交付之金融資產買賣。

金融資產及金融負債初步按公平值計量，惟客戶合約所產生之貿易應收款項根據香港財務報告準則第15號初步計量。收購或發行金融資產及金融負債(按公平值於損益列賬(「按公平值於損益列賬」)之金融資產或金融負債除外)直接應佔之交易成本乃於初步確認時加入於或扣除自金融資產或金融負債(如適用)之公平值。收購按公平值於損益列賬之金融資產或金融負債直接應佔之交易成本即時於損益確認。

實際利率法乃計算金融資產或金融負債之攤銷成本及按有關期間攤分利息收入及利息開支之方法。實際利率乃按金融資產或金融負債的預計使用年期或(倘適用)較短期間將估計日後現金收入及付款(包括所有構成實際利率不可分割部分之已付或已收費用、交易成本及其他溢價或貼現)精確貼現至初次確認時的賬面淨值的利率。

源自本集團日常業務過程之利息／股息收入呈列為收益。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income (“OCI”) if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

4. 主要會計政策 (續)

金融工具 (續)

金融資產

金融資產之分類及其後計量

符合下列條件的金融資產其後按攤銷成本計量：

- 以旨在收取合約現金流量的業務模式持有的金融資產；及
- 合約條款使於特定日期產生的現金流量僅為支付本金及尚未償還本金利息。

符合以下條件之金融資產其後按公平值於其他全面收益列賬(「按公平值於其他全面收益列賬」)計量：

- 金融資產按目的為出售及收取合約現金流量之業務模式持有；及
- 合約條款使於特定日期產生之現金流量僅為支付本金及未償還本金利息。

所有其他金融資產其後以按公平值於損益列賬之方式計量，惟於首次應用香港財務報告準則第9號／初步確認金融資產時，倘股本權益投資並非持作買賣亦非收購方於香港財務報告準則第3號業務合併適用之業務合併所確認之或然代價，則本集團可不可撤回地選擇將股本權益投資公平值之其後變動於其他全面收益(「其他全面收益」)呈報。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) *Amortised cost and interest income*

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

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

倘屬下列情況，金融資產為持作買賣：

- 其收購乃主要為於短期內出售；或
- 於初步確認時其屬已識別金融工具組合的一部分，而本集團整體管理該組合，且近期具有實際短期套利之模式；或
- 其並非指定為對沖工具、實際上亦非對沖工具之衍生工具。

此外，本集團可不可撤回地將須按攤銷成本或按公平值於其他全面收益列賬之金融資產指定為以按公平值於損益列賬之方式計量，前提是有關指定可消除或極大減少會計錯配。

(i) *攤銷成本及利息收入*

其後按攤銷成本計量之金融資產採用實際利率法確認利息收入。利息收入透過將實際利率應用於金融資產之賬面總值而計算，惟其後出現信貸減值之金融資產除外(見下文)。就其後出現信貸減值之金融資產而言，利息收入透過對下一個報告期間金融資產攤銷成本應用實際利率予以確認。倘出現信貸減值之金融工具之信貸風險有所改善以致金融資產不再出現信貸減值，利息收入透過於釐定資產不再出現信貸減值後對報告期初金融資產之賬面總值應用實際利率予以確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Equity instrument designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

(ii) 指定為按公平值於其他全面收益列賬之股本權益工具

按公平值於其他全面收益列賬之股本權益工具投資其後按公平值計量，而公平值變動產生之收益及虧損於其他全面收益確認及於按公平值於其他全面收益列賬儲備累計，且無需作出減值評估。於出售股本權益投資時，累計收益及虧損將不會重新分類至損益，而將會轉撥至累計虧損。

該等股本權益工具投資之股息乃於本集團收取股息之權利確立時於損益內確認，除非能清晰顯示股息是用作填補一部分投資成本則作別論。股息計入損益中的「其他收入」一項。

(iii) 按公平值於損益列賬之金融資產

不符合按攤銷成本或按公平值於其他全面收益列賬或指定為以按公平值於其他全面收益列賬之方式計量標準之金融資產，乃以按公平值於損益列賬之方式計量。

按公平值於損益列賬之金融資產於各報告期末按公平值計量，而任何公平值變動收益或虧損於損益內確認。於損益確認之收益或虧損淨額並無包括就金融資產賺取之任何股息或利息，並計入「其他收益及虧損」一項。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, deposit and other receivables and bank balances and cash) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

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

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

本集團根據預期信貸虧損(「預期信貸虧損」)模式對根據香港財務報告準則第9號須減值的金融資產(包括貿易應收款項、按金及其他應收款項以及銀行結餘及現金)進行減值評估。預期信貸虧損金額於各報告日期予以更新，以反映信貸風險自初步確認以來之變動。

全期預期信貸虧損指有關工具之預計年期內所有可能違約事件將產生之預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指報告日期後12個月內可能發生違約事件預期將產生之全期預期信貸虧損之部分。本集團已根據其過往信貸虧損經驗作出評估，並就債務人特定因素、整體經濟狀況以及對報告日期現況之評估及未來情況預測作出調整。

本集團一直就並無重大融資成分的貿易應收款項確認全期預期信貸虧損。該等資產之預期信貸虧損使用具有適當分組之撥備矩陣進行集體評估。

就所有其他工具而言，本集團按12個月預期信貸虧損計量虧損撥備，除非當信貸風險自初步確認以來顯著上升，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃根據自初步確認以來發生違約之可能性或風險是否顯著上升。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險顯著增加

於評估自初步確認後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步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有依據之定量及定性資料，包括毋須高昂成本或大量工作即可取得之歷史經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具之外部(倘可取得)或內部信貸評級之實際或預期顯著惡化；
- 外部市場信貸風險指標之顯著惡化，如信貸利差大幅增加，債務人之信貸違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降之業務、財務或經濟狀況之現有或預測之不利變化；
- 債務人經營業績之實際或預期顯著惡化；
- 導致債務人償還債務能力大幅下降之債務人監管、經濟或技術環境之實際或預期之重大不利變化。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

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

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

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著增加(續)

不論上述評估之結果如何，當合約付款逾期超過30天，本集團認定自初步確認以來信貸風險已顯著增加，除非本集團有合理且有依據之資料證明情況並非如此。

儘管存在上述情況，倘債務工具於報告日期被釐定為具有低信貸風險，本集團假設債務工具之信貸風險自初步確認以來並無大幅增加。倘i) 債務工具違約風險偏低，ii) 借款人有強大能力於短期履行其合約現金流量責任及iii) 較長期之經濟及業務狀況存在不利變動，可能但未必會削弱借款人達成其合約現金流量責任之能力，則債務工具之信貸風險被釐定為偏低。當債務工具具有內部或外部「投資級別」之信貸評級(按照全球理解之定義)，則本集團視該債務工具之信貸風險偏低。

就財務擔保合約而言，本集團成為不可撤回承諾一方之日，就金融工具減值評估而言被視為初步確認日期。在評估自財務擔保合約初步確認以來信用風險是否顯著增加時，本集團考慮特定債務人違約風險之變動。

本集團定期監控識別信貸風險有否顯著增加所用標準之有效性，並酌情修訂以確保有關標準能夠於款項成為逾期前識別出信貸風險之顯著增加。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when 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, 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.

(iii) Credit-impaired financial assets

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

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

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(ii) 違約定義

就內部信貸風險管理而言，當內部編製之資料或從外部來源獲得之資料表明債務人不可能向其債權人（包括本集團）悉數還款（並無計及本集團持有之任何抵押品）時，本集團將認為出現違約事件。

不論上述情況，當金融資產逾期超過90天時，本集團認為出現違約，除非本集團擁有合理且有依據之資料表明滯後違約標準更為適用則除外。

(iii) 信貸減值金融資產

當發生對金融資產估計未來現金流量有不利影響之一項或多項事件時，金融資產發生信貸減值。金融資產出現信貸減值之證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人出現嚴重財政困難；
- (b) 違反合約，如拖欠或逾期事件；
- (c) 貸款人因借款人出現財務困難之經濟及合約原因，已向借款人授出在其他情形下不會考慮之特許權；
- (d) 借款人有可能破產或進行其他財務重組；或
- (e) 財務困難導致金融資產失去交易活躍之市場。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(iv) 撇銷政策

當有資料顯示交易對手有嚴重財務困難及實際上不可收回金融資產時，本集團會撇銷該金融資產，例如當交易對手進行清算或已進行破產程序時，或倘涉及貿易應收款項，則當款項逾期兩年以上(以較早者為準)。根據本集團之收回程序並考慮法律建議(如適用)，撇銷之金融資產仍可予強制執行。撇銷構成一項終止確認事件。任何其後收回均於損益中確認。

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量隨違約概率、違約損失率(即存在違約時之違約損失程度)及違約風險而變動。違約概率及違約損失率乃基於歷史數據評估，並就前瞻性資料作出調整。預期信貸虧損之估計反映以發生相關違約風險之金額作為加權數值而釐定之無偏概率加權金額。

一般而言，預期信貸虧損為本集團根據合約應收之所有合約現金流量與本集團預計收取之現金流量之間之差額，並按初步確認時釐定之實際利率貼現。

就財務擔保合約而言，本集團僅須在債務人違約之情況下，根據所擔保工具之條款作出付款。因此，預期虧損為預期就所產生信貸虧損償還持有人之款項減去本集團預期從持有人、債務人或任何其他人士收取之任何金額之現值。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables are assessed as a group);
- Past-due status;
- Nature, size and industry of debtors; or
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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

4. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 預期信貸虧損之計量及確認 (續)

就無法釐定實際利率之財務擔保合約之預期信貸虧損而言，本集團將應用反映當前市場對貨幣時間價值及該現金流量特定風險（惟僅限於透過調整貼現率而非調整所貼現現金差額已計及有關風險之情況）評估之貼現率。

倘預期信貸虧損按集體基準計量或為應對在個別工具層面證據未必存在之情況，金融工具按以下基準歸類：

- 金融工具（即本集團之貿易應收款項被視作整體）之性質；
- 逾期狀況；
- 債務人之性質、規模及行業；或
- 外部信貸評級（倘有）。

管理層定期檢討有關分組，以確保各個小組之組成部分繼續擁有類似信貸風險特徵。

利息收入乃根據金融資產之賬面總額計算，除非金融資產出現信貸減值，在此情況下利息收入根據金融資產之攤銷成本計算。

就財務擔保合約而言，虧損撥備乃按根據香港財務報告準則第9號釐定之虧損撥備金額與初步確認金額減（如適合）於擔保期間確認之累計收入金額兩者間之較高者確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損之計量及確認(續)

除財務擔保合約外，本集團透過調整所有金融工具之賬面值就所有金融工具於損益內確認減值收益或虧損，惟貿易應收款項及其他應收款項乃透過虧損撥備賬確認相應調整。

終止確認金融資產

僅於從資產收取現金流量之合約權利已屆滿，或金融資產已轉讓及已轉讓其金融資產擁有權之絕大部分風險及回報予其他實體時，本集團將終止確認金融資產。倘本集團既未轉讓又未保留擁有權之絕大部分風險及回報及繼續控制已轉讓之資產，則本集團確認資產之保留權益及可能應付之相關負債款項。倘本集團保留已轉讓金融資產之擁有權之絕大部分風險及回報，本集團繼續確認金融資產且為已收所得款項確認有抵押借貸。

於終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價總和之差額於損益中確認。

於終止確認本集團在初步確認時選擇以按公平值於其他全面收益列賬之方式計量之權益工具投資時，先前於按公平值於其他全面收益列賬儲備累計之累計盈虧不會重新分類至損益，但會轉撥至累計虧損。

金融負債及股本權益工具

分類為債項或股本權益

債項及股本權益工具乃根據所訂立合約安排之內容及金融負債及股本權益工具之定義而分類為金融負債或股本權益。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

4. 主要會計政策 (續)

金融工具 (續)

金融負債及股本權益工具 (續)

股本權益工具

股本權益工具為經扣除實體所有負債後實體資產之餘額權益之憑證的任何合約。本公司所發行之股本權益工具按已收取之所得款項(扣除直接發行成本)入賬。

本公司自身股本權益工具之回購直接於權益確認及扣減。並無就購買、出售、發行或註銷本公司自身之股本權益工具於損益確認任何收益或虧損。

金融負債

所有金融負債其後採用實際利率法按攤銷成本或以按公平值於損益列賬之方式計量。

按公平值於損益列賬的金融負債

被分類為按公平值於損益列賬的金融負債包含以下三種情況：(i) 香港財務報告準則第3號所適用的企業合併中收購方的或有代價；(ii) 為交易而持有；或(iii) 該金融負債指定為按公平值於損益列賬。

除為交易而持有或企業合併中收購方的或有對價以外的金融負債，在初始確認時可以指定為按公平值於損益列賬：

- 這種指定消除或顯著減少了可能出現的確認或計量的不一致情況；或
- 該金融負債屬於一組金融資產或金融負債(或兩者兼具)的一部分，且本集團按照書面風險管理及投資策略以公平值為基礎對此等組合進行管理和業績評價，並在本集團內部以此為基礎予以報告；或



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL (Continued)

- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

Upon application of HKFRS 9, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible bonds, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, other borrowings and obligations under finance leases are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

Convertible bonds contain debt and derivative components

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

4. 主要會計政策(續)

金融工具(續)

金融負債及股本權益工具(續)

按公平值於損益列賬的金融負債(續)

- 屬於包含一個或多個嵌入式衍生工具的合同的一部分，香港財務報告準則第9號允許整個混合合同被指定為按公平值於損益列賬的金融負債。

於應用香港財務報告準則第9號後，對於指定為按公平值於損益列賬的金融負債，該負債的信用風險變動導致的金融負債的公平值變動金額計入其他全面收益，除非確認在其他全面收益中，負債信用風險變動的影響會產生或擴大損益中的會計錯配。對於包含嵌入式衍生工具(例如可換股債券)的金融負債，確定其他全面收益中呈列的金額不包括嵌入式衍生工具的公平值變動。其他全面收益確認的金融負債信用風險導致的公平值變動其後不會重新分類至損益；相反，終止確認金融負債時轉至累計虧損。

按攤銷成本計量之金融負債

金融負債(包括貿易及其他應付款項、其他借貸及融資租賃承擔)其後以實際利息法按攤銷成本計量。

可換股債券

可換股債券包含債務及衍生工具部分

以定額現金或另一金融資產交換本集團本身定額數目之股本權益工具以外之方式結算之轉換權為一種轉換權衍生工具。

於發行日期，債務及衍生工具部分乃按公平值確認。於往後期間，可換股債券之債務部分乃採用實際利息法以攤銷成本確認。衍生工具部分按公平值於損益列賬，而公平值之變動於損益中確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity (Continued)

Convertible bonds (Continued)

Convertible bonds contain debt and derivative components (Continued)

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bonds using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder in accordance with the terms and conditions. Financial guarantee contracts liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

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

4. 主要會計政策 (續)

金融工具 (續)

金融負債及股本權益工具 (續)

可換股債券 (續)

可換股債券包含債務及衍生工具部分 (續)

有關發行可換股債券之交易成本乃按其相對公平值之比例分配予債務部分及衍生工具部分。至於有關衍生工具部分之交易成本乃即時在損益中扣除。有關債務部分之交易成本則計入債務部分之賬面值，並採用實際利息法按可換股債券之年期攤銷。

衍生金融工具

衍生工具初步按訂立衍生工具合約當日的公平值確認，其後於報告期間結束時按公平值重新計量。所得收益或虧損即時於損益表確認，除非有關衍生工具是指定為且有效的對沖工具，其時則視乎對沖關係性質來決定於損益確認之時間。

財務擔保合約

財務擔保合約乃規定發行人根據條款及條件向持有人作出具體償付支付之合約。財務擔保合約負債初步按其公平值計量，其後以下列各項之較高者計量：

- 根據香港財務報告準則第9號釐定之虧損撥備金額；及
- 初次確認之金額減去於擔保期確認之累計攤銷(如適用)的金額。

終止確認金融負債

倘於本集團之責任獲解除、取消或屆滿時，本集團將終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之差額乃於損益中確認。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern and liquidity

As explained in Note 2 to the consolidated financial statements, the financial position of the Group indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The assessment of the going concern assumptions involves making judgement by the management, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The management considers that the Group has ability to continue as a going concern and the major conditions that may cast significant doubt on the going concern assumptions are set out in Note 2 to the consolidated financial statements.

5. 主要會計判斷及估計不明朗因素之重要來源

於應用本集團之會計政策時(誠如附註4所述),董事須對未能透過其他來源確定之資產及負債之賬面值作出判斷、估計及假設。所作出之估計及相關假設乃以過往經驗及其他被視為相關之因素為基準。實際結果可能與該等估計有異。

估計及相關假設乃以持續基準審閱。倘對會計估計之修訂僅影響進行修訂之期間,則於該期間確認,或倘修訂會影響目前及未來期間,則會於目前及未來期間確認。

應用會計政策之重大判斷

除涉及估計之判斷以外(見下文),以下為董事於應用本集團之會計政策時已作出且對綜合財務報表中確認之金額產生最重大影響之重大判斷。

持續經營及流動資金

誠如綜合財務報表附註2所闡釋,本集團之財務狀況表明,重大不確定因素的存在或會對本集團繼續持續經營之能力產生重大疑慮。對持續經營假設之評估,涉及管理層於特定時間就本質上不確定之事件或狀況之未來結果作出判斷。管理層認為本集團有能力持續經營,而可能導致持續經營假設存在重大疑問之重大狀況載於綜合財務報表附註2。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (Continued)

Classification of Professional Guide Enterprise Limited (the “Professional Guide”) and its subsidiaries (collectively known as the “Professional Guide Group”) as joint ventures

As explained in Note 23 to the consolidated financial statements, according to the Shareholders’ Agreement (as defined in Note 23 to the consolidated financial statements), the Directors considered that the control of relevant activities of Professional Guide Group was jointly held by the board of Professional Guide and the management committee of Professional Guide (the “Management Committee”). Although the Company is entitled to appoint three out of five directors for the board of Professional Guide, the Company is not entitled to nominate any members in the Management Committee. Hence, given that the shareholding of Professional Guide held by the Group is 50% and according to the relevant facts and contractual terms of the Shareholders’ Agreement and HKFRS 11 *Joint Arrangements*, the Directors are of the opinion that Professional Guide Group is a joint venture of the Group.

Classification of Leading Win Development Limited (“Leading Win”) and Great Way Investing Company Limited (“Great Way”) as joint ventures

The Group has 50% equity interests in both Leading Win and Great Way since their establishment during the year ended 31 December 2014. Leading Win and Great Way are limited liability companies whose legal form confers separation between the parties to the joint arrangements and the companies themselves. Furthermore, there are no contractual arrangements or any other facts and circumstances that specify the parties to the joint arrangements have rights to the assets and obligations for the liabilities of the joint arrangements. Accordingly, Leading Win and Great Way are classified as joint ventures of the Group. Details of the interests in Leading Win and Great Way has been stated in Note 23 to the consolidated financial statements.

5. 主要會計判斷及估計不明朗因素之重要來源(續)

應用會計政策之重大判斷(續)

將Professional Guide Enterprise Limited (「Professional Guide」)及其附屬公司(統稱「Professional Guide集團」)分類為合營企業

誠如綜合財務報表附註23所闡釋，根據股東協議(定義見綜合財務報表附註23)，董事認為Professional Guide董事會及Professional Guide管理委員會(「管理委員會」)共同控制Professional Guide集團相關活動。雖然本公司有權委任Professional Guide董事會五名董事其中三名，惟本公司並無權利提名管理委員會任何成員。因此，鑒於本集團持有之Professional Guide股權為50%，及根據相關事項及股東協議之合約條款以及香港財務報告準則第11號合資安排，董事認為Professional Guide集團屬本集團之合營企業。

將Leading Win Development Limited (「Leading Win」)及Great Way Investing Company Limited (「Great Way」)分類為合營企業

自Leading Win及Great Way成立以來，本集團於二零一四年十二月三十一日止年度擁有其50%股本權益。Leading Win及Great Way為有限公司，其法定形式賦予合資安排之訂約方與公司本身獨立行事。此外，概無任何合約安排或任何指定合資安排之訂約方有權享有合資安排負債下之資產及責任之其他事實及狀況。因此，Leading Win及Great Way獲分類為本集團之合營企業。有關於Leading Win及Great Way之權益之詳情已載於綜合財務報表附註23。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Fair value measurement of financial instrument

As at 31 December 2019, the Group's unquoted equity instrument amounting to approximately HK\$25,562,000 (2018: HK\$39,801,000) are measured at fair values with fair values being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair values of the instrument. Further details of which are set out in Notes 7(c) and 22 to the consolidated financial statements.

Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 7(b) and 26 to the consolidated financial statements.

5. 主要會計判斷及估計不明朗因素之重要來源 (續)

估算不明朗因素之重要來源

下文載列有關未來之主要假設及於報告期間末估計不明朗因素之其他主要來源，而該等假設及不明朗因素存在導致下一個財政年度之資產及負債賬面值須作出重大調整之重大風險。

金融工具之公平值計量

於二零一九年十二月三十一日，本集團無報價股權投資為約25,562,000港元(二零一八年：39,801,000港元)，乃按公平值計量，而相關公平值乃基於使用估值技術得出的不可觀察輸入數據釐定。在確定相關估值技術及其相關輸入數據時須作出判斷及估計。與該等因素相關的假設變動會導致重大調整該工具之呈報公平值。有關詳情請見綜合財務報表附註7(c)及22。

貿易及其他應收款項之預期信貸虧損撥備

存在重大餘額及信貸減值之貿易應收款項單獨評估預期信貸虧損。此外，本集團使用撥備矩陣計算貿易應收款項之預期信貸虧損。撥備率根據對擁有類似虧損模式各債務人組別之內部信貸評級釐定。撥備矩陣根據本集團之過往違約率並參考毋須花費過多成本及精力能夠取得的合理且有依據的前瞻性資料而釐定。於各報告日期，本集團會重新評估過往觀察所得違約率，並考慮前瞻性資料之變動。

預期信貸虧損撥備易受估計變動影響。有關預期信貸虧損及本集團貿易應收款項之資料於綜合財務報表附註7(b)及26披露。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Estimated impairment of plant and equipment and right-of-use assets

Plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 31 December 2019, in view of impairment indicators, the Group performed impairment assessment on plant and equipment of approximately HK\$3,825,000 (2018: approximately HK\$4,751,000) and right-of-use assets of approximately HK\$5,024,000. No impairment loss has recognised in respect of plant and equipment and right-of-use assets.

5. 主要會計判斷及估計不明朗因素之重要來源(續)

估算不明朗因素之重要來源(續)

廠房及設備及使用權資產的估計減值

廠房及設備及使用權資產乃按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團必須進行判斷及估計，尤其評估：(1)是否有事件已發生或有任何指標可能影響資產淨值；(2)資產賬面值是否能夠以可收回金額支持，如為使用價值，即按照持續使用資產估計的未來現金流量的淨現值；及(3)將應用於估計可收回金額的適當關鍵假設(包括現金流量預測及適當的貼現率)。當無法估計個別資產(包括使用權資產)的可收回金額時，本集團估計資產所屬現金產生單位的可收回金額。更改假設及估計，包括於現金流量預測內的貼現率或增長率，可顯著影響減值測試所採用淨現值。

於二零一九年十二月三十一日，就減值指標而言，本集團對廠房及設備約3,825,000港元(二零一八年：約4,751,000港元)及使用權資產約5,024,000港元進行減值評估。並無就廠房及設備及使用權資產確認減值虧損。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The Group also monitors the current and expected liquidity requirements regularly to ensure that sufficient working capital and adequate committed lines of funding are maintained to meet its liquidity requirements. Upon the discovery of any default, the Group would negotiate immediately with the relevant lenders for proper arrangement in order to maintain sufficient working capital. Upon the expectation of any cash insufficiency, the Company would seek new source of funding so as to maintain sufficient working capital.

The capital structure of the Group consists of net debts (which include amount due to a director/joint ventures/a non-controlling shareholder, other borrowings, lease liabilities and obligations under finance leases), net of bank balances and cash and (deficit) equity attributable to owners of the Company, comprising issued share capital and reserves. Details of which are disclosed in respective notes.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues as well as issue of new debt or redemption of the existing debts.

6. 資本風險管理

本集團管理其資本，以確保本集團之實體將可以持續基準經營，並透過優化債務及權益間之平衡，為股東帶來最大回報。本集團之整體策略較上個年度並無變動。

本集團亦定期監察即期及預期流動資金需要，確保維持充足營運資金及足夠已承諾資金額度應付其流動資金需要。發現任何違約後，本集團將即時與有關貸款人磋商作出適當安排以維持充足營運資金。預期有任何現金不足情況時，本公司會尋求新集資來源，以維持充足營運資金。

本集團之資本結構由債務淨額（包括應付董事／合營企業／非控股股東款項、其他借貸、租賃負債極融資租賃承擔，扣除銀行結餘及現金）以及本公司擁有人應佔（虧絀）權益（其包括已發行股本及儲備）而組成。詳情於相關附註披露。

董事定期檢討資本結構。作為此檢討之一部分，董事考慮資本成本及與各類資本相關的風險。根據董事之建議，本集團將透過發行新股份以及新增債務或贖回現有債務而平衡其整體資本結構。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS

(a) CATEGORIES OF FINANCIAL INSTRUMENTS

7. 金融工具

(a) 金融工具類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Mandatorily measured at FVTPL	強制按公平值於損益列賬		
— Contingent consideration receivable	— 應收或然代價	7,639	6,228
Equity instrument at FVTOCI	按公平值於其他全面收益列賬之股本權益工具	25,562	39,801
Financial assets at amortised cost	按攤銷成本列賬之金融資產		
— Trade receivables	— 貿易應收款項	116	1,403
— Deposits and other receivables	— 按金及其他應收款項	1,516	3,099
— Bank balances and cash	— 銀行結餘及現金	1,966	1,294
		36,799	51,825
Financial liabilities	金融負債		
At amortised cost:	按攤銷成本：		
— Trade payables	— 貿易應付款項	5,705	4,512
— Other payables and accruals	— 其他應付款項及應計費用	17,025	23,478
— Amount due to a director	— 應付一名董事款項	608	608
— Amounts due to joint ventures	— 應付合營企業款項	7,353	7,353
— Amount due to non-controlling shareholder	— 應付非控股股東款項	2,998	—
— Other borrowings	— 其他借貸	14,505	2,095
— Lease liabilities/Obligations under finance leases	— 租賃負債／融資租賃承擔	—	285
		48,194	38,331

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include contingent consideration receivable, equity investment at FVTOCI, trade and other receivables, bank balances and cash, trade and other payables, amount due to a director, amounts due to joint ventures, amount due to non-controlling shareholder, other borrowings, lease liabilities and obligations under finances leases. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets at the reporting date, that are denominated in currencies other than the functional currency of the relevant group entities were mainly denominated in United States dollars ("USD").

		Assets 資產		Liabilities 負債	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
USD	美元	1	4	-	-

Other than the above, the Group did not have significant exposure to risk resulting from changes in foreign currency exchange rates. The Group currently does not have any policy to hedge its exposure to currency risk.

No sensitivity analysis was prepared for USD because HK\$ is pegged to USD. The fluctuation and impact is considered immaterial.

7. 金融工具(續)

(b) 財務風險管理目標及政策

本集團之主要金融工具包括應收或然代價、按公平值於損益列賬之股本投資、貿易及其他應收款項、銀行結餘及現金、貿易及其他應付款項、應付一名董事款項、應付合營企業款項、應付非控股股東款項、其他借貸、租賃負債及融資租賃承擔。金融工具之詳情於各自之附註中披露。有關該等金融工具之風險包括市場風險(外幣風險及利率風險)、信貸風險及流動資金風險。減低該等風險之政策載於下文。管理層管理及監察該等風險，以確保在適當時間有效地實行合適措施。

市場風險

(i) 外幣風險

本集團於報告日期的外幣賬面值以貨幣資產計值，即以相關集團實體功能貨幣以外的貨幣計值，彼等主要以美元(「美元」)計值。

除以上所述外，本集團並無因外幣匯率的變動而須承受重大風險。本集團目前並無任何政策對沖外幣風險。

本集團並無編製美元的敏感度分析，因為港元與美元掛鈎。波動及影響料屬不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate other borrowings and obligations under finance lease (see Notes 29 and 31 to the consolidated financial statements for details).

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed rates and ensure they are within reasonable range.

Interest expense on financial liabilities not measured at FVTPL:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial liabilities at amortised cost 按攤銷成本列賬之金融負債	1,642	12,964

No interest rate sensitivity analysis is disclosed, as in the opinion of the Directors, the interest rate sensitivity does not give additional value in view of insignificant exposure of interest bearing bank balances (2018: bank balances) as at the end of the reporting period.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險

本集團承受與定息其他借貸及融資租賃承擔有關的公平值利率風險(詳情請見綜合財務報表附註29及31)。

本集團的現金流量利率風險主要集中於銀行結餘的利率波動。本集團根據利率水平及前景評估任何利率變動所產生的潛在影響，從而管理其利率風險。管理層將審閱定息借貸的比例，並確保其處於合理區間。

並非按公平值於損益列賬之金融負債的利息開支：

並無披露利率敏感性分析，因為董事認為，鑑於於報告期末計息銀行存款(二零一八年：銀行存款)的風險敞口很小，利率敏感性並無額外價值。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment

At 31 December 2019, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's credit risk is primarily attributable to trade and other receivables and bank balances. The carrying amounts of financial assets at amortised cost stated in Note 7(a) represented the Group's maximum exposure to credit risk in relation to financial assets which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties. The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's concentration of credit risk by geographical location is in Hong Kong as all trade receivables from catering business are arisen in Hong Kong for both years.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估

於二零一九年十二月三十一日，除賬面值最能代表最高信貸風險的金融資產外，本集團的信貸風險主要歸因於貿易及其他應收款項及銀行結餘。附註7(a)所列按攤銷成本列賬之金融資產賬面值指本集團就金融資產所面臨的最高信貸風險，倘交易對手未能履行責任，該等資產將對本集團造成金融虧損。本集團並無持有任何抵押品或其他信貸增強措施以保障其有關金融資產的信貸風險。

銀行結餘的信貸風險有限，乃因交易對手為獲國際信貸評級機構授予高信貸評級的銀行。

本集團按地理位置劃分的信貸風險集中於香港，蓋因兩年內所有來自餐飲業務的貿易應收款項均於香港產生。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Company based on the respective financial background to assess the potential customer's credit quality and defines credit limits by customer. Credit limits granted to customers are reviewed periodically. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances individually or based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group reassesses lifetime ECL for trade receivables to ensure that adequate impairment loss are made for significant increase in the likelihood or risk of a default occurring. The ECL on trade receivables are assessed individually for debtors with known difficulties or significant doubt on collection of trade receivables and/or collectively on the remaining trade receivables using a provision matrix appropriate groupings. As part of the Group's credit risk management, the Group use debtors' aging to assess with the impairment for its customers because these customers consists of a large number of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The loss rates are estimated on historical observed default rates over the expected life of the debtors and are adjusted forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

為盡量降低信貸風險，本集團管理層已指派專門團隊，專責釐定信貸限額及信貸批核。於接納任何新客戶前，本公司根據其各自財務背景評估潛在客戶之信貸質素，並界定客戶之信貸限額。授予客戶之信貸限額會定期進行審閱。本集團亦實施其他監察程序，以確保採取後續行動收回逾期債務。此外，本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式個別或按撥備矩陣對貿易結餘進行減值評估。就此而言，董事認為，本集團之信貸風險已大幅減低。

本集團重新評估貿易應收款項的全期預期信貸虧損，以確保在發生違約的可能性或風險顯著增加的情況下作出充足的減值虧損。貿易應收款項之預期信貸虧損乃就具有已知困難或在收回貿易應收款項上存在重大疑慮的債務人進行個別評估及／或對餘下貿易應收款項採用撥備矩陣根據合適組別進行整體評估。作為本集團信貸風險管理的一環，本集團採用應收賬款的賬齡評估其客戶的減值情況，因該等客戶包括大量具有共同風險特徵之客戶，而該等風險特徵足以反映客戶根據合約條款償付全部到期款項的能力。虧損率乃根據應收賬款預計年期的歷史觀察違約率進行估計，並根據無需付出過多成本或努力即可得的前瞻性資料作出調整。管理層定期審閱有關分組以確保關於特定應收賬款的相關資料已獲更新。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

For all other instruments including other receivables, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised based on significant increases in the likelihood or risk of a default occurring since initial recognition. The Group have assessed and concluded that the risk of default rate for the other instruments are steady based on the Group assessment of the financial health of the counterparties.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 貿易應收款項	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手違約風險較低且並無任何逾期款項	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值	12m ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人頻繁於到期日後償還，但通常於到期日後結清	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 可疑	There have been significant increased in credit risk since initial recognition through information developed internally or external resources 內部搜集或透過外部資源獲取的資料顯示，自首次確認起，相關信貸風險大幅增加	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值	Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有跡象表明該資產發生信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值	Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有跡象表明債務人陷入嚴重財務困難而本集團收回款項的希望渺茫	Amount is written off 有關款項予以撇銷	Amount is written-off 有關款項予以撇銷

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

對包括其他應收款項在內的所有其他工具，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自首次確認起信貸風險已顯著增加，本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃根據自首次確認起發生違約的可能性或風險是否顯著增加而定。根據本集團對交易對手財務狀況的評估，本集團評估並總結，其他工具的違約率風險屬穩定。

本集團內部信貸風險評級評估包括下列類目：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表詳述本集團金融資產根據預期信貸虧損評估所面臨的信貸風險。

2019	Note	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
					HK\$'000	HK\$'000
二零一九年	附註	外部信貸評級	內部信貸評級	12個月或全期預期信貸虧損	總賬面值	
					千港元	千港元
Financial assets at amortised costs						
按攤銷成本列賬之金融資產						
Bank balances	27	AA+	N/A	12m ECL		1,930
銀行結餘			不適用	12個月預期信貸虧損		
Other receivables	26	N/A	(Note 1)	12m ECL	1,140	
其他應收款項		不適用	(附註1)	12個月預期信貸虧損		
		N/A	Doubtful	Lifetime ECL — not credit-impaired	752	
		不適用	可疑	全期預期信貸虧損 — 並無信貸減值		
		N/A	Loss	Lifetime ECL — credit-impaired	21,247	23,139
		不適用	虧損	全期預期信貸虧損 — 信貸減值		
Trade receivables	26	N/A	(Note 2)	Lifetime ECL (Provision matrix)	116	
貿易應收款項		不適用	(附註2)	全期預期信貸虧損 (撥備矩陣)		
		N/A	Loss	Lifetime ECL — credit-impaired	786	902
		不適用	虧損	全期預期信貸虧損虧損 — 信貸減值		

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

2018 二零一八年	Note 附註	External	Internal credit	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 總賬面值	
		credit rating 外部信貸評級	rating 內部信貸評級		HK\$'000 千港元	HK\$'000 千港元
Financial assets at amortised costs 按攤銷成本列賬之金融資產						
Bank balances 銀行結餘	27	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損		1,225
Other receivables 其他應收款項	26	N/A 不適用	(Note 1) (附註1)	12-month ECL 12個月預期信貸虧損	3,099	
		N/A 不適用	Loss 虧損	Lifetime ECL — credit-impaired 全期預期信貸虧損虧損 — 信貸減值	21,427	24,526
Trade receivables 貿易應收款項	26	N/A 不適用	(Note 2) (附註2)	Lifetime ECL (Provision matrix) 全期預期信貸虧損(撥備矩陣)	1,403	
		N/A 不適用	Loss 虧損	Lifetime ECL — credit-impaired 全期預期信貸虧損虧損 — 信貸減值	63	1,466

Notes:

- (1) For the purpose of credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.
- (2) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the historical observed default rates adjusted by forward looking estimates. The Directors considered the ECL allowance on trade receivables is not significant based on internal credit rating on individual assessment for the years ended 31 December 2019 and 2018.

附註：

- (1) 就信用風險管理而言，本集團使用逾期信息評估自初始確認以來信用風險是否已顯著增加。
- (2) 就貿易應收款項，本集團應用香港財務報告準則第9號內的簡化方法以計量全期預期信貸虧損的虧損撥備。為計量預期信貸虧損，貿易應收款項已根據共同信貸風險特徵及歷史觀察所得違約率(經前瞻性估計調整)分組。根據截至二零一九年及二零一八年十二月三十一日止年度的個別評估的內部信貸評級，董事認為貿易應收款項之預期信貸虧損撥備並不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

- (a) The following tables show reconciliation of loss allowances that has been recognised for trade receivables:

		Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	337
Changes due to financial instruments recognised as at 1 January 2018:	於二零一八年一月一日確認 金融工具引致的變動：	
— Disposal of a subsidiary	— 出售附屬公司	(274)
As at 31 December 2018	於二零一八年十二月三十一日	63
Changes due to financial instruments recognised as at 1 January 2019:	於二零一九年一月一日確認 金融工具引致的變動：	
— Impairment losses recognised	— 確認減值虧損	723
As at 31 December 2019	於二零一九年十二月三十一日	786

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

- (a) 下表顯示就貿易應收款項確認的虧損撥備之對賬：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

- (b) Changes in the loss allowance for trade receivables are mainly due to:

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

- (b) 貿易應收款項虧損撥備之變動乃主要由於：

		2019 二零一九年 Increase in lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) 增加 HK\$'000 千港元	2018 二零一八年 Decrease in lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) 減少 HK\$'000 千港元
Further impairment made for credit-impaired receivables	就信貸減值應收款項作出的進一步減值	723	-
Disposal of a subsidiary	出售一間附屬公司	-	(274)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

- (a) The following tables show reconciliation of loss allowances that has been recognised for deposit paid and other receivables:

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損(並無 非信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	-	22,832	22,832
Changes due to financial instruments recognised as at 1 January 2018:	於二零一八年一月一日確認 金融工具引致的變動：			
— Impairment losses reversed	— 減值虧損撥回	-	(1,405)	(1,405)
As at 31 December 2018	於二零一八年十二月三十一日	-	21,427	21,427
Changes due to financial instruments recognised as at 1 January 2019:	於二零一九年一月一日確認 金融工具引致的變動：			
— Impairment losses reversed	— 減值虧損撥回	-	(180)	(180)
New financial assets originated or purchased	產生或購買的新金融資產	376	-	376
As at 31 December 2019	於二零一九年十二月三十一日	376	21,247	21,623

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

- (a) 下表顯示就已付按金及其他應收款項確認的虧損撥備之對賬：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

- (b) Changes in the loss allowance for deposit and other receivables are mainly due to:

	2019 二零一九年 Increase/(decrease) in lifetime ECL (Not credit- impaired) (credit- impaired) 全期預期信貸虧損 增加/(減少) (並無信貸 減值) (信貸減值) HK\$'000 千港元		2018 二零一八年 Decrease in lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) 減少 HK\$'000 千港元
Repayment from the debtor 債務人還款	-	(180)	(1,405)
New financial assets 產生或購買的 originated or purchased 新金融資產	376	-	-

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors of the Company (the "Board"), which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group is exposed to liquidity risk as the Group had net current liabilities of approximately HK\$42,643,000 (2018: approximately HK\$31,229,000). The liquidity of the Group primarily depends on the future funding being available and the ability of the Group to meet its financial obligations as they fall due. Details of which are set out in Note 2 to the consolidated financial statements.

7. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

- (b) 按金及其他應收款項虧損撥備之變動乃主要由於：

流動資金風險

本公司董事會(「董事會」)須就流動資金風險管理負上最終責任，並已設立合適流動資金風險管理框架，以符合本集團短、中及長期資金及流動資金管理規定。本集團透過維持足夠之儲備及借貸融資，持續監察預測及實際現金流量，以及應付金融資產及負債之到期情況，以管理流動資金風險。

由於本集團錄得淨流動負債約42,643,000港元(二零一八年：約31,229,000港元)，故本集團承受流動資金風險。本集團的流動資金主要倚賴可動用未來資金及本集團於財務責任到期時履行財務責任的能力。有關詳情載於綜合財務報表附註2。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are fixed rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity tables

		Weighted average interest rate 加權 平均利率 %	On demand or less than 1 year 按要求 或一年內 HK\$'000 千港元	1-2 years 一年至兩年 HK\$'000 千港元	2-5 years 兩年至五年 HK\$'000 千港元	Total undiscounted cash flow 未貼現現金 流量總額 HK\$'000 千港元	Carrying amounts 賬面值 HK\$'000 千港元
2019	二零一九年						
Trade and other payables	貿易及其他應付款項	-	33,689	-	-	33,689	33,689
Other borrowings — fixed rate	其他借貸一定息	10.00-15.00	15,891	-	-	15,891	14,505
Lease liabilities	租賃負債	15.00	1,701	1,710	3,600	7,011	5,115
			51,281	1,710	3,600	56,591	53,309
2018	二零一八年						
Trade and other payables	貿易及其他應付款項	-	35,951	-	-	35,951	35,951
Other borrowings — fixed rate	其他借貸一定息	10.00	2,202	-	-	2,202	2,095
Obligations under finance leases	融資租賃承擔	1.45	238	51	-	289	285
			38,391	51	-	38,442	38,331

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

下表詳列本集團金融負債之餘下合約到期情況。下表乃基於金融負債之未貼現現金流量而編製，其乃根據本集團可能需付款之最早日期分類。非衍生金融負債之到期日是根據協定還款日期而釐定。

下表載列利息及本金現金流量。若利息流量為定息，則按報告期末之利率而得出未貼現金額。

流動資金表



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(c) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The Board is responsible to determine the appropriate valuation technique and inputs for fair value measurement.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Board works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

7. 金融工具(續)

(c) 金融工具之公平值計量

本集團若干金融工具乃就財務報告用途按公平值計量。董事會負責釐定合適的估值方法及公平值計量輸入數據。

於估計公平值時，本集團在可得的範圍內使用市場可觀察數據。倘並無第一級輸入數據，本集團將委聘第三方合資格估值師進行估值。董事會與合資格外部估值師緊密合作，以制定合適的估值方法及模型輸入數據。

(i) 按經常基準以公平值計量的本集團金融資產公平值

本集團的若干金融資產及金融負債乃於各報告期末按公平值計量。下表載列有關如何釐定該等金融資產公平值的資料(尤其是估值方法及所用輸入數據)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(c) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

	Fair value as at 公平值	Fair value hierarchy 公平值等級	Valuation technique(s) and key inputs 估值方法及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據
	31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	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				
Contingent consideration receivable 應收或然代價	Approximately 約 7,639	Approximately 約 6,228	Level 3 第三級	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate 採用現金流量貼現法，以根據合適貼現率，釐定將因或然代價流出本集團的預期未來經濟利益的現值。 貼現率、長期增長率 (附註1)
Equity instrument at FVTOCI 按公平值於其他 全面收益列賬之 股本權益工具	Approximately 約 25,562	Approximately 約 39,801	Level 3 第三級	Asset approach 資產法 Financial position of the investee with adjusted fair value of the properties and lack of control and marketability discount (Note 2) 投資對象財務狀況(含物業之經調整公平值)以及缺乏控制權及市場流通性貼現(附註2)

There were no transfers between Level 1, 2 and 3 during the year.

年內第一級、第二級與第三級之間並無轉換。

7. 金融工具(續)

(c) 金融工具之公平值計量(續)

(i) 按經常基準以公平值計量的本集團金融資產公平值(續)



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(c) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Notes:

- (1) An increase in discount rate used in isolation would result in a decrease in fair value measurement of the contingent consideration receivable, and vice versa. As at 31 December 2019, a 5% (2018: 5%) increase/decrease in discount rate and holding all other variables constant would decrease/increase the carrying amount of the contingent consideration receivable by approximately HK\$235,000/HK\$235,000 (2018: approximately HK\$20,000/HK\$20,000), respectively.

An increase in long term growth rate used in isolation would result in a decrease in fair value measurement of the contingent consideration receivable, and vice versa. As at 31 December 2019, a 5% (2018: 5%) increase/decrease in long term growth rate and holding all other variables constant would decrease/increase the carrying amount of the contingent consideration receivable by approximately HK\$5,000/HK\$5,000 (2018: approximately HK\$107,000/HK\$107,000), respectively.

7. 金融工具(續)

(c) 金融工具之公平值計量(續)

(i) 按經常基準以公平值計量的本集團金融資產公平值(續)

附註：

- (1) 單獨使用之貼現率上升，將導致應收或然代價之公平值計量減少，反之亦然。於二零一九年十二月三十一日，貼現率每上升/下降5%（二零一八年：5%），在所有其他變數維持不變之情況下，應收或然代價之賬面值將分別減少/增加約235,000港元/235,000港元（二零一八年：約20,000港元/20,000港元）。

單獨使用之長期增長率上升，將導致應收或然代價之公平值計量減少，反之亦然。於二零一九年十二月三十一日，長期增長率每上升/下降5%（二零一八年：5%），在所有其他變數維持不變之情況下，應收或然代價之賬面值將分別減少/增加約5,000港元/5,000港元（二零一八年：約107,000港元/107,000港元）。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(c) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Notes:

- (2) An increase in fair value of the properties used in isolation would result in an increase in fair value measurement of the equity instrument at FVTOCI and vice versa. As at 31 December 2019, a 5% (2018: 5%) increase/decrease in fair value of the properties and holding all other variables constant would increase/decrease the carrying amount of the equity instrument at FVTOCI by approximately HK\$2,435,000/HK\$2,435,000 (2018: approximately HK\$6,229,000/HK\$6,229,000), respectively.

An increase in lack of control and marketability discount used in isolation would result in a decrease in fair value measurement of the equity instrument at FVTOCI and vice versa. As at 31 December 2019, a 5% (2018: 5%) increase/decrease in lack of control and marketability discount and holding all other variables constant would decrease/increase the carrying amount of the equity instrument at FVTOCI by approximately HK\$53,000/HK\$53,000 (2018: approximately HK\$82,000/HK\$82,000), respectively.

7. 金融工具(續)

(c) 金融工具之公平值計量(續)

(i) 按經常基準以公平值計量的本集團金融資產公平值(續)

附註：

- (2) 單獨使用之物業公平值增加，將導致按公平值於其他全面收益列賬之股本權益工具之公平值計量增加，反之亦然。於二零一九年十二月三十一日，物業公平值每增加／減少5%（二零一八年：5%），在所有其他變數維持不變之情況下，按公平值於其他全面收益列賬之股本權益工具賬面值將分別增加／減少約2,435,000港元／2,435,000港元（二零一八年：約6,229,000港元／6,229,000港元）。

單獨使用之缺乏控制權及市場流通性貼現率增加，將導致按公平值於其他全面收益列賬之股本權益工具之公平值計量減少，反之亦然。於二零一九年十二月三十一日，缺乏控制權及市場流通性貼現率每增加／減少5%（二零一八年：5%），在所有其他變數維持不變之情況下，按公平值於其他全面收益列賬之股本權益工具之賬面值將分別減少／增加約53,000港元／53,000港元（二零一八年：約82,000港元／82,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(c) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

- (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Fair value hierarchy:

7. 金融工具(續)

(c) 金融工具之公平值計量(續)

- (i) 按經常基準以公平值計量的本集團金融資產公平值(續)

公平值等級：

		Level 3	
		第三級	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets:	金融資產：		
Contingent consideration receivable	應收或然代價	7,639	6,228
Equity instrument at FVTOCI	按公平值於其他全面收益 列賬之股本權益工具	25,562	39,801
		33,201	46,029

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. FINANCIAL INSTRUMENTS (Continued)

(c) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

- (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements

		Contingent consideration receivable 應收或然代價 HK\$'000 千港元	Equity instrument at FVTOCI 按公平值於其他全面收益列賬之股本權益工具 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	-	-	-
Opening balance	期初結餘	-	-	-
Addition	增加	7,393	85,160	92,553
Change in fair value	公平值變動			
— in profit or loss	— 於損益	(1,165)	-	(1,165)
— in other comprehensive income	— 於其他全面收益	-	(45,359)	(45,359)
As at 31 December 2018	於二零一八年十二月三十一日	6,228	39,801	46,029
Change in fair value	公平值變動			
— in profit or loss	— 於損益	2,163	-	2,163
— in other comprehensive income	— 於其他全面收益	-	(14,239)	(14,239)
Transfer to other receivables	轉至其他應收款項	(752)	-	(752)
As at 31 December 2019	於二零一九年十二月三十一日	7,639	25,562	33,201

Of the total gains or losses for the year included in profit or loss, gain of approximately HK\$2,163,000 (2018: loss of HK\$1,165,000) relates to change in fair value of contingent consideration receivable at the end of the year ended 31 December 2019.

Included in other comprehensive income is an amount of approximately HK\$14,239,000 (2018: approximately HK\$45,359,000) loss relating to unlisted equity securities classified as equity instrument at FVTOCI held at the end of the current reporting period and is reported as changes of 'fair value through other comprehensive income reserve'.

7. 金融工具 (續)

(c) 金融工具之公平值計量 (續)

- (i) 按經常基準以公平值計量的本集團金融資產公平值 (續)

第三級公平值計量對賬

於年內計入損益的總收益或虧損中，收益約2,163,000港元（二零一八年：虧損1,165,000港元）與於截至二零一九年十二月三十一日止年度末之應收或然代價之公平值變動有關。

計入其他全面收益的款項為與於本報告期末所持有分類為按公平值於其他全面收益列賬之股本權益工具的非上市股本證券有關的虧損約14,239,000港元（二零一八年：約45,359,000港元），並入賬作「按公平值於其他全面收益列賬之儲備」變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. REVENUE

An analysis of the Group's revenue for the year is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約的收入		
Catering business	餐飲業務	18,133	23,152
Timing of revenue recognition	確認收入的時間		
At a point in time	於某個時間點	18,133	23,152

For catering business, revenue from restaurant operation is recognised at a point in time when the catering services is provided to customers. In general, payment of the transaction price is due immediately at the point the catering services is provided to customers. However, certain customers are granted credit periods from 30 to 60 days.

9. OPERATING SEGMENTS

Information reported to the Board, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Catering business	—	operation of restaurants in Hong Kong
Securities trading	—	trading of securities

8. 收入

本集團於年內收入分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約的收入		
Catering business	餐飲業務	18,133	23,152
Timing of revenue recognition	確認收入的時間		
At a point in time	於某個時間點	18,133	23,152

就餐飲業務而言，餐廳業務收入乃於向客戶提供餐飲服務時確認。一般而言，交易價格於向客戶提供餐飲服務時隨即到期應付。然而，若干客戶獲給予30至60日之信貸期。

9. 經營分部

就資源分配及評估分部表現而向董事會(即主要經營決策人(「主要經營決策人」))匯報之資料，著眼於所交付之貨品或提供之服務之種類。於達致本集團之可報告分部時，概無合併計算主要經營決策人識別之經營分部。

具體而言，本集團根據香港財務報告準則第8號之可報告及經營分部如下：

餐飲業務	—	於香港經營酒樓
證券買賣	—	證券買賣

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OPERATING SEGMENTS (Continued)

(a) SEGMENT REVENUES AND RESULTS

The following is an analysis of the Group's revenue and results by reportable segment:

9. 經營分部 (續)

(a) 分部收入及業績

本集團按可報告分部劃分收入及業績之分析如下：

		Catering business 餐飲業務		Securities trading 證券買賣		Total 總計	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Segment revenue — from external customers	分部收入 — 核自外部客戶	18,133	23,152	—	—	18,133	23,152
Segment result	分部業績	(9,335)	(11,887)	(168)	(201)	(9,503)	(12,088)
Share of profit of joint ventures	應佔合營企業溢利					—	203
Change in fair value of contingent consideration receivable	應收或然代價之公平值變動					2,163	(1,165)
Impairment loss (recognised) reversed, net of impairment reversed (recognised) on other receivables	(已確認)撥回減值虧損，扣除就其他應收款項撥回(已確認)之減值					(196)	1,405
Loss on written-off of plant and equipment	撤銷廠房及設備之虧損					—	(73)
Gain on disposal of a subsidiary	出售一間附屬公司之收益					—	1,620
Gain on disposal of a joint venture	出售一間合營企業之收益					—	56,781
Dividend income	股息收入					380	51,951
Exchange loss	匯兌虧損					—	(247)
Finance costs	融資成本					(2,704)	(12,964)
Reimbursement of interest on convertible bonds	償付可換股債券利息					—	9,000
Unallocated corporate income	未分配公司收入					888	1,109
Unallocated corporate expenses	未分配公司開支					(2,902)	(10,489)
(Loss) profit before tax	除稅前(虧損)溢利					(11,874)	85,043



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OPERATING SEGMENTS (Continued)

(a) SEGMENT REVENUES AND RESULTS (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 4 to the consolidated financial statements. Segment results represent the loss from each segment without allocation of share of profit of joint ventures, change in fair value of contingent consideration receivable, certain loss on written-off of plant and equipment, impairment loss (recognised) reversed on other receivables, gain on disposal of a subsidiary, gain on disposal of a joint venture, dividend income, exchange loss, finance costs, reimbursement of interest on convertible bonds, certain other operating income, central administration costs and directors' emoluments. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

9. 經營分部(續)

(a) 分部收入及業績(續)

經營分部之會計政策與本集團會計政策(載於綜合財務報表附註4)一致。分部業績指各分部之虧損,當中並無分配應佔合營企業溢利、應收或然代價之公平值變動、若干撇銷廠房及設備之虧損、就其他應收款項(已確認)撥回之減值虧損、出售一間附屬公司之收益、出售一間合營企業之收益、股息收入、匯兌虧損、融資成本、償付可換股債券利息、若干其他經營收入、中央行政成本及董事酬金。此為向主要經營決策人匯報的措施,以分配資源及評估表現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OPERATING SEGMENTS (Continued)

(b) SEGMENT ASSETS AND LIABILITIES

The following is an analysis of the Group's assets and liabilities by reportable segment:

9. 經營分部(續)

(b) 分部資產及負債

本集團按可報告及經營分部劃分資產及負債的分析如下：

		Catering business 餐飲業務		Securities trading 證券買賣		Total 總計	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS	資產						
Segment assets	分部資產	9,568	9,116	241	302	9,809	9,418
Unallocated corporate assets	未分配公司資產						
— Right-of-use assets	— 使用權資產					138	—
— Equity instrument at FVTOCI	— 按公平值於其他全面 收益列賬之股本權益 工具					25,562	39,801
— Contingent consideration receivable	— 應收或然代價					7,639	6,228
— Others	— 其他					2,968	1,990
Consolidated assets	綜合資產					46,116	57,437
LIABILITIES	負債						
Segment liabilities	分部負債	12,231	16,631	90	6	12,321	16,637
Unallocated corporate liabilities	未分配公司負債						
— Other borrowings	— 其他借貸					14,505	2,095
— Lease liabilities	— 租賃負債					51	—
— Amounts due to joint ventures	— 應付合營企業款項					7,353	7,353
— Amount due to a director	— 應付一名董事款項					608	608
— Others	— 其他					18,471	11,638
Consolidated liabilities	綜合負債					53,309	38,331



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OPERATING SEGMENTS (Continued)

(b) SEGMENT ASSETS AND LIABILITIES (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than equity instrument at FVTOCI, contingent consideration receivable, certain other receivables, bank balances and cash, certain plant and equipments, and certain right-of-use assets; and
- all liabilities are allocated to operating segments other than borrowings, certain lease liabilities, obligations under finance leases, amounts due to joint ventures, amounts due to a director, and certain other payables.

9. 經營分部(續)

(b) 分部資產及負債(續)

為監控分部表現及分配分部間資源：

- 所有資產均分配至經營分部，惟於、按公平值於其他全面收益列賬之股本權益工具、應收或然代價、已付按金、若干其他應收款項、銀行結餘及現金、若干廠房及設備、若干使用權資產除外；及
- 所有負債均分配至經營分部，惟其他借貸、若干租賃負債、融資租賃承擔、應付合營企業款項、應付一名董事款項、及若干其他應付款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OPERATING SEGMENTS (Continued)

(c) OTHER SEGMENT INFORMATION

9. 經營分部 (續)

(c) 其他分部資料

	Catering business 餐飲業務		Securities trading 證券買賣		Unallocated 未分配		Total 總計	
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Amount included in the measure of segment results or segment assets:	列作計算分部業績或分部資產之款額：						
Additions to plant and equipment	3,843	5,292	-	-	-	-	3,843	5,292
Depreciation of plant and equipment	1,688	1,790	-	-	15	694	1,703	2,484
Loss on written-off of plant and equipment	44	-	-	-	-	73	44	73
Gain on disposal of plant and equipment	(3,524)	-	-	-	-	-	(3,524)	-
Gain on disposal of right-of-use assets	(622)	-	-	-	-	-	(622)	-
Depreciation of right-of-use assets	3,553	-	-	-	1,198	-	4,751	-
Impairment loss recognised on trade receivables	723	-	-	-	-	-	723	-
Amount regularly provided to the CODM but not included in the measure of segment results or segment assets:	定期向主要經營決策人提供但不列作計算分部業績或分部資產之款額：							
Share of profit of joint ventures	-	-	-	-	-	(203)	-	(203)
Change in fair value of contingent consideration receivable	-	-	-	-	(2,163)	1,165	(2,163)	1,165
Impairment loss recognised (reversed), net of impairment (reversed) recognised on other receivables	-	-	-	-	196	(1,405)	196	(1,405)
Gain on disposal of a subsidiary	-	-	-	-	-	(1,620)	-	(1,620)
Gain on disposal of a joint venture	-	-	-	-	-	(56,781)	-	(56,781)
Dividend income	-	-	-	-	(380)	(51,951)	(380)	(51,951)
Reimbursement of interest on convertible bonds	-	-	-	-	-	(9,000)	-	(9,000)
Exchange loss	-	-	-	-	-	247	-	247
Finance costs	-	-	-	-	2,704	12,964	2,704	12,964

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OPERATING SEGMENTS (Continued)

(d) GEOGRAPHICAL INFORMATION

For the years ended 31 December 2019 and 2018, all of the Group's revenue and assets are derived from external customers and operations based in Hong Kong and accordingly, no further analysis of the Group's geographical information is disclosed.

(e) INFORMATION ABOUT MAJOR CUSTOMERS

None of the customers contributing over 10% of the total revenue of the Group for the years ended 31 December 2019 and 2018.

10. OTHER OPERATING INCOME

9. 經營分部(續)

(d) 地區資料

截至二零一九年及二零一八年十二月三十一日止年度，本集團之所有收入及資產均來自外部客戶以及位於香港之營運，因此並無披露本集團地區資料之進一步分析。

(e) 有關主要客戶之資料

截至二零一九年及二零一八年十二月三十一日止年度，概無客戶為本集團總收益帶來10%以上貢獻。

10. 其他經營收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Rental income (Note 1)	租金收入(附註1)	450	920
Reimbursement of interest on convertible bonds (Note 2)	償付可換股債券利息(附註2)	—	9,000
Dividend received from equity instruments at FVTOCI relating to investments held at the end of the reporting period	就於報告期末持有之投資已收按公平值於其他全面收益列賬之股本工具股息	380	51,951
Others	其他	438	189
		1,268	62,060

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

10. OTHER OPERATING INCOME (Continued)

Notes:

- (1) Leases

10. 其他經營收入 (續)

附註：

- (1) 租賃

		2019 二零一九年 HK\$'000 千港元
For operating leases:	就經營租賃：	
Lease payments that are fixed or depend on an index or a rate	固定或取決於指數或利率的租賃付款	450
		2018 二零一八年 HK\$'000 千港元
Operating lease income — motor vehicle	經營租賃收入 — 汽車	920

- (2) The balance represents the interest expense reimbursed by Coqueen Company Limited (“Coqueen”) in relation to the delay in the completion of the disposal of 31% equity interest in Flame Soar Limited (“Flame Soar”) (the “Disposal”) which resulted in the additional interest charge in respect of the convertible bonds.

- (2) 有關結餘為昶華有限公司(「昶華」)就遲遲完成出售於Flame Soar Limited(「Flame Soar」)的31%股權(「出售事項」)導致就可換股債券的額外利息支出而償付之利息開支。

11. OTHER GAINS AND LOSSES

11. 其他收益及虧損

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss on written-off of plant and equipment	撇銷廠房及設備之虧損	(44)	(73)
Gain on disposal of plant and equipment	出售廠房及設備之收益	3,524	-
Gain on disposal of right-of-use assets	出售使用權資產之收益	622	-
Gain on disposal of a subsidiary (Note 35)	出售一間附屬公司之收益 (附註35)	-	1,620
Gain on disposal of a joint venture (Note 23)	出售一間合營企業之收益 (附註23)	-	56,781
Exchange loss	匯兌虧損	-	(247)
Change in fair value of contingent consideration receivable	應收或然代價之公平值變動	2,163	(1,165)
		6,265	56,916

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

12. FINANCE COSTS

12. 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interests on:	利息：		
— Other borrowings	— 其他借貸	1,642	1,661
— Lease liabilities/Obligations under finance leases	— 租賃負債／融資租賃承擔	1,062	16
— Convertible bonds (Note 32)	— 可換股債券(附註32)	—	11,177
— Overdue payments	— 逾期付款	—	110
		2,704	12,964

13. IMPAIRMENT LOSSES RECOGNISED (REVERSED), NET OF IMPAIRMENT LOSSES (REVERSED) RECOGNISED

13. 已確認(撥回)減值虧損，扣除(已撥回)確認減值虧損

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Impairment losses recognised (reversed) on:	就下列各項確認(撥回)的 減值虧損：		
— Trade receivables	— 貿易應收款項	723	—
— Other receivables	— 其他應收款項	376	—
— Other receivables	— 其他應收款項	(180)	(1,405)
		919	(1,405)

Details of impairment assessment are set out in Note 7(b).

