



GLORY MARK HI-TECH (HOLDINGS) LIMITED 輝煌科技(控股)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: 8159

年報 ANNUAL REPORT 2019



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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. Wang Li Feng (*Chairman*)
Mr. Yu Sanlong
Mr. Fan Xiaoling
Ms. Lee Jui-lan

NON-EXECUTIVE DIRECTOR

Mr. Wong Chun (*Deputy Chairman*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Hon. Lo Wai Kwok, *SBS, MH, JP*
Dr. Fong Chi Wai, Alex
Mr. Lu Yongchao
Dr. Yan Ka Shing
Dr. Feng Shen

COMPANY SECRETARY

Mr. Man Yun Wah, HKICS

AUTHORISED REPRESENTATIVE

Mr. Wang Li Feng
Mr. Man Yun Wah, HKICS

COMPLIANCE OFFICER

Mr. Wang Li Feng

AUDIT COMMITTEE

Dr. Yan Ka Shing (*Chairman*)
Dr. Fong Chi Wai, Alex
Dr. Feng Shen

REMUNERATION COMMITTEE

Dr. Yan Ka Shing (*Chairman*)
Mr. Wang Li Feng
Dr. Feng Shen

執行董事

王濤峰先生(*主席*)
于三龍先生
范小令先生
李瑞蘭女士

非執行董事

黃震先生(*副主席*)

獨立非執行董事

盧偉國博士，銀紫荊星章，榮譽勳章，太平紳士
方志偉博士
呂永超先生
甄嘉勝醫生
馮申博士

公司秘書

文潤華先生，HKICS

授權代表

王濤峰先生
文潤華先生，HKICS

監察主任

王濤峰先生

審核委員會

甄嘉勝醫生(*主席*)
方志偉博士
馮申博士

薪酬委員會

甄嘉勝醫生(*主席*)
王濤峰先生
馮申博士

Corporate Information

公司資料

NOMINATION COMMITTEE

Mr. Wang Li Feng (*Chairman*)
Dr. Yan Ka Shing
Dr. Feng Shen

EXECUTIVE COMMITTEE

Mr. Wang Li Feng (*Chairman*)
Mr. Yu Sanlong
Mr. Fan Xiaoling
Ms. Lee Jui-lan
Dr. Yan Ka Shing
Dr. Feng Shen

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. Wang Li Feng (*Chairman*)
Dr. Yan Ka Shing
Dr. Feng Shen

REGISTERED OFFICE

Clarendon House
2 Church Street
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Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
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Hamilton HM 11
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提名委員會

王濤峰先生(*主席*)
甄嘉勝醫生
馮申博士

執行委員會

王濤峰先生(*主席*)
于三龍先生
范小令先生
李瑞蘭女士
甄嘉勝醫生
馮申博士

戰略及發展委員會

王濤峰先生(*主席*)
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Corporate Information

公司資料

HONG KONG SHARE REGISTRARS AND TRANSFER OFFICE

Hong Kong Registrars Limited
Shops 1712-16, 17th Floor
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183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

AUDITOR

BDO Limited

STOCK CODE

8159

香港股份過戶登記處

香港證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-16號舖

主要往來銀行

中國銀行(香港)有限公司

核數師

香港立信德豪會計師事務所有限公司

股份代號

8159

Chairman's Statement

主席報告書

To Our Shareholders,

I would like to present to the shareholders the annual report of GLORY MARK HI-TECH (HOLDINGS) LIMITED and its subsidiaries for the year ended 31 December 2019.

In 2019, the Group recorded revenue of approximately HK\$348.0 million, representing a decrease of approximately 10.5% as compared with 2018. This year, the Group recorded a profit attributable to owners of the Company of approximately HK\$12.3 million (2018: HK\$24.5 million), representing a decrease of approximately 49.8% as compared with last year.

The Group has been suffering from the Sino-US trade war. In addition to the decrease in revenue, the Group was also to share the increased US tariff. Both of revenue and profit of electronics business has decreased in the year ended 31 December 2019.

The master-planning and architectural design business was growing satisfactorily since the introduction of this business. In 2019, revenue and profit increased to approximately HK\$67.1 million and approximately HK\$16.6 million respectively in 2019 (2018: approximately HK\$44.8 million and approximately HK\$13.5 million respectively), representing an increment of approximately 49.8% in revenue as a result of around 20 new design contracts in various provinces in the People's Republic of China (the "PRC").

The financial position of the Group remains strong. As at 31 December 2019, the Group had cash on hand of approximately HK\$79.9 million without any outstanding bank borrowing.

Despite the master-planning and architectural design business may not be directly affected by the Sino-US trade war, it is uncertain as to whether the Sino-US trade war would produce a chain reaction in the macroeconomies. On the other hand, the electronic business is suffering from the uncertainties on the Sino-US trade war and the adverse impact of the outbreak of the novel coronavirus ("COVID-19") pandemic. However, the Directors continue to observe opportunities in the industry, such as the increase in demand in electronic products arising from the gaining popularity of remote working with the outbreak of the outbreak of COVID-19 pandemic. Notwithstanding the impact on the global supply chain from COVID-19, the Directors remain cautiously optimistic to the results of the Group in the coming year.

致各位股東：

本人謹此向閣下提呈輝煌科技(控股)有限公司及其附屬公司截至二零一九年十二月三十一日止年度之年報。

於二零一九年，本集團錄得收入約348,000,000港元，較二零一八年減少約10.5%。於本年度，本集團錄得本公司擁有人應佔溢利約12,300,000港元(二零一八年：24,500,000港元)，較去年減少約49.8%。

本集團受到中美貿易戰所影響。此外，除收入下降外，本集團還要分擔美國調高的關稅。於截至二零一九年十二月三十一日止年度，電子產品業務的收入及溢利均有所減少。

總體設計及建築設計業務自其推出以來發展令人欣喜。於二零一九年，收入及溢利分別增加至約67,100,000港元及約16,600,000港元(二零一八年：分別約44,800,000港元及約13,500,000港元)，收入增加約49.8%，此乃由於在中華人民共和國(「中國」)多個省份新訂大約20份設計合約所致。

本集團的財務狀況保持穩健。於二零一九年十二月三十一日，本集團的手頭現金約為79,900,000港元，無任何未償還銀行借貸。

儘管總體設計及建築設計業務可能不會直接受到中美貿易戰的影響，但不確定中美貿易戰是否會在宏觀經濟方面產生連鎖反應。另一方面，電子產品業務正遭受中美貿易戰的不確定因素以及新冠肺炎的負面影響。然而，董事會繼續審視行業內的機遇，例如因新冠肺炎的爆發而得以流行的遠程辦公，使電子產品的需求日益增加。儘管新冠肺炎疫情對全球供應鏈造成了影響，但董事對來年的業績仍持審慎樂觀的態度。

Chairman's Statement

主席報告書

The Group will continue to develop the master-planning and architectural design business in 2020 and believes that this business segment would continue to improve and make contribution to the Group's revenue in 2020. However, the Directors remain cautious on the adverse impact of COVID-19 on the Group's business operations and will take appropriate measures as and when necessary to minimize the impact.

Taking this opportunity, I should like to express my sincere gratitude to all our customers, suppliers, business partners, employees and shareholders for their continuous and valuable supports to the Group. I shall lead my team to persist with the best endeavours in striving for optimal development for the Group and returns for our shareholders in the times to come.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: HK0.3 cents per ordinary share) as the Board is expecting an unstable external business environment in 2020.

CLOSURE OF REGISTER FOR AGM

The register of members of the Company will be closed from Wednesday, 24 June 2020 to Tuesday, 30 June 2020 (both days inclusive), for the purposes of determining the entitlements of the shareholders to attend and vote at the AGM to be held on Tuesday, 30 June 2020. No transfer of Shares will be registered during the period. In order to qualify to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-16, 17th Floor, Hopwell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Tuesday, 23 June 2020.

Wang Li Feng
Chairman

Hong Kong, 25 May 2020

本集團將於二零二零年繼續發展總體設計及建築設計業務，並相信該業務將於二零二零年繼續為本集團的收入作出貢獻。然而，董事對新冠肺炎疫情對本集團業務營運的負面影響仍持審慎態度，並將於必要時採取適當措施以將影響降至最低。

本人謹藉此機會向所有客戶、供應商、業務夥伴、員工及股東一直以來對本集團的寶貴支持致以由衷感謝。本人將帶領團隊繼續努力，本集團將砥礪前行，為股東爭取最大回報。

股息

由於董事會預計二零二零年環球商業環境不穩定，故董事不建議派發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：每股普通股0.3港仙)。

有關股東週年大會之暫停辦理股份過戶登記手續

為釐定股東出席將於二零二零年六月三十日(星期二)舉行之股東週年大會及於會上投票之權利，本公司將於二零二零年六月二十四日(星期三)至二零二零年六月三十日(星期二)(包括首尾兩天)期間暫停辦理股份過戶登記手續。於該期間概不辦理股份過戶登記手續。為合資格出席股東週年大會及於會上投票，所有股份過戶表格連同相關股票，最遲須於二零二零年六月二十三日(星期二)下午四時三十分之前送抵本公司之香港股份過戶登記分處香港證券登記有限公司(香港灣仔皇后大道東183號合和中心17樓1712-16號舖)。

主席
王濤峰

香港，二零二零年五月二十五日

Management Discussion and Analysis

管理層論述及分析

BUSINESS REVIEW

The Group is engaged in the design, manufacture and sale of connectivity products mainly for computers, computer peripheral products, multi-media consumable electronic products, communication products, automobile electronics accessories, wire harness and medical equipment (the “Electronics Business”). The Group is one of the leading VGA cables manufacturers in the World.

In the third quarter of 2017, in order to diversify its business and enhance its returns to the shareholders, the Group entered into the business of provision of master-planning and architectural design business in the PRC (the “Architectural Design Business”) and the Group has been developing this business since then.

FINANCIAL REVIEW

Revenue and gross profit

The Electronics Business

For the year ended 31 December 2019 (“Year 2019”), as a result of the Sino-US trade war, revenue of this business segment decreased by approximately 18.3% as compared with the revenue for the year ended 31 December 2018 (“Year 2018”). In Year 2019, the Electronics Business contributed revenue and gross profit in the amounts of approximately HK\$280.9 million (2018: HK\$344.0 million) and approximately HK\$42.9 million (2018: HK\$53.0 million) to the Group, respectively.

Despite the signing of the long-awaited Sino-US trade deal for tariff drop, the Directors anticipated that the upcoming developments of the Sino-US trade war remain highly uncertain. In addition, the outbreak of the COVID-19 pandemic globally has imposed further adverse impact on the consumer demand for electronic products globally and the Group’s production capacity and efficiencies in China. The Directors believe that these are the main factors that will affect the Electronics Business of the Group in the future. The Group has used its best endeavours to fulfill its committed sales orders, remain in close contacts with its customers to closely follow up the delivery schedules and upcoming sales orders. The Group had also launched some higher value-added products and actively discussing the sales of such product at a mutually beneficial price and sales volume in order to minimize any possible negative impact on its business. The Group will continue to assess the impact of COVID-19 on the Group’s business operations and will take appropriate measures as and when necessary.

業務回顧

本集團從事設計、製造及銷售主要用於電腦、電腦周邊產品、多媒體電子消費品、通訊產品、汽車電子組件、線束及醫療器材之接駁產品之業務(「電子產品業務」)。本集團為世界領先VGA線纜製造商之一。

於二零一七年第三季度，為使本集團之業務多元化及提升股東回報，本集團於中國涉足提供總體設計及建築設計業務(「建築設計業務」)，自此本集團一直致力發展該業務。

財務回顧

收入及毛利

電子產品業務

截至二零一九年十二月三十一日止年度(「二零一九年度」)，由於中美貿易戰的原因，該業務分類的收入較截至二零一八年十二月三十一日止年度(「二零一八年度」)收入減少約18.3%。電子產品業務於二零一九年度為本集團貢獻的收入及毛利分別約為280,900,000港元(二零一八年：344,000,000港元)及約42,900,000港元(二零一八年：53,000,000港元)。

儘管美國與中國終於簽訂了期盼已久的貿易協議以降低徵收的關稅，董事預計，中美貿易戰的後續發展情況仍然存在高度不確定性。此外，全球爆發新冠肺炎疫情對全球電子產品的需求及本集團於中國的生產能力及效益進一步造成的不利影響。董事相信，這些因素將是日後影響本集團電子產品業務的主要因素。本集團已竭盡全力滿足其已承接的銷售訂單，並與其客戶保持緊密聯繫及接洽，以密切跟進交割進度和即將到來的銷售訂單。本集團亦推出了若干更高端的產品，並積極與客戶洽商最佳的價格及數量，藉此最大程度降低上述主要因素對本集團業務的任何可能的負面影響。本集團將繼續評估新冠肺炎對本集團業務經營的影響，並將適時採取適當措施。

Management Discussion and Analysis

管理層論述及分析

The Architectural Design Business

In the third quarter of 2017, the Group entered into the business of provision of comprehensive architectural services, to developers in the PRC. The revenue generated from this business segment was growing satisfactorily since the introduction of this business. This business segment contributed revenue in the amount of approximately HK\$67.1 million to the Group in Year 2019 (2018: HK\$44.8 million), representing an increment of approximately 49.8% as a result of around 20 new design contracts in various provinces in the PRC. The business segment contributed gross profit of approximately HK\$16.6 million in Year 2019, compared to approximately HK\$13.5 million in Year 2018. The drop in gross profit margin from approximately 30.1% in Year 2018 to approximately 24.7% in Year 2019 was mainly due to the increase in headcount in preparation for future incoming design projects.

Despite the Architectural Design Business may not be directly affected by the Sino-US trade war, it is uncertain as to whether the Sino-US trade war would produce a chain reaction in the macroeconomies. Together with the global macroeconomic downtrend as caused by COVID-19, the Directors maintain a very conservative view as to the results of the Group in the future.

Selling and Distribution Expenses

The selling and distribution expenses were approximately HK\$8.9 million in Year 2019, compared to approximately HK\$12.0 million in Year 2018, which was mainly due to management focus on cost controls on top of the natural decrease in line with revenue decrease in the Electronic Business.

Administrative Expenses

The administrative expenses were approximately HK\$37.9 million in Year 2019, compared to approximately HK\$32.5 million in Year 2018 which was mainly due to the expansion of the Architectural Design Business in support of its revenue growth.

建築設計業務

於二零一七年第三季度，本集團開始向中國的房地產發展商提供全面建築服務業務。自涉足該業務以來，該業務的收入一直保持穩健增長。於二零一九年度，該業務為本集團貢獻收入約67,100,000港元(二零一八年：44,800,000港元)，增幅約為49.8%，原因是在中國多個省份完成約20份新設計合約。該業務於二零一九年度貢獻毛利約16,600,000港元，而二零一八年度則為約13,500,000港元。毛利率自二零一八年度の約30.1%下降至二零一九年度の約24.7%主要是由於為未來新增設計項目作準備而增加員工數量。

儘管建築設計業務可能不會受到中美貿易戰的直接影響，但中美貿易戰是否會對宏觀經濟產生連鎖反應尚不確定。結合新冠肺炎造成的全球宏觀經濟低迷，董事對本集團未來的業績持審慎的態度。

銷售及分銷開支

於二零一九年度，銷售及分銷開支約為8,900,000港元，而二零一八年度則約為12,000,000港元，此減少主要是由於電子產品業務的收入減少所以支出亦相應減少，同時管理層亦因收入減少而更專注於成本控制。

行政開支

於二零一九年度，行政開支約為37,900,000港元，而二零一八年度則約為32,500,000港元，此增長主要是由於建築設計業務的擴張以支撐其收入增長。

Management Discussion and Analysis

管理層論述及分析

Net Profit

The Group reported a net profit attributable to owners of the Company for Year 2019 of approximately HK\$12.3 million (2018: HK\$24.5 million), representing a decrease of approximately 49.8%, mainly due to the decrease in revenue in the Electronic Business as a result of the Sino-US trade war and the decrease in margin in the Architectural Design Business as the business expands.

Liquidity and financial resources

As at 31 December 2019, the Group's net current assets, cash and bank balances and equity attributable to owners of the Company amounted to approximately HK\$54.9 million, HK\$79.9 million and HK\$129.6 million (2018: HK\$41.0 million, HK\$65.1 million and HK\$120.0 million), respectively. The current ratio, expressed as current assets over current liabilities, was maintained at the level of approximately 1.43 (2018: 1.27). The Group had no interest-bearing debt as at 31 December 2019 (2018: nil)

OUTLOOK

The Architectural Design Business

The Group will continue to focus on developing the Architectural Design Business in 2020 and believes that this new business segment would continue to improve and contribute to the Group's revenue in 2020. However, the Directors remain cautious on the adverse impact of COVID-19 on the Group's business operations and will take appropriate measures as and when necessary to minimize the impact.

The Electronics Business

The Electronic Business is facing a challenging year ahead given the uncertainties on the Sino-US trade war and the adverse impact of COVID-19 on the Group's business operations. However, the Directors continue to observe opportunities in the industry, such as the increase in demand in electronic products arising from the gaining popularity of remote working with the outbreak of COVID-19. Notwithstanding the impact on the global supply chain from COVID-19, the Directors remain cautiously optimistic to the results of the Group in the coming year.

純利

二零一九年度，本集團錄得本公司擁有人應佔純利約12,300,000港元(二零一八年：24,500,000港元)，減幅約為49.8%，該減幅主要是由於中美貿易戰令電子產品業務的收入減少及隨著業務擴張令建築設計業務的利潤率降低。

流動資金及財務資源

於二零一九年十二月三十一日，本集團之流動資產淨值、現金及銀行結餘以及本公司擁有人應佔權益分別約為54,900,000港元、79,900,000港元及129,600,000港元(二零一八年：41,000,000港元、65,100,000港元及120,000,000港元)。流動比率(以流動資產除以流動負債列示)維持在約1.43的水平(二零一八年：1.27)。於二零一九年十二月三十一日，本集團並無計息債務(二零一八年：無)。

展望

建築設計業務

於二零二零年，本集團將繼續專注於發展建築設計業務，並相信此新業務將繼續對本集團於二零二零年的收入作出貢獻。然而，董事對於新冠肺炎對本集團業務經營造成的不利影響持審慎態度，並會適時採取適當措施以降低有關影響。

電子產品業務

鑒於中美貿易戰及新冠肺炎對本集團業務營運造成不利影響，電子產品業務正面臨艱巨挑戰的一年。儘管如此，董事仍然在行業中洞悉不同新機遇，例如在新冠肺炎大流行下，在家工作的普及令市場增加對電子產品的需求。因此，即使面對著新冠肺炎對全球供應鏈的影響，董事們仍然對來年本集團之業績保持審慎樂觀的態度。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡歷

DIRECTORS

Executive Directors

Mr. Wang Li Feng (“Mr. Wang”), aged 56, is the chairman of the Group. He obtained a master degree in architecture from Royal Melbourne Institute of Technology in November 1991. Mr. Wang is also a director of PT Design, the controlling shareholder of the Company. He worked as the chief representative for Peddle Thorp Architects Melbourne Asia Shenzhen Office (澳大利亞柏濤墨爾本建築設計有限公司深圳代表處) from February 1998 to January 2003. He was the Executive Director of Peddle Thorp Consultants (Shenzhen) Co. Ltd (柏濤諮詢(深圳)有限公司) from January 2003 until the present and has been the chairman of PT Architecture Design (Shenzhen) Company Limited (柏濤建築設計(深圳)有限公司) from March 2009 until the present.

Mr. Yu Sanlong (“Mr. Yu”), aged 46, was appointed and has been an executive Director of the Company since 5 December 2019. He is a member of the executive committee and also a director of certain subsidiaries of the Company’s electronics business.

Mr. Yu has over 23 years of experience in the electronics industry. He has extensive experience in research and development and manufacture of electronic products and management of electronics companies in China, Hong Kong and Singapore. Mr. Yu is a director and a co-founder of NIIP Limited, which is a private company incorporated in Hong Kong with limited liability focusing on provision of services regarding data encryption and password management to customers in North America, in April 2014. Prior to co-founding NIIP Limited, Mr. Yu worked in various multinational and listed companies, such as International Business Machines Corporate (IBM) and Tyco Electronics (currently known as TE Connectivity), where he was mainly responsible for managing the research and development and manufacture of various electronic products for medical and automobile industries.

Mr. Yu obtained a bachelor’s degree in machinery and equipment manufacturing engineering from Harbin Engineering University, China in July 1997.

董事

執行董事

王濤峰先生(「王先生」)，56歲，為本集團主席。於一九九一年十一月獲得墨爾本皇家理工學院頒發之建築碩士學位。王先生亦為本公司控股股東PT Design之董事。彼於一九九八年二月至二零零三年一月擔任澳大利亞柏濤墨爾本建築設計有限公司深圳代表處首席代表。彼於二零零三年一月至今擔任柏濤諮詢(深圳)有限公司執行董事，二零零九年三月至今擔任柏濤建築設計(深圳)有限公司董事長。

于三龍先生(「于先生」)，46歲，自二零一九年十二月五日起獲委任為本公司執行董事。彼為執行委員會成員，且亦為本公司電子業務領域的若干附屬公司的董事。

于先生在電子行業擁有逾23年經驗。彼在中國、香港及新加坡的電子產品研發及製造以及電子公司的管理方面擁有豐富的經驗。于先生為一鉞有限公司的董事兼共同創始人，該公司為一間於二零一四年四月於香港註冊成立的私人有限公司，專注於向北美洲的客戶提供與數據加密及密碼管理有關的服務。共同創辦一鉞有限公司之前，于先生曾任職於各種跨國上市公司，如International Business Machines Corporate (IBM) 及 Tyco Electronics (現稱為TE Connectivity)，彼於該等公司主要負責管理醫療及汽車行業各種電子產品的研發及製造。

于先生於一九九七年七月自中國的哈爾濱工程大學獲得機械製造工藝與設備工程學士學位。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡歷

Mr. Fan Xiaoling (“Mr. Fan”), aged 34, was appointed and has been an executive Director of the Company since 5 December 2019. He is a member of the executive committee and also a director of certain subsidiaries of the Company’s electronics business.

Mr. Fan has over 12 years of experience in the electronics industry. He has strong abilities of supply chain strategy, sales and operation planning, demand planning, forecasting development, quality management, logistics management and project management. He has extensive and successful experiences in North America, South East Asia, Finland, Germany, Brazil, Mexico, and United Kingdom market. He is the director of supply chain management of LTL Group, LLC., where he is mainly responsible for the supply chain management of semi-conductors and electronic products.

Mr. Fan obtained a Bachelor of Finance degree from East China Jiaotong University, China in June 2008.

Ms. Lee Jui-lan (“Ms. Lee”), aged 58, was appointed and has been an executive Director of the Company since 5 December 2019. She is a member of the executive committee and also a director of certain subsidiaries of the Company’s electronics business.

Ms. Lee has over 30 years of experience in the electronics industry. She has extensive experience in software development, marketing electronic products and management of companies in Taiwan. She worked in Intertek Testing Services Taiwan Ltd., which is principally engaged in testing, inspecting and certifying electronic products, for more than 10 years with the last position of the general manager of the electronic business unit principally responsible for the overall management, which is a subsidiary of Intertek Group PLC, a company listed in the London Stock Exchange.

Ms. Lee obtained a bachelor of Electronics Engineering degree from National Taipei University of Technology, Taiwan in June 1984.

范小令先生(「范先生」)，34歲，自二零一九年十二月五日起獲委任為本公司執行董事。彼為執行委員會成員，亦為本公司電子業務若干附屬公司的董事。

范先生在電子行業擁有逾12年經驗。彼在供應鏈策略、銷售及運營規劃、需求規劃、預測發展、質量管理、物流管理及項目管理方面擁有較強能力。彼於北美、東南亞、芬蘭、德國、巴西、墨西哥及英國市場擁有豐富成功經驗。彼為LTL Group, LLC. 供應鏈管理部主管，主要負責半導體及電子產品的供應鏈管理。

范先生於二零零八年六月自中國的華東交通大學獲得金融專業的學士學位。

李瑞蘭女士(「李女士」)，58歲，自二零一九年十二月五日起獲委任為本公司執行董事。彼為執行委員會成員，亦為本公司電子業務若干附屬公司的董事。

李女士於電子行業擁有逾30年經驗。彼於台灣軟件開發、電子產品營銷及公司管理方面擁有豐富經驗。彼曾於全國公證檢驗股份有限公司任職逾10年，該公司主要從事電子產品測試、檢測及認證，最後職位為電子業務部門的總經理，主要負責整體管理，而該公司為倫敦證券交易所上市公司 Intertek Group PLC 的附屬公司。

李女士於一九八四年六月自台灣的國立臺北科技大學獲得電子工程學士學位。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡歷

Non-executive Director

Mr. Wong Chun (“Mr. Wong”), aged 61, was re-designated as a non-executive Director of the Company since 5 December 2019. He is the deputy chairman of the Company and one of the founders of the Company’s electronics business.

He had worked as a chief officer of China affairs for two Hong Kong listed electronics companies, Tomei International (Holdings) Limited and The Grande Holdings Limited. Mr. Wong has over 30 years of experience in electronic and computer peripherals sector. He is presently serving as the Executive Committee Member and President of Mainland Hong Kong Economy and Trade Committee of the Chinese Manufacturers Association of Hong Kong, vice-chairman and the chairman of China Sub-Committee of the Hong Kong Electronic Industries Association, Life Honorary President of the Hong Kong Auto Parts Industry Association, GD Qingyuan City Committee of Chinese People Political Consultative Conference, Executive Committee Member of Federation of Hong Kong Guangdong Community Organisations, Honorary Vice President of Federation of Qing Yuan Association. Since 2007, he served as Vice-Chairman of Dongguan City Association of Enterprises with Foreign Investment for 6 years, Executive Vice-Chairman of Dongguan City Tangxia Association of Enterprises with Foreign Investment for 6 years. Since 2009, he served as the member of the China Trade and Innovation & Technology Advisory Committee of Hong Kong Trade Development Council for 4 years. He has also awarded as Fellow by The Professional Validation Council of Hong Kong Industries and Fellow Member by Asian Knowledge Management Association respectively in 2006.

非執行董事

黃震先生（「黃先生」），61歲，自二零一九年十二月五日起獲調任為非執行董事。彼為本公司副主席及本公司電子產品業務的創辦人之一。

彼曾於兩間香港上市電子公司東茗國際(集團)有限公司及嘉域集團有限公司任職中國事務總監。黃先生在電子及電腦周邊設備方面擁有逾30年經驗。彼現為執行委員會成員以及內地香港經濟及香港中華廠商聯合會貿易委員會主席、香港電子業商會副會長及中國委員會主席、香港汽車零部件工業協會永遠榮譽會長、中國人民政治協商會議廣東省清遠市政協委員、香港廣東社團總會常務會董、清遠市社團總會名譽副主席。自二零零七年起，他曾擔任東莞市外商企業協會副會長（為期6年）、東莞市塘廈外商投資企業協會常務副會長（為期6年）。自二零零九年起，他曾擔任香港貿易發展局中國貿易及創新科技諮詢委員會委員（為期4年）。彼亦於二零零六年分別獲香港工業專業評審局評選為院士及亞洲知識管理協會評選為院士。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡歷

Independent non-executive Directors

Dr. Hon. Lo Wai Kwok SBS, MH, JP (“Dr. Lo”), aged 67, was appointed as an independent non-executive Director and a member of the Nomination Committee and the Audit Committee on 29 November 2016. Dr. Lo holds a doctorate degree in engineering, master degrees in engineering and business administration respectively and a bachelor degree in engineering. He is a Chartered Engineer and Fellow of the Hong Kong Institution of Engineers. Dr. Lo was awarded with the “Young Industrialist Awards of Hong Kong” and the “Ten Outstanding Young Persons Selection” in 1992, the “Medal of Honour” of the Hong Kong Government in July 2001, and was appointed “Justice of the Peace” of the Hong Kong Government in July 2004. Dr. Lo was awarded the Bronze Bauhinia Star in July 2009 and the Silver Bauhinia Star in July 2015 by the Hong Kong Government respectively.

Dr. Lo is also an independent non-executive director of Ka Shui International Holdings Limited, a listed company in Hong Kong (Stock Code: 822). He is currently a member of the Legislative Council of Hong Kong, representing the Engineering Functional Constituency. He has over 30 years of experience in the electronic and power supply industry. He is an Adjunct Professor of the City University of Hong Kong.

獨立非執行董事

盧偉國博士(「盧博士」)，銀紫荊星章，榮譽勳章，太平紳士，67歲，於二零一六年十一月二十九日獲委任為獨立非執行董事兼提名委員會及審核委員會成員。盧博士持有工程學博士學位、工程及工商管理碩士學位以及工程學士學位。彼為特許工程師及香港工程師學會資深會員。盧博士為一九九二年「香港青年工業家獎」及「十大傑出青年選舉」與二零零一年七月香港政府「榮譽勳章」的得獎者，更於二零零四年七月獲香港政府委任為「太平紳士」。盧博士先後於二零零九年七月及二零一五年七月獲香港政府頒發銅紫荊星章及銀紫荊星章。

盧博士亦於香港上市公司嘉瑞國際控股有限公司(股份代號：822)擔任獨立非執行董事。彼現為香港立法會議員，代表工程界功能界別。彼於電子及電力供應業積累超過30年經驗。彼於香港城市大學出任兼任教授。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡歷

Dr. Fong Chi Wai, Alex (“Dr. Fong”), aged 63, is currently a director of HK Electric Investments Manager Limited and a director of The Hongkong Electric Company, Limited. Dr. Fong was the chief executive officer of Hong Kong General Chamber of Commerce (the “Chamber”) from 2006 to 2011. Prior to joining the Chamber, he served in the civil service for over 25 years, holding various senior positions in the Government of Hong Kong. Dr. Fong has a long record of public service providing both operational and policy-formulation expertise. Dr. Fong has been appointed as an independent non-executive director of HK Electric Investments and HK Electric Investments Limited, a company listed on the Exchange (stock code: 2638), since December 2013 and an independent non-executive director of TOM Group Limited, a company listed on the Exchange (stock code: 2383). He was an independent non-executive director of Power Assets Holdings Ltd., a company listed on the Exchange (stock code: 6) and a substantial holder of Share Stapled Units for the purpose of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), from December 2012 to January 2014.

Dr. Fong received a Bachelor of Social Science degree in Business and Economics from the University of Hong Kong in November 1978, a Master of Technology Management degree in Global Logistics Management and a Master of Science degree in Global Finance from the Hong Kong University of Science and Technology in April 2007 and May 2009 respectively, and a Doctor of Business Administration degree from the City University of Hong Kong in October 2017.

