

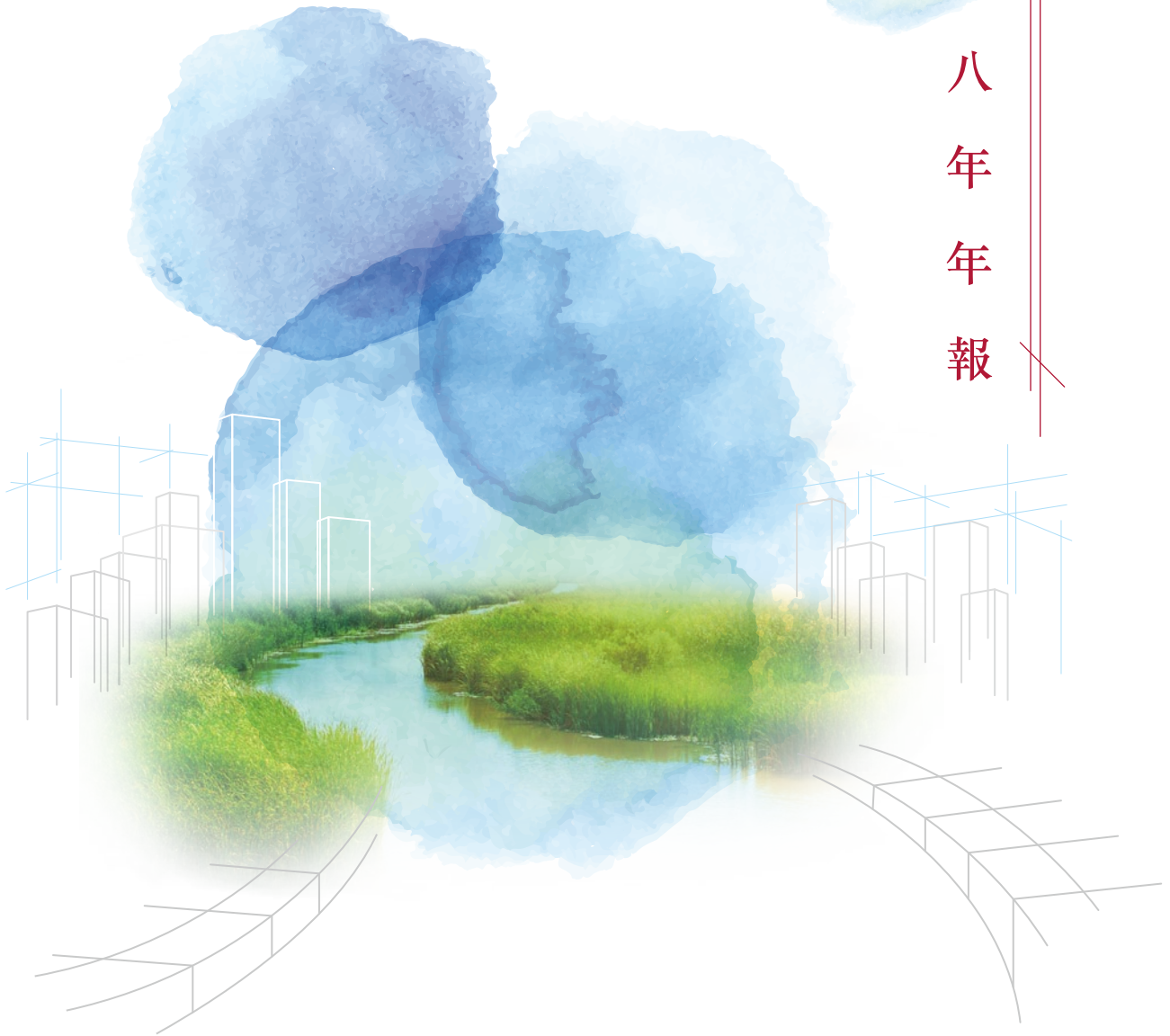


SFK Construction Holdings Limited
新福港建設集團有限公司

Incorporated in Bermuda with limited liability (Stock code : 1447)
於百慕達註冊成立的有限公司(股份代號: 1447)