減值評估詳情載於附註7(b)。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of the Group's entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for taxation in Hong Kong has been made as certain group entities did not generate any assessable profits arising in Hong Kong and assessable profits of certain Group's entities were wholly absorbed by tax losses brought forward for the years ended 31 December 2019 and 2018.

Taxation arising in other jurisdiction is calculated at the rate prevailing in the relevant jurisdictions.

14. 所得稅開支

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)〔該法案〕，其引入兩級利得稅率制度。該法案於二零一八年三月二十八日簽署成為法律且於翌日刊登憲報。根據兩級利得稅率制度，合資格集團實體的首二百萬港元溢利將按8.25%的稅率徵稅，而超過二百萬港元的溢利部分將按16.5%的稅率徵稅。不合資格按兩級利得稅率制度納稅的本集團實體的溢利將繼續按統一稅率16.5%徵稅。

董事認為，於實行利得稅兩級制後所涉及金額對綜合財務報表的影響不大。香港利得稅乃按兩個年度之估計應課稅溢利的16.5%計算。

概無就香港稅項作出撥備，因為若干集團實體並無在香港產生任何應課稅溢利及若干集團實體的應課稅溢利已被截至二零一九年及二零一八年十二月三十一日止年度承前結轉的稅務虧損吸收。

其他司法權區產生的稅項乃按相關司法權區的現行稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the (loss) profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

14. 所得稅開支(續)

年內之所得稅開支可與綜合損益及其他全面收益表之除稅前溢利(虧損)對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(Loss) profit before tax	除稅前(虧損)溢利	(11,874)	85,043
Tax at the domestic income tax rate of 16.5% (2018: 16.5%)	按本地所得稅稅率 16.5% (二零一八年：16.5%) 計算之稅項	(1,959)	14,032
Tax effect of share of profit of joint ventures	分佔合營企業收益之稅務影響	-	(34)
Tax effect of expenses not deductible for tax purpose	在稅務上不可扣減開支之稅務影響	1,249	3,112
Tax effect of income not taxable for tax purposes	在稅務上毋須繳稅收入之稅務影響	(1,167)	(19,927)
Tax effect of unused tax losses not recognised	未動用未確認稅項虧損之稅務影響	1,877	2,817
Income tax expense for the year	年內所得稅開支	-	-

At the end of the reporting period, the Group had unused tax losses of approximately HK\$325,102,000 (2018: approximately HK\$313,726,000) available for offset against future profits which may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses for the years ended 31 December 2019 and 31 December 2018 due to the unpredictability of future profit streams.

於報告期末，本集團有未動用稅項虧損約 325,102,000 港元(二零一八年：約 313,726,000 港元)可供抵銷未來溢利，可無限期結轉。由於未能預測未來溢利流量，故截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度並無就有關稅項虧損確認遞延稅項資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

15. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging:

15. 年內(虧損)溢利

年內(虧損)溢利經扣除以下各項後達致：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Staff costs (including directors' and chief executive's emoluments (Note 16)):	員工成本(包括董事及行政總裁酬金(附註16))：		
— salaries, bonuses and allowances	— 薪金、花紅及津貼	9,832	13,602
— retirement benefit scheme contributions	— 退休福利計劃供款淨額	761	826
		10,593	14,428
Auditor's remuneration	核數師酬金		
— Audit service	— 審核服務	580	1,252
— Non-audit service	— 非審核服務	290	450
Cost of inventories recognised as expenses	確認為開支之存貨成本	6,694	7,859
Depreciation of plant and equipment	廠房及設備折舊	1,703	2,484
Depreciation of right-of-use assets	使用權資產之折舊	4,751	—
Operating lease rentals in respect of rented premises	租賃物業之經營租賃租金	106	7,758
Legal and professional fees	法律及專業費用	1,603	1,289

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the years, disclosed pursuant to the applicable GEM Listing Rules and CO, is as follows:

16. 董事及行政總裁酬金

根據適用GEM上市規則及公司條例披露之董事及行政總裁之年度酬金如下：

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度			
		Salaries, bonuses and allowances	Retirement benefit scheme contributions	Total	
		Fees			
		薪金、花紅 及津貼	退休福利 計劃供款	總計	
		袍金			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors	執行董事				
Mr. Lam Raymond Shiu Cheung (Note c)	林兆昌先生(附註c)	12	–	1	13
Mr. Yuen Koon Tung (Note c)	阮觀通先生(附註c)	12	–	1	13
Mr. Chow Cheuk Hang	周倬行先生	344	28	17	389
Ms. Li Yuet Mei Dilys (Note d)	李月薇女士(附註d)	30	–	–	30
Ms. Wong Hei Man (Note e)	黃熙雯女士(附註e)	302	–	15	317
		700	28	34	762
Independent non-executive directors	獨立非執行董事				
Mr. Kam Tik Lun (Note f)	金迪倫先生(附註f)	16	–	–	16
Mr. Yeung Wai Hung, Peter	楊偉雄先生	172	–	–	172
Mr. Ho Siu King Stanley (Note f)	何肇竟先生(附註f)	16	–	–	16
Mr. Ma Stephen Tsz On	馬子安先生	172	–	–	172
Mr. Lau Man Tak (Note g)	劉文德先生(附註g)	155	–	–	155
		531	–	–	531
		1,231	28	34	1,293

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

16. 董事及行政總裁酬金 (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, bonuses and allowances	Retirement benefit scheme contributions	Total
		袍金	薪金、花紅及津貼	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors	執行董事				
Mr. Lam Raymond Shiu Cheung (Note c)	林兆昌先生(附註c)	150	13	8	171
Mr. Yuen Koon Tung (Note c)	阮觀通先生(附註c)	150	13	8	171
Mr. Chow Cheuk Hang	周倬行先生	150	13	8	171
		450	39	24	513
Independent non-executive directors	獨立非執行董事				
Mr. Kam Tik Lun (Note f)	金迪倫先生(附註f)	120	-	-	120
Mr. Yeung Wai Hung, Peter	楊偉雄先生	120	-	-	120
Mr. Ho Siu King Stanley (Note f)	何肇竟先生(附註f)	120	-	-	120
Mr. Ma Stephen Tsz On	馬子安先生	120	-	-	120
		480	-	-	480
		930	39	24	993

Note a: The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

附註a：上述執行董事酬金乃就彼等提供予本公司及本集團事務管理服務而支付。

Note b: The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

附註b：上述獨立非執行董事酬金乃就彼等擔任本公司董事所提供服務而支付。

Note c: Resigned on 30 January 2019.

附註c：於二零一九年一月三十日辭任。

Note d: Appointed on 1 December 2019 and resigned on 17 March 2020.

附註d：於二零一九年十二月一日獲委任並於二零二零年三月十七日辭任。

Note e: Appointed on 30 January 2019 and resigned on 1 December 2019.

附註e：於二零一九年一月三十日獲委任及於二零一九年十二月一日辭任。

Note f: Resigned on 19 February 2019.

附註f：於二零一九年二月十九日辭任。

Note g: Appointed on 19 February 2019.

附註g：於二零一九年二月十九日獲委任。

There were no arrangements under which a director waived or agreed to waive any emoluments during the years ended 31 December 2019 and 31 December 2018. Apart from the Directors, the Group has not classified any other person as chief executives during the years ended 31 December 2019 and 31 December 2018.

截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金的安排。截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，除董事外，本集團並無分類任何其他人士為行政總裁。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year include two (2018: Nil) directors, details of whose remuneration are set out in Note 16 to the consolidated financial statements above. Details of the remuneration for the year of the remaining three (2018: five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, bonuses and allowances	薪金、花紅及津貼	1,082	1,744
Retirement benefit scheme contributions	退休福利計劃供款	45	76
		1,127	1,820

The number of the highest paid employees who are not the Directors whose remuneration fell within the following bands is as follows:

		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零至1,000,000港元	3	5

18. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2019, nor has any dividend been proposed since the end of the reporting period (2018: Nil).

17. 五名最高薪僱員

年內，本集團之五名最高薪僱員包括兩名（二零一八年：零名）董事，彼等之酬金已載於上文綜合財務報表附註16。其餘三名（二零一八年：五名）非本公司董事或行政總裁之最高薪僱員之年度酬金如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, bonuses and allowances	薪金、花紅及津貼	1,082	1,744
Retirement benefit scheme contributions	退休福利計劃供款	45	76
		1,127	1,820

酬金介乎下列範圍之非董事最高薪僱員人數如下：

		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零至1,000,000港元	3	5

18. 股息

於截至二零一九年十二月三十一日止年度，概無向本公司普通股股東已付或擬付股息，自報告期末起，亦無擬派任何股息（二零一八年：無）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(Loss) profit for the year attributable to the owners of the Company for the purpose of basic and diluted (loss) earnings per share	計算每股基本及攤薄(虧損)盈利之本公司擁有人應佔年內(虧損)溢利	(10,887)	85,041

Number of shares 股份數目

		2019 二零一九年 HK\$'000 千股	2018 二零一八年 HK\$'000 千股 (Restated) (經重列)
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	計算每股基本及攤薄(虧損)盈利之普通股加權平均數	79,254	79,254

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been adjusted for the share consolidation on 18 July 2019. Detail of the share consolidation is set out in Note 33.

The denominator for the purpose of calculating basic and diluted earnings per share in 2018 has been restated to reflect the effect of the share consolidation during the year ended 31 December 2019.

19. 每股(虧損)盈利

本公司擁有人應佔之每股基本及攤薄(虧損)盈利乃按以下數據計算：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(Loss) profit for the year attributable to the owners of the Company for the purpose of basic and diluted (loss) earnings per share	計算每股基本及攤薄(虧損)盈利之本公司擁有人應佔年內(虧損)溢利	(10,887)	85,041

Number of shares 股份數目

		2019 二零一九年 HK\$'000 千股	2018 二零一八年 HK\$'000 千股 (Restated) (經重列)
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	計算每股基本及攤薄(虧損)盈利之普通股加權平均數	79,254	79,254

就每股基本及攤薄虧損而言，普通股加權平均數已於二零一九年七月十八日進行股份合併調整。股份合併的詳情載於附註33。

為計算二零一八年每股基本及攤薄盈利，該分母已重列，以反映截至二零一九年十二月三十一日止年度的股份合併影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. PLANT AND EQUIPMENT

20. 廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置 及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本				
At 1 January 2018	於二零一八年一月一日	2,514	2,440	3,045	7,999
Additions	添置	4,521	771	-	5,292
Written-off	撤銷	(2,037)	(1,149)	-	(3,186)
At 31 December 2018	於二零一八年十二月三十一日	4,998	2,062	3,045	10,105
Adjustments upon application of HKFRS 16	根據香港財務報告準則 第16號的應用調整	-	-	(3,045)	(3,045)
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	4,998	2,062	-	7,060
Additions	添置	3,180	663	-	3,843
Disposals	出售	(4,868)	(1,087)	-	(5,955)
Written-off	撤銷	(130)	(266)	-	(396)
At 31 December 2019	於二零一九年十二月三十一日	3,180	1,372	-	4,552
ACCUMULATED DEPRECIATION	累計折舊				
At 1 January 2018	於二零一八年一月一日	2,296	1,772	1,915	5,983
Provided for the year	年內撥備	1,484	421	579	2,484
Written-off	撤銷	(2,014)	(1,099)	-	(3,113)
At 31 December 2018	於二零一八年十二月三十一日	1,766	1,094	2,494	5,354
Adjustments upon application of HKFRS 16	根據香港財務報告準則 第16號的應用調整	-	-	(2,494)	(2,494)
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	1,766	1,094	-	2,860
Provided for the year	年內撥備	1,350	353	-	1,703
Eliminated on disposals	出售時撤銷	(2,618)	(866)	-	(3,484)
Written-off	撤銷	(130)	(222)	-	(352)
At 31 December 2019	於二零一九年十二月三十一日	368	359	-	727
CARRYING VALUES	賬面值				
At 31 December 2019	於二零一九年十二月三十一日	2,812	1,013	-	3,825
At 31 December 2018	於二零一八年十二月三十一日	3,232	968	551	4,751

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. PLANT AND EQUIPMENT (Continued)

Notes:

- (i) The above items of plant and equipment are depreciated on a straight-line basis over the estimated useful lives at the following rates per annum:

Leasehold improvements	Over the shorter of the lease term or 20%
Furniture, fixtures and office equipment	10% to 25%
Motor vehicles	20%

- (ii) The carrying values of motor vehicles at 31 December 2018 included an amount of approximately HK\$551,000 in respect of assets held under finance leases.

As 31 December 2019, a restaurant which continued to underperform, the management of the Group concluded there was indication for impairment and conducted impairment assessment by determining the recoverable amounts of certain plant and equipment with carrying amounts of approximately HK\$3,393,000.

The Group estimates the recoverable amount of the CGU of operation and management of restaurant to which the asset belongs when it is not possible to estimate the recoverable amount individually.

The recoverable amount of CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the remaining lease term of that loss making restaurant with a pre-tax discount rate is 15% as at 31 December 2019. The annual growth rate used is 3% to 5%, which is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the CGUs' past performance and management expectations for the market development.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the CGU is higher than the carrying amount. Based on the value in use calculation and the allocation, no impairment is recognised against the carrying amount of plant and equipment.

20. 廠房及設備 (續)

附註：

- (i) 上述廠房及設備乃於估計使用年期按下列年率以直線法折舊：

租賃物業裝修	按租約年期或20%之較短者
傢俬、裝置及辦公室設備	10%至25%
汽車	20%

- (ii) 汽車於二零一八年十二月三十一日之賬面值包括有關根據融資租賃持有之資產的款額約551,000港元。

於二零一九年十二月三十一日，一間餐廳的表現持續遜色，本集團的管理層總結存在減值跡象，並通過釐定賬面值約3,393,000港元的若干廠房及設備的可收回金額進行減值評估。

當無法單獨估計該資產所屬的餐館的經營及管理的現金產生單位時，本集團估計其可收回金額。

現金產生單位的可收回金額是根據使用價值計算釐定。該計算使用的現金流量預測是基於本集團管理層批准的財務預算，該預算涵蓋於二零一九年十二月三十一日稅前折現率為15%的該虧損餐館的剩餘租賃期限。所用年增長率為3%至5%，乃根據行業增長預測得出，並且不超過相關行業的長期平均增長率。計算使用價值的另一個關鍵假設是預算毛利率，該毛利率是基於現金產生單位過去的業績及管理層對市場發展的期望而釐定。

根據評估結果，本集團管理層釐定現金產生單位的可收回金額高於賬面值。根據使用價值的計算及分配，並無對廠房及設備的賬面值確認減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. RIGHT-OF-USE ASSETS

21. 使用權資產

		Leased properties 租賃物業 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019	於二零一九年一月一日			
Carrying amount	賬面值	9,266	551	9,817
As at 31 December 2019	於二零一九年十二月三十一日			
Carrying amount	賬面值	4,885	139	5,024
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Depreciation charges	折舊費用	(4,339)	(412)	(4,751)
Additions	添置	5,698	-	5,698
Disposal	出售	(5,740)	-	(5,740)
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	與短期租賃及具有在首次應用香港財務報告準則第16號之日起12個月內終止之租賃條款的其他租賃有關的費用	(106)	-	(106)
Total cash outflow for leases	租賃的總現金流出	(3,649)	-	(3,649)

For both years, the Group leases various office property, restaurant and vehicles for its operations. Lease contracts are entered into for fixed term of 2 years to 5 years. Certain leases of motor vehicles were accounted for as finance leases during the year ended 31 December 2018 and carried interest ranged from 1.28% to 1.98%. 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.

The Group regularly entered into short term lease for cafe. As at 31 December 2019, the portfolio of short term lease is similar to the portfolio of short term lease to which the short term lease disclosed above.

兩年期間，本集團租賃各種辦公物業、餐廳及汽車以進行其經營。租賃合約的固定期限為2年至5年。截至二零一八年十二月三十一日止年度，若干汽車租賃乃作為融資租賃入賬，其利息介乎1.28%至1.98%。租賃條款乃是根據個別情況協商釐定，其中包含各種不同的條款及條件。在釐定租約年期限並評估不可撤消期限時，本集團採用合約的定義並釐定合約可強制執行的期限。

本集團定期就咖啡室訂立短期租賃。於二零一九年十二月三十一日，短期租賃投資組合與上文披露短期租賃開支的短期租賃投資組合相似。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. RIGHT-OF-USE ASSETS (Continued)

As 31 December 2019, a restaurant which continued to underperform, the management of the Group concluded there was indication for impairment and conducted impairment assessment by determining the recoverable amounts of certain right-of-use assets with carrying amounts of approximately HK\$4,323,000.

The Group estimates the recoverable amount of the CGU of operation and management of restaurants to which the asset belongs when it is not possible to estimate the recoverable amount individually.

The recoverable amount of CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the remaining lease term of that loss making restaurant with a pre-tax discount rate is 15% as at 31 December 2019. The annual growth rate used is 3% to 5%, which is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the CGUs' past performance and management expectations for the market development.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the CGU is higher than the carrying amount. Based on the value in use calculation and the allocation, no impairment is recognised against the carrying amount of right-of-use assets.

The Group entered into short-term leases for cafe. As at 31 December 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 15.

21. 使用權資產 (續)

於二零一九年十二月三十一日，一間餐廳的表現持續遜色，本集團的管理層總結存在減值跡象，並通過釐定賬面值約4,323,000港元的若干使用權資產的可收回金額進行減值評估。

當無法單獨估計該資產所屬的餐館的經營及管理的現金產生單位時，本集團估計其可收回金額。

現金產生單位的可收回金額是根據使用價值計算釐定。該計算使用的現金流量預測是基於本集團管理層批准的財務預算，該預算涵蓋於二零一九年十二月三十一日稅前折現率為15%的該虧損餐館的剩餘租賃期限。所用年增長率為3%至5%，乃根據行業增長預測得出，並且不超過相關行業的長期平均增長率。計算使用價值的另一個關鍵假設是預算毛利率，該毛利率是基於現金產生單位過去的業績及管理層對市場發展的期望而釐定。

根據評估結果，本集團管理層釐定現金產生單位的可收回金額高於賬面值。根據使用價值的計算及分配，並無對使用權資產的賬面值確認減值。

本集團就咖啡室訂立短期租賃。於二零一九年十二月三十一日，短期租賃投資組合與附註15披露短期租賃開支的短期租賃投資組合相似。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. EQUITY INSTRUMENT AT FVTOCI

22. 按公平值於其他全面收益列賬之股本權益工具

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted investments	非上市投資		
— Equity securities	— 股本證券	25,562	39,801

Included in unlisted equity securities above is the Group's investment in Flame Soar, a company incorporated in the BVI, with a carrying amount of approximately HK\$25,562,000 (2018: HK\$39,801,000). The investment represents a 19% holding of the ordinary shares of Flame Soar. Flame Soar is not regarded as an associate of the Group because the Group has less than one-fifth of the voting power of Flame Soar under arrangements with other investors and the Group has no right to appoint directors of Flame Soar.

These investments are not held for trading, instead, they are held for long-term strategic purposes. The Directors have elected to designate these investments in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

包含於上述非上市股本證券為本集團於 Flame Soar，一間於英屬處女群島註冊成立的公司的投資，賬面值為約25,562,000港元(二零一八年：39,801,000港元)。該項投資佔 Flame Soar 普通股的19%。Flame Soar 未被視為本集團的聯營公司，由於根據與其他投資者的安排，本集團的投票權不到 Flame Soar 的五分之一，且本集團無權任命 Flame Soar 的董事。

該等投資並非持作買賣，而是持作長期策略用途。董事已選擇將於股本權益工具的該等投資指定為按公平值於其他全面收益列賬，因彼等認為於損益確認該投資公平值的短期波動將不符合本集團將該投資持作長期用途及實現其長遠表現潛能的策略。

23. INTERESTS IN JOINT VENTURES

Details of the Group's interests in joint ventures are as follows:

23. 於合營企業權益

本集團於合營企業權益之詳情如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of investment in unlisted joint ventures	於非上市合營企業之投資成本	232,543	232,543
Share of post-acquisition loss and other comprehensive income, net of dividend received	應佔收購後虧損及其他全面收益(扣除已收股息)	(232,543)	(232,543)
		-	-

Amounts due to the joint ventures included in the Group's other payables as at 31 December 2019 amounted to approximately HK\$7,353,000 (2018: approximately HK\$7,353,000). Details are disclosed in Note 28 to the consolidated financial statements.