方志偉博士(「方博士」)，63歲，現為港燈電力投資管理人有限公司董事及香港電燈有限公司董事。方博士於二零零六年至二零一一年擔任香港總商會(「總商會」)總裁。於加入總商會前，彼出任香港政府公務員超過25年，曾擔任多個香港政府高級職位。方博士長期參與公共服務，提供營運及制訂政策方面之專業知識。方博士自二零一三年十二月起獲委任為聯交所上市公司港燈電力投資與港燈電力投資有限公司(股份代號：2638)之獨立非執行董事及為聯交所上市公司TOM集團有限公司(股份代號：2383)之獨立非執行董事。彼於二零一二年十二月至二零一四年一月為聯交所上市公司電能實業有限公司(股份代號：6，其亦根據香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部為主要股份合訂單位持有人)之獨立非執行董事。

方博士於一九七八年十一月獲香港大學頒發經濟及工商管理社會科學學士學位、分別於二零零七年四月及二零零九年五月獲香港科技大學頒發科技管理碩士(環球物流管理學)學位及環球金融理學碩士學位，並於二零一七年十月獲香港城市大學頒發工商管理博士學位。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡歷

Mr. Lu Yongchao (“Mr. Lu”), aged 39, was appointed and has been an independent non-executive director of the Company since 31 March 2019.

Mr. Lu obtained a diploma in Business Administration for Real Estate Entrepreneurs in China at Sun Yat-sen University (中山大學) and a diploma in English at Guangdong University of Foreign Studies (廣東外語外貿大學). Mr. Lu was a team member of Ample Luck International Capital Group Limited which is a fund management group. Mr. Lu has extensive experience in business development, market development, media management, finance and Information Technology industry and years of investment, financing and fund management history. He has rich experience in the enterprise strategic management, internet strategy, brand management, investment and financing management.

Mr. Lu was the founder of Enjoymedia Holdings Company Limited, which was listed on the Over The-Counter Bulletin Board (OTCBB) in 2006 and was named as one of the hundred most Chinese Concept corporation listed in the United States. Prior to that Mr. Lu had been the chief executive of the online websites YESITE and ITNOW, as well as the Whirlpool Kit Department Head in China. Mr. Lu had assisted listing and financing of different enterprises while working in an investment company in China, and had served as a director of China Mobile Digital Group, a company whose shares are listed on the Taiwan Stock Exchange Corporation. He had also served as a director of a German outdoor brand VAUDE.

Mr. Lu is also a director of Eagle Pioneer Limited, Accurate Trade International Limited, China Safety Holdings Limited, Happy Way Technology Limited, Total Tycoon Limited and Great Select Global Limited. Mr. Lu served as the chief executive officer of Cybernaut International Holdings Company Limited (“Cybernaut”) (formerly known as Sinoref Holdings Limited), the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1020), from January 2015 to February 2017 and he has been an executive director of Cybernaut since February 2017, and he is also an independent non-executive director of Pa Shun International Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 574) since September 2018.

呂永超先生(「呂先生」)，39歲，自二零一九年三月三十一日起獲委任為本公司獨立非執行董事。

呂先生持有中山大學中國房地產企業家工商管理課程結業證書，以及廣東外語外貿大學英語專科畢業。呂先生曾為豐祥國際資本集團有限公司(一間基金管理集團)之團隊成員。呂先生於商務開發、市場拓展、媒體管理、財務及資訊科技行業的經驗豐富，多年來從事投融資及基金管理。彼於企業策略管理、互聯網策略、品牌管理及投融資管理等方面的經驗豐富。

呂先生為Enjoymedia Holdings Company Limited之創辦人，該公司於二零零六年在場外櫃臺交易系統(OTCBB)上市，曾獲評選為美國一百間最有中國概念的上市公司之一。在此之前，呂先生先後出任YESITE及ITNOW網站的網站總裁，並於中國出任惠而浦套件部部門主管。呂先生於一間中國投資公司任職期間曾協助不同企業上市及融資，並曾出任中國移動數碼集團(其股份於臺灣證券交易所股份有限公司上市之公司)董事。彼亦曾出任德國知名戶外品牌巍德之董事。

呂先生亦為Eagle Pioneer Limited、Accurate Trade International Limited、中國安產控股有限公司、創欣科技有限公司、Total Tycoon Limited及境裕環球有限公司之董事。呂先生由二零一五年一月至二零一七年二月曾任賽伯樂國際控股有限公司(「賽伯樂」，前稱華耐控股有限公司，其股份於聯交所主板上市(股份代號：1020))之行政總裁，而彼自二零一七年二月起一直擔任賽伯樂之執行董事。自二零一八年九月起，彼亦為百信國際控股有限公司(其股份於聯交所主板上市(股份代號：574))之獨立非執行董事。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡歷

Dr. Yan Ka Shing (“**Dr. Yan**”), aged 34, was appointed and has been an independent non-executive Director of the Company since 5 December 2019. He is the chairman of the audit committee and the remuneration committee of the Company, and also a member of the nomination committee, the executive committee and the strategy and development committee of the Company.

Dr. Yan has more than 8 years of experience in the medical industry and has been employed by the Hospital Authority in Hong Kong (the “Hospital Authority”) since July 2011. He completed his housemanship in the Hospital Authority from July 2011 to June 2012. He then became a registered doctor and has served as a medical officer in various hospitals in Hong Kong managed by the Hospital Authority since July 2012.

Dr. Yan obtained his Bachelor of Medicine and Bachelor of Surgery (MBBS) degree from the University of Hong Kong in November 2011, Membership of the Royal Colleges of Physicians of the United Kingdom (MRCP (UK)), a postgraduate medical diploma in the United Kingdom, in March 2016. He was then admitted as a member of the Hong Kong College of Physicians in January 2017. Dr. Yan obtained the Postgraduate Diploma in Infectious Diseases from the University of Hong Kong (PDipID (HK)) in October 2019. He has been a member of the Hong Kong Medical Association since July 2011.

Dr. Yan is also currently an independent non-executive director, the chairman of the nomination committee, a member of the audit committee and a member of the remuneration committee of Victory Securities (Holdings) Company Limited, a company listed on the Stock Exchange (stock code: 8540).

甄嘉勝醫生 (「甄醫生」)，34歲，自二零一九年十二月五日起獲委任為本公司的獨立非執行董事。彼為本公司審核委員會及薪酬委員會主席，且亦為本公司提名委員會、執行委員會以及戰略及發展委員會的成員。

甄醫生在醫療行業擁有逾8年經驗，自二零一一年七月起受僱於香港醫院管理局(「醫院管理局」)。自二零一一年七月至二零一二年六月，彼於醫院管理局完成駐院實習。彼其後成為註冊醫生，並自二零一二年七月起曾於醫院管理局管理的多間香港醫院擔任醫生。

甄醫生於二零一一年十一月獲得香港大學內外全科醫學士(MBBS)學位，並於二零一六年三月獲得英國皇家內科醫學院院士資格(英國醫學深造文憑)。彼其後於二零一七年一月獲接納為香港內科醫學院院士。甄醫生於二零一九年十月獲得香港大學感染及傳染病學深造文憑(PDipID (HK))。此外，彼亦自二零一一年七月起為香港醫學會會員。

甄醫生目前亦為聯交所上市公司勝利證券(控股)有限公司(股份代號：8540)的獨立非執行董事、提名委員會主席、審核委員會成員及薪酬委員會成員。

Biographical Details of Directors and Senior Management

董事及高級管理人員簡歷

Dr. Feng Seng (“**Dr. Feng**”), aged 31, was appointed and has been an independent non-executive Director of the Company since 3 March 2020. He is a member of the audit committee, the remuneration committee, the nomination committee, the executive committee and the strategy and development committee of the Company.

Dr. Feng is an associate member of Association of International Accountants, Senior International Finance Manager, a registered PRC lawyer, a member of the Institute of Public Accountants in Australia, an associate member of the Association of International Accountants in the United Kingdom, and holds a number of professional qualification certificates, including Financial Risk and Regulation Certificate and Certified Financial Planner. He was a partner of Da Hua Certified Public Accountants in China. Currently, he is a Business Director of AVIC Securities Co., Ltd. He is also a tutor of post-graduate students in University of Chinese Academy of Sciences, Tianjin University of Finance & Economics, Beihang University, Jiangsu Normal University, Nanjing Audit University and Capital University of Economics and Business. After becoming a PRC sponsor representative in 2015, Dr. Feng has led different companies through initial public offering, placing of shares, management of corporate investment and financing, listing on NEEQ, mergers and acquisitions, restructuring of claims and debts, restructuring of state-owned enterprises, and so on. Dr. Feng was honoured by the International Financial Management Association (IFMA) as 2017 Top Ten Innovative Figures in International Finance Managers (IFM) in China (2017年國際財務管理師中國十大創新人物) and IFM Pioneers in the 40th anniversary of China’s Reform and Opening-up (中國改革開放40周年IFM領軍人物), in 2018.

Dr. Feng obtained a bachelor degree in management in July 2011 from Beijing Information Science & Technology University where he specialised in management science, a master degree in civil and commercial law in July 2014 and a doctoral degree in economics and law in December 2014 from China University of Political Science and Law, a master degree in business administration in May 2015 from New York Institute of Technology, a master degree in software engineering and domain engineering in January 2016 from Beihang University, a master degree in software engineering and domain engineering in June 2016 from Tianjin University, a master degree in software engineering and domain engineering in December 2016 from Huazhong University of Science and Technology, and a doctoral degree in business administration in August 2018 from EuroPort Business School.

馮申博士(「馮博士」), 31歲, 自二零二零年三月三日起獲委任為本公司獨立非執行董事。彼為本公司審核委員會、薪酬委員會、提名委員會、執行委員會以及戰略及發展委員會的成員。

馮博士持有國際註冊會計師、高級國際財務管理師、中國註冊律師、澳大利亞公共會計師協會會員、英國財務會計師公會會員, 並持有金融風險與監管證書、註冊金融策劃師(CFP)等專業資格證書。彼曾任中國大華會計師事務所合夥人。彼現任為中航證券有限公司業務董事及中國科學院大學、天津財經大學、北京航空航天大學、江蘇師範大學、南京審計大學及首都經濟貿易大學等研究生導師。於二零一五年度成為中國保薦代表人後, 馮博士曾領導不同企業之首次公開發售、配售股份、企業投融資管理、新三板掛牌、併購、債權債務重組、國有企業改制等工作。於二零一八年, 馮博士獲國際財務管理協會(IFMA)授予《二零一七年國際財務管理師(IFM)中國十大創新人物》榮譽稱號及授予《中國改革開放40周年IFM領軍人物》榮譽稱號。

馮博士於二零一一年七月取得北京信息科技大學的管理學學士學位, 主修管理科學; 於二零一四年七月及二零一四年十二月分別取得中國政法大學的民事及商業法律碩士學位及經濟及法律博士學位; 於二零一五年五月取得紐約理工學院的商業管理碩士學位; 於二零一六年一月取得北京航空航天大學的軟件工程及領域工程碩士學位; 於二零一六年六月取得天津大學的軟件工程及領域工程碩士學位; 於二零一六年十二月取得華中科技大學的軟件工程及領域工程碩士學位及於二零一八年八月取得荷蘭歐洲商學院(EuroPort Business School)的商業管理博士學位。

Directors' Report

董事會報告

The Directors present their annual report and the audited consolidated financial statements for Year 2019.

董事會謹此提呈二零一九年之年報及經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 33 to the consolidated financial statements.

主要業務

本公司為投資控股公司。其主要附屬公司之業務載於綜合財務報表附註33。

BUSINESS REVIEW

For the review of the business of the Group, please refer to the section headed "Management Discussion and Analysis" on page 8 of this report.

業務回顧

有關本集團業務回顧之詳情，請參閱本報告第8頁之「管理層論述及分析」一節。

ENVIRONMENTAL POLICIES AND PERFORMANCE

During the Year, the Group adopted the following policies to improve the environmental quality:

環境政策及表現

年內，本集團已採納以下政策提升環境質量：

- to design and produce connectivity products by taking into account the possibility of dismantling and recovery of the components and materials
- to use recycled papers as printing materials whenever appropriate
- to reduce electricity consumption by switching off any light and electrical appliances which are not in use
- to choose energy efficiency appliances (with energy labels showing on prescribed products) with lowest energy consumption
- to avoid, reduce or control environmental pollution arising from the Group's operations and to require our contractors to adopt and implement similar environmental measures
- to ensure good management practices by reviewing them regularly and ensure that they are tuned to the changing internal and external circumstances
- to comply with all applicable environmental legislation, standards and regulations
- 考慮物料及材料拆解及回收之可能性後設計及生產連接產品
- 於一切合適之情況下使用印刷材料等再生紙
- 燈具及電氣設備毋須使用時，關閉電源，減少電耗
- 選擇能耗最低的節能設備(在規定產品上顯示能源標籤)
- 避免、減少或控制本集團營運造成的環境污染，要求我們承包商採納及實施類似環境措施
- 透過定期審核確保良好的管理規範，確保針對不斷變化的內部及外部情況不斷調整相關規範
- 遵守所有適用環境法例、標準及法規

Directors' Report

董事會報告

The Group will put in place additional environmental policies as and when appropriate or necessary to ensure that its business operations are conducted in an environmentally responsible manner.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

MAJOR SUPPLIERS AND CUSTOMERS

The largest and the top five suppliers of the Group accounted for about 7.7% and 25.0%, respectively, of the Group's total purchases for the Year.

The largest and the top five customers of the Group accounted for about 24.3% and 61.5%, respectively, of the Group's total turnover for the Year.

At no time during the Year did a director, an associate of a director, or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 53 of this report. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 as the Board is expecting an unstable external business environment in 2020.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 160 of the annual report.

FIXED ASSETS

The Group has incurred HK\$3,980,000 capital expenditure during the Year mainly due to the expansion of the Architectural Design Business resulting in purchase of computer equipment and the additions in fixture in one of our manufacturing factories in Guangdong province.

本集團將適時推行其他必要環境政策，確保其業務營運以對環境負責的方式開展。

遵守法律法規

據董事會所悉，本集團已於重大方面遵守會對本集團業務及營運產生重大影響之相關法律法規。

主要供應商及客戶

本集團最大供應商及五大供應商分別佔本集團年內總採購額約7.7%及25.0%。

本集團最大客戶及五大客戶分別佔本集團年內總營業額約24.3%及61.5%。

各董事、董事之聯繫人士及據董事所知持有本公司股本5%以上之本公司股東於任何時間均無擁有本集團五大供應商或五大客戶任何權益。

業績及分派

本集團年內之業績載於本報告第53頁綜合損益及其他全面收益表。由於董事會預計二零二零年外部業務環境不穩定，故董事不建議派發截至二零一九年十二月三十一日止年度的末期股息。

五年財務概要

本集團過去五個財政年度之業績概要以及資產及負債載於本年報第160頁。

固定資產

年內，本集團產生資本開支3,980,000港元，主要花費於為建築設計業務的擴張而購買電腦設備及為我們在廣東省的其中一間製造廠添置固定裝置。

Directors' Report

董事會報告

Details of these and other movements during the Year in the property, plant and equipment of the Group are set out in notes 12 to the consolidated financial statements, respectively.

LIABILITIES

The Group had no interest-bearing debt as at 31 December 2019.

SHARE CAPITAL

Details of movements during the Year in the share capital of the Company are set out in note 25 to the consolidated financial statements.

DISTRIBUTABLE RESERVE OF THE COMPANY

The Company's reserve available for distribution to shareholders as at 31 December 2019 amounted to HK\$Nil.

DIRECTORS

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

Executive Directors:

Mr. Wang Li Feng (*Chairman*)
Mr. Yu Sanlong (appointed on 5 December 2019)
Mr. Fan Xiaoling (appointed on 5 December 2019)
Ms. Lee Jui-lan (appointed on 5 December 2019)
Mr. He Yongyi (resigned on 5 December 2019)
Mr. Pang Kuo Shi (resigned on 5 December 2019)
Mr. Kong Lixing (resigned on 5 December 2019)
Mr. Zhao Guo Xing (resigned on 5 December 2019)

Non-executive Director:

Mr. Wong Chun (*Deputy Chairman*)
(re-designated on 5 December 2019)

Independent non-executive Directors:

Mr. Lau Ho Kit, Ivan (resigned on 2 March 2020)
Dr. Hon. Lo Wai Kwok, SBS, MH, JP
Dr. Zhu Wenhui (resigned on 31 March 2019)
Dr. Fong Chi Wai, Alex (appointed on 10 January 2019)
Mr. Lu Yongchao (appointed on 31 March 2019)
Dr. Yan Ka Shing (appointed on 5 December 2019)
Dr. Feng Shen (appointed on 3 March 2020)

本集團物業、廠房及設備於年內之該等及其他變動詳情分別載於綜合財務報表附註12。

負債

本集團於二零一九年十二月三十一日並無計息債務。

股本

本公司於年內之股本變動詳情載於綜合財務報表附註25。

本公司可供分派儲備

本公司於二零一九年十二月三十一日可供分派予股東之儲備為零港元。

董事

於年內及截至本報告日期之董事如下：

執行董事：

王濟峰先生(*主席*)
于三龍先生(於二零一九年十二月五日獲委任)
范小令先生(於二零一九年十二月五日獲委任)
李瑞蘭女士(於二零一九年十二月五日獲委任)
何永屹先生(於二零一九年十二月五日辭任)
龐國璽先生(於二零一九年十二月五日辭任)
孔力行先生(於二零一九年十二月五日辭任)
趙國興先生(於二零一九年十二月五日辭任)

非執行董事：

黃震先生(*副主席*)
(於二零一九年十二月五日被調任)

獨立非執行董事：

劉可傑先生(於二零二零年三月二日辭任)
盧偉國博士，銀紫荊星章，榮譽勳章，太平紳士
朱文暉博士(於二零一九年三月三十一日辭任)
方志偉博士(於二零一九年一月十日獲委任)
呂永超先生(於二零一九年三月三十一日獲委任)
甄嘉勝醫生(於二零一九年十二月五日獲委任)
馮申博士(於二零二零年三月三日獲委任)

Directors' Report

董事會報告

In accordance with Article 84(1) of the Bye-laws of the Company, 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. And, according to the Corporate Governance Code under Appendix 15 to the GEM listing Rules ("CG Code"), every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with Article 84(2) of the Bye-laws of the Company, any Director appointed by the Board pursuant to Article 83(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

To comply with the above, Mr. Wong Chun, Dr. Hon. Lo Wai Kwok, SBS, MH, JP, Mr. Yu Sanlong, Mr. Fan Xiaoling, Ms. Lee Jui-lan, Mr. Lu Yongchao, Dr. Yan Ka Shing, Dr. Feng Shen, shall retire from office at the AGM. Dr. Hon. Lo Wai Kwok, SBS, MH, JP will not offer himself for re-election at the AGM while all other retiring Directors, being eligible, have offered themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with the Company not terminable by the Company within one year without payment of compensation (other than statutory compensation).

根據本公司之公司細則第84(1)條，於各股東週年大會上，當時董事的三分之一(或倘人數並非三(3)的倍數，則最接近但不少於三分之一的人數)須輪值告退。根據GEM上市規則附錄十五企業管治守則(「企業管治守則」)，各位董事(包括有特定委任期限之董事)應至少每三年輪值告退一次。

根據本公司之公司細則第84(2)條，凡董事會根據第83(2)條委任之董事於釐訂須輪值告退的特定董事或董事人數時，均不得計算在內。

為符合上述各項規定，黃震先生、盧偉國博士，銀紫荊星章，榮譽勳章，太平紳士、于三龍先生、范小令先生、李瑞蘭女士、呂永超先生、甄嘉勝醫生及馮申博士將於股東週年大會上退任。盧偉國博士，銀紫荊星章，榮譽勳章，太平紳士將不會於股東週年大會上膺選連任，而合資格的所有其他退任董事已膺選連任。

董事之服務合約

概無建議於應屆股東週年大會上膺選連任的董事與本公司訂有本公司於一年內不可在並無支付賠償(法定賠償除外)的情況下予以終止的服務合約。

Directors' Report

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the interests and short position of the directors and their associates in the shares and underlying shares of the Company or its associate corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to the required standards of dealings by directors of listed issuer as referred to the Rules 5.46 to 5.67 of Chapter 5 of the GEM Listing Rules and Divisions 7 and 8 of Part XV of the SFO, or as otherwise notified to the Company were as follows:

Ordinary shares of HK\$0.01 each of the Company

Name of director 董事名稱	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of issued share capital of the Company 佔本公司已發行股本之百分比
Mr. Wang (Note 1) 王先生(附註1)	Interest in a controlled corporation 受控制法團權益	355,620,000 (L)	55.57%
Mr. Wong 黃先生	Beneficial owner 實益擁有人	31,390,000 (L)	4.90%

Note:

(L) denotes long position

- The 355,620,000 shares are held by PT Design Group Holdings Limited ("PT Design"), which is indirectly wholly-owned by Mr. Wang.

Other than as disclosed above, none of the Directors and chief executive of the Company, nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations at 31 December 2019.

董事於股份及相關股份之權益及淡倉

於二零一九年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條存置之登記冊所記錄，或根據GEM上市規則第5章第5.46至5.67條所述上市發行人董事進行交易之必守標準以及證券及期貨條例第XV部第7及第8分部另行向本公司及聯交所作出之通知，或按向本公司所作出之通知，董事及彼等之聯繫人於本公司或其相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份中擁有之權益及淡倉如下：

本公司每股面值0.01港元之普通股

Name of director 董事名稱	Capacity 身份	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of issued share capital of the Company 佔本公司已發行股本之百分比
Mr. Wang (Note 1) 王先生(附註1)	Interest in a controlled corporation 受控制法團權益	355,620,000 (L)	55.57%
Mr. Wong 黃先生	Beneficial owner 實益擁有人	31,390,000 (L)	4.90%

附註：

(L) 指好倉

- 王先生間接全資擁有的PT Design Group Holdings Limited (「PT Design」)持有355,620,000股股份。

除上文披露者外，於二零一九年十二月三十一日，概無本公司董事及最高執行人員或彼等之聯繫人於本公司或其任何相聯法團的任何股份或相關股份中擁有任何權益或淡倉。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, the persons or entities (other than the Directors and chief executive of the Company) who have interests or short positions in the Shares and underlying Shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company, were as follows:

主要股東於本公司股份及相關股份之權益及／或淡倉

於二零一九年十二月三十一日，根據證券及期貨條例第XV部第2及3分部之條文已向本公司披露於本公司股份及相關股份中擁有權益或淡倉之人士或實體（董事及本公司主要行政人員除外），或於本公司根據證券及期貨條例第336條須予存置之登記冊所記錄或另有通知本公司之本公司股份及相關股份中擁有權益或淡倉之人士或實體（董事及本公司主要行政人員除外）如下：

Name of shareholder	Capacity	Number of issued Ordinary shares held	Percentage of issued share capital of the Company
股東名稱	身份	所持已發行普通股數目	佔本公司已發行股本之百分比
PT Design PT Design	Beneficial Owner 實益擁有人	355,620,000 (L)	55.57%
Mr. Pang Kuo-Shi (Note 1) 龐國璽先生(附註1)	Interest in a controlled corporation 受控制法團權益	74,403,000	11.63%
Modern Wealth Assets Limited (Note 1)	Beneficial owner	74,403,000	11.63%
Modern Wealth Assets Limited (附註1)	實益擁有人		

(L) denotes long position

1. Mr. Pang Guo-Shi is deemed to be interested in the 74,403,000 shares held by Modern Wealth Assets Limited, a company wholly-owned by Mr. Pang Kuo-Shi

(L) 指好倉

1. 龐國璽先生被視為於龐國璽先生全資擁有的公司 Modern Wealth Assets Limited 所持有的74,403,000股股份中擁有權益。

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 28 to the consolidated financial statements. During the Year, no share options were granted or exercised. As at 31 December 2019, no share options were outstanding.

購股權

本公司購股權計劃詳情載於綜合財務報表附註28。年內，概無購股權獲授出或行使。於二零一九年十二月三十一日，概無購股權尚未行使。

Directors' Report

董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2019 was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation on his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive Directors are independent.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed under the section headed "Directors' Interests and Short Positions in Shares and Underlying Shares" above, no person in the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO was disclosed as having a notifiable interest or short position in the issued share capital of the Company as at 31 December 2019.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

購買股份或債權證之安排

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任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債權證而獲益。

獨立非執行董事

本公司已接獲各獨立非執行董事根據 GEM 上市規則第 5.09 條發出之年度獨立性確認書。本公司認為全體獨立非執行董事之身份獨立。

主要股東

於二零一九年十二月三十一日，除上文「董事於股份及相關股份之權益及淡倉」一節所披露之權益外，按本公司根據證券及期貨條例第 336 條存置之主要股東登記冊，概無人士於本公司已發行股本中擁有須予披露之權益或淡倉。

董事之重大合約權益

本公司或其附屬公司概無訂立任何於年終或於截至二零一九年十二月三十一日止年度任何時間仍然生效而本公司董事直接或間接擁有重大權益之重大合約。

Directors' Report

董事會報告

CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions

On 4 July 2017, PT Design International Limited, an indirect wholly-owned subsidiary of the Company, entered into the Business Cooperation Agreement (as amended and supplemented by the supplemental business cooperation agreement dated 28 August 2017) with, Australia PT Design Consultants Limited (“**PT Consultants**”) and PT Building Technology and Science Holding Limited (“**PT Technology**”) for the solicitation of the Master planning and Architectural Design Business from independent developers for a term of three years from 15 July 2017 to 14 July 2020. PT Consultants was an associate of Mr. Wang, an executive Director and chairman of the Board. Under the Business Cooperation Agreement, unless otherwise requested by the independent developer, the Master planning and Architectural Design Business will be first undertaken by the Group as general design contractor. The Group will be responsible for master planning and general design work while all architectural schematic design work will be subcontracted to PT Consultants (or its subsidiary or associate). In the event that the Master planning and Architectural Design Business is to be undertaken by PT Consultants or PT Technology as the general design contractor at the request of the independent developer, unless otherwise requested by the independent developer, all master planning work shall be first subcontracted to the Group. For details of the Business Cooperation Agreement, please refer to the circular of the Company dated 6 February 2018. The Group entered into three subcontracting agreements with PT Architectural Design (Shenzhen) Company Limited (“**PT Shenzhen**”) (a wholly-owned subsidiary of PT Consultants) in June, July and December 2018 respectively in respect of subcontracting architectural schematic design work from the Group to PT Shenzhen (collectively the “**Continuing Connected Transactions**”), which constitute continuing connected transactions under the Business Cooperation Agreement. The aggregate contract sum payable by the Group to PT Shenzhen was RMB8,224,000 (approximately HK\$9,329,000). In 2019, the Group has paid PT Shenzhen for their support in architectural schematic design work contemplated under the aforesaid three subcontracting agreements in the aggregate amount of RMB3,892,000 (approximately HK\$4,415,000).

There was no subcontracting agreements entered into between the Group and PT Consultants (or its subsidiary or associate) for the year ended 31 December 2019. Set out below are the annual caps (the “**Annual Caps**”) in respect of the subcontracting arrangement under the Business Cooperation Agreement:

持續關連交易

持續關連交易

於二零一七年七月四日，本公司間接全資附屬公司柏濤設計國際有限公司與澳大利亞柏濤設計諮詢有限公司(「柏濤諮詢」)及柏濤建築科技控股有限公司(「柏濤科技」)訂立業務合作協議(經日期為二零一七年八月二十八日的補充業務合作協議修訂及補充)，以從獨立開發商承攬總體規劃及建築設計業務，由二零一七年七月十五日起至二零二零年七月十四日止為期三年。柏濤諮詢為執行董事兼董事會主席王先生之聯繫人。根據業務合作協議，除獨立開發商另行要求外，總體規劃及建築設計業務首先將由本集團作為設計總承辦商承接。本集團將負責總體規劃及設計總包服務，而全部建築設計方案工作將分包予柏濤諮詢(或其附屬公司或聯繫人)。倘總體設計及建築設計業務應獨立開發商要求，須由柏濤諮詢或柏濤科技作為設計總承辦商承接，則除獨立開發商另行要求外，全部總體規劃工作須首先分包予本集團。有關業務合作協議之詳情請參閱本公司日期為二零一八年二月六日之通函。本集團就本集團向柏濤建築設計(深圳)有限公司(「柏濤深圳」)(柏濤諮詢全資附屬公司)分包建築設計方案工作與柏濤深圳分別於二零一八年六月、七月及十二月訂立三份分包協議(統稱「持續關連交易」)，而此構成業務合作協議項下之持續關連交易。本集團應付柏濤深圳之合約總額為人民幣8,224,000元(約9,329,000港元)。於二零一九年，本集團就柏濤深圳對根據上述三份分包協議擬進行的建築設計方案工作的支持向其支付款項人民幣3,892,000元(約4,415,000港元)。

截至二零一九年十二月三十一日止年度，本集團與柏濤諮詢(或其附屬公司或聯繫人)並未訂立任何分包協議。下文載列業務合作協議項下分包安排的年度上限(「年度上限」)：

Directors' Report

董事會報告

Architectural Schematic Design Work

The architectural schematic design work to be subcontracted by the Group to PT Consultants (or its subsidiary or associate), in term of aggregate contract sum, shall not exceed HK\$75.0 million, HK\$75.0 million and HK\$37.5 million for the year ended 31 December 2018, the year ended 31 December 2019 and the six months ending 30 June 2020 respectively.

Master planning Work

The master-planning work to be subcontracted by PT Consultants (or its subsidiary or associate) to the Group, in term of aggregate contract sum, shall not exceed HK\$25.0 million, HK\$25.0 million and HK\$12.5 million for the year ended 31 December 2018, the year ended 31 December 2019 and the six months ending 30 June 2020 respectively.

The Annual Caps were approved by the independent shareholders of the Company at the special general meeting held on 28 February 2018.

Confirmations from the independent non-executive Directors and auditors of the Company

Pursuant to Rule 20.53 of the GEM Listing Rules, the independent non-executive Directors have reviewed the Continuing Connected Transactions for the Year and confirmed that these transactions have been entered into:

- (i) in the ordinary and usual course of business of Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the Business Cooperation Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

建築設計方案工作

截至二零一八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以及截至二零二零年六月三十日止六個月，本集團將分包予柏濤諮詢(或其附屬公司或聯繫人)之建築設計方案工作之合約總額分別不得超過75,000,000港元、75,000,000港元及37,500,000港元。

總體規劃工作

截至二零一八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以及截至二零二零年六月三十日止六個月，柏濤諮詢(或其附屬公司或聯繫人)將分包予本集團之總體規劃工作之合約總額分別不得超過25,000,000港元、25,000,000港元及12,500,000港元。

年度上限已於二零一八年二月二十八日舉行的股東特別大會上獲本公司獨立股東批准。

獨立非執行董事及本公司核數師給予確認

根據GEM上市規則第20.53條，獨立非執行董事已審閱本年度持續關連交易，並確認有關交易乃：

- (i) 於本集團一般及日常業務過程中訂立；
- (ii) 按正常商業條款訂立；及
- (iii) 根據業務合作協議進行，條款屬公平合理，並符合股東之整體利益。

Directors' Report

董事會報告

The auditors were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The Board confirms that the auditors have issued their unqualified letter containing their findings and conclusions in respect of the Continuing Connected Transactions disclosed above by the Group in accordance with Rule 20.54 of the GEM Listing Rules.

