



A stylized illustration of a tree with a brown trunk and branches. The foliage is represented by numerous green circles of varying sizes. Several circular icons are placed around the tree, each containing a white symbol: a laptop (top left), a graduation cap (top center), a head with a lightbulb (top right), a stack of books (middle left), a molecular structure (middle left), a graduation cap (middle right), a lightbulb (middle right), a head with a lightbulb (bottom right), and a pencil (bottom center). The background is a gradient of green and yellow, with white circles of various sizes scattered throughout. In the bottom right corner, the text 'Annual Report' is written in a bold, black, sans-serif font, followed by '年報' in a smaller, black, sans-serif font, and '2020' in a large, bold, purple, sans-serif font.

Annual Report 年報 2020

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

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

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

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

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

This report shall remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and will be available on the Company’s website at www.locohkholdings.com.

香港聯合交易所有限公司（「聯交所」）GEM之特色

GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

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

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

本報告乃根據聯交所GEM證券上市規則（「**GEM上市規則**」）提供有關港銀控股有限公司（「**本公司**」，連同其附屬公司為「**本集團**」）的資料。本公司各董事（「**董事**」）願對本報告共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各重大方面均屬準確完整，並無誤導或欺詐成份，且並無遺漏任何其他事項，致使本報告所載任何陳述或本報告有所誤導。

本報告將由其刊登日期起計最少七天於GEM網站www.hkgem.com之「最新上市公司公告」網頁及本公司網站www.locohkholdings.com內刊登。

CONTENTS

目錄

| | Page 頁次 |
|---|------------|
| • Corporate Information 公司資料 | 3 |
| • Chairman's Statement 主席報告 | 5 |
| • Management Discussion and Analysis 管理層討論與分析 | 7 |
| • Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷詳情 | 15 |
| • Corporate Governance Report 企業管治報告 | 20 |
| • Environmental, Social and Governance Report 環境、社會及管治報告 | 36 |
| • Report of the Directors 董事會報告 | 65 |
| • Independent Auditors' Report 獨立核數師報告 | 82 |
| • Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表 | 91 |
| • Consolidated Statement of Financial Position 綜合財務狀況表 | 93 |
| • Consolidated Statement of Changes in Equity 綜合權益變動表 | 95 |
| • Consolidated Statement of Cash Flows 綜合現金流量表 | 96 |
| • Notes to the Consolidated Financial Statements 綜合財務報表附註 | 100 |
| • Financial Summary 財務概要 | 232 |

CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Wang Wendong

(Chairman and Chief Executive Officer)

Mr. Fung Chi Kin

Independent Non-Executive Directors

Mr. Zhou Tianshu

Ms. Wu Liyan

Ms. Wong Susan Chui San

AUDIT COMMITTEE

Mr. Zhou Tianshu *(Chairman)*

Ms. Wu Liyan

Ms. Wong Susan Chui San

EXECUTIVE COMMITTEE

Mr. Wang Wendong *(Chairman)*

Mr. Fung Chi Kin

Mr. Zhou Tianshu

REMUNERATION COMMITTEE

Ms. Wu Liyan *(Chairlady)*

Mr. Wang Wendong

Mr. Zhou Tianshu

Ms. Wong Susan Chui San

NOMINATION COMMITTEE

Mr. Wang Wendong *(Chairman)*

Mr. Zhou Tianshu

Ms. Wu Liyan

HONG KONG LEGAL ADVISER

Ashurst Hong Kong

11/F, Jardine House

1 Connaught Place

Central, Hong Kong

COMPANY SECRETARY

Mr. Chiu Ming King

董事

執行董事

王文東先生

(主席兼行政總裁)

馮志堅先生

獨立非執行董事

周天舒先生

吳勵妍女士

黃翠珊女士

審核委員會

周天舒先生 *(主席)*

吳勵妍女士

黃翠珊女士

執行委員會

王文東先生 *(主席)*

馮志堅先生

周天舒先生

薪酬委員會

吳勵妍女士 *(主席)*

王文東先生

周天舒先生

黃翠珊女士

提名委員會

王文東先生 *(主席)*

周天舒先生

吳勵妍女士

香港法律顧問

亞司特律師事務所

香港中環

康樂廣場1號

怡和大廈11樓

公司秘書

趙明環先生

CORPORATE INFORMATION

公司資料

COMPLIANCE OFFICER

Mr. Fung Chi Kin

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

REGISTERED OFFICE

Unit 401, 4/F., Fairmont House,
8 Cotton Tree Drive, Admiralty, Hong Kong

LISTING

GEM of The Stock Exchange of Hong Kong Limited

STOCK CODE

8162

AUTHORISED REPRESENTATIVES TO THE STOCK EXCHANGE

Mr. Wang Wendong
Mr. Chiu Ming King

WEBSITE

www.locohkholdings.com

EMAIL

info@locohkholdings.com

合規主任

馮志堅先生

核數師

國衛會計師事務所有限公司
執業會計師

股份過戶登記處

聯合證券登記有限公司

註冊辦事處

香港金鐘紅棉路8號
東昌大廈4樓401室

上市

香港聯合交易所有限公司GEM

股份代號

8162

聯交所之授權代表

王文東先生
趙明璟先生

網站

www.locohkholdings.com

電郵

info@locohkholdings.com

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Loco Hong Kong Holdings Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”), I would like to present the annual report of the Group for the year ended 31 December 2020.

In 2020, the sudden COVID-19 pandemic hit the global economy severely. The lock-down measures adopted by various countries to prevent and control the pandemic made the business environment more difficult. Therefore, the year was also extremely challenging for the Group. The Group's precious metal and money lending businesses were inevitably greatly affected, and its revenue was significantly reduced. During a considerable period of this year, the teaching of schools and training institutions in the PRC Mainland was suspended, therefore, the Group's education management service business in the PRC Mainland was also greatly affected.

Nevertheless, the Group still sought other market opportunities, with a view to optimizing business opportunities and improving financial performance. In 2020, the Group continued to abide by the strategy of acting prudently and continuously strengthening risk control to ensure the stable operation of its various businesses.

Given that the PRC Mainland and the global society and economy are still facing severe challenges, the precious metal and money lending businesses still require cautious assessment and robust risk control when the global pandemic is not yet under control. In the PRC Mainland, with the effective prevention and control of the pandemic, the education management service business will gradually recover, but it still faces severe challenges. We will strive to seek further opportunities to consolidate our education management service business and market position, carefully manage precious metal and money lending businesses, and continue to strengthen risk control.

各位股東：

本人謹代表港銀控股有限公司（「**本公司**」，連同其附屬公司統稱「**本集團**」）董事（「**董事**」）會（「**董事會**」），提呈本集團截至二零二零年十二月三十一日止年度之年報。

二零二零年，突如其來的新冠肺炎疫情重創全球經濟，各國為疫情防控而採取的封鎖措施使得營商環境更為艱難，故該年度對本集團而言亦極具挑戰。本集團的貴金屬及放債業務無可避免大受影響，收入大幅減少。而在本年度相當時間內，中國內地學校及培訓機構的授課被暫停，故而本集團在中國內地的教育管理服務業務亦受到較大影響。

儘管如此，本集團仍然尋求其他市場機會，希望優化商機及改善財務表現。在二零二零年度，本集團依然恪守謹慎行事、持續加強風控之策略，以確保各項業務之穩健運營。

鑒於現時中國內地及全球社會及經濟依然面臨嚴峻挑戰，在全球疫情尚未可控的情況下，貴金屬及放債業務仍需審慎觀望，加強風控。而在中國內地，隨著對疫情的有效防控，教育管理服務業務將逐步恢復，但仍面臨嚴峻挑戰。我們將努力尋求有關鞏固教育管理服務業務及市場地位的進一步機會，以及小心謹慎地管理貴金屬及放債業務，持續加強風控。

CHAIRMAN'S STATEMENT

主席報告

All in all, the Group will strive to seek development in the balance of risk control in its existing business model.

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers and business partners for their continuous support and to our staff members for their diligence, dedication and contribution to the growth of the Group.

Wang Wendong

Chairman and Chief Executive Officer

Hong Kong, 25 March 2021

總之，本集團將在現有商業模式風控平衡中努力尋求發展。

本人謹代表董事會藉此機會對股東、客戶及業務合作夥伴的不懈支持致以衷心感謝，以及對各員工的勤奮、奉獻及對本集團發展作出的貢獻，表示由衷的感謝。

王文東

主席兼行政總裁

香港，二零二一年三月二十五日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CORPORATE STRATEGY AND BUSINESS MODEL

The Group is principally engaged in trading of precious metal in Hong Kong accompanied with trading of commodity forward contracts for hedging purpose. Besides, the Group is also engaged in provision of education management services, which are conducted in mainland of the People's Republic of China (the “**PRC Mainland**”), and provision of money lending services, which are conducted in Hong Kong, during the year.

The Group purchases silver raw material when we have sufficient capital and source of silver raw material. For other precious metals, whenever we can secure the sale, we proceed with the purchase of other precious metals. In order to ensure a sufficient supply of silver products to our customers, we maintain a target inventory level, by taking into account silver supplies and our processing capacity. A sales contract is originated by an inquiry from and/or a negotiation with our customers. The purchase or sales price is expressed as a discount to or a premium over the prevailing market price at a date to be agreed. Such discount or premium is negotiated on a case by case basis between us and our suppliers or customers, after taking into account various factors such as prevailing market conditions, order sizes and business relationships with our suppliers or customers.

We operate the silver processing facilities with a view to enhancing the marketability as well as facilitating the trading of our silver products. Our processing involves melting silver raw materials and moulding them into the shapes and forms required by our customers.

The Group adopts hedging strategies to avoid adverse impact on our income arising from price fluctuation of precious metals. Such strategies mainly include entering into forward contracts with our commodity dealers to fix the forward price contemporaneously upon our fixing the purchase or sales price with our suppliers or customers, in order to mitigate the impact from price fluctuation.

The sales and purchase price of our silver and gold products and the hedging arrangements are determined with reference to a benchmark price quoted on the website of London Bullion Market Association and live prices published and distributed by various data vendors.

企業策略及業務模式

本集團主要活動為於香港從事貴金屬貿易以及就對沖目的從事遠期商品合約交易。此外，年內，本集團亦於中華人民共和國內地（「**中國內地**」）從事提供教育管理服務及於香港提供放債服務。

本集團於擁有足夠的資本及白銀原材料來源時會採購白銀原材料。就其他貴金屬而言，只要我們能確保銷售，我們會繼續採購其他貴金屬。為確保可以向客戶提供充足的白銀產品，我們會視乎白銀的供應量及我們的加工能力維持目標庫存水平。銷售合約乃於收到客戶查詢及／或與其洽談後制定。採購或銷售價格乃以協定日期當前市場價的折讓或溢價形式表示。有關折讓或溢價乃經考慮當前市況、訂單規模及與供應商或客戶的業務關係等多項因素後，由我們與我們的供應商或客戶按具體情況磋商釐定。

我們使用白銀加工設施，目的是提高我們白銀產品的適銷性及促進其貿易。我們的加工涉及熔煉白銀原材料並將其製成客戶要求的形狀及式樣。

本集團已採取對沖策略規避貴金屬價格波動對我們收入所產生的不利影響。有關策略主要包括一旦與供應商或客戶商定採購或銷售價格之後，將同時與我們的商品交易商訂立遠期合約，以鎖定遠期價格，以確保減輕價格波動影響。

白銀及黃金產品的銷售及採購價及對沖安排乃經參考倫敦金銀市場協會網站所公佈之基準報價及多家資訊供應商公佈及分發的動態價格而釐定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

For the year ended 31 December 2020, the Group's principal activities were broadly divided into the provision of education management services in the Mainland of the People's Republic of China (the "**PRC Mainland**"), trading of precious metal and provision of money lending services in Hong Kong.

Provision of education management services

For the year ended 31 December 2020, our indirect subsidiary, 四川港銀雅匯教育管理有限公司 (Sichuan Loco Yahui Education Management Limited*) ("**Loco Yahui**"), was principally engaged in the provision of education management and consulting services to different schools in the PRC Mainland. Due to the outbreak of the COVID-19 pandemic in January 2020, the teaching of schools and training institutions was suspended, and the operation of this business segment was greatly affected. By mid-2020, with the effective prevention and control of the pandemic in the PRC Mainland, relevant schools and training institutions have gradually resumed operations, and the education industry has also gradually recovered. Due to the shock and impact of the COVID-19 pandemic during a considerable period of this year, this business segment only contributed approximately HK\$6.2 million in revenue to the Group (2019: approximately HK\$25.2 million).

Sales of precious metal

For the year ended 31 December 2020, under the influence of the global outbreak and rapid spread of the COVID-19 pandemic, global economic conditions continued to be turbulent and full of challenges, and the business environment for this business segment was even more difficult. During the year, the price trend of precious metal (including gold and silver) continued to fluctuate sharply, mainly due to the negative outlook from the abovementioned economic uncertainties. Competition in the procurement trading of silver scrap (non-standard) products remained fierce with the shortage in supply accompanied with the obviously weakening demand for physical silver. The stringent condition of the COVID-19 pandemic in Hong Kong also affected the import and export industry as well as logistic business in general, which enhanced the settlement risks significantly. Although the Group endeavoured to seek other business opportunities in this business segment during the year, it believed that the business risks of this segment were still volatile and required the exercise of caution and further risk control based on its consistent strategy of strict compliance with risk management and control. Therefore, the sales revenue from this business segment for the year was only approximately HK\$4.2 million (2019: approximately HK\$185.7 million).

業務回顧

截至二零二零年十二月三十一日止年度，本集團之主要業務大致分為在中華人民共和國內地（「**中國內地**」）提供教育管理服務；於香港從事貴金屬銷售及提供放債服務。

提供教育管理服務

截至二零二零年十二月三十一日止年度，我們的間接附屬公司四川港銀雅匯教育管理有限公司（「**港銀雅匯**」）主要在中國內地向不同學校提供教育管理及諮詢服務。由於二零二零年一月間突發的COVID-19新冠疫情，學校及培訓機構的授課被暫停，此業務分部運營受到較大影響。至二零二零年年中，隨著中國內地對疫情的有效防控，相關學校、培訓機構逐步復課復學，教育產業亦逐步恢復。由於在本年度相當時間內受到新冠疫情衝擊及影響，此業務分部僅為本集團貢獻收益約6.2百萬港元（二零一九年：約25.2百萬港元）。

銷售貴金屬

截至二零二零年十二月三十一日止年度，在COVID-19新冠疫情全球爆發並快速蔓延的影響下，全球經濟狀況持續動盪及充滿挑戰，此業務分部營商環境更為艱難。於本年內貴金屬（包括黃金及白銀）的價格趨勢持續大幅波動，主要歸因於上述經濟不確定性所產生的負面展望，並且白銀廢料（非標準）產品貨源短缺採購交易競爭仍然激烈，而白銀實物需求方則顯著減弱。香港本地COVID-19疫情同樣嚴峻，進出口物流業亦大受影響，交收風險同步大增。儘管於本年內，本集團努力尋求此業務分部的其他商機，但基於本集團一貫嚴格遵守風險管控之策略，認為此分部的業務風險仍然波動較大，需繼續謹慎行事、進一步嚴控風險，故而於本年內此業務分部銷售收入僅為約4.2百萬港元（二零一九年：約185.7百萬港元）。

* English name for identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Provision of money lending services

For the year ended 31 December 2020, the impact of the global COVID-19 pandemic caused a general suspension in economic activities and a series of prevention and control measures adopted for social distancing led to the worsening of individual employment and business environment. Similarly, the PRC Mainland market was also affected and hence the credit risk in the money lending services was perceived to be significantly higher accordingly. Given the stringent economic situation and business outlook, the Group strictly adhered to cautious credit assessment and review policies by timely assessing existing and potential clients' credit profile with reference to the then market condition and their respective background. In view of the current uncertain economic condition that affected forecasts on asset valuation, business forecast and individual's repayment abilities, the Group adopted a more prudent approach in selecting qualified credit applicants for potential business opportunities to strictly control risks. Therefore, the revenue from this business segment was only approximately HK\$0.01 million (2019: approximately HK\$0.8 million).

OUTLOOK

Given that the PRC Mainland and the global society and economy are still facing severe challenges, the precious metal and money lending businesses still require cautious assessment and robust risk control when the global pandemic is not yet under control. In the PRC Mainland, with the effective prevention and control of the pandemic, the education management service business will gradually recover, but it still faces severe challenges. We will strive to seek further opportunities to consolidate our education management service business and market position, carefully manage precious metal and money lending businesses, and continue to strengthen risk control. All in all, the Group will strive to seek development in the balance of risk control in its existing business model.

提供放債服務

截至二零二零年十二月三十一日止年度，由於全球COVID-19新冠疫情的衝擊，經濟活動的普遍暫停及就保持社交距離所採取的一系列防控措施，導致個人就業及企業經營環境惡化。同樣地，中國內地市場情況亦受影響，因此我們認為放債服務中的信貸風險相應地大幅增加。基於嚴峻的經濟形勢及商業展望，本集團嚴格遵守審慎的信貸評估及審閱政策，並根據當時的市況及客戶各自的背景及時評估現有及潛在客戶的信貸狀況。由於當前不確定的經濟狀況影響資產估值預測、商業預測及個人的還貸能力預測，本集團在選擇合資格信貸申請人以尋求潛在商機時，採取了更為審慎的方法，以嚴控風險。因此，該業務分部的收入僅為約0.01百萬港元（二零一九年：約0.8百萬港元）。

展望

鑒於現時中國內地及全球社會經濟依然面臨嚴峻挑戰，在全球疫情尚未可控的情況下，貴金屬及放債業務則仍需審慎觀望，加強風控。而在中國內地，隨著對疫情的有效防控，教育管理服務業務將逐步恢復，但仍面臨嚴峻挑戰。我們將努力尋求有關鞏固教育管理服務業務及市場地位的進一步機會，以及小心謹慎地管理貴金屬及放債業務，持續加強風控。總之，本集團將在現有商業模式風控平衡中努力尋求發展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

For the year ended 31 December 2020, the Group had a total revenue of approximately HK\$10.5 million (2019: approximately HK\$216.6 million), representing a decrease of approximately 95.2% as compared with 2019. The Group recorded loss of approximately HK\$46.7 million (2019: approximately HK\$26.3 million) for the year ended 31 December 2020, representing an increase of approximately 77.7% as compared to 2019. The increase in loss was mainly attributable to net effect of:

- (a) a significant decrease in the Group's total revenue of approximately 95.2% as discussed in above;
- (b) a decrease in trading losses on commodity forward contracts of approximately HK\$2.7 million;
- (c) a decrease in the carrying value of inventories sold of approximately HK\$179.2 million;
- (d) a decrease in change in fair value of commodity inventories of approximately HK\$1.6 million;
- (e) a decrease in employee costs of approximately HK\$2.7 million;
- (f) the fair value loss on investment in unlisted equity securities of approximately HK\$11.8 million;
- (g) a loss allowance of approximately HK\$5.2 million provided on loan receivable and trade and other receivables; and
- (h) a decrease in other operating expenses of approximately HK\$4.3 million.

For the year ended 31 December 2020, the Group's loss attributable to owners of the Company was approximately HK\$46.9 million, as compared to the loss attributable to owners of the Company of approximately HK\$34 million for 2019.

The key performance indicators of the Group include those provided above and in the sections "Environmental, Social and Governance Report", "Business Review", "Capital Structure, Liquidity and Financial Resources" and "Financial Summary" of this annual report. They help the management to set, evaluate, implement and control strategies so as to improve the performance of the Group.

財務回顧

截至二零二零年十二月三十一日止年度，本集團錄得總收入約10.5百萬港元（二零一九年：約216.6百萬港元），較二零一九年減少約95.2%。截至二零二零年十二月三十一日止年度，本集團錄得虧損約46.7百萬港元（二零一九年：約26.3百萬港元），較二零一九年增加約77.7%。虧損增加主要歸因於下列各項的淨影響：

- (a) 誠如以上討論，本集團總收入大幅減少約95.2%；
- (b) 買賣商品遠期合約的虧損減少約2.7百萬港元；
- (c) 已售存貨之賬面值減少約179.2百萬港元；
- (d) 商品存貨之公平值變動減少約1.6百萬港元；
- (e) 僱員成本減少約2.7百萬港元；
- (f) 未上市股本證券投資的公平值虧損約11.8百萬港元；
- (g) 就應收貸款及貿易及其他應收款項計提的虧損撥備約5.2百萬港元；及
- (h) 其他經營開支減少約4.3百萬港元。

截至二零二零年十二月三十一日止年度，本公司擁有人應佔的本集團虧損約46.9百萬港元，而於二零一九年，本公司擁有人應佔的虧損約34百萬港元。

本集團的關鍵績效指標包括上文及本年報「環境、社會及管治報告」、「業務回顧」、「資本結構、流動資金及財務資源」及「財務概要」章節所述者。該等指標幫助管理層制定、評估、實施及管控其策略以提升本集團的表現。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2020, the Group had cash and bank balances of approximately HK\$29 million (2019: approximately HK\$28.7 million) and net current assets of approximately HK\$33.4 million (2019: approximately HK\$52.6 million). As at 31 December 2020, the current ratio stood at 9.85 times (2019: 6.69 times).

The Group generally finances its operations primarily with internally generated cash. The increase in cash and bank balances of approximately HK\$0.2 million mainly represented the net effect of the proceed from issue of placing shares and decrease in the trade receivable, netting off the loss for the year.

As at 31 December 2020, the Group had no outstanding borrowings (2019: Nil).

As at 31 December 2020, no banking facilities were granted to the Group (2019: nil). The Directors believed that the Group has adequate financial resources to fulfill its commitments and working capital requirements.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLAN FOR MATERIAL INVESTMENTS OF CAPITAL ASSETS

Save as disclosed herein, there was no significant investment held, material acquisition and disposal of subsidiaries and affiliated companies by the Company during the year ended 31 December 2020. There was no other plan for material investments or capital assets as at 31 December 2020.

資本結構、流動資金及財務資源

於二零二零年十二月三十一日，本集團之現金及銀行結餘約29百萬港元（二零一九年：約28.7百萬港元），流動資產淨值約33.4百萬港元（二零一九年：約52.6百萬港元）。於二零二零年十二月三十一日，流動比率為9.85倍（二零一九年：6.69倍）。

本集團一般主要透過內部產生的現金為其營運提供資金。現金及銀行結餘增加約0.2百萬港元主要指發行配售股份所得款項及貿易應收款項之減少（扣除本年虧損）之淨結果。

於二零二零年十二月三十一日，本集團並無未償還的借貸（二零一九年：無）。

於二零二零年十二月三十一日，本集團並無獲授銀行融資（二零一九年：無）。董事認為本集團具備充足的財務資源滿足其承擔及營運資金需求。

持有重大投資、重大收購及出售附屬公司及聯屬公司，以及重大投資或資本資產的計劃

除本報告所披露者外，截至二零二零年十二月三十一日止年度，本公司概無持有重大投資、重大收購及出售附屬公司及聯屬公司。於二零二零年十二月三十一日，概無重大投資或資本資產的其他計劃。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PLACING OF NEW SHARES UNDER GENERAL MANDATE

As disclosed in the Company's announcements dated 20 November 2020 and 26 November 2020, the Company had completed placing of 115,000,000 ordinary shares of the Company at a placing price of HK\$0.148 per placing share on 26 November 2020.

The placing price of HK\$0.148 per placing share under the placing represents: (i) a discount of approximately 4.52% to the closing price of HK\$0.155 per ordinary share as quoted on the Stock Exchange on 20 November 2020, being the date of the placing agreement; and (ii) a discount of approximately 19.57% to the average closing price of approximately HK\$0.184 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the placing agreement.

The net proceeds (after deducting the placing commission and other related expenses and professional fees) from the 115,000,000 placing shares amounted to approximately HK\$16.63 million. The Company intends to apply such net proceeds from the placing for its existing businesses and for general working capital.

As at 31 December 2020, the aforesaid net proceeds use which are consistent with the intended use of proceeds has been applied as follows:

根據一般授權配售新股份

誠如本公司日期為二零二零年十一月二十日及二零二零年十一月二十六日的公告所披露，本公司已於二零二零年十一月二十六日完成以每股配售股份0.148港元之配售價配售本公司115,000,000股普通股。

配售事項項下每股配售股份0.148港元之配售價較(i)股份於二零二零年十一月二十日(即配售協議日期)在聯交所所報收市價每股普通股0.155港元折讓約4.52%；及(ii)股份於緊接配售協議日期前最後連續五個交易日在聯交所所報之平均收市價每股約0.184港元折讓約19.57%。

115,000,000股配售股份之所得款項淨額(經扣除配售佣金及其他相關開支及專業費用後)約為16.63百萬港元。本公司擬將該配售事項所得款項淨額用於其現有業務及用作一般營運資金。

於二零二零年十二月三十一日，上述與所得款項擬定用途一致的所得款項淨額用途已應用如下：

| | Intended use of proceeds 所得款項 擬定用途金額 HK\$'000 千港元 | Utilized amount of proceeds 已動用的 所得款項金額 HK\$'000 千港元 | Unutilized amount of proceeds 未動用的 所得款項金額 HK\$'000 千港元 |
|--------------------------------|---|--|--|
| General working capital 一般營運資金 | 16,632 | – | 16,632 |

As at 31 December 2020, net proceeds not yet utilized were deposited with licensed bank in Hong Kong.

於二零二零年十二月三十一日，尚未動用的所得款項淨額存置於香港的持牌銀行。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2020, the Group employed a total of 32 staffs (2019: 28 staffs). The total employee costs, including remuneration of the Directors, for the year ended 31 December 2020 amounted to approximately HK\$21.4 million (2019: approximately HK\$24.1 million).

The remuneration policy and package of the Group's employees are periodically reviewed. In addition to salaries, the Group provides staff benefits including medical and provident fund. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2020, no Group's asset was pledged as security (2019: Nil).

GEARING RATIO

The Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by total capital.

As at 31 December 2020, no gearing ratio was presented as the Group has net cash surplus (2019: net cash surplus).

CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any material contingent liabilities, guarantees or any litigation or claims of material importance pending or threatened against any member of the Group (2019: Nil) and there has not been any material change in the contingent liabilities of the Group since 31 December 2020.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's bank balances and maintain strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

僱員及薪酬政策

於二零二零年十二月三十一日，本集團共僱用32名僱員（二零一九年：28名僱員）。截至二零二零年十二月三十一日止年度，總僱員成本（包括董事薪酬）約21.4百萬港元（二零一九年：約24.1百萬港元）。

本集團會定期審閱僱員的薪酬政策及待遇。除薪金外，本集團亦為員工提供醫療及公積金等福利。董事會經考慮本集團的財務表現後，亦可酌情向本集團僱員授予購股權及花紅。

本集團的資產抵押

於二零二零年十二月三十一日，本集團並無抵押任何資產作為擔保（二零一九年：無）。

資本負債比率

本集團按淨資本負債比率監察資本。該比率乃按債務淨額除以資本總額計算得出。

於二零二零年十二月三十一日，並無呈列資本負債比率，原因是本集團有現金淨盈餘（二零一九年：現金淨盈餘）。

或然負債

於二零二零年十二月三十一日，本集團並無任何重大或然負債、擔保或任何待決或令本集團任何成員公司面臨威脅的重大訴訟或申索（二零一九年：無），且本集團或然負債自二零二零年十二月三十一日以來並無任何重大變動。

庫務政策

董事將繼續依循審慎的政策管理本集團的銀行結餘及維持穩健的流動資金，以確保本集團作好準備把握未來的增長機遇從而受益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FOREIGN EXCHANGE EXPOSURE

The Group's sales, purchase and borrowings are predominantly denominated in HK\$, United States dollars and Renminbi. The Directors considered that the Group had no significant exposure to foreign exchange fluctuations and believed it was not necessary to hedge against any exchange risk. Nevertheless, the Company's management will continue to monitor the foreign exchange exposure position and will take any future measures if appropriate.

CAPITAL COMMITMENT AND CAPITAL EXPENDITURE

As at 31 December 2020, the Group did not have any significant capital commitment and capital expenditure (2019: Nil).

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: Nil).

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period of the Group.

外匯風險

本集團的銷售、採購及借貸主要以港元、美元及人民幣計值。董事認為本集團並無面臨重大外匯波動風險，相信無需對沖任何匯兌風險。然而，本公司管理層將繼續監察外匯風險狀況並將於日後採取有關措施（倘適當）。

資本承擔及資本開支

於二零二零年十二月三十一日，本集團並無任何重大資本承擔及資本開支（二零一九年：無）。

股息

董事會並不建議就截至二零二零年十二月三十一日止年度派付末期股息（二零一九年：無）。

報告期後事項

本集團於報告期後概無任何重大事項。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

EXECUTIVE DIRECTORS

Mr. Wang Wendong (“**Mr. Wang**”), aged 53, has been appointed as an executive Director in May 2018 and re-designated as chief executive officer of the Company in October 2018. Mr. Wang was also appointed as the chairman of the board of the Company since January 2019. Mr. Wang has more than 26 years of extensive experience in real economy investment. Since the 1990s, Mr. Wang has served as a group vice president in an international group of companies. Such group has significant footprint in the PRC Mainland and Hong Kong including international trade, farming, education, culture industry, real estate and consumer goods.

Since his appointment as the chairman of the Board at the beginning of 2019, Mr. Wang has continuously adjusted and enhanced the composition of the Board and management members of the Company to ensure the healthy development of the precious metal industry, and successfully introduced a new industry (the educational management service industry) to obtain returns and profits in the year of investment. Positive and favourable responses have been received given the healthy market capitalisation of the Company. With the continuous efforts of Mr. Wang in improving and strengthening the management and internal control, the Company is in a more sound financial position.

執行董事

王文東先生（「王先生」），53歲，於二零一八年五月獲委任為執行董事及於二零一八年十月調任為本公司行政總裁。王先生亦自二零一九年一月起獲委任為本公司董事會主席。王先生在實體經濟投資領域有超過26年的豐富經驗。從九十年代開始，王先生就在一家國際公司集團擔任集團副總裁。該集團在中國內地和香港於國際貿易、農業、教育、文化產業、地產和消費品等領域都有著重要的足跡。

王先生於二零一九年初就任董事會主席以來，不斷調整和加強公司董事會以及管理層成員，確保了貴金屬產業的健康發展，並成功引入新產業（教育管理服務產業），實現當年投入、當年回報、當年盈利。公司市值健康，獲得正面良好的反應。王先生不斷完善和加強公司管制及內控，財務更加穩健。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

Mr. Fung Chi Kin (“**Mr. Fung**”), aged 71, has been appointed as an executive Director since June 2019 and also appointed as the compliance officer of the Company in August 2019. Mr. Fung is the honorary permanent president of the Chinese Gold & Silver Exchange Society and director of Fung Chi Kin Consulting Limited. Mr. Fung has over 34 years of experience in banking and finance. Prior to his retirement, he was the director and deputy general manager of Po Sang Bank Limited (merged into Bank of China (Hong Kong) Limited in 2001), managing director of BOCI Securities Limited and chief administration officer of BOC International Holdings Limited. From October 1998 to June 2000, Mr. Fung served as a council member of the first Legislative Council of the HKSAR. He also held offices in various public organizations and was the vice chairman of the Stock Exchange, director of the Hong Kong Futures Exchange Limited, director of Hong Kong Securities Clearing Company Limited and Hong Kong Affairs Advisor. Mr. Fung is appointed as a non-executive director of Sang Hing Holdings (International) Limited (Stock Code: 1472) since July 2018, the shares of which are recently listed on the Main Board of the Stock Exchange from 17 March 2020. Mr. Fung also served as an executive director and compliance officer of China Trustful Group Limited (formerly known as Powerwell Pacific Holdings Limited) (Stock Code: 8265) from March 2019 to October 2019 and from September 2014 to May 2017, the shares of which are listed on GEM of the Stock Exchange. Mr. Fung has been an independent non-executive director of Chaoda Modern Agriculture (Holdings) Limited (Stock Code: 682) since September 2003 and Geotech Holdings Ltd. (Stock Code: 1707) from September 2017 to August 2020 respectively. Mr. Fung has also been an independent non-executive director of China Overseas Nuoxin International Holdings Limited (formerly known as Kenford Group Holding Limited) (Stock Code: 464) from August 2017 to April 2019. Each of the shares of Chaoda Modern Agriculture (Holdings) Limited, Geotech Holdings Ltd. and China Overseas Nuoxin International Holdings Limited are listed on the Main Board of the Stock Exchange.

馮志堅先生（「馮先生」），71歲，自二零一九年六月起獲委任為執行董事及亦於二零一九年八月獲委任為本公司合規主任。馮先生為金銀業貿易場永遠名譽會長及馮志堅顧問有限公司董事。馮先生從事銀行金融業務超過34年。彼於退休之前，曾任寶生銀行有限公司（於二零零一年與中國銀行（香港）有限公司合併）董事兼副總經理、中銀國際證券有限公司董事總經理及中銀國際控股有限公司行政總監。自一九九八年十月至二零零零年六月，馮先生擔任香港特別行政區第一屆立法會議員。彼亦曾先後擔任多項重要公職，包括聯交所副主席、香港期貨交易所有限公司董事、香港中央結算有限公司董事及香港事務顧問等等。馮先生自二零一八年七月起獲委任為生興控股（國際）有限公司（股份代號：1472，其股份最近自二零二零年三月十七日起於聯交所主板上市）之非執行董事。馮先生亦自二零一九年三月至二零一九年十月及自二零一四年九月至二零一七年五月擔任中國之信集團有限公司（前稱宏峰太平洋集團有限公司，股份代號：8265，其股份於聯交所GEM上市）之執行董事及合規主任。馮先生分別自二零零三年九月起擔任超大現代農業（控股）有限公司（股份代號：682）及自二零一七年九月至二零二零年八月擔任致浩達控股有限公司（股份代號：1707）之獨立非執行董事。馮先生亦自二零一七年八月至二零一九年四月擔任中國海外諾信國際控股有限公司（前稱建福集團控股有限公司）（股份代號：464）之獨立非執行董事。超大現代農業（控股）有限公司、致浩達控股有限公司及中國海外諾信國際控股有限公司各自的股份於聯交所主板上市。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhou Tianshu (“Mr. Zhou”), aged 45, has been appointed as an independent non-executive Director since September 2018. Mr. Zhou is currently the senior vice president of 深圳雲怡通航科技有限公司(Shenzhen Yunyi General Aviation Technology Limited*) and was the executive CEO of Skyho Aviation Technology Co., Ltd.. Mr. Zhou received a bachelor’s degree in engineering from Civil Aviation University of China and a master’s degree in law from Wuhan University. Mr. Zhou has over 21 years of experience in enterprise planning, business investment and risk control. Mr. Zhou has worked in a major state-owned aviation enterprise in the PRC Mainland for over 18 years, mainly in enterprise planning and management positions. Mr. Zhou also held management positions in China Aircraft Leasing Group Holdings Limited (Stock Code: 1848) in Hong Kong, which is listed on the Main Board of the Hong Kong Stock Exchange and its subsidiary, Aircraft Recycling International Limited.

Ms. Wu Liyan (“Ms. Wu”), aged 35, has been appointed as an independent non-executive Director since September 2018. Ms. Wu is currently the marketing director of Pacific International Securities Limited. Ms. Wu received a bachelor’s degree in science from University of Minnesota and a master’s degree in science from New York University. Ms. Wu has more than 11 years of marketing and business development experiences in renowned investment management companies.

獨立非執行董事

周天舒先生 (「周先生」)，45歲，自二零一八年九月起獲委任為獨立非執行董事。周先生目前為深圳雲怡通航科技有限公司的高級副總裁，且曾經為天弘航空科技有限公司執行總裁。周先生於中國民航大學取得工學學士學位，於武漢大學取得法學碩士學位。周先生在企業規劃、商業投資及風險控制等領域有超過21年經驗。周先生曾於內地大型國有航空企業工作超過18年，主要擔任企業規劃及企業管理等職務。周先生亦曾於香港中國飛機租賃集團控股有限公司（一家於香港聯交所主板上市公司，股份代號：1848）及其附屬公司國際飛機再循環有限公司擔任管理職位。

吳勵妍女士 (「吳女士」)，35歲，自二零一八年九月起獲委任為獨立非執行董事。吳女士目前為太平洋國際證券有限公司的市場總監。吳女士於明尼蘇達大學取得理學學士學位，於紐約大學取得理學碩士學位。吳女士曾任職於知名投資管理公司，在市場營銷及業務發展等領域擁有超過11年的經驗。

* English name for identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

Ms. Wong Susan Chui San (“**Ms. Wong**”), aged 47, has been appointed as an independent non-executive Director since February 2019. Ms. Wong has been a certified practising accountant of the Australian Society of Certified Practising Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants since May 1999 and May 2000, respectively. She is also a member of The Society of Chinese Accountants and Auditors, a fellow and a certified tax adviser of the Taxation Institute of Hong Kong. Ms. Wong has more than 21 years of experience in auditing, accounting and taxation. She is the founder of Messrs. C.S. Wong & Co. and a director of Pan-China (H.K.) CPA Limited. Ms. Wong has been an independent non-executive director of Ban Loong Holdings Limited (Stock Code: 30) which is listed on the Main Board of the Stock Exchange since October 2014. From January 2015 to September 2019, Ms. Wong was the chief financial officer and company secretary of Astrum Financial Holdings Limited (Stock Code: 8333) which is listed on GEM of the Stock Exchange. From April 2012 to August 2015, Ms. Wong was as the company secretary of Yin He Holdings Limited (formerly known as Zebra Strategic Holdings Limited) (Stock Code: 8260) which is listed on GEM of the Stock Exchange. From November 2014 to June 2017, Ms. Wong was also the company secretary of Youth Champ Financial Group Holdings Limited (formerly known as Grand Investment International Limited) (Stock Code: 1160) which is listed on the Main Board of the Stock Exchange.

COMPLIANCE OFFICER

Mr. Fung Chi Kin is the compliance officer of the Company.

黃翠珊女士（「**黃女士**」），47歲，自二零一九年二月起獲委任為獨立非執行董事。黃女士自一九九九年五月及二零零零年五月起分別為澳洲執業會計師公會執業會計師及香港會計師公會註冊會計師。彼亦為香港華人會計師公會會員、香港稅務學會資深會員及註冊稅務師。黃女士擁有逾21年之審核、會計及稅務經驗。彼為黃翠珊會計師事務所之創辦人及天健（香港）會計師事務所有限公司之董事。自二零一四年十月起，黃女士擔任聯交所主板上市公司萬隆控股集團有限公司（股份代號：30）的獨立非執行董事。自二零一五年一月至二零一九年九月，黃女士曾為聯交所GEM上市公司阿仕特朗金融控股有限公司（股份代號：8333）之財務總監兼公司秘書。自二零一二年四月至二零一五年八月，黃女士曾擔任聯交所GEM上市公司銀合控股有限公司（前稱施伯樂策略控股有限公司）（股份代號：8260）之公司秘書。自二零一四年十一月至二零一七年六月，黃女士亦曾擔任聯交所主板上市公司優創金融集團控股有限公司（前稱大唐投資國際有限公司）（股份代號：1160）之公司秘書。

合規主任

馮志堅先生為本公司合規主任。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

COMPANY SECRETARY

Mr. Chiu Ming King (“**Mr. Chiu**”) has been appointed as the Company Secretary with effect from 28 August 2020. Mr. Chiu, aged 43, currently serves as an executive director of corporate services of Vistra Corporate Services (HK) Limited. He has over 16 years of experience in the company secretarial field. He is currently (1) the joint company secretary of Shanghai Haohai Biological Technology Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 6826); (2) the joint company secretary of Kunming Dianchi Water Treatment Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 3768); (3) the company secretary of Grace Wine Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8146); (4) the joint company secretary of AAG Energy Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2686); (5) the joint company secretary of CanSino Biologics Inc., a company listed on the Main Board of the Stock Exchange (stock code: 6185); (6) the company secretary of Sheng Yuan Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 851); and (7) the company secretary of JD Health International Inc., a company listed on the Main Board of the Stock Exchange (stock code: 6618).

Mr. Chiu has been an associate member of the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in United Kingdom and the Hong Kong Institute of Chartered Secretaries (“**HKICS**”) since 2003 and has become a fellow member of both the HKICS and the Chartered Governance Institute since September 2015. He is also a holder of the Practitioner’s Endorsement Certificate issued by HKICS. From 2020, he has been a council member of HKICS, vice-chairman of the Membership Committee and chairman of Professional Services Panel of HKICS.

Mr. Chiu obtained a bachelor of arts from University of Toronto in Canada in June 1999 and received a master of arts in professional accounting and information systems from City University of Hong Kong in November 2003.

公司秘書

趙明璟先生（「**趙先生**」），43歲，自二零二零年八月二十八日起獲委任為公司秘書。現時為Vistra Corporate Services (HK) Limited的公司服務執行董事，彼於公司秘書行業擁有逾16年經驗，彼現時為(1)上海昊海生物科技股份有限公司（為一間於聯交所主板上市的公司，股份代號：6826）之聯席公司秘書；(2)昆明滇池水務股份有限公司（為一間於聯交所主板上市的公司，股份代號：3768）之聯席公司秘書；(3)怡園酒業控股有限公司（為一間於聯交所GEM上市的公司，股份代號：8146）之公司秘書；(4)亞美能源控股有限公司（為一間於聯交所主板上市的公司，股份代號：2686）之聯席公司秘書；(5)康希諾生物股份公司（為一間於聯交所主板上市的公司，股份代號：6185）之聯席公司秘書；(6)盛源控股有限公司（為一間於聯交所主板上市的公司，股份代號：851）之公司秘書；以及(7)京東健康股份有限公司（為一間於聯交所主板上市的公司，股份代號：6618）之公司秘書。

趙先生自二零零三年起一直為英國特許公司治理公會（前稱英國特許秘書及行政人員公會）和香港特許秘書公會（「**香港特許秘書公會**」）會員，並自二零一五年九月起均成為香港特許秘書公會及英國特許公司治理公會之資深會員。彼亦持有由香港特許秘書公會頒發的執業者認可證明書。由二零二零年起，彼為香港特許秘書公會的理事會成員。彼同時為香港特許秘書公會的會籍委員會副主席，以及專業服務小組的主席。

趙先生於一九九九年六月自加拿大多倫多大學取得文學學士學位，並於二零零三年十一月自香港城市大學取得專業會計與信息系統的文學碩士學位。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Group is committed to attain a high standard of corporate governance practices to safeguard the interests of its shareholders and enhance the shareholder value.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2020, to the best knowledge of the Board, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules (the “Code Provisions”), save for the deviation from the Code Provision A.2.1 as explained below.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions carried out by Directors, that is not laxer than relevant standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all Directors, they confirmed they have complied with the standards of dealings and the code of conduct regarding securities transactions carried out by Directors, adopted by the Company throughout the year ended 31 December 2020.

BOARD OF DIRECTORS

(a) Board Composition

The Board currently consists of 5 Directors including 2 executive Directors, namely Mr. Wang Wendong and Mr. Fung Chi Kin; and 3 independent non-executive Directors, namely Mr. Zhou Tianshu, Ms. Wu Liyan and Ms. Wong Susan Chui San.

The biographical details of all Directors and senior management of the Company are set out on pages 15 to 19 of this annual report. To the best knowledge of the Company, save as disclosed under the section “Biographical Details of Directors and Senior Management”, there is no financial, business, family or other material or relevant relationships among members of the Board.

本集團致力達致高水平的企業管治常規，以保障其股東之利益及提升股東價值。

企業管治常規守則

截至二零二零年十二月三十一日止年度，就董事會所深知，除下文所述偏離守則條文第A.2.1條的情況外，本公司已謹遵載於GEM上市規則附錄十五的《企業管治守則》及《企業管治報告》之守則條文（「守則條文」）。

董事進行證券交易的行為守則

本公司已採納一套董事進行證券交易的行為守則，其條款並不較GEM上市規則第5.48條至第5.67條所載之交易相關標準寬鬆。本公司已向全體董事作出具體查詢，而彼等已確認截至二零二零年十二月三十一日止年度一直遵守本公司所採納的交易標準及董事進行證券交易的行為守則。

董事會

(a) 董事會組成

董事會目前由5名董事組成，包括2名執行董事王文東先生及馮志堅先生；及3名獨立非執行董事周天舒先生、吳勵妍女士及黃翠珊女士。

本公司全體董事及高級管理層的履歷詳情載於本年報第15至19頁。據本公司所深知，除「董事及高級管理人員之履歷詳情」一節所披露者外，董事會成員之間概無財務、業務、親屬或其他重大或關聯關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

(b) Function of the Board

The Board considers, oversees and approves the overall businesses, strategic direction and financial performance of the Group; develops and performs the corporate governance duties of the Group; monitors the implementation of these policies and strategies and responsible for the management of the Group. The Board is the ultimate decision-making body of the Company except for matters requiring shareholder approval pursuant to the Articles of Association of the Company (the “Articles”), the GEM Listing Rules and other applicable laws and regulations.

Daily operation of the Company is delegated to the management team with substantial experience and expertise to which the Board delegates the authority and responsibility for implementing the policies and strategies of the Group.

(c) Board Meetings

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles.

The Board schedules 4 meetings a year at approximately quarterly intervals and will meet as necessary. The Company Secretary prepares minutes to record matters discussed and decisions resolved at the Board meetings. Minutes are kept by the Company Secretary with copies circulated to all Directors for information and records.

The Board held 11 meetings during the year ended 31 December 2020. The Directors’ attendance to the Board meetings is listed out on page 29.

(d) Appointment, Re-election and Removal of Directors

Under the Code Provision A.4.1, independent non-executive directors should be appointed for a specific term, subject to re-election. Each of the independent non-executive Directors have entered into a service contract with the Company for a term of one year commencing from date of appointment or re-appointment subject to termination, among others, by giving not less than one month’s written notice.

(b) 董事會職能

董事會考慮、監察及批准本集團之整體業務、策略方針及財務表現；制定及履行本集團企業管治職責；監控該等政策及策略的實施情況，並負責本集團之管理。除根據本公司組織章程細則（「細則」）、GEM上市規則及其他適用法律及法規須取得股東批准之事宜外，董事會為本公司之最終決策機構。

董事會將實施本集團政策及策略之權力及責任交託予具備豐富經驗及專業知識之管理層團隊。管理層團隊負責本公司之日常運營。

(c) 董事會會議

根據細則，董事可親身或通過其他電子通訊方式出席會議。

董事會每年安排4次會議，大約每季度舉行1次，並將於有需要時舉行會議。由公司秘書編撰會議記錄以記載有關董事會會議上所討論之事宜及議決決定。會議記錄由公司秘書保存，副本將向全體董事派發，以供參考及記錄。

截至二零二零年十二月三十一日止年度，董事會舉行11次會議。董事出席董事會會議的情況載列於第29頁。

(d) 董事之委任、重選及罷免

根據守則條文第A.4.1條，獨立非執行董事應有指定任期，並須予重選。各獨立非執行董事已與本公司訂立自委任或重新委任日期起計為期一年的服務合約，該合約可通過（其中包括）發出不少於一個月的書面通知予以終止。

CORPORATE GOVERNANCE REPORT

企業管治報告

Each of the executive Directors have entered into a service contract with the Company for a term of one year commencing from date of appointment or re-appointment to termination in certain circumstances as stipulated in the relevant service contract.

In compliance with the Code Provision A.4.2, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. By virtue of article 68 of the Articles, the Board may, at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or by way of addition to their number so long as the number of Directors does not exceed the maximum number determined from time to time (if any) by the shareholders in any general meeting. Any Director so appointed to fill a casual vacancy shall hold office until the first general meeting of members after the appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for reappointment, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at each annual general meeting.

In compliance with the Code Provision A.4.2, every director, should be subject to retirement by rotation at least once every three years. Further, pursuant to article 69 of the Articles, at each annual general meeting, one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number of Directors nearest to but not greater than one third of the total number of Directors (or such other number as may be required under applicable legislation), shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who become Directors on the same day, the Directors to retire shall be (unless otherwise agreed amongst themselves) in order by which such Directors were appointed on the day of their last election.

各執行董事已與本公司訂立自委任或重新委任日期起計為期一年的服務合約，該合約可於相關服務合約中訂明的若干情況下予以終止。

根據守則條文第A.4.2條，所有獲委任以填補臨時空缺的董事，須於獲委任後首次股東大會接受股東選舉。根據細則第68條，董事會可隨時及不時委任任何人士為董事，以填補臨時空缺，或是增加董事人數，惟董事人數不得超過股東於任何股東大會上不時釐定的最高數目（如有）。任何以此方式獲委任以填補臨時空缺的董事將僅任職至其獲委任後的首次股東大會為止，並可於該大會上膺選連任，而任何獲委任以增加現有董事會人數的董事將僅任職至本公司下屆股東週年大會為止，並屆時將合資格膺選連任，惟於釐定每屆股東週年大會上輪值退任的董事或董事人數時將不計算在內。

根據守則條文第A.4.2條，各董事應至少每三年輪值退任一次。另外，根據細則第69條，於每屆股東週年大會上，當時在任的三分之一董事或倘董事數目並非三或三的倍數，則為最接近但不超過董事總人數三分之一的數目（或適用法例規定之其他數目）之董事須輪值告退，惟每名董事須至少每三年告退一次。每年退任的董事須為自上次獲選以來在任時間最長的董事，惟若數名人士於同日成為董事，則將告退的董事須按彼等上次獲選之日的委任順序釐定（除非彼等另行協定）。

CORPORATE GOVERNANCE REPORT

企業管治報告

(e) Independent Non-Executive Directors

The Company has 3 independent non-executive Directors which complies with Rule 5.05(1) of the GEM Listing Rules. Among the 3 independent non-executive Directors, Ms. Wong Susan Chui San has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 5.05(2) of the GEM Listing Rules. The independent non-executive Directors represent at least one-third of the Board in compliance with Rule 5.05A of the GEM Listing Rules.

The Company has received from each of the independent non-executive Directors a written confirmation or an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers the independent non-executive Directors are or have been remained independent.

(f) Chairman and Chief Executive Officer

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated. Currently, Mr. Wang Wendong holds both positions. Since Mr. Wang Wendong joined the Company in May 2018, he has held the key leadership position of the Group and has been involved in the formulation of corporate strategies and management of business and operations of the Group gradually. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors (including independent non-executive Directors) consider that Mr. Wang Wendong is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the shareholders of the Company as a whole.