計入本集團於二零一九年十二月三十一日的其他應付款項之應付合營企業款項分別為約7,353,000港元(二零一八年：約7,353,000港元)。詳情於綜合財務報表附註28披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (Continued)

Details of each of the Group's joint ventures at the end of the reporting period are as follows:

23. 於合營企業權益 (續)

有關本集團各合營企業於報告期末之詳情如下：

Name of entities 實體名稱	Place of incorporation/ registration 註冊成立/ 註冊地點	Principal place of business 主要營業地點	Proportion of ownership interest held by the Group 本集團所持擁有權權益比例		Proportion of voting rights held by the Group 本集團所持投票權比例		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
			Leading Win Leading Win	BVI 英屬處女群島	BVI 英屬處女群島	50%	
Great Way Great Way	BVI 英屬處女群島	BVI 英屬處女群島	50%	50%	50%	50%	Investment holding 投資控股
Flame Soar (Note iii) Flame Soar (附註iii)	BVI 英屬處女群島	BVI 英屬處女群島	19%	19%	19%	19%	Investment holding 投資控股
Professional Guide Professional Guide	BVI 英屬處女群島	BVI 英屬處女群島	50%	50%	50%	50%	Investment holding 投資控股
FLM HK^ (Note iii)	Hong Kong	Hong Kong	19%	19%	19%	19%	Operation of high-end Chinese restaurant business, serving Cantonese cuisine and provision of banquet catering services 經營高端中式餐館業務、提供粵菜及宴會餐飲服務
福臨門香港^ (附註iii)	香港	香港					
FLM KLN^ (Note iii)	Hong Kong	Hong Kong	19%	19%	19%	19%	Operation of high-end Chinese restaurant business, serving Cantonese cuisine and provision of banquet catering services 經營高端中式餐館業務、提供粵菜及宴會餐飲服務
福臨門九龍^ (附註iii)	香港	香港					
Champion Tree Investment Limited^ ("CTI") (Note iii) 萬里寧投資有限公司^ (「萬里寧」)(附註iii)	Hong Kong 香港	Hong Kong 香港	19%	19%	19%	19%	Property investment 物業投資
FLM F&B^ (Note iii) 福臨門餐飲^ (附註iii)	Hong Kong 香港	Hong Kong 香港	19%	19%	19%	19%	Provision of management service 提供管理服務
FLM Macau Ventures Limited^ ("FLM Macau Ventures") (Note ii) 福臨門澳門企業# (附註ii)	BVI 英屬處女群島	BVI 英屬處女群島	50%	50%	50%	50%	Investment holding 投資控股



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (Continued)

- [^] Subsidiary of Flame Soar as at 31 December 2018
- [#] Subsidiary of Professional Guide as at 31 December 2018 and 2019

Notes:

- (i) The Company held 10,000 Professional Guide conversion shares, representing 50% of the issued share capital of Professional Guide. Pursuant to the shareholders' agreement dated 10 October 2014 (the "Shareholders' Agreement"), the Directors considered that the control of relevant activities of Professional Guide Group was jointly held by the board of Professional Guide and the Management Committee of Professional Guide. Although the Company is entitled to appoint three out of five directors for the board of Professional Guide, the Company is not entitled to nominate any members in the Management Committee. Hence, given that the shareholding of Professional Guide held by the Group is 50%, the relevant facts and contractual terms of the Shareholders' Agreement and according to the HKFRS 11 *Joint Arrangements*, the Board considered that Professional Guide is a joint venture of the Group.
- (ii) At 31 December 2018 and 31 December 2019, Professional Guide directly hold 100% of the issued share capital of FLM Macau Ventures.
- (iii) Pursuant to the restructuring, on 24 October 2018, Professional Guide acquired 10.74% of the issued share capital of FLM HK from Leading Win and 14% of the issued share capital of FLM KLN from Great Way. On the same day, Flame Soar acquired the entire portfolio of issued shares in FLM HK, FLM KLN and FLM F&B (collectively referred to as the "FLM Group") from Professional Guide. Upon the completion of the restructuring and at 31 December 2018, Professional Guide, Leading Win and Great Way ceased to be the shareholders of the FLM Group and Flame Soar become the sole shareholder of the FLM Group.

23. 於合營企業權益 (續)

- [^] 於二零一八年十二月三十一日為Flame Soar之附屬公司
- [#] 於二零一八年及二零一九年十二月三十一日為Professional Guide之附屬公司

附註：

- (i) 本公司持有10,000股Professional Guide轉換股份，佔Professional Guide已發行股本50%。根據日期為二零一四年十月十日之股東協議（「股東協議」），董事認為，Professional Guide集團相關業務控制權由Professional Guide董事會及Professional Guide管理委員會共同持有。儘管本公司有權委任Professional Guide董事會五分之三董事，但是本公司無權提名管理委員會任何成員。因此，鑒於本集團持有Professional Guide 50%股權、相關事實及股東協議之合約條款以及根據香港財務報告準則第11號合營安排，董事會認為Professional Guide為本集團之合營企業。
- (ii) 於二零一八年十二月三十一日及二零一九年十二月三十一日，Professional Guide直接持有福臨門澳門企業全部已發行股本。
- (iii) 根據重組，於二零一八年十月二十四日，Professional Guide自Leading Win收購福臨門香港已發行股本的10.74%及自Great Way收購福臨門九龍已發行股本的14%。同日，Flame Soar自Professional Guide收購福臨門香港、福臨門九龍及福臨門餐飲（統稱「福臨門集團」）全部已發行股份組合。於完成重組後及於二零一八年十二月三十一日，Professional Guide、Leading Win及Great Way不再為福臨門集團的股東，而Flame Soar則成為福臨門集團的唯一股東。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (Continued)

SUMMARISED FINANCIAL INFORMATION OF JOINT VENTURES

The joint ventures are accounted for using the equity method in these consolidated financial statements prepared under HKFRSs.

Summarised financial information in respect of the Group's joint ventures is set out below. The summarised financial information below represents amounts shown in joint venture's financial statements prepared in accordance with HKFRSs.

		Professional Guide Group Professional Guide 集團		Leading Win		Great Way		Flame Soar Flame Soar
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	7,393	7,358	-	-	-	-	-
Non-current assets	非流動資產	-	-	-	-	-	-	-
Current liabilities	流動負債	(17,172)	17,126	(8)	-	(8)	-	-
Non-current liabilities	非流動負債	-	-	-	-	-	-	-
Net liabilities attributable to:	以下人士應佔負債淨額：							
— owners	— 擁有人	(9,779)	(9,768)	(8)	-	(8)	-	-
— non-controlling interests	— 非控股權益	-	-	-	-	-	-	-

The above amounts of assets and liabilities include the following:

上述資產及負債金額包括下列各項：

		Professional Guide Group Professional Guide 集團		Leading Win		Great Way		Flame Soar Flame Soar
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值	-	5	-	-	-	-	-
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括貿易及其他應付款項以及撥備)	-	-	-	-	-	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	非流動金融負債(不包括貿易及其他應付款項以及撥備)	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (Continued)

SUMMARISED FINANCIAL INFORMATION OF JOINT VENTURES (Continued)

The above amounts of assets and liabilities include the following: (Continued)

23. 於合營企業權益 (續)

合營企業財務資料概要 (續)

上述資產及負債金額包括下列各項：(續)

		Professional Guide Group Professional Guide集團		Leading Win Leading Win		Great Way Great Way		Flame Soar Flame Soar	
		Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2018	Period from 1 January 2018 to 25 October 2018 由二零一八年 一月一日至 二零一八年 十月二十五日 期間	
		截至 二零一九年 十二月三十一日 HK\$'000 千港元	截至 二零一八年 十二月三十一日 HK\$'000 千港元	截至 二零一九年 十二月三十一日 HK\$'000 千港元	截至 二零一八年 十二月三十一日 HK\$'000 千港元	截至 二零一九年 十二月三十一日 HK\$'000 千港元	截至 二零一八年 十二月三十一日 HK\$'000 千港元	HK\$'000 千港元	
Revenue	收入	-	125,662	-	-	-	-	-	
(Loss) profit and total comprehensive (expense) income attributable to owners	擁有人應佔(虧損)溢利及全面(開支)收益總額	(12)	(253,486)	(8)	(6,949)	(8)	528	256,090	
Profit and total comprehensive income attributable to non-controlling interests	非控股權益應佔溢利及全面收益總額	-	352	-	-	-	-	-	
(Loss) profit and total comprehensive (expenses) income for the year	年內(虧損)溢利及全面(開支)收益總額	(12)	(253,134)	(8)	(6,949)	(8)	528	256,090	
Dividends received by the Group	本集團已收股息	-	-	-	-	-	-	-	

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (Continued)

SUMMARISED FINANCIAL INFORMATION OF JOINT VENTURES (Continued)

The above (loss) profit for the year include the following:

23. 於合營企業權益 (續)

合營企業財務資料概要 (續)

上述年內(虧損)溢利包括以下各項：

	Professional Guide Group Professional Guide集團		Leading Win Leading Win		Great Way Great Way		Flame Soar Flame Soar
	Year ended 31 December 2019 截至 二零一九年 十二月三十一日 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 HK\$'000 千港元	Year ended 31 December 2019 截至 二零一九年 十二月三十一日 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 HK\$'000 千港元	Year ended 31 December 2019 截至 二零一九年 十二月三十一日 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 HK\$'000 千港元	Period from 1 January 2018 to 25 October 2018 由 二零一八年 一月一日至 二零一八年 十月二十五日 期間 HK\$'000 千港元
Depreciation and amortisation 折舊及攤銷	-	14,080	-	-	-	-	-
Interest income 利息收入	-	1,620	-	-	-	-	-
Interest expense 利息開支	-	13,557	-	-	-	-	-
Income tax expense 所得稅開支	-	4,651	-	-	-	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interests in joint ventures recognised in the consolidated financial statements:

上述財務資料概要與於合營企業權益賬面值(已於綜合財務報表確認)之對賬：

	Professional Guide Group Professional Guide集團		Leading Win Leading Win		Great Way Great Way		Flame Soar Flame Soar	Total 總計	
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net liabilities attributable to owners 擁有人應佔負債淨額	(9,779)	(9,768)	(8)	-	(8)	-	-	-	-
Proportion of the Group's ownership interest 本集團擁有權權益比例	50%	50%	50%	50%	50%	50%	19%	-	-
Carrying amount of the Group's interest 本集團權益之賬面值	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (Continued)

SUMMARISED FINANCIAL INFORMATION OF JOINT VENTURES (Continued)

During the year ended 31 December 2019 and 2018, since the Group's share of losses of Professional Guide, Leading Win and Great Way exceeds its interest in Professional Guide, Leading Win and Great Way, the Group has stopped recognising its share of further losses of Professional Guide, Leading Win and Great Way when applying the equity method.

The unrecognised share of losses, both for the year and cumulatively, are set out below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The unrecognised share of loss of joint ventures for the year	本年度於合營企業未獲確認虧損	14	4,884
Cumulative unrecognised share of loss of joint ventures	累計於合營企業未獲確認虧損	4,898	4,884

Before 25 October 2018, the Group held 50% equity interest in Flame Soar and accounted for the investment in joint ventures.

On 25 October 2018, the Group disposed of 31% interest in Flame Soar to Coqueen at the consideration of approximately HK\$173,920,000.

23. 於合營企業權益(續)

合營企業財務資料概要(續)

於截至二零一九年及二零一八年十二月三十一日止年度，由於本集團分佔 Professional Guide、Leading Win 及 Great Way 的虧損高於其於 Professional Guide、Leading Win 及 Great Way 擁有的權益，故本集團於應用權益法時終止確認其分佔 Professional Guide、Leading Win 及 Great Way 的進一步虧損。

本年度及累計未獲確認虧損載列如下：

於二零一八年十月二十五日前，本集團持有 Flame Soar 50% 股權，並計作於合營企業的投資。

於二零一八年十月二十五日，本集團向昶華出售於 Flame Soar 的 31% 股權，代價為約 173,920,000 港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN JOINT VENTURES (Continued)

SUMMARISED FINANCIAL INFORMATION OF JOINT VENTURES (Continued)

The Group has accounted for the remaining 19% equity interest in Flame Soar as equity instrument at FVTOCI whose fair value at the date of disposal was approximately HK\$85,160,000, which was determined using asset approach. This transaction has resulted a gain on disposal, calculated as follows.

23. 於合營企業權益 (續)

合營企業財務資料概要 (續)

本集團將於Flame Soar剩餘的19%股權入賬列作按公平值於其他全面收益列賬之股本權益工具，其於出售日期的公平值為約85,160,000港元，乃使用資產法釐定得出。是項交易產生出售收益，有關計算如下：

		2018 二零一八年 HK\$'000 千港元
Consideration	代價	173,920
Add: fair value of investment retained (19%) fair value of contingent consideration receivable at date of disposal	加：保留投資(19%)的公平值 於出售日期應收或然代價的公平值	85,160 7,393
Less: carrying amount of the 50% investment on the date of loss of significant influence Legal and professional fee	減：於失去重大影響力日期50% 投資的賬面值 法律及專業費用	(206,552) (3,140)
Gain on disposal of a joint ventures recognised 出售一間合營企業所確認的收益		56,781

The gain recognised during the year ended 31 December 2018 comprised a realised profit of HK\$35,651,000 (being the proceeds of approximately HK\$173,920,000 less carrying amount of assets classified as held for sales of approximately HK\$135,129,000 and legal and professional fee related to the disposal of approximately HK\$3,140,000) and an unrealised profit of HK\$21,130,000 (being the difference between fair value less the carrying amount of the 19% equity interest in Flame Soar plus the fair value of contingent consideration receivable at date of disposal).

於截至二零一八年十二月三十一日止年度確認的收益包括已實現溢利35,651,000港元(即所得款項約173,920,000港元減分類為持作出售之資產之賬面值約135,129,000港元及與出售相關的法律及專業費用約3,140,000港元)及未實現溢利21,130,000港元(即於Flame Soar的19%股權之公平值減其賬面值之間的差額加於出售日期應收或然代價之公平值)。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. CONTINGENT CONSIDERATION RECEIVABLE

Pursuant to the shareholders' agreement dated 25 October 2018 between Rich Paragon, Fook Lam Moon Holdings Limited ("FLM Holdings"), Fortunate Soar and other investor, FLM Holdings and Fortunate Soar jointly, severally and irrevocably guarantee to Rich Paragon that the audited profit (or, as the case may be, loss) before interest, tax, depreciation of tangible assets and amortisation of goodwill, general provision and other intangible assets ("EBITDA") of FLM HK and FLM KLN (collectively, the "Restaurant Operators") for the years ended 31 December 2018 and 2019, and years ending 2020 and 2021 (each a "Guaranteed FY" or collectively the "Guaranteed FYs") shall not be less than approximately HK\$49,693,000, HK\$51,184,000, HK\$52,720,000 and HK\$54,301,000, respectively. (the "Profit Guarantee"). In case the Profit Guarantee is not met or satisfied in any one of the Guaranteed FY during the Guaranteed FYs, FLM Holdings and Fortunate Soar shall in respect of that Guaranteed FY jointly or severally pay to Rich Paragon a cash compensation in amount by the difference multiple with the shareholding percentage of Flame Soar held by Rich Paragon.

On 26 October 2018, the Disposal was completed. The fair value of the contingent consideration receivable is valued by Valtech Valuation Advisory Limited, an independent professional valuer. The valuation of the contingent consideration receivable is mainly based on the latest financial information of the Restaurant Operators, the Restaurant Operators' financial performance forecast and other relevant indicators.

24. 應收或然代價

根據Rich Paragon、Fook Lam Moon Holdings Limited (「FLM Holdings」)、Fortunate Soar及其他投資者於二零一八年十月二十五日訂立的股東協議，FLM Holdings及Fortunate Soar共同、個別及不可撤回地向Rich Paragon保證，福臨門香港及福臨門九龍(統稱為「餐廳營辦商」)於截至二零一八年及二零一九年十二月三十一日止年度以及截至二零二零年及二零二一年十二月三十一日止年度(各自為保證財政年度，或統稱為「保證財政年度」)之除利息、稅項、有形資產折舊及商譽、一般撥備及其他無形資產攤銷(「EBITDA」)前經審核溢利(或虧損，視情況而定)分別不會少於約49,693,000港元、51,184,000港元、52,720,000港元及54,301,000港元(「溢利保證」)。倘於該等保證財政年度中任何一個保證年度未能符合或達成溢利保證，則FLM Holdings及Fortunate Soar應就該保證財政年度共同或個別地向Rich Paragon支付現金賠償，其金額按差額乘以Rich Paragon持有Flame Soar股權之百分比計算。

出售事項已於二零一八年十月二十六日完成。應收或然代價之公平值由獨立專業估值師方程評估有限公司進行評估。應收或然代價之評估主要基於餐廳營辦商最近之財務資料，餐廳營辦商財務表現預測及其他相關指標。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. CONTINGENT CONSIDERATION RECEIVABLE

(Continued)

At 26 October 2018, the fair value of the contingent consideration for the first Guaranteed FY and remaining Guaranteed FYs is estimated to be approximately HK\$1,691,000 and HK\$5,702,000 respectively. The contingent consideration is remeasured at 31 December 2018 on the same basis as above and the fair value of the contingent consideration for the first Guaranteed FY and the remaining Guaranteed FYs is estimated to be approximately HK\$394,000 and HK\$5,834,000 respectively as a result of the financial performance of the Restaurant Operators is better than forecast for the first Guaranteed FY and the changes in discount factor for the remaining Guaranteed FYs. Hence, the Group recognised a fair value loss on contingent consideration of approximately HK\$1,165,000 in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018.

At 31 December 2019, the contingent consideration is remeasured on the same basis as above and the fair value of the contingent for the second Guaranteed FY and the remaining Guaranteed FYs is estimated to be approximately HK\$2,488,000 and HK\$5,151,000 respectively as a result of the financial performance of the Restaurant Operations is better than the original forecast for the Guaranteed FYs and the changes in discount factor for the remaining Guaranteed FYs. Hence, the Group recognised a fair value gain on contingent consideration of approximately HK\$2,163,000 in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019.

25. INVENTORIES

24. 應收或然代價(續)

於二零一八年十月二十六日，或然代價於首個保證財政年度及餘下保證財政年度之公平值分別估計為約1,691,000港元及5,702,000港元。或然代價於二零一八年十二月三十一日按上述相同基準重新計量。由於首個保證財政年度餐廳業務財務表現優於預測及餘下保證財政年度之貼現率有所變動，或然代價於首個保證財政年度及餘下保證財政年度之公平值分別估計為約394,000港元及5,834,000港元。因此，截至二零一八年十二月三十一日止年度，本集團於綜合損益及其他全面收益表確認或然代價公平值虧損約1,165,000港元。

於二零一九年十二月三十一日，或然代價按上述相同基準重新計量。由於第二個保證財政年度餐廳業務財務表現優於保證財政年度的原本預測及餘下保證財政年度之貼現率有所變動，或然代價於第二個保證財政年度及餘下保證財政年度之公平值分別估計為約2,488,000港元及5,151,000港元。因此，截至二零一九年十二月三十一日止年度，本集團於綜合損益及其他全面收益表確認或然代價公平值收益約2,163,000港元。

25. 存貨

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Food and beverages and consumables 食品及飲品及消費品	189	755

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

26. TRADE AND OTHER RECEIVABLES

26. 貿易及其他應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	貿易應收款項	902	1,466
Less: Allowance for credit losses	減：信貸虧損撥備	(786)	(63)
Trade receivables, net (Note a)	貿易應收款項淨額(附註a)	116	1,403
Other receivables (Note b)	其他應收款項(附註b)	22,476	22,016
Prepayments and deposits paid (Note c)	預付款項及已付按金(附註c)	942	2,616
		23,418	24,632
Less: Allowance for credit losses	減：信貸虧損撥備	(21,623)	(21,427)
Other receivables, prepayments and deposit paid, net	其他應收款項、預付款項及已付按金淨額	1,795	3,205
		1,911	4,608

Notes:

- (a) Certain customers are granted credit period from 30 to 60 days. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date, which approximates the respective revenue recognition dates:

附註：

- (a) 若干客戶獲授予30至60日之信貸期。以下為根據發票日期(與彼等各自之收益確認日期相若)呈列之貿易應收款項(扣除信貸虧損撥備)之賬齡分析：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0-30 days	0至30日	-	267
31-60 days	31至60日	-	83
61-90 days	61至90日	35	111
91-120 days	91至120日	-	116
More than 120 days	超過120日	81	826
		116	1,403



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

26. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(a) (Continued)

At 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$116,000 (2018: approximately HK\$1,053,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$81,000 (2018: approximately HK\$747,000) has been past due 90 days or more are still considered as recoverable based on historical experience and forward-looking estimates. The Group does not hold any collateral over these balances.