A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

Save as disclosed above, a summary of significant related party transactions, which do not constitute connected transactions, made during the Year is disclosed in note 32 to the financial statements.

Connected Transactions

On 29 May 2018, the Group entered into the Design Subcontracting Agreements with PT Shenzhen in relation to the subcontracting of the architectural schematic design work in respect of Fengshan International Phase 8* (峰山國際八期) in Ganzhou City, Jiangxi Province in the PRC and Hengrun Shilijiangwan* (恒潤十里江灣) in Yongzhou City, Hunan Province in the PRC. The aggregate contract sum payable by the Group to PT Shenzhen was RMB7,485,000. As PT Shenzhen was an associate of Mr. Wang at the material time, the Design Subcontracting Agreements constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules. As all the applicable percentage ratios (other than profit ratio) are less than 5% and the total consideration is less than HK\$10,000,000, the Design Subcontracting Agreements are subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 20 of the GEM Listing Rules. For details of the Design Subcontracting Agreements, please refer to the announcement of the Company dated 29 May 2018.

核數師已獲委聘按照香港會計師公會頒佈之香港核證工作準則第3000號(經修訂)「非審核或審閱過往財務資料的核證工作」，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，對本集團的持續關連交易作出報告。

董事會確認，根據GEM上市規則第20.54條，核數師已就本集團披露的持續關連交易的核證結果及結論，發出無保留意見的函件。

本公司已將核數師函件的副本呈交聯交所。

除上文所披露者外，於年內作出惟並不構成關連交易的重大關聯方交易概要於財務報表附註32披露。

關連交易

於二零一八年五月二十九日，本集團與柏濤深圳訂立設計分包協議，內容有關將位於中國江西省贛州市之峰山國際八期及位於中國河南省永州市之恒潤十里江灣之建築設計方案工作進行分包。本集團應付柏濤深圳之合約總額為人民幣7,485,000元。由於柏濤深圳為王先生於關鍵時間之聯繫人，故根據GEM上市規則第20章，設計分包協議構成本公司的關連交易。由於所有適用百分比率(利潤率除外)均低於5%且總代價少於10,000,000港元，故設計分包協議須遵守GEM上市規則第20章之申報及公佈規定，惟獲豁免遵守獨立股東批准規定。有關設計分包協議詳情請參閱本公司日期為二零一八年五月二十九日之公佈。

Directors' Report

董事會報告

Save as disclosed above, the Directors consider that those material related party transactions disclosed in note 32 to the financial statements did not fall under the definition of “connected transactions” or “continuing connected transactions” (as the case may be) in Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent Shareholders' approval requirements under the GEM Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements (if applicable) under Chapter 20 of the GEM Listing Rules.

As at the date of this annual report, PT Shenzhen is wholly-owned by PT Consultants which is in turn owned as to 27.6% by Mr. Wang, 22.0% by Mr. Kong Lixing (a former executive Director who resigned on 5 December 2019) and 13.6% by Mr. Zhao Guo Xing (a former executive Director who resigned on 5 December 2019).

除上文所披露者外，董事認為，財務報表附註32所披露之重大關聯方交易並不符合GEM上市規則第20章有關「關連交易」或「持續關連交易」(視乎情況而定)之定義，故毋須遵守GEM上市規則項下任何申報、公佈或獨立股東批准規定。董事確認，本公司已遵守GEM上市規則第20章項下之披露規定(倘適用)。

於本年報日期，柏濤深圳由柏濤諮詢全資擁有，而柏濤諮詢則由王先生、孔力行先生(於二零一九年十二月五日辭任的前執行董事)及趙國興先生(於二零一九年十二月五日辭任的前執行董事)分別擁有27.6%、22.0%及13.6%之權益。

Directors' Report

董事會報告

EMOLUMENT POLICY

The Group's employees are selected, remunerated and promoted based on their merit, qualifications and competence.

The emoluments of the directors of the Company are determined with regard to the Group's operating results, individual performance and comparable market statistics.

PRE-EMPTIVE RIGHTS

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Save for the continuing connected transactions and connected transactions disclosed above, during the Year, the following Directors had interests in the following business which were considered to compete or likely to compete, either directly or indirectly, with the business of the Group (other than those business where the Directors were appointed as directors to represent the interests of the Company and/or the Group):

酬金政策

本集團之僱員乃按其表現、資格及能力獲篩選、訂定酬金及晉升。

本公司董事之酬金乃參考本集團之營運業績、個別人士之表現及可資比較市場統計而釐定。

優先購買權

根據本公司之公司細則或百慕達法例，並無有關優先購買權之規定而使本公司須按持股比例向本公司現有股東發售新股。

購買、出售或贖回本公司之上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

董事及控股股東於競爭業務中之權益

除上文有關持續關連交易及關連交易所披露者外，於年內，下列董事於以下被視為與本集團業務直接或間接構成或可能構成競爭之業務(董事獲委任為董事以代表本公司及/或本集團權益之業務除外)中擁有權益：

Name of Director	Name of entity which were considered to compete or likely to compete with the business of the Group 被視為與本集團業務構成或可能構成競爭之實體名稱	Description of competing Business 競爭業務描述	Nature of interests 權益性質
Wang Li Feng	PT Consultants	Provision of Architectural Design Service (other than technical and documentation work)	Directly holding 27.6% interest in PT Consultants and a director
王濤峰	柏濤諮詢	提供建築設計服務(施工圖設計除外)	直接持有柏濤諮詢27.6%權益，並為董事

Directors' Report

董事會報告

Name of Director 董事姓名	Name of entity which were considered to compete or likely to compete with the business of the Group 被視為與本集團業務構成或可能構成競爭之實體名稱	Description of competing Business 競爭業務描述	Nature of interests 權益性質
	PT Shenzhen 柏濤深圳	Provision of Architectural Design Service (other than technical and documentation work) 提供建築設計服務(施工圖設計除外)	Indirectly holding 27.6% interest in PT Shenzhen through PT Consultants and a director 透過柏濤諮詢間接持有柏濤深圳27.6%權益，並為董事
	Shanghai PT Architecture Design & Consultant Co., Ltd ("Shanghai PT") 上海柏濤建築設計諮詢有限公司(「上海柏濤」)	Provision of Architectural Design Service (other than technical and documentation work) 提供建築設計服務(施工圖設計除外)	Indirectly holding 17% interest in Shanghai PT and a director 間接持有上海柏濤17%權益，並為董事
Kong Lixing (resigned on 5 December 2019)	PT Shenzhen	Provision of Architectural Design Service (other than technical and documentation work) 提供建築設計服務(施工圖設計除外)	Indirectly holding 22.0% interest through PT Consultants and a director
孔力行 (於二零一九年十二月五日辭任)	柏濤深圳	提供建築設計服務(施工圖設計除外)	透過柏濤諮詢間接持有22.0%權益，並為董事
	Shanghai PT 上海柏濤	Provision of Architectural Design Service (other than technical and documentation work) 提供建築設計服務(施工圖設計除外)	Indirectly holding 17% interest in Shanghai PT and a director 間接持有上海柏濤17%權益，並為董事
	PT Consultants 柏濤諮詢	Provision of Architectural Design Service (other than technical and documentation work) 提供建築設計服務(施工圖設計除外)	A director and directly holding 22.0% interest in PT Consultants 董事並直接持有柏濤諮詢22.0%權益

Directors' Report

董事會報告

Name of Director 董事姓名	Name of entity which were considered to compete or likely to compete with the business of the Group 被視為與本集團業務構成或可能構成競爭之實體名稱	Description of competing Business 競爭業務描述	Nature of interests 權益性質
Zhao Guo Xing (resigned on 5 December 2019) 趙國興 (於二零一九年十二月五日辭任)	PT Consultants 柏濤諮詢	Provision of Architectural Design Service (other than technical and documentation work) 提供建築設計服務(施工圖設計除外)	Directly holding 13.6% interest in PT Consultants 直接持有柏濤諮詢13.6% 權益
	PT Shenzhen 柏濤深圳	Provision of Architectural Design Service (other than technical and documentation work) 提供建築設計服務(施工圖設計除外)	Indirectly holding 13.6% interest through PT Consultants and a director and general manager 透過柏濤諮詢間接持有13.6% 權益，並為董事兼總經理
He Yongyi (resigned on 5 December 2019) 何永屹 (於二零一九年十二月五日辭任)	Shanghai PT 上海柏濤	Provision of Architectural Design Service (other than technical and documentation work) 提供建築設計服務(施工圖設計除外)	Indirectly holding 17% interest in Shanghai PT and a director 間接持有上海柏濤17% 權益，並為董事

Directors' Report

董事會報告

As (i) each of the above Directors is fully aware of their fiduciary duty to the Group, and will abstain from voting on any matter where there is or may be a conflict of interest; (ii) the Master-planning and Architectural Design Business will be first undertaken by the Group as general design contractor under the Business Cooperation Agreement, unless otherwise requested by independent developers; (iii) unless otherwise requested by independent developers, all master-planning work shall be first subcontracted to the Group; (iv) the Group have the first right of refusal on accepting the architectural schematic design work unless it is specifically requested by the independent developers that such work shall be performed by PT Consultants or PT Architectural; and (v) each of Mr. Wang, Mr. Kong Lixing and Mr. He Yongyi has not involved in the day-to-day management and operation of Shanghai PT, the Group is capable of carrying its business independently of and at arm's length from the businesses of these entities. Save as disclosed above, the Directors are not aware of any business and interest of the Directors that competed or might compete with the business of the Group and any other conflict of interests which any such person had or might have with the Group during the Year.

DONATIONS

During the Year, the Group made charitable and other donations amounting to HK\$14,000.

SUFFICIENCY PUBLIC FLOAT

Based on the information available to the Company and to the knowledge of the Directors, the Company had, up to the date of this report, maintained the public float required by the GEM Listing Rules.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate liability insurance coverage for the Directors and senior management for the Year in respect of legal actions against its Directors and senior management arising out of corporate activities.

由於 (i) 上述各董事均充分了解彼等對本集團之受信責任，並將就任何存在或可能存在利益衝突之事宜放棄投票；(ii) 除獨立開發商另行要求外，本集團根據業務合作協議將作為設計總承辦商首先承攬總體設計及建築設計業務；(iii) 除獨立開發商另行要求外，全部總體設計工作須首先分包予本集團；(iv) 除獨立開發商特別要求建築設計方案工作須由柏濤諮詢或柏濤建築進行外，本集團享有決定是否接納該工作之優先權；及(v) 王先生、孔力行先生及何永屹先生各人均並無參與上海柏濤之日常管理及營運，故本集團有能力在獨立於該等實體業務並與其保持距離之情況下獨立經營其業務。除上文所披露者外，於年內，董事並不知悉董事有任何業務及利益與本集團業務構成或可能構成競爭，亦不知悉任何有關人士與本集團存在或可能存在任何其他利益衝突。

捐款

年內，本集團曾作出合共14,000港元之慈善及其他捐款。

充足公眾持股量

基於本公司之所得資料及據董事所知，截至本報告日期，本公司一直維持 GEM 上市規則所規定之公眾持股量。

獲准許之彌償條文

年內，本公司就其董事及高級管理人員因企業活動而遭提出之法律行動，為董事及高級管理人員之法律責任作出適當投保安排。

Directors' Report

董事會報告

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the year or subsisted at the end of the Year.

AUDITOR

Messrs. Deloitte Touche Tohmatsu ("Deloitte") resigned as auditor of the Company with effect from 26 November 2019. BDO Limited ("BDO") was appointed as auditor of the Company with effect from 26 November 2019 to fill the casual vacancy occasioned by the resignation of Deloitte. BDO shall hold office until the conclusion of the forthcoming annual general meeting of the Company. The consolidated financial statements for the year ended 31 December 2019 was audited by BDO. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO as auditor of the Company.

On behalf of the Board

Wang Li Feng

CHAIRMAN

25 May 2020

股權掛鈎協議

概無股權掛鈎協議於年內訂立或於年內結束時仍然生效。

核數師

德勤·關黃陳方會計師行(「德勤」)辭任本公司核數師，自二零一九年十一月二十六日起生效。香港立信德豪會計師事務所有限公司(「立信德豪」)獲委任為本公司核數師，自二零一九年十一月二十六日起生效，以填補德勤辭任而產生之臨時空缺。立信德豪的任期直至本公司應屆股東週年大會結束止。截至二零一九年十二月三十一日止年度，綜合財務報表乃經立信德豪審核。我們將於本公司應屆股東週年大會上提呈決議案以重新委任立信德豪為本公司核數師。

代表董事會

主席

王濤峰

二零二零年五月二十五日

Corporate Governance Report

企業管治報告

The Company complied throughout the year 2019 with the code provisions in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules. The Company has adopted a code of conduct regarding securities transactions by 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. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company. The Company has received, from each of the independent non-executive Directors, an annual confirmation on his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive directors are independent.

CHANGE OF DIRECTORSHIP DURING AND AFTER THE REPORTING PERIOD

The nomination committee met for 2 times and 1 time during and after the Year respectively to introduce new talents to the Board and fulfill the succession needs of the Board with an aim to creating sustainable values for the Company's shareholders.

本公司於二零一九年一直遵守GEM上市規則附錄15所載之企業管治常規守則之守則條文。本公司已採納董事進行證券交易之操守守則，其條款不比GEM上市規則第5.48至5.67條所載之交易必守標準寬鬆。經向全體董事作出特定查詢後，全體董事確認彼等一直遵守交易必守標準及本公司所採納之董事進行證券交易之操守守則。本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條就其獨立性發出之年度確認函。本公司認為所有獨立非執行董事均為獨立人士。

報告期內及期後之董事變動

年內及年後，提名委員會分別舉行2次及1次會議，向董事會引薦新的人才並滿足董事會的繼任需求，旨在為本公司股東創造可持續的價值。

Corporate Governance Report

企業管治報告

Resignations of Directors

- Dr. Zhu Wenhui (“Dr. Zhu”) resigned as an independent non-executive Director with effect from 31 March 2019, due to his intention to devote more time to his personal commitments;
- Mr. He Yongyi (“Mr. He”) resigned as an executive Director and the chief operation officer of the Company (the “Chief Operation Officer”) with effect from 5 December 2019, due to his intention to concentrate on his own business engagement.
- Kong Lixing (“Mr. Kong”) resigned as an executive Director with effect from 5 December 2019, due to his intention to retire;
- Mr. Zhao Guo Xing (“Mr. Zhao”) resigned as an executive Director with effect from 5 December 2019, due to his intention to concentrate on his own business engagement;
- Mr. Pang Kuo Shi (“Mr. Pang”) resigned as an executive Director with effect from 5 December 2019; and
- Mr. Lau Ho Kit (“Mr. Lau”) resigned as an independent non-executive Director with effect from 2 March 2020, due to his wish to devote more time to his other personal, business and honorary work commitments.

The Board is not aware of any matters relating to the resignations of Dr. Zhu, Mr. He, Mr. Kong, Mr. Zhao, Mr. Pang and Mr. Lau that need to be brought to the attention of the shareholders of the Company. They have no disagreement with the Board, and that there are no matters relating to their resignations that need to be brought to the attention of the Shareholders or the Stock Exchange

Appointments of Directors

- Dr. Fong Chi Wai, Alex (“Dr. Fong”) has been appointed as an independent non-executive Director with effect from 10 January 2019 and is currently a member of the audit committee of the Company (the “Audit Committee”);

董事辭任

- 朱文暉博士(「朱博士」)因擬將更多時間投入其自身的事業而辭任獨立非執行董事，自二零一九年三月三十一日起生效；
- 何永屹(「何先生」)因擬專注其自身的事業而辭任本公司執行董事兼營運總裁(「營運總裁」)，自二零一九年十二月五日起生效；
- 孔力行(「孔先生」)因擬退休而辭任執行董事，自二零一九年十二月五日起生效；
- 趙國興先生(「趙先生」)因擬專注其自身的事業而辭任執行董事，自二零一九年十二月五日起生效；
- 龐國壘先生(「龐先生」)辭任執行董事，自二零一九年十二月五日起生效；及
- 劉可傑先生(「劉先生」)因擬將更多時間投入其他個人事務及榮譽工作而辭任獨立非執行董事，自二零二零年三月二日起生效。

董事會並不知悉任何有關朱博士、何先生、孔先生、趙先生、龐先生及劉先生辭任之事宜須提請本公司股東垂注。彼等與董事會之間並無意見分歧，亦無有關彼等辭任之其他事宜須提請股東或聯交所垂注。

委任董事

- 方志偉博士(「方博士」)獲委任為獨立非執行董事，且目前為本公司審核委員會(「審核委員會」)成員，自二零一九年一月十日起生效；

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- Mr. Lu Yongchao (“Mr. Lu”) was appointed as an independent non-executive Director with effect from 31 March 2019;
 - Mr. Yu Sanlong (“Mr. Yu”) was appointed as an executive Director with effect from 5 December 2019 and is currently a member of the executive committee of the Company (the “Executive Committee”);
 - Mr. Fan Xiaoling (“Mr. Fan”) was appointed as an executive Director with effect from 5 December 2019 and is currently a member of the Executive Committee;
 - Ms. Lee Jui-lan (“Ms. Lee”) was appointed as an executive Director with effect from 5 December 2019 and is currently a member of the Executive Committee;
 - Dr. Yan Ka Shing (“Dr. Yan”) was appointed as an independent non-executive Director with effect from 5 December 2019 and is currently the chairman of the Audit Committee and the remuneration committee of the Company (the “Remuneration Committee”), and a member of the nomination committee of the Company (the “Nomination Committee”), the Executive Committee and the strategy and development committee of the Company (the “Strategy and Development Committee”); and
 - Dr. Feng Shen (“Dr. Feng”) was appointed as an independent non-executive Director with effect from 3 March 2020 and is currently a member of the Audit Committee, the Nomination Committee, the Remuneration Committee, the Executive Committee and the Strategy and Development Committee.
- 呂永超先生(「呂先生」)獲委任為獨立非執行董事，自二零一九年三月三十一日起生效；
 - 于三龍先生(「于先生」)獲委任為執行董事，自二零一九年十二月五日起生效，且目前為本公司執行委員會(「執行委員會」)成員；
 - 范小令先生(「范先生」)獲委任為執行董事，自二零一九年十二月五日起生效，且目前為執行委員會成員；
 - 李瑞蘭女士(「李女士」)獲委任為執行董事，自二零一九年十二月五日起生效，且目前為執行委員會成員；
 - 甄嘉勝醫生(「甄醫生」)獲委任為獨立非執行董事，自二零一九年十二月五日起生效，且目前為本公司審核委員會及薪酬委員會(「薪酬委員會」)主席及本公司提名委員會(「提名委員會」)、執行委員會以及本公司戰略及發展委員會(「戰略及發展委員會」)成員；及
 - 馮申博士(「馮博士」)獲委任為獨立非執行董事，自二零二零年三月三日起生效，且目前為審核委員會、提名委員會、薪酬委員會、執行委員會及戰略及發展委員會成員。

Biographical details of Dr. Fong, Mr. Lu, Mr. Yu, Mr. Fan, Ms. Lee, Dr. Yan, Dr. Feng are set out in the section headed “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” of this report.

BOARD COMPOSITION

On the date of this report, the Board comprises a total of ten Directors, with four executive Directors, namely, Mr. Wang Li Feng (*Chairman*), Mr. Yu Sanlong, Mr. Fan Xiaoling and Ms. Lee Jui-lan, one non-executive Director, namely Mr. Wong Chun (*Deputy Chairman*), and five independent non-executive Directors, namely Dr. Hon. Lo Wai Kwok, SBS, MH, JP, Dr. Fong Chi Wai, Alex, Mr. Lu Yongchao, Dr. Yan Ka Shing and Dr. Feng Shen.

方博士、呂先生、于先生、范先生、李女士、甄醫生及馮博士的簡歷載於本報告「董事及高級管理人員簡歷」一節。

董事會組成

於本報告日期，董事會合共由十名董事組成，其中四名為執行董事，即王濤峰先生(主席)、于三龍先生、范小令先生及李瑞蘭女士、一名非執行董事，即黃震先生(副主席)；及五名獨立非執行董事，即盧偉國博士，銀紫荊星章，榮譽勳章，太平紳士、方志偉博士、呂永超先生、甄嘉勝醫生及馮申博士。

Corporate Governance Report

企業管治報告

Pursuant to Code Provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Chairman of the Group is responsible for leading the Board to ensure that it operates effectively and performs its duties, while Chief Executive Officer of the Group is responsible for the overall implementation of the Group's business development and general management. The Company's chairman and chief executive officer have always been separated and are exercised by different individuals to ensure a clear division between the chairman's responsibility to manage the Board and the chief executive officer's responsibility to manage the Company's business until the recent re-designation of Mr. Wong as non-executive Director on 5 December 2019 (the "Re-designation"). Following the Re-Designation, the Company currently has no Chief Executive Officer. The daily operation and management of the Company is monitored by the executive Directors as disclosed in "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" of this report. The Board considers that the Company has complied with Code Provision A.2.1.

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

The types of decisions taken out by the Board include matters in relation to:

- corporate and capital structure;
- corporate strategy;
- significant policies affecting the Group as a whole;
- business plan, budgets and public announcements;
- delegation to the Chairman, and delegation to and by Board committees;
- key financial matters;
- appointment, removal or reappointment of Board members, senior management and auditors;
- remuneration of directors and senior management; and

根據守則的守則條文第A.2.1條，主席與行政總裁的角色應分開，不應由同一個人擔任。本集團的主席負責領導董事會以確保其有效運作並履行職責，而本集團的行政總裁負責整體實施本集團的業務發展及全面管理。本公司的主席與行政總裁一直分開並由不同人士出任，以確保主席管理董事會之責任及行政總裁管理本公司業務之責任有清晰區分，直至近期於二零一九年十二月五日重新任命黃先生為非執行董事（「重新任命」）。重新任命後，本公司目前並無行政總裁。本公司的日常運營及管理由本報告「董事及高級管理人員簡歷」所披露的執行董事進行監控。董事會認為本公司已遵守守則條文第A.2.1條。

各獨立非執行董事已根據GEM上市規則第5.09條作出年度獨立性確認。本公司認為，全體獨立非執行董事均已符合GEM上市規則第5.09條所載之獨立性指引，並根據該等指引之條款屬獨立人士。

董事會就以下事宜作出決策：

- 公司及資本架構；
- 公司策略；
- 影響本集團整體之重大政策；
- 業務計劃、預算及公佈；
- 授權主席及授權董事會委員會以及由董事會委員會授權；
- 主要財務事宜；
- 委任、罷免或重新委任董事會成員、高級管理人員及核數師；
- 董事及高級管理人員之酬金；及

Corporate Governance Report

企業管治報告

- communication with key stakeholders, including shareholders and regulatory bodies

The Board has delegated certain decision-making regarding the daily operation and administration of the Company to the senior management, the daily operation and management of the Company is monitored by the executive Directors under the direction and supervision of the executive Directors.

There are no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

BOARD OPERATION

The Board meets regularly over the Company's affairs and operations. In 2019, the Board held meetings.

The attendance record of each member of the Board at the Board meetings and the annual general meeting of the Company during Year 2019 is set out below:

- 與主要利益相關者(包括股東及監管機構)之溝通

董事會將關於本公司日常運營及行政之若干決策權授予高級管理人員，而執行董事負責在執行董事的指示及監督下監控本公司之日常運營及管理。

董事會成員之間概無任何關係(包括財務、業務、親屬或其他重大或相關關係)。

董事會運作

董事會會定期召開會議，討論本公司之事務及營運。於二零一九年，董事會曾舉行會議。

董事會各成員出席董事會會議及本公司二零一九年股東週年大會之紀錄載列如下：

		Attendance/Number of meetings 出席率/會議次數	
		Board meetings	2019 AGM
		董事會會議	二零一九年股東週年大會
Mr. Wang	王先生	10/10	1/1
Mr. Yu (appointed on 5 December 2019)	于先生(於二零一九年十二月五日獲委任)	2/2	N/A 不適用
Mr. Fan (appointed on 5 December 2019)	范先生(於二零一九年十二月五日獲委任)	2/2	N/A 不適用
Ms. Lee (appointed on 5 December 2019)	李女士(於二零一九年十二月五日獲委任)	2/2	N/A 不適用
Mr. He (resigned on 5 December 2019)	何先生(於二零一九年十二月五日辭任)	8/9	1/1
Mr. Zhao (resigned on 5 December 2019)	趙先生(於二零一九年十二月五日辭任)	9/9	1/1
Mr. Kong (resigned on 5 December 2019)	孔先生(於二零一九年十二月五日辭任)	7/9	0/1
Mr. Pang (resigned on 5 December 2019)	龐先生(於二零一九年十二月五日辭任)	9/9	1/1
Mr. Wong	黃先生	10/10	1/1
Mr. Lau (resigned on 2 March 2020)	劉先生(二零二零年三月二日辭任)	10/10	1/1
Dr. Lo	盧博士	10/10	0/1
Dr. Zhu (resigned on 31 March 2019)	朱博士(於二零一九年三月三十一日辭任)	1/4	N/A 不適用
Dr. Fong (appointed on 10 January 2019)	方博士(於二零一九年一月十日獲委任)	9/9	0/1
Mr. Lu (31 March 2019)	呂先生(二零一九年三月三十一日)	5/6	0/1
Dr. Yan (appointed 5 December 2019)	甄醫生(於二零一九年十二月五日獲委任)	2/2	N/A 不適用
Dr. Feng (appointed on 4 March 2020)	馮博士(於二零二零年三月四日獲委任)	N/A 不適用	N/A 不適用

Corporate Governance Report

企業管治報告

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員酬金

The Remuneration Committee was formed for, inter alia, the following purposes:

薪酬委員會已成立，其宗旨包括以下各項：

- (a) to make recommendations to the Board on policies and structure for remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (b) to determine the remuneration packages for executive directors and senior management and to make recommendations to the Board on the remuneration of non-executive directors.

- (a) 就董事及高級管理人員之薪酬政策及架構，及就設立正規而具透明度的程序制定有關薪酬政策，向董事會作出建議；

- (b) 釐定執行董事及高級管理人員之薪酬組合，並就非執行董事及黃先生(執行董事)之薪酬向董事會作出建議。

As at the date of this Annual Report, the Remuneration Committee was made up of two independent non-executive Directors, namely Dr. Yan (*Chairman*) and Dr. Feng, and one executive Director, namely Mr. Wang.

於本年報日期，薪酬委員會由兩名獨立非執行董事甄醫生(主席)及馮博士及一名執行董事王先生組成。

The attendance record of each member of the Remuneration Committee during the Year is set out below:

於年內，薪酬委員會各成員之出席紀錄載列如下：

		Attendance 出席率
Dr. Yan (appointed 5 December 2019)	甄醫生(於二零一九年十二月五日獲委任)	N/A 不適用
Mr. Wang (appointment on 27 April 2020)	王先生(於二零二零年四月二十七日獲委任)	N/A 不適用
Mr. Kong (resigned on 5 December 2019)	孔先生(於二零一九年十二月五日辭任)	1/1
Mr. Wong (ceased on 27 April 2020)	黃先生(於二零二零年四月二十七日卸任)	1/1
Mr. Lau (resigned on 2 March 2020)	劉先生(二零二零年三月二日辭任)	1/1
Dr. Lo (ceased on 27 April 2020)	盧博士(於二零二零年四月二十七日卸任)	1/1
Mr. He (resigned on 5 December 2019)	何先生(於二零一九年十二月五日辭任)	1/1
Dr. Zhu (resigned on 31 March 2019)	朱博士(於二零一九年三月三十一日辭任)	0/1
Dr. Fong (appointed on 10 January 2019)	方博士(於二零一九年一月十日獲委任)	1/1
Dr. Feng (appointed on 4 March 2020)	馮博士(於二零二零年三月四日獲委任)	N/A 不適用

Details regarding the Company's emolument policy and long-term incentive schemes, as well as the basis of determining the directors' emoluments are set out in this Annual Report.

本公司酬金政策及長期獎勵計劃以及釐定董事酬金之基準詳情載於本年報。

Corporate Governance Report

企業管治報告

The Remuneration Committee will meet and review the emolument policy and long-term incentive schemes as well as the basis of determining the emolument payable to the Company's directors in Year 2020.

The Remuneration Committee is governed by its terms of reference.

AUDITOR'S REMUNERATION

During the year ended 31 December 2019, the remuneration paid or payable to the Company's auditor, BDO Limited, in respect of audit and non-audit services amounted to HK\$1,100,000 and nil respectively.

AUDIT COMMITTEE

As at the date of the Annual Report, the Audit Committee comprises three members, namely Dr. Yan (*Chairman*), Dr. Fong and Dr. Feng.

During the Year, the Audit Committee held four meetings and performed the following duties:

- (1) reviewed and commented on the Company's draft annual, interim and quarterly financial announcements;
- (2) reviewed and commented on the Group's internal controls;
- (3) met with the external auditors and participated in the appointment, reappointment and assessment of the performance of the external auditors; and
- (4) The annual results presented herein have been reviewed by the Audit Committee.