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CONTENTS

目錄

Corporate Information 公司資料	2
Chairman's Statement 主席報告	4
Management Discussion and Analysis 管理層討論及分析	7
Environmental, Social and Governance Report 環境、社會及管治報告	36
Corporate Governance Report 企業管治報告	92
Biographical Details of Directors and Senior Management 董事及高級管理層履歷	107
Report of the Directors 董事報告	113
Independent Auditor's Report 獨立核數師報告	133
Consolidated Income Statement 綜合收益表	140
Consolidated Statement of Comprehensive Income 綜合全面收益表	141
Consolidated Statement of Financial Position 綜合財務狀況表	142
Consolidated Statement of Changes in Equity 綜合權益變動表	144
Consolidated Cash Flow Statement 綜合現金流量表	145
Notes to the Consolidated Financial Statements 綜合財務報表附註	147
Five Year Financial Summary 五年財務概要	240

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. CHAN Ki Chun (*Chairman and Managing Director of the Group*)
Mr. CHAN Chor Tung
Mr. YUNG Kim Man
Mr. YEUNG Cho Yin, William

Independent Non-Executive Directors

Mr. LAM Leung Tsun
Mr. JIM Fun Kwong, Frederick
Mr. CHAN Kim Hung, Simon

AUDIT COMMITTEE

Mr. JIM Fun Kwong, Frederick (*Chairman*)
Mr. LAM Leung Tsun
Mr. CHAN Kim Hung, Simon

NOMINATION COMMITTEE

Mr. CHAN Ki Chun (*Chairman*)
Mr. LAM Leung Tsun
Mr. CHAN Kim Hung, Simon

REMUNERATION COMMITTEE

Mr. CHAN Kim Hung, Simon (*Chairman*)
Mr. JIM Fun Kwong, Frederick
Mr. YEUNG Cho Yin, William

COMPANY SECRETARY

Ms. TANG Yuen Wah, Rity

AUTHORISED REPRESENTATIVES

Mr. CHAN Ki Chun
Mr. YEUNG Cho Yin, William

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

43/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

董事會

執行董事

陳麒淳先生 (本集團主席兼董事總經理)
陳楚東先生
容劍文先生
楊楚賢先生

獨立非執行董事

林良俊先生
詹勳光先生
陳劍雄先生

審核委員會

詹勳光先生 (主席)
林良俊先生
陳劍雄先生

提名委員會

陳麒淳先生 (主席)
林良俊先生
陳劍雄先生

薪酬委員會

陳劍雄先生 (主席)
詹勳光先生
楊楚賢先生

公司秘書

鄧婉華女士

授權代表

陳麒淳先生
楊楚賢先生

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總部、總辦事處及香港主要營業地點

香港
灣仔
皇后大道東183號
合和中心43樓

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

BERMUDA RESIDENT REPRESENTATIVE AND PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

KPMG, *Certified Public Accountants*

LEGAL ADVISERS

As to Hong Kong law:

ONC Lawyers

As to Bermuda law:

Conyers Dill & Pearman

As to Macau law:

Vong Hin Fai Lawyers & Private Notary

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited
BNP Paribas, Hong Kong Branch
Chong Hing Bank Limited
China Construction Bank (Asia) Corporation Limited
China CITIC Bank International Limited
DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
Dah Sing Bank, Limited
Standard Chartered Bank (Hong Kong) Limited
Bank of China, Macau Branch

STOCK CODE

1447

WEBSITE

www.sfkchl.com.hk

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

駐百慕達代表及主要股份過戶登記處

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

核數師

畢馬威會計師事務所·執業會計師

法律顧問

香港法律：

柯伍陳律師事務所

百慕達法律：

Conyers Dill & Pearman

澳門法律：

黃顯輝律師事務所暨私人公證員

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司
中國銀行(香港)有限公司
法國巴黎銀行香港分行
創興銀行有限公司
中國建設銀行(亞洲)股份有限公司
中信銀行(國際)有限公司
星展銀行(香港)有限公司
富邦銀行(香港)有限公司
大新銀行有限公司
渣打銀行(香港)有限公司
中國銀行澳門分行

股份代號

1447

網站

www.sfkchl.com.hk

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

To our Group, 2018 was another prosperous and delighted year. On behalf of the board (the "Board") of directors (the "Directors") of SFK Construction Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively "SFK" or the "Group") for the year ended 31 December 2018 (the "Year" or "2018").