(b) During the year ended 30 April 2012, Red Bloom Limited, an indirect wholly-owned subsidiary of the Company, entered into a memorandum of understanding with Key Ally Limited ("Key Ally"), an independent third party not connected with the Group, in relation to the proposed acquisition of equity interest in 太原市漢波食品工業有限公司 to explore the food and beverage industry in People's Republic of China (the "MOU 1"). Pursuant to the terms of the MOU 1, the earnest deposit of HK\$44,000,000 without interest bearing was paid as deposit and partial payment of the consideration for the proposed investment. The MOU 1 expired in the same year-end.

During the year ended 30 April 2013, the Group entered into a repayment agreement with Key Ally with respect of the repayment of the HK\$44,000,000 deposit. The outstanding balance was therefore reclassified from "deposits paid" to "other receivables" accordingly.

As Key Ally failed to repay the deposit to the Group according to the agreed repayment schedule, the Directors considered that the recoverability was remote and therefore full impairment loss of approximately HK\$28,225,000 has been recognised in profit or loss during the eight months period ended 31 December 2013.

During the year ended 31 December 2019, as the Group received approximately HK\$180,000 (31 December 2018: HK\$1,405,000) from Key Ally, a reversal of impairment loss of approximately HK\$180,000 (31 December 2018: HK\$1,405,000) has been recognised in profit or loss.

(c) Rental deposits paid were adjusted upon the initial application of HKFRS 16. Details of adjustments are set out in Note 3.

Detail of impairment assessment of trade and other receivables for the years ended 31 December 2018 and 2019 are set out in Note 7(b).

26. 貿易及其他應收款項 (續)

附註：(續)

(a) (續)

於二零一九年十二月三十一日，本集團貿易應收款項結餘指於報告日期已逾期總賬面值約116,000港元的應收賬款(二零一八年：約1,053,000港元)。逾期結餘，約81,000港元(二零一八年：約747,000港元)已逾期90日或以上，根據過往經驗及前瞻性估計，該款項仍被視為可回收。本集團並未就該等結餘持有任何抵押品。

(b) 截至二零一二年四月三十日止年度，本公司之間接全資附屬公司紅茂有限公司與Key Ally Limited(「Key Ally」，與本集團並無關連之獨立第三方)訂立諒解備忘錄，內容有關建議收購太原市漢波食品工業有限公司之股權，以尋求進軍中國之食品和飲品行業(「諒解備忘錄一」)。根據諒解備忘錄一之條款，已支付44,000,000港元之誠意金(不計息)作為按金及建議投資之部分代價付款。諒解備忘錄一已於同年年底屆滿。

截至二零一三年四月三十日止年度，本集團與Key Ally就償還44,000,000港元之按金訂立還款協議。結欠款額因此由「已付按金」重新分類至「其他應收款項」。

由於Key Ally未能根據協定還款時間表向本集團償還按金，董事認為收回可能性甚微，因此，已於截至二零一三年十二月三十一日止八個月期間於損益中確認約28,225,000港元之全數減值虧損。

於截至二零一九年十二月三十一日止年度，由於本集團向Key Ally收取約180,000港元(二零一八年十二月三十一日：1,405,000港元)，故已於損益確認撥回減值虧損約180,000港元(二零一八年十二月三十一日：1,405,000港元)。

(c) 已付租金按金於首次應用香港財務報告準則第16號時作出調整。有關調整詳情載於附註3。

截至二零一八年及二零一九年十二月三十一日止年度的貿易及其他應收款項減值評估詳情載於附註7(b)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

27. BANK BALANCES AND CASH

Bank balances carry interest at market rates which ranged from 0% to 0.05% (2018: 0% to 0.05%) per annum.

27. 銀行結餘及現金

銀行結餘按介乎0%至0.05%(二零一八年: 0%至0.05%)之市場年利率計息。

28. TRADE AND OTHER PAYABLES

28. 貿易及其他應付款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables (Note a)	貿易應付款項(附註a)	5,705	4,512
Other payables and accruals	其他應付款項及應計費用	17,025	23,478
Amount due to a director (Note b)	應付一名董事款項(附註b)	608	608
Amounts due to joint ventures (Note c)	應付合營企業款項(附註c)	7,353	7,353
Amount due to a non-controlling shareholder (Note d)	應付一名非控股股東款項(附註d)	2,998	-
		33,689	35,951

Notes:

(a) The following is an aged analysis of trade payable presented based on the invoice date:

附註:

(a) 以下是根據發票日期顯示的貿易應付款項的賬齡分析:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 30 days	30日內	632	635
31-60 days	31至60日	359	523
61-90 days	61至90日	-	505
91-120 days	91至120日	-	535
More than 120 days	超過120日	4,714	2,314
		5,705	4,512

Payment terms granted by suppliers are generally 30 to 90 days (2018: 30 to 90 days) after the end of the month in which the relevant purchases are made. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

供應商獲授之付款期一般為作出相關購貨之月份結束後30至90日(二零一八年: 30至90日)。本集團訂有財務風險管理政策以確保所有應付款項均於信貸期內結清。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

28. TRADE AND OTHER PAYABLES (Continued)

Notes: (Continued)

- (b) The amount due to a director is non-trade in nature, unsecured, non-interest bearing and repayable on demand.
- (c) The balances are non-trade in nature, unsecured, non-interest bearing and repayable on demand and has been included in joint ventures' financial statements as current assets (Note 23).
- (d) The amount due to a non-controlling shareholder is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

28. 貿易及其他應付款項(續)

附註：(續)

- (b) 應付董事款項為非貿易性質、無抵押、不計息及須按要求償還。
- (c) 該等結餘為非貿易性質、無抵押、不計息及須按要求償還，並已於合營企業之財務報表入賬列作流動資產(附註23)。
- (d) 應付非控股股東款項為非貿易性質、無抵押、不計息及須按要求償還。

29. OTHER BORROWINGS

29. 其他借貸

	Notes 附註	Maturity date 到期日		2019	2018	
		2019 二零一九年	2018 二零一八年	二零一九年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	
Loan repayables within five years 須於五年內償還之貸款						
10% secured borrowing 10% 擔保借貸	Fixed rate 定息	a	31 May 2020 二零二零年五月三十一日	31 May 2019 二零一九年五月三十一日	595	595
10% secured borrowing 10% 擔保借貸	Fixed rate 定息	b	12 July 2020 二零二零年七月十二日	12 July 2019 二零一九年七月十二日	370	500
10% secured borrowing 10% 擔保借貸	Fixed rate 定息	c	23 July 2020 二零二零年七月二十三日	23 July 2019 二零一九年七月二十三日	1,000	1,000
10% secured borrowing 10% 擔保借貸	Fixed rate 定息	d	31 July 2020 二零二零年七月三十一日	-	500	-
10% secured borrowing 10% 擔保借貸	Fixed rate 定息	e	20 August 2020 二零二零年八月二十日	-	600	-
10% secured borrowing 10% 擔保借貸	Fixed rate 定息	f	3 October 2020 二零二零年十月三日	-	440	-
15% unsecured borrowing 15% 無擔保借貸	Fixed rate 定息	g	18 September 2020 二零二零年九月十八日	-	2,000	-
15% unsecured borrowing 15% 無擔保借貸	Fixed rate 定息	h	18 September 2020 二零二零年九月十八日	-	5,000	-
15% unsecured borrowing 15% 無擔保借貸	Fixed rate 定息	i	18 September 2020 二零二零年九月十八日	-	4,000	-
					14,505	2,095



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

29. OTHER BORROWINGS (Continued)

Notes:

- (a) Included in the Group's other borrowings are loans with aggregate carrying amount of approximately HK\$595,000 (2018: approximately HK\$595,000) borrowed by a wholly-owned subsidiary of the Company. The Company has provided corporate guarantee on these borrowings.

On 31 May 2019, with the same interest rate of 10% per annum, further extension has been granted by the lender for the repayment of a loan of approximately HK\$595,000 and their accrued interest to 31 May 2020.

- (b) Included in the Group's other borrowings are loans with aggregate carrying amount of HK\$370,000 (2018: HK\$500,000) from Quick Money Finance Limited ("Quick Money") a company in which a director of the Company had common control. The loan is secured by 70% equity interests of Able Wind Limited ("Able Wind"), a non-wholly owned subsidiary of the Company, and carried fixed interest rate of 10% per annum (2018: unsecured).

On 13 July 2019, with the same interest rate of 10% per annum, an extension has been granted by the lender for the repayment of a loan of HK\$370,000 and their accrued interest to 12 July 2020.

- (c) During the year ended 31 December 2018, the Group has obtained another loan of HK\$1,000,000 from Quick Money. The loan is secured by 70% equity interests of Able Wind, a non-wholly owned subsidiary of the Company, and carried fixed interest rate of 10% per annum.

On 24 July 2019, with the same interest rate of 10% per annum, an extension has been granted by the lender for the repayment of a loan of HK\$1,000,000 and their accrued interest to 23 July 2020.

- (d) During the year ended 31 December 2019, the Group has obtained a loan of HK\$500,000 from Quick Money. The loan is secured by 70% equity interests of Able Wind, a non-wholly owned subsidiary of the Company, and carried fixed interest rate of 10% per annum.

29. 其他借貸 (續)

附註：

- (a) 本集團之其他借貸包括總賬面值為約595,000港元(二零一八年：約595,000港元)之貸款(為本公司之全資附屬公司借貸)。本公司已為該等借貸提供公司擔保。

二零一九年五月三十一日，貸款人已准予分別延長約595,000港元貸款連應計利息的還款期至二零二零年五月三十一日，維持相同年利率10%。

- (b) 本集團之其他借貸包括總賬面值為來自Quick Money Finance Limited(「Quick Money」)370,000港元(二零一八年：500,000港元)之貸款，本公司一名董事於該公司有共同控制權。該貸款乃以本公司非全資附屬公司榮風有限公司(「榮風」)的70%股權作抵押，並按固定年利率10%計息(二零一八年：無抵押)。

二零一九年七月十三日，貸款人已准予分別延長370,000港元貸款連應計利息的還款期至二零二零年七月十二日，維持相同年利率10%。

- (c) 截至二零一八年十二月三十一日止年度，本集團自Quick Money獲得另一筆1,000,000港元之貸款。該貸款乃以本公司非全資附屬公司榮風的70%股權作抵押，並按固定年利率10%計息。

二零一九年七月二十四日，貸款人已准予分別延長1,000,000港元貸款連應計利息的還款期至二零二零年七月二十三日，維持相同年利率10%。

- (d) 截至二零一九年十二月三十一日止年度，本集團自Quick Money獲得一筆500,000港元之貸款。該貸款乃以本公司非全資附屬公司榮風的70%股權作抵押，並按固定年利率10%計息。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

29. OTHER BORROWINGS (Continued)

Notes: (Continued)

- (e) During the year ended 31 December 2019, the Group has obtained a loan of HK\$600,000 from Quick Money. The loan is secured by 70% equity interests of Able Wind, a non-wholly owned subsidiary of the Company, and carried fixed interest rate of 10% per annum.
- (f) During the year ended 31 December 2019, the Group has obtained a loan of HK\$440,000 from Quick Money. The loan is secured by 70% equity interests of Able Wind, a non-wholly owned subsidiary of the Company, and carried fixed interest rate of 10% per annum.
- (g) During the year ended 31 December 2019, the Group has obtained a loan of HK\$2,000,000 from Kingston Finance Limited ("Kingston Finance"). It was unsecured and carried fixed interest rate of 18% per annum.

On 20 March 2020, with the revised interest rate of 15% per annum, an extension has been granted by the lender for the repayment of a loan of HK\$2,000,000 and their accrued interest to 18 September 2020.

- (h) During the year ended 31 December 2019, the Group has obtained a loan of HK\$5,000,000 from Kingston Finance. It was unsecured and carried fixed interest rate of 15% per annum.

On 20 March 2020, with the same interest rate of 15% per annum, an extension has been granted by the lender for the repayment of a loan of HK\$5,000,000 and their accrued interest to 18 September 2020.

- (i) During the year ended 31 December 2019, the Group has obtained a loan of HK\$4,000,000 from Kingston Finance. It was unsecured and carried fixed interest rate of 15% per annum.

On 20 March 2020, with the same interest rate of 15% per annum, an extension has been granted by the lender for the repayment of a loan of HK\$4,000,000 and their accrued interest to 18 September 2020.

All the borrowings are denominated in HK\$.

29. 其他借貸(續)

附註：(續)

- (e) 截至二零一九年十二月三十一日止年度，本集團自 Quick Money 獲得一筆 600,000 港元之貸款。該貸款乃以本公司非全資附屬公司榮風的 70% 股權作抵押，並按固定年利率 10% 計息。
- (f) 截至二零一九年十二月三十一日止年度，本集團自 Quick Money 獲得一筆 440,000 港元之貸款。該貸款乃以本公司非全資附屬公司榮風的 70% 股權作抵押，並按固定年利率 10% 計息。
- (g) 截至二零一九年十二月三十一日止年度，本集團自 Kingston Finance Limited (「Kingston Finance」) 獲得一筆 2,000,000 港元之貸款。該貸款為無抵押及按固定年利率 18% 計息。

二零二零年三月二十日，貸款人已准予分別延長約 2,000,000 港元貸款連應計利息的還款期至二零二零年九月十八日，經修訂年利率 15%。

- (h) 截至二零一九年十二月三十一日止年度，本集團自 Kingston Finance 獲得一筆 5,000,000 港元之貸款。該貸款為無抵押及按固定年利率 15% 計息。

二零二零年三月二十日，貸款人已准予分別延長 5,000,000 港元貸款連應計利息的還款期至二零二零年九月十八日，維持相同年利率 15%。

- (i) 截至二零一九年十二月三十一日止年度，本集團自 Kingston Finance 獲得一筆 4,000,000 港元之貸款。該貸款為無抵押及按固定年利率 15% 計息。

二零二零年三月二十日，貸款人已准予分別延長 4,000,000 港元貸款連應計利息的還款期至二零二零年九月十八日，維持相同年利率 15%。

所有借貸均以港元計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. LEASE LIABILITIES

30. 租賃負債

		2019 二零一九年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：	
Within one year	一年內	1,003
Within a period of more than one year but not more than two years	一年以上但不超過兩年之期間內	1,174
Within a period of more than two years but not more than five years	兩年以上但不超過五年之期間內	2,938
		5,115
Less: Amount due for settlement with 12 months shown under current liabilities	減：12個月內到期償還之款項 (列於流動負債項下)	(1,003)
Amount due for settlement after 12 months shown under non-current liabilities	於12個月後到期結清之款項 (列於非流動負債項下)	4,112

31. OBLIGATIONS UNDER FINANCE LEASES

31. 融資租賃承擔

		2018 二零一八年 HK\$'000 千港元
Analysed for reporting purposes as	就報告目的分析	
— Current liabilities	— 流動負債	234
— Non-current liabilities	— 非流動負債	51
		285

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

31. OBLIGATIONS UNDER FINANCE LEASES

(Continued)

It is the Group's policy to leases certain motor vehicles under finance leases. As at 31 December 2018, the average lease term of the lease is 5 years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 1.28% to 1.98% per annum. The Group has options to purchase the motor vehicles for a nominal amount at the end of the lease terms. No arrangements have been entered into for contingent rental payments.

31. 融資租賃承擔 (續)

本集團政策為根據融資租賃安排租用若干汽車。於二零一八年十二月三十一日，有關租賃之平均租期為五年。融資租賃項下所有承擔之固定年利率於各合約日期介乎1.28%至1.98%。本集團有權於租期末以名義金額購買汽車。並無就或然租金付款訂立任何安排。

		Minimum lease payments 最低租賃付款 2018 二零一八年 HK\$'000 千港元	Present value minimum lease payments 最低租賃 付款現值 2018 二零一八年 HK\$'000 千港元
Obligations under finance leases payable:	融資租賃應付款項項下之責任：		
Within one year	一年內	238	234
Within a period of more than one year but not more than two years	一年後但不超過兩年之期間內	51	51
		289	285
Less: Future finance charges	減：日後融資費用	(4)	-
Present value of lease obligations	租賃承擔現值	285	285
Less: Amounts due for settlement within one year shown under current liabilities	減：於一年內到期結清之款項 (列於流動負債項下)		(234)
Amount due for settlement after 12 month shown under non-current liabilities	於12個月後到期結清之款項 (列於非流動負債項下)		51

As at 31 December 2018, the Group's obligations under finance leases are secured by the lessors' title to the leased assets.

於二零一八年十二月三十一日，本集團之融資租賃承擔乃以出租人之租賃資產之業權作抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. CONVERTIBLE BONDS

CMS CB (as defined below)

On 18 December 2014, the Company issued convertible bonds to five subscribers including China Merchants Securities Investment Management (HK) Co., Limited in the aggregate principal amount of US\$37,500,000 (the "CMS CB"), conferring the rights to the holders of the CMS CB thereof to subscribe for up to 519,937,500 new ordinary shares of the Company at conversion price of HK\$0.56 per share at any time during the conversion period.

The CMS CB is guaranteed by (i) Good Capital Investment Limited ("Good Capital"), a wholly-owned subsidiary of the Company; (ii) Rich Paragon; (iii) Loyal Wealth Enterprise Limited (the "Loyal Wealth"), a wholly-owned subsidiary of the Company; (iv) Professional Guide; and (v) Coqueen (collectively known as the "Guarantors"). Details of the contractual terms of the CMS CB have been stated in the Company's circular dated 2 September 2014.

The principal terms of the CMS CB are as follows:

Principal amount:	US\$37,500,000
本金額：	37,500,000 美元
Coupon rate:	3% per annum
票息率：	每年3%
Conversion price:	HK\$0.56
換股價：	0.56 港元
Maturity date:	The day falling on the last day of the 42th month from the issue date (i.e. 30 June 2018)
到期日：	自發行日期起第42個月的最後一日(即二零一八年六月三十日)
Exchange rate for determining the conversion price:	At a fixed rate of US\$1: HK\$7.7644
釐定換股價匯率：	按1美元兌7.7644港元固定利率
Conversion period:	At any time after six months from the issue date and up to the close of business on the third day prior to the maturity date, or if such CMS CB shall have been called for redemption by the bondholders prior to the maturity date, then at any time after the issue date up to the close of business on a date no less than three days prior to the date fixed for redemption thereof.
轉換期：	發行日期起計六個月起至到期日前第三日之營業時段結束時止之任何時間；或倘債券持有人於到期日前要求贖回招商證券可換股債券，則為發行日期起計至可換股債券之既定贖回日期最少三日前當日之營業時段結束時止之任何時間。

32. 可換股債券

招商證券可換股債券(定義見下文)

於二零一四年十二月十八日，本公司向五位認購人包括招商證券投資管理(香港)有限公司發行本金總額為37,500,000美元之可換股債券(「招商證券可換股債券」)，招商證券可換股債券賦予持有人權利可於兌換期內任何時間按每股股份0.56港元的兌換價認購最多519,937,500股本公司新普通股。

招商證券可換股債券由(i) Good Capital Investment Limited(「Good Capital」，本公司一間全資附屬公司)；(ii) Rich Paragon；(iii) 誼富企業有限公司(「誼富」，本公司一間全資附屬公司)；(iv) Professional Guide；及(v) 昶華(統稱「擔保人」)擔保。有關招商證券可換股債券之合約條款詳情載於本公司日期為二零一四年九月二日之通函。

招商證券可換股債券的主要條款如下：



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. CONVERTIBLE BONDS (Continued)

CMS CB (as defined below) (Continued)

Redemption at the option of bondholders:

按債券持有人之選擇贖回：

The CMS CB contains debt component and derivative components, including conversion option derivative and bondholder's early redemption option derivative (collectively the "Derivative Component"). The conversion option is classified as a derivative as it will be settled by an exchange of a variable amount of cash for a fixed number of the Company's own equity instruments on the basis that the CMS CB is denominated in foreign currency of the Company.