於二零二零年，薪酬委員會將舉行會議及檢討薪酬政策、長期獎勵計劃以及應付本公司董事薪酬釐定之基準。

薪酬委員會受其書面職權範圍規管。

核數師酬金

截至二零一九年十二月三十一日止年度，本公司已付或應付核數師香港立信德豪會計師事務所有限公司審計及非審計服務之酬金分別為1,100,000港元及零。

審核委員會

於本年報日期，審核委員會由三名成員組成，包括甄醫生(主席)、方博士及馮博士。

年內，審核委員會曾舉行四次會議，並履行下列職務：

- (1) 審閱本公司之全年、中期及季度財務公佈初稿，並就此提供意見；
- (2) 檢討本集團之內部監控，並就此提供意見；
- (3) 與外聘核數師舉行會議，並參與委聘、續聘及評估外聘核數師之工作表現；及
- (4) 本報告呈列之全年業績已由審核委員會審閱。

Corporate Governance Report

企業管治報告

The attendance record of each member of the Audit Committee during the Year is set out below: 於年內，審核委員會各成員之出席記錄載列如下：

		Attendance 出席率
Members of Audit Committee	審核委員會成員	
Dr. Yan (appointed 5 December 2019)	甄醫生(於二零一九年十二月五日獲委任)	N/A 不適用
Mr. Lau (resigned on 2 March 2020)	劉先生(於二零二零年三月二日辭任)	4/4
Dr. Lo (ceased on 27 April 2020)	盧博士(於二零二零年四月二十七日卸任)	4/4
Dr. Zhu (resigned on 31 March 2019)	朱博士(於二零一九年三月三十一日辭任)	0/1
Dr. Fong (appointed on 10 January 2019)	方博士(於二零一九年一月十日獲委任)	4/4
Mr. Lu (ceased on 27 April 2020)	呂先生(於二零二零年四月二十七日卸任)	3/3
Dr. Feng (appointed on 4 March 2020)	馮博士(於二零二零年三月四日獲委任)	N/A 不適用

NOMINATION OF DIRECTORS

提名董事

The Board has established the Nomination Committee pursuant to the requirements of the CG Code. The Nomination Committee adopted the following procedure and criteria for nomination of Directors:

董事會根據企業管治守則之規定成立提名委員會。提名委員會採納下列提名董事之程序及標準：

1 Procedure for Nomination of Directors

1 提名董事之程序

- 1.1 When there is a vacancy in the Board, the Board evaluates the balance of skills, knowledge and experience of the Board, and identifies any special requirements for the vacancy (e.g. independence status in the case of an independent non-executive Director).
- 1.2 Prepare a description of the role and capabilities required for the particular vacancy.
- 1.3 Identify a list of candidates through personal contacts/recommendations by Board members, senior management, business partners or investors.
- 1.4 Arrange interview(s) with each candidate for the Board to evaluate whether the candidate meets the established written criteria for nomination of directors. One or more members of the Board will attend the interview.
- 1.5 Conduct verification on information provided by the candidate.

- 1.1 當董事會出現空缺時，董事會將評估董事會所需技巧、知識及經驗，並識別空缺是否存在任何特殊要求（例如，倘屬獨立非執行董事，則需為獨立人士）。
- 1.2 編製一份特定空缺所需之角色及能力之說明資料。
- 1.3 透過個人聯繫／董事會成員、高級管理人員、業務夥伴或投資者之推薦物色候選人清單。
- 1.4 安排與各候選人面見，讓董事會評估候選人是否符合提名董事之既定書面標準。一名或多名董事會成員將出席面見。
- 1.5 核實候選人提供的資料。

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1.6 Convene both nomination committee meeting and Board meeting to discuss and vote on which candidate to nominate or appoint to the Board.

1.6 召開提名委員會會議及董事會會議，以商討及表決獲提名或委任為董事會成員之候選人。

2 Criteria for Nomination of Directors

2 提名董事之標準

2.1 Common Criteria for All Directors

2.1 全體董事之共同標準

- (a) Character and integrity
- (b) The willingness to assume broad fiduciary responsibility
- (c) Present needs of the Board for particular experience or expertise and whether the candidate would satisfy those needs
- (d) Relevant experience, including experience at the strategy/policy setting level, high level managerial experience in a complex organization, industry experience and familiarity with the products and processes used by the Company
- (e) Significant business or public experience relevant and beneficial to the Board and the Company
- (f) Breadth of knowledge about issues affecting the Company
- (g) Ability to objectively analyse complex business problems and exercise sound business judgment
- (h) Ability and willingness to contribute special competencies to Board activities
- (i) Fit with the Company's culture
- (j) Board diversity

- (a) 性格及誠信
- (b) 承擔董事會信託責任之意向
- (c) 董事會目前對特定經驗或專業知識之需求及候選人是否符合該等需求
- (d) 相關經驗，包括在策略／政策制定方面之經驗、在架構複雜機構之高級管理經驗、行業經驗及對本公司所使用產品及程序之熟悉程度
- (e) 與董事會及本公司相關之重要業務或公關經驗，而該等經驗對董事會及本公司有利
- (f) 對影響本公司之問題之認知程度
- (g) 客觀分析複雜業務問題及執行中肯業務判斷之能力
- (h) 對董事會活動投入專業才幹之能力及意向
- (i) 切合本公司之文化
- (j) 董事會多元化

Corporate Governance Report

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2.2 Criteria for Non-Executive Directors

- (a) Willingness and ability to make a sufficient time commitment to the affairs of the Company in order to effectively perform the duties of a director, including attendance at and active participation in Board and committee meetings
- (b) Accomplishments of the candidate in his or her field
- (c) Outstanding professional and personal reputation
- (d) The candidate's ability to meet the independence criteria for directors established in the GEM Listing Rules

2.2 非執行董事之標準

- (a) 對本公司事務投入充分時間之意向及能力，以有效地履行董事職責，包括出席董事會及委員會會議，並積極參與該等會議
- (b) 候選人在其行業之成就
- (c) 專業及個人名聲出眾
- (d) 候選人符合 GEM 上市規則有關董事獨立性之標準之能力

In structuring of the Board composition, by taking into account the Group's board diversity policy, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

於構建董事會之組成時，經計及本集團之董事會成員多元化政策，本公司已從多個方面考慮董事會成員多元化，包括(但不限於)性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年資。所有最終決定將基於選定候選人將為董事會帶來之效益及貢獻而作出。

As at the date of the Annual Report, the nomination committee was made up of one executive Director, namely Mr. Wang, and two independent non-executive Directors, namely Dr. Yan and Dr. Feng.

於年報日期，提名委員會由一名執行董事王先生及兩名獨立非執行董事甄博士及馮博士組成。

The attendance record of each member of the nomination committee during the Year is set out below:

於年內，提名委員會各成員之出席記錄載列如下：

		Attendance
		出席率
Members of Nomination Committee	提名委員會成員	
Mr. Wang	王先生	1/1
Mr. Pang (resigned on 5 December 2019)	龐先生(於二零一九年十二月五日辭任)	1/1
Mr. Zhao (resigned on 5 December 2019)	趙先生(於二零一九年十二月五日辭任)	1/1
Mr. Lau (resigned on 2 March 2020)	劉先生(於二零二零年三月二日辭任)	1/1
Dr. Lo (ceased on 27 April 2020)	盧博士(於二零二零年四月二十七日卸任)	1/1
Dr. Zhu (resigned on 31 March 2019)	朱博士(於二零一九年三月三十一日辭任)	0/1
Dr. Fong (appointed on 10 January 2019 and ceased on 27 April 2020)	方博士(於二零一九年一月十日獲委任並於二零二零年四月二十七日卸任)	1/1
Dr. Yan (appointed 5 December 2019)	甄醫生(於二零一九年十二月五日獲委任)	N/A
		不適用
Dr. Feng (appointed on 4 March 2020)	馮博士(於二零二零年三月四日獲委任)	N/A
		不適用

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DIRECTORS' TRAINING

Directors must keep abreast of their collective responsibilities and are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide to each newly appointed director or alternative director an induction package covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Group's businesses and the statutory regulatory obligations of a director of a listed company as well as the Company's constitutional documents to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the GEM Listing Rules and other regulatory requirements.

The Company has provided information related to the changes in the GEM Listing Rules to the directors to update and refresh the directors' knowledge on the latest developments to the GEM Listing Rules. The Company will continuously update the directors on the latest developments to the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance the directors' awareness of good corporate governance practices.

董事培訓

董事須了解彼等共同之職責，本公司鼓勵董事參與持續專業發展，以發展並更新彼等之知識及技能。本公司向每名新委任董事或替人董事提供全面之入職資料文件，當中涵蓋香港上市公司董事之職責、本集團之業務、上市公司之董事之法定監管義務及本公司之憲章文件之概要，確保彼充分知悉根據GEM上市規則及其他監管規定承擔之職責及義務。

本公司已向董事提供有關GEM上市規則變動之資料，以更新董事對GEM上市規則最新發展之知識。本公司持續向董事提供GEM上市規則及其他適用監管規定之最新發展資料，確保本公司遵守有關規定及加強董事對良好企業管治常規之意識。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

According to the Bye-Laws of the Company, 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 carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to directors or management of the Company. Such questions, requests and comments can be addressed to Mr. Wang Li Feng by email to lifengwang@188.com or Mr. Patrick Chang (張時潮) at changpatrick@gmail.com.

DIVIDEND POLICY

The declaration, form, frequency and amount of any dividend payout of the Company must be in accordance with relevant laws, rules and regulations and subject to the Bye-laws of the Company.

The dividends may be paid up in the form of the Company's shares in addition to cash, by the distribution of specific assets of any kind or by distribution of any form. Subject to compliance with applicable laws, rules, regulations and the Bye-laws of the Company, in deciding whether to propose any dividend payout, the Board will take into account, among other things, the financial results, the earnings, losses and distributable reserves, the operations and liquidity requirements, the debt ratio and possible effects on the credit lines, and the current and future development plans of the Company.

股東權利

根據本公司之公司細則，任何於呈遞要求日期持有不少於本公司實繳股本(附有於本公司股東大會表決權利)十分之一的任何一名或多名股東，於任何時候有權透過向董事會或本公司的秘書發出書面要求，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；且該大會應於呈遞該要求後兩個月內舉行。倘呈遞後二十一日內董事會未有召開該大會，則呈遞要求人士可自發以同樣方式作出此舉，而呈遞要求人士因董事會未有召開大會而合理產生的所有開支應由本公司向呈遞要求人士作出償付。股東可於任何時間就公開可獲得的資料提出問題、要求並向本公司董事或管理層提供意見及建議。有關問題、要求及意見可通過電郵寄予王瀛峰先生(lifengwang@188.com)或張時潮先生(changpatrick@gmail.com)。

股息政策

本公司任何股息宣派、形式、次數及金額必須遵循相關法律、規則及法規，並受本公司之公司細則所約束。

除現金外，股息亦可以本公司股份形式、透過任何類別的指定資產分派或以任何其他方式之分派派付。在遵守適用法律、規則及法規以及本公司之公司細則之情況下，於決定是否建議作出任何股息派付時，董事會將考慮(其中包括)財務業績、盈利、虧損及可供分派儲備、營運及流動資金需求、債務比率及對信貸額度之潛在影響以及本公司當前及未來之發展計劃。

Independent Auditor's Report

獨立核數師報告



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TO THE SHAREHOLDERS OF GLORY MARK HI-TECH (HOLDINGS) LIMITED

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

OPINION

We have audited the consolidated financial statements of Glory Mark Hi-Tech (Holdings) Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 53 to 159, 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.

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

Basis for Opinion

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

致輝煌科技(控股)有限公司全體股東 (於開曼群島註冊成立並於百慕達存續之有限公司)

意見

本核數師行已審核載於第53至159頁的輝煌科技(控股)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表，當中載有於二零一九年十二月三十一日的綜合財務狀況報表以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

本核數師行認為，該等綜合財務報表已根據香港會計師公會頒佈之香港財務報告準則真實且公平地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

意見的基礎

本核數師行已根據香港會計師公會頒佈之香港審計準則進行審核工作。本核數師行於該等準則下的責任在本報告內「核數師就審核綜合財務報表承擔之責任」部分詳述。根據香港會計師公會的「專業會計師道德守則」(「守則」)，本核數師行獨立於 貴集團，並已遵循守則履行其他職業道德責任。本核數師行相信，本核數師行所獲得的審核憑證能充足及適當地為本核數師行的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

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

Revenue recognition on contract work of comprehensive architectural services

We identified the revenue recognition on contract work of comprehensive architectural services as a key audit matter due to the significant judgement and estimate used by management to determine the total cost to complete and the contract costs incurred for work performed to date.

The Group earned revenue from its provision of comprehensive architectural services amounted to HK\$67,078,000 during the year ended 31 December 2019. The Group recognises service revenue by reference to the stage of completion of the design activities at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Accordingly, revenue recognition on these service contracts involves a significant degree of management judgement in the estimation of the total contract costs and stage of completion of each contract.

Refer to notes 3(c), 4(b) and 5 to the consolidated financial statements.

Our response:

Our procedures in relation to revenue recognition on contract work of comprehensive architectural services included:

- Understanding and evaluating management's process relating to the estimation of total contract costs, determination of the stage of completion and recording of contract costs;
- Comparing contract sum and budgeted contract costs to respective signed contracts and approved budgets on a sample basis;

關鍵審核事項

關鍵審核事項為根據本核數師行的專業判斷，認為對本期綜合財務報表之審核最為重要的事項。本核數師行在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項發表單獨意見。

全面建築服務合約工程的收入確認

本核數師行已確認全面建築服務合約工程的收入確認為關鍵審核事項，原因為管理層行使重大判斷及估計以釐定總完成成本及迄今為止的工程合約成本。

截至二零一九年十二月三十一日止年度，貴集團通過提供綜合建築服務獲得的收入為67,078,000港元。貴集團參照報告期末設計活動的完成階段，計量基準為迄今就進行工程而產生的合約成本相對估計總合約成本的比例確認服務收入。因此，這些服務合約的收入確認涉及管理層於評估總合約成本及每份合約完成階段估計時作估算重大程度的判斷及估計。

請參閱綜合財務報表附註3(c)、4(b)及5。

本核數師行的回應：

本核數師行就全面建築服務合約工程收入確認執行之程序包括：

- 了解及評估管理層有關估算總合約成本、釐定完成階段及合約成本入帳的程序；
- 抽樣比較合約金額及預算合約成本與每份經簽署合約及經批准預算；

- Discussing with the management and testing the supporting evidences to evaluate the reasonableness of management's estimation of the total contract costs and contract costs incurred for work performed to date on a sample basis; and
- Assessing reliability of contract budgets by comparing actual contract costs against budgeted costs of completed projects.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on 26 March 2019.

Other Information in the Annual Report

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

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

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

Directors' Responsibilities 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 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.

- 與管理層進行討論，並以抽樣方式測試支持證據以評估管理層對總合約成本及迄今已進行工程所產生合約成本的估計的合理性；及
- 通過比較已完成項目的實際合約成本及預算成本，評估合約預算的可靠性。

其他事項

貴集團截至二零一八年十二月三十一日止年度之綜合財務報表已由另一名核數師審核，該核數師於二零一九年三月二十六日對該等財務報表表達了無保留意見。

年報中的其他資料

董事須對其他資料負責。其他資料包括 貴公司年報所載資料，惟不包括綜合財務報表及本核數師行就此發出之核數師報告。

本核數師行對綜合財務報表的意見並不涵蓋其他資料，本核數師行亦不會對其他資料發表任何形式的核證結論。

就本核數師行審核綜合財務報表而言，本核數師行的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或本核數師行在審核過程中獲悉的資料存在重大抵觸，或似乎存在重大錯誤陳述。基於本核數師行已執行的工作，倘本核數師行認為其他資料存在重大錯誤陳述，本核數師行須報告該事實。在此方面，本核數師行並無任何報告。

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會所頒佈之香港財務報告準則及香港公司條例之披露規定編製真實且公平的綜合財務報表，及落實其認為必要的內部監控，致使綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

董事亦負責監督 貴集團之財務報告程序。審核委員會在此方面協助董事履行彼等之責任。

核數師就審核綜合財務報表承擔之責任

本核數師行的目標為對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告。吾等按照委聘條款僅向 閣下(作為整體)作出本報告，除此之外本報告別無其他目的。本核數師行不會就本報告內容向任何其他人士負責或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可由欺詐或錯誤引起，倘個別或整體在合理預期情況下可影響此等綜合財務報表使用者倚賴綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

本核數師行在根據香港審計準則進行審核的過程中運用專業判斷及保持專業懷疑態度。本核數師行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為本核數師行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

Independent Auditor's Report

獨立核數師報告

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 了解與審核相關的內部監控，以設計適當的審核程序，惟並非旨在對 貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策之恰當性及所作出會計估計及相關披露之合理性。
- 對董事採用持續經營會計基礎之恰當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘本核數師行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則本核數師行應當發表非無保留意見。本核數師行的結論乃基於截至本核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評估綜合財務報表之整體呈列方式、結構及內容(包括披露資料)，以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。本核數師行負責集團審核的方向、監督及執行。本行為審核意見承擔全部責任。

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

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

除其他事項外，本核數師行與審核委員會就審核的計劃範圍、時間安排及重大審核發現溝通，包括本行在審核過程中識別的內部監控的任何重大缺陷。

本核數師行亦向審核委員作出聲明，說明本行已符合有關獨立性的相關職業道德要求，並與彼等溝通可能被合理認為會影響本行獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

Independent Auditor's Report

獨立核數師報告

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

從與董事溝通的事項中，本核數師行釐定對本期間綜合財務報表之審核最為重要的事項，因而構成關鍵審核事項。本核數師行在本核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在本報告中溝通某事項造成的負面後果超出產生的公眾利益，則本核數師行決定不應在報告中溝通該事項。

BDO Limited

Certified Public Accountants

Wendy W.Y. Fong

Practising Certificate Number: P06821

Hong Kong, 25 May 2020

香港立信德豪會計師事務所有限公司

執業會計師

方慧儀

執業證書編號：P06821

香港，二零二零年五月二十五日

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

			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	5	347,973	388,770
Cost of sales and services rendered	銷售及提供服務成本		(288,541)	(322,309)
Gross profit	毛利		59,432	66,461
Other income	其他收入		3,170	3,451
Other gains and losses	其他收益和損失		(1,167)	(605)
Change in fair value of investment properties	投資物業公平值變動	14	(230)	1,020
Share of profit of joint ventures	應佔合資企業溢利		1,135	2,239
Selling and distribution expenses	銷售及分銷開支		(8,941)	(12,011)
Administrative expenses	行政開支		(37,853)	(32,460)
Profit before taxation	除稅前溢利	9	15,546	28,095
Income tax expense	所得稅開支	8	(3,676)	(3,661)
Profit for the year	年內溢利		11,870	24,434
Other comprehensive income	其他全面收益			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>			
Exchange differences arising on translation of foreign operations	換算海外業務所產生之匯兌差額		(758)	(692)
Total comprehensive income for the year	年內全面收益總額		11,112	23,742
Profit/(loss) for the year attributable to:	以下人士應佔年內溢利／(虧損)：			
Owners of the Company	本公司擁有人		12,255	24,456
Non-controlling interests	非控股權益		(385)	(22)
			11,870	24,434
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收益總額：			
Owners of the Company	本公司擁有人		11,497	23,764
Non-controlling interests	非控股權益		(385)	(22)
			11,112	23,742
Earnings per share	每股盈利		HK1.91 cents	HK3.82 cents
Basic and diluted	基本及攤薄	11	1.91港仙	3.82港仙

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	47,712	51,766
Right-of-use assets	使用權資產	13	8,014	—
Prepaid lease payments	預付租金	13	—	7,498
Investment properties	投資物業	14	14,750	14,980
Interests in joint ventures	於合資企業的權益	15	3,763	2,628
Club debenture	會所債券	16	—	1,160
Deposits paid	已付按金	17	949	1,445
			75,188	79,477
CURRENT ASSETS	流動資產			
Inventories	存貨	18	35,345	43,930
Trade and other receivables	貿易及其他應收賬款	19	64,791	80,525
Contract assets	合約資產	20	1,250	5,630
Prepaid lease payments	預付租金	13	—	220
Bank balances and cash	銀行結餘及現金	21	79,871	65,087
			181,257	195,392
TOTAL ASSETS	資產總額		256,445	274,869
CURRENT LIABILITIES	流動負債			
Trade payables, other payables and accruals	貿易應付賬款、其他應付賬款及預提費用	22	81,936	103,147
Contract liabilities	合約負債	23	5,253	12,770
Amounts due to directors	應付董事款項	24	—	1,473
Lease liabilities	租賃負債	13	413	—
Tax liabilities	稅項負債		38,770	36,999
			126,372	154,389
NET CURRENT ASSETS	流動資產淨值		54,885	41,003
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		130,073	120,480

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
		<i>Notes</i> 附註		
NON-CURRENT LIABILITIES	非流動負債			
Lease liabilities	租賃負債	13	401	—
TOTAL LIABILITIES	負債總額		126,773	154,389
NET ASSETS	資產淨值		129,672	120,480
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	25	6,400	6,400
Reserves	儲備		123,217	113,640
Equity attributable to owners of the Company	本公司擁有人應佔之權益		129,617	120,040
Non-controlling interests	非控股權益		55	440
TOTAL EQUITY	權益總額		129,672	120,480

The consolidated financial statements on pages 53 to 159 were approved and authorised for issue by the Board of Directors on 25 May 2020 and are signed on behalf by:

第53至159頁之綜合財務報表於二零二零年五月二十五日獲董事會批准及授權刊發，並由以下董事代為簽署：

Wang Li Feng
王濤峰
DIRECTOR
董事

Fan Xiaoling
范小令
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

		Equity attributable to owners of the Company 本公司擁有人應佔之權益					Non- controlling interests	Total
		Share capital 股本 HK\$'000 千港元 (Note 25) (附註25)	Merger reserve 合併儲備 HK\$'000 千港元 (Note) (附註)	Translation reserve 匯兌儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Sub-total 小計 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	6,400	680	11,443	87,353	105,876	462	106,338
Profit/(loss) for the year	年內溢利/(虧損)	—	—	—	24,456	24,456	(22)	24,434
Other comprehensive income	其他全面收益	—	—	(692)	—	(692)	—	(692)
Total comprehensive income for the year	年內全面收益總額	—	—	(692)	24,456	23,764	(22)	23,742
Dividends (note 10)	股息(附註10)	—	—	—	(9,600)	(9,600)	—	(9,600)
At 31 December 2018	於二零一八年十二月三十一日	6,400	680	10,751	102,209	120,040	440	120,480
Profit/(loss) for the year	年內溢利/(虧損)	—	—	—	12,255	12,255	(385)	11,870
Other comprehensive income	其他全面收益	—	—	(758)	—	(758)	—	(758)
Total comprehensive income for the year	年內全面收益總額	—	—	(758)	12,255	11,497	(385)	11,112
Dividends (note 10)	股息(附註10)	—	—	—	(1,920)	(1,920)	—	(1,920)
At 31 December 2019	於二零一九年十二月三十一日	6,400	680	9,993	112,544	129,617	55	129,672

Note: The merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the share capital of the Company issued for the acquisition under the group reorganisation in 2001.

附註：本集團合併儲備指所收購附屬公司的股本面值與本公司就二零零一年集團重組項下的收購事項所發行股本的面值間的差額。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	15,546	28,095
Adjustments for:	就以下各項作出調整：		
Interest expenses on lease liabilities	租賃負債利息開支	4	—
Interest income on bank deposits	銀行存款利息收入	(385)	(281)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,642	7,600
Depreciation of right-of-use assets	使用權資產折舊	394	—
Amortisation of prepaid lease payments	預付租金攤銷	—	228
Impairment loss on club debenture	會所債券減值虧損	788	—
Provision of allowance for credit losses	信貸虧損撥備	2,123	2,140
Provision of allowance for inventories	存貨撥備	1,138	2,742
Change in fair value of investment properties	投資物業公平值變動	230	(1,020)
Share of profit of joint ventures	應佔合資企業溢利	(1,135)	(2,239)
Write off of deposits paid	撇銷已付按金	—	605
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(338)	—
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	25,007	37,870
Decrease/(increase) in inventories	存貨減少／(增加)	7,447	(11,059)
Decrease/(increase) in trade and other receivables	貿易及其他應收賬款減少／(增加)	13,611	(409)
Decrease in trade payables, other payables and accruals	貿易賬款、其他應付賬款及預提費用減少	(21,211)	(3,978)
Decrease/(increase) in contract assets	合約資產減少／(增加)	4,380	(4,657)
(Decrease)/increase in contract liabilities	合約負債(減少)／增加	(7,517)	852
Cash generated from operations	經營所得現金	21,717	18,619
Income taxes paid	已付所得稅	(1,905)	(460)
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營業務所得現金淨額	19,812	18,159

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	投資業務		
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	367	—
Interest received	已收利息	385	281
Purchase of property, plant and equipment	購買物業、廠房及設備	(3,980)	(2,670)
Decrease/(increase) in deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之已付按金減少/(增加)	496	(1,293)
Proceeds from disposal of club debenture	出售會所債券收入	372	—
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額	(2,360)	(3,682)
FINANCING ACTIVITIES (Note 35)	融資業務 (附註35)		
Repayment of principal portion of lease liabilities	租賃負債本金部分還款	(33)	—
Interest paid for leases	已付租賃利息	(4)	—
Dividends paid	已付股息	(1,920)	(9,600)
Repayment of amounts due to directors	償還應付董事款項	(1,473)	—
NET CASH USED IN FINANCING ACTIVITIES	融資業務所用現金淨額	(3,430)	(9,600)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目增加淨額	14,022	4,877
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及等同現金項目	65,087	61,608
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	762	(1,398)
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等同現金項目，以銀行結餘及現金表示	79,871	65,087

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

The Company was incorporated in the Cayman Islands and continued in Bermuda with limited liability. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 4 January 2002.

The addresses of the registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business in Hong Kong is at Unit 802, Level 8, Admiralty Centre, Tower 2, 18 Harcourt Road, Admiralty, Hong Kong.

The Company acts as an investment holding company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacturing and trading of connectivity products mainly for computers and peripheral products, and provision of comprehensive architectural services.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”). The functional currency of the Company is United States dollars (“USD”). As the Company is listed in Hong Kong, the directors of the Company (the “Directors”) consider that it is appropriate to present the consolidated financial statements in HK\$.

2. 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 Hong Kong Institute of Certified Public Accountants has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 16, Leases
- HK(IFRIC)-Int 23, Uncertainty over Income Tax Treatments
- Amendments to HKFRS 9, Prepayment Features with Negative Compensation
- Amendments to HKAS 19, Plan Amendment, Curtailment or Settlement

1. 一般資料

本公司為在開曼群島註冊成立並於百慕達存續之有限公司。本公司股份在二零零二年一月四日於香港聯合交易所有限公司（「聯交所」）GEM上市。

本公司註冊辦事處地址為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, 而於香港的主要經營地點為香港金鐘夏慤道18號海富中心2座8樓802室。

本公司為投資控股公司，而其附屬公司（統稱為「本集團」）主要從事製造及買賣主要用於電腦及周邊產品之接駁產品業務及提供全面建築服務。

綜合財務報表乃以港元（「港元」）呈列。美元（「美元」）為本公司功能貨幣。鑑於本公司於香港上市，本公司董事（「董事」）認為以港元呈列綜合財務報表實屬恰當。

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本

本年度強制生效的新訂香港財務報告準則及香港財務報告準則修訂本

香港會計師公會已頒佈若干於本集團當前會計期間首次生效及相關的新訂或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）— 詮釋第23號，所得稅處理之不確定性
- 香港財務報告準則第9號修訂本，具有負補償之預付款項特徵
- 香港會計準則第19號修訂本，計劃修訂、縮減或結清

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

2. 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)

- Amendments to HKAS 28, Long-term Interests in Associates and Joint Ventures
- Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 included in Annual Improvements to HKFRSs 2015-2017 Cycle

HKFRS 16 Leases (“HKFRS 16”)

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.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則修訂本(續)

本年度強制生效的新訂香港財務報告準則及香港財務報告準則修訂本(續)

- 香港會計準則第28號修訂本，於聯營公司及合營企業的長期權益
- 計入二零一五年至二零一七年週期之年度改進之香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號修訂本

香港財務報告準則第16號租賃(「香港財務報告準則第16號」)

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。

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

HKFRS 16 Leases (“HKFRS 16”) (Continued)

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this 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.

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.

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 elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application. The Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則修訂本(續)

香港財務報告準則第16號租賃(「香港財務報告準則第16號」)(續)

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)一詮釋第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首次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。

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號自首次應用日期起為該等租賃入賬，而比較資料並未予以重列。

作為承租人

本集團已追溯應用香港財務報告準則第16號並於首次應用日期，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，本集團選擇不確認使用權資產及租期於首次應用日期的12個月內結束的租賃的租賃負債。本集團於過渡期應用香港財務報告準則第16號C8(b)(ii)以相關租賃負債(經任何預付租金調整)之相等金額確認額外之租賃負債及使用權資產。於首次應用日期之任何差額於期初留存盈利確認及比較資料並未予以重列。

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

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

HKFRS 16 Leases (“HKFRS 16”) (Continued)

As a lessee (Continued)

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

- i. excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- ii. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension options.

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

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則修訂本(續)

香港財務報告準則第16號租賃(「香港財務報告準則第16號」)(續)

作為承租人(續)

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，在逐項租賃之基礎上，在各自的租賃合約相關範圍內應用以下權宜方案：

- i. 剔除於首次應用日期計量使用權資產所產生的初步直接成本；及
- ii. 根據於首次應用日期的事實及情況使用事後方式為本集團具有延長選擇權的租賃釐定租期。

於二零一九年一月一日作自用之使用權資產之賬面值包括以下各項：

**Right-of-use
assets**
使用權資產
HK\$'000
千港元

Reclassified from prepaid lease payments
(Note a)

自預付租金重新分類
(附註a)

7,718

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

HKFRS 16 Leases (“HKFRS 16”) (Continued)

As a lessee (Continued)

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

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則修訂本(續)

香港財務報告準則第16號租賃(「香港財務報告準則第16號」)(續)

作為承租人(續)

以下調整乃對於二零一九年一月一日的本集團綜合財務狀況表中確認的金額作出。不受變動影響的行項目不計入在內。

		Note	Carrying amounts previously reported at 31 December 2018 於二零一八年十二月三十一日 先前呈報的賬面值 HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	Carrying amounts under HKFRS 16 at 1 January 2019 於二零一九年一月一日 根據香港財務報告準則第16號 確認的賬面值 HK\$'000 千港元
Non-current assets Prepaid lease payments Right-of-use assets	非流動資產 預付租金 使用權資產	(a) (a)	7,498 —	(7,498) 7,718	— 7,718
Current asset Prepaid lease payments	流動資產 預付租金	(a)	220	(220)	—

Note:

- (a) Upfront payments for leasehold lands in the People's Republic of China (the “PRC”) for own use properties were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to approximately HK\$220,000 and HK\$7,498,000, respectively, were reclassified to right-of-use assets.