(e) 獨立非執行董事

本公司有3名獨立非執行董事，符合GEM上市規則第5.05(1)條。於3名獨立非執行董事中，黃翠珊女士擁有GEM上市規則第5.05(2)條所要求之適當專業資格或會計或相關財務管理專業知識。獨立非執行董事至少佔董事會人數三分之一，符合GEM上市規則第5.05A條。

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條發出之獨立性書面確認或年度確認書。本公司認為，獨立非執行董事均為或仍為獨立人士。

(f) 主席及行政總裁

守則條文第A.2.1條規定，主席及行政總裁的角色應有區分。目前，該兩個職位均由王文東先生擔任。自王文東先生於二零一八年五月加入本公司以來，彼逐步地擔任本集團的主要領導職務，並參與制定本集團的企業策略及業務管理及運營。考慮到本集團內部的一貫領導，以及為實現更有效及高效的整體戰略規劃以及繼續實施此類計劃，董事（包括獨立非執行董事）認為王文東先生是此兩個職位的最佳人選，目前的安排是有益的且符合本集團及本公司股東的整體利益。

CORPORATE GOVERNANCE REPORT

企業管治報告

(g) Directors' Participation in Continuous Professional Trainings

According to Code Provision A.6.5, all directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. Each newly appointed Director would receive a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the GEM Listing Rules and other relevant regulatory requirements. During the year ended 31 December 2020, the Company has arranged and/or introduced some training courses/relevant reading materials for the Directors to develop and explore their knowledge and skills in relation to the updates on laws, rules and regulations which might be relevant to their roles.

The Directors confirmed that they have complied with Code Provision A.6.5 on the directors' training. During the year ended 31 December 2020, all Directors who were in office as at 31 December 2020 have participated in continuous professional development by attending seminars or reading materials to develop and refresh their knowledge and skills.

(g) 董事參與持續專業培訓

根據守則條文第A.6.5條，全體董事須參與持續專業發展，以培養及更新其知識及技能，確保其對董事會作出知情及有關之貢獻。每位新獲委任之董事均會收到一份全面入職資料，範圍涵蓋本公司之業務營運、政策及程序以及作為董事之一般、法定及監管責任，以確保董事充分知悉其於GEM上市規則及其他相關監管規定下之責任。截至二零二零年十二月三十一日止年度，本公司已就與各董事職位可能相關的法律、規則及規例的最新資料為董事安排及／或引入若干培訓課程／相關閱讀材料，讓董事培養及發展知識及技能。

董事確認，彼等已遵守守則條文第A.6.5條有關董事培訓的規定。截至二零二零年十二月三十一日止年度，並於二零二零年十二月三十一日在任的全體董事均已藉出席研討會或閱讀資料參與持續專業發展，以發展及更新其知識及技能。

Attending training courses/reading relevant materials in relation to the business, GEM Listing Rules or directors' duties
出席有關業務、GEM上市規則或董事職責之培訓課程／閱讀有關資料

| Name of Director | 董事姓名 | |
|---|-----------------|------|
| Executive Directors: | 執行董事： | |
| Mr. Wang Wendong | 王文東先生 | Yes是 |
| Mr. Fung Chi Kin | 馮志堅先生 | Yes是 |
| Independent Non-Executive Directors: | 獨立非執行董事： | |
| Mr. Zhou Tianshu | 周天舒先生 | Yes是 |
| Ms. Wu Liyan | 吳勵妍女士 | Yes是 |
| Ms. Wong Susan Chui San | 黃翠珊女士 | Yes是 |

CORPORATE GOVERNANCE REPORT

企業管治報告

(h) Directors' and Officers' Liabilities Insurance and Indemnity

The Company has arranged for appropriate liability insurance and indemnity covering the liabilities in respect of the legal action against the Directors that may arise out of the corporate activities which has been complied with the Code Provisions. The insurance coverage is reviewed on an annual basis.

(i) Board Diversity Policy

The Board has adopted a board diversity policy, setting out the approach to achieve diversity within the Board. The Company considered diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, culture and education background, professional experience, skills, knowledge and length of service. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

The nomination committee of the Company (the “**Nomination Committee**”) is responsible for reviewing the board diversity policy and monitor the progress on achieving the objectives set for implementing the said policy from time to time. The Nomination Committee shall review this policy and the measurable objectives at least annually, and as appropriate, to ensure the continued effectiveness of the Board.

(j) Nomination Policy and Process for Nominating Directors

The Nomination Committee and the Board have followed the nomination policy and board diversity policy of the Company for the appointment or re-appointment of Directors. In reviewing the structure of the Board, the Nomination Committee and the Board will consider the Board diversity from a number of aspects, including but not limited to gender, age, culture and education background, professional experience, skills, knowledge and length of service. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

(h) 董事及職員責任保險及彌償

本公司已制定適當的責任保險及彌償安排，以涵蓋可能於企業活動中產生的針對董事的法律行動的有關責任，此符合守則條文。保險涵蓋範圍每年檢討一次。

(i) 董事會成員多元化政策

董事會已採納董事會成員多元化政策，其中載有達致董事會成員多元化之方針。本公司實現董事會成員多元化會考慮多個方面，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年資。為達致可持續的均衡發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。董事會所有委任均以用人唯才為原則，並以適當準則考慮人選，充分顧及董事會成員多元化的裨益。

本公司提名委員會（「**提名委員會**」）負責審閱董事會成員多元化政策並不時監督實現上述政策制定目標的進展情況。提名委員會應至少每年審閱一次該政策及可衡量目標，並酌情確保董事會的持續有效性。

(j) 董事之提名政策及程序

提名委員會及董事會已遵循本公司的提名政策及董事會多元化政策委任或重新委任董事。於審核董事會架構時，提名委員會及董事會將從多個方面考慮董事會的多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年資。為了實現可持續及平衡發展，本公司認為董事會層面的日益多元化乃支持實現其戰略目標及可持續發展的重要因素。在充分考慮董事會多元化的益處下，本公司遵循任人唯賢的原則委任所有董事會成員，亦以適當標準考量候選人。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

(a) Audit Committee

The Company established the audit committee (the “**Audit Committee**”) on 22 July 2014 with written terms of reference that was amended and adopted with effect from 2 January 2019 in compliance with the Code Provision C.3. The duties of the Audit Committee include reviewing, in draft form, the Company’s annual report and accounts, half-yearly report and quarterly report and providing advice and comments to the Board. In this regard, members of the Audit Committee will liaise with the Board, the Company’s senior management and the auditors. The Audit Committee will also consider any significant or usual items that are, or may need to be, reflected in such reports and accounts and give consideration to any matters that have been raised by the Company’s accounting staff, compliance officers or auditors. Members of the Audit Committee are also responsible for reviewing the Company’s financial reporting process, risk management and internal control systems.

The Audit Committee currently comprises 3 independent non-executive Directors, namely Mr. Zhou Tianshu, Ms. Wu Liyan and Ms. Wong Susan Chui San and Mr. Zhou Tianshu is the chairman of the Audit Committee.

During the year ended 31 December 2020, the Audit Committee held 5 meetings, at which it has reviewed the annual, interim and quarterly results, evaluated the Group’s financial reporting process and made recommendations to improve the Company’s risk management and internal control systems, discussed with the external auditors the nature and scope of the audit and reporting obligations before the audit commences, and made recommendation to the Board on re-appointment and change of the external auditors. The members’ attendance to the Audit Committee meetings is listed out on page 29.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2020 which were audited by HLB Hodgson Impey Cheng Limited, whose term of office will expire upon the coming annual general meeting. The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited will be re-appointed as the auditors of the Company at the coming annual general meeting. During the year ended 31 December 2020, the Board did not take different view from the Audit Committee on the appointment of external auditors.

董事委員會

(a) 審核委員會

本公司已於二零一四年七月二十二日成立審核委員會（「**審核委員會**」），並已採納符合守則條文第C.3條的自二零一九年一月二日起修訂及採納的書面職權範圍。審核委員會的職責包括審閱本公司的年度報告及賬目、中期報告和季度報告草擬稿，及向董事會提供建議及意見等。就此而言，審核委員會成員將與董事會、本公司高級管理層及核數師聯繫。審核委員會亦將考慮任何於或可能需於該等報告及賬目呈現的重大或一般項目，並考慮任何由本公司的會計人員、合規主任或核數師提出的事項。審核委員會成員亦負責檢討本公司的財務報告程序、風險管理及內部監控制度。

審核委員會目前包括3名獨立非執行董事周天舒先生、吳勵妍女士及黃翠珊女士。周天舒先生為審核委員會主席。

截至二零二零年十二月三十一日止年度，審核委員會舉行5次會議，於會上其已審閱全年、中期及季度業績，並評估本集團的財務報告程序及提出建議以改善本公司的風險管理及內部監控制度，於開始審核前與外聘核數師討論審核性質及範圍以及申報責任，並就外聘核數師的續聘及更改向董事會提供建議。各成員出席審核委員會會議的情況載於第29頁。

審核委員會已審閱本集團截至二零二零年十二月三十一日止年度的綜合財務報表，該等報表已由國衛會計師事務所有限公司審核，而該事務所的任期將於即將舉行的股東週年大會上屆滿。審核委員會已向董事會提出建議，國衛會計師事務所有限公司將於即將舉行的股東週年大會上續聘為本公司的核數師。截至二零二零年十二月三十一日止年度，董事會並無收到審核委員會對委任外聘核數師的不同意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

(b) Executive Committee

The Company established the executive committee (the “**Executive Committee**”) on 19 December 2016 with written terms of reference. The Executive Committee is mainly responsible for monitoring the formulation, revision and implementation of the Company’s strategic plan and monitor the operation of its subsidiaries.

The Executive Committee currently comprises 2 executive Directors, namely Mr. Wang Wendong, Mr. Fung Chi Kin and 1 independent non-executive Director, namely Mr. Zhou Tianshu. Mr. Wang Wendong is the chairman of the Executive Committee.

During the year ended 31 December 2020, no meetings were held by the Executive Committee.

(c) Remuneration Committee

The Company established the remuneration committee (the “**Remuneration Committee**”) on 22 July 2014 with written terms of reference in compliance with Code Provision B.1. Amongst other things, the primary duties of the Remuneration Committee are to make recommendations to the Board on remuneration packages of all of the executive Directors and senior management, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on remuneration of independent non-executive Directors.

The Remuneration Committee currently comprises 3 independent non-executive Directors, namely Mr. Zhou Tianshu, Ms. Wu Liyan and Ms. Wong Susan Chui San and 1 executive Director, Mr. Wang Wendong. Ms. Wu Liyan is the chairlady of the Remuneration Committee.

During the year ended 31 December 2020, the Remuneration Committee held 2 meetings, at which it has reviewed the remuneration of each Director and made recommendations to the Board. The members’ attendance to the Remuneration Committee meetings is listed out on page 29.

(b) 執行委員會

本公司於二零一六年十二月十九日成立執行委員會（「**執行委員會**」），並訂明書面職權範圍。執行委員會主要負責監察本公司戰略計劃的制定、修訂及執行以及其附屬公司之營運。

執行委員會目前包括2名執行董事王文東先生、馮志堅先生以及1名獨立非執行董事周天舒先生。王文東先生為執行委員會主席。

截至二零二零年十二月三十一日止年度，執行委員會並無舉行會議。

(c) 薪酬委員會

本公司於二零一四年七月二十二日成立薪酬委員會（「**薪酬委員會**」），並已採納符合守則條文第B.1條的書面職權範圍。薪酬委員會的主要職責為（其中包括）就全體執行董事及高級管理層的薪酬組合（包括實物福利、退休金權利及補償付款、因失去或終止彼等的職務或委任而應付的任何補償）向董事會提出建議，並就獨立非執行董事的薪酬向董事會提出建議。

薪酬委員會目前包括3名獨立非執行董事周天舒先生、吳勵妍女士及黃翠珊女士以及1名執行董事王文東先生。吳勵妍女士為薪酬委員會主席。

截至二零二零年十二月三十一日止年度，薪酬委員會舉行2次會議，於會上其已審核各董事的薪酬及向董事會提出建議。各成員出席薪酬委員會會議的情況載於第29頁。

CORPORATE GOVERNANCE REPORT

企業管治報告

Details of the Directors' emoluments for the year ended 31 December 2020 are set out in note 8 to the consolidated financial statements.

Pursuant to Code Provision B.1.5, the remuneration of the senior management (excluding the Directors) by band for the year ended 31 December 2020 is set out below:

截至二零二零年十二月三十一日止年度董事薪酬詳情載於綜合財務報表附註8。

根據守則條文第B.1.5條，截至二零二零年十二月三十一日止年度按範圍劃分的高級管理層（不包括董事）薪酬載於下文：

| Emolument bands | 酬金範圍 | Number of Individuals 人數 |
|--------------------------------|-------------------------|-----------------------------|
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 2 |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至2,000,000港元 | 1 |

(d) Nomination Committee

The Company established the Nomination Committee on 22 July 2014 with written terms of reference that was strictly adhered to and adopted in compliance with Code Provision A.5. The Nomination Committee is mainly responsible for making recommendations to the Board on appointment and succession planning of the Directors. The procedures for Nomination of Directors include the measures taken by the Nomination Committee that it considers appropriate in connection with its identification and evaluation of a candidate after it determines that an additional or replacement director is required. Upon considering a candidate suitable for the position of director, the Nomination Committee will hold a meeting and/or by way of written resolutions to approve the recommendation to the Board and may submit the candidate's personal profile to the Board for consideration. During the year ended 31 December 2020, by considering of a number of aspects, including but not limited to gender, age, culture and education background, professional experience, professional skills, knowledge and length of service of each Director, the Company forms a diversified structure of the Board and embraces the diversified composition of the Board will be beneficial to meet the development needs of the Company. The Nomination Committee has reviewed the board diversity policy to ensure its effectiveness and considered that the Group achieved the objectives of its board diversity policy for the year ended 31 December 2020.

The Nomination Committee currently comprises 2 independent non-executive Directors, namely Mr. Zhou Tianshu and Ms. Wu Liyan and 1 executive Director, Mr. Wang Wendong. Mr. Wang Wendong is the chairman of the Nomination Committee.

(d) 提名委員會

本公司於二零一四年七月二十二日成立提名委員會，並嚴格遵定和採納符合守則條文第A.5條的書面職權範圍。提名委員會主要負責就董事委任及繼任計劃向董事會提出建議。提名董事的程序包括在確定需要額外增加或替換董事後，提名委員會可採取其認為適當的措施物色及評估人選。在考慮某名人選是否適合擔任董事一職之後，提名委員會將舉行會議及／或以書面決議案的方式，以批准向董事會提出推薦建議並向董事會提交人選之個人簡歷以作考慮。截至二零二零年十二月三十一日止年度，通過考慮包括但不限於各董事的性別、年齡、文化及教育背景、專業經驗、專業技能、知識及服務年限，本公司已形成了多元化的董事會結構，並深信董事會多元化組成將有利於滿足本公司的發展需求。提名委員會已審閱董事會多元化政策以確保其有效，並認為本集團已於截至二零二零年十二月三十一日止年度達成董事會成員多元化政策的目標。

提名委員會目前包括2名獨立非執行董事周天舒先生及吳勵妍女士以及1名執行董事王文東先生。王文東先生為提名委員會主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2020, the Nomination Committee held 1 meeting, at which it has reviewed the structure, size and composition of the Board, and made recommendations on proposed changes to the Board to complement the Company's corporate strategy. The members' attendance to the Nomination Committee meetings is listed out on page 29.

截至二零二零年十二月三十一日止年度，提名委員會舉行1次會議，於會上其已審閱董事會的架構、規模及組成，並向董事會提出有關建議變動的意見以執行本公司的企業策略。各成員出席提名委員會會議的情況載於第29頁。

(e) Attendance at Board Meetings, Board Committee Meetings and General Meetings

Details of the attendance of the Directors at the Board meetings, Board committee meetings and general meetings during the year ended 31 December 2020 are as follows:

(e) 董事會會議、董事委員會會議及股東大會的出席情況

截至二零二零年十二月三十一日止年度，董事出席董事會會議、董事委員會會議及股東大會的詳情如下：

| Name of Directors 董事姓名 | Number of Meetings Attended/Held During the Year Ended 31 December 2020 截至二零二零年十二月三十一日止年度出席／舉行的會議次數 | | | | | |
|--|--|------------------------------------|---|---|--|----------------------------------|
| | Board Meeting 董事會會議 | Audit Committee Meeting 審核委員會會議 | Remuneration Committee Meeting 薪酬委員會會議 | Nomination Committee Meeting 提名委員會會議 | Executive Committee Meeting 執行委員會會議 | Annual General Meeting 股東週年大會 |
| Executive Directors 執行董事 | | | | | | |
| Mr. Wang Wendong 王文東先生 | 11/11 | N/A不適用 | 2/2 | 1/1 | 0/0 | 1/1 |
| Mr. Fung Chi Kin 馮志堅先生 | 11/11 | N/A不適用 | N/A不適用 | N/A不適用 | 0/0 | 1/1 |
| Independent Non-Executive Directors 獨立非執行董事 | | | | | | |
| Mr. Lau Yuen Sun Adrian (Note 1) 劉源新先生(附註1) | 4/11 | 3/5 | 1/2 | N/A不適用 | N/A不適用 | N/A不適用 |
| Mr. Zhou Tianshu (Note 2) 周天舒先生(附註2) | 11/11 | 5/5 | 2/2 | 1/1 | 0/0 | 1/1 |
| Ms. Wu Liyan 吳勵妍女士 | 11/11 | 5/5 | 2/2 | 1/1 | N/A不適用 | 1/1 |
| Ms. Wong Susan Chui San 黃翠珊女士 | 11/11 | 5/5 | 2/2 | N/A不適用 | N/A不適用 | 1/1 |

Note 1: resigned as Independent Non-Executive Directors, member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee on 6 May 2020.

附註1：於二零二零年五月六日辭任獨立非執行董事，審核委員會、薪酬委員會及提名委員會成員。

Note 2: appointed as member of each of the Nomination Committee and the Executive Committee on 6 May 2020.

附註2：於二零二零年五月六日獲委任為提名委員會及執行委員會成員。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITORS' REMUNERATION

For the year ended 31 December 2020, the fees paid/payable to the Company's external auditors in respect of the audit and non-audit services were as follows:

| Type of services | | HK\$ |
|--------------------|-------|---------|
| 服務類型 | | 港元 |
| Audit services | 審核服務 | 600,000 |
| Non-audit services | 非審核服務 | 6,000 |
| Total | 總計 | 606,000 |

The non-audit services mainly included tax compliance and other tax services. The Audit Committee has been notified of the nature and the service charges of non-audit services performed by external auditor and considered that such services have no adverse effect on the independence of the external auditor.

ACCOUNTABILITY AND AUDIT

The Directors of the Company are responsible for overseeing the preparation of the consolidated financial statements which give a true and fair view of the state of affairs of the Group and of the results and cash flows during the year ended 31 December 2020. In preparing the consolidated financial statements during the year ended 31 December 2020, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimated that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis.

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

The statement by the auditor regarding its reporting duties on the consolidated financial statements of the Company is set out in the Independent Auditors' Report on pages 82 to 90 of this annual report.

核數師薪酬

截至二零二零年十二月三十一日止年度，就審核及非審核服務已付／應付本公司外聘核數師的費用如下：

非審核服務主要包括稅務合規及其他稅務服務。審核委員會已獲知外聘核數師所提供非審核服務的性質及服務收費，認為有關服務對外聘核數師的獨立身份並無不利影響。

問責及審核

本公司董事負責監督綜合財務報表的編製工作，以真實公平地反映本集團截至二零二零年十二月三十一日止年度的事務狀況、業績及現金流量。於編製截至二零二零年十二月三十一日止年度的綜合財務報表時，董事已選擇合適的會計政策並貫徹應用，作出審慎、公平及合理的判斷及估計，並按持續經營基準編製綜合財務報表。

董事並不知悉任何可能對本集團持續經營能力產生重大疑問的事件或狀況相關的重大不確定性。

核數師有關其就本公司綜合財務報表的報告職責的陳述，載列於本年報第82至90頁的獨立核數師報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the effectiveness of the Group's internal control and risk management systems. The Audit Committee assists the Board in meeting its responsibilities for maintaining an effectiveness of the systems of internal control and risk management of the Group, covering all material controls, including financial and operation. The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group would choose certain material risk events in its field every year and assess and grade the possibility of occurrence and influence of risk events to determine the scope of material risk of the year together with the management of the Group. Procedures have been designed to facilitate the effectiveness and efficiencies of operations, safeguard assets against unauthorized use and disposition, ensuring the maintenance of proper accounting records and the truth and fairness of the financial statements, and ensuring compliance of applicable laws, rules and regulations. Qualified management throughout the Group maintains and monitors the internal control systems on an ongoing basis.

During the process of risk assessment, each risk owner is required to capture and identify the key inherent risks that affect the achievement of its objectives. Each inherent risk is evaluated according to the risk matrix. After taking into consideration the risk response, such as control measures in place to mitigate the risk, the residual risk of each inherent risk is evaluated again. The risk register with the risk responses and residual risks is reported to the Audit Committee. The Audit Committee, evaluates the effectiveness of the systems and report to the Board. The highest category of residual risks is subject to the Board's oversight.

The Group does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. Each year, the Board engaged an independent consultant company to conduct internal audit function in order to review the effectiveness of the Group's risk management and internal control systems. The Board is of the view that the systems of risk management and internal control adopted for the year ended 31 December 2020 were assessed to be satisfactory and were functioning properly, to a large extent, in safeguarding the assets employed by the Group. The Board and the Audit Committee have both reviewed the systems of risk management and internal control on an annual basis.

風險管理及內部監控

董事會深明其對本集團內部監控及風險管理制度之有效性所承擔之責任。審核委員會協助董事會履行職責，維持本集團內部監控及風險管理制度的有效性，範圍涵蓋包括財務及營運在內的所有重大監控措施。本集團之風險管理及內部監控制度旨在管理而非消除未能達致業務目標的風險，同時面對重大的錯誤陳述或損失亦僅提供合理而非絕對的保證。

本集團每年就其領域選取若干重大的風險事件，並就風險事件發生的可能性及其影響作出評估及分類，從而與本集團管理層確認該年之重大風險範圍。本公司已制定程序以提升經營效率及效能、防止資產未經授權使用及處置、確保存有正確會計記錄及財務報表的真實性與公平性，以及確保遵守適用法律、規定及法規。本集團的所有合資格管理層持續維持及監控內部監控制度。

於風險評估的程序中，各風險負責人須及時獲取及辨識影響其達到目標的主要固有風險。各固有風險乃根據風險矩陣進行評估。經考慮風險的應對方法後（如採取監控措施以減低風險），將再次評估各固有風險的剩餘風險。風險記錄冊連風險應對方法及剩餘風險將會向審核委員會匯報。審核委員會評估系統的有效程度及向董事會匯報。最高類別的剩餘風險將受到董事會的監督。

本集團並無內部審核職能及目前認為根據本集團業務之規模、性質及複雜性，毋須即時於本集團內設立內部審核職能。董事會每年委聘獨立顧問公司履行內部審核職能，旨在審閱本集團風險管理及內部監控制度的有效性。截至二零二零年十二月三十一日止年度採納的該等風險管理及內部監控制度經已評估，於保障本集團動用的資產方面在大多數情況下令人滿意及妥善履行職能。董事會及審核委員會均每年檢討風險管理及內部監控系統。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Audit Committee reviewed the internal control review report issued by the independent consultancy company on the Company's risk management and internal control systems in respect of the year ended 31 December 2020 and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred the same. It also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Board has already implemented restriction on disseminating non-public information, handling of rumours, unintentional selective disclosure, exemption and waiver to the disclosure of inside information, and also compliance and reporting procedures. Senior management must take all reasonable measures to ensure that proper safeguards exist to prevent any breach of disclosure requirement from time to time. Employees are required to promptly bring any possible leakage or divulgence of inside information to the attention of the Chief Executive Officer, or his delegates, who will notify the Board timely and accordingly for taking the appropriate action promptly. For any material violation of this policy, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding recurrence.

COMPANY SECRETARY

The Company has appointed, externally, Mr. Chiu Ming King ("Mr. Chiu") as the Company Secretary. His biographical details are set out in the section "Biographical Details of Directors and Senior Management" of this annual report. During the year ended 31 December 2020, Mr. Chiu has confirmed that he has taken no less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules. Mr. Chiu's primary contact with the Company is Mr. Wang Wendong, the executive Director and the Chairman of the Board.

CHANGES IN CONSTITUTIONAL DOCUMENTS

The Company has not made any significant changes to its constitutional documents during the year ended 31 December 2020.

審核委員會審閱獨立顧問公司就本公司截至二零二零年十二月三十一日止年度的風險管理及內部監控制度出具的內部監控審閱報告，並認為該等制度乃有效及充足。透過考慮內部監控審閱報告及審核委員會執行的審閱，董事會評估內部監控制度的有效性，並同意上述意見。其亦認為，相關員工的資源、資歷及經驗乃足夠，且提供的培訓課程及預算乃充足。

處理及發佈內幕內消息的程序及內部監控措施

董事會已採取有效措施，防範有關非公開信息的散播、及處理謠言、無意選擇性披露、豁免披露內幕消息等方面，以及合規及報告程序。高級管理層均須採取一切合理措施，確保本公司不時設有恰當的防範措施，以防範任何違規披露。僱員須迅速提請高級管理層或其授權人士注意內幕消息的任何潛在洩漏或透露，並需及時通知董事會迅速採取適當的行動。如嚴重違反本政策，董事會將決定或指派適當人士以制定糾正問題的行動方針及策略，並避免再次發生。

公司秘書

本公司已外聘趙明璟先生（「趙先生」）擔任公司秘書。其履歷詳情載於本年報「董事及高級管理人員之履歷詳情」一節。截至二零二零年十二月三十一日止年度，趙先生已確認彼根據GEM上市規則第5.15條規定參加至少15小時的相關專業培訓。趙先生於本公司的主要聯絡人為執行董事兼董事會主席王文東先生。

變更組織章程文件

截至二零二零年十二月三十一日止年度，本公司章程文件並無任何重大變更。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Shareholders holding at the date of deposit of the requisition not less than 5% of the total voting rights of all the members having a right to vote at general meetings of the Company and shall at all times have the right, by written requisition to the Board, to require an extraordinary general meeting ("EGM") to be convened by the Board. Such requisition, signed by the shareholders concerned, must state the general nature of the business to be dealt with at the meeting and may include a text of resolution that is intended to be moved at the meeting. If within 21 days from the date of such deposit, the Board fails to proceed to such meeting the shareholders concerned may themselves convene an EGM, but any EGM so convened shall not be held after the expiration of three months after the date on which the Directors become subject to the requirement to call a meeting.

If a shareholder (other than the candidate) wishes to propose any candidate as director of the Company, the following documents should be duly lodged at the head office of the Company at Unit 401, 4/F., Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong, not earlier than the day after the dispatch of the notice of the general meeting and not later than seven days prior to the date fixed for the meeting:

- (a) a written notice by the shareholder of his intention to propose a resolution for the appointment or reappointment of that candidate, duly signed by the shareholder with his/her name and address stated clearly in an eligible manner, the validity of which is subject to verification and confirmation by the Company's share registrar according to its records;
- (b) a written notice duly executed by the candidate of his willingness to be appointed or re-appointed;
- (c) written consent of the publication of the candidate's information together with the candidate's biographical information as required by Rule 17.50(2) of the GEM Listing Rules; and
- (d) the candidate's written consent to the publication of his/her personal data.

股東權利

於提交要求日期持有不少於有權在本公司股東大會上表決的全體成員總表決權的5%的股東，於任何時間均有權透過向董事會提交書面要求而要求董事會召開股東特別大會（「股東特別大會」）。有關要求須經有關股東簽署，並須述明有待在有關大會上處理的事務的一般性質及可包含擬在該大會上動議的決議案的內容。倘董事會自收到該要求的日期起計21日內沒有召開有關大會，則有關股東可自行召開股東特別大會，惟在有關董事受到召開大會的規定所規限的日期後的三個月期限屆滿後，通過此種方式召開的任何股東特別大會不得舉行。

若股東（候選人除外）擬提名任何候選人擔任本公司董事，須於寄發股東大會通告後至大會指定舉行日期前不少於七日將以下文件遞交至本公司總辦事處（地址為香港金鐘紅棉路8號東昌大廈4樓401室）：

- (a) 該名股東有意提呈一項決議案以委任或重新委任該候選人之書面通知，該通知須由該股東以適當之方式正式簽署（須列明其姓名及地址），而其有效性則須由本公司的股份過戶登記處根據其記錄進行核實及確認；
- (b) 由該候選人正式簽署之有關其膺選或重選意願之書面通知；
- (c) 公開候選人資料及GEM上市規則第17.50(2)條所規定之候選人履歷資料之書面同意；及
- (d) 該候選人就公開其個人資料之書面同意。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Company recognizes the importance of maintaining an on-going communication with shareholders to ensure that shareholders are kept well informed of the business activities and direction of the Group.

The Company uses a range of communication tools including various notices, announcements, circulars, annual report and annual general meeting to disclose relevant information to shareholders. Separate resolutions are proposed at general meeting on each substantially separate issue, including the re-election of Directors. The Chairman and the chairmen of all board committees, together with the external auditors, shall attend the annual general meeting to answer the enquiries of shareholders. In compliance with the Code Provision E.1.3, the notice of annual general meeting will be sent to shareholders at least 20 clear business days before the meeting.

To further promote the effective communication with shareholders and the public, the corporate website is maintained to disseminate the information of the Group electronically on a timely basis.

POLICY ON PAYMENT OF DIVIDENDS

The Company currently do not have a fixed dividend policy and may declare dividends by way of cash or by other means that the Directors consider appropriate. A decision to declare any interim dividend or recommend any final dividend would require the approval of the Board and depend upon the following factors:

- (a) the Group's financial results;
- (b) the shareholders' interests;
- (c) general business conditions, strategies and future expansion needs;
- (d) the Group's capital requirements;
- (e) the payment by its subsidiaries of cash dividends to the Company;
- (f) possible effects on liquidity and financial position of the Group; and
- (g) other factors as the Board may consider relevant.

與股東溝通

本公司深知與股東維持持續溝通的重要性，確保股東知悉本集團之業務活動及方向。

本公司採用多種通訊工具（包括各類通知、公告、通函、年報及股東週年大會）向股東披露有關資料。就每個個別重要事項（包括重選董事）均於股東大會上以獨立決議案方式提出。主席及所有董事委員會主席以及外聘核數師將出席股東週年大會以回答股東提出之查詢。根據守則條文第E.1.3條，股東週年大會通告將於大會舉行前至少足20個營業日向股東發送。

為了進一步促進與股東及公眾之有效溝通，本集團將以電子方式及時在公司網站發佈本集團之資料。

派付股息政策

本公司目前並無固定股息政策且可透過現金或董事認為適當的其他方式宣派股息。宣派任何中期股息或建議任何末期股息的決定需經董事會的批准並取決於以下因素：

- (a) 本集團之財務業績；
- (b) 股東權益；
- (c) 一般商業條件、戰略及未來擴展需求；
- (d) 本集團之資本需求；
- (e) 其附屬公司向本公司派付現金股息；
- (f) 對本集團的流動資金及財務狀況可能造成的影響；及
- (g) 董事會可能認為相關的其他因素。

CORPORATE GOVERNANCE REPORT

企業管治報告

VOTING BY POLL

All resolutions put to the general meeting will be voted by poll at the meeting in accordance with the requirements of the GEM Listing Rules.

To ensure that shareholders are familiar with the detailed procedures for conducting a poll, the chairman of the meeting will explain the detailed procedures for conducting a poll at the commencement of the meeting and then answer any questions from shareholders regarding voting by way of a poll.

At the conclusion of the general meeting, the poll results will be published on the GEM website and the Company's website.

ENQUIRIES TO THE BOARD

Enquiries from shareholders to the Board can be sent in writing to the Company at the registered office in Hong Kong or by email to info@locohkholdings.com as stated on the Company's website.

以投票方式表決

於股東大會上提呈之所有決議案將根據GEM上市規則之規定於大會上進行投票表決。

為了確保股東熟悉以投票方式進行表決的詳細程序，大會主席將於大會開始時解釋以投票方式進行表決的詳細程序，並回答股東有關以投票方式表決的任何問題。

於股東大會結束後，投票結果將在GEM網站及本公司網站上公佈。

向董事會提出之查詢

股東可將彼等向董事會提出之查詢以書面形式郵寄至本公司的香港註冊辦事處，或以電郵形式發送至本公司網站所列之電子郵箱 info@locohkholdings.com。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Loco Hong Kong Holdings Limited (the “**Company**” together with its subsidiaries, hereinafter referred to as the “**Group**” or “**we**” or “**us**”) is pleased to present 2020 Environmental, Social and Governance Report (the “**Report**”), which enables stakeholders to know more about the Group’s progress and direction in sustainability aspects by reporting on its policies, measures and performance in various sustainability issues.

The Report is prepared and published in both Chinese and English at the Stock Exchange’s website (www.hkexnews.hk) and the Company’s website (www.locohkholdings.com). In the event of contradiction or inconsistency between the Chinese version and the English version, the English version shall prevail.

Reporting Period

The Report illustrates the overall performance of the Group regarding the environmental and social aspects from 1 January 2020 to 31 December 2020 (the “**reporting period**”).

Reporting Scope

The Group’s core businesses include provision of education management services in PRC Mainland and trading of metal, commodity forward contracts and provision of money lending services in Hong Kong.

Affected by factors such as the COVID-19 pandemic, the global and the PRC Mainland economic outlook recovery faces a challenging situation, our business segments and their respective operations were inevitably affected in the reporting period. The Report covers important core businesses in Hong Kong, the physical boundaries include offices and metal processing facilities.

To enable comparison of the Group’s yearly performance and progress in sustainability, the reporting methodologies of the two consecutive reports are aligned. We focus on improving our data collection system and expanding our disclosure scope.

關於本報告

港銀控股有限公司（「**本公司**」，連同其附屬公司統稱為「**本集團**」或「**我們**」）欣然發佈二零二零年度環境、社會及管治報告（「**本報告**」），透過報告其於可持續發展問題的政策、措施及績效，讓持份者更瞭解本集團於可持續發展方面的進展及方針。

本報告以中英兩種語言編製及刊發，並可在聯交所網站(www.hkexnews.hk)和本公司網站(www.locohkholdings.com)查閱。倘中英文版本有任何抵觸或不符之處，概以英文版本為準。

報告期

本報告闡述本集團於二零二零年一月一日至二零二零年十二月三十一日（「**報告期**」）期間環境及社會層面的整體表現。

報告範圍

本集團主要活動為於中國內地提供教育管理服務及於香港從事貴金屬交易、商品遠期合約及提供放債服務。

受COVID-19新冠疫情等因素影響，中國內地市場及國際經濟表現面臨嚴峻挑戰，報告期內業務各分部的營運不可避免地受到影響。本報告披露的資料主要涵蓋香港的核心及重要業務單位，物理範圍包括辦公室及白銀加工工場。

為了比較本集團在可持續發展方面的年度績效及進展，兩份連續報告的報告方法一致。本集團將不斷提升內部數據收集程序並逐步擴大披露範圍。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Reporting Standards

The Report is prepared in accordance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) under Appendix 20 of the GEM Listing Rules of the Stock Exchange and on the basis of the four reporting principles – materiality, quantitative, balance and consistency.

All the information cited in this report was derived from the Group’s official documents, statistical data as well as management and operational information collected in accordance with the Group’s policies. The ESG Report has been confirmed and approved by the Board on 25 March 2021.

Feedback

Stakeholder opinions matter as they facilitate the Group to map out important environmental, social and governance (“**ESG**”) issues and give the Group inspiration on how to improve its ESG performance. If you have any comments about the report, please contact the Group via the following channels:

Mail: Unit 401, 4/F Fairmont House,
8 Cotton Tree Drive, Admiralty, Hong Kong
Email: info@locohkholdings.com
Phone: 2203 0999
Fax: 2205 0099

報告準則

本報告乃遵照聯交所GEM上市規則附錄二十所載之《環境、社會及管治報告指引》（「**環境、社會及管治報告指引**」）的所有適用規定編製，並以其載列的四項匯報原則—重要性、量化、平衡及一致性，作為本報告的撰寫基礎。

本報告所引用的所有資料均源自本集團根據本集團政策收集的官方文件、統計數據以及管理及營運資料。環境、社會及管治報告於二零二一年三月二十五日獲董事會確認及批准。

反饋

持份者的意見至關重要，因其有助於本集團就重要的環境、社會及管治（「**環境、社會及管治**」）問題制定計劃，並為本集團如何提升環境、社會及管治表現帶來啟發。倘閣下對本報告有任何意見，請透過以下方式聯絡本集團：

郵寄地址：香港金鐘紅棉路8號東昌大廈
4樓401單位
電子郵件：info@locohkholdings.com
電話：2203 0999
傳真：2205 0099

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stakeholder Engagement

The Group is committed to operating in a socially responsible and transparent manner with regards to all stakeholders, including employees, customers, shareholders, suppliers, regulatory authorities and the general community. To maintain and develop good corporate citizenship, we aim to engage fully and openly with all stakeholders through a diverse array of effective communication channels.

持份者參與

本集團為所有持份者而致力以向社會負責、高透明度的形式營運。持份者包括僱員、客戶、股東、供應商、監管機構及社會大眾。為維持及完善良好企業公民的表現，我們的目標是透過廣泛有效的溝通渠道，使所有持份者均可完全地、開放地參與發表意見。

| | |
|--------------------|---|
| Employees 僱員 | <ul style="list-style-type: none"> Annual performance appraisal system 每年之考績機制 Training, seminars and briefing sessions 培訓、講座及簡報會 Staff communication 員工交流 |
| Customers 客戶 | <ul style="list-style-type: none"> Client relationship contacts 促進客戶關係之接觸 Company website 公司網站 Customer service hotline 客戶服務熱線 |
| Shareholders 股東 | <ul style="list-style-type: none"> Annual General Meeting and other general meetings 股東週年大會及其他股東大會 Investor and press conferences and briefings 投資者及新聞發佈會、簡報會 Company website 公司網站 Corporate communications including announcements, press releases, circulars, interim and annual reports 企業通訊，包括公告、新聞稿、通函、中期報告及年度報告 |
| Suppliers 供應商 | <ul style="list-style-type: none"> Regular supplier communications and reviews 定期的供應商交流及檢討 |
| Regulators 監管機構 | <ul style="list-style-type: none"> Regular meetings and communications 定期會議和交流 On-site review 現場審查 Compliance reports 合規報告 Training, focus groups and other events 培訓、小組焦點座談會及其他活動 |
| Community 社區 | <ul style="list-style-type: none"> Sponsorships and donations 贊助及捐款 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Materiality Assessment

The Group directly engaged with our stakeholders as part of the materiality assessment process for developing the report. Materiality is determined by considering Group's most significant economic, environmental, social impacts and stakeholders' concerns.

Based on the results of the assessment, the Company will review its longer-term strategy for addressing specific sustainability issues and explore future opportunities for improving sustainability performance and reporting.

The Group's material ESG issues summaries as follows:

Material environmental aspects:

Hazardous waster
Environment and natural resources
Water efficiency

Material social aspects:

Customers' information and privacy protection
Anto-corruption
Intellectual property

(A) ENVIRONMENTAL ASPECTS

Hong Kong has a very stringent control regime on matters which are covered by the ESG Report and especially on pollution and water discharge. The Group, in order to develop a sustainable business and striving for a higher level of product quality and business return, undertakes environmental protection in a very serious and responsible manner. The Group is determined and committed to developing a sustainable business and have taken initiatives to secure a sustainable and environmentally friendly production and operating processes by taking all practicable and possible measures to comply with the relevant applicable statutory provisions. Abiding by the law and complying with regulatory standards are the guiding principle of the Group.

重要性評估

在編製本報告的過程中，本集團安排持份者直接參與重要性評估。重要性乃依據本集團最重要的經濟、環境、社會影響及持份者的關注因素而釐定。

根據評估結果，本公司將檢討長期策略，解決具體的可持續發展問題，並尋求未來機會，完善可持續發展的表現及有關的報告。

本集團的重要環境、社會及管治問題概述如下：

重要環境層面：

有害廢棄物
環境與自然資源
用水效率

重要社會層面：

客戶數據和隱私保護
反貪污
知識產權

(A) 環境層面

香港對環境、社會及管治報告涵蓋的事項有非常嚴格的控制制度，尤其對污染物及廢水排放。為發展可持續業務及爭取較高水平的產品質量及業務回報，本集團以極其嚴肅負責的方式進行環境保護。本集團決定並致力於發展可持續業務，並已主動透過採取所有切實可行及可能的措施取得可持續及環保生產及經營過程，以遵守相關適用監管條文。遵守法律及遵守監管標準為本集團的指導原則。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group is principally engaged in the trading of precious metals in Hong Kong. Silver scrap is purchased as raw material for processing into finished silver products in our scrap metal processing facility in Kwai Chung. Its operation enhances the marketability and facilitates the trading of our silver products. The precious metal processing facility in Kwai Chung occupying approximately 7,500 sq. ft. houses the fully integrated metal melting plant. In the effect of global COVID-19 pandemic and economic situation worldwide, although the basic operation of facility continued in the reporting period, no production or processing work was carried out in the reporting period. Emissions and consumption of energy reduced significantly as a result.

A1. Emissions

(a) Policy

Most of the Group's business activities are of a general office nature and do not generate air emission which has a significant impact or materiality to the environment as far as the Group is concerned with the exception of the scrap metal processing facility. Silver scrap is melted in our scrap metal processing facility and processed into various sizes, shapes and forms as specified by our customers. In this process, water is used for cooling after which is then discharged as wastewater.

Except for this wastewater, there are no other significant air emissions and hazardous wastes generated from our operations. As for wastewater discharge, the Group strictly complies with the stipulations of the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) and the terms and conditions per the license issued pursuant to Section 20 of the Ordinance. The Group attaches serious concern and attention to this area and abides by all applicable laws and statutory provisions and takes all measures to ensure strict compliance.

本集團主要於香港從事貴金屬貿易。我們採購白銀廢料作為於葵涌的廢金屬加工設施加工成白銀製成品的原材料。其營運提高適銷性及促進白銀產品貿易。佔地約7,500平方呎的葵涌貴金屬加工設施包括全套綜合金屬熔化廠房。受全球經濟情況和COVID-19新冠疫情因素影響，葵涌廠房在報告期內雖繼續維持營運，但報告期內未有生產或加工設施運作，整體能源消耗及排放大幅下降。

A1. 排放物

(a) 政策

本集團大部分業務活動為一般辦公性質，就本集團所知，除廢金屬加工設施外，不產生對環境有重大影響的廢氣排放。白銀廢料在我們的金屬廢料加工設施熔化及加工成客戶指定的各種尺寸、形狀及形式。在此過程中，水用於冷卻，此後被作為廢水排放。

除廢水外，我們的營運並無產生其他重大廢氣排放及有害廢棄物。就廢水處理而言，本集團嚴格遵守《水污染管制條例》（香港法例第358章）之規定以及根據該條例第20條發出之牌照所規定的條款及條件。本集團特別關注及重視該領域，並遵守所有適用法律及法定條文及採取所有措施確保嚴格合規。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

(b) Compliance with relevant laws and regulations that have a significant impact on the Group

The operations and activities of the scrap precious metal processing facility are subject to the statutory control regime of pollution control. The Group has obtained all the required statutory registrations and licenses required of the precious metal processing facility: (i) Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) – Waste Disposal (Chemical Waste) (General) Regulation and (ii) Registration as a Chemical Waste Producer under Waste Disposal (Chemical Waste) (General) Regulation and (iii) Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) – Victoria Harbour (Phase One) Water Control Zone.

In order to obtain relevant registrations or licenses, the Group must ensure its chemical wastes (e.g. residual acidic solution, if any) will undergo proper treatment before final disposal. This process is under the supervision and monitoring of third party companies registered with government and subject to the inspection of the law enforcers.

The Group adopts all appropriate measures to ensure that the quantity, quality and composition of any discharge from our precious metal processing facility shall not exceed the limits stipulated by the Environmental Protection Department of government. The Group strictly complies with all stipulations of the laws, regulations and policies on disposal.

Besides non-toxic cooling water, other wastes produced which are of a general office nature are properly disposed of by licensed waste collector after undergoing the required treatment. Our precious metal processing facility is subject to the unannounced visits and inspection of the government authority. During the year, the Group has not received any fines, complaints or warnings with regard to any hazardous gas emissions or pollutions in air, noise, water or waste discharge.

(b) 遵守對集團有重大影響的相關法律及法規

貴金屬廢料加工設施的營運及活動受污染控制的法定管制制度所規限。本集團已取得以下貴金屬加工設施所需的所有規定法定登記及牌照：(i)《廢物處置條例》(香港法例第354章) – 《廢物處置(化學廢物)(一般)規例》及(ii)作為化學廢物產生者的廢物處置(化學廢物)(一般)規例登記及(iii)《水污染管制條例》(香港法例第358章) – 維多利亞港(一期)水管制區域。

為取得相關登記或牌照，本集團須確保其化學廢料(例如殘留的酸性溶液(如有))於最終處置前進行妥善處置。該過程受到向政府登記的第三方公司的監管及監督，並須接受執法人員檢查。

本集團採取一切適當的措施以確保貴金屬加工設施的任何排放物的數量、質量及成分不會超過政府環境保護署訂明的限額。本集團嚴格遵守有關處置的法律、法規及政策的所有規定。

除無毒冷卻水外，所產生其他屬一般辦公性質的廢料於進行規定的處置後由持牌廢物處理中心妥善處置。我們的貴金屬加工設施須接受政府機構的暗訪及檢查。年內，本集團並無收到任何有關有害氣體排放或空氣、噪音、水污染或廢物排放的罰款、投訴或警告。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

For the year ended 31 December 2020, the Group is straightly in compliance with relevant laws and regulations in this regard. They include but not limited to Noise Control Ordinance (Cap. 400), Air Pollution Control Ordinance (Cap. 311), Water Pollution Control Ordinance (Cap. 358) and Waste Disposal Ordinance (Cap. 354).

The types of emission and emission data of the Group (KPI A1.1)

General business operations and activities of the Group involved offices and precious metal processing.

Air emissions in the reporting period majorly came from the exhaust of group-owned vehicles used in daily transport service, except that we do not generate complicate emission which is considered of significant impact or materiality to the environment, our operations or the control regime. The emission data of air emissions were as follows:

Air Emissions 空氣排放物

Nitrogen Oxides (NO_x)
氮氧化物(NO_x)
Sulphur Oxides (SO_x)
硫氧化物(SO_x)
Particulate Matte (PM)
顆粒物(PM)

截至二零二零年十二月三十一日止年度，本集團嚴格遵守這方面的相關法律法規，包括但不限於：香港法例第400章《噪音管制條例》；香港法例第311章《空氣污染管制條例》；香港法例第358章《水污染管制條例》及香港法例第354章《廢物處置條例》。

*排放類別及相關排放數據
(關鍵績效指標A1.1)*

本集團一般業務營運及活動主要為普通辦公室運作及工場的貴金屬加工設施操作。

空氣排放物來自車輛的道路排放，除集團用作一般接載活動的車輛外，我們並不會產生被認為對環境、營運或管制制度有重大影響的複雜排放。空氣排放物數據如下：

| | Unit 單位 | 2020 二零二零年 |
|--|------------|---------------|
| Nitrogen Oxides (NO _x) 氮氧化物(NO _x) | kg 千克 | 0.747 |
| Sulphur Oxides (SO _x) 硫氧化物(SO _x) | kg 千克 | 0.055 |
| Particulate Matte (PM) 顆粒物(PM) | kg 千克 | 0.055 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Greenhouse Gas Emission and intensity (KPI A1.2)

The Group's awareness on greenhouse gas emissions and climate change is ever increasing, we focus on improving our data collection system and expanding our disclosure scope. The Report additionally covers the emissions of company-owned vehicles and indirectly carbon emission sources such as the processing of waste, freshwater and sewage. We put our full effort in collecting and disclosing holistic data set with precision for us to continuously improve our environmentally friendly policy. The GHG emission data were as follows:

| GHG Emissions 溫室氣體排放 | Unit 單位 | 2020 二零二零年 | 2019 二零一九年 |
|------------------------------------|---|---------------|---------------|
| Scope 1 範圍一 | tonnes CO ₂ -equivalent 公噸二氧化碳當量 | 9.99 | — |
| Scope 2 範圍二 | tonnes CO ₂ -equivalent 公噸二氧化碳當量 | 15.85 | 32.41 |
| Scope 3 範圍三 | tonnes CO ₂ -equivalent 公噸二氧化碳當量 | 1.63 | — |
| Total GHG Emission 總溫室氣體排放 | tonnes CO ₂ -equivalent 公噸二氧化碳當量 | 27.47 | 32.41 |
| GHG Emission Intensity 溫室氣體排放密度 | tonnes CO ₂ -equivalent/ million HKD 公噸二氧化碳當量／ 百萬港元 | 6.45 | 0.15 |

Compare with the previous year, purchased electricity in the offices and the precious metal processing facility was still the main source of GHG emissions, which accounted for around 58% of the total GHG emissions. As no production or processing work was carried out in the reporting period, electricity consumption significantly reduced and so as the indirect GHG emissions (reduced around 51% to around 27.47 tonnes). For the year ended 31 December 2020, the Group emitted approximately 15.85 tonnes of carbon dioxide equivalent (CO₂-e) through the use of electricity (2019: around 32.41 tonnes CO₂-e).

溫室氣體排放及密度 (關鍵績效指標A1.2)

本集團對溫室氣體排放、氣候變化等議題的關注度日益增加，著力提升內部數據收集程序並擴大披露範圍，本年度新增並涵蓋了集團的車輛排放及本集團運作外的間接溫室氣體排放（如處理廢物、食水及污水的間接排放）。本集團致力收集並提供最全面的收據，務求反映最貼近現實的數字，用作本集團持續改善環保政策的依據。溫室氣體排放數據如下：

與往年比較，辦公室及貴金屬加工設施使用的外購電力依然是溫室氣體的主要來源，佔溫室氣體排放總量的約58%，由於報告期內未有生產或加工設施運作，用電量大幅減少，連帶間接溫室排放下降超過一半(51%)至約27.47公噸。截至二零二零年十二月三十一日止年度，本集團因使用電力排放約15.85公噸二氧化碳當量(二零一九年：約32.41公噸二氧化碳當量)。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Scope 1 data refers to directly emissions from exhaust of vehicles and scope 3 data refers to indirect GHG emissions in processing of waste, freshwater and sewage. The total GHG emissions with a expanded scope in the reporting period is still lower than that of the year 2019. It was mainly due to the decrease in the operation of precious metal processing business under the affect of global business situation and COVID-19 pandemic. The total GHG omissions in the year 2020 is decreased by 15% as compared to the year 2019, however, as revenue of the Group of the year 2020 drastically reduced as a result of affected operation of precious metal processing facilities, the GHG emissions intensity (measured by million HKD of revenue) significantly increase by more than 100%.

Total hazardous waste produced (KPI A1.3)

Under normal circumstances, only the operation of the scrap precious metal processing facility generates a small amount of chemical wastes, which we consider having an impact on the environment and our business operations. Such wastes are mainly chemical in nature and disposal is made through a third-party collector under the close supervision and control of the government. The handling of these wastes are required to comply with its chemical requirements as specified by the collectors and the law enforcers.

No hazardous waste was produced in the reporting period as no production or processing work of precious metal processing facilities was carried out in the reporting period. Moreover, no chemical waste was discharged in wastewater.