32. 可換股債券 (續)

招商證券可換股債券(定義見下文) (續)

Each bondholder will have the right to require the Company to redeem some or all of such holder's CMS CB if a put exercise notice is served on the Company at any time during the 10-business day period commencing on the 12th month anniversary of the issue date, the 10-business day period commencing on the 30th month anniversary of the issue date or the 10-business day period commencing on the 36th month anniversary of the issue date (each period being a "Put Option Period" and such day on which a put exercise notice is served on the Company being an "Option Put Date") at an amount equal to the sum of (i) 100% of the principal amount outstanding of the CMS CB to be redeemed together with interest accrued to the relevant date of redemption and (ii) such additional amount as would result in an internal rate of return on the CMS CB to be redeemed of (a) with respect to the first Put Option Period, 15% per annum from the issue date to the relevant date of redemption, and (b) with respect to the other two Put Option Periods, 13.5% per annum from the issue date to the relevant date of redemption.

倘行使出售通知於發行日期起計第12個月開始之10個營業日期間、於發行日期起計第30個月開始之10個營業日期間，或於發行日期起計第36個月開始之10個營業日期間之任何時間(各期間為「出售選擇權期間」)及將行使出售選擇權通知送達本公司的有關日期，即為「出售選擇權日期」)送達本公司，每位招商證券可換股債券持有人將有權要求本公司贖回部分或全部該持有人之招商證券可換股債券，金額相等於以下各項總和：(i)將贖回的招商證券可換股債券本金額100% (連同計至相關贖回日期之利息)；及(ii)該等額外金額將導致將予贖回的招商證券可換股債券產生內部回報率，(a)就第一個選擇權期間而言，由發行日至有關贖回日期為每年15%；及(b)就另外兩個選擇權期間而言，由發行日至有關贖回日期為每年13.5%。

招商證券可換股債券包括債務部分及衍生部分，其中包括換股選擇權衍生工具以及債券持有人提早贖回選擇權衍生工具(統稱「衍生部分」)。換股選擇權獲分類為衍生工具，原因為其將按招商證券可換股債券為本公司外幣之基準以可變現金金額換取固定數目的本公司本身股權工具。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. CONVERTIBLE BONDS (Continued)

CMS CB (as defined below) (Continued)

At the date of issue, the debt component was recognised at fair value, calculated based on the present value of the redemption amount at maturity. In subsequent periods, the debt component is carried at amortised cost using the effective interest method. The effective interest rate of the debt component is 30.4% per annum.

The Derivative Component is measured at fair values at the date of issue and in subsequent periods with changes in fair value recognised in profit or loss.

During the first Put Option Period, all holders of CMS CB have requested the Company to redeem the CMS CB with the total outstanding principal amount of US\$37,500,000. None of the CMS CB has been converted into shares of the Company during the year ended 31 December 2015. The conversion option has been lapsed when the holders of CMS CB requested the Company to redeem the CMS CB.

In order to finance the redemption of the principal amount of CMS CB and the repayment of the interest thereof, the Company raised net proceeds of approximately HK\$297,587,000 by way of rights issue during the year ended 31 December 2016. The net proceeds from the rights issue was used to settle the outstanding principal amount of approximately HK\$208,445,000 and the outstanding interest payment of approximately HK\$34,551,000 (the "Settlement"). Agreed with holders of the CMS CB, the outstanding principal amount of HK\$82,311,000 after the Settlement carries an interest rate of 15% per annum. Interest on CMS CB of approximately HK\$51,767,000 has been recognised for the year ended 31 December 2016.

32. 可換股債券(續)

招商證券可換股債券(定義見下文) (續)

於發行日期，債務部分按公平值確認，根據到期日贖回金額的現值計算。於隨後期間，債務部分採用實際利率法按攤銷成本列賬。債務部分的實際利率為每年30.4%。

衍生部分按發行日期的公平值計量，隨後期間的公平值變動於損益確認。

於首個認沽期權期間，所有招商證券可換股債券持有人要求本公司以未償還本金總額37,500,000美元贖回招商證券可換股債券。於截至二零一五年十二月三十一日止年度，概無招商證券可換股債券獲轉換為本公司股份。轉換權已於招商證券可換股債券持有人要求本公司贖回招商證券可換股債券時失效。

為撥付贖回招商證券可換股債券本金額及償還其利息，於截至二零一六年十二月三十一日止期間，本公司透過供股方式籌得所得款項淨額約297,587,000港元。供款所得款項淨額已用作清償尚欠本金額約208,445,000港元及尚欠利息約34,551,000港元(「清償」)。經與招商證券可換股債券持有人協定，於清償後之未償還本金額82,311,000港元將以年利率15%計息。招商證券可換股債券之利息約51,767,000港元已於截至二零一六年十二月三十一日止年度確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

32. CONVERTIBLE BONDS (Continued)

CMS CB (as defined below) (Continued)

As at 31 December 2017, the carrying amount of the CMS CB is approximately HK\$91,789,000 (equivalent to approximately US\$11,745,000), representing the outstanding principal amount of approximately HK\$82,471,000 (equivalent to approximately US\$10,553,000) and the outstanding interest payment of approximately HK\$9,318,000 (equivalent to approximately US\$1,192,000). The principal amount carries an interest rate of 15% per annum, secured by shares of certain subsidiaries of the Company and repayable on demand.

The principal amount and interest payment of CMS CB has been fully settled during the year ended 31 December 2018 following completion of the disposal of Flame Soar.

The movements of the convertible bonds for the year ended 31 December 2018 are set out below:

32. 可換股債券(續)

招商證券可換股債券(定義見下文)(續)

於二零一七年十二月三十一日，招商證券可換股債券的賬面值約為91,789,000港元(相當於約11,745,000美元)，即未償還本金額約82,471,000港元(相當於約10,553,000美元)及未償還利息約9,318,000港元(相當於約1,192,000美元)。本金額以年利率15%計息，以本公司若干附屬公司的股份抵押及按要求償還。

招商證券可換股債券的本金及利息付款已於截至二零一八年十二月三十一日止年度(緊接出售Flame Soar完成之後)悉數結付。

截至二零一八年十二月三十一日止年度可換股債券之變動如下：

		Liability
		負債
		HK\$'000
		千港元
At 1 January 2018	於二零一八年一月一日	91,789
Repayment	償還款項	(103,213)
Interest expense (Note 12)	利息開支(附註12)	11,177
Exchange realignment	匯兌調整	247
At 31 December 2018	於二零一八年十二月三十一日	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

33. SHARE CAPITAL

33. 股本

		Par value per share 每股面值 HK\$ 港元	Number of ordinary shares 普通股數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:	法定：			
At 1 January 2018, 31 December 2018 and 1 January 2019	於二零一八年一月一日、 二零一八年 十二月三十一日及 二零一九年一月一日	0.02	5,000,000	100,000
Share consolidation (Note a)	股份合併(附註a)	N/A 不適用	(4,875,000)	–
		0.80	125,000	100,000
Share subdivision (Note c)	股份拆細(附註c)	N/A 不適用	9,875,000	–
At 31 December 2019	於二零一九年 十二月三十一日	0.01	10,000,000	100,000
Issued and fully paid:	已發行及繳足：			
At 1 January 2018, 31 December 2018 and 1 January 2019	於二零一八年一月一日、 二零一八年 十二月三十一日及 二零一九年一月一日	0.02	3,170,160	63,403
Share consolidation (Note a)	股份合併(附註a)	N/A 不適用	(3,090,906)	–
		0.80	79,254	63,403
Capital reduction (Note b)	股本削減(附註b)	N/A 不適用	–	(62,610)
At 31 December 2019	於二零一九年 十二月三十一日	0.01	79,254	793



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

33. SHARE CAPITAL (Continued)

Notes:

As disclosed in the circular of the Company dated 20 May 2019 and pursuant to an ordinary resolutions passed at the Company's extraordinary general meeting held on 12 June 2019 (the "EGM"), the share consolidation, capital reduction and share subdivision are disclosed in details as below.

- (a) Pursuant to an ordinary resolution passed at the EGM, a share consolidation on the basis that every forty issued and unissued shares of HK\$0.02 each in the share capital of the Company had been consolidated into one consolidated share of HK\$0.80 each (the "Consolidated Share") with effective from 18 July 2019 (the "Share Consolidation"). Prior to the date of such Share Consolidation, there were 3,170,160,000 issued shares, after such Share Consolidation, the number of issued shares had changed to 79,254,000.
- (b) Pursuant to an ordinary resolution passed at the EGM, the Company's issued share capital has been reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.79 on each of the issued Consolidated Share such that the nominal value of each issued Consolidated Share has been reduced from HK\$0.80 to HK\$0.01 with effective from 18 July 2019 (the "Capital Reduction"). The Capital Reduction was credited to the contributed surplus account of the Company.
- (c) Pursuant to an ordinary resolution passed at the EGM, immediately following the Capital Reduction, each of the authorised but unissued Consolidated Share of HK\$0.80 each has been sub-divided into eighty new shares of HK\$0.01 each (the "Share Subdivision").

All the shares which were issued during the years rank pari passu with the then existing shares in all respects.

33. 股本(續)

附註：

誠如本公司日期為二零一九年五月二十日的通函所披露，並根據二零一九年六月十二日舉行的本公司臨時股東大會（「股東特別大會」）通過的普通決議案，股份合併、股本削減及股份拆細的詳情披露如下。

- (a) 根據股東特別大會上通過的普通決議案，每四十(40)股每股面值0.02港元之已發行及未發行現有股份將合併為一(1)股每股面值0.80港元之合併股份（「合併股份」），自二零一九年七月十八日起生效（「股份合併」）。於該股份合併日期前，共有3,170,160,000股已發行股份，於該合併股份後，已發行股份數目已變更為79,254,000股。
- (b) 根據股東特別大會上通過的普通決議案，透過註銷本公司實繳股本之方式削減本公司已發行股本，就每股已發行合併股份註銷0.79港元，致令每股已發行合併股份之面值將由0.80港元削減至0.01港元，自二零一九年七月十八日生效（「股本削減」）。股本削減而產生之進賬額將計入本公司之實繳盈餘賬。
- (c) 根據股東特別大會上通過的普通決議案，緊隨股本削減後，每股面值0.80港元之法定但未發行合併股份將分拆為八十股每股面值0.01港元之新股（「股份拆細」）。

年內發行的所有股份在所有方面與當時的現有股份享有同等地位。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. RETIREMENT BENEFITS PLANS

Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

During the year ended 31 December 2019, the total expense recognised in profit or loss of approximately HK\$761,000 (2018: approximately HK\$826,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

As at 31 December 2019, contributions of approximately HK\$82,000 (31 December 2018: approximately HK\$119,000) due in respect of the year ended 31 December 2019 had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

35. DISPOSAL OF SUBSIDIARIES

Disposal of loyal wealth

On 10 December 2018, the Group disposed of its 100% equity interests of Loyal Wealth and shareholder's loan in the sum of approximately HK\$71,883,000 being the aggregate of all the outstanding indebtedness owing by Loyal Wealth to the Company and Wing Man Global Limited, a wholly-owned subsidiary of the Company, at a consideration of approximately HK\$50,000. The net assets of Loyal Wealth at the date of disposal were as follows:

	HK\$'000 千港元
Consideration received:	已收取代價：
Cash received	50

34. 退休福利計劃

定額供款計劃

本集團為香港所有合資格僱員成立強制性公積金計劃。該計劃之資產與本集團資產分開持有，並由託管人管理的基金持有。本集團就向該計劃作出工資成本5%之供款，而僱員亦須作出等額供款。

截至二零一九年十二月三十一日止年度，於損益確認之開支總額約761,000港元(二零一八年：約826,000港元)指本集團按照該等計劃之規則指明的比率向該等計劃支付的供款。

於二零一九年十二月三十一日，就截至二零一九年十二月三十一日止年度應付的供款約82,000港元(二零一八年十二月三十一日：約119,000港元)尚未向計劃支付。有關款項已於報告期末之後支付。

35. 出售附屬公司

出售誼富

於二零一八年十二月十日，本集團出售其於誼富之100%股權以及約71,883,000港元的股東貸款(即本公司及本公司全資附屬公司永萬環球有限公司結欠之全數未償還債項)，代價約50,000港元。誼富於出售日期之資產淨值如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. DISPOSAL OF SUBSIDIARIES (Continued)

Disposal of loyal wealth (Continued)

Analysis of assets and liabilities over which control was lost

		HK\$'000 千港元
<i>Current assets</i>	<i>流動資產</i>	
Other receivables	其他應收款項	110
<i>Current liabilities</i>	<i>流動負債</i>	
Trade and other payables	貿易及其他應付款項	(1,680)
Amounts due to group companies	應付集團公司款項	(71,883)
Net liabilities disposed of	出售負債淨值	(73,453)

Gain on disposal of Loyal Wealth

出售誼富之收益

		HK\$'000 千港元
Consideration	代價	50
Shareholder's loan disposed	已出售股東貸款	(71,883)
Net liabilities disposed of	已出售負債淨值	73,453
Gain on disposal	出售收益	1,620

Net cash inflow on disposal of Loyal Wealth

出售誼富之現金流入淨額

		HK\$'000 千港元
Cash consideration received	已收取現金代價	50

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. 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 flow were, or future cashflows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

36. 融資活動所產生負債之對賬

下表載列本集團融資活動所產生負債之變動詳情，包括現金及非現金變動。融資活動所產生的負債為現金流量已經或其未來現金流量將會於本集團綜合現金流量表分類為融資活動的現金流量的負債。

		Other borrowings (Note 29)	Convertible bonds (Note 32)	Obligations under finance leases (Note 31)	Amounts due to joint ventures (Note 28)	Amount due to a director (Note 28)	Trade and other payables — accruals (Note 28)	Total
		其他借貸 (附註29)	可換股債券 (附註32)	融資租賃 承擔 (附註31)	應付合營 企業款項 (附註28)	應付一名 董事款項 (附註28)	貿易及其他 應付款項 — 應計費用 (附註28)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	70,000	91,789	870	98,511	-	-	261,170
<i>Changes from cash flows:</i>	<i>現金流量之變動：</i>							
Proceeds from other borrowings	其他借貸所得款項	1,500	-	-	-	-	-	1,500
Repayment of other borrowings	償還其他借貸	(65,485)	-	-	-	-	-	(65,485)
Repayment of obligations under finance leases	償還融資租賃承擔	-	-	(585)	-	-	-	(585)
Advance from directors	來自董事的款項墊款	-	-	-	-	608	-	608
Repayment from joint venture	合營企業還款	-	-	-	(3,529)	-	-	(3,529)
Interest paid	已付利息	(1,661)	-	(16)	-	-	-	(1,677)
		(65,646)	-	(601)	(3,529)	608	-	(69,168)
<i>Non-cash changes:</i>	<i>非現金變動：</i>							
Repayment of other borrowings (Note 37)	償還其他借貸(附註37)	(3,920)	-	-	-	-	-	(3,920)
Repayment of convertible bonds (Note 37)	償還可換股票據(附註37)	-	(103,213)	-	-	-	-	(103,213)
Repayment to joint ventures (Note 37)	償還合營企業款項(附註37)	-	-	-	(87,629)	-	-	(87,629)
Interest expense (Note 12)	利息開支(附註12)	1,661	11,177	16	-	-	110	12,964
Effect of foreign exchange rate changes	外匯匯率變動之影響	-	247	-	-	-	-	247
		(2,259)	(91,789)	16	(87,629)	-	110	(181,551)
At 31 December 2018	於二零一八年十二月三十一日	2,095	-	285	7,353	608	110	10,451

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

36. 融資活動所產生負債之對賬(續)

		Other borrowings (Note 29) HK\$'000 千港元	Lease liabilities/ obligations under finance leases (Notes 30 and 31) 租賃負債/ 融資租賃 承擔 (附註30及31) HK\$'000 千港元	Amounts due to joint ventures (Note 28) HK\$'000 千港元	Amount due to a director (Note 28) HK\$'000 千港元	Amount due to a non-controlling shareholder (Note 28) HK\$'000 千港元	Trade and other payables — accruals (Note 28) 貿易及其他應付款項 — 應計費用 (附註28) HK\$'000 千港元	Total HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日	2,095	285	7,353	608	—	110	10,451
Adjustment upon application of HKFRS 16	應用香港財務報告準則第16號後調整	—	8,875	—	—	—	—	8,875
At 1 January 2019	於二零一九年一月一日	2,095	9,160	7,353	608	—	110	19,326
<i>Changes from cash flows:</i>	<i>現金流量之變動:</i>							
Proceeds from other borrowings	其他借貸所得款項	12,540	—	—	—	—	—	12,540
Repayment of other borrowings	償還其他借貸	(130)	—	—	—	—	—	(130)
Repayment of lease liabilities	償還租賃負債	—	(3,649)	—	—	—	—	(3,649)
Advance from a non-controlling shareholder	來自一名非控股股東的款項墊款	—	—	—	—	2,998	—	2,998
Interest paid	已付利息	(1,642)	(1,062)	—	—	—	1,914	(790)
		10,768	(4,711)	—	—	2,998	1,914	10,969
<i>Non-cash changes:</i>	<i>非現金變動:</i>							
Addition of right-of-use assets	添置使用權資產	—	5,379	—	—	—	—	5,379
Disposal of right-of-use assets	出售使用權資產	—	(5,775)	—	—	—	—	(5,775)
Interest expense (Note 12)	利息開支(附註12)	1,642	1,062	—	—	—	—	2,704
		1,642	666	—	—	—	—	2,308
At 31 December 2019	於二零一九年十二月三十一日	14,505	5,115	7,353	608	2,998	2,024	32,603



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. MAJOR NON-CASH TRANSACTION

FOR THE YEAR ENDED 31 DECEMBER 2018

During the year ended 31 December 2018, the principal amount and interest payment of CMS CB and certain other borrowings of approximately HK\$103,213,000 and HK\$3,920,000, respectively, have been settled by part of the consideration from the Disposal paid by Coqueen to the bondholders and the financial institution.

During the year ended 31 December 2018, Flame Soar had declared interim dividends of approximately HK\$51,951,000. The dividends were settled by the amount due to Flame Soar included in amounts due to joint ventures.

During the year ended 31 December 2018, the Company, Coqueen, Professional Guide and Flame Soar (the "3rd Parties") entered into a memorandum of settlement, pursuant to which the 3rd Parties agreed to offset the amounts due to each others. After the offset, the Group's amounts due from joint ventures of approximately HK\$26,678,000 was set-off with the amounts due to joint ventures.

During the year ended 31 December 2018, the reimbursement of interest on convertible bonds of approximately HK\$9,000,000 was received by Professional Guide on behalf of the Company.

FOR THE YEAR ENDED 31 DECEMBER 2019

During the year ended 31 December 2019, the Group has closed down the restaurant — Fooklore in Wanchai and disposed of the plant and equipment of Fooklore to several creditors at an aggregated consideration of approximately HK\$5,995,000. The consideration has been used to offset the liabilities related to Fooklore and resulted a gain on disposal of approximately HK\$3,524,000 for the year.

37. 主要非現金交易

截至二零一八年十二月三十一日止年度

於截至二零一八年十二月三十一日止年度，招商證券可換股債券的本金及利息付款以及若干其他借貸分別約103,213,000港元及3,920,000港元，已由昶華向債券持有人及金融機構支付之出售事項之部分代價結付。

於截至二零一八年十二月三十一日止年度，Flame Soar宣派中期股息約51,951,000港元。結付股息與應付Flame Soar款項(計入應付合營企業款項)抵銷。

於截至二零一八年十二月三十一日止年度，本公司與昶華、Professional Guide及Flame Soar(「第三方」)訂立一項結算備忘錄，據此，第三方同意抵銷應付予彼等的款項。抵銷後，本集團應收合營企業款項約26,678,000港元與應付合營企業款項抵銷。

於截至二零一八年十二月三十一日止年度，Professional Guide代表本公司收取償付可換股債券利息約9,000,000港元。

截至二零一九年十二月三十一日止年度

截至二零一九年十二月三十一日止年度，本集團位於灣仔的享福餐廳已結業，並將享福的廠房及設備出售給予數名債務人，代價為約5,995,000港元。代價已用於抵銷享福的有關負債，並於年內產生出售收益約3,524,000港元。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

38. OPERATING LEASE

THE GROUP AS LESSEE

The Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 HK\$'000 千港元
Within one year	於一年內	7,309
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	2,551
		9,860

Operating lease payments represent rentals payable by the Group for certain premises (including office property and restaurant). Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.