附註：

- (a) 於二零一八年十二月三十一日，中華人民共和國(「中國」)作自用物業之租賃土地之預付款項分類為預付租金。應用香港財務報告準則第16號後，預付租金的即期及非即期部分分別約220,000港元及7,498,000港元已重新分類為使用權資產。

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

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

HKFRS 16 Leases (“HKFRS 16”) (Continued)

As a lessee (Continued)

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 at the end of 31 December 2018 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 January 2019:

		HK\$'000 千港元
Reconciliation of operating lease commitments to lease liabilities	經營租賃承擔對賬至租賃負債	
Operating lease commitments as of 31 December 2018	截至二零一八年十二月三十一日 經營租賃承擔	1,916
Less: short term leases for which lease terms end within 31 December 2019	減：租期於二零一九年十二月三十一日 前屆滿的短期租賃	(1,916)
Total lease liabilities as of 1 January 2019	截至二零一九年一月一日租賃總負債	—

Information about the Group's accounting policies resulting from application of HKFRS 16 and further details of the Group's right-of-use assets and lease liabilities are disclosed in notes 3(d) and 13 respectively.

HK(IFRIC)-Int 23 — Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則修訂本(續)

香港財務報告準則第16號租賃(「香港財務報告準則第16號」)(續)

作為承租人(續)

下列對賬說明於二零一八年十二月三十一日末應用香港會計準則第17號披露經營租賃承擔如何對賬至於二零一九年一月一日綜合財務狀況表初始確認日期的租賃負債：

有關本集團應用香港財務報告準則第16號產生的會計政策資料及本集團使用權資產及租賃負債的更多詳情分別披露於附註3(d)及13。

香港(國際財務報告詮釋委員會) — 詮釋第23號 — 所得稅處理之不確定性

該詮釋透過就如何反映所得稅會計處理涉及的不確定性因素提供指引，為香港會計準則第12號「所得稅」的規定提供支持。

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

HK(IFRIC)-Int 23 — Uncertainty over Income Tax Treatments (Continued)

Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

The adoption of the interpretation has no impact on these financial statements as the Group does not have any uncertain tax position.

Amendments to HKFRS 9 — Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met — instead of at fair value through profit or loss.

The adoption of these amendments has no impact on these financial statements as the Group does not have any prepayable financial assets with negative compensation.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本（續）

香港（國際財務報告詮釋委員會）— 詮釋第23號 — 所得稅處理之不確定性（續）

根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更佳預測不確定性因素的解決方法。實體亦須假設稅務機關將會查驗其有權查驗的金額，並在作出上述查驗時全面知悉所有相關資料。如實體確定稅務機關可能會接受一項不確定稅項處理，則該實體應按與其稅務申報相同的方式計量即期及遞延稅項。倘實體確定稅務機關不可能會接受一項不確定稅務處理，則採用「最可能金額」或「預期值」兩個方法中較能更佳預測不確定性解決方式的方法來反映釐定稅務涉及的不確定性。

由於本集團並無任何不確定稅務狀況，採納詮釋對該等財務報表並無任何影響。

香港財務報告準則第9號修訂本—具有負補償之預付款項特徵

修訂本澄清，倘若符合指明條件，具有負補償的預付金融資產可以攤銷成本或以按公平值計入其他全面收益計量，而不按公平值計入損益計量。

由於本集團並無任何具有負補償的預付金融資產，採納該等修訂本對該等財務報表並無任何影響。

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

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

Amendments to HKAS 19 — Plan amendments, curtailment or settlement

The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company should use updated actuarial assumptions to determine its current service cost and net interest for the year. Additionally, the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.

The adoption of these amendments has no impact on these financial statements as the Group does not have any defined benefit plans.

Amendments to HKAS 28 — Long-term Interests in Associates and Joint Ventures

The amendment clarifies that HKFRS 9 applies to long-term interests (“LTI”) in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

The adoption of these amendments has no impact on these financial statements as the Group does not have any interests in associates and joint ventures.

Annual Improvements to HKFRSs 2015-2017 Cycle — Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

The adoption of these amendments has no impact on these financial statements as the Group does not have any dividends recognised during the year.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則修訂本(續)

香港會計準則第19號修訂本—計劃修訂、縮減或結清

修訂本澄清，於設定受益計劃修訂、縮減或結清時，公司應使用最新精算假設釐定其當前服務成本及年內淨利息。此外，於計算計劃結清損益時，忽略資產上限影響，於其他全面收益內單獨計量。

由於本集團並無任何設定受益計劃，採納該等修訂本對該等財務報表並無任何影響。

香港會計準則第28號修訂本—於聯營公司及合營企業的長期權益

修訂本澄清，香港財務報告準則第9號適用於於聯營公司或合營企業的長期權益(「長期權益」)，其構成於聯營公司或合營企業投資淨額的一部分，且規定香港財務報告準則第9號適用於香港會計準則第28號內應用減值虧損指引前長期權益。

由於本集團並無於聯營公司及合營企業中擁有任何權益，故採納該等修訂本對該等財務報表並無任何影響。

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—香港會計準則第12號修訂本，所得稅

根據年度改進過程發出的修訂對準則目前不清晰之處作出輕微而不緊急的更改。其包括對香港會計準則第12號的修訂，其澄清，股息的所有所得稅後果均以與產生可分派溢利的交易一致的方式，在損益、其他全面收益或直接在權益內確認。

由於本集團並無年內確認股息，採納該等修訂本對該等財務報表並無任何影響。

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

Annual Improvements to HKFRSs 2015-2017 Cycle — Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

The adoption of these amendments has no impact on these financial statements as the Group does not have any borrowing costs that fulfilled the capitalisation requirements in accordance to HKAS 23.

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:

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

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則修訂本(續)

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—香港會計準則第23號修訂本，借款成本

根據年度改進過程發出的修訂對準則目前不清晰之處作出輕微而不緊急的更改。其包括對香港會計準則第23號的修訂，其澄清，為取得符合條件的資產而專門借入的借款，如在有關符合條件的資產可作其擬定用途或出售時仍未償還，其將成為企業一般借入資金的一部分，因此包括在一般資金池內。

由於根據香港會計準則第23號本集團並無符合資本化要求的借款成本，採納該等修訂本對該等財務報表並無任何影響。

已公佈但尚未生效的新訂香港財務報告準則及香港財務報告準則修訂本

本集團並無提早應用下列已頒佈但仍未生效之新訂香港財務報告準則及香港財務報告準則修訂本：

香港財務報告準則第3號 (修訂本)	業務之定義 ¹
香港會計準則第1號及香港會計準則第8號(修訂本)	重大之定義 ²
香港財務報告準則第17號	保險合約 ³
香港財務報告準則第10號及香港會計準則第28號 (修訂本)	投資者與其聯營公司或合資企業之間的資產出售或注資 ⁴
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號 (修訂本)	利率基準改革 ⁴

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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. 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)

- 1 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
- 2 Effective for annual periods beginning on or after 1 January 2020
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 Effective for annual periods beginning on or after a date to be determined

Except for the amendments to HKAS 1 and HKAS 8 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.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則修訂本(續)

已公佈但尚未生效的新訂香港財務報告準則及香港財務報告準則修訂本(續)

- 1 適用於收購日期為二零二零年一月一日或以後開始之首個年度期間當日或以後進行之業務合併及資產收購
- 2 於二零二零年一月一日或以後開始之年度期間生效
- 3 於二零二一年一月一日或以後開始之年度期間生效
- 4 於待定日期或以後開始之年度期間生效

除下文所述之香港會計準則第1號及香港會計準則第8號(修訂本)外，董事預計應用所有其他新訂香港財務報告準則及香港財務報告準則之修訂本將不會對綜合財務報表造成重大影響。

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則修訂本（續）

香港會計準則第1號及香港會計準則第8號（修訂本）「重大之定義」

該等修訂透過載入作出重大判斷時的額外指引及解釋，對重大之定義進行改進。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. 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 (the “GEM Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values at the end of each accounting 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 within the scope 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*.

3. 重要會計政策

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，綜合財務報表包括聯交所 GEM 證券上市規則（「GEM 上市規則」）及香港公司條例規定之適當披露。

誠如下文列載之會計政策所闡述，綜合財務報表乃按歷史成本法編製，而投資物業則按於每個會計期末之公平值計量。

歷史成本一般根據用作交換貨品及服務所付出代價之公平值計算。

公平值指於計量日期時在合法交易中的市場參與者之間出售資產時所收取或轉讓負債時所支付的價格，不管價格為直接觀測可得或利用另一估價技巧估計所得。在估計資產或負債的公平值時，本集團會考慮於計量日期時市場參與者為資產或負債定價時會考慮的資產或負債之特點。在此等綜合財務報表中，就計量及／或披露理由而得出的公平值均按此基準釐定，惟在香港財務報告準則第2號以股份為基礎之付款範圍內之以股份為基礎之付款交易、在香港財務報告準則第16號範圍的租賃交易以及與公平值有類似之處但並非公平值的計量，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，則不在此限。

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

3. 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.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where 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.

3. 重要會計政策(續)

此外，就財務報告而言，公平值計量根據公平值計量的輸入變數可觀測得到的程度以及有關輸入變數對公平值計量整體的重要性，分類為第一級、第二級或第三級，現描述如下：

- 第一級輸入變數為同等資產或負債在活躍市場上所報(不經調整)而實體在計量當日可以取得的價格；
- 第二級輸入變數為可以直接或間接觀測得到，但不包括於第一級的報價內的資產或負債變數；及
- 第三級輸入變數為資產或負債中屬不可觀測得到的變數。

主要會計政策載列如下。

(a) 綜合準則

綜合財務報表包括本公司及由本公司控制之實體及其附屬公司之財務報表。控制權就本公司乃指：

- 可對投資對象行使權力；
- 自參與投資對象之業務獲得或有權獲得可變回報；及
- 有能力藉對投資對象行使其權力而影響其回報。

倘有事實及情況顯示上述三項控制因素中之一項或多項出現變化，本集團將重新評估其是否對投資對象擁有控制權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

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

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.

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

(b) Interests 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.

3. 重要會計政策(續)

(a) 綜合準則(續)

對附屬公司的合併乃由本集團對附屬公司擁有控制權開始，並於本集團失去對附屬公司的控制權時終止。具體而言，於年內所收購或出售之附屬公司之收益及開支將由本集團獲得控制權日期起直至本集團不再擁有對該附屬公司的控制權當日止計入綜合損益及其他全面收益表。

損益及其他全面收益之各部分歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

本公司於必要時會對附屬公司之財務報表作出調整，以使其會計政策與本集團會計政策一致。

有關本集團成員之間的所有集團內資產及負債、權益、收益、開支及現金流量均於綜合賬目時全面對銷。

於附屬公司之非控股權益與本集團於當中之權益分開呈列，該權益指現時賦予其持有人權利於清盤時按比例分佔相關附屬公司資產淨值之所有權權益。

(b) 於合資企業的權益

合資企業指一項共同安排，對安排擁有共同控制權之訂約方據此對合資安排資產淨值擁有權利。共同控制權是指按照合約約定對某項安排所共有之控制權，其僅在相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Interests in joint ventures (Continued)

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint venture 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 the 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 a 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.

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.

3. 重要會計政策(續)

(b) 於合資企業的權益(續)

合資企業之業績以及資產及負債均以權益會計法合併入該等綜合財務報表內。用於權益會計法之合資企業財務報表乃採用與本集團在類似交易及相若情況下事項所採用的統一會計政策編製。根據權益法，於一間合資企業的投資初步均按成本於綜合財務狀況報表內確認，並於隨後調整以確認本集團應佔一間合資企業損益及其他全面收益。合資企業資產淨值變動(損益及其他全面收益除外)並不列賬，除非該等變動導致本集團所持擁有權權益出現變動。當本集團應佔一間合資企業的虧損超過本集團於該合資企業的權益(包括(實質上)組成本集團於該合資企業的投資淨額一部分的任何長期權益)時，則本集團不再確認其應佔的進一步虧損。僅當本集團已產生法律或推定責任或代表該合資企業支付款項，方會確認額外虧損。

於一間合資企業的投資自投資對象成為合資企業之日起計採用權益法入賬。當收購於一間合資企業的投資時，投資成本超過本集團應佔該投資對象可識別資產及負債的公平值淨值的任何部分確認為商譽，並計入投資的賬面值。於投資被收購期間，本集團應佔可識別資產及負債的公平值淨值超過投資成本的任何部分在重新估值後即時於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Interests in joint ventures (Continued)

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 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.

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.

(c) Revenue from contracts with customers

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

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

3. 重要會計政策(續)

(b) 於合資企業的權益(續)

本集團評估是否有客觀證據顯示於一間合資企業的權益可能出現減值。倘出現任何客觀證據，則投資(包括商譽)的全部賬面值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，方法為將其可收回金額(以使用價值與公平值減去出售成本的較高者為準)與其賬面值作比較，而已確認的任何減值虧損屬於該投資賬面值的一部分。減值虧損的任何撥回根據香港會計準則第36號確認，惟以該投資其後所增加的可收回金額為限。

倘集團實體與本集團之合資企業進行交易，則僅於與該合資企業之交易所產生的損益與本集團於合資企業的權益無關時，方於本集團的綜合財務報表確認。

(c) 客戶合約收入

根據香港財務報告準則第15號，本集團於完成履約責任時(或就此)確認收入，即於特定履約責任相關的貨品或服務「控制權」轉讓予客戶時。

履約責任指可區分的單一貨品或服務(或一批貨品或服務)或一系列大致相同的可區分貨品或服務。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue from contracts with customers (Continued)

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 and 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 a contract are accounted for and presented on a net basis.

3. 重要會計政策(續)

(c) 客戶合約收入(續)

倘符合下列其中一項標準，則控制權隨時間轉移，並會隨時間按完全達成相關履約責任的進度確認收入：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生及提升於本集團履約時由客戶控制的一項資產；或
- 本集團的履約並未產生對本集團有其他用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收入會在客戶獲得可區分的貨品或服務控制權的時間點確認。

合約資產指本集團就其向客戶轉讓的貨品或服務而收取代價的權利，有關權利尚未成為無條件，並須根據香港財務報告準則第9號評估減值。相反，應收賬款指本集團收取代價的無條件權利，即只需待時間過去即需到期支付代價。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)，而須向客戶轉讓貨品或服務的責任。

與合約相關的合約資產及合約負債按淨額基準入賬及呈列。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

(d) Leases (accounting policies applied from 1 January 2019)

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

3. 重要會計政策(續)

(c) 客戶合約收入(續)

隨時間確認收入：計量完全達成履約責任的進度

投入法

完全達成履約責任的進度乃根據投入法計量，即根據本集團為達成履約責任而付出的努力或投入，相對於達成該項履約責任的預期總投入基準確認收入，以最有效地反映本集團於轉讓貨品或服務控制權方面的表現。

(d) 租賃(自二零一九年一月一日起應用的會計政策)

所有租賃(不論為經營租賃或融資租賃)須於綜合財務狀況表資本化為使用權資產及租賃負債，惟會計政策為實體提供選擇，可選擇不將(i)屬短期租賃的租賃及/或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租賃期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**(d) Leases (accounting policies applied from 1 January 2019) (Continued)*****Right-of-use asset***

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The Group has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

3. 重要會計政策(續)**(d) 租賃(自二零一九年一月一日起應用的會計政策)(續)*****使用權資產***

使用權資產應按成本確認並將包括：(i)租賃負債之初步計量金額(見下文有關租賃負債入賬之會計政策)；(ii)於開始日期或之前作出之任何租賃付款減任何已收取之租賃優惠；(iii)承租人產生之任何初步直接成本及(iv)承租人在租賃條款及條件規定之情況下拆除及移除相關資產時將產生之估計成本，惟該等成本乃因生產存貨而產生者除外。除符合投資物業或某類物業、廠房及設備(本集團就此應用重估模型)定義之使用權資產外，本集團應用成本模型計量使用權資產。根據成本模型，本集團按成本減去任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債之任何重新計量作出調整。

本集團已根據租賃協議租賃多項物業，而本集團行使判斷並釐定其為持有自用的租賃土地及樓宇以外的獨立類別資產。因此，租賃協議項下物業產生的使用權資產按折舊成本列賬。

租賃負債

租賃負債應按並非於租賃開始日期支付之租賃付款的現值確認。租賃付款將採用租賃隱含的利率貼現(倘該利率可輕易釐定)。倘該利率無法輕易釐定，本集團將採用本集團的增量借款利率。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Leases (accounting policies applied from 1 January 2019) (Continued)

Lease liability (Continued)

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

3. 重要會計政策(續)

(d) 租賃(自二零一九年一月一日起應用的會計政策)(續)

租賃負債(續)

下列並非於租賃開始日期支付的租賃期內就使用相關資產使用權支付的款項視為租賃付款：(i) 固定付款減任何應收租賃優惠；(ii) 按開始日期之指數或利率首次計量的浮動租賃付款(取決於指數或利率)；(iii) 承租人根據剩餘價值擔保預期將支付的款項；(iv) 倘承租人合理確定行使購買選擇權，該選擇權的行使價及(v) 倘租賃期反映承租人行使選擇權終止租賃，終止租賃的罰款付款。

於開始日期後，本集團將透過下列方式計量租賃負債：(i) 增加賬面值以反映租賃負債的利息；(ii) 減少賬面值以反映作出的租賃付款；及(iii) 重新計量賬面值以反映任何重估或租賃修改，如指數或利率變動導致日後租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產的評估變動。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (accounting policies applied until 31 December 2018)

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 重要會計政策(續)

(e) 租約(二零一八年十二月三十一日前應用的會計政策)

凡租賃條款規定擁有權之絕大部分風險及回報撥歸承租人之租賃均分類為融資租約。所有其他租賃則分類為經營租約。

本集團為出租人

經營租約所產生之租金收入乃按其有關租期以直線法於損益中確認。於磋商及安排一項經營租約引起之初期直接成本乃加於租約資產之賬面值。除以公平值模式計量之投資物業外，相關成本按租約年期以直線法確認為開支。

本集團為承租人

經營租金按有關租約年期以直線法確認為開支，惟另有系統基準更能代表租約資產消耗經濟利益之時間模式除外。經營租約項下產生之或然租金乃於產生期間確認為開支。

倘於訂立經營租約時收取租賃優惠，則有關優惠確認為負債。優惠總利益以直線法確認為租金開支減少，惟另有系統基準更能代表租約資產消耗經濟利益之時間模式除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (accounting policies applied until 31 December 2018) (Continued)

Leasehold land and building (accounting policies applied until 31 December 2018)

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model.

3. 重要會計政策(續)

(e) 租約(二零一八年十二月三十一日前應用的會計政策)(續)

租賃土地及樓宇(二零一八年十二月三十一日前應用的會計政策)

當本集團就物業權益作出付款(包括租賃土地及樓宇部分)，本集團根據評估各部分之所有權的風險與報酬是否絕大部分轉移至本集團而將其劃分，除非肯定兩個部分均屬經營租約，於此情況下，整個物業入賬列作經營租約。具體而言，整份代價(包括任何一筆過預付款項)於初步確認時按土地部分及樓宇部分中的租賃權益相對公平值比例於租賃土地與樓宇部分間分配。在相關付款可可靠分配的情況下，入賬列作經營租約的租賃土地權益於綜合財務狀況報表中呈列為「預付租金」，並於租期內以直線基準攤銷，被分類為投資物業並作為投資物業以公平值模式列賬者除外。

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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 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 expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

(g) Retirement benefit costs

Payments to defined contribution retirement benefit plan, state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 重要會計政策(續)

(f) 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日之適用匯率確認。於報告期末，以外幣為單位之貨幣項目均按該日之適用匯率重新換算。以外幣按公平值記賬之非貨幣項目以公平值釐定當日之匯率重新換算。按外幣歷史成本計量之非貨幣項目不予重新換算。

貨幣項目結算及貨幣項目兌換所產生之匯兌差額乃於產生期間內於損益確認。

就呈列綜合財務報表而言，本集團業務資產及負債乃按各報告期末之適用匯率換算為本集團之呈列貨幣(即港元)，而收入及開支乃按期內平均匯率換算。所產生之匯兌差額(如有)乃於其他全面收益中確認並於股本之匯兌儲備下累計(適用時歸屬於非控股權益)。

(g) 退休福利成本

定額供款退休福利計劃、國營退休福利計劃及強制性公積金計劃之供款，於僱員之服務期限令其足夠享有該等供款時確認為開支。

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Short-term employee benefits

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

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.

(i) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before taxation” 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 base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary 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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 重要會計政策(續)

(h) 短期僱員福利

短期僱員福利乃於僱員提供服務時預期支付之福利之未折現金額。所有短期僱員福利均會確認為開支，除非另有香港財務報告準則要求或允許將福利計入資產成本。

經扣除任何已付金額後，本集團會就僱員應計福利(例如工資及薪金、年假及病假)確認負債。

(i) 稅項

所得稅開支指當期應繳稅項及遞延稅項兩者之總和。

當期應繳稅項乃根據年度應課稅溢利計算。由於其他年度應課稅或可扣稅之收入及開支項目以及毋須課稅或不可扣稅之項目，應課稅溢利與除稅前溢利不同。本集團之當期稅項負債乃按報告期末規定或實質上規定之稅率計算。

遞延稅項就綜合財務報表中資產及負債之賬面值與計算應課稅溢利時所採用之相應稅基之暫時差額確認。遞延稅項負債通常就所有應課稅之暫時差額確認。遞延稅項資產通常就可能獲得可用作抵銷可扣稅暫時差額之應課稅溢利就所有可扣稅暫時差額確認。倘該暫時差額源自初步確認不影響應課稅溢利或會計溢利之交易中資產及負債，則該等遞延稅項資產及負債不予確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in a joint venture, 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 interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable 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 investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

3. 重要會計政策(續)

(i) 稅項(續)

遞延稅項負債就與於附屬公司之投資及於一間合資企業的權益相關之應課稅暫時差額予以確認，惟本集團可控制暫時差額之撥回及暫時差額可能於可見將來不會撥回除外。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利益且預計於可見將來可以撥回時予以確認。

遞延稅項資產賬面值於各報告期末作出檢討，並於不再可能有足夠應課稅溢利以供收回全部或部分資產時作調減。

遞延稅項資產及負債乃根據報告期末已頒佈或實質頒佈之稅率(及稅法)按清償負債或變現資產期間預期適用之稅率計算。

遞延稅項負債及資產之計量反映按照本集團預期之方式於報告期末收回或結清其資產及負債之賬面值之稅務結果。

就計量利用公平值模式計量的投資物業之遞延稅項而言，該等物業之賬面值乃假設透過銷售全數收回，除非該假設被推翻則除外。當投資物業可予折舊及於業務模式(其業務目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益)內持有時，有關假設會被推翻。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Taxation (Continued)

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

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.

(j) Property, plant and equipment

Property, plant and equipment, including buildings held for use in the production or supply of goods, or for administrative purposes 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 the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. 重要會計政策(續)

(i) 稅項(續)

倘有合法可執行權利可將即期稅項資產與即期稅項負債抵銷，且該等資產及負債與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

當期及遞延稅項於損益內確認，惟與於其他全面收益或直接於權益確認之項目相關者除外，於該情況下，當期及遞延稅項亦分別於其他全面收益或直接於權益中確認。

(j) 物業、廠房及設備

物業、廠房及設備(包括持有用作生產或供應貨品或作行政用途之樓宇)乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況報表入賬。

折舊乃按採用直線法於資產估計可使用年期內按撇銷資產成本減剩餘價值確認。估計可使用年期、殘值及折舊方法乃於報告期末檢討，估計變動之影響按預先計提之基準列賬。

物業、廠房及設備項目乃於出售時或預期不會因持續使用該資產而產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目所產生之任何收益或虧損按資產之出售所得款項與其賬面值之差額釐定，並於損益中確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(l) Club debenture

Club debenture with indefinite useful life that is acquired separately is carried at cost less any subsequent accumulated impairment losses.

(m) Impairment on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible 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). Intangible asset with indefinite useful life is tested for impairment at least annually, and whenever there is an indication that it may be impaired.

3. 重要會計政策(續)

(k) 投資物業

投資物業為持有以賺取租金及／或作資本增值之物業。

投資物業初步乃按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業按公平值計量。本集團以經營租約持有以賺取租金或資本增值的所有物業權益均歸類及列賬為投資物業，並採用公平值模式計算。投資物業公平值變動所產生之收益或虧損於產生期間計入損益。

投資物業乃於出售時或投資物業永久不再使用或預期不會因出售該物業而產生未來經濟利益時終止確認。終止確認物業所產生之任何收益或虧損(按資產之出售所得款項淨額與其賬面值之差額計算)於終止確認物業之期間計入損益。

(l) 會所債券

分開收購且具不確定可使用年期之會所債券按成本減任何其後累計減值虧損列賬。

(m) 有形及無形資產之減值

於報告期末，本集團會檢討其有形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，本集團將估計相關資產之可收回金額，以釐定減值虧損(如有)之程度。具無限可使用年期之無形資產最少每年及當有跡象顯示可能出現減值時進行減值測試。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment on tangible and intangible assets (Continued)

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

(n) Inventories

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

3. 重要會計政策(續)

(m) 有形及無形資產之減值(續)

可收回金額為公平值減出售成本及使用價值之較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折現至其現值，該貼現率反映目前市場對資金時間值之評估以及估計未來現金流量未經調整之資產的獨有風險。

倘估計資產之可收回金額低於其賬面值，則該資產之賬面值將相應調減至可收回金額。減值虧損即時於損益內確認。

倘減值虧損於其後撥回，則資產之賬面值將增至經修訂之估計可收回金額，惟增加之賬面值不得超過假設有關資產於過往年度並無確認減值虧損下原應釐定之賬面值。減值虧損撥回即時於損益內確認。

(n) 存貨

存貨按成本及可變現淨值之較低者入賬。存貨成本乃按先入先出法釐定。可變現淨值指存貨的估計售價減所有估計完工成本及銷售所需成本。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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.

3. 重要會計政策(續)

(o) 金融工具

金融資產及金融負債乃當集團實體成為文據合約條文之訂約方時確認。金融資產之一切常規買賣概於交易日期確認及終止確認。常規買賣指須根據市場規則或慣例確立之時限內交付資產之金融資產買賣。

金融資產及金融負債初步按公平值計量，惟來自客戶合約之貿易應收賬款則根據香港財務報告準則第15號進行初步計量。收購或發行金融資產及金融負債直接應佔之交易成本於初步確認時加入或扣自金融資產或金融負債(按適用者)之公平值。

實際利率法是在相關期間內用於計算金融資產或金融負債的攤銷成本以及分配利息收入及利息開支的方法。實際利率是在金融資產或金融負債的預期壽命或(如適當)更短期間內能夠精確折現估計未來現金收入額及付款(包括構成實際利率不可或缺部分的已付或已收取的所有費用及金額、交易成本以及其他溢價或折讓)至初步確認時的賬面淨值的利率。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

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.

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.

3. 重要會計政策(續)

(o) 金融工具(續)

金融資產(續)

金融資產的分類及其後計量

滿足以下條件的金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目的而持有金融資產之業務模式；及
- 合約條款於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

攤銷成本及利息收入

就其後按攤銷成本計量的金融工具而言，利息收入採用實際利率法確認。利息收入透過對金融資產的總賬面值應用實際利率計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，利息收入透過自下個報告期間起對金融資產的攤銷成本應用實際利率確認。倘已出現信貸減值的金融工具信貸風險有所改善，使金融資產不再出現信貸減值，則於確定資產不再出現信貸減值後的報告期間開始起，透過對金融資產總賬面值應用實際利率確認利息收入。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, bank balances and cash and contract assets). 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 months 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 and contract assets. The ECL on these assets are assessed individually for debtors with significant balances or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12 months 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.

3. 重要會計政策(續)

(o) 金融工具(續)

金融資產(續)

金融資產減值

本集團就須根據香港財務報告準則第9號計量減值的金融資產(包括貿易及其他應收賬款、銀行結餘及現金及合約資產)確認預期信貸虧損(「預期信貸虧損」)的虧損準備。預期信貸虧損的金額於各報告日期更新，以反映自初始確認後信貸風險的變化。

存續期預期信貸虧損指於相關工具預期使用期內所有可能違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件導致之存續期預期信貸虧損部分。評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團一直就貿易應收賬款及合約資產確認存續期預期信貸虧損。於評估該等資產的預期信貸虧損時，會就擁有重大結餘的應收賬款進行個別評估或使用撥備矩陣對適當分組的資產進行集體評估。

就所有其他工具而言，本集團計量的虧損撥備相當於12個月預期信貸虧損，除非自初步確認後信貸風險顯著增加，則本集團會確認存續期預期信貸虧損。評估是否應確認存續期預期信貸虧損應基於自初步確認起發生違約的可能性或風險是否顯著增加。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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 and 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;

3. 重要會計政策(續)

(o) 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*

於評估自初步確認起信貸風險有否顯著增加時，本集團會比較於報告日期金融工具發生違約的風險與於初步確認日期金融工具發生違約的風險。在進行該評估時，本集團考慮合理且有理據的定量和定性資料，包括毋須不必要成本或努力即可獲得的歷史經驗及前瞻性資料。

特別是，在評估信貸風險有否顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級實際或預期顯著惡化；
- 外部市場信貸風險指標顯著惡化，如信貸利差大幅增加及債務人的信用違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預期不利變化；
- 債務人經營業績實際或預期顯著惡化；

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) *Significant increase in credit risk* (Continued)

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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.

(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.

3. 重要會計政策(續)

(o) 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)

- 導致債務人償還債務能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變化。

不論上述評估結果如何，當合約付款逾期超過30天，則本集團會推斷自初步確認起信貸風險已顯著增加，除非本集團有合理且有理據的資料證明事實並非如此。

本集團定期監察用以識別信貸風險有否顯著增加的標準成效，並對其作出適當修訂，以確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

(ii) 違約的定義

就內部信貸風險管理而言，本集團認為，倘內部產生或自外部來源獲得的資料顯示債務人不太可能向其債權人（包括本集團）悉數付款（不考慮本集團持有的任何抵押品），即屬發生違約事件。

無論上述分析結果如何，倘金融資產逾期超過90日，本集團將視作已發生違約，除非本集團擁有合理且有理據的資料證明較寬鬆的違約標準更為適用，則作別論。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events of default 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.

3. 重要會計政策(續)

(o) 金融工具(續)

金融資產(續)

金融資產減值(續)

(iii) 已出現信貸減值的金融資產

金融資產在一項或多項對該金融資產估計未來現金流量構成不利影響的違約事件發生時出現信貸減值。金融資產出現信貸減值的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重大財務困難；
- (b) 違約，如違約或逾期事件；
- (c) 借款人的貸款人出於與借款人財務困難相關的經濟或合約原因，而向借款人授予貸款人不會另行考慮的優惠；
- (d) 借款人可能面臨破產或進行其他財務重組；或
- (e) 因財務困難令金融資產的活躍市場消失。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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.