範圍一主要為本集團車輛燃燒燃料時的直接排放，範圍三主要為處理廢物、食水及污水的間接排放。擴大披露範圍後的溫室氣體排放總量仍低於二零一九年度，主要因為貴金屬加工業務受全球經濟情況及COVID-19新冠疫情影響而導致營運的縮減。二零二零年儘管我們的總溫室氣體排放相比二零一九年減少了15%，但按每百萬港元收入的溫室氣體排放量指標卻相對增加100%以上，此乃因本集團二零二零年營業額（尤其貴金屬分部）大幅減少的結果。

所產生有害廢物總量（關鍵績效指標A1.3）

一般情況下，對環境及我們的業務營運有影響的少量化學廢料，來自貴金屬廢料加工設施產生。該等廢料主要屬化學性質，並在政府的嚴密監督及管制下由第三方收集中心處置。該等廢料須遵守收集中心及執法人員指定的化學要求。

報告期內未產生有害廢物，乃由於報告期內未有貴金屬生產及加工的設施運作，本年度排出的廢水沒有包含任何化學廢料。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Total non-hazardous waste produced (KPI A1.4)

Non-hazardous wastes are general office wastes. For the year ended 31 December 2020, the consumption of office paper was around 0.32 tonnes of office papers (2019: around 0.25 tonnes), which increased by 28%. This was due to an increased amount of project sourcing activities and office utensils, the amount of which is insignificant, and they are collected by the cleaning workers of the building management offices on a daily basis.

Wastewater is generated when water is consumed for cooling in the precious metal sector metal processing operation. For the year ended 31 December 2020, the scrap precious metal sector metal processing facility recorded a total of around 186 tonnes of wastewater (2019: 361 tonnes), which decreased by around 50% against the year 2019. The decrease was due to the affected operation in the precious metal sector.

All wastewater discharged by the Group is in compliance with the Water Pollution Control Ordinance (Cap. 358). The Group continues to stay vigilant on the use and application of modern technologies and installations to improve our performance in this regard.

Mitigation measures on emission and results (KPI A1.5)

Since the Group's general business operations and activities are mainly for ordinary office operations, the indirect emission of greenhouse gas, through the use of electricity, can be deemed to be our major emission. Electricity consumption has cost implications and is closely monitored. As a result of continuously shrinking of precious metal processing business, the consumption of water and electricity and volume of wastewater discharge are on a decreasing trend over the years. The Group also stays abreast on any technological advancement which can be used for reducing emissions.

所產生無害廢物總量 (關鍵績效指標A1.4)

無害廢物為一般辦公室廢物。截至二零二零年十二月三十一日止年度，辦公用紙用量為約0.32公噸（二零一九年：約0.25公噸），較二零一九年增加了約28%。這是由於項目採購活動和辦公用具的數量增加，其用量微不足道及由樓宇管理辦公室清潔工人每日收集。

廢水主要用於貴金屬加工操作時冷卻時產生。截至二零二零年十二月三十一日止年度，貴金屬廢料加工設施錄得廢水排放總量約186公噸（二零一九年：約361公噸），較二零一九年減少約50%。該減少乃由於疫情而導致營運（尤其貴金屬分部）縮減。

本集團所有廢水排放符合香港法例第358章《水污染管制條例》的規定。本集團繼續慎重使用及應用現代技術及裝置，以改善我們在該方面的表現。

減排措施及結果 (關鍵績效指標A1.5)

由於本集團一般業務營運及活動主要為普通辦公室運作，間接溫室氣體排放（透過使用電力）可被視為我們的主要排放。電力消耗具成本影響，並受到嚴密監控。本集團的貴金屬加工業務逐年縮減，相關的電力消耗、水資源消耗及廢水排放亦相應地逐年減少。與此同時，本集團積極緊跟任何可用於減少排放的技術發展。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Handling and reduction of hazardous and non-hazardous waste (KPI A1.6)

Hazardous wastes from the precious metal processing facility are required to be collected by a designated waste collector for ultimate disposal. Our precious metal processing facility has to follow all the prescribed steps, standards and measures to properly handle the wastes before disposal. The Group believes that by having complied fully and without deviation from the prescribed norm and standard, our hazardous wastes are properly and duly handled. Our focus is therefore on emphasizing adherence closely to prescribed procedures.

A2. Use of Resources

Policy on efficient use of resources including energy, water and other raw materials

Water, electricity, and packaging materials (paper and plastic bags) are the three major types of resources which the Group uses. In respect of effective use of resources (including energy, water and packaging materials), the Group is committed to improving on energy efficiency, conserving resources for our operations and activities and raising the awareness of our employees in these areas.

Direct and indirect energy consumption by type and their intensity (KPI A2.1)

Electricity is the major source of energy which the Group uses, it is vital to and has a significant impact on the operation of our precious metal processing facility. The consumption of petrol by group-owned vehicles came the second.

處理及減少有害及無害廢物 (關鍵績效指標A1.6)

貴金屬加工設施產生的有害廢物須由指定廢物收集中心收集以進行最終處置。我們的貴金屬加工設施必須遵循所有指定步驟、標準及措施，以於處置前妥善處理。本集團相信，通過完全遵守及並無偏離指定規範及標準，我們的有害廢物得到妥善處置。因此我們的重點為強調嚴格遵循指定程序。

A2. 資源使用

有關有效利用資源 (包括能源、水及其他原材料) 的政策

水、電力及包裝材料 (紙張及塑料袋) 為本集團使用的資源三個主要類別。在有效利用資源 (包括能源、水及包裝材料) 方面，本集團致力提高能源效益、節省運營及活動所需資源並提高僱員於該等方面的環保意識。

按類型劃分的直接及間接能源耗量及能源密度 (關鍵績效指標 A2.1)

電力為本集團營運使用的主要能源來源，對我們的貴金屬加工設施營運至關重要並產生重大影響，其次的能源來源為本集團車輛燃燒的汽油。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

For the year ended 31 December 2020, a total of around 25,602 kilowatt-hour ("kWh") (2019: around 57,912 kWh) electricity was consumed by our material business units (including precious metal processing facility and Hong Kong office respectively). The electricity consumption decreased by approximately 56% when compared to that of previous year as the precious metal processing business turnover decreased.

Our vehicles ran on petrol and the corresponding energy consumption is around 36,393kWh. As this energy consumption is additional as part of the expanded scope, the total energy consumption, including electricity consumption and petrol consumption, increased to around 61,995kWh.

For energy intensity, per million HKD revenue we consumed around 14,553kWh. Overall, the usage of electricity in various offices and precious metal processing facility of the Group is considered normal and consistent with our production and turnover levels.

Water Consumption in total and intensity (KPI A2.2)

Freshwater is sourced from the city's central supply network and is mainly used by our precious metal processing facility for cooling purpose during smelting of the precious metal. For the year ended 31 December 2020, the aggregate water consumption of the Group was around 186 tonnes (2019: around 355 tonnes), representing a decrease of around 49% against the year 2019, as result of the decrease in business turnover especially in the precious metal sector. The water consumption intensity was around 42.7 tonnes per million HKD revenue.

截至二零二零年十二月三十一日止年度，我們重要的業務單位（包括貴金屬加工設施、香港辦公室）消耗合共約25,602千瓦時（「**千瓦時**」）電力（二零一九年：約57,912千瓦時）。本集團整體電力消耗較去年減少約56%，乃由於貴金屬加工設施營業額減少。

本集團車輛的運行仰賴汽油的使用，該能源消耗約36,393千瓦時。由於本年度披露範圍的擴大，新增了車輛的能源消耗，因此能源消耗總量（包括電力消耗及汽油消耗）增至約61,995千瓦時。

能源密度方面，每百萬港元營業額的能源消耗為約14,553千瓦時。總體而言，本集團若干辦公室及貴金屬加工設施用電屬正常，並與我們的生產及營業額水平一致。

總耗水量及密度（關鍵績效指標 A2.2）

淡水來自城市中央供應網絡，主要由我們的貴金屬加工設施於貴金屬熔煉過程中作冷卻之用。截至二零二零年十二月三十一日止年度，由於業務的營業額（尤其貴金屬分部）減少，本集團總耗水量為約186公噸（二零一九年：約355公噸），較二零一九年減少約49%。耗水密度方面為每百萬港元營業額約42.7公噸。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Description of energy use efficiency initiatives and results achieved (KPI A2.3)

Driven by electricity conservation and cost-saving incentives, the Group has implemented measures and initiatives to encourage employees to avoid unnecessary energy consumption. The Group have reminded our staff to turn off electrical appliances especially computers when not in use, to set the offices' room temperature to 24°C and to use natural ventilation whenever possible. The Group has purchased energy-efficient appliances and has installed LED light in our office. Discrete electric meters are also installed for monitoring the electricity consumption of strategic processes in our precious metal processing facility.

Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved (KPI A2.4)

The existing supply of water resources is sufficient to satisfy the Group's needs in all aspects of volume, quality and supply reliability. With the help of new discrete water meters, the Group is able to better monitor water usage to facilitate to identify more effective measures.

Packaging Materials for Finished Products in tonnes (KPI A2.5)

Packaging materials do not constitute a major issue to the Group given our product is mainly silver which does not warrant fancy components. Main packaging materials of the Group comprise wooden boxes, paper and plastic bags. For the year ended 31 December 2020, during the period no packaging material was consumed (2019: around 2.87 tonnes), due to no precious metal processing operations under the affect of global economic situation and COVID-19 pandemic during the reporting period.

描述能源使用效益計劃及所得成果 (關鍵績效指標A2.3)

由節約用電及節省成本誘因所驅動，本集團已實施措施及計劃，以鼓勵僱員避免不必要的能源消耗。本集團已提醒員工在不用時關掉不使用的電器（尤其電腦）、將辦公空間溫度調至攝氏24度及盡可能利用自然通風。本集團已購置節能電器及於我們的辦公室安裝LED燈。我們亦安裝獨立電錶，以監控貴金屬加工設施策略性流程的電力消耗。

描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果 (關鍵績效指標A2.4)

現有水源供應足以滿足本集團需求（於數量、質量及供應可靠性各方面）。在新型獨立水錶的幫助下，本集團能夠更好監控用水量，以便發現更有效的措施。

製成品包裝材料 (以噸計算) (關鍵績效指標A2.5)

鑒於我們的產品主要為白銀，並不使用特殊配件，故包裝材料並不構成本集團的主要問題。本集團的主要包裝材料包括木箱、紙張及塑膠袋。截至二零二零年十二月三十一日止年度，因受全球經濟情況及COVID-19疫情影響而導致報告期內未有貴金屬加工及生產設施運作，沒有錄得該等包裝材料消耗量的數據（二零一九年：約2.87公噸）。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A3. The Environment and Natural Resources

Policies on minimizing the Group's significant impact on the environment and natural resources

The Group is committed to, on an ongoing pace, minimizing impacts on the environment and natural resources within our limits and abilities. Areas in new technology advancement and process efficiency on minimizing the impact on the environment and natural resources are looked into from time to time to integrate into our production activities and business goals. General staff education is also our measures considered effective.

Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them (KPI A3.1)

The Group is an enterprise engaged in the trading of precious metals in Hong Kong and operates a precious metal processing facility in Kwai Chung. Silver scrap which acquired is further processed into finished silver products of various sizes, forms and shapes complying with requirements of the clients.

Our precious metal processing facility involves usage of water and electricity which may have some impact on the environment and natural resources. The other office locations are immaterial. The Group will endeavour to make all efforts possible and practicable to reduce and minimize the impact on the environment and resources by adopting and implementing measures to recycle, reuse and reduce the consumption of water and electricity.

A3. 環境及天然資源

減低本集團對環境及天然資源造成重大影響的政策

在能力範圍內本集團致力於將對環境及天然資源的持續影響降至最低。我們不時關注對環境及天然資源的影響降至最低的新技術進步及加工效率領域，以融入本集團的生產活動及業務目標。一般員工教育亦為我們認為有效的措施。

描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動(關鍵績效指標A3.1)

本集團為一間在香港從事貴金屬貿易的企業，並於葵涌經營貴金屬加工設施。我們購置的白銀廢料進一步加工成符合客戶要求的各種尺寸、形式及形狀的白銀製成品。

我們的貴金屬加工設施涉及用水、用電，可能對環境及天然資源有若干影響。其他辦公地點的影響並不重大。本集團將盡可能並切實可行作出一切努力透過採納及實施措施以回收、重新使用及減少水及電力消耗，將對環境及天然資源的影響減少並降至最低。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the year ended 31 December 2020, the environmental KPIs of the Group were as follows:

截至二零二零年十二月三十一日止年度，本集團環境關鍵績效指標如下：

| Environmental KPIs 環境關鍵績效指標 | Unit 單位 | 2020 二零二零年 | 2019 二零一九年 ¹ |
|--|---|---------------|----------------------------|
| Greenhouse Gas Emissions² 溫室氣體排放² | | | |
| Scope 1 ³ 範圍一 ³ | tonnes CO ₂ -e 公噸二氧化碳當量 | 9.99 | — |
| Scope 2 ⁴ 範圍二 ⁴ | tonnes CO ₂ -e 公噸二氧化碳當量 | 15.85 | 32.41 |
| Scope 3 ⁵ 範圍三 ⁵ | tonnes CO ₂ -e 公噸二氧化碳當量 | 1.63 | — |
| Total 總量 | tonnes CO ₂ -e 公噸二氧化碳當量 | 27.47 | 32.41 |
| Intensity 強度 | tonnes CO ₂ -e/million HKD revenue 公噸二氧化碳當量／ 百萬港元收入 | 6.45 | 0.17 |
| Wastes Production 廢物生產 | | | |
| Office Paper 辦公用紙 | tonnes 公噸 | 0.32 | 0.25 |
| Intensity 強度 | tonnes/million HKD revenue 公噸／百萬港元收入 | 0.075 | 0.001 |
| Wastewater Discharge 廢水排放 | | | |
| Total ⁶ 總量 ⁶ | tonnes 公噸 | 186 | 361 |
| Intensity 強度 | tonnes/million HKD revenue 公噸／百萬港元收入 | 42.7 | 1.71 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

| Environmental KPIs 環境關鍵績效指標 | Unit 單位 | 2020 二零二零年 | 2019 二零一九年 ¹ |
|---|--|---------------------------|----------------------------|
| Resource Consumption 資源消耗 | | | |
| Energy Consumption 能源消耗量 | kWh 千瓦時 | 61,995 | 57,912 ⁷ |
| Intensity 強度 | kWh/million HKD revenue 千瓦時／ 百萬港元收入 | 14,553 | 274.20 |
| Water Consumption⁸ 水消耗量⁸ | | | |
| Intensity 強度 | tonnes 公噸 tonnes/million HKD revenue 公噸／百萬港元收入 | 186 42.7 | 355.00 1.81 |
| Packaging Material Consumption 包裝物料消耗量 | | | |
| – Paper —紙類 | tonnes 公噸 | – | 0.40 |
| – Plastic —塑膠類 | tonnes 公噸 | – | – |
| – Wood —木類 | tonnes 公噸 | – | 2.47 |
| Total 總量 | tonnes 公噸 | – | 2.87 |
| Intensity 強度 | tonnes/million HKD revenue 公噸／百萬港元收入 | – | 0.01 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- | | |
|---|--|
| <p>¹ Restatement of figures for consistent comparisons</p> <p>² The calculation of greenhouse gas emissions is made reference to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong published by the Environmental Protection Department, and the Electrical and Mechanical Services Department.</p> <p>³ Scope 1 covers the direct emission from the business operations owned or controlled by the Group, majorly from vehicles during the year.</p> <p>⁴ Scope 2 covers the “indirect energy” emissions from electricity, heat and refrigeration consumed within the Group. The relevant emission factors refer to the sustainability reports issued by CLP Power and Hongkong Electric Power Investment, and the “2017 Regional Emission Reduction Project China Regional Grid Baseline Emission Factors” issued by the Climate Change Department of the Ministry of Ecology and Environment of the PRC.</p> <p>⁵ Scope 3 covers the indirect emissions from outside the Group, the GHG emitted during the processing of waste, freshwater and sewage is recorded in the reporting period. The relevant emission factors refer to the sustainability reports of Drainage Services Department and Water Services Department 2018/19 and HKEx “How to prepare an ESG Report – appendix 2 Reporting Guidelines on Environmental KPIs”</p> <p>⁶ Wastewater discharge covers daily usage of freshwater water. No chemical waste was discharge in wastewater in the reporting period.</p> <p>⁷ Electricity consumption in 2019 covers data of metal processing facility and offices in Hong Kong.</p> <p>⁸ Water consumption only covers the data of metal processing facility. Water consumption in offices was shared with other tenants, thus the actual data was not available.</p> | <p>¹ 有關數字重列供連貫比較</p> <p>² 溫室氣體排放量的計算方法參考環境保護署及機電工程署發佈的《香港建築物（商業、住宅或公共用途）的溫室氣體排放及減除的核算和報告指引》。</p> <p>³ 範疇一涵蓋本集團擁有或控制的業務營運的直接排放，本年度的排放來源主要為本集團車輛。</p> <p>⁴ 範疇二涵蓋來自本集團內部消耗的電力、熱能及冷凍所引致的「間接能源」溫室氣體排放。相關排放因子參考中華電力有限公司及港燈電力投資發佈的可持續發展報告及中國生態環境部應對氣候變化司發佈的《2017年度減排專案中國區域電網基準線排放因子》。</p> <p>⁵ 範疇三涵蓋來自本集團以外發生的所有其他間接溫室氣體排放，本報告期內的排放主要為處理廢物、食水及污水。相關排放因子參考香港交易所《如何編備環境、社會及管治報告-附錄二：環境關鍵績效指標匯報指引》、香港水務署《年報2018/19》及香港渠務署《可持續發展報告2019-20》。</p> <p>⁶ 廢水排放量涵蓋普通用水，報期內未有化學廢棄液體。</p> <p>⁷ 二零一九年用電量涵蓋香港金屬加工設施及香港辦公室的數據。</p> <p>⁸ 用水量只涵蓋金屬加工設施的數據。辦公室的用水量與其他租戶分攤，因此未能獲取確實數據。</p> |
|---|--|

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

(B) SOCIAL RESPONSIBILITY

Employment and Labor Practices

B1. Employment

(a) Policy

The Group takes all measures to ensure that our statutory duties and responsibilities as an employer duly comply within our operating locations. The Group adopts a serious view and attaches great importance to complying with all the labour laws on employment, employee compensation etc. which are applicable to our office operating locations.

In this connection, the Group has formulated policies and regulations on employment and other labour welfare and protection matters which include but not limited to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits.

The Group also strives to provide equal opportunity for our staff in recruitment, promotion, compensation and benefits and is dedicated to establish and promote a fair, harmonious and respectful workplace.

(b) *Compliance with the relevant laws and regulations that have a significant impact on the Group*

The Group provides and maintains employment welfare and benefits for our staff, including but not limited to mandatory provident fund, medical insurance and work injury insurance. Staff are entitled to paid leave on public holidays and personal occasions like wedding and maternity.

Terms and employment conditions of all employees are entered into written contracts signed by the employee and a representative of the Group.

Office staff work 8.5 hours per weekday. Staffs working in the processing facility work 9 hours on weekdays.

(B) 社會責任

僱傭及勞工常規

B1. 僱傭

(a) 政策

本集團採取一切措施，確保我們作為僱主的法定職責及責任，於我們的經營地點妥為遵守。本集團認真嚴肅及極為重視遵守適用於我們辦公經營地點的有關僱傭、僱員薪酬等的所有勞動法。

就此而言，本集團已就僱傭及其他勞工福利及保障事宜（包括但不限於薪酬及解僱、招聘及晉升、工時、假期、平等機會、多元化、反歧視以及其他利益）制定政策及規則。

本集團亦努力於招聘、晉升、薪酬及利益方面為員工提供平等機會，並致力於建立及促成公平、和諧及尊重氛圍的工作場所。

(b) *遵守對本集團有重大影響的相關法律及法規*

本集團為我們的員工提供及維持僱傭福利及利益，包括但不限於強制性公積金、醫療保險及工傷保險。員工有權於公眾假期及個人情況（如婚假及產假）方面享有帶薪休假。

所有僱員的條款及僱傭條件由僱員及本集團代表所簽署的書面合約訂立。

辦公室員工每個工作日工作8.5小時。於加工設施工作的員工每個工作日工作9小時。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group is committed to creating a fair employment environment with equal opportunity. All applications for vacancies, transfers and promotions will receive fair consideration with regardless of age, race, colour, religion, gender, sexual orientation, disability or other discriminating basis. The Group seek to provide a fair playing field for all employees.

The Group has established qualifications and requirements for each job. Processing for recruitment or promotion is carried out by the human resources department in an open and transparent manner.

To enhance employee cohesion and foster morale and productivity, it is the culture of the Group to hold gatherings for all employees on various festivals like Mid-Autumn, Winter Solstice, Christmas and Annual Dinner every year.

Employee remunerations are determined with reference to the prevailing market level as well as the competency, qualification and experience of the individual employee. Salary payment will be credited to the bank account of the employee within the last working day of the month.

For the year ended 31 December 2020, the Group is straightly in compliance with relevant laws and regulations in this regard, including but not limited to Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and the Labour Law of the PRC. The Group has received no complaints, warnings, litigations or fine from the law enforcing agents or the staff during the reporting period, same as the year 2019.

本集團致力於創造具有平等機會的僱傭環境。有關空缺、調職及晉升的所有申請將一視同仁，不論性別、種族、膚色、宗教、性別、性取向、殘疾或其他歧視基準。本集團尋求為所有僱員提供公平的競爭環境。

本集團已為各職位訂立資歷需要及要求。招聘或晉升程序由人力資源部以開放透明的方式執行。

為提高僱員的凝聚力、士氣及生產力，本集團的文化是讓所有僱員每年於各種節日（如中秋、冬至、聖誕節及年終晚宴）相聚一堂。

僱員薪酬乃參考現行市場水平以及個別僱員的能力、資歷及經驗而釐定。薪金將在每月的最後一個工作日存入僱員的銀行賬戶。

截至二零二零年十二月三十一日止年度，本集團在這方面堅守相關法律法規，包括但不限於《僱傭條例》（香港法例第57章）及《中國勞動法》。本集團確認報告期內並無收到來自執法人員或員工的投訴、警告、訴訟或罰款，與二零一九相同。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B2. Health and Safety

(a) Policy

The Group is committed to complying with all the health and safety statutory requirements applicable to us to safeguard the health and safety of our employees. All employees are required to strictly observe our health and safety policies and work procedures.

In accordance with the Employees' Compensation Ordinance, the Group has taken out employee compensations insurance for all qualified employees.

In case of accidents, employees are required to notify their superior. Regardless of whether the accident is minor or serious, the superior should take appropriate measures to mitigate the impact and avoid any further recurrence or damage.

(b) Compliance with relevant laws and regulations that have a significant impact on the Group

Our precious metal processing facility is the operation which may give rise to the potential of causing significant impact on health and safety. The Group is always mindful of this risk and has given great attention to the metal processing operation. The Group ensure that the operation is safe and without risk to our property and people as far as practicable by complying with all laws, rules, regulations and standards in Hong Kong. It includes but not limited to on-site medical and emergency facilities, all relevant required medical and safety equipment. For the year ended 31 December 2020, our precious metal processing facility passed all relevant government inspections with regard to means of escape and fire safety, plants and equipment and there was no accident reported, same as the year 2019.

B2. 健康與安全

(a) 政策

本集團致力於遵守適用於我們的所有健康及安全法定規定，以保障僱員的健康及安全。所有僱員須嚴格遵守我們的健康及安全政策及工作程序。

根據僱員補償條例，本集團為所有合資格僱員辦理僱員補償保險。

於發生事故時，員工必須通知上級。無論事故是輕微還是嚴重，上級均應該採取適當的措施來減輕影響並避免事故再次發生或損害。

(b) 遵守對本集團有重大影響的相關法律及法規

我們的貴金屬加工設施操作，被視為帶有引起對健康及安全產生重大影響的潛在風險。本集團一直牢記該風險及特別重視貴金屬加工操作。本集團透過遵守香港所有法例、規則、法規及標準盡可能確保該操作安全，且不會給我們的財產及人員帶來風險。其包括但不限於包括現場醫療及應急設施、所有相關所需醫療及安全設備。截至二零二零年十二月三十一日止年度，我們的貴金屬加工設施於逃生方式及消防安全、廠房設備方面已通過所有相關政府檢查，且並無呈報事故，與二零一九年相同。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

For the year ended 31 December 2020, the Group is straightly in compliance with relevant laws and regulations in this regard, including but not limited to the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong), the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong) and the Boilers and Pressure Vessels Ordinance (Chapter 56 of the Laws of Hong Kong).

B3. Development and Training

Policy on improving employee knowledge and skills

Employees are encouraged to formulate their own training objectives that will equip themselves with the skills and knowledge necessary for their jobs.

B4. Labor Standards

(a) Policy

The Group adopts the applicable statutory standard as its minimum standard on labour protection and welfare. The Group is committed to ensuring its stringent compliance. In addition, the Group adopts a serious view and attaches great importance to the compliance of statutory duties and obligations as an employer.

The Group is adamant in banning and prohibiting the employment of child labour, illegal workers and forced labour and is achieved through the recruitment and employment processes at source by the human resources department. The human resources department has been fully charged with the statutory duties and is being oversighted by the senior levels with constant reviews at periodic intervals.

All job applicants are required to submit their credentials like academic qualifications, professional skill certificates, references, and identity card for verification and record purpose during recruitment.

截至二零二零年十二月三十一日止年度，本集團在這方面堅守相關法律及法規，包括但不限於《工廠及工業經營條例》（香港法例第59章）、《職業安全及健康條例》（香港法例第509章）、《佔用人法律責任條例》（香港法例第314章）及《鍋爐及壓力容器條例》（香港法例第56章）。

B3. 發展及培訓

提升僱員知識及技巧的政策

我們鼓勵員工規劃自身的培訓目標，以為其工作掌握必要的技能及知識。

B4. 勞工準則

(a) 政策

本集團採納適用法定標準作為其勞工保障及福利的最低標準。本公司致力於確保其嚴格合規。此外，本集團認真嚴肅及極為重視遵守作為僱主的法定職責及責任。

本集團堅決禁止僱用童工、非法工人及強制勞工，及透過人力資源部提供招聘及僱傭程序實現。人力資源部已全面承擔法定職責，並由高級管理層監督及定期檢討。

所有工作申請須提交彼等的證明文件（如學術資格、專業技能證書、推薦信及身份證），以於招聘期間核實及記錄。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group strictly abides by the government laws in labour protection and welfare to ensure employee health, safety and welfare during their employment. Salaries, benefits, compensation payments and insurances are paid on time strictly laws within the prescribed statutory period.

(b) Compliance with relevant laws and regulations that have a significant impact on the Group

The Group strictly regulates and supervises the recruitment process, performs the responsibilities of supervision and management and as far as possible to prevent any breach of relevant laws and regulations on the employment of illegal or forced child labour, etc.

Measures and steps are established and taken to examine and verify the personal information of the applicants in the recruitment process in accordance with the statutory employment requirements in an effort to eliminate any potential non-compliance. In addition, other technical skills or academic credentials required of a job are also checked and examined.

The Group strictly complies with the relevant requirements of Employment Ordinance (Chapter 57 of the Laws of Hong Kong) for its Hong Kong operations, and the Labour Law of the PRC with regard to its PRC operations. Various statutory provisions on labour protection, safety and health are closely monitored and duly complied with. Employee remuneration, compensation and welfare are duly paid on time in accordance with the statutory time limit.

The Group is committed to discharging our obligations as a responsible employer. For the year ended 31 December 2020, and in fact, since the establishment of the Group, we have complied fully with these employment provisions and have honoured all of its obligations towards staff and no labour disputes or litigations were reported for the year, same as the year 2019.

本集團於勞工保障及福利方面嚴格遵守政府法律，以確保僱員於其僱傭期間的健康、安全及福利。薪金、利益、補償及保險於規定的法定期間內嚴格按時支付。

(b) 遵守對本集團有重大影響的相關法律及法規

本集團嚴格監管及監督招聘程序，履行監督及管理之責任及盡可能防止任何違反有關僱用非法或強制性童工等的相關法律及法規。

本集團根據法定僱傭規定成立及採取措施及步驟，以於招聘過程中檢查及核實申請人的人員資料，以消除任何潛在的不合規。此外，本集團亦會检查工作所需的其他技術技能或學歷。

本集團就其香港營運及中國營運分別嚴格遵守《僱傭條例》(香港法例第57章)及《中國勞動法》的相關規定。亦密切監控並妥為遵守有關勞工保障、安全及健康的若干法定條文。僱員薪酬、補償及福利乃根據法定時限準時妥為支付。

本集團致力於履行作為負責任僱主的責任。截至二零二零年十二月三十一日止年度，及實際自本集團成立起，我們已全面遵守該等僱傭條文及履行其針對員工的所有責任，且於年內並無呈報勞工糾紛或訴訟，與二零一九年相同。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

For the year ended 31 December 2020, the Group is straightly in compliance with relevant laws and regulations in this regard.

Operation Practices

B5. Supply Chain Management

(a) Policies

In our supply chain management, the Groups primarily looks for factors like fit for purpose, cost-effectiveness, supply reliability and quality assurance. Where necessary and appropriate, considerations on the impact on the environment and social risks are also taken into consideration.

Our purchases include various types of precious metals, such as gold, silver and tin. The Group purchases silver scrap as raw materials for processing into finished silver products. Raw silver is also purchased for processing into different sizes and shapes to meet customer needs.

Given the nature of operation of our representative business of silver processing, the raw materials i.e. silver scrap or raw silver, are rather unique in nature and constant in composition depending on the source. Silver scrap has, in general, a relatively wider and varied composition than raw silver. Our silver scrap suppliers are mainly precious metal trading companies in Hong Kong. The Group reckons there are only minimal implications, if any, on environmental and social risks arising from supply chain management.

For the year ended 31 December 2020, all our silver scrap is sourced from local suppliers in Hong Kong.

截至二零二零年十二月三十一日止年度，本集團堅守這方面相關法律及法規。

營運慣例

B5. 供應鏈管理

(a) 政策

於我們的供應鏈管理中，本集團主要尋找適用、成本效益、供應可靠性及質量保證等因素。亦於必要時及適時考慮對環境的影響及社會風險。

我們的採購包括多類貴金屬，如黃金，白銀及錫。本集團採購白銀廢料作為原材料以加工成白銀製成品。本集團亦採購生銀，以加工成不同尺寸及形狀，滿足客戶需要。

鑒於我們的白銀加工代理業務的營運性質，原材料（即白銀廢料或生銀）在自然界中十分獨特，且成分不變（視乎來源）。白銀廢料的組成成分一般較生銀更廣泛及多樣。我們的白銀廢料供應商主要為香港貴金屬貿易公司。本集團認為供應鏈管理產生的環境及社會風險（如有）微乎其微。

截至二零二零年十二月三十一日止年度，我們的所有白銀廢料採購自香港本地供應商。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

(b) Practices

To ensure a stable, quality assured and cost-efficient and well-managed supply chain, the Group has issued and implemented a clear procurement managements rules and guidelines containing policies and procedures with respect to procurement including quality control, warehousing, payment and documentation approval process, and methods of payment.

Our purchases are however not driven by confirmed customer orders. In order to ensure a sufficient supply of silver products to our customers, the Group purchases silver raw materials from time to time to maintain a target inventory level. The Group's relationships with its suppliers are stable and the Group did not experience any major difficulty in obtaining adequate supplies of raw materials to meet its production requirements in the past.

Suppliers are chosen based on the supplier's continuous ability to guarantee satisfactory product quantity and quality, reasonable price and timely delivery. When selecting suppliers, the Group requires potential suppliers to provide relevant certifications/documents and to arrange for site visits.

We continue to support local industry and, for the year ended 31 December 2020, all our suppliers were local suppliers in Hong Kong.

B6. Product Responsibility

(a) Policy

Recommended by the ESG Reporting Guide, with reference to the Group's business, there are 4 major areas on product responsibility which would have an impact on our businesses. They are (i) product quality and labelling; (ii) customer services and complaints handling; (iii) intellectual property rights; and (iv) privacy. The Group does not have significant advertising activities, therefore, we consider that the matters relating to advertising do not have significant impacts on us.

(b) 慣例

為確保供應鏈的穩定、質量保證及具成本效益並且管理良好，本集團發佈及實施清晰的採購管理規則及指引，當中載有採購方面的政策及程序，包括質量控制、儲存、付款及文件批准程序以及付款方式。

然而我們的採購並非由已確定的客戶訂單促成。為確保向對客戶供應的白銀產品充足，本集團不時採購白銀原材料，以維持目標存貨水平。過往，本集團與其供應商的關係穩定，且本集團在獲取充足原材料供應以滿足其生產需要方面未曾遭遇任何重大困難。

供應商的甄選乃基於彼等能否確保持續提供令人滿意的產品數量及質量、價格是否合理及能否及時交貨。在選擇供應商時，本集團要求潛在供應商提供相關認證／文件，以進行實地考察。

我們繼續支持本地行業，截至二零二零年十二月三十一日止年度，我們的所有供應商為香港本地供應商。

B6. 產品責任

(a) 政策

按環境、社會及管治指引建議，並參考本集團業務，有關對我們的業務有影響的產品責任有四個主要領域。其為(i)產品質量及標籤；(ii)客戶服務及投訴處理；(iii)知識產權；及(iv)隱私。本集團沒有重大廣告活動，因此，我們認為，與廣告有關的事項並無對我們產生重大影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We are committed to providing high-quality silver products as the quality and consistency of our products are critical to our reputation and marketability. The Group takes all reasonable steps to ensure that our products are safe and not harmful to customers and that the products meet with all agreed or legally required standards.

(b) *Compliance with relevant laws and regulations that have a significant impact on the Group*

(i) **Products Quality and Labelling**

Our products include various types of precious metals. In the year ended 31 December 2020, our products comprise mainly silver and gold. Silver is our principal product. Due to the nature of metals, our products have a relatively long life cycle and we do not expect to have any product returns and warranty problems and there is no such requirement for a policy. However, as the Group is committed to providing high-quality silver products as the quality and consistency of our products are critical to our ability to retain our customers and attract new customers, we have invested on a new testing laboratory and the acquisition of related equipment and machinery in our precious metal processing facility so to enhance the efficiency of the precious metal fineness testing. Also, our product quality controllers regularly inspect silver goods coming off our processing lines to ensure that they are compliant with both internal and external quality assurance codes with respect to fineness etc.

由於產品質量及一致性對我們的聲譽及市場性至關重要，我們致力於提供高質量白銀產品。本集團採取所有合理措施，以確保我們的產品安全及不會對客戶產生傷害，及產品符合所有協定或法律規定標準。

(b) *遵守對本集團有重大影響的相關法律及法規*

(i) **產品質量及標籤**

我們的產品包括多類貴金屬。截至二零二零年十二月三十一日止年度，我們的產品主要包括白銀及黃金。白銀是我們的主要產品。由於金屬的性質，我們的產品擁有相對較長的生命週期，我們預期並無任何產品退貨及保修問題，且並無制定政策之要求。然而，由於產品質量及一致性對我們挽留客戶及吸引新客戶的能力至關重要，本集團致力於提供高質量的白銀產品，我們已於貴金屬加工設施對新檢測實驗室作出投資及購置相關設備及機器，以提升貴金屬成色檢測效率。此外，我們的產品質量控制人員定期檢驗我們的加工線生產的白銀貨品，以確保其成色等符合內部及外部質量保證標準。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Furthermore, in Hong Kong, for silver, apart from the Trade Description Ordinance (Chapter 362 of the Laws of Hong Kong) (“**TDO**”), there is no law or regulation which specifically governs the purity and fineness of silver. Nevertheless, the Good Delivery Rules of the London Bullion Market Association (“**LBMA**”) provide for a set of specifications for silver, including purity and fineness. The minimum acceptable fineness of good delivery silver bar is 999.0 parts per thousand silver, meaning a purity of 99.90%. Such certification is not obligatory nor a legal requirement in Hong Kong. The purity specified in most of our sale contracts is 99.99%, which is higher than such certification.

For gold, Section 3 of the TDO regulates trade description in relation to fineness of gold. As to certification, similar to silver, LBMA provides for industry benchmark for fineness and purity of gold under its Good Delivery Rules. The minimum acceptable fineness of Good Delivery Gold Bar is 995.0 parts per thousand of fine gold, meaning a purity of 99.5%. Such certification is not compulsory nor is it a legal requirement in Hong Kong. The purity specified in most of our sale contracts is 99.99%, which is higher than such certification.

此外，在香港，對於白銀而言，除《商品說明條例》(香港法例第362章)外，並無法律或規例明確規管白銀的純度及成色。然而，倫敦金銀市場協會可交付規則列明白銀的一系列規格，包括純度及成色。可交付銀條的最低可接受成色為千分之999.0白銀，即99.90%的純度。該認證在香港既非強制，亦非法律規定。我們的大多數銷售合約規定純度為99.99%，乃高於該認證。

對於黃金而言，《商品說明條例》第3條規管與黃金成色有關的商品說明。就認證而言，與白銀類似，倫敦金銀市場協會於可交付規則下規定黃金成色及純度的行業標準。可交付金條的最低可接受成色為千分之995.0純金，即99.5%的純度。於香港，該認證既非強制，亦非法律規定。我們大部分銷售合約所列的純度為99.99%，高於該認證。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- (ii) Customer Service and Complaints handling
As described above, through a strict production control purpose, we guarantee our products have and will meet all the legal and trade standards. For the year ended 31 December 2020, the Group did not have any return or complaints on the quality of our products, same as the year 2019.

- (iii) Intellectual Property Rights
For the year ended 31 December 2020, the Group did not have any intellectual property rights infringement case against us, same as the year 2019.

- (iv) Privacy
The Group maintains internal employee data, supplier data and customer data for its operations. The information is extremely sensitive and important, and by law must be safeguarded. To safeguard the security and confidentiality of the Group's data and information in its database, the Group has implemented the following internal control procedures:

- Access to documents and data: restrict access to information and the database on a strictly need-to-know basis by maintaining policies specifying the access levels and extents of documentation required in its key business activities. Approval from the management shall be obtained before the release of documents;

- (ii) 客戶服務及投訴處理
如上文所述，通過嚴格的生產控制目的，我們確保我們的產品已並將滿足所有法律及貿易標準。截至二零二零年十二月三十一日止年度，本集團並無任何退換或有關產品質量的投訴，與二零一九年相同。

- (iii) 知識產權
截至二零二零年十二月三十一日止年度，本集團並無任何針對我們的知識產權侵權案件，與二零一九年相同。

- (iv) 隱私
本集團保存其營運所需的內部僱員數據、供應商數據及客戶數據。該等資料極其敏感及重要，必須依法保護。為保護本集團數據庫內的數據及資料的安全和保密，本集團已實施以下內部控制程序：

- 獲取文件及數據：透過維持政策規定其重點業務活動所需的文件編製獲取水平及程度，嚴格限制對資料及數據庫的取得。在發佈文件前，須取得管理層的批准；

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- Storage of electronic data: there are backup policies for each department in order to safeguard the information in any unexpected situation; and
- Physical security of the environment: the Group implements passcode controls in certain working areas of the offices where access is limited to supervisory employees.

For the year ended 31 December 2020, there was no information leakage or privacy cases against us, same as the year 2019.

- 儲存電子數據：為在預料以外情況下保護有關資料，各部門均設有備份政策；及
- 實際環境安全：本集團在辦公室的特定工作區域採取密碼控制，只限於主管級別員工進入。

截至二零二零年十二月三十一日止年度，本集團確認沒有針對我們的資料外洩或隱私案件，與二零一九年相同。

B7. Anti-corruption

(a) Policy

The Group recognizes the importance of the value of honesty, integrity and fairness of our employees and in our business activities. Our internal control system emphasis clearly and explicitly the need for such values and their importance in policies and processes on sales, procurement, operations, database control and finance, and the adoption of a high standard, especially on the senior management. We have a zero-tolerance policy on bribery and corruption in any form or at any level in association with any aspect of the Group's activities. These policies encourage all employees to discharge their duties with integrity and comply with relevant laws and regulations. The internal control department is responsible for counter-checking and following up any remedial actions.

B7. 反貪污

(a) 政策

本集團深明僱員及於我們的業務活動中誠實、誠信及公平價值之重要性。我們的一般內部監控系統清晰並明確強調有關銷售、採購、營運、數據庫控制及財務的政策及程序中該等價值需要及其重要性，並致力於採納高標準，尤其對於高級管理層而言。我們對涉及本集團活動任何方面的任何形式或任何級別的賄賂和貪污行為採取零容忍政策。該等政策鼓勵全體員工誠信履責，遵守相關法律法規。內部控制部門負責進行反檢查並跟進任何補救行動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

(b) Compliance with relevant laws and regulations that have a significant impact on the Group

For the year ended 31 December 2020, the Group did not have any bribery or corruption cases reported and it is straightly in compliance with all the relevant laws and regulations, including but not limited to the Prevention of Bribery Ordinance of Hong Kong (Chapter 201 of the Laws of Hong Kong), same as the year 2019.

B8. Community Investment

We believe that corporates should utilize their influence in the community to promote harmony and strengthen the community connections. The Group encourages and supports employees and their family members to participate in charity, volunteering, cultural, sports and educational services and activities.

(b) 遵守對本集團有重大影響的有關法律和法規

本集團截至二零二零年十二月三十一日止年度並無發生任何賄賂或貪污案例，並堅守所有相關法律法規（包括但不限於《防止賄賂條例》（香港法例第201章），與二零一九年相同。

B8. 社區投資

我們相信每間公司均應在社區中發揮自身的作用，增進社區的連繫與和諧。本集團鼓勵員工積極參與社區活動及支持僱員及其家屬參與慈善、志願服務、文化、體育及教育服務和活動。

REPORT OF THE DIRECTORS

董事會報告

The Board presents its annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries are provision of education management services in the PRC Mainland, trading of precious metal and commodity forward contracts, and provision of money lending services in Hong Kong. The principal activities and other particulars of the subsidiaries are set out in note 25 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2020 and the state of the Company's and the Group's affairs as at the date are set out in the consolidated financial statements on pages 91 to 231.

The Board do not recommend the payment of dividend in respect of the year ended 31 December 2020.

BUSINESS REVIEW AND PERFORMANCE

Review of business and performance

A review of the business of the Company and a discussion and analysis of the Group's performance during the year and the outlook of Company's business can be found in the Management Discussion and Analysis set out on pages 7 to 14 of this annual report. This discussion forms part of this Directors' Report.

Principal Risks and Uncertainties

The Group's performance may be directly or indirectly affected by risks and uncertainties relating to the Group's businesses. The followings are the principal risk factors facing the Company as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and are those that could result in the Group's business performance, financial condition, operations results or development prospects materially different from expected or historical results.

董事會提呈本年報及本集團截至二零二零年十二月三十一日止年度經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。本集團主要附屬公司的主要業務大致分為在中國內地提供教育管理服務；於香港從事貴金屬交易及商品遠期合約及提供放債服務。附屬公司的主要業務及其他資料載於綜合財務報表附註25。

業績及撥款

本集團截至二零二零年十二月三十一日止年度的業績及本公司與本集團於該日的事務狀況載於第91頁至第231頁的綜合財務報表。

董事會不建議派付截至二零二零年十二月三十一日止年度的股息。

業務回顧及表現

業務回顧及表現

於本年度本公司之業務回顧及有關本集團表現之討論與分析以及本公司業務展望載於本年報第7頁至第14頁之管理層討論與分析。該討論構成本董事會報告之一部分。

主要風險及不確定性

本集團的表現可能直接或間接受多項與本集團業務有關的風險及不確定性影響。以下為根據公司條例（香港法例第622章）規定須披露的本公司面臨的主要風險因素，該等因素可能導致本集團的業務表現、財務狀況、經營業績或發展前景與預期或過往業績大不相同。

REPORT OF THE DIRECTORS

董事會報告

1. Competition

In view of the current social and economic challenges still encountered in the PRC Mainland and globally, under the circumstances that the COVID-19 pandemic in the global has not yet been controlled, the significant fluctuation in commodity prices and the pessimistic medium-term outlook causing market competition as the Group's foremost risk. The market price declines would lead to a severe drag on the precious metal supply and so our financial performance. Under a reduction in the global market size and the shrinkage of the Hong Kong market, the Group operates in a competitive environment. The operating result of the Group may be impacted due to the market constraint. The Group aims to mitigate this risk by maintaining close relationships with our customers, seeking to expand our customer base and providing differentiating services. Also, exploring more new sectors of business can minimize the impact on reliance of precious metal trading business of the Group.

2. Supply of Precious metal materials

We are dependent on the continuous supply of material from a few suppliers. Any shortage or delay in the supply of precious metal materials and precious metal products from them, any deterioration in our relationships with these suppliers or any change in their existing marketing strategies may affect our ability to fulfill our customers' demand, resulting in adverse impact on our business and results of operations. In order to maintain sufficient supply of precious metal materials, the Group makes great effort to establish good relationship with more suppliers to secure potential alternative sources of precious metal supply.

3. Customer base

Our five largest customers accounted for a significant portion of our revenue. If any of them were to substantially reduce the volume and/or the value of the orders it places with us or were to terminate its business relationship with us entirely, our profit level may be adversely affected. In management of such risk, the Group continues to implement its strategies to develop and enlarge its market share, and strives to explore potential customers to reduce its dependency on specific clients.

1. 競爭

鑒於現時中國內地及全球社會經濟依然面臨嚴峻挑戰，在全球Covid-19新冠疫情尚未可控的情況下，商品價格大幅波動及中期前景不容樂觀，導致市場競爭成為本集團最突出的風險。市場價格下跌會嚴重拖延貴金屬供應，進而影響我們的財務表現。由於全球市場規模縮減及香港市場萎縮，本集團經營環境競爭激烈。市場限制可能影響本集團的經營業績。本集團將透過維持與客戶的緊密關係、積極擴大客戶基礎及提供差異化的服務，致力減低上述風險。此外，探索更多新業務領域可降低倚賴本集團貴金屬貿易業務之影響。

2. 貴金屬材料供應

我們倚賴若干供應商持續供應材料。倘彼等的貴金屬材料及貴金屬產品供應出現短缺或延遲、我們與該等供應商的關係惡化或彼等的現行營銷策略有所變動，均可能會影響我們滿足客戶需求之能力，進而對我們的業務及經營業績產生不利影響。為維持充足的貴金屬材料供應，本集團致力與更多供應商建立良好關係，以獲得潛在的貴金屬供應替代來源。

3. 客戶基礎

我們的五大客戶佔我們收入的重大部分。倘其中任何一名大幅減少其向我們下單的數量及／或價值或完全終止與我們的業務關係，我們的利潤水平或會受到不利影響。為管理此項風險，本集團持續執行其開發及擴大市場份額的策略，積極開發潛在客戶，減少其對特定客戶的倚賴。

REPORT OF THE DIRECTORS

董事會報告

4. *Operational risk*

The Group is exposed to risks of unexpected losses attributable to human error, systems failures, frauds, or inadequate internal controls. Responsibility for managing operational risks basically rests with every function at departmental levels. The staff is guided by procedure manuals, limits of authority and reporting framework to carry out the duties. We identify and assess key operational exposures continuously and regularly so that appropriate response can be taken. We aim to mitigate operational risks through proper policies and procedures, segregation of duties, and timely and accurate management reports. We review and update the policies and procedures from time to time so as to maintain a strong and discipline control environment.

5. *Health and safety*

The Group, especially our processing facilities, may be subject to various risks such as industrial accidents, equipment failure and other catastrophic events, which could have a material adverse effect on our business, financial condition, results of operations and prospects. The Group has developed health and safety procedures to clearly define roles and responsibilities in order to identify and mitigate risk. The Group has no health and safety incidents or reportable accidents during the year. In addition, the Group arranges insurance policies to cover the losses or liabilities of such risks.

4. *營運風險*

本集團面臨因人為錯誤、系統故障、欺詐或內部監控不足而引致意外損失的風險。管理營運風險的責任基本上由各級職能部門負責。員工依循相關程序手冊、授權限制及匯報框架各司其職。我們持續及定期識別及評估主要的營運風險，以便採取適當的應對措施。我們致力透過適當的政策及程序、職責分工和及時準確的管理匯報，減低營運風險。我們會不時檢討及更新相關政策及程序，以維持可靠及有序的監控環境。

5. *健康與安全*

本集團（尤其是我們的加工設施）或會面臨包括工業意外、設備失靈及其他災難性事件等多種風險，可能導致我們的業務、財務狀況、經營業績及前景受到重大不利影響。本集團已制定健康與安全程序，清楚界定角色和職責，以識別和減低風險。年內，本集團並無出現健康與安全事故或須呈報事故。此外，本集團亦就有關風險損失或責任購買保險。

REPORT OF THE DIRECTORS

董事會報告

6. *Certificates and approvals*

The Group requires certain certificates, licences and permits and approvals for the operation, such as registration as a chemical waste producer under the Waste Disposal (Chemical Waste) (General) Regulation (Chapter 354C of the Laws of Hong Kong), licence for discharge of industrial effluent pursuant to section 20 of the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), certificate of fitness for a pressure vessel pursuant to Boilers and Pressure Vessels Ordinance (Chapter 56 of the Laws of Hong Kong), lifting appliances certificate of results of thorough examination in the preceding twelve months pursuant to the Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations (Chapter 59J of the Laws of Hong Kong) and money lenders license pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). We must comply with the relevant standards, laws and regulations and as well as restrictions and conditions, imposed by the governmental authorities on application and renewal. The Group must also comply with new standards, laws and regulations that may entail greater or lesser costs and delays. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement would have adverse impacts on the Group's result of operations and financial position. If we fail to comply with any of the relevant regulations, we may not be able to maintain our certificates and approvals and our operations would be significantly disrupted or even suspended. The Group commits to comply with the laws and regulatory requirements applicable to our operations. We ensure full compliance through close monitoring of legislative requirements and, when needed, engagement with professional advisers.

6. *證書及批准*

本集團的經營須具備若干證書、牌照和許可及批准，包括註冊為廢物處置（化學廢物）（一般）規例（香港法例第354C章）項下之化學廢物生產者、根據水污染管制條例（香港法例第358章）第20條取得排放工業廢水許可、根據鍋爐及壓力容器條例（香港法例第56章）取得壓力容器效能良好證明書及根據工廠及工業經營（起重機械及起重裝置）規例（香港法例第59J章）取得過往十二個月起重機械徹底檢驗結果證明書及根據放債人條例（香港法例第163章）取得放債人牌照。我們必須遵守相關標準、法律及法規，以及有關政府機關的申請及重續限制及條件。本集團亦須遵守各項新出台的標準、法律及法規，而此可能產生或多或少的成本及延遲。新訂法律及法規、對現有法律及法規的修訂或更嚴格的執行可能對本集團經營業績及財務狀況造成不利影響。倘我們未能遵守任何相關法規，我們或不能維持我們的證書及批准，而我們的營運將會受到重大干擾甚至中斷。本集團致力遵守各項適用於我們營運的法律及法規要求。我們持續密切留意法規要求並會於必要時委聘專業顧問，確保達致全面合規。

REPORT OF THE DIRECTORS

董事會報告

Environmental Policies and Performance

The Group is committed to the long-term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavors to comply with laws and regulations regarding environmental protection and to adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

Green initiatives and measures have been adopted in the Group's office and workshop. Such initiatives include replacement of the new LED lighting for reducing electricity consumption in the office, promoting double-sided printing and copying, and reducing energy consumption by switching off idle lightings and electrical appliance. The Group also encourages using office equipment carrying Energy Label issued by the Electrical and Mechanical Services Department so as to save energy in the office.