We are principally engaged in construction and maintenance projects in Hong Kong and construction projects in Macau under our brand name "SFK (新福港)". We are an approved and omnicompetent contractor of public works in Hong Kong, including construction of public housings, and we believe our proven track record and good reputation in the construction industry position us well to maintain a sustainable business growth. We also provide other services, which mainly comprise housing and property management services, electrical and mechanical engineering services and building information modeling ("BIM") services.

We achieved delighted financial results for the Year. The Group recorded a historical high revenue of approximately HK\$6,197 million (2017: HK\$4,612 million). The consolidated net profit of the Year was approximately HK\$129 million (2017: HK\$143 million). The favourable results were primarily due to the combined effect of the award of several sizable projects during the Year and increase in contributions from our ongoing projects between years in accordance with the work progress.

During the Year, the Group has been awarded eleven new contracts with total contract value of approximately HK\$5,852 million (2017: HK\$4,070 million), representing an increase of 43.8% to that of 2017. The increase in new contract value reflected our successful tendering strategy in the Year to acquire more civil engineering projects with better profit margin. Two civil engineering contracts of significant contract values being awarded in the Year are of HK\$482 million and HK\$409 million respectively. The outstanding value of the contracts on hand as at 31 December 2018 was approximately HK\$10 billion and the level remains high. We expect that such high outstanding value of contracts on hand would provide the Group a steady growth in business revenue and earning for the coming years.

各位股東：

對本集團而言，二零一八年又是豐收及喜悅的一年。本人謹代表新福港建設集團有限公司（「本公司」）董事（「董事」）會（「董事會」）欣然提呈本公司及其附屬公司（統稱「新福港」或「本集團」）截至二零一八年十二月三十一日止年度（「年內」或「二零一八年」）的年報。

我們主要以我們的「SFK（新福港）」品牌名稱在香港從事建築及保養項目以及在澳門從事建築項目。我們是香港公共工程（包括建造公共房屋）的認可及全能承建商，而我們相信，我們的可靠往績記錄及於建築業的良好聲譽令我們作好準備維持可持續業務增長。我們亦提供其他服務，其中包括房屋及物業管理服務、機電工程服務及建築資訊模型（「BIM」）服務等其他服務。

我們在年內取得令人欣喜的財務業績。本集團錄得的收益創歷史高位，約為6,197百萬港元（二零一七年：4,612百萬港元）。本年度綜合純利為約129百萬港元（二零一七年：143百萬港元）。取得令人滿意的業績乃主要由於年內獲授多個大型項目及我們的在建項目在各年間根據工作進度獲得收入貢獻增加的綜合效應所致。

於年內，本集團已獲得總合約價值約5,852百萬港元（二零一七年：4,070百萬港元）的11份新合約，相較於二零一七年增加43.8%。新合約價值增加是由於我們年內的成功投標策略重點轉向獲取更優利潤率的土木工程項目。年內獲批兩份重大合約價值的土木工程合約分別為482百萬港元及409百萬港元。截至二零一八年十二月三十一日，手頭合約的未完成價值約為100億港元，仍維持在較高水平。我們預計，手頭合約的未完成價值維持於高水平將可為未來數年本集團的業務收益及盈利帶來穩定增長。

CHAIRMAN'S STATEMENT 主席報告

Never send to know for whom the bell tolls; it tolls the contractors in Hong Kong. Following the outbreak of the “Lead-in-Water” event in public housing estates and schools in 2015 and the “reinforcement bar couplers” event and the “missing Request for Inspection and Survey Checks forms (RISC)” event in 2018, there was public outcry and intense media scrutiny of quality of works of contractors in Hong Kong and the effectiveness of the monitoring system of the Government. Due to the seriousness of the matters, the Government set up commissions of inquiry to find out the causes of the events. Such public outcry might have a knock on effect that frontline inspectorate staff of the Government might take an over-cautious approach in checking the quality or conformity of contractors' works. Such over-cautious approach would disrupt the pace of construction activities and the overall progress of works to completion. This would be utterly unfair to the reputed contractors, like SFK, who all along maintains a high quality system and could achieve high quality of works. By all means, such over-cautious approach in checking quality of works would increase the overall construction cost and lengthen the time for completing the works. All contractors reputed to have high quality of works would suffer. Having said that, crisis creates opportunity, we are optimistic that the Group can maintain a steady growth in our construction business by maintaining high quality construction work services.