3. 重要會計政策(續)

(o) 金融工具(續)

金融資產(續)

金融資產減值(續)

(iv) 撇銷政策

當有資料顯示對手方陷入嚴重財務困難且並無實際可能收回款項時(例如對手方已清盤或進入破產程序,或倘為貿易應收賬款,則該等金額逾期超過兩年時,以較早發生者為準),本集團會撇銷金融資產。於適當考慮法律意見後,仍可根據本集團的收款程序對已撇銷的金融資產採取強制活動。撇銷構成終止確認事項。任何其後收款於損益中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約虧損(即違約時虧損幅度)及違約時風險的函數。違約概率及違約虧損的評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損的估計反映公正及概率加權數額,乃根據加權相應違約風險而確定。

一般而言,預期信貸虧損為根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量之間的差額,按初步確認時釐定的實際利率貼現。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) *Measurement and recognition of ECL* (Continued)

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 and other receivables and contract assets are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- 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.

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 contract assets where the corresponding adjustment is recognised through a loss allowance account.

3. 重要會計政策(續)

(o) 金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認 (續)

倘預期信貸虧損按整體基準計量或屬於個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質(即本集團貿易及其他應收賬款以及合約資產作為獨立組別個別評估)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(倘有)。

管理層會定期檢討分組情況，以確保各組別繼續擁有類似信貸風險特徵。

利息收入乃根據金融資產的總賬面值計算，除非金融資產發生信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團透過調整所有金融工具的賬面值於損益確認減值收益或虧損，惟貿易應收賬款及合約資產透過虧損撥備賬確認相應調整除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (Continued)

Financial liabilities

Impairment of financial assets (Continued)

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3. 重要會計政策(續)

(o) 金融工具(續)

金融負債

金融資產減值(續)

本集團視乎金融負債產生的目的將其金融負債分類。按攤銷成本計量的金融負債(包括貿易應付款項及其他應付款項、借貸、若干優先股及本集團發行之可換股貸款票據之債務部分)其後採用實際利率法按攤銷成本計量。有關利息開支於損益內確認。

於終止確認負債以及進行攤銷時，收益或虧損於損益內確認。

當金融負債有關合約中規定的義務解除、取消或到期時，會終止確認該項金融負債。

實際利率法

實際利率法為一種計算金融資產或金融負債攤銷成本與於有關期間內分配利息收入或利息開支之方法。實際利率為於金融資產或負債預計年期或(如適用)更短期間內將估計未來現金收入或付款準確貼現之利率。

股權

股權工具乃實體之資產減所有負債後證實其剩餘權益的任何合約。本集團發行之股權工具乃按已收所得款項減直接發行成本確認。

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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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, 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.

4. 重大會計判斷及估計不確定性之主要來源

董事於應用本集團會計政策(詳情見附註3)時須就資產及負債之賬面值(如未能明顯地從其他來源取得)作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及認為相關之其他因素作出。實際結果可能有別於該等估計。

各項估計及相關假設會持續檢討。倘會計估計之修訂僅影響修訂該估計之期間，有關修訂則會在該期間確認；倘修訂對當前及未來期間均有影響，則在作出修訂期間及未來期間確認。

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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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(a) Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company 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.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group is not subject to any income taxes in relation to the fair value changes of investment properties.

4. 重大會計判斷及估計不確定性之主要來源(續)

(a) 應用會計政策之重大判斷

除涉及估計之判斷(見下文)外，以下為本公司董事於應用本集團會計政策的過程中所作出之重大判斷及對於綜合財務報表內確認之金額產生最重大影響之重大判斷。

投資物業之遞延稅項

為計量採用公平值模式計量之投資物業所產生的遞延稅項負債及遞延稅項資產，本公司董事已檢討本集團投資物業組合並認為本集團之投資物業並無以業務目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益的業務模式持有。因此，在計量本集團投資物業之遞延稅項時，本公司董事釐定用公平值模式計量之投資物業之賬面值完全透過銷售收回的假設並無被推翻。因此，由於本集團毋須就投資物業之公平值變動繳納任何所得稅，本集團並無就投資物業公平值變動確認任何遞延稅項。

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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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(b) Key sources of estimation uncertainty

The following are the 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 within the next financial year.

Revenue recognition on contract work

The management estimates the amount of foreseeable losses or attributable profits of comprehensive architectural design work based on the latest available budgets of the contracts prepared by project team with reference to the overall performance of each contract work and the management's best estimates and judgements.

Due to the contracting nature of the business, revenue recognition involves a significant degree of judgement. Notwithstanding that the management reviews and revises the estimates of contract costs for the contract as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Provision of ECL for trade receivables and contract assets

The Group uses provision matrix to calculate ECL for the trade receivables and contract assets. 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. In addition, trade receivables and contract assets with significant balances and credit impaired are assessed for ECL individually.

4. 重大會計判斷及估計不確定性之主要來源(續)

(b) 估計不確定性之主要來源

以下為於報告期末估計不確定性(即下一個財政年度內可能對資產賬面值作出重大調整的重大風險)之主要來源。

合約工程收入確認

管理層根據由項目團隊編製的最新可用合約預算，參考各合約工程的整體表現及管理層的最佳估計及判斷，估計全面建築設計工程的可遇見虧損或應佔溢利金額。

由於業務為合約性質，收入確認涉及重大程度的判斷。儘管於履行合約的過程中，管理層就合約審閱及修訂估計合約成本，惟就總成本而言，實際合約結果可能高於或低於估計，並將影響所確認收入及溢利。

貿易應收賬款及合約資產預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收賬款及合約資產的預期信貸虧損。撥備率乃基於具有類似虧損模式的各應收賬款分組的內部信貸評級。撥備矩陣基於本集團的歷史違約率，並計及毋須不必要成本或努力即可獲得的合理且有理據的前瞻性資料。於各報告日期會重新評估歷史觀察違約率及考慮前瞻性資料的變動。此外，具有重大結餘及已出現信貸減值的貿易應收賬款及合約資產會個別評估預期信貸虧損。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

(b) Key sources of estimation uncertainty

(Continued)

Provision of ECL for trade receivables and contract assets (Continued)

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables, contract assets and the ECL assessment are disclosed in notes 19, 20 and 31(b)(ii) respectively.

Fair value of investment properties

As at 31 December 2019, investment properties were carried at aggregate fair value of HK\$14,750,000 (2018: HK\$14,980,000) in the consolidated statement of financial position. The fair value was based on valuations on these properties conducted by independent qualified valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair values of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income. Further details of the fair value measurement of the Group's investment properties are set out in note 14.

4. 重大會計判斷及估計不確定性之主要來源(續)

(b) 估計不確定性之主要來源(續)

貿易應收賬款及合約資產預期信貸虧損撥備(續)

預期信貸虧損撥備容易受到估計變動所影響。有關本集團貿易應收賬款、合約資產及預期信貸虧損評估的資料分別披露於附註19、20及31(b)(ii)。

投資物業之公平值

於二零一九年十二月三十一日，投資物業乃按公平值總額14,750,000港元(二零一八年：14,980,000港元)於綜合財務狀況報表內列賬。該公平值乃以獨立合資格估值師採用涉及若干市況假設之物業估值方法對該等物業進行的估值為基準。該等假設出現之有利或不利變動均會導致本集團投資物業之公平值發生變動，以及對綜合損益及其他全面收益表內所呈報之收益或虧損金額作出相應調整。有關本集團投資物業之公平值計量之進一步詳情載於附註14。

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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. REVENUE

(i) *Disaggregation of revenue from contracts with customers*

For the year ended 31 December 2019

5. 收入

(i) 分拆客戶合約收入

截至二零一九年十二月三十一日止年度

		Sales of connectivity products 銷售接駁產品 HK\$'000 千港元	Contracts of comprehensive architectural services 全面建築服務合約 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Geographical markets	地區市場			
Korea	韓國	94,425	—	94,425
The PRC	中國	10,058	67,078	77,136
Japan	日本	68,709	—	68,709
United States of America ("USA")	美利堅合眾國(「美國」)	71,366	—	71,366
Taiwan	台灣	24,107	—	24,107
Others	其他	12,230	—	12,230
Total	總計	280,895	67,078	347,973
Types of customers	客戶類型			
Original equipment manufacturer ("OEM") customers	原設備生產商(「OEM」)客戶	183,933	—	183,933
Retail distributors	零售分銷商	96,962	—	96,962
Independent contractors	獨立承辦商	—	67,078	67,078
Total	總計	280,895	67,078	347,973
Timing of revenue recognition	收入確認時機			
A point in time	於某時間點	280,895	—	280,895
Over time	隨時間	—	67,078	67,078
Total	總計	280,895	67,078	347,973

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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. REVENUE (Continued)

(i) Disaggregation of revenue from contracts with customers (Continued)

For the year ended 31 December 2018

5. 收入(續)

(i) 分拆客戶合約收入(續)

截至二零一八年十二月三十一日止年度

		Sales of connectivity products 銷售接駁產品 HK\$'000 千港元	Contracts of comprehensive architectural services 全面建築服務合約 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Geographical markets	地區市場			
Korea	韓國	119,651	—	119,651
The PRC	中國	2,421	44,780	47,201
Japan	日本	94,015	—	94,015
United States of America ("USA")	美利堅合眾國(「美國」)	82,046	—	82,046
Taiwan	台灣	25,831	—	25,831
Others	其他	20,026	—	20,026
Total	總計	343,990	44,780	388,770
Types of customers	客戶類型			
Original equipment manufacturer ("OEM") customers	原設備生產商(「OEM」)客戶	226,602	—	226,602
Retail distributors	零售分銷商	117,388	—	117,388
Independent contractors	獨立承辦商	—	44,780	44,780
Total	總計	343,990	44,780	388,770
Timing of revenue recognition	收入確認時機			
A point in time	於某時間點	343,990	—	343,990
Over time	隨時間	—	44,780	44,780
Total	總計	343,990	44,780	388,770

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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. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

(a) Sales of connectivity products

For trading of connectivity products, the Group sells connectivity products to OEM customers and retail distributors. Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the specific location and confirmed by the customers.

(b) Contracts of comprehensive architectural services

The Group provides comprehensive architectural services to independent contractors. Revenue from such services are recognised when a performance obligation is satisfied over time as 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. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method.

The Group's service contracts include payment schedules which require stage payments over the design period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits range from 10% to 30% of total contract sum, when the Group receives a deposit before comprehensive architectural service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit received.

5. 收入(續)

(ii) 客戶合約的履約責任

(a) 銷售接駁產品

就買賣接駁產品而言，本集團向OEM客戶及零售分銷商銷售接駁產品。收入於轉移貨品控制權時確認，即貨品交付至指定地點並獲客戶確認時。

(b) 全面建築服務合約

本集團向獨立承辦商提供全面建築服務。該等服務收入於履約責任隨時間達成時確認，原因為本集團的履約並無產生對本集團有其他用途的資產，而本集團對迄今已完成履約的付款擁有可強制執行的權利。收入乃使用投入法參照完全達成相關履約責任的進度隨時間確認。

本集團的服務合約載有付款時間表，規定於設計期內達成若干指定里程碑時支付階段性付款。本集團要求若干客戶預付總合約金額10%至30%的按金，當本集團於全面建築服務開始前收取按金，則會於合約開始時產生合約負債，直至就特定合約確認的收入超過已收按金金額。

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

5. REVENUE (Continued)

(ii) **Performance obligations for contracts with customers** (Continued)

(b) *Contracts of comprehensive architectural services* (Continued)

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the comprehensive architectural services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional upon meeting the billing milestones.

(iii) **Transaction price allocated to the remaining performance obligation for contracts with customers**

Contracts of comprehensive architectural services are typically completed within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. 收入(續)

(ii) 客戶合約的履約責任(續)

(b) 全面建築服務合約(續)

合約資產(減同一合約的相關合約負債)於履行全面建築服務期間確認，代表本集團就所履行服務收取代價的權利，原因為有關權利取決於本集團達成指定里程碑的未來表現。於達成收費里程碑及有關權利成為無條件時，合約資產轉撥至貿易應收賬款。

(iii) 分配至客戶合約餘下履約責任的交易價格

全面建築服務合約通常於一年內完成。按香港財務報告準則第15號所允許，並無披露分配至該等未完成合約的交易價格。

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6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers (“CODM”), for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Segment information reported internally for the purposes of resource allocation and performance assessment is analysed based on the class of customers which is the same as information reported to the CODM:

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

1. OEM customers
2. Retail distributors
3. Provision of comprehensive architectural services

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment results represent the profit earned by each segment without allocation of administrative expenses, selling and distribution expenses, share of profit of joint ventures, other income, other gains and losses and change in fair value of investment properties. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The Group's segment assets exclude cash and cash equivalents, other receivables, investment properties, interests in joint ventures and deposits paid (non-current assets).

The Group's segment liabilities are not presented as they are not regularly reviewed by the Group's CODM.

6. 分類資料

為調配分類資源及評估分類表現而向本公司執行董事(即「主要營運決策者」)呈報的資料以所交付或提供之貨品或服務種類為重點。

為調配資源及評估表現而向內部呈報之分類資料乃基於客戶類別進行分析，與向主要營運決策者呈報的資料相同：

具體而言，本集團根據香港財務報告準則第8號之呈報分類如下：

1. OEM客戶
2. 零售分銷商
3. 提供全面建築服務

本集團於劃分呈報分類時並無合併經營分類。

分類業績指各分類所賺取之溢利而未分配行政開支、銷售及分銷開支、應佔合資企業溢利、其他收益、其他收益和損失以及投資物業公平值變動。此乃就調配資源及評估表現而向主要營運決策者呈報之方式。

本集團分類資產不包括現金及等同現金項目、其他應收賬款、投資物業、於合營企業的權益及已付按金(非流動資產)。

由於本集團之分類負債並無定期由本集團之主要營運決策者審閱，故並無呈列分類負債。

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綜合財務報表附註

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6. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

6. 分類資料(續)

以下為本集團按呈報分類劃分之來自持續經營業務之收入及業績分析：

		2019 二零一九年				2018 二零一八年			
		OEM customers	Retail distributors	Provision of architectural services	Total	OEM customers	Retail distributors	Provision of architectural services	Total
			零售	提供全面			提供全面		
		OEM客戶	分銷商	建築服務	總計	OEM客戶	分銷商	建築服務	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
SEGMENT REVENUE	分類收入								
— External sales	— 對外銷售額	183,933	96,962	67,078	347,973	226,602	117,388	44,780	388,770
SEGMENT PROFIT	分類溢利	27,233	15,648	16,551	59,432	41,296	11,683	13,482	66,461
Unallocated expenses	未分配開支				(46,794)				(44,471)
Other income	其他收入				3,170				3,451
Other gains and losses	其他收益和損失				(1,167)				(605)
Change in fair value of investment properties	投資物業公平值變動				(230)				1,020
Share of profit of joint ventures	應佔合資企業溢利				1,135				2,239
Profit before taxation	除稅前溢利				15,546				28,095
Other segment information:	其他分類資訊：								
Depreciation included in cost of goods sold	已包括在銷售成本中的折舊	(3,703)	(2,544)	—	(6,247)	(4,577)	(2,611)	—	(7,188)
Provision of allowance on inventories	存貨撥備	(675)	(463)	—	(1,138)	(1,746)	(996)	—	(2,742)

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6. SEGMENT INFORMATION (Continued)

6. 分類資料(續)

	2019 二零一九年					2018 二零一八年				
	OEM customers	Retail distributors	Sub-total	Provision of comprehensive architectural services 提供全面 建築服務	Total	OEM customers	Retail distributors	Sub-total	Provision of comprehensive architectural services 提供全面 建築服務	Total
	OEM 客戶 HK\$'000 千港元	零售分銷商 HK\$'000 千港元	小計 HK\$'000 千港元	建築服務 HK\$'000 千港元	總計 HK\$'000 千港元	OEM 客戶 HK\$'000 千港元	零售分銷商 HK\$'000 千港元	小計 HK\$'000 千港元	建築服務 HK\$'000 千港元	總計 HK\$'000 千港元
ASSETS										
SEGMENT ASSETS										
Trade receivables (Note)	26,228	26,773	53,001	5,226	58,227	34,664	33,523	68,187	4,028	72,215
Property, plant and equipment, right-of-use assets, prepaid lease payments, inventories and contract assets (Note)			89,860	2,461	92,321			102,784	6,260	109,044
Total segment assets			142,861	7,687	150,548			170,971	10,288	181,259
Other unallocated assets			66,813	39,084	105,897			67,541	26,069	93,610
Total assets			209,674	46,771	256,445			238,512	36,357	274,869

Note: The nature of products, the production processes and the methods used to distribute the products to the OEM customers and retail distributors are similar. The Group's production facilities and inventories are located in the PRC. These two classes of customers utilise the Group's resources in a similar manner. Accordingly, the property, plant and equipment, right-of-use assets, prepaid lease payments and inventories are not separately allocated to the individual segments of the OEM customers and retail distributors. In contrast, the Group's CODM regularly review trade receivables by operating segment.

附註: OEM 客戶及零售分銷商之產品性質、生產工序及產品分銷方法均屬相似。本集團之生產設施及存貨位於中國。該兩類客戶均以相似之方式運用本集團之資源。故此，物業、廠房及設備、使用權資產、預付租金及存貨並未單獨分配至 OEM 客戶及零售分銷商之獨立分類。相反，本集團之主要營運決策者定期按經營分類檢討貿易應收賬款。

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6. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Hong Kong, the PRC and Taiwan.

Information about the Group's revenue from external customers is presented based on the geographical location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

6. 分類資料(續)

地區資料

本集團之業務位於香港、中國及台灣。

本集團之外來客戶收入資料乃按客戶地理位置呈列。本集團之非流動資產資料乃按資產地理位置呈列。

		Revenue from external customers 外來客戶收入	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Korea	韓國	94,425	119,651
The PRC	中國	77,136	47,201
Japan	日本	68,709	94,015
USA	美國	71,366	82,046
Taiwan	台灣	24,107	25,831
Others	其他地區	12,230	20,026
		347,973	388,770
		Non-current assets 非流動資產	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
The PRC	中國	54,695	63,966
Hong Kong	香港	20,241	15,097
Others	其他地區	252	414
		75,188	79,477

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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. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

Customer A¹
Customer B²

¹ Revenue from OEM customer
² Revenue from Retail distributor

6. 分類資料(續)

主要客戶資料

相應年度為本集團總收入貢獻10%以上之客戶收入如下：

	2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
--	---	---

Customer A ¹	客戶 A ¹	84,539	112,957
Customer B ²	客戶 B ²	56,417	54,134

¹ 來自OEM客戶之收入
² 來自零售分銷商之收入

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7. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the GEM Listing Rules and the disclosure requirements of Hong Kong Companies Ordinance, is as follows:

Executive directors

	Mr. Wang Li Feng 王濟峰 先生 HK\$'000 千港元	Mr. Wong ¹ Chun 黃震 先生 ¹ HK\$'000 千港元	Mr. Pang ² Kuo-Shi 龐國璽 先生 ² HK\$'000 千港元	Mr. Kong ² Lixing 孔力行 先生 ² HK\$'000 千港元	Mr. Zhao ² Guo Xing 趙國興 先生 ² HK\$'000 千港元	Mr. He ² Yongyi 何永屹 先生 ² HK\$'000 千港元	Ms. Lee ³ Jui-lan 李瑞蘭 女士 ³ HK\$'000 千港元	Mr. Yu ³ Sanlong 于三龍 先生 ³ HK\$'000 千港元	Mr. Fan ³ Xiaoling 范小令 先生 ³ HK\$'000 千港元	Total 總計 HK\$'000 千港元
2019										
Fees		—	—	—	—	—	—	—	—	—
Other emoluments:										
Salaries and other benefits	1,148	1,680	1,692	—	28	—	—	—	—	4,548
Retirement benefit scheme contributions	—	18	15	—	—	—	—	—	—	33
	1,148	1,698	1,707	—	28	—	—	—	—	4,581

¹ re-designed as a non-executive Director on 5 December 2019

² resigned on 5 December 2019

³ appointed on 5 December 2019

7. 董事及主要行政人員酬金以及五名最高薪僱員之薪酬

根據 GEM 上市規則及香港公司條例之披露規定所披露之年內董事及主要行政人員之薪酬如下：

執行董事

¹ 於二零一九年十二月五日調任非執行董事

² 於二零一九年十二月五日辭任

³ 於二零一九年十二月五日委任

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7. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

7. 董事及主要行政人員酬金以及五名最高薪僱員之薪酬(續)

Executive directors (Continued)

執行董事(續)

		Mr. Wang Li Feng 王濟峰 先生 HK\$'000 千港元	Mr. Wong Chun 黃震 先生 HK\$'000 千港元	Mr. Pang Kuo-Shi 龐國璽 先生 HK\$'000 千港元	Mr. Kong Lixing 孔力行 先生 HK\$'000 千港元	Mr. Dong ¹ Jiangiang 董建強 先生 ¹ HK\$'000 千港元	Mr. Zhao Guo Xing 趙國興 先生 HK\$'000 千港元	Mr. He Yongyi 何永屹 先生 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2018	二零一八年								
Fees	袍金	573	—	—	—	—	31	—	604
Other emoluments:	其他酬金：								
Salaries and other benefits	薪金及其他福利	—	2,314	2,449	—	—	—	—	4,763
Retirement benefit scheme contributions	退休福利計劃供款	—	18	15	—	—	—	—	33
		573	2,332	2,464	—	—	31	—	5,400

¹ resigned on 19 March 2018

¹ 於二零一八年三月十九日辭任

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

以上所載執行董事之酬金針對彼等對本公司及本集團管理事務提供之服務。

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7. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

7. 董事及主要行政人員酬金以及五名最高薪僱員之薪酬(續)

Independent non-executive directors

獨立非執行董事

		Dr. Hon. Lo Wai Kwok SBS, MH, JP 盧偉國博士， 銀紫荊星章， 榮譽勳章， 太平紳士 HK\$'000 千港元	Dr. Fong ⁴ Chi Wan, Alex 方志偉 博士 ⁴ HK\$'000 千港元	Dr. Yan ⁵ Ka Shing 甄嘉勝 醫生 ⁵ HK\$'000 千港元	Dr. Feng ⁶ Shen 馮申 博士 ⁶ HK\$'000 千港元	Mr. Lu ³ Yongchao 呂永超 先生 ³ HK\$'000 千港元	Mr. Lau ² Ho Kit, Ivan 劉可傑 先生 ² HK\$'000 千港元	Dr. Zhu ¹ Wenhui 朱文暉 博士 ¹ HK\$'000 千港元	Total 總計 HK\$'000 千港元
2019	二零一九年								
Fees	袍金	120	119	—	—	90	120	30	479
Other emoluments:	其他酬金：								
Salaries and other benefits	薪金及其他福利	—	—	—	—	—	—	—	—
Retirement benefit scheme contributions	退休福利計劃供款	—	—	—	—	—	—	—	—
		120	119	—	—	90	120	30	479

¹ resigned on 31 March 2019

² resigned on 2 March 2020

³ appointed on 31 March 2019

⁴ appointed on 10 January 2019

⁵ appointed on 5 December 2019

⁶ appointed on 3 March 2020

¹ 於二零一九年三月三十一日辭任

² 於二零二零年三月二日辭任

³ 於二零一九年三月三十一日委任

⁴ 於二零一九年一月十日委任

⁵ 於二零一九年十二月五日委任

⁶ 於二零二零年三月三日委任

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7. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

Independent non-executive directors (Continued)

	Mr. Liu ¹ Ping Chun	Mr. Lau Ho Kit, Ivan	Dr. Hon. Lo Wai Kwok SBS, MH, JP 盧偉國博士， 銀紫荊星章， 榮譽勳章， 太平紳士	Dr. Zhu Wenhui	Total
	劉平春先生 ¹ HK\$'000 千港元	劉可傑先生 HK\$'000 千港元	HK\$'000 千港元	朱文暉博士 HK\$'000 千港元	總計 HK\$'000 千港元
2018					
Fees	袍金	30	120	120	390
Other emoluments:	其他酬金：				
Salaries and other benefits	薪金及其他福利	—	—	—	—
Retirement benefit scheme contributions	退休福利計劃供款	—	—	—	—
		30	120	120	390

¹ resigned on 28 March 2018

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the current year, no emoluments were paid by the Group to these directors as an inducement to join or upon joining the Group or as compensation for loss of office and no director had waived any emoluments (2018: same).

Mr. Wong Chun was re-designated as a non-executive Director and closed to act as the chief executive officer of the Company on 5 December 2019 and his emoluments disclosed above include those for services rendered by him as the chief executive officer during the year.

7. 董事及主要行政人員酬金以及五名最高薪僱員之薪酬(續)

獨立非執行董事(續)

	Mr. Liu ¹ Ping Chun	Mr. Lau Ho Kit, Ivan	Dr. Hon. Lo Wai Kwok SBS, MH, JP 盧偉國博士， 銀紫荊星章， 榮譽勳章， 太平紳士	Dr. Zhu Wenhui	Total
	劉平春先生 ¹ HK\$'000 千港元	劉可傑先生 HK\$'000 千港元	HK\$'000 千港元	朱文暉博士 HK\$'000 千港元	總計 HK\$'000 千港元
2018					
Fees	袍金	30	120	120	390
Other emoluments:	其他酬金：				
Salaries and other benefits	薪金及其他福利	—	—	—	—
Retirement benefit scheme contributions	退休福利計劃供款	—	—	—	—
		30	120	120	390

¹ 於二零一八年三月二十八日辭任

以上所載獨立非執行董事之酬金針對彼等作為本公司董事提供之服務。

本年度內，本集團概無向該等董事支付任何酬金，作為加入或於加入本集團時之獎勵或離職補償，亦無董事放棄任何酬金(二零一八年：相同)。

黃震先生於二零一九年十二月五日調任為非執行董事，並不再擔任本公司的行政總裁，上文所披露彼之酬金包括彼作為本年度行政總裁所提供服務之酬金。

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7. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

Employees

The five highest paid individuals of the Group during the year included, two (2018: two) directors, details of whose emoluments are included above. Details of the emoluments for the year of the remaining three (2018: three) highest paid employees who are neither a director nor chief executive of the Company are as follow:

7. 董事及主要行政人員酬金以及五名最高薪僱員之薪酬(續)

僱員

年內包括本集團五名最高薪僱員包括兩名(二零一八年:兩名)董事,其酬金詳情已載於上文。年內,非本公司董事或主要行政人員的其餘三名(二零一八年:三名)最高薪僱員之酬金詳情如下:

		2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Salaries and other benefits	薪金及其他福利	10,392	12,659
Retirement benefit scheme contributions	退休福利計劃供款	81	14
		10,473	12,673

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7. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (Continued)

Employees (Continued)

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follow:

7. 董事及主要行政人員酬金以及五名最高薪僱員之薪酬(續)

僱員(續)

下列酬金範圍內非本公司董事的最高薪僱員之數目如下：

		2019 二零一九年 No. of employee 僱員數目	2018 二零一八年 No. of employee 僱員數目
Nil to HK\$1,000,000	零至1,000,000港元	1	—
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	—	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	1	—
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	—	—
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	—	2
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	1	—
		3	3

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8. INCOME TAX EXPENSE

The amount mainly represents current tax expense on assessable profits arising in the PRC and is calculated at the rates prevailing in the PRC. Majority of the subsidiaries are subject to enterprise income tax in the PRC. The applicable enterprise income tax rate of the PRC is 25% in accordance with the relevant income tax law and regulations in the PRC for both years, except for those subsidiaries described below.

Certain subsidiaries operating in the PRC fall within the Preferential Corporate Income Tax Catalogue in the specific zone. According to Cai Shui (2014) No.26, qualified companies in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone are granted for a reduced enterprise income tax rate of 15% during the period from 1 January 2014 to 31 December 2020.

Also, certain subsidiaries operating in the PRC were accredited as “Cultural Innovation Enterprise” by the local tax authorities and were registered with the local tax authorities to be eligible to the reduced 15% enterprise income tax rate for a period of four years from 2017 to 2020. As a result, the tax rate of 15% is used to calculate the amount of current taxation.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as there are no assessable profits for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. 所得稅開支

有關金額主要指自中國產生之應課稅溢利之當期稅項開支及按中國之現行稅率計算。大部分附屬公司須繳納中國企業所得稅。兩個年度內，根據中國相關所得稅法律及法規，中國適用之企業所得稅率為25%，惟下文所述該等附屬公司除外。

在中國經營之若干附屬公司符合特定地區之企業所得稅優惠目錄之條件。根據財稅(二零一四年)26號，前海深港現代服務業合作區內之合資格公司於二零一四年一月一日至二零二零年十二月三十一日期間可按15%之優惠稅率繳納企業所得稅。

此外，在中國經營之若干附屬公司獲當地稅務部門評定為「文化創意企業」，並在當地稅務機關進行註冊，有資格於二零一七年至二零二零年的四年期間按15%之優惠稅率繳納企業所得稅。因此，15%之稅率乃用於計算當期稅項之金額。

由於兩個年度內並無產生任何應課稅溢利，故並無於綜合財務報表就香港利得稅計提撥備。

於其他司法權區產生之稅項乃按相關司法權區之現行稅率計算。

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8. INCOME TAX EXPENSE (Continued)

Income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before taxation	除稅前溢利	15,546	28,095
Tax at the domestic income tax rate of 25%	以本地所得稅率25%計算之稅項	3,887	7,024
Tax effect of share of profit of joint ventures	應佔合資企業溢利之稅務影響	(284)	(560)
Tax effect of income not taxable for tax purpose	就稅項而言毋須課稅收入之稅務影響	(473)	(1,282)
Tax effect of expenses not deductible for tax purpose	就稅項而言不可扣稅開支之稅務影響	650	624
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	1,018	839
Overprovision in respect of prior years	過往年度超額撥備	—	(1,470)
Income tax at concessionary rate	按優惠稅率計算之所得稅	(565)	(1,062)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司稅率不同之影響	(557)	(452)
Income tax expense for the year	本年度所得稅開支	3,676	3,661

At 31 December 2019, subject to the agreement by Inland Revenue Department, the Group has unused tax losses of HK\$22,374,000 (2018: HK\$16,206,000) available for offset against future profits. The tax losses are arising from certain Hong Kong subsidiaries which may be carried forward indefinitely. No deferred tax assets has been recognised in respect of such tax losses due to unpredictability of future profit streams.