The Group will review its environmental practices from time to time and will implement further ecofriendly measures and practices closely adhering to the 3Rs – Reduce, Recycle and Reuse and enhancing environmental sustainability.

Compliance with the Relevant Laws and Regulations

The Group has compliance policies and procedures in place to ensure adherence to applicable laws, rules and regulations, in particular, those have a significant impact on the Group. The Audit Committee is delegated by the Board to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

環境政策及表現

本集團致力維持經營所在環境及社區之長期可持續性。本集團以對環境負責之方式行事，盡力遵守有關環保法律及法規，並採取有效措施實現資源有效利用、能源節約及減少廢物。

本集團的辦公室及工廠已採納多項綠色倡議及措施。有關倡議包括更換新LED照明以減少辦公室電耗、提倡雙面列印及閒置時關閉照明及電器節省能耗等。本集團亦提倡使用帶有機電工程署節能標籤的辦公設備，以節省辦公室能源。

本集團將不時檢討其環境常規並將推行進一步的環保措施及常規，以符合環保3R—減少使用、循環再造及重複利用的原則，推動環境持續發展。

遵守相關法律及法規之情況

本集團已遵守各項既定的政策及程序，以確保符合各項適用法律、規則及法規，尤其是對本集團有重大影響者。董事會已委派審核委員會檢討及監察本集團各項政策及常規遵守法律及監管規定的情況。年內，本集團並無任何嚴重違反或不符合適用法律及法規的情況。

REPORT OF THE DIRECTORS

董事會報告

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group believes that employees are important and valuable assets and thus we provide competitive and attractive remuneration packages to retain the employees. The management reviews annually the remuneration to employees of the Group.

The Group values long standing relationships with its suppliers and customers. The Group aims at delivering high quality services to its customers and developing mutual trust and enhancing communication and commitment between the Group and its suppliers.

SUMMARY FINANCIAL INFORMATION

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 232. This summary does not form part of the audited financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2020 are set out in note 23 to the consolidated financial statements.

DEBENTURE ISSUE

For the year ended 31 December 2020, the Company has not issued any debenture.

EQUITY-LINKED AGREEMENTS

Share option scheme

The Company adopted a share option scheme on 22 July 2014 (the “**Scheme**”). Under the Scheme, the Directors of the Company may, subject to and in accordance with the provisions of the Scheme and the GEM Listing Rules, at its discretion, grant options to any full-time or part-time employees, consultants or potential employees, consultants, executives or officers (including executive, non-executive and independent non-executive directors) of the Group, and any suppliers, customers, consultants, agents and advisers, who in the absolute discretion of the Board has contributed or will contribute to the Group (collectively “**Eligible Participants**”).

The purpose of the Scheme is to provide incentive or reward for Eligible Participants for their contribution or potential contribution to the Group.

與僱員、供應商及客戶之關係

本集團相信僱員乃重要及寶貴的資產，故我們提供具競爭力及吸引力之薪酬待遇以挽留僱員。管理層每年檢討本集團僱員之薪酬。

本集團重視與其供應商及客戶之持久關係。本集團旨在為客戶提供優質服務，並與供應商建立互信關係、加強溝通及承諾。

財務資料概要

本集團過往五個財政年度之業績以及資產及負債概要（摘錄自經審核財務報表，並已作出適當重新分類）乃載於第232頁。此概要並不構成經審核財務報表之一部分。

股本

本公司截至二零二零年十二月三十一日止年度股本變動的詳情載於綜合財務報表附註23。

債權證發行

截至二零二零年十二月三十一日止年度內，本公司並無發行任何債權證。

股票掛鈎協議

購股權計劃

本公司於二零一四年七月二十二日採納一項購股權計劃（「**該計劃**」）。根據該計劃，本公司董事可在該計劃及GEM上市規則的條文規限下及根據該計劃及GEM上市規則的條文，酌情向本集團任何全職或兼職僱員、顧問或潛在僱員、顧問、行政人員或高級職員（包括執行、非執行及獨立非執行董事），以及董事會全權酌情認為曾經或將會對本集團作出貢獻之任何供應商、客戶、顧問、代理及諮詢人（統稱為「**合資格參與者**」）授出購股權。

該計劃旨在嘉許或酬謝對或可能會對本集團作出貢獻之合資格參與者。

REPORT OF THE DIRECTORS

董事會報告

Up to the date of 2019 Annual Report, the Company has granted 39,310,000 shares of the Company under the Scheme. The Board proposes to seek approval of the shareholders by the passing of an ordinary resolution for the refreshment of the Scheme Mandate Limit. The refreshment of the Scheme Mandate Limit was approved by the shareholders at the annual general meeting held on 26 June 2020. After the refreshment of the Scheme Mandate Limit, the total number of shares (the “**Shares**”) of the Company available for issue under the Scheme was 57,617,000 Shares, representing 8.34% of total number of Shares in issue as at the date of this report.

The Board shall not grant options to any Eligible Participant if the acceptance of those options would result in the total number of Shares issued and to be issued to that participant on exercise of his options during any 12-month period up to the offer date exceeding 1% of the total number of Shares then in issue.

There is no general requirement that an option must be held for any minimum period before it can be exercised. The period during which an option may be exercised in accordance with the terms of the Scheme shall be the period of time to be notified by the Board to each grantee, which the Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the date upon which the vesting period as described in the respective grantee’s offer document commences.

A remittance in favor of the Company of HK\$1.00 by way of consideration for the grant of the option should be submitted to the Company on or before the last day for acceptance. The option will be offered for acceptance for a period of 14 days from the date on which the option is granted.

The exercise price shall be determined by the Board but in any event shall be at least the highest of (i) the official closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date on which the option is offered (the “**Offer Date**”); and (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Offer Date.

截至二零一九年年報日期，本公司已根據該計劃授出39,310,000股本公司股份。董事會擬尋求股東通過普通決議案批准更新計劃授權上限。股東於二零二零年六月二十六日召開的股東週年大會批准更新計劃授權上限。更新計劃授權上限後，該計劃項下可供發行之本公司股份（「**股份**」）總數為57,617,000股股份，佔於本報告日期之已發行股份總數之8.34%。

董事會不得向任何合資格參與者授出購股權使接納該等購股權將導致於截至要約日期止任何12個月期間內因行使其購股權而發行或將發行予該參與者的股份總數超過當時已發行股份總數的1%。

對行使購股權前必須持有的最低期限沒有基本要求。根據該計劃的條款可行使購股權的期間應為董事會按其全權酌情決定向各承授人通知的期間；惟該期間不得超過承授人各自要約文件所述的歸屬期間開始之日起計十年。

作為獲授購股權的代價向本公司作出的匯款1.00港元應於最後接納日期或之前提交予本公司。購股權將於授出日期起14天期間內提呈以供接納。

行使價應由董事會釐定，但在任何情況下不得低於以下最高者：(i)所提呈購股權當日（「**要約日期**」）聯交所每日報價表所列股份的官方收市價；及(ii)緊接要約日期前五個營業日，聯交所每日報價表所列股份的平均官方收市價。

REPORT OF THE DIRECTORS

董事會報告

The Scheme shall be valid and effective for a period commencing from the date on which the Scheme was conditionally adopted by an ordinary resolution of the shareholder of the Company on 22 July 2014 and ending on the tenth anniversary of the date of listing of the Company's shares on GEM of the Stock Exchange on 4 August 2014 (both dates inclusive), after which no further option will be granted but the provisions of the Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Scheme. The remaining life of the Scheme as at 31 December 2020 was about 3.6 years.

A summary of the share options granted under the Scheme are as follows:

該計劃將自二零一四年七月二十二日，即該計劃透過本公司股東普通決議案獲有條件採納之日起至本公司股份於聯交所GEM上市日期二零一四年八月四日起計滿十週年期間（包括首尾兩日）有效及生效，其後概不會授出任何額外購股權，惟該計劃的條文在所有其他方面仍有十足效力及生效，以令於該期限前或根據該計劃條文可能規定之其他方式授出之任何購股權可予行使，以及於該期限前授出但未獲行使之購股權將繼續有效及可根據該計劃行使。該計劃於二零二零年十二月三十一日之剩餘期限約3.6年。

該計劃項下授出之購股權概要如下：

| Type of participants | Date of grant | Exercise price per share | Exercise period | Outstanding as at 1.1.2020 | Number of share options and underlying shares 購股權及相關股份數目 | | | | Outstanding as at 31.12.2020 |
|----------------------|--------------------------|--------------------------|---|----------------------------|---|-----------|-----------|-------------|-----------------------------------|
| | | | | | Granted | Exercised | Cancelled | Lapsed | |
| 參與者類別 | 授出日期 | 每股行使價 HK\$ 港元 | 行使期間 | 於 二零二零年 一月一日 尚未行使 | 已授出 | 已行使 | 已註銷 | 已失效 | 於 二零二零年 十二月 三十一日 尚未行使 |
| Directors 董事 | 27.8.2019 二零一九年八月二十七日 | 0.616 | 27.8.2019 – 26.8.2022 (Note) 二零一九年八月二十七日至 二零二二年八月二十六日 (附註) | 13,680,000 | - | - | - | (570,000) | 13,110,000 |
| Employees 僱員 | 10.4.2015 二零一五年四月十日 | 0.78 | 10.4.2015 – 9.4.2025 二零一五年四月十日至 二零二五年四月九日 | 200,000 | - | - | - | (40,000) | 160,000 |
| | 27.8.2019 二零一九年八月二十七日 | 0.616 | 27.8.2019 – 26.8.2022 (Note) 二零一九年八月二十七日至 二零二二年八月二十六日 (附註) | 24,000,000 | - | - | - | (500,000) | 23,500,000 |
| Others 其他 | 10.4.2015 二零一五年四月十日 | 0.78 | 10.4.2015 – 9.4.2025 二零一五年四月十日至 二零二五年四月九日 | 120,000 | - | - | - | - | 120,000 |
| | | | | 38,000,000 | - | - | - | (1,110,000) | 36,890,000 |

Note: The share options granted will vest to the grantees at the date of grant (i.e. 27 August 2019), the first and second anniversary of the date of grant (i.e. 27 August 2020 and 27 August 2021, respectively) at an average amount, the share options once vested shall be exercisable on a cumulative basis.

附註：該等已授出的購股權將於授出日期（即二零一九年八月二十七日）、授出日期的第一週年及第二週年當日（即分別為二零二零年八月二十七日及二零二一年八月二十七日）以平均數量歸屬於承授人，而購股權一經歸屬，則將可累積行使。

REPORT OF THE DIRECTORS

董事會報告

The fair value of equity-settled share options granted during the year ended 31 December 2015 was HK\$0.319 per option, amounted to approximately HK\$520,000 in aggregate. It was estimated as at 10 April 2015, being the date of grant, using the Black-Scholes Option Pricing Model and taking into account the terms and conditions upon which the options were granted. The significant assumptions and inputs used in the estimation of the fair value are as follows:

| | | |
|------------------------------|---------|------------|
| Share price at date of grant | 授出日期之股價 | HK\$0.78港元 |
| Exercise price | 行使價 | HK\$0.78港元 |
| Volatility | 波幅 | 45.90% |
| Risk-free interest rate | 無風險利率 | 1.09% |
| Dividend yield | 股息收益率 | 0% |
| Expected life of option | 購股權預期年期 | 5 years年 |

The expected life of the options may not be necessarily indicative of the exercise pattern that may occur. The expected volatility reflects the assumption that the historical volatility of comparable companies is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of equity-settled share options granted during the year ended 31 December 2019 were HK\$0.211, HK\$0.212 and HK\$0.213 per option each for three tranches which will be vested on 27 August 2019, 27 August 2020 and 27 August 2021, respectively, amounted to approximately HK\$7,984,000 in aggregate. The fair values were estimated as at 27 August 2019, being the date of grant, using the Binomial Option Pricing Model and taking into account the terms and conditions upon which the options were granted. The significant assumptions and inputs used in the estimation of the fair value are as follows:

| | | |
|------------------------------|---------|-------------|
| Share price at date of grant | 授出日期之股價 | HK\$0.60港元 |
| Exercise price | 行使價 | HK\$0.616港元 |
| Volatility | 波幅 | 52.68% |
| Risk-free interest rate | 無風險利率 | 1.31% |
| Dividend yield | 股息收益率 | 0% |
| Early exercise multiplier | 提早行使倍數 | 2.80 |
| Expected option life | 購股權預期年期 | 3 years年 |

截至二零一五年十二月三十一日止年度，所授出股權結算購股權之公平值為每份購股權0.319港元，合共約520,000港元，乃於二零一五年四月十日（即授出日期）使用柏力克-舒爾斯期權定價模式進行估計，並計及授出購股權之條款及條件。估計公平值所採用之重大假設及輸入數據如下：

購股權預期年期未必為可能出現之行使方式之指標。預期波幅乃反映可比較公司之過往波動性代表未來趨勢之假設，亦未必代表實際結果。

就分別將於二零一九年八月二十七日、二零二零年八月二十七日及二零二一年八月二十七日歸屬的三批購股權而言，截至二零一九年十二月三十一日止年度所授出股權結算購股權之公平值分別為每份購股權0.211港元、0.212港元及0.213港元，合共約7,984,000港元。公平值乃於二零一九年八月二十七日（即授出日期）使用二項式期權定價模式進行估計，並計及授出購股權之條款及條件。估計公平值所採用之重大假設及輸入數據如下：

REPORT OF THE DIRECTORS

董事會報告

Estimation of the value of the share options is subjective and uncertain as such values are subject to a number of assumptions and with regard to the limitation of the model. The expected volatility is based on the historical volatility reflecting the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The expected early exercise multiplier is also estimated and is not necessarily indicative of the exercise patterns that may occur.

All significant features necessary to be considered for the measurement of fair values of the share options granted during the year were incorporated into such measurement.

The closing prices of the shares of the Company immediately before the share options granted on 10 April 2015 and 27 August 2019 were HK\$0.78 and HK\$0.60, respectively.

No share options were granted during the year ended 31 December 2020 (2019: 37,680,000 share options granted).

No share options were exercised during the year ended 31 December 2020 (2019: Nil).

The Group recognized employee costs of approximately HK\$3.0 million for the year ended 31 December 2020 (2019: approximately HK\$4.0 million) in relation to share options granted by the Company.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company had no reserve available for distribution in accordance with the provision of sections 291, 297 and 299 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

RESERVES

Details of the movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity.

CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2020, no charitable contributions was made (2019: approximately HK\$0.5 million).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

購股權的價值估計屬主觀並具有不確定性，原因為其乃視乎多項假設，亦受計算模式的限制。預期波幅基於歷史波幅，反映歷史波幅預示未來發展趨勢的假設，而這也未必是實際結果。預期提早行使倍數亦為估計，並未必能表示可能發生的行使模式。

所有在本年度授出的購股權公平值計量中需要考慮的重要特徵均納入上述計量。

本公司股份緊接購股權於二零一五年四月十日及二零一九年八月二十七日授出前的收市價分別為0.78港元及0.60港元。

截至二零二零年十二月三十一日止年度概無購股權獲授出（二零一九年：授出37,680,000份購股權）。

截至二零二零年十二月三十一日止年度內概無購股權獲行使（二零一九年：無）。

截至二零二零年十二月三十一日止年度，本集團就本公司授出的購股權確認僱員成本約3.0百萬港元（二零一九年：約4.0百萬港元）。

可供分派儲備

於二零二零年十二月三十一日，根據公司條例（香港法例第622章）第291、297及299條條文，本公司並無可供分派儲備。

儲備

本集團年內儲備變動的詳情載於綜合權益變動表。

慈善捐款

截至二零二零年十二月三十一日止年度，本集團沒有作出慈善捐款（二零一九年：約0.5百萬港元）。

物業、廠房及設備

本集團年內物業、廠房及設備變動的詳情載於綜合財務報表附註13。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate revenues attributable to the Group's five largest customers comprised approximately 100% (2019: approximately 78%) of the Group's total revenues while the revenue attributable to the Group's largest customer was approximately 41% (2019: approximately 26%) of the Group's total revenue.

The aggregate purchases during the year attributable to the Group's five largest suppliers comprised approximately 100% (2019: approximately 94%) of the Group's total purchases while the purchases attributable to the Group's largest supplier was approximately 78% (2019: approximately 59%) of the Group's total purchases.

Save as disclosed above, none of the Directors, their close associates or any shareholder, which to the knowledge of the Directors owned more than 5% of the Company's total number of shares in issue, had any interest in the share capital of any of the five largest customers or suppliers of the Group.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were as follows:

Executive Directors

Mr. Wang
Mr. Fung

Independent Non-executive Directors

Mr. Zhou
Ms. Wu
Ms. Wong
Mr. Lau Yuen Sun Adrian
(Resigned on 6 May 2020)

In accordance with article 69 of the Articles, Mr. Zhou Tianshu and Ms. Wu Liyan shall retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-election.

DIRECTORS OF SUBSIDIARIES

The person who has served on the boards of the subsidiaries of the Company during the year and up to the date of this report are Mr. Wang, Mr. Fung, Mr. Hon Hang, Mr. Xia Yi and Mr. Chen Lifan. Mr. Kwan Fai was resigned a director of the subsidiary of the Company during the year.

主要客戶及供應商

年內，本集團五大客戶應佔的總收入佔本集團收入總額約100%（二零一九年：約78%），本集團最大客戶應佔的收入佔本集團收入總額約41%（二零一九年：約26%）。

年內，本集團五大供應商應佔的總購買額佔本集團購買總額約100%（二零一九年：約94%），本集團最大供應商應佔的購買額佔本集團購買總額約78%（二零一九年：約59%）。

除上文所披露者外，概無董事、彼等之緊密聯繫人或據董事所知擁有本公司已發行股份總數5%以上之任何股東於本集團任何五大客戶或供應商之股本中擁有任何權益。

董事

本公司於年內及直至本報告日期之董事如下：

執行董事

王先生
馮先生

獨立非執行董事

周先生
吳女士
黃女士
劉源新先生
(於二零二零年五月六日辭任)

根據細則第69條，周天舒先生及吳勵妍女士須於本公司應屆股東週年大會上輪席退任，並符合資格且願意膺選連任。

附屬公司之董事

王先生、馮先生、韓珩先生、夏溢先生及陳力帆先生於年內及直至本報告日期擔任本公司附屬公司之董事會成員。關輝先生於年內已辭任本公司附屬公司之董事。

REPORT OF THE DIRECTORS

董事會報告

PERMITTED INDEMNITY PROVISION

The Company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal actions against its Directors and officers of the Group. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) when this report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a term of one year unless terminated by not less than one month's notice in writing served by either party on the other or otherwise in accordance with the respective service contracts.

The Remuneration Committee will review and determine the remuneration and compensation packages of the Directors with reference to their experience, responsibilities, workload, time devoted to and performance of the Group. The Directors may also receive options to be granted under the share option scheme of the Company.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Details of Directors' interest in contracts of significance in relation to the Group's business are set out in the section headed "Competition and Conflict of Interest" in this report.

Save as disclosed above, there was no contract of significance to which the Company or its subsidiaries, or its holding companies or any of its fellow subsidiaries was a party, and in which a Director was materially interested, whether directly or indirectly, subsisting during the year ended or as at 31 December 2020.

獲准許彌償條文

本公司已就其董事及本集團高級職員可能面對的任何法律行動，為董事及高級職員投保適當的責任保險。基於董事利益的獲准許彌償條文根據公司條例（香港法例第622章）第470條的規定於董事編製之本報告按照公司條例第391(1)(a)條獲批准時生效。

董事服務合約

各董事已與本公司訂立為期一年之服務合約，惟任何一方根據各自的服務合約向另一方或其他方發出不少於一個月的書面通知而終止除外。

薪酬委員會將參考董事之經驗、職責、工作量、貢獻之時間及本集團之表現檢討及釐定有關董事之酬金及薪酬待遇。董事亦或會獲得根據本公司購股權計劃將予授出之購股權。

除上文所披露者外，擬於應屆股東週年大會上膺選連任之董事並無訂立本集團不可於一年內終止且毋須作出補償（法定補償除外）之服務合約。

董事於重大合約之權益

董事於與本集團業務相關的重大合約之權益詳情載於本報告「競爭及利益衝突」一節。

除上文所披露者外，截至二零二零年十二月三十一日止年度或截至該日，本公司或其附屬公司，或其控股公司或其任何同系附屬公司概無訂立亦無存續董事於其中直接或間接擁有重大權益之重大合約。

REPORT OF THE DIRECTORS

董事會報告

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

As at 31 December 2020, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

Long Positions

(a) Ordinary shares and underlying ordinary shares of the Company

| Name of Directors/chief executives | Nature of interests | Number of ordinary shares held | Number of underlying ordinary shares of the Company held | Total | Approximate percentage of shareholding |
|---|---------------------|--------------------------------|--|-----------|--|
| 董事／最高行政人員之姓名 | 權益性質 | 普通股數目 | 所持本公司相關普通股數目 (Note 1) (附註1) | 總計 | 佔股權的概約百分比 (Note 2) (附註2) |
| Executive Directors: | | | | | |
| 執行董事： | | | | | |
| Mr. Wang | Beneficial Owner | — | 5,700,000 | 5,700,000 | 0.82% |
| 王先生 | 實益擁有人 | | | | |
| Mr. Fung | Beneficial Owner | — | 5,700,000 | 5,700,000 | 0.82% |
| 馮先生 | 實益擁有人 | | | | |
| Independent Non-Executive Directors: | | | | | |
| 獨立非執行董事： | | | | | |
| Mr. Zhou | Beneficial Owner | — | 570,000 | 570,000 | 0.08% |
| 周先生 | 實益擁有人 | | | | |
| Ms. Wu | Beneficial Owner | — | 570,000 | 570,000 | 0.08% |
| 吳女士 | 實益擁有人 | | | | |
| Ms. Wong | Beneficial Owner | — | 570,000 | 570,000 | 0.08% |
| 黃女士 | 實益擁有人 | | | | |

Note 1: These are share options granted by the Company to the Directors under the Scheme on 27 August 2019. The details of the grant are set out in the section headed "Equity-linked Agreements – Share option scheme" in the Report of the Directors. The particulars of the Directors' interests in share options are set out in part (b) below.

Note 2: The approximate percentage of shareholding was calculated based on the total number of ordinary shares in issue, being 691,170,000 shares as at 31 December 2020.

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉

於二零二零年十二月三十一日，董事及本公司之最高行政人員於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，擁有已記錄於本公司根據證券及期貨條例第352條須存置的登記冊之權益及淡倉，或根據GEM上市規則第5.46條已知會本公司及聯交所之權益及淡倉如下：

好倉

(a) 本公司之普通股及相關普通股

附註1：該等股份為本公司於二零一九年八月二十七日根據該計劃向董事授出的購股權。授出詳情載於董事會報告「股票掛鈎協議－購股權計劃」一節。董事於購股權的權益詳情載於下文(b)部分。

附註2：佔股權的概約百分比基於已發行的普通股總數（即於二零二零年十二月三十一日的691,170,000股股份）計算。

REPORT OF THE DIRECTORS

董事會報告

(b) Interests in share options relating to ordinary shares of the Company

(b) 於與本公司普通股相關之購股權之權益

| Name of Directors | Date of grant | Exercise price per share | Exercise period | Number of share options and underlying shares 購股權及相關股份數目 | | | | | Outstanding as at 31.12.2020 於二零二零年十二月三十一日尚未行使 |
|--|------------------------------|--------------------------|--|---|----------------|------------------|------------------|---------------|---|
| | | | | Outstanding as at 1.1.2020 於二零二零年一月一日尚未行使 | Granted 已授出 | Exercised 已行使 | Cancelled 已註銷 | Lapsed 已失效 | |
| 董事姓名 | 授出日期 | 每股行使價 HK\$ 港元 | 行使期間 | | | | | | |
| Mr. Wang 王先生 | 27.8.2019 二零一九年 八月二十七日 | 0.616 | 27.8.2019 – 26.8.2022 (Note 2) 二零一九年八月二十七日至 二零二二年八月二十六日 (附註2) | 5,700,000 | - | - | - | - | 5,700,000 |
| Mr. Fung 馮先生 | 27.8.2019 二零一九年 八月二十七日 | 0.616 | 27.8.2019 – 26.8.2022 (Note 2) 二零一九年八月二十七日至 二零二二年八月二十六日 (附註2) | 5,700,000 | - | - | - | - | 5,700,000 |
| Mr. Zhou 周先生 | 27.8.2019 二零一九年 八月二十七日 | 0.616 | 27.8.2019 – 26.8.2022 (Note 2) 二零一九年八月二十七日至 二零二二年八月二十六日 (附註2) | 570,000 | - | - | - | - | 570,000 |
| Ms. Wu 吳女士 | 27.8.2019 二零一九年 八月二十七日 | 0.616 | 27.8.2019 – 26.8.2022 (Note 2) 二零一九年八月二十七日至 二零二二年八月二十六日 (附註2) | 570,000 | - | - | - | - | 570,000 |
| Ms. Wong 黃女士 | 27.8.2019 二零一九年 八月二十七日 | 0.616 | 27.8.2019 – 26.8.2022 (Note 2) 二零一九年八月二十七日至 二零二二年八月二十六日 (附註2) | 570,000 | - | - | - | - | 570,000 |
| Mr. Lau Yuen Sun Adrian (Note 1) 劉源新先生 (附註1) | 27.8.2019 二零一九年 八月二十七日 | 0.616 | 27.8.2019 – 26.8.2022 (Note 2) 二零一九年八月二十七日至 二零二二年八月二十六日 (附註2) | 570,000 | - | - | - | (570,000) | - |
| | | | | 13,680,000 | - | - | - | (570,000) | 13,110,000 |

Note 1: Mr. Lau Yuen Sun Adrian has resigned as an independent non-executive Director on 6 May 2020.

Note 2: The share options granted will vest to the Directors at the date of grant (i.e. 27 August 2019), the first and second anniversary of the date of grant (i.e. 27 August 2020 and 27 August 2021, respectively) at an average amount, the share options once vested shall be exercisable on a cumulative basis.

附註1：劉源新先生已於二零二零年五月六日辭任獨立非執行董事。

附註2：該等已授出的購股權將於授出日期（即二零一九年八月二十七日）、授出日期的第一週年及第二週年當日（即分別為二零二零年八月二十七日及二零二一年八月二十七日）以平均數量歸屬於董事，而購股權一經歸屬，則將可累積行使。

REPORT OF THE DIRECTORS

董事會報告

SHORT POSITIONS

As at 31 December 2020, no short positions of Directors and chief executives in the shares of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rule.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2020, the following persons/entities (other than the Directors and chief executives of the Company as disclosed above) have interest or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

| Name | Nature of interests | Number of ordinary shares held | Approximate percentage of shareholding |
|----------------------|---------------------------|--------------------------------|--|
| 姓名 | 權益性質 | 所持普通股數目 | 佔股權的概約百分比 |
| | | | (Note) (附註) |
| Hon Pok 韓博 | Beneficial owner 實益擁有人 | 76,000,000 | 11.00% |
| Poon Lai 潘黎 | Beneficial owner 實益擁有人 | 55,300,000 | 8.00% |
| Fung Ping Tak 馮秉德 | Beneficial owner 實益擁有人 | 55,000,000 | 7.96% |
| Poon Kwan Ho 潘均浩 | Beneficial owner 實益擁有人 | 46,000,000 | 6.65% |
| Zhang Bo 張博 | Beneficial owner 實益擁有人 | 45,000,000 | 6.51% |

Note: The approximate percentage of shareholding was calculated based on the total number of ordinary shares in issue, being 691,170,000 shares as at 31 December 2020.

Save as disclosed above, no other interests or short positions of any persons/entities (other than the Directors and the chief executives of the Company) in the shares or underlying shares of the Company were recorded in the register or as otherwise notified to the Company and the Stock Exchange as at 31 December 2020.

淡倉

於二零二零年十二月三十一日，概無董事及最高行政人員於本公司及其相聯法團股份中擁有根據GEM上市規則第5.46條已記錄於登記冊或已另行知會本公司及聯交所之淡倉。

主要股東於股份及相關股份之權益及淡倉

於二零二零年十二月三十一日，除上文所披露之本公司董事及最高行政人員外，以下人士／實體於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司作出披露的權益或淡倉，或已記錄於根據證券及期貨條例第336條須存置之登記冊的權益或淡倉如下：

附註：佔股權的概約百分比基於已發行的普通股總數（即於二零二零年十二月三十一日的691,170,000股股份）計算。

除上文所披露者外，於二零二零年十二月三十一日，概無任何人士／實體（董事及本公司最高行政人員除外）於本公司之股份或相關股份中持有記錄於登記冊內或已另行知會本公司及聯交所之其他權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

COMPETITION AND CONFLICT OF INTEREST

For the best knowledge of the Directors, none of the Directors, management, shareholders or substantial shareholders of the Company or any of its respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during the year ended 31 December 2020.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the related party transactions undertaken by the Group during the year ended 31 December 2020 are set out in note 29 to the consolidated financial statements. None of the related party transactions constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the GEM Listing Rules.

MANAGEMENT CONTRACT

No contract for management and administration of the whole or any substantial part of the Group's business subsisted at the end of the year or at any time during the year.

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

On 26 November 2020, the Company allotted and issued a total of 115,000,000 fully paid new shares by the way of placing at a price of HK\$0.148 per share.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

Principal corporate governance policies adopted by the Company are set out in the Corporate Governance Report on pages 20 to 35.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to fulfilling its corporate social responsibility in community affairs, environmental protection and corporate governance during its business operation in order to achieve its sustainable development. The Company's ESG Report is set out on pages 36 to 64 of this annual report.

競爭及利益衝突

據董事所深知，概無本公司董事、管理層、股東或主要股東或任何其各自的聯繫人截至二零二零年十二月三十一日止年度從事與本集團的業務直接或間接構成或可能構成競爭（定義見GEM上市規則）的任何業務或與本集團有任何其他利益衝突。

關連方交易及關連交易

截至二零二零年十二月三十一日止年度，本集團所進行關連方交易的詳情載於綜合財務報表附註29。概無關連方交易構成GEM上市規則項下的須予披露非獲豁免關連交易或非獲豁免持續關連交易。

管理合約

於年末或本年度任何時間，概無存在任何有關本集團全部或任何重大部分業務之管理及行政合約。

購買、出售或贖回本公司之上市證券

於二零二零年十一月二十六日，本公司以配售方式按每股0.148港元的價格配發及發行總計115,000,000股繳足股款的新股份。

除上文所披露者外，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。

企業管治

本公司採納之主要企業管治政策載於第20頁至第35頁之企業管治報告。

環境、社會及管治報告

本集團在業務運營過程中致力履行自身在參與社企活動、環境保護及企業管治的企業社會責任，以達致集團的可持續發展。本公司之環境、社會及管治報告載於本年報第36頁至第64頁內。

REPORT OF THE DIRECTORS

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

HLB Hodgson Impey Cheng Limited, who has been appointed as the auditors of the Company with effect from 6 December 2019 to fill the casual vacancy following the resignation of Crowe (HK) CPA Limited. Crowe (HK) CPA Limited was the auditors of the Company during the period from 25 January 2019 to 6 December 2019 to fill the casual vacancy following the resignation of BDO Limited. Save as disclosed above, there has been no change in the Company's auditors in any of the preceding three years. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company.

By order of the directors

Loco Hong Kong Holdings Limited

Wang Wendong

Chairman and Chief Executive Officer

Hong Kong, 25 March 2021

足夠公眾持股量

根據本公司公開可得之資料及據董事所知，於本年報日期，本公司已維持GEM上市規則所規定之公眾持股量。

核數師

國衛會計師事務所有限公司已自二零一九年十二月六日起獲委任為本公司核數師，以填補國富浩華(香港)會計師事務所有限公司辭任後之臨時空缺。國富浩華(香港)會計師事務所有限公司為於二零一九年一月二十五日至二零一九年十二月六日止期間之本公司核數師，以填補香港立信德豪會計師事務所有限公司辭任後之臨時空缺。除上述者外，本公司的核數師於前三個年度均無變動。將於本公司應屆股東週年大會上提呈一項決議案以續聘國衛會計師事務所有限公司為本公司核數師。

承董事會命

港銀控股有限公司

主席兼行政總裁

王文東

香港，二零二一年三月二十五日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



31/F, Gloucester Tower 香港
The Landmark 中環
11 Pedder Street 畢打街11號
Central 置地廣場
Hong Kong 告羅士打大廈31樓

**TO THE MEMBERS OF
LOCO HONG KONG HOLDINGS LIMITED**
(Incorporated in Hong Kong with limited liability)

致港銀控股有限公司股東

(於香港註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Loco Hong Kong Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 91 to 231, which comprise the consolidated statement of financial position as at 31 December 2020, 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 the notes to the consolidated financial statements, which including a summary of significant accounting policies.

意見

我們已審計列載於第91至231頁港銀控股有限公司（「**貴公司**」）及其附屬公司（統稱「**貴集團**」）的綜合財務報表，此綜合財務報表包括於二零二零年十二月三十一日的綜合財務狀況表、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。

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 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

我們認為，綜合財務報表已根據香港會計師公會（「**香港會計師公會**」）頒佈的香港財務報告準則（「**香港財務報告準則**」）真實而公平地反映 貴集團於二零二零年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及其綜合現金流量，並已按照香港公司條例妥為編製。

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 *Auditors' 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.

意見基礎

我們根據香港會計師公會頒佈的香港審計準則（「**香港審計準則**」）進行審計。我們於該等準則項下的責任於本報告「核數師就審計綜合財務報表須承擔的責任」一節進一步闡述。根據香港會計師公會頒佈的「專業會計師道德守則」（「**守則**」），我們乃獨立於 貴集團，並已根據守則履行其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審計事項

關鍵審計事項根據我們的專業判斷認為對我們審計本期綜合財務報表中最重要的事項。我們在審計整份綜合財務報表及就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

Key Audit Matter 關鍵審計事項

How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項

Expected credit loss of trade and other receivables and loan receivable **貿易及其他應收款項以及應收貸款的預期信貸虧損**

Refer to Notes 18 and 19 to the consolidated financial statements.

參閱綜合財務報表附註18及19。

The balances of trade and other receivables and loan receivable as at 31 December 2020 were approximately HK\$7,708,000 and nil, respectively, which were material to the consolidated financial statements. The Group has applied the simplified approach in calculating the expected credit loss for trade receivables and has applied the general approach in calculating the expected credit loss for other receivables and loan receivable.

於二零二零年十二月三十一日，貿易及其他應收款項以及應收貸款的結餘分別為約7,708,000港元及零港元，對綜合財務報表乃重要。貴集團於計算貿易應收款項的預期信貸虧損時已採用簡化方法，而於計算其他應收款項及應收貸款的預期信貸虧損時則已採用一般方法。

Our procedures included:
我們的審核程序包括：

- We have discussed with management on the estimation involved in determining the amount of expected credit loss allowance regarding the trade and other receivables and loan receivable.
- 我們與管理層討論涉及有關貿易及其他應收款項以及應收貸款的預期信貸虧損撥備金額的估計。
- We tested the working paper files prepared by the valuation expert engaged by the management to calculate the expected credit loss and checked the information included in the working paper files.
- 我們已測試由管理層委聘的估值專家編製以計算預期信貸虧損的工作報告文件並檢查工作報告文件所載資料。
- We evaluated the competence, capabilities and objectivity of the valuation expert engaged by the management.
- 我們評估了由管理層委聘的估值專家的才幹、能力和客觀性。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Under the simplified approach, the Group measures the loss allowance based on lifetime expected credit loss at each reporting date by individual assessment. Under the general approach, the Group measures the loss allowance equal to 12-month expected credit loss, unless when there has been a significant increase in credit risk since initial recognition then the Group will recognize the loss allowance based on the lifetime expected credit loss at each reporting date by individual assessment. The assessment of the expected credit loss allowance requires significant judgments and estimation by management.

根據簡化方法，貴集團於各報告日期根據全期預期信貸虧損按個別評估計量虧損撥備。根據一般方法，貴集團按12個月預期信貸虧損計量虧損撥備，惟倘自初始確認以來信貸風險大幅增加，貴集團將於各報告日期根據全期預期信貸虧損按個別評估確認虧損撥備。對預期信貸虧損撥備的評估需要管理層作出重要判斷及估計。

How our audit addressed the Key Audit Matter

我們之審計如何處理關鍵審計事項

- We also engaged an independent valuation expert to assist us to assess the appropriateness of the expected credit loss provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses by the valuation expert engaged by the management.
- 我們亦委聘獨立估值專家協助我們評估預期信貸虧損撥備法是否合適，抽樣檢驗關鍵數據輸入以評估其準確性及完整性，並質詢管理層委聘的估值專家用於釐定預期信貸虧損所使用的假設，包括過往及前瞻性資料。

We also assessed the adequacy of the Group's disclosures about the expected credit loss allowance regarding trade and other receivables and loan receivable in the consolidated financial statements.

我們亦評估貴集團就綜合財務報表內貿易及其他應收款項以及應收貸款的預期信貸虧損撥備作出披露的充足性。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們之審計如何處理關鍵審計事項

Valuation of investments classified as level 3 in the fair value hierarchy

在公平值層級中分類為第三級的金融資產的估值

Refer to Notes 4 and 16 to the consolidated financial statements

The Group's other financial assets are stated at fair value. As at 31 December 2020, the Group's other financial assets amounted to HK\$5,500,000, and the fair value loss on other financial assets for the year ended 31 December 2020 amounted to HK\$11,786,000.

貴集團的其他金融資產以公平值列賬。於二零二零年十二月三十一日，貴集團的其他金融資產為5,500,000港元，而截至二零二零年十二月三十一日止年度，其他金融資產的公平值虧損為11,786,000港元。

參閱綜合財務報表附註4及16。

Our procedures included:

我們的審核程序包括：

- We obtained an understanding of the management's internal control and assessment process of the valuations of other financial assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud.
- 我們了解管理層對其他金融資產估值的內部控制和評估過程並且通過考慮估計不確定性的程度及其他固有風險因素的級別（例如複雜性、主觀性、變化和管理層偏見或不真實行為的敏感度），評估重大錯誤陳述的固有風險。
- We evaluated the competence, capabilities and objectivity of the valuation expert engaged by the management.
- 我們評估了由管理層委聘的估值專家的才幹、能力和客觀性。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

We paid significant attention to this area due to the material balance and fair value loss of the other financial assets to the Group's consolidated financial statements and the estimation of the valuations of other financial assets subject to high degree of estimation uncertainty. The inherent risk in relation to this area is considered significant due to critical judgment involved in determining the critical estimates and assumptions used in the valuations.

由於其他金融資產的結餘和公平值虧損對貴集團綜合財務報表乃重要及估計其他金融資產的估值時存在較高程度的估計不確定性，我們對此範圍給予了重大的關注。由於在測定使用於估值的關鍵估計和假設時涉及批判性的判斷，此範圍的固有風險被認為是重大的。

How our audit addressed the Key Audit Matter

我們之審計如何處理關鍵審計事項

- We also engaged an independent valuation expert to assist us in assessing the appropriateness of methodologies used and the reasonableness of the key estimates and assumptions applied in the valuations. We have also conducted a sensitivity analysis over the key inputs.
- 我們亦委聘了獨立估值專家協助我們評估在估值時所使用方法的適當性以及所採用關鍵估計和假設的合理性。我們還進行了關鍵輸入數據的敏感度分析。
- We checked the accuracy and relevance of the input data used in the valuations.
- 我們檢查了評估中使用的輸入數據的準確性和相關性。

We found the key estimates and assumptions used in the valuation of other financial assets were supported by the available evidences. We also assessed the adequacy of the Group's disclosures about the valuation of investments classified as level 3 in the fair value hierarchy in the consolidated financial statements.

我們發現其他金融資產估值中使用的關鍵估計和假設得到了現有證據的支持。我們還評估了集團綜合財務報表中有關公平值層級中分類為第三級別的投資的披露是否充份。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report other than the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的資料，但綜合財務報表及我們就此發出的核數師報告除外。

我們對綜合財務報表作出的意見並未考慮其他資料。我們現在不會及將來亦不會對其他資料發表任何形式的核證結論。

就審計綜合財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審計過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於我們已執行的工作認為此其他資料出現重大錯誤陳述，我們須報告該事實。我們就此並無報告事項。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製真實而公平的綜合財務報表，及落實 貴公司董事認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時， 貴公司董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非 貴公司董事有意將 貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

審核委員會負責監督 貴集團的財務報告流程。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

核數師就審計綜合財務報表須承擔的責任

我們的目標是合理確定整體而言綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包括我們意見的核數師報告。根據香港公司條例第405條規定本報告僅向閣下（作為整體）報告，除此之外本報告別無其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理確定屬高層次的核證，但不能擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

我們根據香港審計準則進行審計的工作之一，是運用專業判斷，在整個審計過程中保持職業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，就應對該等風險設計及執行審核程序，獲得充足及適當的審計憑證為我們的意見提供基礎。由於欺詐可能涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部監控，因此未能發現由此造成的重大錯誤陳述風險比未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審計有關的內部監控，以設計恰當的審計程序，但並非旨在對貴集團的內部監控的有效性發表意見。
- 評估所用會計政策是否恰當，以及貴公司董事所作出的會計估算及相關披露是否合理。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

- 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 auditors' 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 auditors' 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.
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審計憑證，總結是否存有可能對貴集團持續經營的能力構成重大疑問的事件或情況有關的重大不確定因素。倘若我們總結認為存有重大不確定因素，我們須在核數師報告中提請注意綜合財務報表內的相關披露，或倘相關披露不足，則修訂我們的意見。我們的結論乃基於直至核數師報告日期所獲得的審計憑證。然而，未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表（包括披露）的整體列報、架構及內容，以及綜合財務報表是否已公平反映及呈列相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲得充足適當的審計憑證，以就綜合財務報表發表意見。我們負責指導、監督及執行集團審計工作。我們為我們的審計意見承擔全部責任。

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, actions taken to eliminate threats on safeguards applied.

我們就（其中包括）審計的計劃範圍和時間及重大審計結果（包括我們於審計過程中發現的內部監控的重大缺失）與審核委員會進行溝通。

我們亦向審核委員會作出聲明，表示我們已遵守有關獨立性的相關道德要求，並就所有被合理認為可能影響我們獨立性的關係及其他事宜以及採取行動來消除威脅或實行的保障措施（如適用），與審核委員會進行溝通。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

The engagement director on the audit resulting in this independent auditors' report is Mr. Lo Kin Kei.

我們通過與審核委員會溝通，確定本期間綜合財務報表審計工作的最重要事項，因此有關事項為關鍵審計事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，我們認為於核數師報告中傳達有關事項可合理預期的不良後果將超過有關傳達的公眾利益而不應如此行事，否則我們在核數師報告中描述此等事項。

本獨立核數師報告的審計董事為盧健基先生。

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Lo Kin Kei

Practising Certificate Number: P06413

Hong Kong, 25 March 2021

國衛會計師事務所有限公司
執業會計師

盧健基

執業證書編號：P06413

香港，二零二一年三月二十五日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Revenue | 收入 | | |
| – Sales of precious metal | – 銷售貴金屬 | 4,247 | 185,688 |
| – Education management services | – 教育管理服務 | 6,207 | 25,201 |
| – Interest income from customers and suppliers | – 來自客戶及供應商的利息收入 | 10 | 5,706 |
| – Order commission | – 訂單佣金 | – | 19 |
| Total revenue | 收入總額 | 10,464 | 216,614 |
| Trading losses on commodity forward contracts | 買賣商品遠期合約的虧損 | (153) | (2,871) |
| Other income | 其他收益 | 932 | 280 |
| Carrying value of inventories sold | 已售存貨之賬面值 | 11,243 | 214,023 |
| Change in fair value of commodity inventories | 商品存貨之公平值變動 | (4,138) | (183,361) |
| Depreciation on property, plant and equipment | 物業、廠房及設備折舊 | 53 | (1,590) |
| Depreciation on right-of-use assets | 使用權資產折舊 | (1,265) | (1,356) |
| Employee costs | 僱員成本 | (2,667) | (2,348) |
| Fair value losses on other financial assets | 其他金融資產之公平值虧損 | (21,437) | (24,108) |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | (11,786) | (3,134) |
| Other operating expenses | 其他經營開支 | – | (56) |
| Provision of loss allowance on loan receivable | 計提應收貸款虧損撥備 | (9,578) | (13,882) |
| Provision of loss allowance on trade and other receivables | 計提貿易及其他應收款項虧損撥備 | (4,829) | (2,684) |
| Rental expenses | 租賃開支 | (363) | (714) |
| Share of profit/(loss) of an associate | 分佔一間聯營公司溢利／(虧損) | (1,204) | (390) |
| Finance costs | 財務成本 | 90 | (9) |
| Loss before income tax expense | 除所得稅開支前虧損 | (71) | (794) |
| Income tax expense | 所得稅開支 | (45,952) | (20,403) |
| Loss for the year | 年度虧損 | (785) | (5,901) |
| | | (46,737) | (26,304) |

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 2020 截至二零二零年十二月三十一日止年度

| | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translating foreign operations | | 1,309 | 171 |
| Other comprehensive income for the year, net of tax | | 1,309 | 171 |
| Total comprehensive loss for the year | | (45,428) | (26,133) |
| (Loss)/profit for the year attributable to: | | | |
| – Owners of the Company | 12 | (46,856) | (34,002) |
| – Non-controlling interests | 31 | 119 | 7,698 |
| | | (46,737) | (26,304) |
| Total comprehensive (loss)/income for the year attributable to: | | | |
| – owners of the Company | | (46,171) | (33,885) |
| – non-controlling interests | 31 | 743 | 7,752 |
| | | (45,428) | (26,133) |
| Loss per share attributable to owners of the Company during the year (basic and diluted) | 12 | (7.98) | (6.05) |

The accompanying notes form an integral part of these consolidated financial statements.

隨附之附註構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------------|-------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 13 | 2,549 | 2,985 |
| Right-of-use assets | 使用權資產 | 14 | 2,312 | 3,000 |
| Interest in an associate | 於一間聯營公司之權益 | 15 | 8,081 | 7,991 |
| Other financial assets | 其他金融資產 | 16 | 5,500 | 17,286 |
| | | | 18,442 | 31,262 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 17 | 277 | 224 |
| Trade and other receivables and prepayments | 貿易及其他應收款項及預付款項 | 18 | 7,978 | 28,090 |
| Loan receivable | 應收貸款 | 19 | — | 4,829 |
| Cash and cash equivalents | 現金及現金等價物 | 20 | 28,964 | 28,724 |
| | | | 37,219 | 61,867 |
| Current liabilities | 流動負債 | | | |
| Other payables and accruals | 其他應付款項及應計費用 | 21 | 1,901 | 2,088 |
| Tax payable | 應付稅項 | | 19 | 4,882 |
| Lease liabilities | 租賃負債 | 14 | 1,859 | 2,280 |
| | | | 3,779 | 9,250 |
| Net current assets | 流動資產淨值 | | 33,440 | 52,617 |
| Total assets less current liabilities | 資產總值減流動負債 | | 51,882 | 83,879 |
| Non-current liabilities | 非流動負債 | | | |
| Deferred tax liabilities | 遞延稅項負債 | 22 | 143 | — |
| Lease liabilities | 租賃負債 | 14 | 516 | 871 |
| | | | 659 | 871 |
| Net assets | 資產淨值 | | 51,223 | 83,008 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------------|-------------|----------------------------------|----------------------------------|
| Equity | 權益 | | | |
| Share capital | 股本 | 23 | 161,112 | 144,480 |
| Reserves | 儲備 | | (113,544) | (70,365) |
| Equity attributable to the owners of the Company | 本公司擁有人應佔權益 | | 47,568 | 74,115 |
| Non-controlling interests | 非控股權益 | 31 | 3,655 | 8,893 |
| Total equity | 總權益 | | 51,223 | 83,008 |

The consolidated financial statements were approved and authorized for issue by the board of directors on 25 March 2021 and signed on its behalf by:

綜合財務報表於二零二一年三月二十五日獲董事會批准及授權刊發並由下列人士代其簽署：

Wang Wendong
王文東
Director
董事

Fung Chi Kin
馮志堅
Director
董事

The accompanying notes form an integral part of these consolidated financial statements.

隨附之附註構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | | Share capital | Merger reserve ¹ | Equity-settled share-based payment reserve ¹ 以股本結算之股份基礎給付儲備 ¹ | Statutory reserve ¹ | Translation reserve ¹ | Accumulated Losses ¹ | Equity attributable to owners of the Company 本公司擁有人應佔權益 | Non-controlling interests | Total equity |
|---|--------------------------------|-----------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|--|---|------------------------|
| | Notes 附註 | 股本 HK\$'000 千港元 | 合併儲備 ¹ HK\$'000 千港元 | 給付儲備 ¹ HK\$'000 千港元 | 法定儲備 ¹ HK\$'000 千港元 | 換算儲備 ¹ HK\$'000 千港元 | 累計虧損 ¹ HK\$'000 千港元 | 應佔權益 HK\$'000 千港元 | 非控股權益 HK\$'000 千港元 (Note 31) (附註31) | 總權益 HK\$'000 千港元 |
| As at 1 January 2019 | 於二零一九年一月一日 | 122,898 | (1,357) | 380 | - | (183) | (39,308) | 82,430 | - | 82,430 |
| Loss for the year | 年度虧損 | - | - | - | - | - | (34,002) | (34,002) | 7,698 | (26,304) |
| Other comprehensive income for the year: | 年度其他全面收益： | | | | | | | | | |
| Exchange differences on translating foreign operation | 換算海外業務產生之匯兌差額 | - | - | - | - | 117 | - | 117 | 54 | 171 |
| Total comprehensive loss for the year | 年度全面虧損總額 | - | - | - | - | 117 | (34,002) | (33,885) | 7,752 | (26,133) |
| Capital injection by non-controlling interest | 非控股權益注資 | - | - | - | - | - | - | - | 509 | 509 |
| Issue of new shares by way of placements | 以配售方式發行新股份 | 23 | 23,136 | - | - | - | - | 23,136 | - | 23,136 |
| Transaction costs attributable to issue of shares | 發行股份應佔的交易成本 | 23 | (1,554) | - | - | - | - | (1,554) | - | (1,554) |
| Lapsed share option | 已失效購股權 | - | - | (278) | - | - | 278 | - | - | - |
| Recognition of equity-settled share-based payments | 確認以股本結算之股份基礎給付 | 24 and 27 | - | 4,620 | - | - | - | 4,620 | - | 4,620 |
| Disposal of partial interests in a subsidiary without loss of control | 在並無喪失控制權下出售於一間附屬公司的部分權益 | 27 | - | (587) | - | 50 | (95) | (632) | 632 | - |
| As at 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及二零二零年一月一日 | 144,480 | (1,357) | 4,135 | - | (16) | (73,127) | 74,115 | 8,893 | 83,008 |
| Loss for the year | 年度虧損 | - | - | - | - | - | (46,856) | (46,856) | 119 | (46,737) |
| Other comprehensive income for the year: | 年度其他全面收益： | | | | | | | | | |
| Exchange differences on translating foreign operation | 換算海外業務產生之匯兌差額 | - | - | - | - | 685 | - | 685 | 624 | 1,309 |
| Total comprehensive loss for the year | 年度全面虧損總額 | - | - | - | - | 685 | (46,856) | (46,171) | 743 | (45,428) |
| Capital injection by non-controlling interest | 非控股權益注資 | - | - | - | - | - | - | - | 492 | 492 |
| Issue of new shares by way of placements | 以配售方式發行新股份 | 23 | 17,020 | - | - | - | - | 17,020 | - | 17,020 |
| Transaction costs attributable to issue of shares | 發行股份應佔的交易成本 | 23 | (388) | - | - | - | - | (388) | - | (388) |
| Dividend paid to non-controlling interest of subsidiaries | 向附屬公司非控股權益支付股息 | - | - | - | - | - | - | - | (6,473) | (6,473) |
| Transfer of statutory reserve | 法定儲備轉撥 | - | - | - | 1,647 | - | (1,647) | - | - | - |
| Lapsed share option | 已失效購股權 | - | - | (127) | - | - | 127 | - | - | - |
| Recognition of equity-settled share-based payments | 確認以股本結算之股份基礎給付 | 24 | - | 2,992 | - | - | - | 2,992 | - | 2,992 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 161,112 | (1,357) | 7,000 | 1,647 | 669 | (121,503) | 47,568 | 3,655 | 51,223 |

¹ These reserve accounts comprise the consolidated reserves of approximately HK\$113,544,000 (2019: approximately HK\$70,365,000) in the consolidated statement of financial position.