The most exciting matter in 2018 was that the Task Force on Land Supply (“TFLS”) tendered its recommendations on land supply strategies and land supply options to the Government at the end of 2018. Following the acceptance of such land supply strategies and options by the Government, the recommendations from TFLS not only could address the long-standing controversies over the land formation for development, but also pave the way for the Government in augmenting land supply on a sustainable basis. Civil engineering and general building contractors in Hong Kong will benefit from the Medium-to-Long Term Options in the TFLS's recommendations, which include “near shore reclamation”, “developing the East Lantau Metropolis” and “developing caverns and underground space”.

Looking ahead the proposed infrastructure and public housing development in Hong Kong, we are confident that our construction business will continue to operate in a stable and efficient way, which will further enhance our construction record and reputation. Meanwhile, we will keep looking for channels to diversify our resources into different businesses and geographical areas to capture new business opportunities.

不要問警鐘為誰而鳴，其為香港承建商而鳴。二零一五年公屋房產及學校的「鉛水」事件以及二零一八年「鋼筋連接器」事件及「缺失鋼筋檢查及測量申請表格(RISC)」事件爆發後，引起公眾強烈抗議，而媒體強烈提出對香港承建商的工程品質及政府監察系統的有效性進行審查。鑒於事件嚴重，政府成立調查委員會，以求事件成因。公眾抗議可能會產生連鎖效應，導致政府前線監察員在檢查承包商工程的品質或合規性時可能採取過於謹慎的措施，而該等措施亦會擾亂建築活動的步伐及工程完工總進度。此對新福港等知名承建商而言實屬不公，乃因彼等一直堅守高品質制度加求完成優質工程。無論如何，在檢查工程品質時採用有關過於謹慎方式會將增加整體建造成本及加長工程竣工時間。所有交付優質工程的承建商均受到影響。儘管如此，危中有機，我們樂觀認為本集團可憑藉其持續優質建築工程服務維持建築業務的穩定增長。

二零一八年最激動人心之事為土地供應專責小組(「土地供應專責小組」)於二零一八年底向政府正式提出有關土地供應策略及土地供應方案的建議。於政府接納有關土地供應戰略及選擇後，土地供應專責小組的建議不僅可解決土地平整開發長期存在的爭議，亦為政府在持續增加土地供應方面奠定基礎。香港的土木工程及一般建築承建商均將會受益於土地供應專責小組建議的中長期選擇，其中包括「近岸填海」、「發展大嶼山東部大都會」及「發展洞穴及地下空間」。

展望香港擬議的基礎設施及公屋發展，我們深信我們的建築業務將繼續以穩健有效的方式經營，以進一步提升我們的建築成績及聲譽。同時，我們將繼續尋找可將資源多元化至不同業務及地域的渠道，以把握新的商機。

CHAIRMAN'S STATEMENT

主席報告

Same as the years before, in order to increase any transparency and accountability to various stakeholders about our Group's Environmental, Social and Governance ("ESG") performance, we are pleased to present our ESG 2018 Report in this annual report which summarised our effort and performance in promoting and strengthening corporate social responsibility within the Group.

I would like to take this opportunity to express my heartfelt appreciation to my fellow board members, management team, staff members, suppliers, subcontractors, other business partners and, most importantly, our shareholders (the "Shareholders") and customers for their continuous support to the Group and contribution to its favourable results during the Year.

To reward and thank our Shareholders for their support, the Board recommends the payment of a final dividend of HK4.0 cents per share. Together with the interim dividend for the Year of HK9.0 cents per share already paid in September 2018, total payment of dividend for the Year amounted to HK13.0 cents per share (2017: HK31.0 cents per share).