8. 所得稅開支(續)

本年度所得稅開支可與綜合損益及其他全面收益表內之除稅前溢利作以下對賬：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before taxation	15,546	28,095
Tax at the domestic income tax rate of 25%	3,887	7,024
Tax effect of share of profit of joint ventures	(284)	(560)
Tax effect of income not taxable for tax purpose	(473)	(1,282)
Tax effect of expenses not deductible for tax purpose	650	624
Tax effect of tax losses not recognised	1,018	839
Overprovision in respect of prior years	—	(1,470)
Income tax at concessionary rate	(565)	(1,062)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(557)	(452)
Income tax expense for the year	3,676	3,661

於二零一九年十二月三十一日，在得到香港稅務局批准前提下，本集團有未動用稅項虧損22,374,000港元(二零一八年：16,206,000港元)可用作對銷未來溢利。若干香港附屬公司產生之稅項虧損可無限期結轉。由於未能預計未來溢利收入，故並沒有確認此等稅項虧損之相關遞延稅項資產。

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9. PROFIT BEFORE TAXATION

9. 稅前溢利

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before taxation has been arrived at after charging/(crediting):	除稅前溢利乃經扣除/(計入)下列各項後得出：		
Directors' remuneration (note 7)	董事酬金(附註7)	5,226	5,790
Other staff costs	其他員工成本		
– Salaries and other benefits	– 薪金及其他福利	105,067	89,957
– Retirement benefits scheme contributions	– 退休福利計劃供款	7,027	7,121
Total staff costs	總員工成本	117,320	102,868
Auditor's remuneration	核數師酬金	1,351	1,555
Depreciation	折舊		
– Property, plant and equipment	– 物業、廠房及設備	6,642	7,600
– Right-of-use assets included within land use rights and buildings	– 使用權資產(計入土地使用權及樓宇)	394	—
Provision of allowance for credit losses	信貸虧損撥備	2,123	2,140
Provision of allowance for inventories (included in cost of sales and services rendered)	存貨撥備(計入銷售及提供服務成本)	1,138	2,742
Amortisation of prepaid lease payments	預付租金攤銷	—	228
Cost of inventories recognised as expenses	確認為開支的存貨成本	238,014	291,011
Interest income on bank deposits (included in other income)	銀行存款利息收入(計入其他收益)	(385)	(281)
Rental income (included in other income)	租金收入(計入其他收益)	(2,092)	(1,493)
Interest expenses on lease liabilities	租賃負債利息開支	4	—
Minimum lease payments in respect of rented premises previously classified as operating leases under HKAS 17	所租用物業之最低租金(過往根據香港會計準則第17號分類為經營租賃)	—	3,140
Rental expenses for short-term leases	短期租賃租金開支	5,096	—
Write off of deposits paid (included in other gains and losses)	撇銷已付按金(計入其他收益和損失)	—	605
Net foreign exchange losses/(gains) (included in other gains and losses)	外匯損失/(收益)淨額(計入其他收益和損失)	717	(649)
Impairment loss on club debenture (included in other gains and losses)	會所債券減值虧損(計入其他收益和損失)	788	—
Gain on disposal of property, plant and equipment (included in other gains and losses)	出售物業、廠房及設備收益(計入其他收益和損失)	(338)	—

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10. DIVIDENDS

10. 股息

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividends recognised as distribution during the year: 2018 Final — HK0.3 cents (2018: 2017 final dividend of HK1.5 cents) per share	年內確認為分派之股息： 二零一八年末期股息—每股0.3港仙(二零一八年：二零一七年末期股息每股1.5港仙)	
	1,920	9,600

No dividend has been proposed by the Directors in respect of the year ended 31 December 2019 (2018: final dividend of HK0.3 cents per ordinary share in an aggregate amount of HK\$1,920,000).

董事並無建議就截至二零一九年十二月三十一日止年度派發任何股息(二零一八年：末期股息每股普通股0.3港仙，總額為1,920,000港元)

11. EARNINGS PER SHARE

11. 每股盈利

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

本公司擁有人應佔之每股基本及攤薄盈利乃根據以下資料計算：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit for the year attributable to owners of the Company	本公司擁有人應佔之年內溢利	
	12,255	24,456
	'000 千股	'000 千股
Number of ordinary shares for the purpose of basic and diluted earnings per share	用於計算每股基本及攤薄盈利之普通股數目	
	640,000	640,000

No diluted earnings per share has been presented because the Company did not have any outstanding potential dilutive ordinary share during both years.

由於本公司於兩個年度均無發行在外之潛在攤薄普通股，故並無呈列每股攤薄盈利。

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Buildings	Furniture and fixtures	Office equipment	Computer equipment	Machinery	Motor vehicles	Total
		樓宇	傢俬及裝置	辦公室設備	電腦設備	機器	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST	成本							
At 1 January 2018	於二零一八年一月一日	57,246	30,599	4,364	2,966	91,434	4,339	190,948
Exchange realignment	匯兌調整	(2,671)	(452)	(156)	(227)	(3,664)	(154)	(7,324)
Additions	添置	—	1,114	120	336	1,838	—	3,408
Disposals	出售	—	(138)	(304)	—	—	—	(442)
At 31 December 2018	於二零一八年十二月三十一日	54,575	31,123	4,024	3,075	89,608	4,185	186,590
Exchange realignment	匯兌調整	(1,015)	(116)	(65)	(491)	(1,556)	(807)	(4,050)
Additions	添置	—	1,779	47	1,362	792	—	3,980
Disposals	出售	—	(1,030)	(27)	—	(396)	(1,263)	(2,716)
At 31 December 2019	於二零一九年十二月三十一日	53,560	31,756	3,979	3,946	88,448	2,115	183,804
DEPRECIATION	折舊							
At 1 January 2018	於二零一八年一月一日	15,302	29,268	4,081	1,323	78,933	3,576	132,483
Exchange realignment	匯兌調整	(773)	(423)	(144)	(67)	(3,275)	(135)	(4,817)
Provided for the year	年內撥備	1,169	681	126	606	4,547	471	7,600
Eliminated on disposals	出售時撇銷	—	(138)	(304)	—	—	—	(442)
At 31 December 2018	於二零一八年十二月三十一日	15,698	29,388	3,759	1,862	80,205	3,912	134,824
Exchange realignment	匯兌調整	(328)	(156)	(68)	(68)	(1,326)	(741)	(2,687)
Provided for the year	年內撥備	1,136	653	122	592	3,937	202	6,642
Eliminated on disposals	出售時撇銷	—	(1,004)	(24)	—	(396)	(1,263)	(2,687)
At 31 December 2019	於二零一九年十二月三十一日	16,506	28,881	3,789	2,386	82,420	2,110	136,092
CARRYING VALUES	賬面值							
At 31 December 2019	於二零一九年十二月三十一日	37,054	2,875	190	1,560	6,028	5	47,712
At 31 December 2018	於二零一八年十二月三十一日	38,877	1,735	265	1,213	9,403	273	51,766

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	2% or over the remaining term of the relevant lease, if shorter
Furniture and fixtures	20%–33%
Office equipment	20%–25%
Computer equipment	20%–33%
Machinery	14%–20%
Motor vehicles	17%–20%

13. LEASES

This note provides information for leases where the Group is a lessee.

(a) Right-of-use assets and lease liabilities

(i) Amount recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

Reconciliation of right-of-use assets 使用權資產對賬

At 1 January 2019	於二零一九年一月一日
Addition	添置
Depreciation for the year	年內折舊
Exchange realignment	匯兌調整
At 31 December 2019	於二零一九年十二月三十一日

12. 物業、廠房及設備(續)

以上物業、廠房及設備項目乃以直線法按以下年率計算折舊：

樓宇	2% 或按有關租約餘下年期 (以較短者為準)
傢俬及裝置	20%–33%
辦公室設備	20%–25%
電腦設備	20%–33%
機器	14%–20%
汽車	17%–20%

13. 租賃

本附註提供有關本集團作為承租人的租賃資料。

(a) 使用權資產及租賃負債

(i) 於綜合財務狀況表內確認金額

綜合財務狀況表列示下列有關租賃金額：

	Buildings 樓宇 HK\$'000 千港元	Land use rights 土地使用權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	—	7,718	7,718
Addition	847	—	847
Depreciation for the year	(35)	(359)	(394)
Exchange realignment	—	(157)	(157)
At 31 December 2019	812	7,202	8,014

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

13. LEASES (Continued)

(a) Right-of-use assets and lease liabilities

(Continued)

(i) Amount recognised in the consolidated statement of financial position (Continued)

Reconciliation of lease liabilities 租賃負債對賬

		Buildings 樓宇 HK\$'000 千港元	Land use rights 土地使用權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	—	—	—
Addition	添置	847	—	847
Interest	利息	4	—	4
Lease payments	租賃付款	(33)	—	(33)
Interest paid	已付利息	(4)	—	(4)
At 31 December 2019	於二零一九年十二月三十一日	814	—	814

Lease liabilities 租賃負債

		HK\$'000 千港元
Current	流動	413
Non-current	非流動	401
Total	總計	814

13. 租賃(續)

(a) 使用權資產及租賃負債(續)

(i) 於綜合財務狀況表內確認金額(續)

	Buildings 樓宇 HK\$'000 千港元	Land use rights 土地使用權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	—	—	—
Addition	847	—	847
Interest	4	—	4
Lease payments	(33)	—	(33)
Interest paid	(4)	—	(4)
At 31 December 2019	814	—	814

Lease liabilities 租賃負債

		HK\$'000 千港元
Current	流動	413
Non-current	非流動	401
Total	總計	814

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13. LEASES (Continued)

(a) Right-of-use assets and lease liabilities

(Continued)

(ii) Amount recognised in the statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

Depreciation charge of right-of-use assets		Year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 千港元
使用權資產折舊費用		
Buildings	樓宇	35
Land use rights	土地使用權	516
Total	總計	<u>551</u>
Interest expenses on lease liabilities	租賃負債利息開支	<u>4</u>

(iii) Future lease payments are due as follows:

13. 租賃(續)

(a) 使用權資產及租賃負債(續)

(ii) 於全面收益表內確認金額

綜合全面收益表列示下列有關租賃金額：

(iii) 未來租金到期日如下：

		Minimum lease payments 31 December 2019 於二零一九年 十二月三十一日 最低租金 HK\$'000 千港元	Interest 31 December 2019 於二零一九年 十二月三十一日 利息 HK\$'000 千港元	Present value 31 December 2019 於二零一九年 十二月三十一日 現值 HK\$'000 千港元
Not later than one year	一年以內	447	34	413
Later than one year and not later than two years	超過一年，但不超過兩年	410	9	401
Total	總計	<u>857</u>	<u>43</u>	<u>814</u>

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

13. LEASES (Continued)

(a) Right-of-use assets and lease liabilities

(Continued)

(iv) Prepaid lease payments

The prepaid lease payments for the year ended 31 December 2018 were as follows:

		HK\$'000 千港元
Current	流動	7,498
Non-current	非流動	220
Total	總計	7,718

The Group's prepaid lease payments comprise leasehold interest in land situated in the PRC on medium term leases.

13. 租賃(續)

(a) 使用權資產及租賃負債(續)

(iv) 預付租金

截至二零一八年十二月三十一日止年度預付租金如下：

本集團的預付租金包括位於中國根據中期租約持有土地的租賃權益。

(v) The Group's leasing activities

The Group leases various offices and factories. Rental contracts are typically made for fixed periods of two years, but may have extension options as described in (vi) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(vi) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. There are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable only by the Group and not by the respective lessor.

(v) 本集團租賃活動

本集團租賃多間辦公室及工廠。租賃合約通常固定期限為兩年，具有下文(vi)所述延長選擇權。

租賃期限按個別基準進行磋商，包含若干不同條款及條件。除出租人持有租賃資產的擔保利息外，租賃協議並不包含任何契據。租賃資產並不就借款目的用作擔保。

(vi) 延長及終止選擇權

本集團眾多物業及設備租賃中均包含延長及終止選擇權，用於就本集團管理經營所用資產而言最大化營運靈活性。所持有延長及終止選擇權僅由本集團而非各出租人行使。

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14. INVESTMENT PROPERTIES

14. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2018	於二零一八年一月一日	13,960
Increase in fair value recognised in profit or loss	於損益確認之公平值增加	<u>1,020</u>
At 31 December 2018	於二零一八年十二月三十一日	14,980
Decrease in fair value recognised in profit or loss	於損益確認之公平值減少	<u>(230)</u>
At 31 December 2019	於二零一九年十二月三十一日	<u>14,750</u>

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

本集團以經營租約持有以賺取租金或資本增值的所有物業權益均歸類及列賬為投資物業，並採用公平值模式計算。

The fair value of the Group's investment properties at 31 December 2019 have been arrived at on the basis of a valuation carried out on that date by Savills Valuation and Professional Services Limited, an independent qualified professional valuer not connected with the Group.

本集團投資物業於二零一九年十二月三十一日之公平值乃按與本集團概無關連之獨立合資格專業估值師第一太平戴維斯估值及專業顧問有限公司於該日進行之估值達致。

The fair value was determined using direct comparison approach assuming sales of the properties in their respective existing status and by making reference to comparable sales evidences as available on the market. There has been no change from the valuation technique used in the prior year.

公平值乃採用直接比較法，假設出售物業於其各自現狀並透過參考市場可得之可資比較銷售憑證而釐定。於過往年度採用之估值方法概無變動。

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14. INVESTMENT PROPERTIES (Continued)

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The properties were valued using the direct comparison method using the sales comparison approach based on recent sales of comparable properties in the area. The key input under this approach are the price per square feet on saleable floor area basis from current year sales of comparable lots of properties in the area (location and size) and which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Therefore, the Group transferred the valuation of investment properties from level 3 into level 2.

14. 投資物業(續)

於估計物業之公平值時，物業之最高及最佳用途為目前用途。

用直接比較法並根據該地區可比較物業的近期銷售額使用銷售比較法對物業進行估值。該方法的主要輸入為基於該地區相當數量之物業的當年銷售額(位置及大小)得出的按實用面積計算的每平方英尺價格，此將最大限度地利用可觀察的市場數據並盡可能減少對特定實體的估計。因此，本集團將投資物業之估值從第三級轉至第二級。

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14. INVESTMENT PROPERTIES (Continued)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2019 and 2018 are as follows:

		Level 2	Level 3	Fair value as at 31/12/2019 於二零一九年 十二月三十一日 之公平值 HK\$'000 千港元
Commercial property units located in Hong Kong	位於香港之商用物業單位	14,750	—	14,750

			Level 3	Fair value as at 31/12/2018 於二零一八年 十二月三十一日 之公平值 HK\$'000 千港元
Commercial property units located in Hong Kong	位於香港之商用物業單位		14,980	14,980

15. INTERESTS IN JOINT VENTURES

Details of the Group's interests in joint ventures 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
Cost of investment in joint ventures	於合資企業的投資成本	5	5
Share of post-acquisition profit	應佔收購後溢利	3,758	2,623
		3,763	2,628

14. 投資物業(續)

本集團之投資物業詳情及有關於二零一九年及二零一八年十二月三十一日之公平值等級資料如下：

		Level 2	Level 3	Fair value as at 31/12/2019 於二零一九年 十二月三十一日 之公平值 HK\$'000 千港元
Commercial property units located in Hong Kong	位於香港之商用物業單位	14,750	—	14,750

			Level 3	Fair value as at 31/12/2018 於二零一八年 十二月三十一日 之公平值 HK\$'000 千港元
Commercial property units located in Hong Kong	位於香港之商用物業單位		14,980	14,980

15. 於合資企業的權益

本集團於合資企業的權益詳情如下：

		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 joint ventures	於合資企業的投資成本	5	5
Share of post-acquisition profit	應佔收購後溢利	3,758	2,623
		3,763	2,628

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15. INTERESTS IN JOINT VENTURES (Continued)

On 11 January 2017, PT Design International Limited (“PT Design International”), a wholly-owned subsidiary of the Company and an independent third party entered into an agreement for the establishment of PT & PL China Limited (“PT & PL China”), a Hong Kong incorporated company with issued share capital of HK\$10,000. PT Design International subscribed for 5,100 ordinary shares in PT & PL China, representing 51% of the entire issued share capital. Upon the completion of the capital contribution, the Group holds 51% equity interest in PT & PL China. The Group has the right to appoint one out of two voting directors in the board of directors of PT & PL China in which the decisions about the relevant activities of PT & PL China require the unanimous consent of the director from both PT Design International and the other shareholder. In this regard, the investment in PT & PL China is accounted for as joint venture of the Group. At the same time, PT & PL China formed a wholly owned subsidiary in the PRC, PT & PL Architectural Design Consulting (Shanghai) Co., Ltd (“PT & PL Architectural Design”). Hence, the Group indirectly owned 51% equity interest in this company.

Particulars of the joint ventures of the Group at 31 December 2019 and 2018 are set out as follow:

Name of entity 實體名稱	Place of incorporation 註冊成立地點	Principal place of business 主要營業地點	Proportion of ownership interest held by the Group 本集團所持之擁有權權益比例		Proportion of voting rights held by the Group 本集團所持之表決權比例		Principal activity 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	
PT & PL China	Hong Kong	Hong Kong	51%	51%	50%	50%	Provision of comprehensive architectural services
柏濤品林(中國)	香港	香港	51%	51%	50%	50%	提供全面建築服務
PT & PL Architectural Design*	PRC	PRC	51%	51%	50%	50%	Provision of comprehensive architectural services
柏濤品林(上海)建築設計	中國	中國	51%	51%	50%	50%	提供全面建築服務

* The English name of the company established in China represents management's best effort at translating the Chinese name as no official English name has been registered.

15. 於合資企業的權益(續)

於二零一七年一月十一日，本公司全資附屬公司柏濤設計國際有限公司(「柏濤設計國際」)與獨立第三方就成立柏濤品林(中國)有限公司(「柏濤品林(中國)」)，一間於香港註冊成立之公司，其已發行股本為10,000港元)訂立協議。柏濤設計國際認購柏濤品林(中國)的5,100股普通股，佔全部已發行股本的51%。完成注資後，本集團持有柏濤品林(中國)51%股權。本集團有權委任柏濤品林(中國)董事會中兩名擁有表決權的董事之一，其中有關柏濤品林(中國)相關業務的決策須得到柏濤設計國際及其他股東的董事的一致同意。就此，於柏濤品林(中國)的投資以本集團合資企業入賬。同時，柏濤品林(中國)在中國成立了全資附屬公司柏濤品林(上海)建築設計諮詢有限公司(「柏濤品林(上海)建築設計」)。因此，本集團間接擁有該公司51%的權益。

於二零一九年及二零一八年十二月三十一日，本集團合資企業的詳情如下：

由於尚未註冊官方英文名稱，該在中國成立的公司的英文名稱由管理層以最合理的方式由中文名稱翻譯而成。

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15. INTERESTS IN JOINT VENTURES (Continued)

Summarised financial information in respect of the Group's joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with HKFRSs.

15. 於合資企業的權益(續)

本集團合資企業之財務資料概要載列如下。下述財務資料概要即合資企業根據香港財務報告準則編製之綜合財務報表所示金額。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
As at 31 December:	於十二月三十一日:		
Current assets	流動資產	24,216	14,804
Non-current assets	非流動資產	459	664
Current liabilities	流動負債	(17,295)	(10,315)
Net assets	資產淨額	7,380	5,153
<i>Included in the above amounts are:</i>	<i>上述金額包括:</i>		
Cash and cash equivalents	現金及等同現金項目	3,540	1,399
Current financial liabilities (excluding trade and other payable)	流動金融負債(不包括貿易及其他應付款項)	—	3,060
Year ended 31 December:	截至十二月三十一日止年度:		
Revenue	收入	43,973	37,302
Profit for the year	年內溢利	2,227	4,390
Other comprehensive income	其他全面收益	—	—
Total comprehensive income	全面收益總額	2,227	4,390
<i>Included in the above amounts are:</i>	<i>上述金額包括:</i>		
Depreciation and amortisation	折舊及攤銷	272	250
Interest income	利息收入	(89)	(98)
Income tax expense	所得稅開支	198	106

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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. INTERESTS IN JOINT VENTURES (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net assets of PT & PL China	柏濤品林(中國)資產淨值	7,380	5,153
Proportion of the Group's ownership interest in PT & PL China	本集團於柏濤品林(中國)之擁有權權益比例	51%	51%
Carrying amount of the Group's interest in PT & PL China	本集團於柏濤品林(中國)之權益之賬面值	3,763	2,628

16. CLUB DEBENTURE

The club debenture with indefinite period represents entrance fee paid to a golf club. During the current year, impairment loss of HK\$788,000 has been recognised by reference to the current market price and included in other gains and losses. Due to increasing supply in secondary market, the club debenture has been reduced to its recoverable amount, which is the fair value less costs of disposal, of HK\$372,000. The valuation is considered to be level 2 in the fair value hierarchy, since no significant adjustments need to be adjusted from the prices obtained from the market.

On 3 December 2019, the Group disposed of its club debenture to a company wholly owned by Wong Chun, a non-executive director of the Company, at carrying amount of HK\$372,000.

15. 於合資企業的權益(續)

上述財務資料概要與於綜合財務報表內確認的於一間合資企業的權益之賬面值之對賬如下：

16. 會所債券

無限期的會所債券指向一間高爾夫球會所支付之入場費。於本年度，為數788,000港元之減值虧損已參考當前市價確認並計入其他收益和損失。由於二級市場供應增加，會所債券已按公平值減出售成本減低至其可收回金額372,000港元。由於無需對從市場獲得的價格進行重大調整，估值被視為公平值層級中的第二級。

於二零一九年十二月三日，本集團將其會所債券按賬面值372,000港元出售予本公司非執行董事黃震全資擁有的公司。

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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. DEPOSITS PAID

17. 已付按金

		2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Deposits paid for — property, plant and equipment	為下列各項已付按金： — 物業、廠房及設備	949	1,445

18. INVENTORIES

18. 存貨

		2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Raw materials and consumables	原材料及消耗品	14,646	16,858
Work in progress	在製品	7,128	8,377
Finished goods	製成品	13,571	18,695
		35,345	43,930

During the current year, the Group has recognised provision of allowance on certain slow moving inventories of HK\$1,138,000 (2018: HK\$2,742,000) which was included in cost of sales and services rendered.

於本年度，本集團已確認某部份滯銷存貨撥備為1,138,000港元(二零一八年：2,742,000港元)，並計入銷售及提供服務的成本。

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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. TRADE AND OTHER RECEIVABLES

19. 貿易及其他應收賬款

		2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Trade receivables	貿易應收賬款		
— sales of connectivity products	— 銷售接駁產品	56,725	69,920
— provision of comprehensive architectural services	— 提供全面建築服務	5,806	4,476
		62,531	74,396
Less: Allowance for credit losses	減：信貸虧損撥備	(4,304)	(2,181)
		58,227	72,215
Refundable rental deposits paid	已付可退回租賃按金	306	200
Prepayments	預付款項	3,129	2,360
Value added tax receivables	應收增值稅	934	3,237
Others	其他	2,195	2,513
		64,791	80,525

The following is an aged analysis of trade receivables net of allowance for credit losses, presented based on the invoice dates at the end of the reporting period.

於報告期末，按發票日期呈列並扣除信貸虧損撥備之貿易應收賬款之賬齡分析如下：

		Provision of comprehensive architectural services 提供全面建築服務		Sales of connectivity products 銷售接駁產品	
		2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元	2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
0–30 days	0至30日	1,602	4,028	21,228	24,254
31–120 days	31至120日	3,018	—	30,160	42,555
121–180 days	121至180日	261	—	1,590	1,378
Over 180 days	超過180日	345	—	23	—
		5,226	4,028	53,001	68,187

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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. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of trade receivables net of allowance for credit losses, presented based on the due dates at the end of the reporting period.

		Provision of comprehensive architectural services 提供全面建築服務		Sales of connectivity products 銷售接駁產品	
		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
Not past due	無逾期	4,620	4,028	50,833	68,187
Less than 31 days past due	逾期少於31日	—	—	1,988	—
31–120 days past due	逾期31至120日	261	—	6	—
121–180 days past due	逾期121至180日	—	—	174	—
Over 180 days past due	逾期超過180日	345	—	—	—
		5,226	4,028	53,001	68,187

Before accepting any new customer, the Group assesses the potential customers' credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed regularly.

For the sales of connectivity products, the Group allows an average credit period ranging from 30 to 180 days to its trade customers.

As for the provision of comprehensive architectural services, the Group does not have a standardised and universal credit period granted to its customers. The credit period granted to individual customer is within 90 days in general, which the Group considered on a case-by-case basis, depending on the credibility and reputation of the customers and as stipulated in the project contract.

Details of impairment assessment of trade and other receivables for the year ended 31 December 2019 and 2018 are set out in note 31(b)(ii).

19. 貿易及其他應收賬款(續)

於報告期末，按到期日呈列並扣除信貸虧損撥備之貿易應收賬款之賬齡分析如下：

於接納任何新客戶前，本集團評估潛在客戶的信貸質素，從而設定客戶信貸限額。本集團定期檢討客戶所獲之限額及評分。

就銷售接駁產品而言，本集團給予貿易客戶之平均信貸期介乎30至180日。

就提供全面建築服務而言，本集團並無向其客戶授予標準且劃一的信貸期。授予個別客戶的信貸期一般為90日內，此乃本集團視乎客戶信譽與聲譽及根據項目合約所訂明者，按個別情況進行考慮而釐定。

有關截至二零一九年及二零一八年十二月三十一日止年度之貿易及其他應收賬款之減值評估詳情載於附註31(b)(ii)。

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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. CONTRACT ASSETS

20. 合約資產

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元 (Note) (附註)
Provision of comprehensive architectural services 提供全面建築服務	1,250	5,630

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in achieving specified milestones at the reporting date on the comprehensive architectural services. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfer contract assets to trade receivables upon achieving the specified milestones in the contracts.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

Details of the impairment assessment are set out in note 31b(ii).

Movements in contract assets

合約資產主要有關本集團就已完成及未開票工程收取代價的權利，原因為有關權利取決於本集團於報告日期達成全面建築服務指定里程碑的未來表現。於有關權利成為無條件時，合約資產轉撥至貿易應收賬款。本集團通常於達成合約指定里程碑時，將合約資產轉撥至貿易應收賬款。

本集團將該等合約資產分類為流動，原因為本集團預期於一般營運週期內變現該等資產。

減值評估詳情載於附註31(b)(ii)。

合約資產變動

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at beginning of year 年初結餘	5,630	973
Decrease in contract assets as a result of transferring to trade receivables during the year that was included in the contract assets at the beginning of the year 因轉撥至年內貿易應收款項(年初計入合約資產)導致的合約資產減少	(5,080)	(973)
Increase in contract assets as a result of consideration for work completed and not billed 就已完成及未開票工程收取代價導致的合約資產增加	700	5,630
Balance at end of year 年末結餘	1,250	5,630

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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. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits with the original maturity of three months or less of HK\$13,182,000 (2018: HK\$25,307,000) at fixed interest rates ranging from 2.3% to 2.6% (2018: 1.35% to 2.55%) per annum and bank balances of HK\$66,193,000 (2018: HK\$38,112,000) at variable interest rates with effective interest rates ranging from 0.05% to 0.77% (2018: 0.001% to 0.385%) per annum and cash balances of HK\$496,000 (2018: HK\$1,668,000).

Details of impairment assessment of short-term bank deposits and bank balances for the year ended 31 December 2019 are set out in note 31b(ii).

21. 銀行結餘及現金

銀行結餘包括原到期日為三個月或以內按年息介乎2.3%至2.6% (二零一八年：1.35%至2.55%)之固定利率計息之短期銀行存款13,182,000港元(二零一八年：25,307,000港元)及按實際年利率介乎0.05%至0.77% (二零一八年：0.001%至0.385%)之浮動利率計息之銀行結餘66,193,000港元(二零一八年：38,112,000港元)以及現金結餘496,000港元(二零一八年：1,668,000港元)。

有關截至二零一九年十二月三十一日止年度之短期銀行存款及銀行結餘之減值評估詳情載於附註31b(ii)。

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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. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The Group has been granted an average credit period ranging from 30 to 150 days from its trade suppliers for both years.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

22. 貿易應付賬款、其他應付賬款及預提費用

本集團於兩個年度獲貿易供應商給予之平均信貸期介乎30至150日。

於報告期末，按發票日期呈列之貿易應付賬款之賬齡分析如下：

		2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Trade payables	貿易應付賬款		
Within 30 days	30日內	14,400	6,085
31–90 days	31至90日	12,156	11,769
91–150 days	91至150日	10,553	12,617
Over 150 days	超過150日	3,501	25,248
		40,610	55,719
Staff salaries & welfare payables	應付員工薪金及福利	27,805	32,070
Refundable rental deposits received	已收可退回租賃按金	358	35
Value added tax payable and other tax payables	應付增值稅及其他應付稅項	377	1,487
Accrued operating expenses	應計經營開支	11,440	11,868
Others	其他	1,346	1,968
		41,326	47,428
		81,936	103,147

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23. CONTRACT LIABILITIES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Sales of connectivity products	銷售接駁產品	3,709	4,342
Provision of comprehensive architectural services	提供全面建築服務	1,544	8,428
Total	總計	5,253	12,770

The contract liabilities represent the Group's obligation to transfer performance obligation to customers for which the Group has received considerations from the customers.

When the Group receives a deposit before the sales of connectivity products or comprehensive architectural services commence, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit received.

Movements in contract liabilities

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at beginning of year	年初結餘	12,770	11,918
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因確認年內收入(計入年初合約負債)導致的合約負債減少	(12,770)	(11,918)
Increase in contract liabilities as a result of receiving deposits	因收取按金導致的合約負債增加	5,253	12,770
Balance at end of year	年末結餘	5,253	12,770

24. AMOUNTS DUE TO DIRECTORS

The amounts were unsecured, interest-free and fully repaid during 2019.

23. 合約負債

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Sales of connectivity products	3,709	4,342
Provision of comprehensive architectural services	1,544	8,428
Total	5,253	12,770

合約負債指本集團就已收客戶代價向客戶轉移履約責任的義務。

當本集團於銷售接駁產品或全面建築服務開始前收取按金，則會於合約開始時產生合約負債，直至就相關合約確認的收入超過已收按金額。

合約負債變動

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at beginning of year	12,770	11,918
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(12,770)	(11,918)
Increase in contract liabilities as a result of receiving deposits	5,253	12,770
Balance at end of year	5,253	12,770

24. 應付董事款項

該等款項為無抵押及免息，且已於二零一九年悉數償還。

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

25. SHARE CAPITAL

25. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定：		
At 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日及 二零一九年十二月三十一日	10,000,000	100,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日及 二零一九年十二月三十一日	640,000	6,400

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26. OPERATING LEASES

The Group as lessor

Property rental income earned during the year was HK\$2,092,000 (2018: HK\$1,493,000).