39. PLEDGE OF ASSETS

At 31 December 2019, the Company has pledged 70% equity interests of Able Wind to secure an other borrowing of HK\$2,910,000 (2018: HK\$1,000,000) (Note 29).

38. 經營租賃承擔

本集團作為承租人

本集團根據不可撤銷經營租賃之到期未來最低租金承擔如下：

	2018 二零一八年 HK\$'000 千港元
經營租賃付款指本集團應付若干物業(包括辦公室物業及餐廳)的租金。租約經磋商後平均為期二年，而租金平均二年屬固定。	

39. 資產抵押

於二零一九年十二月三十一日，本公司已抵押榮風70%股權作為2,910,000港元(二零一八年：1,000,000港元)其他借貸之擔保(附註29)。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. RELATED PARTY TRANSACTIONS

- (a) Other than those disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest expense charged by a company controlled by a director 一名董事控制的公司收取的利息開支	354	67

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The Directors are of the opinion that these related party transactions were conducted in the ordinary course of business of the Group.

(b) Compensation of Key Management Personnel

The key management of the Group comprises all the Directors, details of their remuneration are disclosed in Note 16 to the consolidated financial statements. The remuneration of the Directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

40. 關聯人士交易

- (a) 除綜合財務報表其他披露者外，本集團年內與關聯人士有以下重大交易：

該等交易乃按關聯人士一致同意的條款及條件進行。董事認為該等交易乃於本集團一般業務過程中訂立。

(b) 主要管理人員的薪酬

本集團之主要管理層由全體董事組成，有關彼等薪酬之詳情於綜合財務報表附註16披露。董事之薪酬乃由薪酬委員會經考慮個人表現及市場趨勢後釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

A. GENERAL INFORMATION OF SUBSIDIARIES

Details of the major subsidiaries directly and indirectly held by the Company at the end of the reporting periods are set out below:

Name of subsidiaries 附屬公司名稱	Class of shares held 所持股份類別	Place of incorporation/ operations 註冊/營運地點	Paid up issued share capital 已發行及 繳足資本	Proportion of ownership interest held by the Company 本公司持有之權益擁有權比例				Proportion of voting power held by the Company 本公司持有之投票權比例				Principal activities 主要業務
				Directly 直接		Indirectly 間接		Directly 直接		Indirectly 間接		
				2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
Magic Charming Investments Limited	Ordinary	BVI	US\$1	-	-	100%	100%	-	-	100%	100%	Securities investments 證券投資
Magic Charming Investments Limited	普通股	英屬處女群島	1美元	-	-	100%	100%	-	-	100%	100%	Securities investments 證券投資
Million Spring Limited	Ordinary	BVI/Hong Kong	US\$1	-	-	100%	100%	-	-	100%	100%	Securities investments 證券投資
Million Spring Limited	普通股	英屬處女群島/香港	1美元	-	-	100%	100%	-	-	100%	100%	Securities investments 證券投資
Able Wind	Ordinary	Hong Kong	HK\$100	-	-	80%	80%	-	-	80%	80%	Catering business 餐飲業務
榮風	普通股	香港	100港元	-	-	80%	80%	-	-	80%	80%	Catering business 餐飲業務
Megamillion Asia Limited	Ordinary	BVI	US\$1	-	-	100%	100%	-	-	100%	100%	Investment 投資
Megamillion Asia Limited	普通股	英屬處女群島	1美元	-	-	100%	100%	-	-	100%	100%	Investment 投資
Dining Plus Limited ("Dining Plus")	Ordinary	Hong Kong	HK\$300,000	-	-	72%	72%	-	-	72%	72%	Catering business 餐飲業務
嘉饌有限公司(「嘉饌」)	普通股	香港	300,000港元	-	-	72%	72%	-	-	72%	72%	Catering business 餐飲業務
Capital Incorporation Limited	Ordinary	Hong Kong	HK\$1	-	-	72%	72%	-	-	72%	72%	Catering business 餐飲業務
Capital Incorporation Limited	普通股	香港	1港元	-	-	72%	72%	-	-	72%	72%	Catering business 餐飲業務
Ever Profit Investment Group Limited	Ordinary	Hong Kong	HK\$1	-	-	100%	100%	-	-	100%	100%	Corporate administration 公司行政
永盈投資集團有限公司	普通股	香港	1港元	-	-	100%	100%	-	-	100%	100%	Corporate administration 公司行政
Shiny Delight Limited	Ordinary	BVI	US\$1,000	-	-	100%	100%	-	-	100%	100%	Investment holding 投資控股
Shiny Delight Limited	普通股	英屬處女群島	1,000美元	-	-	100%	100%	-	-	100%	100%	Investment holding 投資控股
Sky Wise Corporation Limited	Ordinary	Hong Kong	HK\$100	-	-	100%	100%	-	-	100%	100%	Corporate administration 企業管理
沃永有限公司	普通股	香港	100港元	-	-	100%	100%	-	-	100%	100%	Corporate administration 企業管理
Permanent Master Limited	Ordinary	BVI	US\$1,000	-	-	100%	100%	-	-	100%	100%	Investment holding 投資控股
Permanent Master Limited	普通股	英屬處女群島	1,000美元	-	-	100%	100%	-	-	100%	100%	Investment holding 投資控股
Union Sky Wealth Limited	Ordinary	Hong Kong	HK\$100	-	-	100%	100%	-	-	100%	100%	Catering business 餐飲業務
聯合天富有限公司	普通股	香港	100港元	-	-	100%	100%	-	-	100%	100%	Catering business 餐飲業務
Union Sunworld Limited	Ordinary	Hong Kong	HK\$100	-	-	100%	100%	-	-	100%	100%	Provision of management services 提供管理服務
聯合瑞華有限公司	普通股	香港	100港元	-	-	100%	100%	-	-	100%	100%	Provision of management services 提供管理服務
Rich Paragon	Ordinary	BVI	US\$1	-	-	100%	100%	-	-	100%	100%	Investment holding 投資控股
Rich Paragon	普通股	英屬處女群島	1美元	-	-	100%	100%	-	-	100%	100%	Investment holding 投資控股
One Target Limited ("One Target") (Note a)	Ordinary	Hong Kong	HK\$21,000	-	-	52.38%	-	-	-	52.38%	-	Catering business 餐飲業務
One Target有限公司 (「One Target」) (附註(a))	普通股	香港	21,000港元	-	-	52.38%	-	-	-	52.38%	-	Catering business 餐飲業務

41. 本公司主要附屬公司細節

A. 附屬公司的一般資料

本公司於報告期末直接及間接持有之附屬公司詳情列載如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

A. GENERAL INFORMATION OF SUBSIDIARIES (Continued)

The above table lists the subsidiaries of the Group were held by the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries incorporate in the BVI and Hong Kong. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2019 二零一九年	2018 二零一八年
Investment holding 投資控股	BVI 英屬處女群島	8	12
	Hong Kong 香港	3	3
Investment 投資	BVI 英屬處女群島	1	2
Corporate administration 企業管理	Hong Kong 香港	1	1
Provision of management service 提供管理服務	Hong Kong 香港	3	3
Inactive 不活躍	Hong Kong 香港	3	2
	BVI 英屬處女群島	—	1
		19	24

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the years.

41. 本公司主要附屬公司細節(續)

A. 附屬公司的一般資料(續)

上表載列本公司持有及董事認為主要影響本集團業績或資產之本集團附屬公司。董事認為，提供其他附屬公司的詳情會導致篇幅過於冗長。

於報告期末，本公司有其他對本集團而言並不重大之附屬公司。該等附屬公司主要於英屬處女群島及香港註冊成立。該等附屬公司之主要業務概述如下：

概無附屬公司於年終或年內任何時間持有任何債務證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

A. GENERAL INFORMATION OF SUBSIDIARIES (Continued)

Note:

- (a) It was incorporated on 20 April 2018, in which Permanent Master Limited acquired 52.38% of the issued share capital at a consideration of HK\$11,000 on 6 June 2019. It was inactive at the date of acquisition and hence the Directors considered that the consideration paid was approximated to its fair value at acquisition date.

B. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries 附屬公司名稱	Place of incorporation and principal place of business 註冊地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有之權益擁有權及投票權比例		Profit (loss) allocated to non-controlling interests 分配予非控股權益之溢利(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年	2018 二零一八年
		Able Wind and its subsidiary ("Able Wind Group") 榮風及其附屬公司(「榮風集團」)	Hong Kong 香港	20.00%	20.00%	(216)	(8)
Dining Plus and its subsidiary ("Dining Plus Group") 嘉饌及其附屬公司(「嘉饌集團」)	Hong Kong 香港	28.00%	28.00%	(94)	10	(2,725)	(2,631)
One Target Limited ("One Target") One Target 有限公司(「One Target」)	Hong Kong 香港	47.62%	-	(677)	-	(667)	-
				(987)	2	(4,349)	(3,372)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

41. 本公司主要附屬公司細節(續)

A. 附屬公司的一般資料(續)

附註：

- (a) 該公司於二零一八年四月二十日註冊成立，其中Permanent Master Limited於二零一九年六月六日以11,000港元的代價收購已發行股本的52.38%。該公司於收購日尚未生效，因此董事認為支付的代價近似於收購日的公平值。

B. 擁有重大非控股權益的非全資附屬公司詳情

下表列載本集團擁有重大非控股權益的非全資附屬公司詳情：

有關各間擁有重大非控股權益的本集團附屬公司的財務資料概要列載如下。下文財務資料概要指集團內對銷前金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

B. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (Continued)

Able Wind Group

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	1,142	1,982
Current liabilities	流動負債	(5,927)	(5,688)
Equity attributable to owners of Able Wind	榮風擁有人應佔權益	(3,828)	(2,965)
Non-controlling interests of Able Wind	榮風非控股權益	(957)	(741)
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	-	11,729
Expenses	開支	(1,079)	(11,771)
Loss for the year	年內虧損	(1,079)	(42)
Loss and total comprehensive expense attributable to owners of Able Wind	榮風擁有人應佔虧損及全面開支總額	(863)	(34)
Loss and total comprehensive expense attributable to non-controlling interests of Able Wind	榮風非控股權益應佔虧損及全面開支總額	(216)	(8)

41. 本公司主要附屬公司細節 (續)

B. 擁有重大非控股權益的非全資附屬公司詳情 (續)

榮風集團

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	-	11,729
Expenses	開支	(1,079)	(11,771)
Loss for the year	年內虧損	(1,079)	(42)
Loss and total comprehensive expense attributable to owners of Able Wind	榮風擁有人應佔虧損及全面開支總額	(863)	(34)
Loss and total comprehensive expense attributable to non-controlling interests of Able Wind	榮風非控股權益應佔虧損及全面開支總額	(216)	(8)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

B. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (Continued)

Able Wind Group (Continued)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividends paid to non-controlling interests of Able Wind	已付榮風非控股權益股息	-	-
Net cash outflow from operating activities	經營活動現金流出淨額	(1,410)	(1,957)
Net cash outflow from investing activities	投資活動現金流出淨額	-	(921)
Net cash inflow from financing activities	融資活動現金流入淨額	1,410	1,567
Net cash outflow	現金流出淨額	-	(1,311)

Dining Plus Group

嘉饌集團

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	119	220
Non-current assets	非流動資產	-	154
Current liabilities	流動負債	(9,853)	(9,771)
Equity attributable to owners of Dining Plus	嘉饌擁有人應佔權益	(7,009)	(6,766)
Non-controlling interests of Dining Plus	嘉饌非控股權益	(2,725)	(2,631)

41. 本公司主要附屬公司細節(續)

B. 擁有重大非控股權益的非全資附屬公司詳情(續)

榮風集團(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

B. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (Continued)

Dining Plus Group (Continued)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	1,308	1,927
Expenses	開支	(1,645)	(1,892)
(Loss) profit for the year	年內(虧損)溢利	(337)	35
(Loss) profit and total comprehensive (expense) income attributable to owners of Dining Plus	嘉饌擁有人應佔(虧損)溢利及全面(開支)收益總額	(243)	25
(Loss) profit and total comprehensive (expense) income attributable to non-controlling interests of Dining Plus	嘉饌非控股權益應佔(虧損)溢利及全面(開支)收益總額	(94)	10
Dividends paid to non-controlling interests of Dining Plus	已付嘉饌非控股權益股息	-	-
Net cash outflow from operating activities	經營活動現金流出淨額	(1)	(373)
Net cash inflow from investing activities	投資活動現金流入淨額	-	328
Net cash inflow from financing activities	融營活動現金流入淨額	-	-
Net cash outflow	現金流出淨額	(1)	(45)

41. 本公司主要附屬公司細節(續)

B. 擁有重大非控股權益的非全資附屬公司詳情(續)

嘉饌集團(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

B. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (Continued)

One Target

		2019 二零一九年 HK\$'000 千港元
Current assets	流動資產	2,390
Non-current assets	非流動資產	7,716
Current liabilities	流動負債	(7,674)
Non-current liabilities	非流動負債	(3,832)
Equity attributable to owners of One Target	One Target 擁有人應佔權益	(733)
Non-controlling interests of One Target	One Target 非控股權益	(667)

41. 本公司主要附屬公司細節(續)

B. 擁有重大非控股權益的非全資附屬公司詳情(續)

One Target

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

B. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (Continued)

One Target (Continued)

		2019 二零一九年 HK\$'000 千港元
Revenue	收入	7,485
Expenses	開支	(8,905)
Loss for the year	年內虧損	(1,420)
Loss and total comprehensive expense attributable to owners of One Target	One Target 擁有人應佔虧損及全面開支總額	(743)
Loss and total comprehensive expense attributable to non-controlling interests of One Target	One Target 非控股權益應佔虧損及全面開支總額	(677)
Dividends paid to non-controlling interests of One Target	已付 One Target 非控股權益股息	-
Net cash inflow from operating activities	經營活動現金流入淨額	6,267
Net cash outflow from investing activities	投資活動現金流出淨額	(4,838)
Net cash inflow from financing activities	融營活動現金流入淨額	21
Net cash inflow	現金流入淨額	1,450

41. 本公司主要附屬公司細節 (續)

B. 擁有重大非控股權益的非全資附屬公司詳情 (續)

One Target (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

42. 本公司之財務狀況表及儲備

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets			
Plant and equipment		–	2
Investments in subsidiaries		63	70
Investments in joint ventures		–	–
		63	72
Current assets			
Prepayment and deposits		33	45
Amounts due from subsidiaries	(a)	60,447	60,036
Bank balances and cash		161	120
		60,641	60,201
Current liabilities			
Other payables		9,547	7,383
Other borrowings		11,000	–
Financial guarantee		595	595
Amounts due to subsidiaries	(a)	7,290	6,991
Amounts due to joint ventures		7,353	7,353
		35,785	22,322
Net current assets		24,856	37,879
Net assets		24,919	37,951
Capital and reserves			
Share capital		793	63,403
Reserves	(b)	24,126	(25,452)
Total surplus		24,919	37,951

The Company's statement of financial position was approved and authorised for issue by the board of directors on 25 March 2020 and are signed on its behalf by:

本公司財務狀況表經董事會於二零二零年三月二十五日批核及授權刊發，並由下列董事代表簽署：

Chow Cheuk Hang
周倬行
Director
董事

Eric Todd
達振標
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Notes:

- (a) The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms.

The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

- (b) The movements in the reserves of the Company during the years are:

42. 本公司之財務狀況表及儲備(續)

附註：

- (a) 應收附屬公司款項為無抵押、免息且無固定償還期限。

應付附屬公司款項為無抵押、不計息並按要求時償還。

- (b) 本公司各年之儲備變動如下：

		Share premium	Contributed surplus	Accumulated losses	Total
		股份溢價	可換股債券儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	497,676	-	(560,052)	(62,376)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	36,924	36,924
At 31 December 2018	於二零一八年十二月三十一日	497,676	-	(523,128)	(25,452)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	(13,032)	(13,032)
Cancellation of share premium	撤銷股份溢價	(497,676)	497,676	-	-
Capital reduction (Note 33(b))	資本減少(附註33(b))	-	62,610	-	62,610
At 31 December 2019	於二零一九年十二月三十一日	-	560,286	(536,160)	24,126

43. LITIGATIONS

- (a) Reference is made to the claim by Megamillion Asia Limited ("Megamillion"), an indirect wholly-owned subsidiary of the Company, against Cheong Tat International Development Limited ("Cheong Tat") the particulars of which have been disclosed at pages 9 to 10 of the annual report of the Company for the financial year ended 30 April 2013. Megamillion had obtained judgment against Cheong Tat on (i) principal amount of the loan and interest accrued thereon (the "Loan Amount"), and (ii) the amount for redemption of the convertible bond (the "Redemption Amount").

43. 訴訟

- (a) 茲提述本公司之間接全資附屬公司 Megamillion Asia Limited (「Megamillion」) 向暢達國際發展有限公司(「暢達」)提出的訴訟，詳情已披露於本公司截至二零一三年四月三十日止財政年度年報第9至10頁。Megamillion已取得針對暢達的判決，涉及(i)貸款本金額及應計利息(「貸款款項」)，及(ii)贖回可換股債券金額(「贖回金額」)。



Notes to the Consolidated Financial Statements

綜合財務報表附註

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

43. LITIGATIONS (Continued)

(a) (Continued)

Cheong Tat and Megamillion entered into a deed of settlement dated 31 December 2013 (the “Deed of Settlement”) under and pursuant to which Cheong Tat transferred certain portfolio of shares in a Hong Kong listed company for full and final settlement of the Loan Amount.

Subject to legal advice and pending ascertainment that Cheong Tat has assets available for execution, Megamillion will proceed to recover the Redemption Amount.

- (b) Fooklore, the restaurant managed and operated by Union Sky Wealth Limited (an indirect wholly-owned subsidiary of the Company) serving exquisite Cantonese and Sichuan cuisine on Second Basement Floor of Empire Hotel, has been sued by certain suppliers (for amounts due and owing in the Small Claims Tribunal) (the “Small Claim Cases”). The management company of Fooklore is assisting to involve in negotiations with the respective claimants for settlement. The Company will make further disclosure of the Small Claim Cases wherever appropriate or necessary.

Save as disclosed above, as at the date of this report, no member of the Group was engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against any member of the Group and that the Company will disclose any Megamillion’s recovery action and other litigation matters of material importance wherever appropriate or necessary.

44. EVENTS AFTER THE REPORTING PERIOD

The outbreak of COVID-19 (“COVID-19”) in early 2020 has affected the Group’s business segment adversely. The Group has closely monitored on the development of the COVID-19 and taken a number of cost control measures to mitigate the impact of this challenging situation. The Group will pay close attention to the change of situation and evaluate its impact on the financial position and operating results of the Group.

43. 訴訟(續)

(a) (續)

暢達與Megamillion訂立日期為二零一三年十二月三十一日的結算契據(「結算契據」)，據此，暢達轉讓一間香港上市公司若干股份，以悉數及最終結清貸款款項。

待收到法律意見及有待確認暢達擁有可供執行的資產後，Megamillion將繼續收回贖回金額。

- (b) 享福是由聯合天富有限公司(本公司的間接全資附屬公司)管理及經營的餐廳，於皇悅酒店LG2層提供精美粵菜及四川菜，已被若干供應商起訴(於小額索賠法庭就應付款項及欠款)(「小額索賠案」)。享福的管理公司正協助參與與各索賠人協商達成和解。本公司將於適當或必要時就小額索賠案作出進一步披露。

除上文披露者外，於本報告日期，概無本集團任何成員公司涉及任何重大訴訟或索償，而就董事所知，本集團任何成員公司亦無任何尚未了結或面臨任何重大訴訟或索償。本公司將於適當或有需要時披露Megamillion任何收款行動及其他重大訴訟事宜。

44. 報告期後的事項

二零二零年初爆發COVID-19(「COVID-19」)已對本集團的業務分部造成不利影響。本集團已密切監察COVID-19的發展，並採取多項成本控制措施以減輕該嚴峻情況所帶來的影響。本集團將密切關注情況的變化，並評估其對本集團財務狀況及經營業績的影響。



Chinese Food And Beverage Group Limited
華人飲食集團有限公司