* Statutory reserves

In accordance with the "Law of the PRC on Enterprises Operated Exclusively with Foreign Capital" and the Articles of Association of those subsidiaries of the Group, which are wholly foreign owned enterprises in the PRC, an appropriation to the Statutory Reserve from the statutory net profit after offsetting accumulated losses of previous years should be made prior to profit distribution to the shareholders. The appropriation for the Reserve Fund is no less than 10% of the statutory net profit and it can cease to accrue when the accumulated appropriation exceeds 50% of the registered capital. For the year ended 31 December 2020, the appropriation for the Reserve Fund is 10% (2019: Nil) of the statutory net profits of the year for the subsidiaries in the PRC.

¹ 該等儲備賬目包括於綜合財務狀況表內的綜合儲備約113,544,000港元(二零一九年：約70,365,000港元)。

* 法定儲備

根據《中國外資企業法》及本集團旗下該等附屬公司(為中國的外商獨資企業)的組織章程細則，經抵銷過往年度的累計虧損後，於向股東支付溢利分派前須將法定純利撥至法定儲備。儲備基金的分配不少於法定純利的10%，且可於累計分配超過註冊資本50%時停止累積。截至二零二零年十二月三十一日止年度，在中國的附屬公司撥至儲備基金的年度法定純利為10%(二零一九年：無)。

The accompanying notes form an integral part of these consolidated financial statements.

隨附之附註構成該等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--------------------|-------------|----------------------------------|----------------------------------|
| Cash flows from operating activities | 經營活動產生的現金流量 | | | |
| Loss before income tax | 除所得稅前虧損 | | (45,952) | (20,403) |
| Adjustments for: | 就下列作出調整： | | | |
| Amortization of contract costs | 合約成本攤銷 | | — | 587 |
| Change in fair value of commodity inventories | 商品存貨之公平值變動 | | (53) | 1,590 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 13 | 1,265 | 1,356 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 14 | 2,667 | 2,348 |
| Employee share option expenses | 僱員購股權開支 | 24 | 2,992 | 4,033 |
| Fair value losses on other financial assets | 其他金融資產之公平值虧損 | | 11,786 | 3,134 |
| Interest income | 利息收入 | | (63) | (178) |
| Interest expenses | 利息開支 | | 71 | 794 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備的虧損 | | — | 56 |
| Provision of loss allowance on loan receivable | 計提應收貸款虧損撥備 | 19 | 4,829 | 2,684 |
| Provision of loss allowance on trade and other receivables | 計提貿易及其他應收款項虧損撥備 | | 363 | 714 |
| Share of (profit)/loss of an associates | 分佔一間聯營公司(溢利)／虧損 | | (90) | 9 |
| Trading losses on commodity forward contracts | 買賣商品遠期合約的虧損 | | 153 | 2,871 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Operating cash flows before changes in working capital | 營運資金變動前的經營現金流量 | (22,032) | (405) |
| Decrease in inventories | 存貨減少 | - | 40,158 |
| Decrease/(increase) in trade and other receivables and prepayments | 貿易及其他應收款項以及預付款項減少／(增加) | 20,030 | (1,164) |
| Decrease in other payables and accruals | 其他應付款項及應計費用減少 | (187) | (48,518) |
| Cash used in operation | 經營活動所用的現金 | (2,189) | (9,929) |
| Income taxes paid | 已付所得稅 | (5,505) | (765) |
| Net cash used in operating activities | 經營活動所用的現金淨額 | (7,694) | (10,694) |
| Cash flows from investing activities | 投資活動產生的現金流量 | | |
| Interest received | 已收利息 | 47 | 163 |
| Investment in an associate | 於一間聯營公司之投資 | - | (8,000) |
| Investments in other financial assets | 於其他金融資產之投資 | - | (15,420) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | - | 2 |
| Purchases of property, plant and equipment | 購買物業、廠房及設備 | (789) | (3,158) |
| Net cash used in investing activities | 投資活動所用的現金淨額 | (742) | (26,413) |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------------|-------------|----------------------------------|----------------------------------|
| Cash flows from financing activities | 融資活動產生的現金流量 | | | |
| Capital injected into a subsidiary by non-controlling interest | 非控股權益向一間附屬公司注資 | | 492 | 509 |
| Dividend paid to non-controlling interest of subsidiaries | 向附屬公司非控股權益支付股息 | 31 | (6,473) | – |
| Interest element of lease payment paid | 已付租賃付款的利息部分 | 9 | (71) | (113) |
| Interest paid | 已付利息 | | – | (681) |
| Issuance cost attributable to issue of placing shares | 發行配售股份所產生的發行成本 | 23 | (388) | (1,554) |
| Proceeds from issue of new shares by way of placements | 以配售方式發行新股份所得款項 | 23 | 17,020 | 23,136 |
| Proceeds from loans from related companies | 來自關連公司之貸款所得款項 | | – | 39,577 |
| Repayments of borrowings | 償還借款 | | – | (4,100) |
| Repayments of capital element of lease payment | 租賃付款資本部分的還款 | | (2,751) | (2,384) |
| Repayments of loans from related companies | 償還來自關連公司之貸款 | | – | (66,772) |
| Repayments to related companies | 向關連公司還款 | | – | (4,173) |
| Net cash generated from/ (used in) financing activities | 融資活動產生／(所用)的現金淨額 | | 7,829 | (16,555) |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------------|-------------|----------------------------------|----------------------------------|
| Net decrease in cash and cash equivalents | 現金及現金等價物減少淨額 | | (607) | (53,662) |
| Cash and cash equivalents at beginning of the year | 年初現金及現金等價物 | | 28,724 | 82,288 |
| Effect of foreign exchange rate changes | 外匯匯率變動的影響 | | 847 | 98 |
| Cash and cash equivalents at end of the year | 年末現金及現金等價物 | | 28,964 | 28,724 |
| Analysis of the balances of cash and cash equivalents | 現金及現金等價物結餘分析 | | | |
| Cash at banks and on hand | 銀行及手頭現金 | 20 | 28,964 | 28,724 |

The accompanying notes form an integral part of these consolidated financial statements.

隨附之附註構成該等綜合財務報表之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL INFORMATION

Loco Hong Kong Holdings Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 5 August 2014. The addresses of the registered office and principal place of business are Unit 401, 4/F., Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “**Group**”) is principally engaged in provision of education management services in mainland of the People’s Republic of China (the “**PRC Mainland**”), trading of precious metal and commodity forward contracts, and provision of money lending services in Hong Kong.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated. These consolidated financial statements were approved and authorized for issue by the board of directors on 25 March 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance Cap.622 (“**CO**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”).

1. 一般資料

港銀控股有限公司（「**本公司**」）為一間於香港註冊成立的有限公司，其股份於二零一四年八月五日於香港聯合交易所有限公司（「**聯交所**」）GEM上市。註冊辦事處及主要營業地點之地址為香港金鐘紅棉路8號東昌大廈4樓401室。

本公司為投資控股公司。本公司及其附屬公司（統稱「**本集團**」）主要於中華人民共和國內地（「**中國內地**」）提供教育管理服務，於香港從事貴金屬交易及商品遠期合約及提供放債服務。

除非另有指明，否則該等綜合財務報表乃以千港元（「**千港元**」）為單位列示。該等綜合財務報表已於二零二一年三月二十五日獲董事會批准及授權刊發。

2. 重大會計政策概要

編製該等綜合財務報表所應用的主要會計政策載於下文。除非另有指明，該等政策已貫徹應用於所呈列的所有年度。

2.1 編製基準

綜合財務報表乃根據香港會計師公會（「**香港會計師公會**」）頒佈的所有適用香港財務報告準則（「**香港財務報告準則**」）（該總稱包括所有適用的個別香港財務報告準則）、香港會計準則（「**香港會計準則**」）及詮釋、香港公認會計原則及香港法例第622章公司條例（「**公司條例**」）之規定。此外，綜合財務報表包括香港聯合交易所有限公司GEM證券上市規則（「**GEM上市規則**」）要求的適用披露規則。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The consolidated financial statements have been prepared on the historical cost basis except for certain inventories and financial instruments that are measured at fair values.

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” (“**HKFRS 2**”), leasing transactions that are accounted for in accordance with HKFRS 16 “Leases” (“**HKFRS 16**”), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

綜合財務報表乃按歷史成本基準編製，惟若干存貨及金融工具乃按公平值計量。

歷史成本一般是基於為交換貨品及服務而支付代價之公平值計算。

公平值是於計量日期市場參與者間於有秩序交易中出售資產所收取或轉讓負債須支付之價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於該等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟以下各項除外：屬於香港財務報告準則第2號「股份基礎給付」（「**香港財務報告準則第2號**」）範圍內之以股份為付款基礎之交易、根據香港財務報告準則第16號「租賃」（「**香港財務報告準則第16號**」）入賬之租賃交易，以及其計量與公平值之計量存在某些相似之處但並非公平值，例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」（「**香港會計準則第36號**」）之使用價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The preparation of the consolidated financial statements in accordance with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2.2 Changes in accounting policies

(i) New and amended standards adopted by the Group

The Group has applied the following new and revised standards and amendments for the first time in the current year:

| | |
|--|--------------------------------|
| Amendments to HKAS 1 and HKAS 8 | Definition of Material |
| Amendments to HKFRS 3 | Definition of a Business |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | Interest Rate Benchmark Reform |

2. 重大會計政策概要 (續)

2.1 編製基準 (續)

根據香港財務報告準則編製綜合財務報表需要使用若干重大會計估計。其亦要求管理層於採用本集團會計政策過程中行使判斷。涉及高度判斷或高度複雜性的範疇，或涉及對於綜合財務報表作出重大的假設及估計的範疇，於附註4披露。

2.2 會計政策變動

(i) 本集團採納的新訂及經修訂準則

本集團於本年度首次應用下列新訂及經修訂準則及修訂本：

| | |
|--|------------|
| 香港會計準則第1號及香港會計準則第8號 (修訂本) | 重大的定義 |
| 香港財務報告準則第3號 (修訂本) | 業務的定義 |
| 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) | 利率指標 變革 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

(i) New and amended standards adopted by the Group (continued)

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

| | |
|---|--|
| HKFRS 17 | Insurance Contracts and the related Amendments ¹ |
| Amendments to HKFRS 16 | Covid-19 Related Rent Concessions ⁴ |
| Amendments to HKFRS 3 | Reference to the Conceptual Framework ² |
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2 ⁵ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current ¹ |

2. 重大會計政策概要 (續)

2.2 會計政策變動 (續)

(i) 本集團採納的新訂及經修訂準則 (續)

於本年度應用之香港財務報告準則中對觀念架構之引述之修正及香港財務報告準則之修訂對本集團於本年度及過往年度之財務狀況及表現及／或對該等綜合財務報表所載之披露資料並無重大影響

(ii) 本集團並無提早應用下列已頒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：

| | |
|---|---------------------------------------|
| 香港財務報告準則第17號 | 保險合約及相關修訂 ¹ |
| 香港財務報告準則第16號 (修訂本) | Covid-19相關租金寬免 ⁴ |
| 香港財務報告準則第3號 (修訂本) | 概念框架引述 ² |
| 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號 (修訂本) | 利率指標變革—第二階段 ⁵ |
| 香港財務報告準則第10號及香港會計準則第28號 (修訂本) | 投資者與其聯營公司或合營企業之間的資產銷售或注資 ³ |
| 香港會計準則第1號 (修訂本) | 負債分類為流動或非流動 ¹ |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

- (ii) *The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:*
(continued)

| | |
|--------------------------|---|
| Amendments to HKAS 16 | Property, Plant and Equipment – Proceeds before Intended Use ² |
| Amendments to HKAS 37 | Onerous Contracts – Cost of Fulfilling a Contract ² |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2018-2020 ² |

- ¹ Effective for annual periods beginning on or after 1 January 2023.
² Effective for annual periods beginning on or after 1 January 2022.
³ Effective for annual periods beginning on or after a date to be determined.
⁴ Effective for annual periods beginning on or after 1 June 2020.
⁵ Effective for annual periods beginning on or after 1 January 2021.

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2.3 Principals of consolidation and equity accounting

(a) *Subsidiaries and non-controlling interests*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2. 重大會計政策概要 (續)

2.2 會計政策變動 (續)

- (ii) *本集團並無提早應用下列已頒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)*

| | |
|---------------------|---|
| 香港會計準則第16號 (修訂本) | 物業、廠房及設 備—用作擬定 用途前的所得 款項 ² |
| 香港會計準則 第37號(修訂本) | 虧損合約—履行 合約的成本 ² |
| 香港財務報告準則 (修訂本) | 香港財務報告準 則二零一八年 至二零二零年 週期之年度改 進 ² |

- ¹ 於二零二三年一月一日或之後開始的年度期間生效。
² 於二零二一年一月一日或之後開始的年度期間生效。
³ 於待釐定的日期或之後開始的年度期間生效。
⁴ 於二零二一年六月一日或之後開始的年度期間生效。
⁵ 於二零二一年一月一日或之後開始的年度期間生效。

本公司董事預期應用所有其他新訂及經修訂香港財務報告準則於可見將來對綜合財務報表並無重大影響。

2.3 綜合及權益會計之原則

(a) *附屬公司及非控股權益*

附屬公司是指本集團擁有控制權的所有實體(包括結構化實體)。當本集團承受或有權享有參與實體所得之可變回報,且有能力透過其對實體之權力影響該等回報時,則本集團控制該實體。附屬公司自控制權轉移至本集團之日起悉數合併入賬。附屬公司自控制權終止之日起終止合併入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principals of consolidation and equity accounting (continued)

(a) Subsidiaries and non-controlling interests (continued)

The acquisition method of accounting is used to account for business combinations by the Group.

Intra-company transactions, balances, cash flows and unrealized gains on transactions between group companies are eliminated in full. Unrealized losses resulting from Intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

2. 重大會計政策概要 (續)

2.3 綜合及權益會計之原則 (續)

(a) 附屬公司及非控股權益 (續)

本集團以購買會計法將業務合併入賬。

公司間交易、結餘、現金流量及集團公司之間交易的未變現收益全數被對銷。集團內公司間交易所產生的未變現虧損僅在沒有出現減值證據的情況下以與未變現收益相同的方法被對銷。於必要時附屬公司的會計政策經已更改，以確保與本集團採納的政策一致。

非控股權益指並非本公司直接或間接應佔而本集團並未就此與該等權益持有人協定任何額外條款而將導致本集團整體具有符合金融負債定義的有關該等權益合約責任之附屬公司股權。就各業務合併而言，本集團可選擇按公平值或按非控股權益按比例分佔附屬公司可識別資產淨值計量任何非控股權益。

非控股權益乃於綜合財務狀況表的權益中與本公司權益股東應佔權益分開呈列。於本集團業績內的非控股權益在綜合損益及其他全面收益表內呈列為非控股權益與本公司權益股東之間分配年度總利潤或虧損及全面收益總額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principals of consolidation and equity accounting (continued)

(a) Subsidiaries and non-controlling interests (continued)

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

(b) Associate

An associate is an entity in which the Group or Company has significant influence but not control or joint control, over its management, including participation in the financial and operating policy decisions. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in an associate is accounted for in the consolidated financial statements under the equity method of accounting (Note 2.3(c)), after initially being recognized at cost.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognized at fair value and this amount is regarded at the fair value on initial recognition of a financial asset.

2. 重大會計政策概要 (續)

2.3 綜合及權益會計之原則 (續)

(a) 附屬公司及非控股權益 (續)

於本公司的財務狀況表內，於附屬公司的投資按成本扣除減值虧損列賬，惟該投資分類為持作出售（或列入分類為持作出售的出售組別）除外。

(b) 聯營公司

聯營公司是指本集團或本公司對其有重大影響力但並不控制或共同控制其管理（包括參與財務及經營決策）之實體。通常情況是本集團持有20%至50%表決權。於一間聯營公司的投資於初始按成本確認後於綜合財務報表按權益會計法入賬（附註2.3(c)）。

倘於聯營公司的投資變成於合資企業的投資（反之亦然），則保留權益將不予重新計量，而有關投資將繼續按權益法入賬。

於所有其他情況下，當本集團對聯營公司不再有重大影響力時，按出售於該投資對象的全部權益入賬，由此而產生的收益或虧損於損益內確認。於喪失重大影響力當日於前投資對象所保留的任何權益按公平值確認，而此金額被視為初步確認金融資產之公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principals of consolidation and equity accounting (continued)

(c) Equity method

Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognized in the profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognized in the other comprehensive income. Dividends received or receivable from an associate is recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2. 重大會計政策概要 (續)

2.3 綜合及權益會計之原則 (續)

(c) 權益法

根據權益法，該項投資初步以成本入賬，並就本集團分佔該投資對象可識別資產淨值的收購日期公平值超出投資成本(如有)的差額作出調整。投資成本包括購買價、收購該投資的直接應佔其他成本及構成本集團權益投資一部分的於該聯營公司的任何直接投資。其後該項投資因應本集團在收購後應佔該投資對象資產淨值的變動及任何投資相關的減值虧損而作出調整。於收購日超出成本的任何差額、本集團應佔該投資對象收購後的除稅後業績及年內任何減值虧損均在損益內確認，而本集團應佔該投資對象收購後的其他全面收益的除稅後項目，則在其他全面收益內確認。自聯營公司之已收或應收股息將確認為該投資賬面值的減少。

倘本集團分佔按權益入賬的投資的虧損等於或超出其於該實體的權益，包括任何其他未抵押的長期應收款項，則本集團並無確認進一步虧損，惟其已代表其他實體產生責任或作出付款除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principals of consolidation and equity accounting (continued)

(c) Equity method (continued)

Unrealized profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investee, except where unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.8.

(d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

2. 重大會計政策概要 (續)

2.3 綜合及權益會計之原則 (續)

(c) 權益法 (續)

本集團與其聯營公司間之交易所產生的未變現利潤及虧損，均按本集團於該投資對象所佔的權益比例對銷，惟倘未變現虧損證明已轉讓資產出現減值，則該等未變現虧損會即時在損益中確認。於必要時更改按權益入賬的投資對象的會計政策，確保與本集團採納的政策一致。

按權益入賬的投資賬面值根據附註2.8所述的政策進行減值測試。

(d) 所有權權益變動

本集團將與非控股權益的交易（並不導致喪失控制權）視作與本集團權益擁有人的交易。所有權權益變動導致控股權益與非控股權益賬面值之間的調整以反映彼等於附屬公司的相關權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本公司擁有人應佔權益中的獨立儲備內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principals of consolidation and equity accounting (continued)

(d) Changes in ownership interests (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2. 重大會計政策概要 (續)

2.3 綜合及權益會計之原則 (續)

(d) 所有權權益變動 (續)

當本集團由於失去控制、共同控制或重大影響而停止合併或按照權益性投資入賬時，該實體的任何保留權益均按其公平值重新計量，其賬面值的變動於損益確認。該公平值成為初始賬面值，以便隨後將保留權益計入聯營公司、合營企業或金融資產。此外，先前就該實體在其他全面收入中確認的任何金額均應視同本集團已直接出售相關資產或負債的方式計量。這可能意味著先前在其他全面收入中確認的金額將被重新分類為損益或轉移至所適用的香港財務報告準則指定或允許的另一類權益中。

2.4 獨立財務報表

於附屬公司的投資按成本扣除減值入賬。成本包括投資的直接歸屬成本。本公司將附屬公司的業績按已收及應收股息基準入賬。

倘自附屬公司投資收取的股息超出該附屬公司於宣派股息期間的全面收益總額，或該項投資於獨立財務報表的賬面值超出綜合財務狀況表所示被投資對象的資產淨值（包括商譽）的賬面值，則須於收取該股息時對於附屬公司的該等投資進行減值測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors of the Company that make strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

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

The functional currency of the Company and some subsidiaries is United States dollar ("US\$"). The functional currency of the subsidiaries incorporated in the PRC Mainland is Renminbi ("RMB"). However, the financial statements are presented in Hong Kong dollar ("HK\$") instead of its functional currency as the directors of the Company consider that HK\$ is a more appropriate presentation currency in view of its principal place of financing activities.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

2. 重大會計政策概要 (續)

2.5 分部報告

經營分部與呈報予主要營運決策者的內部報告呈報方式一致，主要營運決策者負責資源分配及對經營分部的表現評估，本集團已確定由本公司執行董事作出戰略決策。

2.6 外幣換算

(a) 功能及呈列貨幣

本集團各實體的財務報表所載項目均按該實體經營所在主要經濟環境的貨幣（「功能貨幣」）計量。

本公司及若干附屬公司的功能貨幣為美元（「美元」）。於中國內地註冊成立之附屬公司之功能貨幣為人民幣（「人民幣」）。然而，由於本公司董事鑒於其從事融資活動的主要地點，認為港元更適合作為呈列貨幣，故財務報表乃以港元（「港元」）而非其功能貨幣呈列。

(b) 交易及結餘

外幣交易均按交易日的匯率換算為功能貨幣。結算該等交易產生的外匯盈虧及以外幣計量的貨幣資產及負債以年末的匯率換算所產生的外匯盈虧於損益中確認。倘彼等與合資格現金流量對沖及合資格投資淨額對沖有關或歸因於海外業務投資淨額的一部分，則彼等於權益中遞延。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income. All other foreign exchange gains and losses are presented in the profit or loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss (“FVTPL”) are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income (“FVTOCI”) are recognized in other comprehensive income.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the reporting date;

2. 重大會計政策概要 (續)

2.6 外幣換算 (續)

(b) 交易及結餘 (續)

與借貸有關之外匯收益及虧損於綜合損益及其他全面收益表呈列。所有其他匯兌收益及虧損以淨額基準於損益呈列。

按公平值計量並以外幣計值之非貨幣項目使用釐定公平值當日之匯率換算。按公平值列賬之資產及負債的匯兌差額呈報為公平值損益之一部分。例如，按公平值計入損益（「按公平值計入損益」）之權益等非貨幣資產及負債之匯兌差額於損益內確認為公平值損益的一部分，分類為按公平值計入其他全面收益（「按公平值計入其他全面收益」）之權益等非貨幣資產之匯兌差額於其他全面收益中確認。

(c) 集團公司

功能貨幣與呈列貨幣不同的海外業務（當中沒有惡性通貨膨脹經濟的貨幣）的業績及財務狀況均換算為呈列貨幣，詳情如下：

- 所呈列每項綜合財務狀況表之資產及負債均按照報告日之收盤匯率換算；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation (continued)

(c) Group companies (continued)

- income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(d) Partial disposal of foreign operation

On partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences is re-attributed to non-controlling interests and is not recognized in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. 重大會計政策概要 (續)

2.6 外幣換算 (續)

(c) 集團公司 (續)

- 各項綜合損益及其他全面收益表的收入和支出均按照平均匯率換算，但若此平均匯率未能合理地反映各交易日之匯率所帶來的累積影響，則按照交易日之匯率換算此等收入和支出；及
- 所有產生的匯兌差額均於其他全面收益內確認。

於綜合入賬時，換算海外實體任何投資淨額以及換算被指定為此等投資的對沖項目的借款及其他金融工具產生的匯兌差額均於其他全面收益確認。當出售海外業務或償還構成該投資淨額部分之任何借款，相關的匯兌差額於損益賬重新歸類為出售的部分收益或虧損。

(d) 部分出售海外業務

部分出售並未導致本集團失去對擁有海外業務之附屬公司（包括海外業務）之控制，則按比例將累計外匯差額重新歸類為非控股權益，而並不於損益內確認。就所有其他部分出售（即不會導致本集團喪失重大影響力或共同控制權之本集團聯營公司或合營企業之擁有權權益扣減）而言，按比例將累計外匯差額重新歸類為損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses (if any). Historical cost includes its purchase price and the expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

| | |
|------------------------------------|--|
| Leasehold improvements | Over the shorter of 3 years and the remaining lease terms |
| Equipment and computer software | 4 years |
| Furniture and fixture | 4 years |
| Motor vehicle | 4 years |

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

2. 重大會計政策概要 (續)

2.7 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及累計減值虧損(如有)列賬。歷史成本包括購買價及項目收購直接應佔的開支。

僅當項目相關的未來經濟利益很可能流入本集團，以及該項目之成本能可靠地計量，後續成本方計入資產的賬面值或確認為獨立資產(如適用)。按獨立資產入賬的任何組成部分的賬面值於被替換時會終止確認。所有其他維修和保養在發生的報告期間扣除自損益。

折舊採用直線法按其估計可使用年期或(倘為租賃物業裝修)較短租賃期分配其成本(扣除其剩餘價值)計算如下：

| | |
|---------|--------------------------|
| 租賃物業裝修 | 三年或按剩餘 租期(以較短 者為準) |
| 設備及電腦軟件 | 四年 |
| 傢俬及裝置 | 四年 |
| 汽車 | 四年 |

資產的剩餘價值及可使用年期於各報告期末檢討及調整(如適用)。

倘資產的賬面值高於其估計可收回金額，則有關賬面值會即時撇減至其可收回金額(附註2.8)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is the Group's policy to transfer any amounts included in other reserves in respect of those assets to accumulated losses.

2.8 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2. 重大會計政策概要 (續)

2.7 物業、廠房及設備 (續)

出售的收益及虧損透過所得款項與賬面值的比較釐定。其計入損益。倘重估的資產被出售，則本集團政策乃轉讓已計入有關該等資產的其他儲備內的任何金額至累計虧損。

2.8 非金融資產減值

商譽和具無限可使用年期的無形資產毋須攤銷，惟須每年進行減值測試，倘發生事件或情況變化顯示其可能減值，則進行減值測試的頻率更頻繁。就其他資產而言，當發生事件或情況變化顯示其賬面值未必可收回時，會對該資產進行減值測試。減值虧損按資產賬面值超逾其可收回金額的差額確認。可收回金額為資產公平值減出售成本與使用價值的較高者。評估減值時，資產以可獨立識別現金流入（該現金流入在很大程度上獨立於其他資產或資產組別產生的現金流入）的最低層面（現金產生單位）分類。倘商譽以外的非金融資產出現減值，則會於各報告期末檢討可否撥回減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

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

Where an operation is classified as discontinued, a single amount is presented on the face of the consolidated statement of profit or loss and other comprehensive income, which comprises:

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

2.10 Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date or settlement 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.

2. 重大會計政策概要 (續)

2.9 已終止經營業務

已終止經營業務是本集團業務的一部分，其經營和現金流量可與本集團其餘部分明確區分，並代表一個獨立的業務主線或業務地區，或是單一協調計劃的一部分，以出售單獨的業務主線或業務地區，或是僅為了轉售而收購的附屬公司。

於出售或當業務達到分類為持作出售的標準時（以較早者為準），發生分類為已終止經營業務的情況。倘業務被廢棄，亦發生此情況。

倘業務被分類為已終止經營，單一金額於綜合損益及其他全面收入中列示，其中包括：

- 已終止經營業務的除稅後損益；及
- 組成已終止經營業務的資產或出售組別按公平值減銷售成本或於出售時確認的除稅後收益或虧損。

2.10 金融工具

金融資產及金融負債在集團實體成為有關工具合約條文的一方時確認。所有金融資產之日常買賣乃按交易日或結清日確認及終止確認。日常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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

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 “Revenue from Contracts with Customers” (“**HKFRS 15**”). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

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

2.10.1 Financial assets

Classification and subsequent measurement of financial assets

The Group classifies its financial assets in the following measurement categories, which depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows:

- those to be measured at amortized cost;

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

金融資產及金融負債最初按公平值計量，除初始根據香港財務報告準則第15號「客戶合約收入」（「**香港財務報告準則第15號**」）計量的客戶合約產生的貿易應收款項外。應直接計入收購或發行金融資產及金融負債（按公平值計入損益之金融資產及金融負債除外）之交易成本，於初始確認時加入或從金融資產或金融負債之公平值扣減（如適用）。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本，直接計入損益。

實際利息法為計算有關期間內金融資產或金融負債之攤銷成本及利息收入及利息開支分配之方法。實際利率為將金融資產或金融負債預期可使用年期或（如適用）較短期間內收取及支付之未來估計現金（包括所支付或收取能構成整體實際利率的所有費用及利率差價、交易成本及其他溢價或折讓）實際貼現至於初始確認時賬面淨值之利率。

2.10.1 金融資產

金融資產分類及其後計量

本集團按以下計量類別對金融資產進行分類，取決於本集團管理金融資產的業務模式及現金流量的合約期限：

- 按攤銷成本計量的金融資產；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

- those to be measured at FVTOCI; and
- those to be measured at FVTPL.

The Group determines the classification of debt investments according to its business model and the contractual cash flow characteristics of the financial assets. The debt investments shall be classified as FVTPL if the cash flows characteristics cannot pass the test on solely payments of principal and interest on the principal amount (“SPPI”). Otherwise, the classification of debt investments will depend on the business model provided the fair value option is not elected. Investments in equity instruments are classified as FVTPL in general, except for those designated as at FVTOCI.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order 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.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產分類及其後計量 (續)

- 按公平值計入其他全面收益計量的金融資產；及
- 按公平值計入損益計量的金融資產。

本集團根據其業務模式及金融資產的合約現金流量特徵釐定債務投資的分類。倘現金流量特徵無法通過就僅支付本金及本金額利息（「**僅支付本金及本金額利息**」）的測試，則債務投資分類為按公平值計入損益。另外，債務投資的分類將取決於業務模式，惟並無決定公平值選擇權。股本工具投資一般分類為按公平值計入損益，指定為按公平值計入其他全面收益的有關投資除外。

符合以下條件之金融資產其後按攤銷成本計量：

- 目的為持有金融資產以收取合約現金流量之業務模式內而持有之金融資產；及
- 合約條款引述於特定日期產生僅為支付本金及未償還本金額利息之現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

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

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

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

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產分類及其後計量 (續)

符合以下條件之金融資產其後按公平值計入其他全面收益而計量：

- 目的由銷售及收集合約現金流量實現之業務模式內而持有之金融資產；及
- 合約條款引述於特定日期產生僅為支付本金及未償還本金額利息之現金流量。

所有其他金融資產其後按公平值計入損益而計量，惟倘一項股本投資既非持作買賣，亦非香港財務報告準則第3號「業務合併」（「**香港財務報告準則第3號**」）所適用之業務合併收購方確認的或然代價，則於初始應用香港財務報告準則第9號「金融工具」（「**香港財務報告準則第9號**」）當日除外。初始確認金融資產時，本集團可作出不可撤回地選擇將該股本投資的其後公平值變動計入其他全面收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

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

- (a) Amortized cost and interest income
- Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost and debt instruments. 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. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized 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 recognized 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.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產分類及其後計量 (續)

此外，本集團可不可撤回地指定一項須按攤銷成本或按公平值計入其他全面收益而計量的金融資產按公平值計入損益而計量，前提為有關指定可消除或大幅減少會計錯配。

- (a) 攤銷成本及利息收入
- 利息收入就其後按攤銷成本及債務工具計量的金融資產使用實際利率法確認。利息收入按應用實際利率至金融資產賬面總值計算，惟其後已成為信貸減值的金融資產除外。就其後出現信貸減值之金融資產而言，利息收入乃透過對金融資產於下個報告期之攤銷成本應用實際利率而確認。倘信貸減值金融工具的信貸風險有所改善，以致金融資產不再出現信貸減值，則利息收入在釐定資產不再出現信貸減值後，將實際利率應用於自報告期初起計的金融資產賬面總值確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(b) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss is recognized in profit or loss.

(c) Equity instrument

Investments in debt and equity securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines the fair value of financial instruments is set out in Note 3.3.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產分類及其後計量 (續)

(b) 按公平值計入損益的金融資產

不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益而計量的金融資產，均按公平值計入損益而計量。

按公平值計入損益的金融資產按各報告期末的公平值計量，任何公平值收益或虧損於損益中確認。淨收益或虧損於損益中確認。

(c) 股本工具

本集團在承諾購入／出售投資當日確認／終止確認債務及股本證券投資。投資初步按公平值加直接應佔交易成本列賬，惟按公平值計入損益而計量的投資除外，該等投資的交易成本直接於損益內確認。有關本集團釐定金融工具公平值的方法的解釋載於附註3.3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(c) Equity instrument (continued)

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognized in profit or loss as other income.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產分類及其後計量 (續)

(c) 股本工具 (續)

股本證券投資被分類為按公平值計入損益，除非該等股本投資並非以交易為目的持有且於初步確認投資時，本集團作出不可撤銷選擇，指定投資為按公平值計入其他全面收益（不得重新歸入），以致隨後公平值的變動於其他全面收益內確認。該等選擇按逐項工具作出，惟僅會於發行人認為投資滿足股本之定義的情況下方會作出。作出該選擇後，於其他全面收益內累計的金額仍將保留在公平值儲備（不得重新歸入）內直至出售投資為止。於出售時，於公平值儲備（不得重新歸入）內累計的金額轉入累計盈利，且不會重新歸入損益。股本證券投資產生的股息（不論分類為按公平值計入損益或按公平值計入其他全面收益）均於損益中確認為其他收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, loan receivable and bank balances which are subject to impairment under HKFRS 9). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Financial assets measured at fair value, including equity securities measured at FVTPL and derivative financial assets, are not subject to the ECL assessment.

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

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產減值

本集團根據預期信貸虧損（「預期信貸虧損」）模式對金融資產（包括貿易及其他應收款項、應收貸款及銀行結餘，彼等根據香港財務報告準則第9號須受限於減值）進行減值評估。預期信貸虧損金額於各報告日期作出更新，以反映自初步確認以來的信貸風險變動。

按公平值計量的金融資產，包括按公平值計入損益而計量的股本證券及衍生金融資產，不會進行預期信貸虧損評估。

全期預期信貸虧損指於相關工具預計使用年期內所有潛在違約事件將會引起的預期信貸虧損。相反，十二個月預期信貸虧損（「十二個月預期信貸虧損」）指報告日期起計十二個月內可能出現的違約事件預期將會引起的一部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗作出，並就債務人特定因素、一般經濟狀況及於報告日期對現況作出的評估以及未來狀況預測而作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Impairment of financial assets (continued)

For trade receivables from contracts with customers, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL without significant financing component at each reporting date. The ECL on these assets are assessed individually for debtors with significant balances.

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

(a) 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.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產減值 (續)

就來自客戶合約的貿易應收款項而言，本集團於計算預期信貸虧損時應用簡化方法。因此，本集團並無追蹤信貸風險變動，但基於全期預期信貸虧損確認虧損撥備，而於各報告日期並無重要的融資組成部分。該等資產的預期信貸虧損就有重大結餘的債務人個別評估。

至於所有其他工具，本集團計量相等於十二個月預期信貸虧損的虧損撥備，除非自初步確認以來信貸風險大幅上升，則本集團會確認全期預期信貸虧損。是否確認全期預期信貸虧損乃根據自初步確認以來出現違約事件的可能性或風險大幅上升進行評估。

(a) 信貸風險大幅上升

於評估信貸風險是否自初步確認以來大幅上升時，本集團將報告日期金融工具出現違約事件的風險與初步確認日期金融工具出現違約事件的風險進行比較。於作出此項評估時，本集團會考慮合理且可證實的定量及定性資料，包括過往經驗或無須過高成本或太多工序便可供查閱的前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Impairment of financial assets (continued)

(a) Significant increase in credit risk (continued)

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;
- 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; and
- 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.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產減值 (續)

(a) 信貸風險大幅上升 (續)

特別是，在評估信貸風險是否大幅上升時，本集團會考慮以下資料：

- 金融工具外界（如有）或內部信貸評級實際或預期大幅轉差；
- 信貸風險外部市場指標大幅轉差；
- 業務、財務或經濟狀況現有或預測不利變動預期將導致債務人履行其債務責任的能力遭到大幅削弱；
- 債務人經營業績實際或預期大幅轉差；及
- 債務人的監管、經濟或技術環境實際或預期出現重大不利變動，導致債務人履行其債務責任的能力遭到大幅削弱。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Impairment of financial assets (continued)

(a) Significant increase in credit risk (continued)

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

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

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產減值 (續)

(a) 信貸風險大幅上升 (續)

不論上述評估結果如何，倘合約付款逾期超過30日，則本集團會假定信貸風險自初步確認以來已大幅上升，除非本集團另有合理且可證實資料可資證明，則作別論。

儘管上文所述，本集團假設倘債務工具釐定為於報告日期具有低信貸風險，則債務工具的信貸風險自初始確認以來並無顯著增加。倘屬以下情況，債務工具釐定為具有低信貸風險：i)其具有低違約風險，ii)借款人於短期內具備雄厚實力履行其合約現金流責任及iii)長期經濟及業務狀況的不利變動可能但不一定削減借款人履行其合約現金流責任的能力。當債務工具的內部或外部信貸評級為「投資級別」（按照全球理解的釋義），則本集團會視該債務工具信貸風險偏低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Impairment of financial assets (continued)

(a) Significant increase in credit risk (continued)

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.

(b) 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.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產減值 (續)

(a) 信貸風險大幅上升 (續)

本集團定期監察用以識別信貸風險曾否顯著增加的標準成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

(b) 違約定義

就內部信貸風險管理而言，本集團認為當內部生成或從外部來源所得資料顯示，債務人不大可能向其債權人（包括本集團）支付全數款項（並無計及本集團所持的任何抵押品）時，則出現違約事件。

無論上述如何，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及有理據支持的資料證明較寬鬆的違約標準更為適用，則另當別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Impairment of financial assets (continued)

(c) Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產減值 (續)

(c) 已信貸減值金融資產

當一項或多項對金融資產預計未來現金流造成負面影響的違約事件發生時，即代表金融資產已出現信貸減值。金融資產出現信貸減值的證據包括涉及以下事件的可觀察數據：

- 發行方或借款人遇到嚴重財政困難；
- 違反合約，如拖欠或逾期的情況；
- 向借款人作出貸款之貸款人出於與借款人財政困難有關的經濟或合約考慮，給予借款人在其他情況下不會作出的讓步；
- 借款人有可能破產或進行其他財務重組；或
- 因為出現財務困難而導致金融資產在市場上交易不活躍。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Impairment of financial assets (continued)

(d) 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. 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 recognized in profit or loss.

(e) 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 the 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.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產減值 (續)

(d) 撇銷政策

當有資料顯示對手方陷入嚴重財政困難，且並無實際收回款項的可能時（例如對手方被清盤或進入破產程序），本集團會撇銷金融資產。經計及在適當情況下的法律意見後，已撇銷的金融資產可能仍可於本集團收回程序下被強制執行。撇銷構成撇除確認事件。其後收回的任何款項於損益內確認。

(e) 計量及確認預期信貸虧損

預期信貸虧損的計量乃違約概率、違約虧損率（即違約造成虧損的幅度）及違約風險的函數。違約概率及違約虧損率乃根據經前瞻性資料調整的歷史數據進行評估。預期信貸虧損的估計反映無偏頗及概率加權數額，其乃根據加權的相應違約風險而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Impairment of financial assets (continued)

(e) Measurement and recognition of ECL (continued)

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

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;
- Past-due status;
- Aging of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure that 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 the amortized cost of the financial asset.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

金融資產減值 (續)

(e) 計量及確認預期信貸虧損 (續)

一般而言，預期信貸虧損按根據合約應付本集團的所有合約現金流與本集團將收取的所有現金流量之間的差額估計，並按初步確認時釐定的實際利率貼現。

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分組：

- 金融工具性質；
- 逾期狀況；
- 應收賬款的賬齡；及
- 外部信貸評級 (如有)。

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賬面總值計算，除非金融資產發生信貸減值，在此情況，利息收入根據金融資產的攤銷成本計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.1 Financial assets (continued)

Derecognition of financial assets

The Group derecognizes a financial asset, if the part being considered for derecognition meets one of the following conditions: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) the contractual rights to receive the cash flows of the financial asset have been transferred, the Group transfers substantially all the risks and rewards of ownership of the financial asset; or (iii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to the eventual recipient in an agreement that meets all the conditions of derecognition of transfer of cash flows ("pass through" requirements) and transfers substantially all the risks and rewards of ownership of the financial asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

- the carrying amount of the financial asset transferred; and
- the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized directly in equity.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.1 金融資產 (續)

終止確認金融資產

金融資產在滿足下列條件之一時，將被終止確認：(i)收取該金融資產現金流量的合約權利終止；或(ii)收取該金融資產現金流量的合約權利已轉移，並且本集團已轉移與該金融資產所有權上幾乎所有的風險和報酬；或(iii)本集團保留收取該金融資產現金流量的合約權利並承擔將收取的現金流量支付給最終收款方的義務，同時滿足終止確認現金流量轉移的條件（「通過」要求），並且本集團已轉移與該金融資產所有權上幾乎所有的風險和報酬。

倘金融資產轉移整體滿足終止確認條件，本集團將下列兩項金額的差額計入損益：

- 被轉移金融資產的賬面值；及
- 因轉移金融資產而收到的金額及任何累計收益或虧損之和直接於權益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.2 Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) is designated as at FVTPL.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.2 金融負債及權益

分類為債務或權益

債務及股本工具乃根據合約安排之實際內容及金融負債與股本工具之釋義分類為金融負債或股本。

股本工具

股本工具為證明實體資產於扣除其所有負債後之剩餘權益之任何合約。本公司所發行之股本工具乃按所得款項減直接發行成本確認。

購回本公司本身股本工具乃直接於權益中予以確認及削減。於購買、出售、發行或註銷本公司之本身股本工具時，任何盈虧概不會於損益中予以確認。

金融負債

所有金融負債隨後按實際利率法以攤銷成本或按公平值計入損益而計量。

按公平值計入損益的金融負債

倘金融負債為(i)收購方在香港財務報告準則第3號適用的業務合併中的或然代價；(ii)持作買賣；或(iii)指定為按公平值計入損益，則分類為按公平值計入損益的金融負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.2 Financial liabilities and equity

Financial liabilities at FVTPL (continued)

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at amortized cost

Financial liabilities at amortized cost, including other payables, accruals and lease liabilities are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.2 金融負債及權益

按公平值計入損益的金融負債 (續)

倘金融負債屬下列情況，則為持作買賣的金融負債：

- 收購之主要目的為於短期作購回用途；或
- 於初步確認時構成本集團合併管理之已識別金融工具組合一部分，並具有近期實際短期獲利模式；或
- 為衍生工具，惟作為財務擔保合約或指定及有效對沖工具之衍生工具除外。

按攤銷成本列賬之金融負債

按攤銷成本列賬之金融負債（包括其他應付款項、應計費用及租賃負債）其後按實際利率法以攤銷成本計量。

終止確認金融負債

當且僅當本集團之責任獲解除、取消或到期時，本集團方會終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之差額乃於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.3 Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2.10.4 Fair value on financial instruments

For financial instruments where there is an active market, the fair value is determined by quoted prices in active markets. For financial instruments where there is no active market, the fair value is determined by using valuation techniques. Such techniques should be appropriate in the circumstances for which sufficient data is available, and the inputs should be consistent with the objective of estimating the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions, and maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.3 衍生金融工具

衍生工具乃於衍生工具合約訂立日期按公平值初步確認，其後於報告期末重新計量至其公平值。所得收益或虧損乃於損益確認，惟衍生工具被指定及有效作為對沖工具除外，在此情況下於損益確認之時間視乎對沖關係性質而定。

2.10.4 金融工具公平值

就有活躍市場的金融工具而言，公平值按活躍市場上所報的價格釐定。就並無活躍市場的金融工具而言，公平值採用估值技術釐定。該等技術在可獲得充足數據情況下適合，且輸入數據應與市場參與者於計量日期在當前市況下出售資產或轉讓負債的有序交易中的價格估計目標相一致，並最大限度使用相關可觀察輸入數據及盡力不使用不可觀察輸入數據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial instruments (continued)

2.10.4 Fair value on financial instruments (continued)

Such techniques include using recent prices in arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis and/or option pricing models. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate for similar instruments. Certain financial instruments, including derivative financial instruments, are valued using pricing models that consider, among other factors, contractual and market prices, correlation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

Determining whether to classify financial instruments into level 3 of the fair value hierarchy is generally based on the significance of the unobservable factors involved in valuation methodologies.

2.10.5 Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2. 重大會計政策概要 (續)

2.10 金融工具 (續)

2.10.4 金融工具公平值 (續)

該等技術包括採用最近之公平市場交易、參照大致相同之其他工具之當前市值、貼現現金流量分析及／或期權定價模式。就貼現現金流量技術而言，估計未來現金流量基於管理層的最佳估計，及所用的貼現率乃類似估計的市場利率。若干金融工具（包括衍生金融工具）採用定價模式估值，當中考慮（包括其他因素）合約及市場價格、相關性、貨幣時間價值、信貸風險、收益曲線波動因素及／或相關頭寸的預付比率。不同定價模式及假設的使用或會產生差異重大的公平值估計。

釐定是否將金融工具分類至公平值層級第三級一般基於涉及估值方法的不可觀察因素的重要性。

2.10.5 抵銷金融資產及金融負債

當且僅當本集團目前有合法可強制執行的權利抵銷已確認金額，且擬按淨額結算或同時變現資產及清償負債時，金融資產與金融負債相互抵銷，有關淨額於綜合財務狀況表呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, it is classified as a lease.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for shorter leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment. Right-of-use assets are depreciated on a straight-line basis, as follows:

| | |
|------------|---|
| Properties | Over the lease terms plus extension option period |
|------------|---|

2. 重大會計政策概要 (續)

2.11 租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約分類為租賃。

本集團作為承租人

本集團對所有租賃（惟短期租賃及低價值資產租賃除外）採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

使用權資產

本集團於租賃開始日期（即相關資產可供使用的日期）確認使用權資產。使用權資產按成本減去任何累計折舊及減值虧損進行計量，並對租賃負債的任何重新計量作出調整。使用權資產的成本包括已確認的租賃負債金額、產生的初步直接成本及於開始日期或之前支付的租賃付款，減去所取得的任何租賃優惠金額。使用權資產亦須受減值所規限。使用權資產按直線基準折舊如下：

| | |
|----|-------------|
| 物業 | 按租期加延期選擇權期間 |
|----|-------------|

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Leases (continued)

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification (i.e. a change in the lease term (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset).

2. 重大會計政策概要 (續)

2.11 租賃 (續)

租賃負債

於租賃開始日期，本集團確認以租賃期內作出的租賃款項現值計量的租賃負債。租賃款項包括定額付款（含實質定額款項）減任何應收租賃獎勵款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保支付的金額。租賃款項亦包括本集團合理確定行使的購買選擇權的行使價及租賃期反映本集團正行使終止選擇權時，就終止租賃支付的罰款。不取決於指數或利率的可變租賃款項在出現觸發付款的事件或條件的期間內確認為開支（除非有關款項為生產存貨而產生）。

於計算租賃款項的現值時，由於租賃內所含利率不易釐定，故本集團應用租賃開始日期的增量借貸利率計算。於開始日期後，租賃負債金額的增加反映利息的增加，並因支付租賃款項而減少。此外，倘有任何修改（即租期變更（例如用於釐定相關租賃款項的指數或比率的變更導致未來付款發生變化）或購買相關資產的選擇權評估的變更）則重新計量租賃負債的賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Leases (continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.12 Inventories and other contract costs

(i) **Inventories**

Inventories mainly represent silver and gold (“**Commodity Inventories**”) purchased for the purpose of selling them in the near future. As a commodity trader, the Group measures its Commodity Inventories at fair value less costs to sell. Commodity Inventories are initially recognized at cost and subsequently measured at fair value less costs to sell. Changes in fair value are recognized in the profit or loss in the period in which they arise.

Inventories other than Commodity Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2. 重大會計政策概要 (續)

2.11 租賃 (續)

短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於短期租賃（即自租賃開始日期起計租期為十二個月或以下，並且不包含購買選擇權的租賃）。低價值資產租賃確認豁免亦應用於被認為低價值的辦公室設備租賃。短期租賃的租賃款項及低價值資產租賃在租期內按直線法確認為開支。

2.12 存貨及其他合約資產

(i) **存貨**

存貨主要指購買作短期內出售用途的白銀及黃金（「**商品存貨**」）。作為商品交易商，本集團按公平值減出售成本計量商品存貨。商品存貨初始按成本確認，其後按公平值減出售成本計量。公平值變動於其產生期間於損益內確認。

除商品存貨外的存貨初步按成本確認，其後按成本與可變現淨值兩者的較低者入賬。成本包括所有採購成本及使存貨達至目前地點及狀態而產生的其他成本。成本採用先進先出法計算。可變現淨值指日常業務過程中的估計售價減完成銷售所必需的估計成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Inventories and other contract costs (continued)

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfill a contract with a customer which are not capitalized as inventory, property, plant and equipment or intangible assets.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalized when incurred if the costs relate to revenue which will be recognized in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Capitalized contract costs are stated at cost less accumulated amortization and impairment losses. Impairment losses are recognized to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

Amortization of capitalized contract costs is charged to profit or loss when the revenue to which the asset relates is recognized. The accounting policy for revenue recognition is set out in Note 2.21.