At the end of the reporting period, the Group had contracted with tenants for future minimum lease payments as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	2,072	1,252
In the second to third year inclusive	第二年至第三年(包括首尾兩年)	2,142	—
		4,214	1,252

27. CAPITAL COMMITMENTS

Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements

已訂約但未於綜合財務報表內撥備之收購物業、廠房及設備之資本開支

		382	808
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26. 經營租約

本集團為出租人

年內所賺取之物業租金收入為2,092,000港元(二零一八年：1,493,000港元)。

於報告期末，本集團與租戶訂約之未來最低租金如下：

27. 資本承擔

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
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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. SHARE OPTION SCHEME

Pursuant to the Company's share option scheme adopted on 13 December 2001 (the "Scheme") for the purpose of providing incentives to directors and eligible employees, the Company may grant options to executive directors and full-time employees of the Group to subscribe for shares of the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 30% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or their associates in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

A nominal consideration of HK\$1 is payable on acceptance of the grant of options. Options may be exercised at any time from the thirteenth month from the date of grant to the fifth anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will be at least the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the shares.

No share options were granted under the Scheme since its adoption.

28. 購股權計劃

根據本公司於二零零一年十二月十三日採納以激勵董事及合資格僱員之購股權計劃（「計劃」），本公司可向本集團執行董事及全職僱員授予認購本公司股份之購股權。

未經本公司股東事先批准，根據計劃可能授出之購股權所涉及之股份總數不得超過本公司於任何時間之已發行股份之30%。未經本公司股東事先批准，在任何一年內，向任何人士授予之購股權所涉及之股份數目不得超過本公司於任何時間已發行股份之1%。倘授予主要股東或獨立非執行董事或其聯繫人士之購股權超過本公司股本之0.1%，或價值超過5,000,000港元，則須獲本公司股東事先批准。

於接納購股權之授予時，須繳付1港元之名義代價。購股權可在自其授出日期起第十三個月至授出日期後五週年之日止期間任何時間行使。行使價格由本公司董事釐定，且不得低於以下三者中之最高者：(i) 本公司股份於授出日期之收市價；(ii) 股份在緊接授出日期前五個營業日之平均收市價；及(iii) 股份之面值。

自計劃獲採納以來，本公司並無根據計劃授出任何購股權。

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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. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme and a defined contribution retirement benefit scheme for all qualifying employees in Hong Kong and the Taiwan, respectively. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% and 6% of relevant payroll costs to the Mandatory Provident Fund Scheme and the defined contribution retirement benefit scheme respectively, which contribution is matched by employees. For contribution to the Mandatory Provident Fund, the maximum amount is HK\$1,500 per month.

Eligible staff of subsidiaries operating in the PRC currently participate in a central pension scheme operated by the local municipal government. The PRC subsidiaries is required to contribute an amount of 10% on the covered payroll of its employees to the central pension scheme for the funding of the retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of the eligible employees of the PRC subsidiaries.

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company consider the cost of capital and risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as issue of new debts.

29. 退休福利計劃

本集團分別為香港及台灣所有合資格僱員提供強制性公積金計劃及定額供款退休福利計劃。該等計劃之資產由受託人控制之基金持有，獨立於本集團之資產。本集團與僱員各自須分別按僱員有關薪酬的5%及6%向強制性公積金計劃及定額供款退休福利計劃供款。向強制性公積金計劃供款之最高金額為每月1,500港元。

於中國經營之附屬公司之合資格僱員目前參與由當地市政府管理之中央退休金計劃。中國附屬公司須按僱員薪酬總額之10%向中央退休金計劃供款，以作為退休福利所需之資金。當地市政府承諾負責向中國附屬公司合資格僱員提供退休福利。

30. 資本風險管理

本集團管理其資本，以確保本集團內各實體將可持續經營，同時透過優化債務及股本結餘令利益相關者之回報最大化。本集團之整體策略與上年度維持不變。

本集團之資本架構包括本公司擁有人應佔權益，包括已發行股本及各種儲備。

本公司董事定期檢討資本架構。作為此檢討一部分，本公司董事考慮與各類資本相關之資本成本及風險。根據本公司董事之推薦意見，本集團將透過派付股息、發行新股以及發行新債等措施，均衡其整體資本架構。

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31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本列值之金融資產	140,599	140,015
Financial liabilities	金融負債		
Amortised cost	攤銷成本	70,532	91,265

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables and amounts due to directors. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments included 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.

31. 金融工具

(a) 金融工具分類

		2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本列值之金融資產	140,599	140,015
Financial liabilities	金融負債		
Amortised cost	攤銷成本	70,532	91,265

(b) 金融風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收賬款、銀行結餘及現金、貿易及其他應付賬款以及應付董事款項。金融工具詳情於相關附註披露。與該等金融工具有關的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。下文載列如何降低該等風險的政策。管理層管理及監察該等風險，確保能按時及有效採取適當措施。

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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. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(i) Market risk

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) 市場風險

貨幣風險

本公司之數家附屬公司擁有以外幣計價的銷售及採購，從而使本集團承受外幣風險。本集團現在並無訂立外幣對沖政策。然而，本集團管理層一直監察匯率風險並將於需要時考慮對沖主要外幣風險。

		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		
USD (note 1)	美元(附註1)	9,430	2,184
New Taiwan dollar ("NTD")	新台幣(「新台幣」)	1,566	1,866
Renminbi ("RMB")	人民幣(「人民幣」)	365	1,919
Liabilities	負債		
NTD	新台幣	2,046	1,392
RMB	人民幣	33	4,323

Note 1: Functional currency of the respective subsidiaries is RMB/HK\$. Since HK\$ is pegged to US\$ and immaterial monetary items denominated in USD against the functional currency of RMB, no sensitivity analysis is presented.

附註1: 相關附屬公司之功能貨幣為人民幣/港元。由於港元與美元掛鈎且以美元計值之貨幣項目兌功能貨幣人民幣並不重大，故並無呈列敏感度分析。

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31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

Currency risk (Continued)

The following table details the Group's sensitivity to a 5% (2018: 5%) increase and decrease in USD against RMB and NTD. 5% (2018: 5%) is the sensitivity rate used by management for the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2018: 5%) change in the foreign currency rates. A positive number (negative number) indicates an increase in profit (a decrease in profit) where RMB and NTD strengthens against the USD.

Impact on profit for the year 對年內溢利之影響

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) 市場風險(續)

貨幣風險(續)

下表詳列本集團對美元兌人民幣及新台幣升值和貶值5% (二零一八年: 5%) 的敏感度。管理層評估合理可能的匯率變動時所用的敏感度比率為5% (二零一八年: 5%)，敏感度分析只包括未折算的外幣計值貨幣項目，並已於年末按匯率有5% (二零一八年: 5%) 變動對換算予以調整。正數(負數)反映在人民幣及新台幣兌美元呈升值的情況下溢利增加(溢利減少)。

Impact of RMB 人民幣之影響		Impact of NTD 新台幣之影響	
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
17	(120)	(25)	24

管理層認為，由於年終風險並不反映年內風險，故敏感度分析並不代表固有外匯風險。

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31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits (see note 21 for details) and cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances (see note 21 for details). In relation to the fixed-rate bank deposits, the directors of the Company consider the Group's exposure to fair value interest rate risks is not significant as these deposits are all short-term in nature.

The sensitivity analysis below has been determined based on the exposure to interest rates on its variable-rate bank balances at the end of the reporting period. A 4 (2018: 4) basis point increase or decrease is used by the management for the assessment of the possible change in interest rates.

If interest rates had been 4 (2018: 4) basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2019 would increase/decrease by approximately HK\$5,300 (2018: post-tax profit would increase/decrease by approximately HK\$11,000).

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) 市場風險(續)

利率風險

本集團因定息銀行存款而承受公平值利率風險(詳情見附註21)，其銀行結餘則因現行市場利率波動而承受現金流量利率風險(詳情見附註21)。就定息銀行存款而言，本公司董事認為，本集團之該等存款均在短期內到期，故公平值利率風險並不重大。

下列敏感度分析乃根據於報告期末浮動利率銀行結餘的利率風險釐定。管理層評估可能的利率變動時使用4(二零一八年：4)個基點的上浮和下浮區間。

倘利率上升/下跌4(二零一八年：4)個基點及所有其他變數維持不變，本集團截至二零一九年十二月三十一日止年度的除稅後溢利將增加/減少約5,300港元(二零一八年：除稅後溢利將增加/減少約11,000港元)。

管理層認為，由於年終風險並不反映年內風險，故敏感度分析並不代表固有利率風險。

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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. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment

As at 31 December 2019 and 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's principal financial assets are trade and other receivables and bank balances and cash.

The Group's credit risk is primarily attributable to its trade receivables and contract assets. The Group is exposed to concentration of credit risk as a substantial portion of its sales is generated from a limited number of customers. At 31 December 2019, the top five customers of the Group accounted for about 71.2% (2018: 63.6%) of the Group's trade receivables and contract assets, all of which are engaged in business of connectivity products with good reputation. In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each debt on a collective and on-going basis to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(ii) 信貸風險及減值評估

於二零一九年及二零一八年十二月三十一日，本集團因對手方未能履行責任而面對構成財務虧損之最大信貸風險，源於綜合財務狀況報表所列各項已確認金融資產之賬面值。

本集團之主要金融資產為貿易及其他應收賬款、銀行結餘及現金。

本集團之信貸風險主要來自其貿易應收賬款及合約資產。由於其絕大部分銷售乃來自有限數目之客戶，故本集團須承受信貸風險集中之風險。於二零一九年十二月三十一日，本集團五大客戶佔本集團貿易應收賬款及合約資產約 71.2% (二零一八年：63.6%)，彼等均從事接駁產品業務，信譽良好。為將信貸風險減至最低，本集團管理層已授權團隊負責釐定信貸限額、信貸審批及其他監察程序以確保採取跟進行動收回逾期債務。此外，本集團持續集體檢討每項債務之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

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31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets 貿易應收賬款/ 合約資產	Other financial assets 其他金融資產
內部信貸評級	說明		
Low risk 低風險	The counterparty has a low risk of default 對手方的違約風險較低	Lifetime ECL — not credit-impaired 無信貸減值的存續期 預期信貸虧損	12-month 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 the amounts 債務人經常逾期還款，但通常會償付款項	Lifetime ECL — not credit-impaired 無信貸減值的存續期 預期信貸虧損	12-month ECL 12個月預期信貸虧損
Doubtful 呆賬	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 內部產生或來自外部來源的資料顯示信貸風險自初步確認起顯著增加	Lifetime ECL — not credit-impaired 無信貸減值的存續期 預期信貸虧損	Lifetime ECL — not credit-impaired 無信貸減值的存續期 預期信貸虧損
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已出現信貸減值	Lifetime ECL — credit-impaired 已產生信貸減值的存 續期預期信貸虧損	Lifetime ECL — credit-impaired 已產生信貸減值的存 續期預期信貸虧損
Write-off 撤銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重財務困難及本集團並無實際可能收回款項	Amount is written off 金額已撤銷	Amount is written off 金額已撤銷

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(ii) 信貸風險及減值評估(續)

由於對手方為國際信貸評級機構評定為具有高信貸評級之銀行，故有關銀行結餘之信貸風險有限。

本集團的內部信貸風險評級評估包括下列分類：

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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. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

2019 二零一九年	Notes 附註	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或存續期預期信貸虧損	Gross carrying amount 總賬面值	
				HK\$'000 千港元	HK\$'000 千港元
Financial assets at amortised cost 按攤銷成本計量的金融資產					
Bank balances and cash 銀行結餘及現金	21	Low risk 低風險	12-month ECL 12個月預期信貸虧損		79,871
Other receivables 其他應收賬款	19	Low risk 低風險	12-month ECL 12個月預期信貸虧損		2,501
Trade receivables — sales of connectivity products 貿易應收賬款 — 銷售接駁產品	19	Low risk 低風險	Lifetime ECL — not credit- impaired 無信貸減值的存續期預期信貸 虧損		53,002
	19	Loss risk 低風險	Lifetime ECL — credit- impaired 已產生信貸減值的存續期預期 信貸虧損		3,723
Trade receivables — provision of comprehensive architectural services 貿易應收賬款 — 提供全面建築服務	19	Watch list 觀察名單	Lifetime ECL — not credit- impaired 無信貸減值的存續期預期信貸 虧損		5,806
					62,531
Other items 其他項目					
Contract assets 合約資產	20	Low risk 低風險	Lifetime ECL — not credit- impaired 無信貸減值的存續期預期信貸 虧損		1,250

(b) 金融風險管理目標及政策(續)

(ii) 信貸風險及減值評估(續)

下表載列本集團須進行預期信貸虧損評估的金融資產及合約資產的信貸風險詳情：

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31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

2018 二零一八年	Notes 附註	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或存續期預期信貸虧損	Gross carrying amount 總賬面值	
				HK\$'000 千港元	HK\$'000 千港元
Financial assets at amortised cost 按攤銷成本計量的金融資產					
Bank balances and cash 銀行結餘及現金	21	Low risk 低風險	12-month ECL 12個月預期信貸虧損		65,087
Other receivables 其他應收賬款	19	Low risk 低風險	12-month ECL 12個月預期信貸虧損		2,713
Trade receivables — sales of connectivity products 貿易應收賬款 — 銷售接駁產品	19	Low risk 低風險	Lifetime ECL — not credit- impaired 無信貸減值的存續期預期信貸 虧損		66,884
	19	Loss risk 虧損風險	Lifetime ECL — credit- impaired 已產生信貸減值的存續期預期 信貸虧損		3,036
Trade receivables — provision of comprehensive architectural services 貿易應收賬款 — 提供全面建築服務	19	Watch list 觀察名單	Lifetime ECL — not credit- impaired 無信貸減值的存續期預期信貸 虧損		4,476
					74,396
Other items 其他項目					
Contract assets 合約資產	20	Low risk 低風險	Lifetime ECL — not credit- impaired 無信貸減值的存續期預期信貸 虧損		5,630

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(ii) 信貸風險及減值評估(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

31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

The credit risk on trade receivables under sales of connectivity products is limited because the counterparties are with low loss rates which is estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. During the year, provision of allowance of credit losses of HK\$1,990,000 is recognised for the debtors with credit-impaired with gross carrying amount of HK\$3,723,000 as at 31 December 2019.

Internal credit rating for trade receivables under provision of comprehensive architectural service is classified as watch list in which the management of the Group has determined the average loss rate as 10% in general. During the year, provision of allowance of credit losses of HK\$133,000 is recognised for these debtors with lifetime ECL and not credit-impaired with gross carrying amount of HK\$581,000 as at 31 December 2019.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(ii) 信貸風險及減值評估(續)

銷售接駁產品的貿易應收賬款信貸風險有限，原因為對手方的虧損率較低，有關虧損率乃根據於應收賬款預期可使用年期的歷史觀察違約率估計，並就毋須不必要成本或努力即可獲得的前瞻性資料作出調整。於本年度，已就二零一九年十二月三十一日總賬面值為3,723,000港元的已出現信貸減值應收賬款確認計提信貸虧損撥備1,990,000港元。

提供全面建築服務的貿易應收賬款內部信貸評級分類為觀察名單，當中本集團管理層釐定平均虧損率一般為10%。於本年度，已就二零一九年十二月三十一日總賬面值為581,000港元按存續期預期信貸虧損計算的無信貸減值應收賬款確認計提信貸虧損撥備133,000港元。

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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. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

The following table shows the movement in allowance for credit losses that has been recognised for trade receivables under the simplified approach.

		Lifetime ECL — not credit- impaired 無信貸減值的存 續期預期 信貸虧損 HK\$'000 千港元	Lifetime ECL — credit- impaired 已產生信貸減值 的存續期預期 信貸虧損 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	41	—	41
Allowance recognised in profit or loss	於損益確認的撥備	407	1,733	2,140
As at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一 日及二零一九年一月一日	448	1,733	2,181
Allowance recognised in profit or loss	於損益確認的撥備	133	1,990	2,123
As at 31 December 2019	於二零一九年 十二月三十一日	581	3,723	4,304

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. The Group may take legal action against the debtors to recover the amount due.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(ii) 信貸風險及減值評估(續)

下表載列已根據簡化方法就貿易應收賬款確認的信貸虧損撥備變動。

當有資料顯示債務人陷入嚴重財務困難且並無實際可能收回款項時(例如債務人已清盤或進入破產程序,或倘貿易應收賬款逾期超過兩年時,以較早發生者為準),本集團會撇銷貿易應收賬款。本集團可對債務人採取法律行動以收回到期款項。

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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. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iii) Liquidity risk

The Group's liquidity position is monitored closely by the management of the Company by maintaining an adequate level of bank balances and cash. The following table details the Group's remaining contractual maturity for its non-derivative 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.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iii) 流動資金風險

本公司管理層透過維持銀行結餘及現金於充足水平，密切監察本集團之流動資金狀況。下表詳列本集團非衍生金融負債之尚餘合約期。該表乃根據本集團須予支付之最早日期按金融負債之未貼現現金流量得出。

		On demand or less than 30 days 於要求時或 少於30日 HK\$'000 千港元	31-90 days 31至90日 HK\$'000 千港元	91-365 days 91至365日 HK\$'000 千港元	Over 365 days 超過365日 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 31 December 2019	於二零一九年 十二月三十一日						
Non-interest bearing	不計息						
Trade and other payables	貿易及其他應付賬款	43,909	12,156	14,054	—	70,119	70,119
Lease liabilities	租賃負債	37	112	298	410	857	814
		43,946	12,268	14,352	410	70,976	70,933
As at 31 December 2018	於二零一八年 十二月三十一日						
Non-interest bearing	不計息						
Trade and other payables	貿易及其他應付賬款	40,159	11,769	37,864	—	89,792	89,792
Amounts due to directors	應付董事款項	1,473	—	—	—	1,473	1,473
		41,632	11,769	37,864	—	91,265	91,265

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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. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

31. 金融工具(續)

(c) 公平值

金融資產及金融負債之公平值乃根據基於貼現現金流量分析之公認價格模式釐定。

本公司董事認為，於綜合財務報表內按攤銷成本記賬之金融資產及金融負債之賬面值與其公平值相若。

32. RELATED PARTY TRANSACTIONS

During the current year, the Group entered into the following transactions with related parties:

32. 關聯方交易

本年度內，本集團曾與關聯方進行下列交易：

Name 名稱/姓名	Nature of transactions 交易性質	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Glory Mark Electronic Limited ("GMEL") (note 1) 輝煌電子有限公司(「輝煌電子有限公司」)(附註1)	Rental paid by the Group 本集團已付租金	152	155
Billion Mass Limited ("Billion Mass") (note 1) 國鎂有限公司(「國鎂」)(附註1)	Rental paid by the Group 本集團已付租金	1,115	1,200
San Chen Company ("San Chen") (note 2) 山誠有限公司(「山誠」)(附註2)	Rental paid by the Group 本集團已付租金	152	155
Ms. Yu Lan (note 3) 郁藍女士(附註3)	Rental paid by the Group 本集團已付租金	122	124
PT Architecture Design (Shenzhen) Company Limited ("PT Shenzhen") (note 4) 柏濤建築設計(深圳)有限公司(「柏濤深圳」)(附註4)	Revenue earned by the Group 本集團已賺取收入	—	4,667
PT Shenzhen (note 4) 柏濤深圳(附註4)	Cost of service rendered paid by the Group 本集團已付提供服務成本	4,415	2,419
PT Shenzhen (note 4) 柏濤深圳(附註4)	Rental paid by the Group 本集團已付租金	2,476	1,437
Well Mark Industrial (Hong Kong) Limited ("Well Mark") (note 5) 萬佳工業(香港)有限公司(「萬佳」)(附註5)	Club debenture was disposed by the Group 本集團出售會所債券	372	—

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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. RELATED PARTY TRANSACTIONS (Continued)

Note 1: Mr. Pang Kuo-Shi and Mr. Wong Chun, directors and/or shareholders of the Company, together hold 79% controlling interest in GMEL and 100% controlling interest in Billion Mass.

Note 2: San Chen is 42.75% owned by Mr. Pang Kuo-Shi.

Note 3: Ms. Yu Lan is the spouse of Mr. Pang Kuo-Shi.

Note 4: Mr. Wang Li Feng, a director and/or a shareholder of the Company has an indirect equity interest of 27.6% in PT Shenzhen.

Note 5: Well Mark is controlled by Mr. Wong Chun, the non-executive director and deputy chairman of the Company.

Details of the key management remuneration are set out in note 7.

32. 關聯方交易(續)

附註1: 本公司董事及／或股東龐國璽先生及黃震先生合共持有輝煌電子有限公司79%控股權益及國鎂全部控股權益。

附註2: 龐國璽先生擁有山誠42.75%權益。

附註3: 郁藍女士為龐國璽先生之配偶。

附註4: 本公司董事及／或股東王濤峰先生間接持有柏濤深圳27.6%權益。

附註5: 萬佳由本公司非執行董事兼副主席黃震控制。

主要管理人員之薪酬詳情載於附註7。

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綜合財務報表附註

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33. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 December 2019 and 2018 are as follows:

33. 附屬公司詳情

於二零一九年及二零一八年十二月三十一日之本公司主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構形式	Place of incorporation/ registration/ operations 註冊成立/註冊/ 營業地點	Paid up issued share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持之已發行 股本面值/註冊資本比例				Principal activities 主要業務	
				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		
Asia-Link Technology Limited	limited liability company	British Virgin Islands/ Taiwan	US\$50,000 Ordinary shares	—	—	100%	100%	Trading of connectivity products mainly for computers and peripheral products in the USA, investment holding	
亞聯科技有限公司	有限責任公司	英屬維爾京群島/台灣	50,000美元普通股					在美國買賣主要用於電腦及周邊設備產品之接駁產品及投資控股	
Dongguan Glory Mark Electronic Co., Ltd.	limited liability company	PRC	HK\$15,100,000 Paid up registered capital	—	—	100%	100%	Manufacture of connectivity products mainly for computers and peripheral products	
東莞輝煌電子有限公司	有限責任公司	中國	15,100,000港元繳足註冊資本					製造主要用於電腦及周邊設備產品之接駁產品	
Glory Mark Electronic Limited (Note a)	limited liability company	British Virgin Islands/ Taiwan	US\$50,000 Ordinary shares	—	—	100%	100%	Trading of connectivity products mainly for computers and peripheral products in South East Asia	
輝煌電子有限公司(附註a)	有限責任公司	英屬維爾京群島/台灣	50,000 美元普通股					在東南亞買賣主要用於電腦及周邊設備產品之接駁產品	
Glory Mark Electronic Limited	limited liability company	Samoa/Taiwan	US\$50,000 Ordinary shares	—	—	100%	100%	Trading of connectivity products mainly for computers and peripheral products	
輝煌電子有限公司	有限責任公司	薩摩亞/台灣	50,000美元普通股					買賣主要用於電腦及周邊設備產品之接駁產品	
Glory Mark International (Holdings) Limited	limited liability company	British Virgin Islands/ Hong Kong	US\$400 Ordinary shares	100%	100%	—	—	Investment holding	
輝煌國際(集團)有限公司	有限責任公司	英屬維爾京群島/香港	400美元普通股					投資控股	
Dongguan Asia-Link Technology Ltd.	limited liability company	PRC	HK\$35,360,200 Paid up registered capital	—	—	100%	100%	Manufacture of connectivity products mainly for computers and peripheral products	
東莞亞聯科技電子有限公司	有限責任公司	中國	35,360,200港元繳足註冊資本					製造主要用於電腦及周邊設備產品之接駁產品	

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33. PARTICULARS OF SUBSIDIARIES (Continued)

33. 附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Form of business structure 業務架構形式	Place of incorporation/ registration/ operations 註冊成立/註冊/ 營業地點	Paid up issued share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持之已發行 股本面值/註冊資本比例				Principal activities 主要業務
				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	
Asia-Link (Fogang) Electronic Limited 亞聯(佛岡)電子有限公司	limited liability company 有限責任公司	PRC 中國	US\$2,680,000 Paid up registered capital 2,680,000美元繳足註冊資本	—	—	100%	100%	Manufacture of connectivity products mainly for computers and peripheral products 製造主要用於電腦及周邊設備產品之接駁產品
PT Design International (Holdings) Limited 柏濤設計國際控股有限公司	limited liability company 有限責任公司	British Virgin Islands/ Hong Kong 英屬維爾京群島/香港	US\$50,000 Ordinary shares 50,000美元普通股	100%	100%	—	—	Investment holding 投資控股
Pt Design (QH) Limited 前海柏濤設計(深圳)有限公司	limited liability company 有限責任公司	PRC 中國	HK\$2,000,000 Paid up registered capital 2,000,000港元繳足註冊資本	—	—	100%	100%	Provision of comprehensive architectural service 提供全面建築服務
PT Design International 柏濤設計國際	limited liability company 有限責任公司	Hong Kong 香港	HK\$1,000,000 Ordinary shares 1,000,000港元普通股	—	—	100%	100%	Investment holding and provision of comprehensive architectural service 投資控股及提供全面建築服務

Note:

- (a) The subsidiary had established a branch, namely Glory Mark Electronic Limited – Taiwan Branch (the “GME Branch”) in Taiwan. The GME Branch is engaged in trading of connectivity products mainly for computers and peripheral products.

None of the subsidiaries had issued any debt securities at the end of the year or at any time during the year.

附註:

- (a) 該附屬公司於台灣成立一間分公司，即輝煌電子有限公司台灣分公司(「輝煌電子分公司」)。輝煌電子分公司從事買賣主要用於電腦及周邊設備產品之接駁產品。

於年底或年內任何時間，概無附屬公司發行任何債務證券。

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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. FINANCIAL INFORMATION OF THE COMPANY

The financial information of the Company as at 31 December 2019 and 2018 are as follows:

34. 本公司財務資料

本公司於二零一九年及二零一八年十二月三十一日的財務資料如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Unlisted investment in subsidiaries	於附屬公司的非上市投資	34,432	34,432
CURRENT ASSETS	流動資產		
Other receivables	其他應收賬款	419	287
Bank balances and cash	銀行結餘及現金	436	112
		855	399
CURRENT LIABILITIES	流動負債		
Other payables	其他應付賬款	1,368	2,853
Amounts due to subsidiaries	應付附屬公司款項	28,037	19,590
		29,405	22,443
NET CURRENT LIABILITIES	流動負債淨額	(28,550)	(22,044)
NET ASSETS	資產淨值	5,882	12,388
CAPITAL AND RESERVE	股本及儲備		
Share capital (note 25)	股本(附註25)	6,400	6,400
Reserve	儲備	(518)	5,988
TOTAL EQUITY	權益總額	5,882	12,388

These financial statements were approved and authorised for issue by the Board of Directors on 25 May 2020 and are signed on behalf by:

該等財務報表已於二零二零年五月二十五日獲董事會批准及授權刊發，並由下列代表簽署：

Wang Li Feng
王濤峰
DIRECTOR
董事

Fan Xiaoling
范小令
DIRECTOR
董事

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34. FINANCIAL INFORMATION OF THE COMPANY 34. 本公司財務資料(續)

(Continued)

Movement in the Company's reserve are as follows:

本公司儲備的變動如下：

		Retained Profit/ (Accumulated loss)	Total
		保留溢利/ (累計虧損)	總計
		HK\$'000	HK\$'000
		千港元	千港元
At January 2018	於二零一八年一月	19,327	19,327
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(3,739)	(3,739)
Dividends (note 10)	股息(附註10)	(9,600)	(9,600)
At 31 December 2018	於二零一八年十二月三十一日	5,988	5,988
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(4,586)	(3,550)
Dividends (note 10)	股息(附註10)	(1,920)	(1,920)
At 31 December 2019	於二零一九年十二月三十一日	(518)	(518)

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35. NOTES SUPPORTING THE CONSOLIDATED STATEMENT OF CASH FLOW 35. 綜合現金流量表附註

Reconciliation of liabilities arising from financing activities

融資活動產生負債對賬

		Amounts due to directors 應付董事款項 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元
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	1,473	—
Changes from financing cash flows:	融資活動現金流量變動：		
Repayment of principal portion of lease liabilities	租賃負債本金部分還款	—	(33)
Repayment to directors	還款予董事	(1,473)	—
Interest paid for leases	已付租賃利息	—	(4)
		<u>(1,473)</u>	<u>(37)</u>
Other changes:	其他變動：		
Interest on lease liabilities	租賃負債利息	—	4
New lease liabilities*	新租賃負債*	—	847
At 31 December 2019	於二零一九年十二月三十一日	<u>—</u>	<u>814</u>

* During the year, the Group had non-cash addition to right-of-use assets and lease liabilities in the same amount of HK\$847,000 in respect of lease arrangement for buildings (2018: Nil).

* 於本年度，本集團就樓宇的租賃安排所增加之擁有使用權資產及租賃負債的非現金交易價值同為847,000港元(二零一八年：無)。

36. EVENTS AFTER THE REPORTING DATE

After the year ended 31 December 2019, the outbreak of the COVID-19 has been declared a pandemic by the World Health Organisation. The COVID-19 has affected the operation of businesses globally and in varying degrees, the extent of which will depend on factors, including evolvement of the pandemic, macro policies, resumption of work and activities in enterprises. The Group has closely monitored the situation of COVID-19 and the Group's exposure to the risks and uncertainties in connection with the outbreak. We have also started assessment of its impact on the Group's operation and financial performance, maintained close communication with different stakeholders of the Group and put in place various measures since mid-March 2020. The effect of these measures are reflecting progressively. Based on the information currently available, the Directors confirm that there has been certain extent of adverse impact on the financial or trading position of the Group in the first quarter of 2020 as reflected in the Group's 2020 first quarterly report. However, the positive impact brought by the various measures implemented are beginning to take place in the second quarter. While the actual impacts may differ from these estimates as the situation continues to evolve, the directors remain cautiously optimistic on the outlook of the results of the Group.

36. 報告日期後事項

於截至二零一九年十二月三十一日止年度後，世衛組織宣佈新冠肺炎爆發為大流行病。新冠肺炎已在不同程度上影響全球業務運營，其程度將取決於若干因素，包括大流行病的演變、宏觀政策、企業工作及活動的恢復。本集團密切監視新冠肺炎的情況，且本集團面臨爆發有關的風險及不確定性因素。我們亦開始評估其對本集團運營及財務業績的影響，並與本集團不同利益相關者保持密切溝通，及自二零二零年三月中旬開始採取各種措施。該等措施之效果正逐步顯現。基於當前可用資料，董事確認，如本集團二零二零年第一季度報告所反映，對本集團二零二零年第一季度財務或貿易狀況具有一定程度的負面影響。然而，所實施的各項措施於第二季度開始帶來正面影響。由於形勢繼續演變，實際影響可能有別於該等估計，董事對本集團業績前景保持謹慎樂觀態度。



GLORY MARK HI-TECH (HOLDINGS) LIMITED
輝煌科技(控股)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: 8159