Chan Ki Chun
Chairman

Hong Kong, 26 March 2019

與前一年相同，為提高本集團在環境、社會及管治（「環境、社會及管治」）表現方面對各持份者的透明度及問責性，我們欣然於本年報中呈列二零一八年環境、社會及管治報告，當中概述我們在促進及加強本集團企業社會責任方面作出的努力及表現。

本人藉此機會衷心感謝各董事會成員、管理團隊、員工、供應商、分包商及其他業務夥伴，尤其最重要的是我們的股東（「股東」）及客戶對本集團的一貫支持及對年內利好業績的貢獻。

為回饋及感謝各位股東的支持，董事會建議派付末期股息每股4.0港仙。連同年內中期股息每股9.0港仙已於二零一八年九月作出派付，年內股息付款總額為每股13.0港仙（二零一七年：每股31.0港仙）。

主席
陳麒淳

香港，二零一九年三月二十六日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group is principally engaged in construction and maintenance projects in Hong Kong and construction projects in Macau under our brand “SFK (新福港)”. In addition, the Group provides other services, which comprise mainly housing and property management services (such as the provision of cleaning services and security management services), electrical and mechanical engineering services and BIM services to real estates in Hong Kong and the PRC.

BUSINESS REVIEW

The Group achieved delighted financial results and recorded a historical high revenue for the Year. The Group’s revenue increased by 34.37% from HK\$4,611.97 million to HK\$6,197.16 million. Our profit for the year attributable to equity shareholders of the Company for 2018 amounted to HK\$129.69 million, compared to HK\$141.87 million for 2017. The results for the Year were mainly the combined effect of the award of certain sizeable projects during the Year and the increase in contributions from our ongoing projects between years in accordance with the work progress. This was partly offset by the surge in construction costs generally across the construction market. Nevertheless, our overall results remained positive during the Year.

The Group is one of the few construction companies in Hong Kong that are included in the List of Approved Contractors maintained by the Works Branch with Group C status (unlimited value) in all five works categories. The Group is also one of the approved contractors to tender for the Housing Authority’s new works contracts and maintenance contracts of unlimited value. These are the highest grades in the respective categories, which enable us to be capable and flexible in acquiring or tendering for all kinds of Government and Housing Authority’s construction and maintenance contracts for general building and civil engineering works. We are optimistic that our Group can maintain a steady growth in our construction and maintenance business.

本集團主要以我們的「SFK(新福港)」品牌在香港從事建築及保養項目以及在澳門從事建築項目。此外，本集團提供其他服務，主要包括向香港及中國的房地產提供房屋及物業管理服務(例如提供清潔服務及保安管理服務)、機電工程服務及BIM服務。

業務回顧

本集團於年內實現令人欣喜的財務業績並錄得收益歷史新高。本集團的收益由4,611.97百萬港元增加34.37%至6,197.16百萬港元；二零一八年本公司權益股東應佔年內溢利為129.69百萬港元，而二零一七年為141.87百萬港元。年內業績乃主要由於年內獲授若干大型項目及我們的在建項目在各年間根據工作進度獲得收入貢獻增加的綜合效應所致。部分被建築市場的建築成本激增所抵銷。儘管如此，我們年內的整體業績仍然樂觀。

本集團是被列入工務科存置的認可承建商名冊在所有五種工程類別中均是C組(不限價值)中的少數幾家香港建築公司之一。本集團亦是可以在競投房屋委員會新工程合約及保養合約(不限價值)的認可承建商之一。此乃各個類別中的最高等級，這使我們有能力並可靈活地在一般建築及土木工程方面獲得或競投所有種類的政府及房屋委員會的建築及保養合約。我們樂觀認為，本集團的建築及保養業務將維持穩定增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Following the outbreak of the “Lead-in-Water” event in public housing estates and schools in 2015 and the “reinforcement bar couplers” event and the “missing Request for Inspection and Survey Checks forms (RISC)” event in 2018, there was public outcry and intense media scrutiny of quality of works of contractors in Hong Kong and the effectiveness of the monitoring system of the Government. Due to the seriousness of the matters, the Government set up commissions of inquiry to find out the causes of the events. Such public outcry might have a knock on effect that frontline inspectorate staff of the Government might take an over-cautious approach in checking the quality or conformity of contractors’ works. Such over-cautious approach would disrupt the pace of construction activities and the overall progress of works to completion. This would be utterly unfair to the reputed contractors, like SFK, who all along maintains a high quality system and could achieve high quality of works. By all means, such over-cautious approach in checking quality of works would increase the overall construction cost and lengthen the time for completing the works. All contractors reputed to have high quality of works suffer. Having said that, crisis creates opportunity, we are optimistic that the Group can maintain a steady growth in our construction business by maintaining high quality construction work services.