2. 重大會計政策概要 (續)

2.12 存貨及其他合約資產 (續)

(ii) 其他合約成本

其他合約成本為獲得與客戶的合約的增量成本或履行與客戶的合約的成本，有關成本並無作為存貨、物業、廠房及設備或無形資產資本化。

獲得合約的增量成本為本集團獲得與客戶的合約而產生的該等成本（倘尚未獲得合約，則並無產生該等成本），例如增量銷售佣金。倘成本與將於未來報告期間內確認的收入有關且成本預期將收回，則獲得合約的增量成本會於產生時資本化。獲得合約的其他成本於產生時支銷。

資本化的合約成本按成本減累計攤銷及減值虧損列賬。倘合約成本資產的賬面值超過(i)本集團預期收取以交換有關該資產的貨品或服務的餘下代價金額，減(ii)與提供該等貨品或服務直接有關的尚未確認為開支的任何成本之淨額，則會確認減值虧損。

當與資產有關的收入獲確認時，資本化的合約成本攤銷將自損益扣除。收入確認的會計政策載於附註2.21。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. Note 18 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

2.14 Loans receivables

Loans receivables are personal loans granted to customers in the ordinary course of business. If collection of loans receivable is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Loans receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2. 重大會計政策概要 (續)

2.13 貿易應收款項

貿易應收款項指就日常業務過程中銷售的貨品或提供的服務而應向客戶收取的款項。倘預期於一年或以內(或如屬較長時間,則以一般營運業務週期為準)收回貿易及其他應收款項,則貿易及其他應收款項分類為流動資產。否則,貿易及其他應收款項會呈列為非流動資產。

貿易應收款項初始以無條件的代價款額確認,惟倘其包含重大融資組成部分則除外,在此情況下則按公平值確認。本集團持有貿易應收款項,目的為收取合約現金流量,因此其後使用實際利率法以攤銷成本計量。附註18乃有關本集團對貿易應收款項的會計處理的進一步資料,及附註3.1乃有關本集團減值政策的描述。

2.14 應收貸款

應收貸款為在日常業務過程中授予客戶的個人貸款。倘預期應收貸款於一年或以內收回,則分類為流動資產,否則呈列為非流動資產。

應收貸款初始按公平值確認,其後使用實際利率法按攤銷成本扣除減值撥備計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts (if any).

2.16 Other payables

Other payables are classified as current liabilities if the payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.17 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

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

2. 重大會計政策概要 (續)

2.15 現金及現金等價物

就於綜合現金流量表的呈列而言，現金及現金等價物包括手頭現金、存於金融機構之活期存款、隨時可轉換為已知金額現金及承受不重大價值變動風險，且原到期日為三個月或以內之其他短期高流通性之投資及銀行透支（如有）。

2.16 其他應付款項

倘其他應付款項乃於一年或以內（或如屬較長時間，則以一般營運業務週期為準）到期，則分類為流動負債，否則呈列為非流動負債。

其他應付款項初步按公平值確認，其後則使用實際利率法按攤銷成本計量。

2.17 借貸

借貸初步按公平值扣除已產生交易成本確認。借貸隨後以攤銷成本列賬。所得款項（扣除交易成本）與贖回價值之間的任何差額，在借貸期內以實際利率法於損益內確認。

當合約中規定之責任解除、取消或屆滿時借貸從綜合財務狀況表中剔除。已消除或轉移給另一方之金融負債之賬面值與已支付代價（包括已轉移之非現金資產或承擔之負債）之間的差額，在損益確認為財務成本。

借貸分類為流動負債，除非本集團有無條件權利將債務結算延遲至報告期後最少12個月，則屬例外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. 重大會計政策概要 (續)

2.18 借貸成本

與收購、建築或生產需長時間方可作擬定用途或銷售之合資格資產直接相關之一般及特定借貸成本均加入該等資產之成本，直至該等資產大致可用作擬定用途或銷售為止。

運用特定借貸作短期投資以待撥入合資格資產之開支所賺取之投資收入，從可供資本化之借貸成本中扣減。

所有其他借貸成本於產生期間於損益內確認。

2.19 當期及遞延所得稅

期內稅項開支包括當期及遞延稅項。稅項於損益確認，惟倘稅項與其他全面收益中確認或直接在權益中確認之項目有關則除外。在此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

(a) 當期所得稅

當期所得稅支出根據本公司及其附屬公司及聯營公司營運及產生應課稅收入所在國家於報告期末已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例受詮釋所規限的情況定期評估報稅表的狀況。管理層在適用情況下根據預期將向稅務機關支付的稅款設定撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax (continued)

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not be reversed in the foreseeable future.

2. 重大會計政策概要 (續)

2.19 當期及遞延所得稅 (續)

(b) 遞延所得稅

遞延所得稅採用負債法就資產與負債的稅基與其於綜合財務報表的賬面值之間的暫時差額作出全數撥備。然而，倘遞延稅項負債因初始確認商譽而產生，則不予確認。若遞延所得稅因初步確認交易（不包括業務合併）的資產或負債而產生，且在交易時不影響會計處理或應課稅收入或損失，則有關遞延所得稅不予入賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率（及法例）釐定。

遞延稅項資產僅於很可能有未來應課稅款額可供抵扣暫時差額及虧損時予以確認。

倘本公司能控制撥回暫時差額的時間，且該等差額可能不會於可見將來撥回，則不會就海外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.20 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.21 Revenue recognition

Revenue is recognized to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

2. 重大會計政策概要 (續)

2.19 當期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

當有法定強制執行權利可抵銷當期稅項資產及負債及遞延稅項結餘涉及同一稅務機關，遞延稅項資產及負債予以抵銷。當實體有法定強制執行權利可抵銷並計劃按淨額基準結算或同時變現資產及清償負債，當期稅項資產及稅項負債予以抵銷。

2.20 股本

普通股分類為權益。

與發行新股或購股權直接有關的增量成本，於權益內列為所得款項扣減項 (扣除稅項)。

2.21 收入確認

收入乃為描述向客戶轉讓承諾服務所確認的金額，該金額應能反映本集團預期就交換該等服務有權獲得的代價。具體而言，本集團使用5個步驟確認收入：

- 步驟1：識別與客戶訂立的合約。
- 步驟2：識別合約內的履約責任。
- 步驟3：釐定交易價。
- 步驟4：將交易價分攤至合約內的履約責任。
- 步驟5：於實體完成履約責任時 (或就此) 確認收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition (continued)

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

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

Control is transferred over time and revenue is recognized 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; or
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

2. 重大會計政策概要 (續)

2.21 收入確認 (續)

本集團於履約責任完成時(或就此)確認收入,即當特定履約責任下的商品或服務「控制權」已轉移至客戶時。

履約責任指一項明確商品或服務(或一批商品或服務)或一系列大致相同的明確貨品或服務。

控制權隨時間轉移,而倘滿足以下其中一項標準,則收入乃參照完全滿足相關履約責任的進展情況而隨時間確認:

- 隨本集團履約,客戶同時取得並耗用本集團履約所提供的利益;或
- 本集團之履約創建或強化一資產,該資產於本集團履約之時即由客戶控制;或
- 本集團的履約並未產生對本集團有替代用途的資產,且本集團對迄今已完成履約之款項具有可執行之權利。

否則,收入於客戶獲得明確商品或服務控制權的時間點確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition (continued)

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue from trading of precious metal and commodity forward contracts

The Group's contracts with customers for the trading of precious metal generally include a performance obligation and the revenue from it should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue from trading of precious metal is mainly arising from sales of Commodity Inventories (Note 2.12) by the Group as well as interest income generated from customers and suppliers. The Group enters into sale and purchase agreements for Commodity Inventories with certain customers and suppliers and under the terms of those agreements, the selling or purchase price of precious metal is determined based on the market price of silver on the date subsequent to the delivery date as specified by the customer or supplier (the "**Forward Arrangements**"). Interest is charged to the customers and suppliers of those agreements during the period of Forward Arrangements.

Trading gains or losses from commodity forward contracts mainly comprise the gains or losses arising from the Forward Arrangements with customers and suppliers as mentioned above and the gains or losses arising from the forward contracts entered into with commodity traders for hedging commodity price risk.

2. 重大會計政策概要 (續)

2.21 收入確認 (續)

融資組成部分

倘承諾貨品或服務轉讓至客戶及客戶作出付款之間的期間超過一年，則本集團預計不會訂立任何合約。因此，本集團並未就貨幣時間價值調整任何交易價格。

貴金屬貿易及商品遠期合約的收入

本集團就貴金屬貿易與客戶簽訂的合約一般載有一項履約責任，由履約責任產生的收入應於資產控制權轉移至客戶的時間點確認，一般於交付貨物時確認。

貴金屬貿易收入主要來自本集團銷售商品存貨(附註2.12)以及來自客戶及供應商的利息收入。本集團與若干客戶及供應商訂立商品存貨買賣協議，根據該等協議的條款，貴金屬的買賣價格乃根據客戶或供應商於交貨日期後指定日期的市場白銀價格釐定(「**遠期安排**」)。本集團於遠期安排期間向該等協議的客戶及供應商收取利息。

商品遠期合約的買賣收益或虧損主要包括上述與客戶及供應商的遠期安排所產生的收益或虧損，及就對沖商品價格風險而與商品交易商訂立的遠期合約所產生的收益或虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Revenue recognition (continued)

Revenue from provision of education management services

The Group provides several kinds of education related services to other parties. Revenue is measured at the consideration received or receivable for the service provided. The Group recognizes revenue when it transfers services to a customer. The services include providing exclusive management and consulting services (including amongst others student recruitment services, management support services and staff training services), equipment and exclusive technology support services and financing supporting services to the educational institution. The Group receives education management services fees and such fees are recognized as revenue over the period of the relevant education management services provided.

Commission income

Commission income is recognized at the point in time when the control of goods is passed to customers.

2. 重大會計政策概要 (續)

2.21 收入確認 (續)

提供教育管理服務的收入

本集團向其他方提供多種教育相關服務。收入按所提供服務的已收或應收代價計量。本集團於向客戶轉讓服務時確認收入。服務包括為教育機構提供獨家管理及諮詢服務(包括招生服務、管理支援服務和員工培訓服務)、設備及獨家技術支援服務以及融資支援服務。本集團收取教育管理服務費，且相關費用於提供相關教育管理服務期間確認為收入。

佣金收入

佣金收入於貨品之控制權轉移予客戶的時間點確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Revenue from provision of money lending services

Apart from interest income earned from the Forward Arrangements as mentioned above, the Group also earned interest income from a loan lent to a borrower. Such interest income is recognized and accrued using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate applied to the new carrying amount.

2.23 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

2. 重大會計政策概要 (續)

2.22 提供放債服務的收入

除自上述遠期安排賺取的利息收入外，本集團亦賺取來自借予借款人之貸款的利息收入。該等利息收入採用實際利率法確認及應計。當貸款及應收款項出現減值時，本集團將賬面值調減至其可收回金額（即按有關工具原實際利率貼現的估計未來現金流量），並持續撥回貼現為利息收入。減值貸款及應收款項的利息收入採用適用於新賬面值的原實際利率確認。

2.23 僱員福利

(a) 短期責任

工資及薪金負債，包括預期可於僱員提供相關服務的期末後12個月內全數結算的非貨幣福利及累計病假，乃於負債結清時就僱員截至報告期末之服務確認，並按預期將支付金額計量。該等負債乃按綜合財務狀況表的當期僱員福利責任呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Employee benefits (continued)

(b) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2. 重大會計政策概要 (續)

2.23 僱員福利 (續)

(b) 其他長期僱員福利責任

預期將不會於僱員提供相關服務的期末後12個月內結清的長期服務假期及年假的負債，乃按預期將就直至報告期末僱員所提供服務支付的預期未來款項現值使用預計單位貸計法計量。當中考慮預期未來工資和薪金水平、員工離職記錄和服務期間。預期未來付款將於報告期末採用到期日及流通率盡可能與估計日後現金流出一致的優質公司債券收益率貼現。因經驗調整及精算假設變動導致的重新計量於損益確認。

倘實體並無無條件權利將結算遞延於報告期後至少十二個月，無論預期實際結算何時發生，該責任將於資產負債表呈列為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Employee benefits (continued)

(c) Post-employment obligations

Defined contribution retirement plans

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under Mandatory Provident Fund Scheme Ordinance for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employee’s relevant income and are charged to the profit and loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administrated fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, if any, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The Group’s PRC Mainland operations participate in defined contribution retirement plans managed by the local municipal government in the locations in which it operates. The relevant authorities of the local municipal government in the PRC Mainland are responsible for the retirement benefit obligations payable to the Group’s retired employees. The Group has no obligation for payment of retirement benefits beyond the annual contribution. The contribution payable is charged as an expense to profit or loss as and when incurred.

2. 重大會計政策概要 (續)

2.23 僱員福利 (續)

(c) 離職後責任

定額供款退休計劃

本集團根據強制性公積金計劃條例設立一項定額供款強制性公積金退休福利計劃（「**強積金計劃**」），供所有合資格僱員參加。供款乃按僱員相關收入的某一百分比作出，並於彼等按強積金計劃規定須作出供款時於損益內扣除。強積金計劃之資產與本集團資產分開持有，並由獨立管理基金保管。本集團之僱主供款在向強積金計劃作出供款時悉數歸屬僱員，惟本集團作出之僱主自願供款（如有），會按照強積金計劃之規則在僱員於有關供款全數歸屬前離職時退回本集團。

本集團的中國內地企業參與營運所在地的地方市政府管理的定額供款退休計劃。中國內地地方市政府的有關機構負責應付本集團已退休僱員的退休福利責任。除年度供款外，本集團並無支付退休福利的責任。應付供款乃於產生時於損益賬中確認為一項開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Share-based payments arrangements

Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is recognized in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognized in profit or loss over the remaining vesting period.

Where share options are granted to parties providing goods or services, the fair value of goods or services received is recognized in profit or loss unless the goods or services qualify for recognition as assets. A corresponding increase in share option reserve is recognized.

When the option is exercised, the relevant amount recognized in the share option reserve is transferred to share capital. When the option is forfeited, the relevant amount recognized in the share option reserve is released directly to accumulated losses.

2. 重大會計政策概要 (續)

2.24 股份基礎給付安排

凡向僱員及提供類似服務之其他人士授出購股權，購股權於授出日期之公平值於歸屬期間在損益內確認，並於權益內之購股權儲備中作相應增加。非市場歸屬條件透過調整預期將於各報告期末歸屬之股本工具數目而計算，以令最終在歸屬期間確認之累計款項基於最終獲歸屬之購股權數目而計算。市場歸屬條件計入所授購股權之公平值。只要達成所有其他歸屬條件，則不論市場歸屬條件是否獲達成，均會計提開支。累計開支不會就未能達成市場歸屬條件而進行調整。

倘購股權之條款及條件在其獲歸屬前被修改，在緊接作出修改前及緊隨作出修改後計算之購股權公平值增幅亦會按餘下歸屬期間在損益內確認。

倘購股權授予提供貨品或服務之各方，則已收貨品或服務之公平值於損益內確認，除非貨品或服務合資格確認為資產。相應增幅於購股權儲備內確認。

倘行使購股權，則於購股權儲備內確認之相關款項轉撥至股本。倘購股權失效，則於購股權儲備內確認之相關款項直接調撥至累計虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

2.26 Provisions and contingent liabilities

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

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

2. 重大會計政策概要 (續)

2.25 政府資助

除非有合理保證本集團將遵守政府資助所附條件且將收到補助，否則不會確認政府資助。

在本集團將資助擬補償的相關成本確認為費用的期間內，政府資助將有系統地在損益中確認。

與應收收入相關並作為已發生的費用或損失的補償或為直接向本集團提供財務支持而沒有未來相關費用的政府資助，應在其應收當期確認為損益。此類資助列在「其他收益」下。

2.26 撥備及或然負債

當本集團須就過往事件承擔法律或推定責任，而履行該責任很有可能導致經濟利益流出，且有關金額能夠可靠地估計時，則須確認撥備。對於貨幣時間價值影響重大的，撥備以預計履行該責任的開支現值列賬。

倘經濟利益需要外流的可能性不大，或不能對金額作出可靠估計，則有關責任會作為或然負債披露，惟若經濟利益外流的可能性極低則作別論。就可能產生的責任而言，如其存在僅能以一項或多項未來事件的發生或不發生而確定，亦披露為或然負債，除非經濟利益外流的可能性極低則作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2. 重大會計政策概要 (續)

2.27 每股盈利

(a) 每股基本盈利

每股基本盈利按：

- 本公司擁有人應佔溢利，不包括除普通股外的服務股權之任何成本；
- 除以於財政年度發行在外的普通股加權平均數（就年內發行的普通股紅利部分作出調整，不包括庫存股份）計算。

(b) 每股攤薄盈利

每股攤薄盈利透過計及下列後調整於釐定每股基本盈利所用的數字而計算：

- 與具潛在攤薄效應之普通股相關的利息及其他融資成本的除所得稅後影響；及
- 假設所有具潛在攤薄效應之普通股經轉換，發行在外的額外普通股之加權平均數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

2. 重大會計政策概要 (續)

2.28 關連方

(a) 倘適用下列情況，則該名人士或該名人士的近親家屬成員被視為與本集團有關連：

- (i) 對本集團有控制權或共同控制權；
- (ii) 對本集團有重大影響力；或
- (iii) 為本集團或本集團母公司的主要管理人員之一。

(b) 倘適用下列任何情況，則該實體被視為與本集團有關連：

- (i) 該實體及本集團屬同一集團的成員公司（即各母公司、附屬公司及同系附屬公司互相關連）。
- (ii) 一個實體為另一實體的聯營公司或合營企業（或為某一集團成員公司的聯營公司或合營企業，而該另一實體為此集團的成員公司）。
- (iii) 兩個實體皆為同一第三方的合營企業。
- (iv) 一個實體為第三實體的合營企業及另一實體為該第三實體的聯營公司。
- (v) 該實體為就本集團或與本集團有關連的實體的僱員福利而設的離職後福利計劃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies: (continued)

- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) Person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The main risks arising from the Group's financial instruments in the normal course of the Group's business are market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are limited by the Group's financial management policies and practices as described below.

(a) Market risk

(i) Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currencies of the Group's respective principal subsidiaries are HK\$, US\$ and RMB.

2. 重大會計政策概要 (續)

2.28 關連方 (續)

(b) 倘適用下列任何情況，則該實體被視為與本集團有關連：(續)

- (vi) 該實體受(a)所識別的人士控制或共同控制。
- (vii) 於(a)(i)所識別的人士對該實體有重大影響力或為該實體(或該實體母公司)的主要管理人員。
- (viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團的母公司提供主要管理人員服務。

某一人士的近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該人士影響的有關家屬成員。

3. 財務風險管理

3.1 財務風險因素

本集團金融工具於其日常業務中產生的主要風險為市場風險(包括貨幣風險、利率風險及價格風險)、信貸風險及流動資金風險。本集團透過下文所述的財務管理政策及慣例限制該等風險。

(a) 市場風險

(i) 貨幣風險

貨幣風險指金融工具之公平值或未來現金流量因外匯匯率變動而波動之風險。本集團各主要附屬公司之功能貨幣分別為港元、美元及人民幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

For subsidiaries with HK\$ and US\$ as their functional currencies, since most of their transactions and financial instruments are denominated in HK\$ and US\$ and HK\$ is pegged to US\$, their exposure to foreign currencies risk is minimal.

For subsidiaries operated in PRC Mainland, their assets and liabilities are mainly denominated in RMB except for bank balance which is denominated in HK\$. Accordingly, bank balance denominated in HK\$ is subject to foreign exchange risk.

Fluctuations in the exchange rates of HK\$ against RMB will affect the Group's result of operations. The Group 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 arise.

As at 31 December 2020, if RMB had strengthened/weakened by 5%, against HK\$ with all other variables held constant, pre-tax loss for the year would have been approximately HK\$15,000 (2019: approximately HK\$15,000) higher/lower, mainly as a result of net foreign exchange losses/gains on translation of HK\$ denominated bank balance.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 貨幣風險 (續)

就以港元及美元作為功能貨幣之附屬公司而言，由於其大部分交易及金融工具乃以港元及美元計值，且港元與美元掛鈎，故該等附屬公司承受之外幣風險極低。

就於中國內地經營的附屬公司而言，其資產及負債主要以人民幣計值，惟以港元計值的銀行結餘除外。因此，以港元計值的銀行結餘面臨外匯風險。

港元兌人民幣的匯率波動將影響本集團的經營業績。本集團並無外幣對沖政策。然而，本集團管理層監察外匯風險，並將於有需要時考慮對沖重大外幣風險。

於二零二零年十二月三十一日，倘人民幣兌港元升值／貶值5%而所有其他變量維持不變，則年內除稅前虧損將增加／減少約15,000港元（二零一九年：約15,000港元），此乃主要由於換算以港元計值的銀行結餘所產生的外匯虧損／收益淨額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The loan receivable and lease liabilities expose to the fair value interest rate risk as it is arranged at fixed interest rate. While bank balances are arranged at variable which exposed the Group to cash flow interest rate risk. The directors of the Company considered the exposure to interest rate risk in relation to bank balances are insignificant due to the low level of bank interest rate. Accordingly, no sensitivity analysis for interest rate risk is presented.

The Group manages interest rate risk by monitoring its interest rate profile. The Group conducts periodical review to determine preferred interest rates mix appropriate for the business profile. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

(iii) Price risk

The Group is exposed to equity price risk through its financial assets measured at FVTPL.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 利率風險

利率風險乃與金融工具之公平值或現金流量因市場利率變動而波動之風險有關。應收貸款及租賃負債面臨公平值利率風險，乃因其按固定利率計息。按浮動利率計息的銀行結餘令本集團面臨現金流量利率風險。本公司董事認為面臨有關銀行結餘之利率風險因銀行利率較低而不屬重大。因此，並無呈列利率風險敏感度分析。

本集團透過監察其利率概況管理利率風險。本集團進行定期檢討以釐定適合業務概況之優先利率組合。本集團並無採用任何利率掉期對沖其面臨之利率風險。

(iii) 價格風險

本集團面臨來自其按公平值計入損益而計量的金融資產的股本價格風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

Equity price risk

Equity price risk is the risk that the fair value of investments decrease as a result of changes in the levels of equity indices and the value of individual investment. The Group is exposed to equity price risk arising from financial assets measured at FVTPL.

If prices had been 10% higher/lower, the Group's loss before income tax expense for the year would decrease/increase by approximately HK\$550,000 (2019: approximately HK\$1,729,000). This is mainly due to the changes in fair value of financial assets measured at FVTPL at the end of the reporting period.

The management will monitor the equity price risk and take appropriate actions should the need arise.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 價格風險 (續)

股本價格風險

股本價格風險指因股本指數水平及個別投資價值變動導致投資公平值下跌的風險。本集團面臨按公平值計入損益而計量的金融資產產生的股本價格風險。

倘價格上升／下降10%，則本集團的年內除所得稅開支前虧損將減少／增加約550,000港元（二零一九年：約1,729,000港元）。此乃主要由於於報告期末按公平值計入損益而計量的金融資產公平值出現變動所致。

管理層將監控股本價格風險並於需要時採取適當措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk arises mainly from other financial assets, trade and other receivables, loan receivable and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the end of the reporting date in relation to each class of recognized financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The credit risk of bank balances is limited because the counterparties are banks with sound credit ratings assigned by international credit rating agencies.

The Group's credit risk is primarily attributable to its trade and other receivables and loan receivable. In order to minimize the credit risk, the Group has applied the simplified and general approach under HKFRS 9 to measure the loss allowance at lifetime ECL or 12m ECL. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

信貸風險主要來自其他金融資產、貿易及其他應收款項、應收貸款及銀行結餘。倘對手方未能於報告日期末就各類已確認金融資產履行責任，則本集團面臨的最大信貸風險為於綜合財務狀況表列賬的該等資產的賬面值。

銀行結餘的信貸風險有限，原因為對手方均為國際信貸評級機構授予良好信貸評級的銀行。

本集團的信貸風險主要歸因於其貿易及其他應收款項以及應收貸款。為盡力降低信貸風險，本集團已根據香港財務報告準則第9號應用簡化及一般方法，以按全期預期信貸虧損或12個月預期信貸虧損計量虧損撥備。本集團考慮於初始確認資產時違約的可能性，並於整個報告期間持續考慮信貸風險是否大幅上升。為評估信貸風險是否大幅上升，本集團比較於報告日期該資產所產生的違約風險與於初始確認日期的違約風險。其考慮可用的合理及支持性前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Group uses four categories for those receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

The following table shows the Group's credit risk grading framework:

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

本集團對各應收款項應用四個類別反映其信貸風險，以及如何確定各類別的虧損撥備。該等內部信貸風險評級與外部信貸評級相符。

下表列示本集團的信貸風險評級框架：

| Category 類別 | Group definition of category 類別的組別定義 | Basis for recognition of ECL 預期信貸虧損確認的基準 | |
|----------------|---|---|------------------------------------|
| | | Trade receivables 貿易應收款項 | Other financial assets 其他金融資產 |
| Performing | For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired (refer to as Stage 1) | Lifetime ECL | 12m ECL |
| 履約 | 違約風險低或自初始確認以來信貸風險並無顯著增加且並無信貸減值的金融資產 (稱為第1階段) | 全期預期 信貸虧損 | 12個月預期 信貸虧損 |
| Doubtful | For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired (refer to as Stage 2) | Lifetime ECL – not credit-impaired | Lifetime ECL – not credit-impaired |
| 存疑 | 自初始確認以來信貸風險顯著增加，惟並無信貸減值的金融資產 (稱為第2階段) | 全期預期 信貸虧損 – 無信貸減值 | 全期預期 信貸虧損 – 無信貸減值 |
| Default | Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3) | Lifetime ECL – credit-impaired | Lifetime ECL – credit-impaired |
| 違約 | 發生一項或以上對金融資產估計未來現金流量有不利影響的事件時，金融資產評估為出現信貸減值 (稱為第3階段) | 全期預期 信貸虧損 – 信貸減值 | 全期預期 信貸虧損 – 信貸減值 |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery | Amount is written off | Amount is written off |
| 撇銷 | 有證據顯示債務人正面對嚴重財政困難且本集團並無實際把握收回款項 | 撇銷款項 | 撇銷款項 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Group applies individual assessment to measure the expected credit losses prescribed by HKFRS 9 as stated in below:

The expected credit loss rates applied in the individual assessment are estimated based on historical observed default rates over the expected life of the debtors and internal credit rating by reference to a study of other corporates' default and recovery data from international credit-rating agencies, and are adjusted for forward-looking information (for example, the current and forecasted economic growth rates in Hong Kong and/or PRC Mainland, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue costs or efforts. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting dates.

Relevant information with regard to the exposure of credit risk and expected credit losses for trade and other receivables and loan receivable as at 31 December 2019 and 2020 are set out in Notes 18 and 19.

The Group made no write-off on trade and other receivables, and loan receivable during the years ended 31 December 2019 and 2020.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

本集團進行個別評估以按下文所述香港財務報告準則第9號的規定計量預期信貸虧損：

個別評估所應用預期信貸虧損率乃基於債務人預計年內過往觀察所得違約率及參考國際信貸評級機構對其他企業違約及收回數據的研究作出的內部信貸評級作出估計，並就毋須付出過多成本或努力即可取得的前瞻性資料（例如香港及／或中國內地的目前及預測經濟增長率，反映債務人經營所在行業的整體經濟狀況）作出調整。本集團管理層使用有關前瞻性資料評估報告日期狀況的當前及預測方向。

有關於二零一九年及二零二零年十二月三十一日貿易及其他應收款項以及應收貸款所承受信貸風險及預期信貸虧損的相關資料載於附註18及19。

截至二零一九年及二零二零年十二月三十一日止年度，本集團並無撇銷貿易及其他應收款項以及應收貸款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Concentration of credit risk

The Group has concentration of credit risk in trade and other receivables as there were 2 customers (2019: 2 customers) which individually contributed over 10% of the Group's trade and other receivables. The aggregate amounts of trade and other receivables from these customers amounted to 76.1% of the Group's total trade and other receivables as at 31 December 2020 (2019: 90.3%). The Group has categorized these customers as "Performing" and determined its loss allowance based on lifetime ECL.

(c) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities and lease liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of payables and its financing obligations, and also in respect of its cash flow management. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that the Group maintains sufficient reserves of cash from business. The liquidity policy has been followed by the Group since prior years and is considered to have been effective in managing liquidity risks.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

集中信貸風險

本集團於貿易及其他應收款項方面有集中信貸風險，因2名客戶（二零一九年：兩名客戶）個別佔本集團貿易及其他應收款項超過10%。來自該等客戶的貿易及其他應收款項總額佔本集團於二零二零年十二月三十一日的貿易及其他應收款項總額的76.1%（二零一九年：90.3%）。本集團已將該等客戶分類為「履約」，並根據全期預期信貸虧損釐定其虧損撥備。

(c) 流動資金風險

流動資金風險乃與本集團未能通過交付現金或其他金融資產之方式履行金融負債及租賃負債相關責任之風險有關。本集團就清償應付款項及其財務責任，以及就其現金流量管理承受流動資金風險。本集團的政策為定期監察當前及預期的流動資金需求及其遵守貸款契約的情況，確保本集團維持來自業務的足夠水平的現金儲備。本集團自過往年度起一直遵循流動資金政策，並認為該等政策可有效管理流動資金風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The following table below details the remaining contractual maturities at the reporting date of the Group's financial liabilities and lease liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay. Balances within 1 year other than lease liabilities, equal their carrying balances as impact from discounting is not significant.

| | On demand or within 1 year 按要求或 一年內 HK\$'000 千港元 | Between 1 to 2 years 一至兩年 HK\$'000 千港元 | Between 2 to 5 years 兩年至五年 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--|--|---|--------------------------------|
| As at 31 December 2020 於二零二零年十二月三十一日 | | | | |
| Other payables and accruals 其他應付款項及應計費用 | 1,901 | – | – | 1,901 |
| Lease liabilities 租賃負債 | 1,886 | 518 | – | 2,404 |
| | 3,787 | 518 | – | 4,305 |
| As at 31 December 2019 於二零一九年十二月三十一日 | | | | |
| Other payables and accruals 其他應付款項及應計費用 | 2,088 | – | – | 2,088 |
| Lease liabilities 租賃負債 | 2,333 | 877 | – | 3,210 |
| | 4,421 | 877 | – | 5,298 |

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

下表基於合約未貼現現金流量及本集團須償還有關款項的最早日期詳述本集團金融負債及租賃負債於報告日期的餘下合約到期情況。於一年內到期的結餘(租賃負債除外)相等於其賬面值結餘，原因為貼現的影響不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management

The Group's primary objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide maximize returns for shareholders and benefits for other stakeholders. The Group's capital structure is regularly reviewed and managed by the directors of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt comprise total interest-bearing liabilities less cash and cash equivalents. Total capital is calculated as equity attributable to the owners of the Company as shown in the consolidated statement of financial position plus net debt. The Group is not subject to externally imposed capital requirements.

As at 31 December 2019 and 2020, the gearing ratios were as follows:

3. 財務風險管理 (續)

3.2 資本管理

本集團管理資本的主要目標為保障本集團持續經營的能力，旨在盡可能提高股東回報並為其他持份者帶來利益。本集團之資本結構由本公司董事定期檢討及管理。董事將就影響本集團之經濟狀況變動對資本結構作出調整。

為維持或調整資本架構，本集團可能會調整派付股東的股息金額、向股東返還資金、發行新股份、取得新借貸或出售資產以減少債務。

本集團利用資本負債比率監察其資本。此比率按照淨債務除以總資本計算。淨債務包括計息負債總額減現金及現金等價物。總資本按本公司擁有人應佔權益（如綜合財務狀況表所列）加淨債務而計算。本集團毋須遵守外部施加的資本規定。

於二零一九年及二零二零年十二月三十一日，資本負債比率如下：

| | | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------|------------|-------------|----------------------------------|----------------------------------|
| Lease liabilities | 租賃負債 | 14 | 2,375 | 3,151 |
| Less: cash and cash equivalents | 減：現金及現金等價物 | 20 | (28,964) | (28,724) |
| Net debt | 淨債務 | | — | — |
| Total equity | 總權益 | | 47,568 | 74,115 |
| Total capital | 總資本 | | 47,568 | 74,115 |
| Gearing ratio | 資本負債比率 | | N/A 不適用 | N/A 不適用 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

The Group's financial assets and financial liabilities that are not measured at fair value mainly include trade and other receivables, loan receivable, cash and cash equivalents, other payables and accruals and lease liabilities. Due to their short-term nature, the carrying value of these financial instruments approximates its fair value.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value measurement hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 (unobservable inputs).

3. 財務風險管理 (續)

3.3 公平值估計

本集團並非按公平值計量的金融資產及金融負債主要包括貿易及其他應收款項、應收貸款、現金及現金等價物、其他應付款項及應計費用及租賃負債。由於其短期性質，該等金融工具的賬面值與其公平值相若。

按經常基準以公平值計量之本集團金融資產及金融負債之公平值。

本集團部分金融工具於各報告期末按公平值計量。下表提供以下資料：釐定該等金融工具之公平值的方法（特別是所使用之估值技術及輸入數據），以及按公平值計量輸入數據的可觀察程度而將公平值計量歸類入公平值等級制度之級別（第一至三級）。

第一級： 相同資產或負債於活躍市場的報價（未經調整）；

第二級： 第二級公平值計量指直接（即價格）或間接（即價格衍生）地使用第一級中報價以外之可觀察資產或負債輸入數據；及

第三級： 倘一個或以上重要輸入數據並非以可觀察市場數據為依據，則該工具計入第三級（不可觀察輸入數據）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

3. 財務風險管理 (續)

3.3 公平值估計 (續)

| | Notes 附註 | Fair value as at 31 December 於十二月三十一日的公平值 | | Fair value hierarchy 公平值層級 | Valuation technique(s) and key input(s) 估值技術及關鍵輸入數據 |
|--|-------------|---|----------------------------------|-------------------------------------|--|
| | | 2020 二零二零年 HK'\$000 千港元 | 2019 二零一九年 HK'\$000 千港元 | | |
| Financial assets at FVTPL 按公平值計入損益的金融資產 | | | | | |
| – Unlisted equity securities | 16 | 5,500 | 17,286 | Level 3 | Income approach and market approach |
| – 非上市股本證券 | | | | 第三級 | 收益法及市場法 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements as at 31 December 2019 and 2020:

2020

二零二零年

| Description | Fair value | Valuation technique | Significant unobservable input | Range of inputs (probability-weighted average) | Sensitivity of fair value to the input |
|------------------------------|------------------------|---------------------|------------------------------------|--|--|
| 描述 | 公平值 HK\$'000 千港元 | 估值技術 | 重大不可觀察 輸入數據 | 輸入數據範圍 (概率加權平均值) | 公平值對輸入數據的 敏感度 |
| Unlisted equity securities A | 1,000 | Income approach | Discount rate | 19.3% to 23.6% (+/-10% relative to the input adopted) | Approximately HK\$0.4 million to approximately HK\$1.7 million |
| 非上市股本證券A | 1,000 | 收益法 | 貼現率 | 19.3%至23.6% (相對於所採納的輸入數據+/-10%) | 約0.4百萬港元至約1.7百萬港元 |
| | | | Discount for lack of marketability | 19.8% to 24.2% (+/-10% relative to the input adopted) | Approximately HK\$0.95 million to approximately HK\$1.02 million |
| | | | 缺乏市場流通性折讓 | 19.8%至24.2% (相對於所採納的輸入數據+/-10%) | 約0.95百萬港元至約1.02百萬港元 |
| | | | Free cash flow | -10% to 10% | Approximately HK\$0.85 million to approximately HK\$1.1 million |
| | | | 自由現金流 | -10%至10% | 約0.85百萬港元至約1.1百萬港元 |
| Unlisted equity securities B | 4,500 | Market approach | Price to book ratio | 0.93 to 1.13 (+/-10% relative to the input adopted) | Approximately HK\$4.0 million to approximately HK\$4.9 million |
| 非上市股本證券B | 4,500 | 市場法 | 市賬率 | 0.93至1.13 (相對於所採納的輸入數據+/-10%) | 約4.0百萬港元至約4.9百萬港元 |
| | | | Discount for lack of marketability | 26.1% to 31.9% (+/-10% relative to the input adopted) | Approximately HK\$4.3 million to approximately HK\$4.6 million |
| | | | 缺乏市場流通性折讓 | 26.1%至31.9% (相對於所採納的輸入數據+/-10%) | 約4.3百萬港元至約4.6百萬港元 |

3. 財務風險管理 (續)

3.3 公平值估計 (續)

下表概述於二零一九年及二零二零年十二月三十一日在第三級公平值計量中使用的關於重大不可觀察輸入數據的定量資料：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

2019

二零一九年

| Description 描述 | Fair value 公平值 HK\$'000 千港元 | Valuation technique 估值技術 | Significant unobservable input 重大不可觀察輸入數據 | Range of inputs (probability-weighted average) 輸入數據範圍 (概率加權平均值) | Sensitivity of fair value to the input 公平值對輸入數據的 敏感度 |
|--|--------------------------------------|-----------------------------|---|--|---|
| Unlisted equity securities A 非上市股本證券A | 10,500 | Income approach 收益法 | Discount rate 貼現率 | 19.84% to 24.25% (+/-10% relative to the input adopted) 19.84%至24.25% (相對於所採納的輸入數據+/-10%) | Approximately HK\$9.0 million to approximately HK\$12.4 million 約9.0百萬港元至約12.4百萬港元 |
| | | | Discount for lack of marketability 缺乏市場流通性折讓 | 21.60% to 26.40% (+/-10% relative to the input adopted) 21.60%至26.40% (相對於所採納的輸入數據+/-10%) | Approximately HK\$10.1 million to approximately HK\$10.9 million 約10.1百萬港元至約10.9百萬港元 |
| Unlisted equity securities B 非上市股本證券B | 6,786 | Market approach 市場法 | Enterprise value to sales 企業價值對銷售 | 0.83 to 1.02 (+/-10% relative to the input adopted) 0.83至1.02 (相對於所採納的輸入數據+/-10%) | Approximately HK\$6.1 million to approximately HK\$7.5 million 約6.1百萬港元至約7.5百萬港元 |
| | | | Discount for lack of marketability 缺乏市場流通性折讓 | 26.10% to 31.90% (+/-10% relative to the input adopted) 26.10%至31.90% (相對於所採納的輸入數據+/-10%) | Approximately HK\$6.5 million to approximately HK\$7.1 million 約6.5百萬港元至約7.1百萬港元 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

Reconciliation of movements in Level 3 financial instruments measured at fair value is as follows:

3. 財務風險管理 (續)

3.3 公平值估計 (續)

按公平值計量的第三級金融工具變動之對賬如下：

| | | Unlisted equity financial assets at FVTPL | |
|---|-----------------|---|----------------------------------|
| | | 按公平值計入損益的非上市股本金融資產 | |
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| | Note 附註 | | |
| As at 1 January | 於一月一日 | 17,286 | 5,000 |
| Purchases | 購入 | — | 15,420 |
| Fair value losses charged in profit or loss | 自損益扣除的公平值虧損 | (11,786) | (3,134) |
| As at 31 December | 於十二月三十一日 | 5,500 | 17,286 |

There were no transfers between the different levels of the fair value hierarchy for the years ended 31 December 2019 and 2020.

In estimating the fair value of the unlisted equity securities, the Group engaged an independent third-party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model based on market conditions existing at the end of each reporting period. The management reports the management's findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the unlisted equity securities.

於截至二零一九年及二零二零年十二月三十一日止年度，不同級別的公平值層級之間均無轉撥。

於估計非上市股本證券的公平值時，本集團委聘獨立第三方合資格估值師進行估值。管理層與外聘合資格估值師密切合作，基於於各報告期末已有的市況確定對該模式合適的估值技術及輸入數據。管理層向本公司董事會匯報管理層的調查結果，解釋非上市股本證券公平值的波動原因。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATES UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgment, 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 differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized 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.

In addition to information disclosed elsewhere in these consolidated financial statements, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

Estimation of recoverability of trade and other receivables and loan receivable

The directors of the Company estimate the amount of loss allowance for trade and other receivable and loan receivable based on the credit risk of trade and other receivables and loan receivable. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The assessment of the credit risk of trade and other receivables and loan receivable involves high degree of estimation and uncertainty as the directors of the Company estimates the loss rates for debtors by using past history, existing market conditions as well as forward-looking information. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise accordingly. For details of impairment assessment are set out in Notes 18 and 19.

4. 重大判斷及估計不確定性的主要來源

於應用本集團會計政策時，本公司董事須就不可基於其他資料來源而顯易得出的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及其他被認為相關的因素作出。實際結果與該等估計有所不同。

估計和相關假設按持續基準檢討。會計估計的修訂若僅影響作出估計修訂的期間，則將會於該期間確認，若修訂影響當期及未來期間，則會於作出修訂的期間及未來期間確認。

除該等綜合財務報表其他地方所披露的資料外，估計不確定性的其他主要來源載列如下，該等因素具有導致對下一財政年度內資產和負債賬面值作出重大調整的重大風險：

貿易及其他應收款項以及應收貸款的可收回性估計

本公司董事基於貿易及其他應收款項以及應收貸款的信貸風險，估計貿易及其他應收款項以及應收貸款的虧損撥備金額。根據資產賬面值與考慮預期信貸虧損後的估計未來現金流量現值之差額，計量虧損準備金額。貿易及其他應收款項以及應收貸款的信貸風險評估涉及高度的估計及不確定性，原因為本公司董事使用過往歷史、現行市況及前瞻性資料估計應收賬款的虧損率。當實際未來現金流小於或大於預期現金流，可能導致產生重大的減值損失，或相應重大的減值損失轉回。有關減值評估的詳情載於附註18及19。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATES UNCERTAINTY (continued)

Valuation of investments classified as level 3 in the fair value hierarchy

The Group holds financial instruments that are not traded or quoted in active markets. The Group uses its judgment to select the appropriate methods and make assumptions based on market conditions existing at the end of each reporting period to estimate the fair value of such financial instruments classified as level 3 in the fair value hierarchy. Valuation techniques include the market approach using prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities such as net assets values as provided by an independent third-party qualified valuers or the discounted last transacted price; and discounted cash flow approach which utilizes inputs such as projected discounted cash flows and discount rate. Although the best estimate is used in estimating fair values, there are inherent limitations in any valuation technique. Estimated fair values may differ from the values that would have been used if a readily available market existed. For details of the fair value estimation are set out in Note 3.3.

5. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the executive directors of the Company, who are the chief operating decision-makers that are used to make strategic decision. The Group manages its business by divisions, which are organized by business lines.

The segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable and operating segments:

- (i) Trading of precious metal – Sales of precious metal and interest income from Forward Arrangements (Note 2.21) in Hong Kong.
- (ii) Money lending services – Provision of money lending services in Hong Kong.
- (iii) Education management services – Provision of education management services in PRC Mainland.

4. 重大判斷及估計不確定性的主要來源 (續)

於公平值層級內按第三級分類的投資估值

本集團持有並非於活躍市場買賣或報價的金融工具。本集團使用判斷於各報告期末根據現有市況選用適當方法及作出假設，以估計該等金融工具的公平值，並將其分類為公平值層級的第三級。估值技術包括使用價格及透過涉及相同或可比較資產或負債（例如獨立第三方合資格估值師提供的資產淨值或最後貼現的成交價）的市場交易產生的其他相關資料的市場法；及採用預測貼現現金流量及貼現率等輸入數據的貼現現金流量法。儘管於估計公平值時已使用最佳估計，但任何估值技術均存在固有的限制。所估計的公平值可能有別於存在可得市場時應使用的價值。有關公平值估計的詳情載於附註3.3。

5. 分部資料

本集團根據本公司執行董事（主要經營決策者）審閱的用於作出戰略決策的報告確定其經營分部。本集團按部門管理其業務，而部門則按業務線劃分。

由於各項業務提供不同產品及需要不同的業務策略，故各分部單獨管理。本集團各可報告經營分部之業務營運概述如下：

- (i) 貴金屬貿易－於香港銷售貴金屬及來自遠期協議（附註2.21）所得利息收入。
- (ii) 放債服務－於香港提供放債服務。
- (iii) 教育管理服務－於中國內地提供教育管理服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

(a) Segment results, assets and liabilities

The segment information provided to the directors of the Company for the reportable segments for the years ended 31 December 2019 and 2020 are as follows:

5. 分部資料 (續)

(a) 分部業績、資產及負債

向本公司董事提供的有關截至二零一九年及二零二零年十二月三十一日止年度之可報告分部之分部資料載列如下：

| | | For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度 | | | |
|--|------------------------|--|--|--|--------------------------------|
| | | Trading of precious metal 貴金屬貿易 HK\$'000 千港元 | Money lending services 放債服務 HK\$'000 千港元 | Education management services 教育管理服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Reportable segment revenue (Note) | 可報告分部收入 (附註) | 4,247 | 10 | 6,207 | 10,464 |
| Reportable segment (loss)/profit | 可報告分部 (虧損) / 溢利 | (5,541) | (6,543) | 615 | (11,469) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | | | | (401) |
| Depreciation of right-of-use assets | 使用權資產折舊 | | | | (1,838) |
| Employee costs | 僱員成本 | | | | (15,729) |
| Fair value losses on other financial assets | 其他金融資產之公平值虧損 | | | | (9,500) |
| Interest expenses | 利息開支 | | | | (52) |
| Other unallocated corporate expenses | 其他未分配企業開支 | | | | (6,963) |
| Loss before income tax expense | 除所得稅開支前虧損 | | | | (45,952) |
| Income tax expense | 所得稅開支 | | | | (785) |
| Loss for the year | 年度虧損 | | | | (46,737) |
| Reportable segment assets | 可報告分部資產 | 15,663 | 81 | 17,409 | 33,153 |
| Cash and cash equivalents | 現金及現金等價物 | | | | 18,487 |
| Property, plant and equipment | 物業、廠房及設備 | | | | 178 |
| Right-of-use assets | 使用權資產 | | | | 2,064 |
| Other financial assets | 其他金融資產 | | | | 1,000 |
| Other unallocated corporate assets | 其他未分配企業資產 | | | | 779 |
| Consolidated total assets | 綜合資產總值 | | | | 55,661 |
| Additions to specified non-current assets | 特定非流動資產增加 | - | - | 753 | 753 |
| Reportable segment liabilities | 可報告分部負債 | 316 | 88 | 587 | 991 |
| Lease liabilities | 租賃負債 | | | | 2,115 |
| Other unallocated corporate liabilities | 其他未分配企業負債 | | | | 1,332 |
| Consolidated total liabilities | 綜合負債總額 | | | | 4,438 |

Note: There is no inter-segment revenue for the year.

附註：年內並無分部間收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

(a) Segment results, assets and liabilities (continued)

The segment information provided to the directors of the Company for the reportable segments for the years ended 31 December 2019 and 2020 are as follows:
(continued)

5. 分部資料 (續)

(a) 分部業績、資產及負債 (續)

向本公司董事提供的有關截至二零一九年及二零二零年十二月三十一日止年度之可報告分部之分部資料載列如下：(續)

| | | For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度 | | | |
|--|-----------------|--|--|--|--------------------------------|
| | | Trading of precious metal 貴金屬貿易 HK\$'000 千港元 | Money lending services 放債服務 HK\$'000 千港元 | Education management services 教育管理服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Reportable segment revenue (Note) | 可報告分部收入 (附註) | 190,565 | 848 | 25,201 | 216,614 |
| Reportable segment (loss)/profit | 可報告分部 (虧損) / 溢利 | (7,522) | (2,512) | 22,616 | 12,582 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | | | | (512) |
| Depreciation of right-of-use assets | 使用權資產折舊 | | | | (1,519) |
| Employee costs | 僱員成本 | | | | (16,572) |
| Fair value losses on other financial assets | 其他金融資產之公平值虧損 | | | | (2,000) |
| Interest expenses | 利息開支 | | | | (115) |
| Other unallocated corporate expenses | 其他未分配企業開支 | | | | (12,267) |
| Loss before income tax expense | 除所得稅開支前虧損 | | | | (20,403) |
| Income tax expense | 所得稅開支 | | | | (5,901) |
| Loss for the year | 年度虧損 | | | | (26,304) |
| Reportable segment assets | 可報告分部資產 | 23,437 | 5,850 | 28,692 | 57,979 |
| Cash and cash equivalents | 現金及現金等價物 | | | | 21,467 |
| Property, plant and equipment | 物業、廠房及設備 | | | | 543 |
| Right-of-use assets | 使用權資產 | | | | 1,923 |
| Other financial assets | 其他金融資產 | | | | 10,500 |
| Other unallocated corporate assets | 其他未分配企業資產 | | | | 717 |
| Consolidated total assets | 綜合資產總值 | | | | 93,129 |
| Additions to specified non-current assets | 特定非流動資產增加 | 11,051 | – | – | 11,051 |
| Reportable segment liabilities | 可報告分部負債 | 1,031 | 266 | 5,708 | 7,005 |
| Lease liabilities | 租賃負債 | | | | 2,045 |
| Other unallocated corporate liabilities | 其他未分配企業負債 | | | | 1,071 |
| Consolidated total liabilities | 綜合負債總額 | | | | 10,121 |

Note: There is no inter-segment revenue for the year.

附註：年內並無分部間收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

(b) Other segment information

5. 分部資料 (續)

(b) 其他分部資料

| | | For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度 | | | |
|--|---------------------------------|--|--|--|--------------------------------|
| | | Trading of precious metal 貴金屬貿易 HK\$'000 千港元 | Money lending services 放債服務 HK\$'000 千港元 | Education management services 教育管理服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Change in fair value of commodity inventories | 商品存貨公平值變動 | 53 | - | - | 53 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | (791) | - | (73) | (864) |
| Depreciation of right-of-use assets | 使用權資產折舊 | (667) | (162) | - | (829) |
| Fair value losses on other financial assets | 其他金融資產之公平值虧損 | (2,286) | - | - | (2,286) |
| Provision of loss allowance on loan receivable | 計提應收貸款虧損撥備 | - | (4,829) | - | (4,829) |
| Reversal of provision/(provision) of loss allowance on trade and other receivables | 撥回計提／(計提) 貿易及 其他應收款項 虧損撥備 | (13) | (568) | 218 | (363) |
| Interest income | 利息收入 | - | 10 | - | 10 |
| Interest expenses | 利息開支 | (15) | (4) | - | (19) |
| Share of profit of an associate | 分佔一間聯營公司溢利 | 90 | - | - | 90 |

| | | For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度 | | | |
|---|---------------------|--|---|--|--------------------------------|
| | | Trading of precious metal 貴金屬貿易 HK\$'000 千港元 | Money lending services 放債服務 HK\$'000 千港元 | Education management services 教育管理服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Amortization of contract costs (Note) | 合約成本攤銷 (附註) | - | - | (587) | (587) |
| Change in fair value of commodity inventories | 商品存貨公平值變動 | (1,590) | - | - | (1,590) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | (844) | - | - | (844) |
| Depreciation of right-of-use assets | 使用權資產折舊 | (667) | (162) | - | (829) |
| Fair value losses on other financial assets | 其他金融資產之公平值虧損 | (1,134) | - | - | (1,134) |
| Provision of loss allowance on loan receivable | 計提應收貸款虧損撥備 | - | (2,684) | - | (2,684) |
| Provision of loss allowance on trade and other receivables | 計提貿易及其他應收款項 虧損撥備 | - | (325) | (389) | (714) |
| Interest income | 利息收入 | 4,858 | 848 | - | 5,706 |
| Interest expenses | 利息開支 | (670) | (9) | - | (679) |
| Share of loss of an associate | 分佔一間聯營公司虧損 | (9) | - | - | (9) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

(b) Other segment information (continued)

Note:

Contract costs capitalized during the year ended 31 December 2019 related to the contract's procurement services rendered by Mr. Hon. This incremental cost of services rendered would not be incurred if the contracts to which the services related to were not obtained by the Group. Contract costs are recognized as contract cost assets as the Group expects to recover these costs. Such capitalized costs then be recognized as part of "other operating expenses" in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related contracts are recognized. The amount of capitalized costs recognized in profit or loss during the year ended 31 December 2019 was approximately HK\$587,000.

(c) Geographical information

The Company is an investment holding company incorporated in Hong Kong and the principal place of the Group's operations is Hong Kong. Accordingly, the management determines that the Group is domiciled in Hong Kong.

5. 分部資料 (續)

(b) 其他分部資料 (續)

附註：

截至二零一九年十二月三十一日止年度資本化的合約成本與韓先生提供的合約採購服務有關。倘本集團未取得與服務相關的合約，則不會就所提供服務產生該增量成本。由於本集團預期可收回該等成本，故將合約成本確認為合約成本資產。然後相關資本化成本於確認相關合約收入的期間內，在綜合損益及其他全面收益表中確認為「其他經營開支」的一部分。於截至二零一九年十二月三十一日止年度在損益中確認的資本化成本金額約為587,000港元。

(c) 地域資料

本公司為一間於香港註冊成立的投資控股公司，而本集團的主要經營地點為香港。因此，管理層決定本集團以香港為其基地。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

(c) Geographical information (continued)

The Group's revenue from customers and information about its specified non-current assets, comprising property, plant and equipment, interest in an associate and right-of-use assets, by geographical location are detailed below:

5. 分部資料 (續)

(c) 地域資料 (續)

本集團按地域位置劃分來自客戶的收入及有關其特定非流動資產包括物業、廠房及設備、於一間聯營公司之權益及使用權資產的資料詳情如下：

| | | Revenue from customers* | |
|--------------|------|-------------------------|----------|
| | | 來自客戶的收入* | |
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Australia | 澳洲 | – | 15,287 |
| Hong Kong | 香港 | 4,257 | 66,324 |
| Japan | 日本 | – | 46,583 |
| PRC Mainland | 中國內地 | 6,207 | 25,242 |
| Singapore | 新加坡 | – | 63,178 |
| | | 10,464 | 216,614 |

* Based on location of customers.

* 按客戶的位置劃分。

| | | Specified non-current assets | |
|--------------|------|------------------------------|----------|
| | | 特定非流動資產 | |
| | | 2020 | 2019 |
| | | 二零二零年 | 二零一九年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Hong Kong | 香港 | 12,222 | 13,976 |
| PRC Mainland | 中國內地 | 720 | – |
| | | 12,942 | 13,976 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (continued) (d) Disaggregation of revenue

5. 分部資料 (續) (d) 收入分拆

| | | For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度 | | | |
|------------------------------|--------|--|---|--|--------------------------------|
| | | Trading of precious metal 貴金屬貿易 HK\$'000 千港元 | Money lending services 放債服務 HK\$'000 千港元 | Education management services 教育管理服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Primary geographical markets | 主要地區市場 | | | | |
| Hong Kong | 香港 | 4,247 | 10 | – | 4,257 |
| PRC Mainland | 中國內地 | – | – | 6,207 | 6,207 |
| | | 4,247 | 10 | 6,207 | 10,464 |

| | | For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度 | | | |
|------------------------------|--------|--|---|--|--------------------------------|
| | | Trading of precious metal 貴金屬貿易 HK\$'000 千港元 | Money lending services 放債服務 HK\$'000 千港元 | Education management services 教育管理服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Primary geographical markets | 主要地區市場 | | | | |
| Australia | 澳洲 | 15,287 | – | – | 15,287 |
| Hong Kong | 香港 | 65,476 | 848 | – | 66,324 |
| Japan | 日本 | 46,583 | – | – | 46,583 |
| PRC Mainland | 中國內地 | 41 | – | 25,201 | 25,242 |
| Singapore | 新加坡 | 63,178 | – | – | 63,178 |
| | | 190,565 | 848 | 25,201 | 216,614 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. SEGMENT INFORMATION (continued)

(e) Disaggregation of revenue from contracts with customers

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| By timing of revenue recognition: | 按收入確認時間劃分： | | |
| Control transferred over time | 隨時間過去而轉移的控制權 | 6,207 | 25,201 |
| Control transferred at a point in time | 於某個時間點轉移的控制權 | 4,247 | 190,565 |
| | | 10,454 | 215,766 |

(f) Information about major customers

Revenue from major customers, each of them accounted for 10% or more of the Group's revenue and is reported under the segment of trading of precious metal and education management services, are set out below:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------|------------------|----------------------------------|----------------------------------|
| Customer A ¹ | 客戶A ¹ | N/A 不適用 | 56,543 |
| Customer B ¹ | 客戶B ¹ | N/A 不適用 | 46,583 |
| Customer C ¹ | 客戶C ¹ | N/A 不適用 | 26,331 |
| Customer D ¹ | 客戶D ¹ | 4,247 | N/A 不適用 |
| Customer E ² | 客戶E ² | 3,890 | N/A 不適用 |
| Customer F ² | 客戶F ² | 1,877 | N/A 不適用 |

¹ Revenue from trading of precious metal

² Revenue from education management services

N/A: Not applicable as the revenue generated by the customer is less than 10% of the Group's revenue.

5. 分部資料 (續)

(e) 來自客戶合約的收入分拆

(f) 有關主要客戶的資料

來自各佔本集團收入10%或以上的主要客戶及在貴金屬貿易及教育管理服務分部項下呈報的收入載列如下：

¹ 來自貴金屬貿易之收入

² 來自教育管理服務之收入

不適用：當客戶產生的收入不足本集團所得收入的10%時不適用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. OTHER INCOME

6. 其他收益

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------------|-------------|----------------------------------|----------------------------------|
| Lab-test service income | 實驗室測試服務收入 | – | 82 |
| Interest income from rental deposit | 來自租金按金的利息收入 | 16 | 15 |
| Government grant | 政府資助 | 739 | – |
| Others | 其他 | 177 | 183 |
| | | 932 | 280 |

During the current year, the Group recognized government grants of approximately HK\$739,000 in respect of Covid-19-related subsidies, of which approximately HK\$739,000 relates to Employment Support Scheme provided by the Hong Kong government. All grants are recognized when there is reasonable assurance that the Group is complied with the conditions attaching and that the grants will be received.

於本年度，本集團就Covid-19相關的補貼確認政府資助約739,000港元，其中約739,000港元與香港政府提供的就業支持計劃有關。當有合理保證本集團符合所附條件且將收到這些資助時，將確認所有資助。

7. EMPLOYEE COSTS

7. 僱員成本

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Employee costs (including directors' emoluments) comprise: | 僱員成本 (包括董事酬金) 包括： | | |
| Salaries and bonus, allowances and benefits | 薪金及花紅、津貼及福利 | 21,174 | 23,804 |
| Contributions to defined contribution retirement plans | 定額供款退休計劃供款 | 263 | 304 |
| | | 21,437 | 24,108 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

8. DIRECTORS' EMOLUMENTS

(a) Directors' and chief executive's emoluments

Directors' emoluments disclosed pursuant to section 383 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Chapter 622G of the laws of Hong Kong) are as follows:

For the year ended 31 December 2020

8. 董事酬金

(a) 董事及最高行政人員酬金

根據公司條例(香港法例第622章)第383條及公司(披露董事利益資料)規例(香港法例第622G章)所披露之董事酬金如下:

截至二零二零年十二月三十一日止年度

| | Fee 袍金 HK\$'000 千港元 (Note (vi)) (附註(vi)) | Salaries, allowances and benefits in kind 薪金、津貼及實物福利 HK\$'000 千港元 (Note (vii)) (附註(vii)) | Discretionary bonus 酌情花紅 HK\$'000 千港元 | Pension scheme contributions 退休金計劃供款 HK\$'000 千港元 | Equity-settled share-based payments 以股本結算之股份基礎給付 HK\$'000 千港元 (Note (viii)) (附註(viii)) | Total 總計 HK\$'000 千港元 |
|--|---|---|--|--|---|--------------------------------|
| Executive directors 執行董事 | | | | | | |
| Mr. Wang Wendong (Note (i)) 王文東先生(附註(i)) | 144 | 1,950 | - | 18 | 466 | 2,578 |
| Mr. Fung Chi Kin (Note (iii)) 馮志堅先生(附註(iii)) | 144 | 1,300 | - | - | 466 | 1,910 |
| Total 總計 | 288 | 3,250 | - | 18 | 932 | 4,488 |
| Independent non-executive directors ("INED") 獨立非執行董事(「獨立非執行董事」) | | | | | | |
| Mr. Zhou Tianshu (Note (iv)) 周天舒先生(附註(iv)) | 200 | - | - | - | 47 | 247 |
| Ms. Wu Liyan (Note (iv)) 吳勵妍女士(附註(iv)) | 200 | - | - | - | 47 | 247 |
| Mr. Lau Yuen Sun Adrian (Note (iv)) 劉源新先生(附註(iv)) | 70 | - | - | - | - | 70 |
| Ms. Wong Susan Chui San (Note (iv)) 黃翠珊女士(附註(iv)) | 200 | - | - | - | 47 | 247 |
| Total 總計 | 670 | - | - | - | 141 | 811 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

8. DIRECTORS' EMOLUMENTS (continued)

(a) Directors' and chief executive's emoluments

(continued)

Directors' emoluments disclosed pursuant to section 383 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Chapter 622G of the laws of Hong Kong) are as follows:

(continued)

For the year ended 31 December 2019

8. 董事酬金 (續)

(a) 董事及最高行政人員酬金 (續)

根據公司條例(香港法例第622章)第383條及公司(披露董事利益資料)規例(香港法例第622G章)所披露之董事酬金如下:(續)

截至二零一九年十二月三十一日止年度

| | Fee 袍金 HK\$'000 千港元 (Note (vi)) (附註(vi)) | Salaries, allowances and benefits in kind 薪金、津貼及 實物福利 HK\$'000 千港元 (Note (vii)) (附註(vii)) | Discretionary bonus 酌情花紅 HK\$'000 千港元 | Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元 | Equity- settled share-based payments 以股本結算之 股份基礎給付 HK\$'000 千港元 (Note (viii)) (附註(viii)) | Total 總計 HK\$'000 千港元 |
|---|---|--|---|--|---|--------------------------------|
| Executive directors 執行董事 | | | | | | |
| Mr. Wang Wendong (Note (i)) 王文東先生(附註(i)) | 144 | 1,950 | - | 18 | 610 | 2,722 |
| Mr. Fung Chi Kin (Note (iii)) 馮志堅先生(附註(iii)) | 74 | 668 | - | - | 610 | 1,352 |
| Mr. Felipe Tan ("Mr. Tan") (Note (iii)) 陳奕輝先生(「陳先生」)(附註(iii)) | 1,080 | 1,260 | - | 9 | - | 2,349 |
| Mr. Zhu Hongguang (Note (iii)) 朱紅光先生(附註(iii)) | 92 | 994 | - | - | - | 1,086 |
| Total 總計 | 1,390 | 4,872 | - | 27 | 1,220 | 7,509 |
| Independent non-executive directors ("INED") 獨立非執行董事(「獨立非執行董事」) | | | | | | |
| Mr. Zhou Tianshu (Note (iv)) 周天舒先生(附註(iv)) | 200 | - | - | - | 61 | 261 |
| Ms. Wu Liyan (Note (iv)) 吳勵妍女士(附註(iv)) | 200 | - | - | - | 61 | 261 |
| Mr. Lau Yuen Sun Adrian (Note (iv)) 劉源新先生(附註(iv)) | 184 | - | - | - | 61 | 245 |
| Ms. Wong Susan Chui San (Note (iv)) 黃翠珊女士(附註(iv)) | 168 | - | - | - | 61 | 229 |
| Ms. Dai Meihong (Note (v)) 戴梅紅女士(附註(v)) | 32 | - | - | - | - | 32 |
| Ms. Tsang Wai Chun Marianna (Note (v)) 曾惠珍女士(附註(v)) | 100 | - | - | - | - | 100 |
| Total 總計 | 884 | - | - | - | 244 | 1,128 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

8. DIRECTORS' EMOLUMENTS (continued)

(a) Directors' and chief executive's emoluments

(continued)

Notes:

- (i) Mr. Wang Wendong was appointed as an executive director on 11 May 2018. He was appointed as chief executive officer of the Company on 31 October 2018.
- (ii) Mr. Fung Chi Kin was appointed as an executive director on 26 June 2019.
- (iii) Mr. Tan and Mr. Zhu Hongguang were resigned as an executive director on 20 July 2019 and 20 August 2019 respectively.
- (iv) Mr. Zhou Tianshu, Ms. Wu Liyan, Mr. Lau Yuen Sun Adrian and Ms. Wong Susan Chui San were appointed as an INED on 29 September 2018, 29 September 2018, 30 January 2019 and 27 February 2019 respectively. Mr. Lau Yuen Sun Adrian was resigned as an INED on 6 May 2020.
- (v) Ms. Dai Meihong, Ms. Tsang Wai Chun Marianna and Dr. Wang Lin were resigned as an INED on 27 February 2019, 28 June 2019 and 29 September 2018 respectively.
- (vi) Fees included director's fee received from subsidiaries of the Company.
- (vii) Salaries, allowance and benefits in kind paid to or for the executive directors of the Company are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries undertakings.
- (viii) Details of the equity-settled share-based payments regarding to the share options granted to directors, eligible employees and other eligible participants are set out in Note 23.

8. 董事酬金 (續)

(a) 董事及最高行政人員酬金 (續)

附註：

- (i) 王文東先生於二零一八年五月十一日獲委任為執行董事。彼於二零一八年十月三十一日獲委任為本公司行政總裁。
- (ii) 馮志堅先生於二零一九年六月二十六日獲委任為執行董事。
- (iii) 陳先生及朱紅光先生分別於二零一九年七月二十日及二零一九年八月二十日辭任執行董事。
- (iv) 周天舒先生、吳勵妍女士、劉源新先生及黃翠珊女士分別於二零一八年九月二十九日、二零一八年九月二十九日、二零一九年一月三十日及二零一九年二月二十七日獲委任為獨立非執行董事。劉源新先生於二零二零年五月六日辭任獨立非執行董事。
- (v) 戴梅紅女士、曾惠珍女士及王琳博士分別於二零一九年二月二十七日、二零一九年六月二十八日及二零一八年九月二十九日辭任獨立非執行董事。
- (vi) 袍金包括已收本公司附屬公司的董事袍金。
- (vii) 向本公司執行董事支付之薪金、津貼及實物福利乃一般為就該等人士管理本公司之事務及其附屬公司之業務所提供之其他服務而支付或應收之薪酬。
- (viii) 有關向董事、合資格僱員及其他合資格參與者授出的購股權以股本結算之股份基礎給付的詳情載於附註23。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

8. DIRECTORS' EMOLUMENTS (continued)

(a) Directors' and chief executive's emoluments

(continued)

During the year ended 31 December 2020, no emoluments have been paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office (2019: Nil).

During the year ended 31 December 2020, none of the directors of the Company have waived or agreed to waive any emoluments during the year (2019: Nil).

(b) Directors' retirement benefits and termination benefits

None of the directors of the Company received or will receive any retirement benefits or termination benefits during the year (2019: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2020, the Company did not pay consideration to any third parties for making available directors' services (2019: Nil).

(d) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2020, there is no loans, quasi-loans and other dealing arrangements in favor of directors, controlled bodies corporate by and connected entities with such directors (2019: Nil).

8. 董事酬金 (續)

(a) 董事及最高行政人員酬金 (續)

截至二零二零年十二月三十一日止年度，本集團概無向董事或五名最高薪酬人士支付任何酬金，作為加入本集團或於加入本集團後的獎勵，或作為離職補償（二零一九年：無）。

截至二零二零年十二月三十一日止年度，概無本公司董事於年內已放棄或同意放棄任何酬金（二零一九年：無）。

(b) 董事的退休福利及終止福利

於年內概無本公司董事收取或將收取任何退休福利或終止福利（二零一九年：無）。

(c) 就獲得董事服務向第三方提供的代價

截至二零二零年十二月三十一日止年度，本公司並無就獲得董事服務向任何第三方支付代價（二零一九年：無）。

(d) 有關向董事、受該等董事控制的法人團體及該等董事的關連實體提供的貸款、準貸款及其他交易的資料

於二零二零年十二月三十一日，並無向董事、受該等董事控制的法人團體及該等董事的關連實體提供貸款、準貸款及其他交易安排（二零一九年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

8. DIRECTORS' EMOLUMENTS (continued)

(e) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, 2 (2019: four) were directors of the Company whose emoluments are included in the analysis presented above. The emoluments of the remaining individuals were as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Salaries and bonus, allowances and benefits | 薪金及花紅、津貼及福利 | 4,067 | 1,075 |
| Contributions to defined contribution retirement plan | 定額供款退休計劃供款 | 36 | 18 |
| | | 4,103 | 1,093 |

Their emoluments were within the following bands:

彼等之酬金介乎以下範圍：

| | | 2020 二零二零年 No. of individuals 人數 | 2019 二零一九年 No. of individuals 人數 |
|-----------------------------------|-----------------------------|--|--|
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至 1,500,000港元 | 2 | 1 |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至 2,000,000港元 | 1 | — |
| | | 3 | 1 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

9. FINANCE COSTS

9. 財務成本

| | Note | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------|----------------------------------|----------------------------------|
| | 附註 | | |
| Interest on bank loans and other borrowing | | - | 30 |
| Interest on lease liabilities | 14 | 71 | 113 |
| Interest on loan from related companies | | - | 651 |
| | | 71 | 794 |

10. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging/ (crediting):

10. 除所得稅開支前虧損

除所得稅開支前虧損乃經扣除／（計入）以下各項達致：

| | Note | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------|----------------------------------|----------------------------------|
| | 附註 | | |
| Auditors' remuneration | | 600 | 600 |
| Donation | | - | 500 |
| Exchange gains – net | | (343) | (98) |
| Lease payments not included in the measurement of lease liabilities (Note) | 14 | 1,204 | 390 |

Note: Included in the balances was office rental paid under the tenancy agreement entered into by the Group with a related company amounting to approximately HK\$390,000 in 2019. No such amount was paid in 2020.

附註： 在二零一九年，於結餘中包括的款項為根據本集團與一間關連公司訂立的租賃協議支付的辦公室租金約390,000港元。二零二零年沒有支付這樣的款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. INCOME TAX EXPENSE

11. 所得稅開支

| | Note | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------|------|----------------------------------|----------------------------------|
| | 附註 | | |
| Current tax: 即期稅項： | | | |
| Charge for the year 年度支出 | | (642) | (5,901) |
| Deterred tax: 遞延稅項： | | | |
| Change for the year 年度支出 | 22 | (143) | – |
| Income tax expense 所得稅開支 | | (785) | (5,901) |

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operates.

Pursuant to the rules and regulations of the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the BVI.

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profit for the year ended 31 December 2020 (2019: 16.5%).

Under the law of the PRC Mainland on Enterprise Income Tax (the “EIT Laws”) and Interpretation Regulation of the EIT Laws, the tax rate of the PRC Mainland subsidiaries is 25% for the year ended 31 December 2020 (2019: 25%).

本集團須按實體基準就本集團成員公司註冊及營運所在的司法權區中產生或取得的溢利繳納所得稅。

根據英屬處女群島（「英屬處女群島」）規則及規定，本集團無須繳納任何英屬處女群島所得稅。

於截至二零二零年十二月三十一日止年度，香港利得稅乃按估計應課稅溢利以16.5%（二零一九年：16.5%）的稅率計算。

根據中國內地企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，於截至二零二零年十二月三十一日止年度，中國內地附屬公司的稅率為25%（二零一九年：25%）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. INCOME TAX EXPENSE (continued)

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

11. 所得稅開支 (續)

所得稅開支與綜合損益及其他全面收益表之除所得稅開支前虧損對賬如下：

| | Note 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Loss before income tax expense 除所得稅開支前虧損 | | 45,952 | 20,403 |
| Tax calculated at domestic tax rate of 16.5% (2019: 16.5%) 按本地稅率16.5%計算之稅項(二零一九年：16.5%) | | 7,582 | 3,366 |
| Effect of different tax rate of subsidiaries operating in other jurisdictions 於其他司法權區經營之附屬公司使用不同稅率之影響 | | 35 | (1,964) |
| Tax effect of income not taxable for tax purposes 毋須課稅收入之稅務影響 | | 167 | 64 |
| Tax effect of expenses not deductible for tax purposes 不可扣稅開支之稅務影響 | | (6,033) | (4,861) |
| Tax effect of tax losses not recognized 未確認稅項虧損之稅務影響 | | (1,604) | (2,344) |
| Tax effect of other temporary differences not recognized 未確認其他暫時差額之稅務影響 | | (168) | (162) |
| Withhold tax paid on dividend distributed by PRC Mainland subsidiary 支付中國內地附屬公司分派股息的預扣稅 | | (621) | — |
| Accrual of withholding tax liabilities 預扣稅負債計提 | 22 | (143) | — |
| Income tax expense for the year 年內所得稅開支 | | (785) | (5,901) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. INCOME TAX EXPENSE (continued)

As at 31 December 2020, the Group had estimated unused tax losses of approximately HK\$34,891,000 (2019: approximately HK\$25,243,000) which are available for offset against future profits. No deferred tax asset has been recognized in respect of the estimated tax losses due to unpredictability of future profit streams. Tax losses amounted to approximately HK\$34,485,000 (2019: approximately HK\$24,882,000) may be carried forward indefinitely which are subject to approval from the Hong Kong Inland Revenue Department and approximately RMB341,000 (equivalent to approximately HK\$406,000) (2019: RMB323,000 (equivalent to approximately HK\$361,000)) will expire in five years.

Under the EIT Law of the PRC Mainland, withholding tax at 10% is imposed on dividends declared to its immediate holding company outside of PRC Mainland in respect of the profits earned by the PRC Mainland subsidiary from 1 January 2008 and onwards. A lower 5% withholding tax rate may be applied when the immediate holding company is established in Hong Kong according to the tax treaty arrangement between the PRC Mainland and Hong Kong. As at 31 December 2019, deferred taxation has not been provided in the consolidated financial statements in respect of temporary differences attributable to the profits earned by the PRC Mainland subsidiary amounting to approximately RMB15,567,000 (equivalent to approximately HK\$17,396,000) as the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary differences will not be reversed in the foreseeable future.

11. 所得稅開支 (續)

於二零二零年十二月三十一日，本集團有估計未動用稅項虧損約34,891,000港元（二零一九年：約25,243,000港元），可供抵銷未來溢利。由於無法預計未來溢利來源，概無就估計稅項虧損確認遞延稅項資產。為數約34,485,000港元（二零一九年：約24,882,000港元）之稅項虧損可無限期結轉（須取得香港稅務局的批准），而約人民幣341,000元（相等於約406,000港元）（二零一九年：約人民幣323,000元（相等於約361,000港元））將於五年內到期。

根據中國內地企業所得稅法，自二零零八年一月一日起，中國內地附屬公司就其賺取的溢利向其於中國內地境外的直接控股公司宣派的股息應按10%的稅率繳納預扣稅。根據中國內地與香港之間的稅收協定安排，當直接控股公司於香港成立時，可以適用較低的5%預扣稅率。於二零一九年十二月三十一日，並無於綜合財務報表就中國內地附屬公司賺取的溢利應佔的暫時差額約人民幣15,567,000元（相當於約17,396,000港元）計提遞延稅項撥備，因為本集團能夠控制撥回暫時差額的時間，且暫時差額可能不會於可見將來撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

12. LOSS PER SHARE

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------------------|----------------------------------|----------------------------------|
| Loss | 虧損 | | |
| Loss attributable to owners of the Company | 本公司擁有人應佔虧損 | (46,856) | (34,002) |
| | | | |
| Number of shares | 股份數目 | 2020 二零二零年 | 2019 二零一九年 |
| Weighted average number of ordinary shares for the purpose of calculating basic loss per share (in thousand) | 用以計算每股基本虧損之普通股加權平均數目 (千股) | 587,481 | 561,704 |

Diluted loss per share for loss attributable to owners of the Company for the years ended 31 December 2019 and 2020 was the same as basic loss per share because the impact of the exercise of share options is anti-dilutive.

The details of the share option are set out in Note 24.

截至二零一九年及二零二零年十二月三十一日止年度，本公司擁有人之每股攤薄虧損跟每股基本虧損一致。因為行使購股權之影響為反攤薄效應。

購股權詳情載於附註24。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

| | | Equipment and computer software 設備及 電腦軟件 HK\$'000 千港元 | Leasehold improvements 租賃 物業裝修 HK\$'000 千港元 | Furniture and fixture 傢俬及裝置 HK\$'000 千港元 | Motor vehicle 汽車 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------------|---|--|--|---|--------------------------------|
| Cost | 成本 | | | | | |
| As at 1 January 2019 | 於二零一九年一月一日 | 3,583 | 1,456 | 245 | 772 | 6,056 |
| Additions | 增加 | 25 | 121 | 3,012 | – | 3,158 |
| Disposals | 出售 | (429) | – | (74) | – | (503) |
| As at 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及 二零二零年一月一日 | 3,179 | 1,577 | 3,183 | 772 | 8,711 |
| Additions | 增加 | 135 | 8 | 646 | – | 789 |
| Exchange alignment | 匯兌調整 | 6 | – | 38 | – | 44 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 3,320 | 1,585 | 3,867 | 772 | 9,544 |
| Accumulated depreciation | 累計折舊 | | | | | |
| As at 1 January 2019 | 於二零一九年一月一日 | 3,271 | 992 | 118 | 434 | 4,815 |
| Charge for the year | 年度支出 | 229 | 221 | 713 | 193 | 1,356 |
| Written back on disposal | 出售時撥回 | (396) | – | (49) | – | (445) |
| As at 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及 二零二零年一月一日 | 3,104 | 1,213 | 782 | 627 | 5,726 |
| Charge for the year | 年度支出 | 47 | 247 | 826 | 145 | 1,265 |
| Exchange alignment | 匯兌調整 | – | – | 4 | – | 4 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 3,151 | 1,460 | 1,612 | 772 | 6,995 |
| Net carrying value | 賬面淨值 | | | | | |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 169 | 125 | 2,255 | – | 2,549 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 75 | 364 | 2,401 | 145 | 2,985 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

14. 使用權資產及租賃負債

| | | Properties 物業 HK\$'000 千港元 |
|---|-----------------------------------|-------------------------------------|
| Cost: | 成本： | |
| As at 1 January 2019, 31 December 2019 and 1 January 2020 | 於二零一九年一月一日、二零一九年十二月三十一日及二零二零年一月一日 | 6,656 |
| Addition | 增加 | 1,979 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 8,635 |
| Accumulated depreciation and impairment: | 累計折舊及減值： | |
| As at 1 January 2019 | 於二零一九年一月一日 | 1,308 |
| Depreciation provided during the year | 年內計提折舊 | 2,348 |
| As at 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及二零二零年一月一日 | 3,656 |
| Depreciation provided during the year | 年內計提折舊 | 2,667 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 6,323 |
| Net carrying amount: | 賬面淨值： | |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 2,312 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 3,000 |

For both years, the Group leases properties for its operations. Lease contracts for other assets are entered into for a fixed term of 2 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於兩個年度內，本集團均租賃物業用於營運。其他資產的租賃合約乃按2至3年的固定期限訂立。租賃條款乃按個別基準磋商，包括各種不同條款及條件。於釐定租期及評估不可撤回期間的長度時，本集團應用合約的定義並釐定合約可強制執行的期間。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

14. 使用權資產及租賃負債 (續)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--------------------------------|----------------------------------|----------------------------------|
| Lease liabilities payable: | 應付租賃負債： | | |
| Within one year | 一年內 | 1,886 | 2,333 |
| Within a period of more than one year but not more than two years | 一年以上但不超過兩年的 期間內 | 518 | 877 |
| | | 2,404 | 3,210 |
| Less: Total future interest expenses | 減：未來利息開支總額 | (29) | (59) |
| Lease liabilities included in the consolidated statement of financial position as at 31 December | 計入於十二月三十一日的綜合 財務狀況表的租賃負債 | 2,375 | 3,151 |
| Less: Amount due for settlement within 12 months shown under current liabilities | 減：列作流動負債的 於12個月內到期 償還的款項 | (1,859) | (2,280) |
| Amount due for settlement after 12 months shown under non-current liabilities | 列作非流動負債的 於12個月後到期 償還的款項 | 516 | 871 |

The lease liabilities of the Group are unguaranteed and secured by rental deposits.

本集團的租賃負債為無擔保，且以租金按金作抵押。

The carrying amount of lease liabilities are denominated in HK\$.

租賃負債的賬面值以港元計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(continued)

The following are the amounts recognized in profit or loss:

14. 使用權資產及租賃負債 (續)

以下為於損益確認的款項：

| | | Properties 物業 | |
|---|-------------|----------------------------------|----------------------------------|
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| | Notes 附註 | | |
| Depreciation expense of right-of-use assets | 使用權資產的折舊開支 | 2,667 | 2,348 |
| Interest expense on lease liabilities | 租賃負債的利息開支 | 71 | 113 |
| Expense relating to short-term leases | 有關短期租賃的開支 | 1,204 | 390 |
| | | 3,942 | 2,851 |

The Group had total cash outflows for leases of approximately HK\$4,025,000 during the year ended 31 December 2020 (2019: approximately HK\$2,887,000). As at 31 December 2019 and 2020, no leases committed but not yet commenced.

截至二零二零年十二月三十一日止年度，本集團的租賃現金流出總額約為4,025,000港元（二零一九年：約為2,887,000港元）。於二零一九年及二零二零年十二月三十一日，並無已承擔但尚未開始的租賃。

15. INTEREST IN AN ASSOCIATE

15. 於一間聯營公司之權益

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Cost of investment in an associate, unlisted | 於一間聯營公司之投資成本，未上市 | 8,000 | 8,000 |
| Share of post-acquisition profits/(losses) and other comprehensive income | 分佔收購後溢利／（虧損）及其他全面收益 | 81 | (9) |
| | | 8,081 | 7,991 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

15. INTEREST IN AN ASSOCIATE (continued)

Details of the Group's associates as at 31 December 2019 and 2020 are as follows:

| Name of entity 實體名稱 | Place of business/ country of incorporation 營業地點/ 註冊成立所在地 | Particulars of issued shares held 所持已發行 股份詳情 | % of equity interest attributable to the Group | | Principal activity 主要活動 |
|--|---|---|--|---------------|---|
| | | | 2020 二零二零年 | 2019 二零一九年 | |
| Loco Precious Metal Limited ("LPM") (Note) 港銀貴金屬有限公司 ("港銀貴金屬") (附註) | Hong Kong 香港 | Ordinary shares 普通股 | 40% | 40% | Trading of metal in Hong Kong 於香港從事金屬貿易 |

Note: During the year ended 31 December 2019, 100% equity interest in LPM was diluted to 40% by new capital injected by the Group and a third-party. Detail are set out in Note 25(a). Subsequent to the deemed disposal interest in LPM, it is accounted as interest in an associate due to loss of its controlling stake at LPM accordingly.

Summarized financial information in respect of the Group's material associate is set out below:

15. 於一間聯營公司之權益 (續)

於二零一九年及二零二零年十二月三十一日，本集團之聯營公司詳情如下：

附註：於截至二零一九年十二月三十一日止年度，於港銀貴金屬的100%股權透過本集團及第三方新注資被攤薄至40%。詳情載於附註25(a)。於視為出售於港銀貴金屬的權益後，由於相應地失去對港銀貴金屬的控制權，其按於聯營公司的權益入賬。

有關本集團重大聯營公司的財務資料概要載列如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------|--------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 20,302 | 20,104 |
| Non-current assets | 非流動資產 | - | - |
| Current liabilities | 流動負債 | 99 | 127 |
| Non-current liabilities | 非流動負債 | - | - |
| Revenue | 收入 | 566 | 171 |
| Profit for the year | 年度溢利 | 226 | 251 |
| Other comprehensive income | 其他全面收益 | - | - |
| Total comprehensive income | 全面收益總額 | 226 | 251 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

15. INTEREST IN AN ASSOCIATE (continued)

Reconciliation of the summarized financial information to the carrying amount of the interest in an associate recognized in the consolidated financial statements:

15. 於一間聯營公司之權益 (續)

財務資料概要與綜合財務報表中確認的於聯營公司權益的賬面值的對賬：

| | | For the year ended 31 December 2020 截至 二零二零年 十二月三十一日 止年度 HK\$'000 千港元 | For the period from 7 May 2019 to 31 December 2019 二零一九年 五月七日至 二零一九年 十二月三十一日 期間 HK\$'000 千港元 |
|---|---|--|---|
| Profit/(loss) for the year/period | 年／期內溢利／（虧損） | 226 | (23) |
| Total comprehensive income/(loss) | 全面收益／（虧損）總額 | 226 | (23) |
| Proportion of the Group's ownership interest in associate | 本集團於聯營公司的 擁有權權益比例 | 40% | 40% |
| The Group's share of post- acquisition profits/(losses) and other comprehensive income/(loss) of associate | 本集團應佔聯營公司收購後 溢利／（虧損）及其他全面 收益／（虧損） | 90 | (9) |
| Cost of investment in associate | 投資聯營公司的成本 | 8,000 | 8,000 |
| Carrying amount of the interest in an associate | 於聯營公司的權益的賬面值 | 8,081 | 7,991 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

16. OTHER FINANCIAL ASSETS

16. 其他金融資產

| | Notes 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------------------|----------------------------------|----------------------------------|
| Financial assets measured at FVTPL | 按公平值計入損益計量之金融資產 | | |
| Unlisted equity securities A | 非上市股本證券A (a) and (c) (a)及(c) | 1,000 | 10,500 |
| Unlisted equity securities B | 非上市股本證券B (b) and (c) (b)及(c) | 4,500 | 6,786 |
| | | 5,500 | 17,286 |

Notes:

- (a) The unlisted equity securities A are shares in Grand Max Enterprises Limited ("Grand Max"), a company incorporated in Hong Kong which is currently investing in some innovative technology projects. As at 31 December 2020, the Group held 16.7% equity interest in Grand Max (2019: 16.7%).
- (b) The unlisted equity securities B are shares in Lexus Group (Asia) Limited ("Lexus"), a company incorporated in Hong Kong which is currently trading gold, silver and other precious and base metals. As at 31 December 2020, the Group held 18% equity interest in Lexus (2019: 18%).
- (c) Information about the Group's exposure to equity price risk are set out in Note 3.1. For information about the methods and assumptions used in determining fair value are set out in Note 3.3.

附註：

- (a) 非上市股本證券A為浩明企業有限公司（「浩明」，一間於香港註冊成立之公司，目前投資若干創新技術項目）之股份。於二零二零年十二月三十一日，本集團持有浩明的16.7%（二零一九年：16.7%）股權。
- (b) 非上市股本證券B為聯達集團（亞洲）有限公司（「聯達」，一間於香港註冊成立之公司，目前買賣黃金、白銀及其他貴金屬及基本金屬）之股份。於二零二零年十二月三十一日，本集團持有聯達的18%股權（二零一九年：18%）。
- (c) 有關本集團面臨的股本價格風險的資料載於附註3.1。有關釐定公平值所用的方法及假設的資料載於附註3.3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

17. INVENTORIES

17. 存貨

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------------|---------|----------------------------------|----------------------------------|
| Silver | 白銀 | 164 | 111 |
| Low value consumables | 低價值之消耗品 | 113 | 113 |
| | | 277 | 224 |

The fair values of the Commodity Inventories were determined by the Company by reference to the price available in active market including London Bullion Market Association.

The fair value of the Commodity Inventories is a level 2 recurring fair value measurement. The fair value measurement is based on the inventories' highest and best use, which does not differ from their actual use.

商品存貨的公平值乃由本公司經參考於活躍市場（包括倫敦金銀市場協會）可得的價格釐定。

商品存貨的公平值屬第二級經常性公平值計量。公平值計量乃以存貨之最高及最佳用途為基礎，其與有關存貨之實際用途並無差別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

18. 貿易及其他應收款項及預付款項

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Trade receivables | 貿易應收款項 | 4,496 | 21,006 |
| Less: provision for loss allowance (Note (c)) | 減：計提虧損撥備 (附註(c)) | (125) | (310) |
| Trade receivables – net (Note (a)) | 貿易應收款項－淨額 (附註(a)) | 4,371 | 20,696 |
| Loan interest receivable | 應收貸款利息 | 893 | 893 |
| Less: provision for loss allowance (Note (c)) | 減：計提虧損撥備 (附註(c)) | (893) | (325) |
| Loan interest receivable – net (Note (b)) | 應收貸款利息－淨額 (附註(b)) | – | 568 |
| Other receivables and deposits | 其他應收款項及按金 | 3,408 | 6,621 |
| Less: provision for loss allowance (Note (c)) | 減：計提虧損撥備 (附註(c)) | (71) | (79) |
| Other receivables and deposits – net | 其他應收款項及按金－淨額 | 3,337 | 6,542 |
| Prepayments | 預付款項 | 270 | 284 |
| | | 7,978 | 28,090 |

(a) Trade receivables

The credit period granted to customers are 3 months generally.

The aging analysis of the trade receivables based on the date of demand note is as follows:

(a) 貿易應收款項

授予客戶的信貸期一般為3個月。

基於即期票據日期作出的貿易應收款項賬齡分析如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------|-------|----------------------------------|----------------------------------|
| 0 – 30 days | 0至30日 | 4,371 | 20,696 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

(a) Trade receivables (continued)

None of these receivables were past due.

During the year ended 31 December 2020, the Group reversed a loss allowance of approximately HK\$193,000 (2019: recognized a loss allowance of approximately HK\$310,000), based on individual risk assessment. The movement of the loss allowance is set out in Note (c).

(b) Loan interest receivable

The Group's loan interest receivable arises from the money lending business of providing personal loans in Hong Kong. The loan interest receivable was secured by collateral provided by personal guarantee and a property located in Hong Kong. Further details of the loan are set out in Note 19.

As at 31 December 2019, the total carrying amount of loan interest receivable is overdue by more than three months but less than six months and the total carrying amount of loan interest receivable is determined to be credit-impaired after considering the overdue aging analysis and other qualitative factors. Detail of the Group's credit risk grading framework is stated in Note 3.1(b).

18. 貿易及其他應收款項及預付款項 (續)

(a) 貿易應收款項 (續)

該等應收款項並無逾期。

截至二零二零年十二月三十一日止年度，本集團基於個別風險評估撥回虧損撥備約193,000港元（二零一九年：確認虧損撥備約310,000港元）。虧損撥備變動載於附註(c)。

(b) 應收貸款利息

本集團的應收貸款利息產生自於香港提供個人貸款的放債業務。應收貸款利息以個人擔保提供的抵押品及位於香港的一處物業作抵押。貸款的進一步詳情載於附註19。

於二零一九年十二月三十一日，應收貸款利息的賬面總值逾期超過三個月但少於六個月，且應收貸款利息的賬面總值於考慮逾期賬齡分析及其他定性因素後釐定信貸減值。本集團的信貸風險評級框架詳情於附註3.1(b)闡述。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

(b) Loan interest receivable (continued)

The movement on the Group's gross amount of loan interest receivable is as follow:

18. 貿易及其他應收款項及預付款項 (續)

(b) 應收貸款利息 (續)

本集團的應收貸款利息總額變動如下：

| | | For the years ended 31 December 2019 and 2020 截至二零一九年及二零二零年十二月三十一日止年度 | | | |
|---|----------------------------|--|-----------------|-----------------|-----------------|
| | | Stage 1 第一階段 | Stage 2 第二階段 | Stage 3 第三階段 | Total 總計 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Balance as at | 於二零一九年 | | | | |
| 1 January 2019 | 一月一日的結餘 | 279 | — | — | 279 |
| New loan interest originated | 新增貸款利息 | 614 | — | — | 614 |
| Transfer to lifetime expected credit loss not credit-impaired (Stage 2) | 轉撥至未信貸減值的全期預期信貸虧損(第二階段) | (893) | 893 | — | — |
| Transfer to lifetime expected credit loss credit-impaired (Stage 3) | 轉撥至信貸減值的全期預期信貸虧損(第三階段) | — | (893) | 893 | — |
| As at 31 December 2019 and 2020 | 於二零一九年及二零二零年十二月三十一日 | — | — | 893 | 893 |

The movement of the loss allowance of loan interest receivable is set out in Note (c).

有關應收貸款利息的虧損撥備變動載於附註(c)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

(c) Provision for loss allowance

Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision for all the trade receivables. To measure the expected credit losses, trade receivables have been based on individual risk assessment. The expected credit losses below also incorporate forward-looking information.

18. 貿易及其他應收款項及預付款項 (續)

(c) 計提虧損撥備

貿易應收款項

本集團應用簡化方法按香港財務報告準則第9號規定就預期信貸虧損計提撥備，該準則規定對所有貿易應收款項採用全期預期虧損撥備。為計量預期信貸虧損，貿易應收款項已根據個別風險評估分類。以下預期信貸虧損亦包含前瞻性資料。

| | | 0-30 days | 31-60 days | 61-90 days | Trade receivables Total |
|--|----------------------|------------|------------|------------|-------------------------|
| | | 0至30日 | 31至60日 | 61至90日 | 貿易應收款項總額 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | | | | |
| Expected credit loss rate (average) | 預期信貸虧損率 (平均) | 2.8% | – | – | 2.8% |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 4,496 | – | – | 4,496 |
| Expected credit losses (HK\$'000) | 預期信貸虧損 (千港元) | 125 | – | – | 125 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

(c) Provision for loss allowance (continued) Trade receivables (continued)

18. 貿易及其他應收款項及預付款項 (續)

(c) 計提虧損撥備 (續) 貿易應收款項 (續)

| | | 0-30 days | 31-60 days | 61-90 days | Trade receivables Total 貿易應收款項總額 |
|--|----------------------|------------|------------|------------|--|
| | | 0至30日 | 31至60日 | 61至90日 | |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | | | | |
| Expected credit loss rate (average) | 預期信貸虧損率 (平均) | 1.5% | – | – | 1.5% |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 21,006 | – | – | 21,006 |
| Expected credit losses (HK\$'000) | 預期信貸虧損 (千港元) | 310 | – | – | 310 |

The movement in the provision for loss allowance in respect of trade receivables during the years ended 31 December 2019 and 2020 is as follows:

截至二零一九年及二零二零年十二月三十一日止年度，與貿易應收款項有關的虧損撥備變動情況如下：

| | | Lifetime ECL 全期預期 信貸虧損 HK\$'000 千港元 |
|---|-------------------------|--|
| As at 1 January 2019 | 於二零一九年一月一日 | – |
| Provision made for the year | 年內計提 | 310 |
| As at 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及二零二零年一月一日 | 310 |
| Reversal of provision made for the year | 年內計提撥回 | (193) |
| Exchange alignment | 匯兌調整 | 8 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 125 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

(c) Provision for loss allowance (continued)

Loan interest receivable

The Group applies the general approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the 12m ECL for all the loan interest receivable. However, the Group considered that the loan interest receivable has been a significant increase in credit risk in default occurring since initial recognition. Lifetime ECL was used to assess the allowances of such loan interest receivable. To measure the expected credit losses, loan interest receivable has been based on individual risk assessment. The expected credit losses below also incorporate forward-looking information.

18. 貿易及其他應收款項及預付款項 (續)

(c) 計提虧損撥備 (續)

應收貸款利息

本集團採用香港財務報告準則第9號規定的一般方法就預期信貸虧損作出撥備，該準則規定就所有應收貸款利息採用12個月預期信貸虧損。然而，本集團認為自初始確認以來，應收貸款利息違約的信貸風險顯著增加。過往採用全期預期信貸虧損評估相關應收貸款利息的撥備。為計量預期信貸虧損，應收貸款利息已根據個別風險評估分類。以下預期信貸虧損亦包含前瞻性資料。

| | | Loan interest receivable 應收貸款利息 |
|--|----------------------|------------------------------------|
| As at 31 December 2020 | 於二零二零年十二月三十一日 | |
| Expected credit loss rate (average) | 預期信貸虧損率 (平均) | 100% |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 893 |
| Expected credit losses (HK\$'000) | 預期信貸虧損 (千港元) | 893 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

- (c) Provision for loss allowance (continued)
Loan interest receivable (continued)

18. 貿易及其他應收款項及預付款項 (續)

- (c) 計提虧損撥備 (續)
應收貸款利息 (續)

Loan interest
receivable
應收貸款利息

As at 31 December 2019

於二零一九年十二月三十一日

| | | |
|-------------------------------------|--------------|-------|
| Expected credit loss rate (average) | 預期信貸虧損率 (平均) | 36.4% |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 893 |

| | | |
|--|---------------------|------------|
| Expected credit losses (HK\$'000) | 預期信貸虧損 (千港元) | 325 |
|--|---------------------|------------|

The movement in the provision for loss allowance in respect of loan interest receivable during the year ended 31 December 2019 and 2020 is as follows:

截至二零一九年及二零二零年十二月三十一日止年度與應收貸款利息有關的虧損撥備變動情況如下：

**Lifetime ECL –
credit-impaired
全期預期信貸
虧損－信貸減值**
HK\$'000
千港元

| | | |
|--|-----------------------------|------------|
| As at 1 January 2019 | 於二零一九年一月一日 | – |
| Provision made for the year | 年內計提 | 325 |
| As at 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及 二零二零年一月一日 | 325 |
| Provision made for the year | 年內計提 | 568 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 893 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

(c) Provision for loss allowance (continued)

Other receivables and deposits

The Group applies the general approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the 12m ECL for all the other receivables and deposits. To measure the expected credit losses, other receivables and deposits have been based on individual risk assessment. The expected credit losses below also incorporate forward-looking information.

18. 貿易及其他應收款項及預付款項 (續)

(c) 計提虧損撥備 (續)

其他應收款項及按金

本集團採用一般方法按香港財務報告準則第9號規定就預期信貸虧損計提撥備，該準則規定就所有其他應收款項及按金使用12個月預期信貸虧損。為計量預期信貸虧損，其他應收款項及按金已根據個別風險評估分類。以下預期信貸虧損亦包含前瞻性資料。

| | | Other receivables and deposits 其他應收款項及按金 |
|--|----------------------|---|
| As at 31 December 2020 | 於二零二零年十二月三十一日 | |
| Expected credit loss rate (average) | 預期信貸虧損率 (平均) | 2.1% |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 3,408 |
| Expected credit losses (HK\$'000) | 預期信貸虧損 (千港元) | 71 |
| | | Other receivables and deposits 其他應收款項及按金 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | |
| Expected credit loss rate (average) | 預期信貸虧損率 (平均) | 1.2% |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 6,621 |
| Expected credit losses (HK\$'000) | 預期信貸虧損 (千港元) | 79 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

(c) Provision for loss allowance (continued)

Other receivables and deposits (continued)

The movement in the provision for loss allowance in respect of other receivables and deposits during the years ended 31 December 2019 and 2020 is as follows:

| | | 12m ECL 12個月預期 信貸虧損 HK\$'000 千港元 |
|--|-----------------------------|--|
| As at 1 January 2019 | 於二零一九年一月一日 | – |
| Provision made for the year | 年內計提 | 79 |
| As at 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日 及二零二零年一月一日 | 79 |
| Reversal of provision made for the year | 年內計提撥回 | (12) |
| Exchange alignment | 匯兌調整 | 4 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 71 |

(d) Denominated currencies

The carrying amounts of the Group's trade and other receivables and prepayments are denominated in the following currencies:

(d) 計值貨幣

本集團貿易及其他應收款項以及預付款項的賬面值以下列貨幣計值：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 1,111 | 1,780 |
| US\$ | 美元 | 283 | 96 |
| RMB | 人民幣 | 6,584 | 26,214 |
| | | 7,978 | 28,090 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

19. LOAN RECEIVABLE

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------------|----------------|----------------------------------|----------------------------------|
| Loan receivable | 應收貸款 | 7,589 | 7,589 |
| Less: provision for loss allowance | 減：計提虧損撥備 | (7,589) | (2,760) |
| Loan receivable – net | 應收貸款－淨額 | – | 4,829 |

The Group's loan receivable arises from the money lending business of providing personal loans in Hong Kong, with interest bearing at 8% per annum and denominated in HK\$. The loan receivable was secured by personal guarantee and a property located in Hong Kong and the Company is as the third mortgagee of the secured property.

As at 31 December 2019, the total carrying amount of loan receivable is overdue by more than three months but less than six months and the total carrying amount of loan receivable is determined to be credit-impaired after considering the overdue aging analysis and other qualitative factors. Detail of the Group's credit risk grading framework is stated in Note 3.1(b).

The current fair value of collateral held in respect of the loan interest receivable and loan receivable as at 31 December 2020 is approximately HK\$12,600,000 (2019: approximately HK\$14,500,000).

19. 應收貸款

本集團的應收貸款產生自於香港提供個人貸款的放債業務，按年利率8%計息，且以港元計值。應收貸款以個人擔保及位於香港的一處物業作抵押，且本公司為已抵押物業的第三方承押人。

於二零一九年十二月三十一日，應收貸款的賬面總值逾期超過三個月但少於六個月，且應收貸款的賬面總值於考慮逾期賬齡分析及其他定性因素後釐定信貸減值。本集團的信貸風險評級框架詳情載於附註3.1(b)。

於二零二零年十二月三十一日，就應收貸款利息及應收貸款持有的抵押品現時公平值為約12,600,000港元（二零一九年：約14,500,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

19. LOAN RECEIVABLE (continued)

The movement on the Group's gross amount of loan receivable are as follow:

19. 應收貸款 (續)

本集團應收貸款總額的變動如下：

| | | For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度 | | | |
|-------------------------------|---------------------------|--|------------------------------------|------------------------------------|--------------------------------|
| | | Stage 1 第一階段 HK\$'000 千港元 | Stage 2 第二階段 HK\$'000 千港元 | Stage 3 第三階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Balance as at 1 January 2020 | 於二零二零年 一月一日的結餘 | - | - | 7,589 | 7,589 |
| New loans originated | 新增貸款 | 3,179 | - | - | 3,179 |
| Loans repaid during the year | 年內償還的貸款 | (3,179) | - | - | (3,179) |
| As at 31 December 2020 | 於二零二零年 十二月三十一日 | - | - | 7,589 | 7,589 |

| | | For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度 | | | |
|---|---------------------------|--|------------------------------------|------------------------------------|--------------------------------|
| | | Stage 1 第一階段 HK\$'000 千港元 | Stage 2 第二階段 HK\$'000 千港元 | Stage 3 第三階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Balance as at 1 January 2019 | 於二零一九年 一月一日的結餘 | 7,589 | - | - | 7,589 |
| New loans originated | 新增貸款 | 16,000 | - | - | 16,000 |
| Loans repaid during the year | 年內償還的貸款 | (16,000) | - | - | (16,000) |
| Transfer to lifetime expected credit loss not credit-impaired (Stage 2) | 轉撥至未信貸減值的全期預期信貸虧損 (第二階段) | (7,589) | 7,589 | - | - |
| Transfer to lifetime expected credit loss credit-impaired (Stage 3) | 轉撥至信貸減值的全期預期信貸虧損 (第三階段) | - | (7,589) | 7,589 | - |
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | - | - | 7,589 | 7,589 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

19. LOAN RECEIVABLE (continued)

The Group applies the general approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the 12m ECL for all the loan receivable. However, the Group considered that the loan receivable has been a significant increase in credit risk in default occurring since initial recognition. Lifetime ECL was used to assess the allowances of such loan receivable. To measure the expected credit losses, loan receivable has been based on individual risk assessment. The expected credit losses below also incorporate forward-looking information.

19. 應收貸款 (續)

本集團採用香港財務報告準則第9號規定的一般方法就預期信貸虧損作出撥備，該準則規定就所有應收貸款採用12個月預期信貸虧損。然而，本集團認為自初始確認以來，應收貸款違約的信貸風險顯著增加。過往採用全期預期信貸虧損評估相關應收貸款的撥備。為計量預期信貸虧損，應收貸款已根據個別風險評估分類。以下預期信貸虧損亦包含前瞻性資料。

| | | 2020 二零二零年 | 2019 二零二零年 |
|--|---------------------|---------------|---------------|
| Expected credit loss rate | 預期信貸虧損率 | 100% | 36.4% |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 7,589 | 7,589 |
| Expected credit losses (HK\$'000) | 預期信貸虧損 (千港元) | 7,589 | 2,760 |

The movements on the Group's provision for loss allowance of loan receivable is as follow:

本集團計提應收貸款虧損撥備的變動如下：

| | | Stage 1 第一階段 HK\$'000 千港元 | Stage 2 第二階段 HK\$'000 千港元 | Stage 3 第三階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| As at 1 January 2019 | 於二零一九年 一月一日 | 76 | - | - | 76 |
| Transfer to lifetime expected credit loss not credit-impaired (Stage 2) | 轉撥至未信貸減值的 全期預期信貸虧損 (第二階段) | (76) | 76 | - | - |
| Transfer to lifetime expected credit loss credit-impaired (Stage 3) | 轉撥至信貸減值的 全期預期信貸虧損 (第三階段) | - | (76) | 76 | - |
| Provision made for the year | 年內計提 | - | - | 2,684 | 2,684 |
| As at 31 December 2019 and 1 January 2020 | 於二零一九年 十二月三十一日及 二零二零年 一月一日 | - | - | 2,760 | 2,760 |
| Provision made for the year | 年內計提 | - | - | 4,829 | 4,829 |
| As at 31 December 2020 | 於二零二零年 十二月三十一日 | - | - | 7,589 | 7,589 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

20. CASH AND CASH EQUIVALENTS

20. 現金及現金等價物

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|-----------------|----------------------------------|----------------------------------|
| Cash on hand | 手頭現金 | 4 | 1 |
| Cash at banks | 銀行現金 | 28,960 | 28,723 |
| Cash and cash equivalents | 現金及現金等價物 | 28,964 | 28,724 |

Cash at banks earns interest at floating rates based on daily bank deposit rates.

銀行現金按每日銀行存款利率賺取浮動利息。

The carrying amounts of the Group's cash and cash equivalent are denominated in the following currencies:

本集團的現金及現金等價物賬面值以下列貨幣計值：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------|------|----------------------------------|----------------------------------|
| HK\$ | 港元 | 18,825 | 25,788 |
| US\$ | 美元 | 33 | 419 |
| RMB | 人民幣 | 10,106 | 2,508 |
| Other currencies | 其他貨幣 | - | 9 |
| | | 28,964 | 28,724 |

At the end of the reporting period, the cash and cash equivalents of the Group denominated in RMB amounted to approximately HK\$10,106,000 (2019: approximately HK\$2,508,000). The RMB held in PRC Mainland is not freely convertible into other currencies. However, under PRC Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

於報告期末，本集團以人民幣計值的現金及現金等價物約為10,106,000港元（二零一九年：約2,508,000港元）。於中國內地持有的人民幣不能自由兌換成其他貨幣。然而，根據中國內地外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權開展外匯業務的銀行將人民幣兌換成其他貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

21. OTHER PAYABLES AND ACCRUALS

21. 其他應付款項及應計費用

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------------------|-------------|----------------------------------|----------------------------------|
| Other payables and accruals | 其他應付款項及應計費用 | 1,901 | 2,088 |

The carrying amounts of the Group's other payables, accruals and deposits received are denominated in the following currencies:

本集團的其他應付款項、應計費用及已收按金賬面值以下列貨幣計值：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| HK\$ | 港元 | 1,210 | 1,016 |
| US\$ | 美元 | – | 131 |
| RMB | 人民幣 | 691 | 941 |
| | | 1,901 | 2,088 |

22. DEFERRED TAX LIABILITIES

22. 遞延稅項負債

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為以財務報告為目的之遞延稅項結餘分析：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| Deferred tax liabilities | 遞延稅項負債 | 143 | – |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

22. DEFERRED TAX LIABILITIES (continued)

The following is the deferred tax liabilities recognized and movements thereon during the years ended 31 December 2019 and 2020:

22. 遞延稅項負債 (續)

以下為於截至二零一九年及二零二零年十二月三十一日止年度確認的遞延稅項負債及變動：

| | | Undistributed earnings of the PRC subsidiary 中國附屬公司的 未分派盈利 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--|--|--------------------------------|
| Balance at 1 January 2019, 31 December 2019 and 1 January 2020 | 於二零一九年一月一日、 二零一九年十二月三十一日 及二零二零年一月一日 的結餘 | — | — |
| Charged to profit or loss (Note 11) | 自損益扣除 (附註11) | 143 | 143 |
| Balance at 31 December 2020 | 於二零二零年十二月三十一日 的結餘 | 143 | 143 |

Under the EIT Law of the PRC Mainland, withholding tax is imposed on dividends declared in respect of profits earned by a PRC subsidiary from 1 January 2008 onwards. As at 31 December 2020, the deferred tax has been provided on the undistributed earnings of the PRC subsidiary.

根據中國內地企業所得稅法，自二零零八年一月一日起，就中國附屬公司賺取的溢利宣派股息須繳納預扣稅。於二零二零年十二月三十一日，已就中國附屬公司的未分派盈利計提遞延稅項撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

23. SHARE CAPITAL

23. 股本

| | | | Number of ordinary shares 普通股數目 | Share capital 股本 HK\$'000 千港元 |
|--|------------|---------------------------------|---------------------------------------|--|
| | Note 附註 | | | |
| Issued and fully paid: | | 已發行及繳足： | | |
| As at 1 January 2019 | | 於二零一九年一月一日 | 480,170,000 | 122,898 |
| Issue of shares by placements | (b) | 透過配售發行股份 | 96,000,000 | 21,582 |
| As at 31 December 2019 and 1 January 2020 | | 於二零一九年 十二月三十一日及 二零二零年一月一日 | 576,170,000 | 144,480 |
| Issue of shares by placements | (c) | 透過配售發行股份 | 115,000,000 | 16,632 |
| As at 31 December 2020 | | 於二零二零年 十二月三十一日 | 691,170,000 | 161,112 |

Notes:

附註：

- (a) In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.
- (b) On 25 February 2019, 96,000,000 new ordinary shares were allotted and issued to independent investors or connected persons of the Company at HK\$0.241 per share. The gross proceeds from the issue of shares amounted to approximately HK\$23,136,000 net of transaction costs of approximately HK\$1,554,000, in aggregate was credited to the Company's share capital.
- (c) On 26 November 2020, 115,000,000 new ordinary shares were allotted and issued to independent investors or connected persons of the Company at HK\$0.148 per share. The gross proceeds from the issue of shares amounted to approximately HK\$17,020,000 net of transaction costs of approximately HK\$388,000, in aggregate was credited to the Company's share capital.

- (a) 根據香港公司條例第135條，本公司的普通股並無面值。
- (b) 於二零一九年二月二十五日，96,000,000股新普通股按每股0.241港元配發及發行予獨立投資者或本公司關連人士。發行股份的所得款項總額約為23,136,000港元，扣除交易成本約1,554,000港元，全部計入本公司的股本。
- (c) 於二零二零年十一月二十六日，115,000,000股新普通股按每股0.148港元配發及發行予獨立投資者或本公司關連人士。發行股份的所得款項總額約為17,020,000港元，扣除交易成本約388,000港元，全部計入本公司的股本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

24. SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 July 2014 (the “**Share Option Scheme**”). Under the Share Option Scheme, the directors of the Company may, subject to and in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, at its discretion, grant options to any full-time or part-time employees, consultants or potential employees, consultants, executives or officers (including executive, non-executive and independent non-executive directors) of the Group, and any suppliers, customers, consultants, agents and advisers, who in the absolute discretion of the board of director has contributed or will contribute to the Group (collectively “**Eligible Participants**”).

The purpose of the Share Option Scheme is to provide incentive or reward for Eligible Participants for their contribution or potential contribution to the Group.

The Company has granted 1,630,000 shares on 10 April 2015 and 37,680,000 shares on 27 August 2019 of the Company under the Share Option Scheme up to the date of 2019 annual report. The Board proposes to seek approval of the shareholders by the passing of an ordinary resolution for the refreshment of the Scheme Mandate Limit. The refreshment of the Scheme Mandate Limit was approved by the shareholders at the annual general meeting held on 26 June 2020. After the refreshment of the Scheme Mandate Limit, the total number of shares (the “**Shares**”) of the Company available for issue under the Share Option Scheme was 57,617,000 Shares, representing 8.34% of total number of Shares in issue as at the date of this report.

The directors of the Company shall not grant options to any Eligible Participant if the acceptance of those options would result in the total number of Shares issued and to be issued to that participant on exercise of his options during any 12-month period up to the offer date exceeding 1% of the total number of Shares then in issue.

There is no general requirement that an option must be held for any minimum period before it can be exercised. The period during which an option may be exercised in accordance with the terms of the Share Option Scheme shall be the period of time to be notified by the directors of the Company to each grantee, which the director of the Company may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the date upon which the vesting period as described in the respective grantee’s offer document commences.

24. 購股權計劃

本公司於二零一四年七月二十二日採納一項購股權計劃（「**購股權計劃**」）。根據該購股權計劃，本公司董事可在該購股權計劃及GEM上市規則的條文規限下及根據該購股權計劃及GEM上市規則的條文，酌情向本集團任何全職或兼職僱員、顧問或潛在僱員、顧問、行政人員或高級職員（包括執行、非執行及獨立非執行董事），以及董事會全權酌情認為曾經或將會對本集團作出貢獻之任何供應商、客戶、顧問、代理及諮詢人（統稱為「**合資格參與者**」）授出購股權。

購股權計劃旨在嘉許或酬謝曾經或可能會對本集團作出貢獻之合資格參與者。

截至二零一九年年報日期，本公司已於二零一五年四月十日及二零一九年八月二十七日根據購股權計劃授出1,630,000股及37,680,000股本公司股份。董事會擬尋求股東通過普通決議案批准更新計劃授權上限。股東於二零二零年六月二十六日召開的股東週年大會批准更新計劃授權上限。更新計劃授權上限後，購股權計劃項下可供發行之本公司股份（「**股份**」）總數為57,617,000股股份，佔於本報告日期已發行股份總數之8.34%。

本公司董事不得向任何合資格參與者授出購股權使接納該等購股權將導致於截至要約日期止任何12個月期間內因行使其購股權而發行或將發行予該參與者的股份總數超過當時已發行股份總數的1%。

對行使購股權前必須持有的最低期限沒有基本要求。根據購股權計劃的條款可行使購股權的期間應為本公司董事按其全權酌情決定向各承授人通知的期間；惟該期間不得超過承授人各自的主要約文件所述的歸屬期間開始之日起計十年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

24. SHARE OPTION SCHEME (continued)

A remittance in favor of the Company of HK\$1.00 by way of consideration for the grant of the option should be submitted to the Company on or before the last day for acceptance. The option will be offered for acceptance for a period of 14 days from the date on which the option is granted.

The exercise price shall be determined by the board of directors but in any event shall be at least the highest of (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which the option is offered (the "Offer Date"); and (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date.

The Share Option Scheme shall be valid and effective for a period commencing from the date on which the Share Option Scheme was conditionally adopted by an ordinary resolution of the shareholder of the Company on 22 July 2014 and ending on the tenth anniversary of the date of listing of the Company's shares on GEM of the Stock Exchange on 4 August 2014 (both dates inclusive), after which no further option will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme.

The remaining life of the share option granted on 10 April 2015 under the Share Option Scheme as at 31 December 2020 was approximately 4.3 years.

The remaining life of the share option granted on 27 August 2019 under the Share Option Scheme as at 31 December 2020 was approximately 1.7 years.

24. 購股權計劃 (續)

就授出購股權以代價付予本公司1.00港元之匯款於接納的最後日期或之前提交予本公司。購股權將於授出日期起14天期間內提呈以供接納。

行使價應由董事會釐定，但在任何情況下不得低於以下最高者：(i)提呈購股權當日（「要約日期」）聯交所每日報價表所列股份的官方收市價；及(ii)緊接要約日期前五個營業日，聯交所每日報價表所列股份的平均官方收市價。

購股權計劃將自二零一四年七月二十二日，即購股權計劃透過本公司股東普通決議案獲有條件採納之日起至本公司股份於聯交所GEM上市日期二零一四年八月四日起計滿十週年期間（包括首尾兩日）有效及生效，其後概不會授出任何額外購股權，惟該購股權計劃的條文在所有其他方面仍有十足效力及生效，以令於該期限前或根據購股權計劃條文可能規定之其他方式授出之任何購股權可予行使，以及於該期限前授出但未獲行使之購股權將繼續有效及可根據購股權計劃行使。

於二零二零年十二月三十一日，根據購股權計劃於二零一五年四月十日授出之購股權剩餘期限約為4.3年。

於二零二零年十二月三十一日，根據購股權計劃於二零一九年八月二十七日授出之購股權剩餘期限約為1.7年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

24. SHARE OPTION SCHEME (continued)

The following table discloses the movements of the share options granted and lapsed under the Share Option Scheme during the year ended 31 December 2020:

24. 購股權計劃 (續)

下表披露於截至二零二零年十二月三十一日止年度根據購股權計劃授出及失效的購股權變動：

| Category of grantee | Date of grant | Exercise period | Exercise price per share | Number of share options | | |
|------------------------------------|----------------|--------------------------------------|--------------------------|----------------------------------|------------------------|------------------------------------|
| | | | | Outstanding as at 1 January 2020 | Lapsed during the year | Outstanding as at 31 December 2020 |
| 承授人類別 | 授出日期 | 行使期間 | 每股行使價 | 於二零二零年一月一日尚未行使 | 年內已失效 | 於二零二零年十二月三十一日尚未行使 |
| Directors | 27 August 2019 | 27 Aug 2019 to 26 Aug 2022 (Note) | HK\$0.616 | 13,680,000 | (570,000) | 13,110,000 |
| 董事 | 二零一九年八月二十七日 | 二零一九年八月二十七日至二零二二年八月二十六日 (附註) | 0.616港元 | | | |
| Employees | 10 April 2015 | 10 April 2015 to 9 April 2025 | HK\$0.78 | 200,000 | (40,000) | 160,000 |
| 僱員 | 二零一五年四月十日 | 二零一五年四月十日至二零二五年四月九日 | 0.78港元 | | | |
| | 27 August 2019 | 27 Aug 2019 to 26 Aug 2022 (Note) | HK\$0.616 | 24,000,000 | (500,000) | 23,500,000 |
| | 二零一九年八月二十七日 | 二零一九年八月二十七日至二零二二年八月二十六日 (附註) | 0.616港元 | | | |
| Others | 10 April 2015 | 10 April 2015 to 9 April 2025 (Note) | HK\$0.78 | 120,000 | - | 120,000 |
| 其他 | 二零一五年四月十日 | 二零一五年四月十日至二零二五年四月九日 (附註) | 0.78港元 | | | |
| Total | | | | 38,000,000 | (1,110,000) | 36,890,000 |
| 總計 | | | | | | |
| Exercisable at the end of the year | | | | | | 24,330,000 |
| 年末可行使 | | | | | | |
| Weighted average exercise price | | | | HK\$0.617 | HK\$0.622 | HK\$0.617 |
| 加權平均行使價 | | | | 0.617港元 | 0.622港元 | 0.617港元 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

24. SHARE OPTION SCHEME (continued)

The following table discloses the movements of the share options under the Share Option Scheme during the year ended 31 December 2019:

| Category of grantee | Date of grant | Exercise period | Exercise price per share | Number of share options 購股權數目 | | | |
|---|----------------|--------------------------------------|--------------------------|--|-------------------------|------------------------|---|
| | | | | Outstanding as at 1 January 2019 於二零一九年一月一日尚未行使 | Granted during the year | Lapsed during the year | Outstanding as at 31 December 2019 於二零一九年十二月三十一日尚未行使 |
| 承授人類別 | 授出日期 | 行使期間 | 每股行使價 | | 年內已授出 | 年內已失效 | |
| Directors | 10 April 2015 | 10 April 2015 to 9 April 2025 | HK\$0.78 | 330,000 | – | (330,000) | – |
| 董事 | 二零一五年四月十日 | 二零一五年四月十日至二零二五年四月九日 | 0.78港元 | | | | |
| | 27 August 2019 | 27 Aug 2019 to 26 Aug 2022 (Note) | HK\$0.616 | – | 13,680,000 | – | 13,680,000 |
| | 二零一九年八月二十七日 | 二零一九年八月二十七日至二零二二年八月二十六日(附註) | 0.616港元 | | | | |
| Employees | 10 April 2015 | 10 April 2015 to 9 April 2025 | HK\$0.78 | 730,000 | – | (530,000) | 200,000 |
| 僱員 | 二零一五年四月十日 | 二零一五年四月十日至二零二五年四月九日 | 0.78港元 | | | | |
| | 27 August 2019 | 27 Aug 2019 to 26 Aug 2022 (Note) | HK\$0.616 | – | 24,000,000 | – | 24,000,000 |
| | 二零一九年八月二十七日 | 二零一九年八月二十七日至二零二二年八月二十六日(附註) | 0.616港元 | | | | |
| Others | 10 April 2015 | 10 April 2015 to 9 April 2025 (Note) | HK\$0.78 | 130,000 | – | (10,000) | 120,000 |
| 其他 | 二零一五年四月十日 | 二零一五年四月十日至二零二五年四月九日(附註) | 0.78港元 | | | | |
| Total 總計 | | | | 1,190,000 | 37,680,000 | (870,000) | 38,000,000 |
| Exercisable at the end of the year 年末可行使 | | | | | | | 12,880,000 |
| Weighted average exercise price 加權平均行使價 | | | | HK\$0.78 0.78港元 | HK\$0.616 0.616港元 | HK\$0.78 0.78港元 | HK\$0.617 0.617港元 |

Note: The share options granted will vest to the grantees at the date of grant (i.e. 27 August 2019), the first and second anniversary of the date of grant (i.e. 27 August 2020 and 27 August 2021, respectively) at an average amount, the share options once vested shall be exercisable on a cumulative basis.

24. 購股權計劃 (續)

下表披露於截至二零一九年十二月三十一日止年度購股權計劃項下的購股權變動：

附註：該等已授出的購股權將於授出日期(即二零一九年八月二十七日)、授出日期的第一週年及第二週年當日(即分別為二零二零年八月二十七日及二零二一年八月二十七日)以平均數量歸屬於承授人，而購股權一經歸屬，則將可累積行使。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

24. SHARE OPTION SCHEME (continued)

During the year ended 31 December 2019, 37,680,000 share options were granted under the Scheme on 27 August 2019.

The fair value of equity-settled share options granted during the year ended 31 December 2019 were HK\$0.211, HK\$0.212 and HK\$0.213 per option each for three tranches which will be vested on 27 August 2019, 27 August 2020 and 27 August 2021, respectively, amounted to approximately HK\$7,984,000 in aggregate. The fair values were estimated as at 27 August 2019, being the date of grant, using the Binomial Option Pricing Model and taking into account the terms and conditions upon which the options were granted. The significant assumptions and inputs used in the estimation of the fair value are as follows:

| | |
|------------------------------|-----------|
| Share price at date of grant | HK\$0.60 |
| Exercise price | HK\$0.616 |
| Volatility | 52.68% |
| Risk-free interest rate | 1.31% |
| Dividend yield | 0% |
| Early exercise multiplier | 2.80 |
| Expected option life | 3 years |

Estimation of the value of the share options is subjective and uncertain as such values are subject to a number of assumptions and with regard to the limitation of the model. The expected volatility is based on the historical volatility reflecting the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The expected early exercise multiplier is also estimated and is not necessarily indicative of the exercise patterns that may occur.

For the year ended 31 December 2020, the Group recognized equity-settled share-based payments expenses in aggregate of approximately HK\$2,992,000 in respect of the Share Option Scheme (2019: approximately HK\$4,033,000).

24. 購股權計劃 (續)

於截至二零一九年十二月三十一日止年度，於二零一九年八月二十七日根據該計劃授出37,680,000份購股權。

於截至二零一九年十二月三十一日止年度，所授出股權結算購股權之公平值為將分別於二零一九年八月二十七日、二零二零年八月二十七日及二零二一年八月二十七日歸屬的三批購股權中每份購股權0.211港元、0.212港元及0.213港元，合共約7,984,000港元。公平值乃於二零一九年八月二十七日（即授出日期）使用二項式期權定價模式進行估計，並計及授出購股權之條款及條件。估計公平值所採用之重大假設及輸入數據如下：

| | |
|---------|---------|
| 授出日期之股價 | 0.60港元 |
| 行使價 | 0.616港元 |
| 波幅 | 52.68% |
| 無風險利率 | 1.31% |
| 股息收益率 | 0% |
| 提早行使倍數 | 2.80 |
| 購股權預期年期 | 3年 |

購股權的價值估計屬主觀並具有不確定性，原因為其乃視乎多項假設，亦受計算模式的限制。預期波幅基於歷史波幅，反映歷史波幅預示未來發展趨勢的假設，而這也未必是實際結果。預期提早行使倍數亦為估計，並未必能表示可能發生的行使模式。

於截至二零二零年十二月三十一日止年度，本集團就購股權計劃確認以股本結算之股份基礎給付開支合計約2,992,000港元（二零一九年：約4,033,000港元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

25. PARTICULARS OF SUBSIDIARIES

Details of subsidiaries as at 31 December 2019 and 2020 are as follows:

25. 附屬公司詳情

於二零一九年及二零二零年十二月三十一日的附屬公司詳情乃如下：

| Name of subsidiary | Place of incorporation or establishment | Particulars of issued and fully paid share capital/ paid up capital 已發行及 悉數繳足股本／ 已繳資本詳情 | Place of operation and principal activities | Directly | | Indirectly | |
|---|---|--|---|---------------|---------------|---------------|---------------|
| 附屬公司名稱 | 註冊成立或 成立地點 | | 營運地點及主要業務 | 直接 | | 間接 | |
| | | | | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 |
| New Eagle International Limited | Hong Kong | Ordinary shares HK\$10,000 | Investment holding in Hong Kong | 100% | 100% | - | - |
| 新揚國際有限公司 | 香港 | 10,000港元的普通股 | 於香港投資控股 | | | | |
| Loco HK Limited | BVI | 10 Ordinary shares of US\$1 each | Investment holding in Hong Kong | 100% | 100% | - | - |
| Loco HK Limited | 英屬處女群島 | 10股每股面值 1美元的普通股 | 於香港投資控股 | | | | |
| Gold Convergence Limited | Hong Kong | Ordinary shares HK\$10,000 | Investment holding in Hong Kong | 100% | 100% | - | - |
| 鑫中匯有限公司 | 香港 | 10,000港元的普通股 | 於香港投資控股 | | | | |
| Full Time Investment Holdings Limited (Formerly known as "Edge Faith Limited") | BVI | 10,000 Ordinary shares of US\$1 each | Investment holding in Hong Kong | 100% | 100% | - | - |
| Full Time Investment Holdings Limited (前稱為「銳信有限公司」) | 英屬處女群島 | 10,000股每股面值 1美元的普通股 | 於香港投資控股 | | | | |
| Lead The Way Limited | Hong Kong | Ordinary shares HK\$10,000 | Inactive | 100% | 100% | - | - |
| 領路有限公司 | 香港 | 10,000港元的普通股 | 暫無營業 | | | | |
| Success Vision International Holdings Limited | BVI | 10,000 Ordinary shares of US\$1 each | Investment holding in Hong Kong | 100% | 100% | - | - |
| 成策國際控股有限公司 | 英屬處女群島 | 10,000股每股面值 1美元的普通股 | 於香港投資控股 | | | | |
| China New Era Investment Limited | BVI | 1 Ordinary share of US\$1 each | Investment holding in Hong Kong | 100% | 100% | - | - |
| 中國新時代投資有限公司 | 英屬處女群島 | 1股每股面值 1美元的普通股 | 於香港投資控股 | | | | |
| True Time International Investments Limited (「True Time」) (Notes 1 and 2) | BVI | 10,000 Ordinary shares of US\$1 each | Investment holding in Hong Kong | 57% | 57% | - | - |
| True Time International Investments Limited (「True Time」) (附註1及2) | 英屬處女群島 | 10,000股每股面值 1美元的普通股 | 於香港投資控股 | | | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

25. PARTICULARS OF SUBSIDIARIES (CONTINUED)

Details of subsidiaries as at 31 December 2019 and 2020 are as follows: (continued)

25. 附屬公司詳情 (續)

於二零一九年及二零二零年十二月三十一日的附屬公司詳情乃如下：(續)

| Name of subsidiary | Place of incorporation or establishment | Particulars of issued and fully paid share capital/ paid up capital 已發行及悉數繳足股本／已繳資本詳情 | Place of operation and principal activities | Directly | | Indirectly | |
|---|---|---|--|---------------|---------------|---------------|---------------|
| 附屬公司名稱 | 註冊成立或成立地點 | | 營運地點及主要業務 | 直接 | | 間接 | |
| | | | | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 |
| China Precision Material Limited | Hong Kong | Ordinary shares HK\$20,000,000 | Metal and commodity forward contracts trading in Hong Kong | - | - | 100% | 100% |
| 香江貴金屬電子材料有限公司 | 香港 | 20,000,000港元的普通股 | 於香港進行金屬買賣及商品遠期合約貿易 | | | | |
| CPM Silver Limited | Hong Kong | Ordinary shares HK\$10,000 | Silver processing in Hong Kong | - | - | 100% | 100% |
| 香江銀業有限公司 | 香港 | 10,000港元的普通股 | 於香港進行白銀加工 | | | | |
| United Bridge Limited | Hong Kong | Ordinary shares HK\$10,000 | Investment holding in Hong Kong | - | - | 100% | 100% |
| 匯僑有限公司 | 香港 | 10,000港元的普通股 | 於香港投資控股 | | | | |
| World Bridge Limited | Hong Kong | Ordinary share HK\$1 | Inactive | - | - | 100% | 100% |
| 世喬有限公司 | 香港 | 1港元的普通股 | 暫無營業 | | | | |
| United Worth Finance Limited | Hong Kong | Ordinary shares HK\$10,000 | Provision of money lending services in Hong Kong | - | - | 100% | 100% |
| 匯銀財務有限公司 | 香港 | 10,000港元的普通股 | 於香港提供放債服務 | | | | |
| Gold Prosperous City Limited (Note 2) | Hong Kong | Ordinary shares HK\$10,000 | Investment holding in Hong Kong | - | - | 57% | 57% |
| 鑫城興有限公司 (附註2) | 香港 | 10,000港元的普通股 | 於香港投資控股 | | | | |
| Loco Hong Kong Green Energy Limited | Hong Kong | Ordinary shares HK\$10,000 | Investment holding in PRC Mainland | - | - | 100% | 100% |
| 港銀新能源有限公司 | 香港 | 10,000港元的普通股 | 於中國內地投資控股 | | | | |
| Loco Hong Kong Green Energy (Shenzhen) Limited* | PRC Mainland | Paid up capital RMB500,000 | Inactive | - | - | 100% | 100% |
| 港銀新能源 (深圳) 有限公司 | 中國內地 | 已繳資本人民幣500,000元 | 暫無營業 | | | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

25. PARTICULARS OF SUBSIDIARIES (CONTINUED)

Details of subsidiaries as at 31 December 2019 and 2020 are as follows: (continued)

25. 附屬公司詳情 (續)

於二零一九年及二零二零年十二月三十一日的附屬公司詳情乃如下：(續)

| Name of subsidiary | Place of incorporation or establishment | Particulars of issued and fully paid share capital/ paid up capital 已發行及 悉數繳足股本／ 已繳資本詳情 | Place of operation and principal activities | Directly | | Indirectly | |
|--|---|--|---|---------------|---------------|---------------|---------------|
| 附屬公司名稱 | 註冊成立或 成立地點 | | 營運地點及主要業務 | 直接 | | 間接 | |
| | | | | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 |
| Sichuan Loco Yahui Education Management Limited* ("Loco Yahui") (Notes 1 and 2) | PRC Mainland | Paid up capital RMB10,000,000 (2019: RMB5,000,000) | Education management services in PRC Mainland | - | - | 51.9% | 51.9% |
| 四川港銀雅匯教育管理有限公司 (「港銀雅匯」) (附註1及2) | 中國內地 | 已繳資本 人民幣10,000,000元 (二零一九年： 人民幣5,000,000元) | 於中國內地提供 教育管理服務 | | | | |

Notes:

- (1) Newly incorporated during the year ended 31 December 2019.
- (2) Non-controlling interest for the years ended 31 December 2019 and 2020, the details are set out in Note 31.
- (3) It is wholly-foreign-owned enterprise under the PRC Mainland Law.

* English name for identification purpose only

附註：

- (1) 於截至二零一九年十二月三十一日止年度新註冊成立。
- (2) 於截至二零一九年及二零二零年十二月三十一日止年度擁有非控股權益，詳情載於附註31。
- (3) 根據中國內地法律，其為外商獨資企業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

26. DISPOSAL OF SUBSIDIARIES AND DEEMED DISPOSAL OF A SUBSIDIARY

For the year ended 31 December 2019

LPM

During the year ended 31 December 2019, 100% equity interest in LPM was diluted to 40% by new capital injected by the Group and a third-party amounting to approximately HK\$7,990,000 and HK\$12,000,000 respectively. Subsequent to the deemed disposal interest in LPM, it is accounted as interest in an associate due to loss of its controlling stake at LPM accordingly.

The aggregate amounts of the assets and liabilities attributable to the deemed disposed of a subsidiary on the date of loss of control were as follows:

26. 出售附屬公司及視為出售一間附屬公司

截至二零一九年十二月三十一日止年度

港銀貴金屬

於截至二零一九年十二月三十一日止年度，於港銀貴金屬的100%股權透過本集團及第三方分別新注資約7,990,000港元及12,000,000港元被攤薄至40%。於視為出售於港銀貴金屬的權益後，由於相應地失去對港銀貴金屬的控制權，其按於一間聯營公司的權益入賬。

於失去控制權當日視為出售一間附屬公司應佔的資產及負債總額乃如下：

| | | HK\$'000 千港元 |
|--|---------------------------|-----------------|
| Net asset disposed of: | 已出售資產淨值： | |
| Cash at bank | 銀行現金 | 10 |
| Net asset disposed of | 已出售資產淨值 | 10 |
| Gain or loss on deemed disposal of a subsidiary: | 視為出售一間附屬公司的收益或虧損： | |
| Fair value of 40% equity interests in LPM | 於港銀貴金屬40%股權的公平值 | 8,000 |
| Less: Capital injected by the Group | 減：本集團注資 | (7,990) |
| Net asset disposed of | 已出售資產淨值 | (10) |
| Gain or loss on deemed disposal of a subsidiary | 視為出售一間附屬公司的收益或虧損 | - |
| Cash at bank disposed of | 已出售銀行現金 | (10) |
| Capital injected by the Group | 本集團注資 | (7,990) |
| Net outflow of cash and cash equivalents in respect of the deemed disposal of a subsidiary | 有關視為出售一間附屬公司的現金及現金等價物流出淨額 | (8,000) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

27. DISPOSAL OF PARTIAL INTEREST IN A SUBSIDIARY

Disposal of partial equity interest in True Time

During the year ended 31 December 2019, the Company and Mr. Hon entered into a share transfer agreement in relation to the sale and purchase of 43% equity interests in True Time (the “STA”), pursuant to which the Company agreed to sell 43% equity interests in True Time and Mr. Hon agreed to purchase 43% equity interests in True Time (the “Shares”) in consideration of Mr. Hon’s successful procurement of the condition precedents as stated in the STA.

As a result, as set out in the announcement made by the Company, the STA and the transactions contemplated thereunder have been confirmed, approved and ratified by the board of directors and the transfer of 43% equity interests in True Time contemplated under the STA has been completed in August 2019. In respect of this equity-settled share-based payment transaction, the Group measured the contract procurement services received from Mr. Hon and the corresponding increase in equity, directly at the fair value of the services received. The valuation was done as at the date that Mr. Hon first rendered the services.

Upon completion of the above transactions, the Company held 57% equity interests in True Time without losing control over True Time, accordingly the above transactions were accounted for as transactions with owner with an increase in non-controlling interest, which in turn held 100% equity interests in Gold Prosperous, which in turn owned 91% paid up capital of Loco Yahui. The consolidated net assets of True Time and its subsidiaries as at the date of share transferred are as follows:

27. 出售於一間附屬公司的部分權益

出售於True Time的部分股權

截至二零一九年十二月三十一日止年度，本公司與韓先生就買賣於True Time的43%股權訂立股份轉讓協議（「股份轉讓協議」），據此，本公司同意出售於True Time的43%股權，韓先生同意購買於True Time的43%股權（「股份」），代價為韓先生成功達成股份轉讓協議所載的先決條件。

因此，誠如本公司公告所載，董事會已確認、批准及追認股份轉讓協議及據此擬進行的交易，且根據股份轉讓協議擬進行的轉讓於True Time的43%股權已於二零一九年八月完成。就以股權結算之股份基礎給付交易而言，本集團直接按所收服務的公平值計量從韓先生所收到的合約採購服務及相應的股本增加。估值乃於韓先生首次提供服務之日進行。

於上述交易完成後，本公司於True Time持有57%股權，但未失去對True Time的控制權，故上述交易列賬為增加非控股權益之與擁有人之交易，而True Time持有鑫城興100%股權，鑫城興擁有港銀雅匯91%實繳股本。True Time及其附屬公司於股份轉讓日期的綜合資產淨值載列如下：

| | | HK\$'000 千港元 |
|---|---------------------|-----------------|
| Net assets as at the date of share transferred: | 於股份轉讓日期的資產淨值： | |
| Trade and other receivables and prepayment | 貿易及其他應收款項及預付款項 | 2,848 |
| Amount due from a holding company | 應收控股公司款項 | 8,752 |
| Amount due from a fellow subsidiary | 應收同系附屬公司款項 | 2,000 |
| Cash and cash equivalents | 現金及現金等價物 | 15,117 |
| Other payables and accruals | 其他應付款項及應計費用 | (213) |
| Amount due to a fellow subsidiary | 應付同系附屬公司款項 | (25,867) |
| Tax payable | 應付稅項 | (525) |
| Net assets as at the date of share transferred | 於股份轉讓日期的資產淨值 | 2,112 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities:

28. 綜合現金流量表附註

(a) 融資活動所產生的負債對賬：

| | | Lease liabilities 租賃負債 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|----------------------|--|--------------------------------|
| As at 1 January 2020 | 於二零二零年一月一日 | 3,151 | 3,151 |
| Changes from financing cash flows: | 融資現金流量變動： | | |
| Interest element of lease payment paid | 已付租賃付款的利息部分 | (71) | (71) |
| Repayments of capital element of lease payment | 租賃付款資本部分的還款 | (2,751) | (2,751) |
| | | (2,822) | (2,822) |
| Other changes: | 其他變動： | | |
| New lease entered | 訂立新租賃 | 1,975 | 1,975 |
| Interest expenses | 利息開支 | 71 | 71 |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 2,375 | 2,375 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(a) Reconciliation of liabilities arising from financing activities: (continued)

28. 綜合現金流量表附註 (續)

(a) 融資活動所產生的負債對賬：(續)

| | | Borrowing | Amounts due to related companies | Loan from a related company | Lease liabilities | Total |
|--|----------------------|-----------|----------------------------------|-----------------------------|-------------------|----------|
| | | 借貸 | 應付關連公司款項 | 一間關連公司提供之貸款 | 租賃負債 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| As at 1 January 2019 | 於二零一九年一月一日 | 4,100 | 4,173 | 27,195 | 5,535 | 41,003 |
| Changes from financing cash flows: | 融資現金流量變動： | | | | | |
| Interest paid | 已付利息 | (30) | – | (651) | – | (681) |
| Interest element of lease payment paid | 已付租賃付款的利息部分 | – | – | – | (113) | (113) |
| Proceeds from loans from related companies | 來自關連公司提供之貸款之所得款項 | – | – | 39,577 | – | 39,577 |
| Repayments of borrowings | 償還借貸 | (4,100) | – | – | – | (4,100) |
| Repayments of loan from related companies | 關連公司償還貸款 | – | – | (66,772) | – | (66,772) |
| Repayments to related companies | 向關連公司還款 | – | (4,173) | – | – | (4,173) |
| Repayments of capital element of lease payment | 租賃付款資本部分的還款 | – | – | – | (2,384) | (2,384) |
| | | (4,130) | (4,173) | (27,846) | (2,497) | (38,646) |
| Other changes: | 其他變動： | | | | | |
| Interest expenses | 利息開支 | 30 | – | 651 | 113 | 794 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | – | – | – | 3,151 | 3,151 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Non-cash transaction

In 2019, the Company had agreed to sell 43% equity interests in True Time and Mr. Hon had agreed to purchase 43% equity interests in True Time in consideration of Mr. Hon's successful procurement of the condition precedents as stated in the STA. It can be seen that the consideration for the issue of the Shares was not cash or other financial assets to be paid by Mr. Hon as purchaser of the Shares. Instead, the consideration was in the form of services rendered by Mr. Hon. Detail of the transaction is set out in Note 27.

29. RELATED PARTIES TRANSACTIONS AND CONNECTED TRANSACTIONS

In addition to those disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant related party transactions during the year:

28. 綜合現金流量表附註 (續)

(b) 非現金交易

於二零一九年，本公司已同意出售於True Time的43%股權，且韓先生已同意購買於True Time的43%股權，代價為韓先生成功達成股權轉讓協議所載的先決條件。由此可見，發行股份的代價並非韓先生作為股份買方將支付的現金或其他金融資產。相反，代價乃以韓先生提供服務的形式作出。有關交易詳情載於附註27。

29. 關連方交易及關連交易

除此綜合財務報表其他部分所披露者外，本集團於本年度訂立下列重大關連方交易：

| Type of transaction | 交易類別 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------------------------|----------------------------------|----------------------------------|
| Interest charged on loans granted to the Group (Note (i)) | 就本集團獲授之貸款收取利息 (附註(i)) | — | 651 |
| Office rental and other related expenses charged to the Group (Note (ii)) | 向本集團收取辦公室租金及其他相關開支 (附註(ii)) | — | 445 |
| Interest and commission charged by the Group for entering into Forward Arrangements (Note (iii)) | 本集團就訂立遠期協議收取利息及佣金 (附註(iii)) | — | 10 |
| Donation by the Group (Note (iv)) | 本集團捐款 (附註(iv)) | — | 500 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

29. RELATED PARTIES TRANSACTIONS AND CONNECTED TRANSACTIONS (continued)

Notes:

- (i) Interest was charged to the Group on the loans granted by companies in which Mr. Tan, the director of the Company, acts as director and has controlling equity interest (Note 9).
- (ii) The Group paid rent to a related company for occupation of office space and shared staff cost and office related expenses with other related companies. Mr. Tan acts as a director and has controlling equity interest in those companies.
- (iii) Interest income and commission income generated for entering into Forward Arrangements during the year were conducted with companies in which Mr. Tan acts as a director and has controlling equity interest.
- (iv) Donation was made to a charitable company in which Mr. Tan acts as one of the founder members.

Key management personnel compensation

Key management includes members of the board of directors and other members of key management of the Group. Their emoluments are set out as follows:

29. 關連方交易及關連交易 (續)

附註：

- (i) 多間公司就其授出的貸款向本集團收取利息，而本公司董事陳先生於該等公司擔任董事並擁有控制性股權(附註9)。
- (ii) 本集團已就佔用辦公室場地向一間關連公司支付租金並與其他關連公司分攤員工成本及辦公室相關開支。陳先生為該等公司董事並於其中擁有控制性股權。
- (iii) 年內訂立遠期協議產生之利息收入及佣金收入乃與陳先生於其中擔任董事並擁有控制性股權之公司進行。
- (iv) 捐款乃向一間慈善公司作出，陳先生於當中擔任創始成員之一。

主要管理人員薪酬

主要管理層包括本集團董事會成員及其他主要管理層成員。彼等之薪酬載列如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------|----------------------------------|----------------------------------|
| Salaries and short-term employee benefits | 薪金及短期僱員福利 | 8,536 | 9,507 |
| Post-employment benefits | 離職後福利 | 54 | 45 |
| | | 8,590 | 9,552 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

30. 本公司財務狀況表及儲備變動

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------------|--------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Investments in subsidiaries | 於附屬公司之投資 | 13,335 | 21,889 |
| Current assets | 流動資產 | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | 18,458 | 39,265 |
| Deposits and prepayments | 按金及預付款項 | 197 | 198 |
| Cash and cash equivalents | 現金及現金等價物 | 18,074 | 114 |
| | | 36,729 | 39,577 |
| Current liabilities | 流動負債 | | |
| Other payables and accruals | 其他應付款項及應計費用 | 771 | 538 |
| Amounts due to subsidiaries | 應付附屬公司款項 | 223 | 223 |
| | | 994 | 761 |
| Net current assets | 流動資產淨值 | 35,735 | 38,816 |
| Total assets less current liabilities | 總資產減流動負債 | 49,070 | 60,705 |
| Net assets | 資產淨值 | 49,070 | 60,705 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 161,112 | 144,480 |
| Reserves | 儲備 | (112,042) | (83,775) |
| Total equity | 總權益 | 49,070 | 60,705 |

Approved and authorized for issue by the board of directors on 25 March 2021.

於二零二一年三月二十五日經由董事會批准及授權刊發。

Wang Wendong
王文東
Director
董事

Fung Chi Kin
馮志堅
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(continued)

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

30. 本公司財務狀況表及儲備變動 (續)

本集團綜合權益各組成部分的期初及期末結餘之間的對賬載於綜合權益變動表。本公司於年初及年末之間的個別權益組成部分的變動詳情載列如下：

| | | Notes 附註 | Share capital 股本 HK\$'000 千港元 | Capital reserve 資本儲備 HK\$'000 千港元 | Equity- settled share-based payment reserves 以股本結算 之股份基礎 給付儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total equity 總權益 HK\$'000 千港元 |
|---|-------------------------|-------------|---|---|---|--|---|
| As at 1 January 2019 | 於二零一九年一月一日 | | 122,898 | – | 380 | (55,383) | 67,895 |
| Loss and total comprehensive loss for the year | 年內虧損及全面虧損總額 | | – | – | – | (33,106) | (33,106) |
| Issue of new shares by way of placement | 以配售方式發行新股份 | | 23,136 | – | – | – | 23,136 |
| Transaction costs attributable to issue of shares | 發行股份應佔的交易成本 | | (1,554) | – | – | – | (1,554) |
| Recognition of equity-settled share-based payments | 確認以股本結算之股份基礎給付 | 24 | – | 587 | 4,033 | – | 4,620 |
| Lapse of share options | 購股權失效 | | – | – | (278) | 278 | – |
| Deemed disposal of equity interests in a subsidiary without change of control | 視作在並無變更控制權下出售於一間附屬公司的股權 | 27 | – | (286) | – | – | (286) |
| As at 31 December 2019 and 1 January 2020 | 於二零一九年十二月三十一日及二零二零年一月一日 | | 144,480 | 301 | 4,135 | (88,211) | 60,705 |
| Loss and total comprehensive loss for the year | 年內虧損及全面虧損總額 | | – | – | – | (31,259) | (31,259) |
| Issue of new shares by way of placement | 以配售方式發行新股份 | | 17,020 | – | – | – | 17,020 |
| Transaction costs attributable to issue of shares | 發行股份應佔的交易成本 | | (388) | – | – | – | (388) |
| Recognition of equity-settled share-based payments | 確認以股本結算之股份基礎給付 | 24 | – | – | 2,992 | – | 2,992 |
| Lapse of share options | 購股權失效 | | – | – | (127) | 127 | – |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | | 161,112 | 301 | 7,000 | (119,343) | 49,070 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

31. NON-CONTROLLING INTERESTS

The total accumulated non-controlling interest as at the end of the year ended 31 December 2020 was approximately HK\$3,655,000 (2019: approximately HK\$8,893,000) is related to the non-controlling interests ("NCI") in True Time and its subsidiaries, which are principally engaged in provision of education management services in PRC Mainland.

Set out below is summarized consolidated financial information for True Time and its subsidiaries.

Summarized consolidated statement of financial position

31. 非控股權益

於截至二零二零年十二月三十一日止年度末累計非控股權益總額約3,655,000港元(二零一九年：約8,893,000港元)，與True Time及其附屬公司的非控股權益(「非控股權益」)有關，而True Time及其附屬公司主要於中國內地從事提供教育管理服務。

True Time及其附屬公司的綜合財務資料概述如下。

綜合財務狀況表概要

| | | As at 31 December 2020 於二零二零年 十二月三十一日 HK\$'000 千港元 | As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元 |
|-------------------------------|----------------|--|--|
| Current assets | 流動資產 | 18,758 | 40,824 |
| Current liabilities | 流動負債 | (12,829) | (22,886) |
| Current net assets | 流動資產淨值 | 5,929 | 17,938 |
| Non-current assets | 非流動資產 | 720 | — |
| Non-current liabilities | 非流動負債 | (143) | — |
| Non-current net assets | 非流動資產淨值 | 577 | — |
| Net assets | 資產淨值 | 6,506 | 17,938 |
| Accumulated NCI | 累計非控股權益 | 3,655 | 8,893 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

31. NON-CONTROLLING INTERESTS (continued)

Summarized consolidated statement of profit or loss and other comprehensive income

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| Revenue | 收入 | 6,207 | 25,201 |
| Profit for the year/period | 年內／期內溢利 | 203 | 17,346 |
| Other comprehensive income | 其他全面收益 | 1,298 | 10 |
| Total comprehensive income | 全面收益總額 | 1,501 | 17,356 |
| Profit allocated to NCI | 分配予非控股權益的溢利 | 119 | 8,347 |
| Total comprehensive income allocated to NCI | 分配予非控股權益的全面收益總額 | 743 | 4 |
| Dividends paid to NCI | 派付予非控股權益的股息 | 6,473 | — |

Summarized consolidated statement of cash flows

綜合現金流量表概要

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Cash flows from operating activities | 經營活動產生的現金流量 | 15,346 | (3,160) |
| Cash flows from investing activities | 投資活動產生的現金流量 | (753) | — |
| Cash flows from financing activities | 融資活動產生的現金流量 | (17,864) | (14,308) |
| Effect of foreign exchange rate changes | 外匯匯率變動的影響 | 835 | 10 |
| Net decrease in cash and cash equivalents | 現金及現金等價物減少淨額 | (2,436) | (17,458) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

32. FINANCIAL INSTRUMENT BY CATEGORY

32. 按類別劃分的金融工具

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------------------------|----------------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| <i>At amortized cost:</i> | <i>按攤銷成本：</i> | | |
| – Trade and other receivables | – 貿易及其他應收款項 | 7,708 | 27,806 |
| – Loan receivable | – 應收貸款 | – | 4,829 |
| – Cash and cash equivalents | – 現金及現金等價物 | 28,964 | 28,724 |
| <i>Mandatorily measured at FVTPL:</i> | <i>強制計量按公平值計入損益：</i> | | |
| – Other financial assets | – 其他金融資產 | 5,500 | 17,286 |
| | | 42,172 | 78,645 |
| Financial liabilities | 金融負債 | | |
| <i>At amortized cost:</i> | <i>按攤銷成本：</i> | | |
| Other payables and accruals | 其他應付款項及應計費用 | 1,901 | 2,088 |
| Lease liabilities | 租賃負債 | 2,375 | 3,151 |
| | | 4,276 | 5,239 |

33. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2020, nor has any dividend been proposed since the end of the reporting period (2019: Nil).

33. 股息

於截至二零二零年十二月三十一日止年度概無派付或建議派發任何股息，且自報告期末以來亦概無建議派發任何股息（二零一九年：無）。

FINANCIAL SUMMARY

財務概要

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out below:

本集團於過往五個財政年度之業績以及資產及負債概要載列如下：

| Results | 業績 | 2020 二零二零年 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 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Revenue from continuing operations | 持續經營業務收入 | 10,464 | 216,614 | 1,083,940 | 2,250,504 | 2,170,644 |
| (Loss)/Profit before income tax from continuing operations | 持續經營業務除所得稅前(虧損)/溢利 | (45,952) | (20,403) | (22,572) | (17,833) | 4,594 |
| (Loss)/Profit for the year (including discontinued operations) | 年度(虧損)/溢利(包括已終止經營業務) | (46,737) | (26,304) | (27,653) | (18,099) | 2,870 |

| Assets and liabilities | 資產及負債 | 2020 二零二零年 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 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-------------------------|-------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 37,219 | 61,867 | 162,865 | 231,570 | 215,895 |
| Current liabilities | 流動負債 | 3,779 | 9,250 | 86,652 | 121,596 | 92,562 |
| Non-current assets | 非流動資產 | 18,442 | 31,262 | 6,241 | 2,696 | 3,962 |
| Non-current liabilities | 非流動負債 | 659 | 871 | – | – | 36,080 |
| Total equity | 權益總額 | 51,223 | 83,008 | 82,454 | 112,670 | 91,215 |

| Key financial ratios | 重要財務比率 | 2020 二零二零年 | 2019 二零一九年 | 2018 二零一八年 | 2017 二零一七年 | 2016 二零一六年 |
|------------------------|---------|---------------|---------------|---------------|---------------|---------------|
| Current ratio | 流動比率 | 9.85 | 6.69 | 1.88 | 1.90 | 2.33 |
| Quick ratio | 速動比率 | 9.78 | 6.66 | 1.40 | 1.04 | 1.82 |
| Net gearing ratio | 淨資本負債比率 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Return on total assets | 總資產回報率 | (84.0%) | (28.2%) | (16.4%) | (7.7%) | 1.3% |
| Return on equity | 權益回報率 | (91.2%) | (31.7%) | (33.5%) | (16.1%) | 3.1% |