Major projects awarded and undertaken in 2018

During the Year, we were awarded 11 projects as a main contractor in Hong Kong (out of which 6 and 5 are from the public sector and private sector, respectively), with total original contract sum of approximately HK\$5,852 million. The table below sets out the summary of our construction and maintenance projects for general building and civil engineering works that were awarded during the Year:

二零一五年公屋及學校的「鉛水」事件以及二零一八年「鋼筋連接器」事件及「缺失鋼筋檢查及測量申請表格(RISC)」事件爆發後，引起公眾強烈抗議，而媒體強烈提出對香港承建商的工程品質及政府監察系統的有效性進行審查。由於事件嚴重，政府成立調查委員會，以求事件成因。公眾抗議可能會產生衝擊作用，政府前線監察員在檢查承包商工程的品質或合規性時可能會採取過於謹慎的措施，而該等措施亦會擾亂建築活動與工程完工總進度的步伐。此對新福港等知名承建商而言實屬不公，乃因彼等一直堅守高品質制度加求完成優質工程。無論如何，在檢查工程品質時採用有關過於謹慎方式會將增加整體建造成本及延長工程竣工時間。所有交付優質工程的承建商均受到影響。儘管如此，危中有機，我們樂觀認為本集團可憑藉其持續優質建築工程服務維持建築業務的穩定增長。

二零一八年獲批及承接的主要項目

年內，我們於香港以總承建商身份獲批11個項目（來自公營部門及私營機構的項目分別為6個和5個），原訂合約總額約為5,852百萬港元。下表載列我們年內獲批的一般樓宇及土木工程建築及保養項目概要：

		Number of projects 項目數目	Total original contract sum 原訂合約總額 (approximate HK\$'million) (概約百萬港元)
Original contract sum at or above HK\$500 million	5億港元或以上的原訂合約金額	1	3,740
Original contract sum below HK\$500 million but at or above HK\$200 million	5億港元以下但2億港元或以上的原訂合約金額	5	2,038
Original contract sum below HK\$200 million but at or above HK\$50 million	2億港元以下但5,000萬港元或以上的原訂合約金額	1	72
Original contract sum less than HK\$50 million	少於5,000萬港元的原訂合約金額	4	2
		11	5,852

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 December 2018, we had a total of 21 projects for general building works and 8 projects for civil engineering works on hand. The total original contract sum of these projects was approximately HK\$20 billion. The outstanding value (defined as the difference between revenue recognised and the original contract sum) of our ongoing projects as at 31 December 2018 was approximately HK\$10 billion. The following table sets forth the particulars of some of the sizeable construction and maintenance projects for general building works and civil engineering works awarded and undertaken by us as a main contractor and remained ongoing as at 31 December 2018:

於二零一八年十二月三十一日，我們手頭有合共21個一般樓宇工程項目及8個土木工程項目。該等項目原訂合約總額約為200億港元。二零一八年十二月三十一日我們在建項目的未完成價值（定義為已確認收益與原合約金額之間的差額）約為100億港元。下表載列我們以總承建商身份獲批及承接且於二零一八年十二月三十一日仍在進行的部分一般樓宇工程及土木工程的大型建築及保養項目詳情：

Project type	Business segment	Scope of works	Original contract completion date	Original contract sum	Revenue recognised during the financial year 2018
項目類型	業務分部	工程範疇	原訂合約完工日期	原訂合約金額 (approximate HK\$'million) (概約百萬港元)	於二零一八年財政年度確認的收益 (approximate HK\$'million) (概約百萬港元)
Home ownership scheme development of the Housing Authority 房屋委員會居屋發展項目	General building works 一般樓宇工程	To build 3 blocks of around 30 storeys buildings, carpark and carport, and ancillary structures 興建3幢約30層高樓宇、停車場及車庫及附屬構築物	September 2018*** 二零一八年九月***	1,297.0	511.8
Home ownership scheme development of the Housing Authority 房屋委員會居屋發展項目	General building works 一般樓宇工程	To build 3 blocks of around 27 storeys building and ancillary structures 興建3幢約27層高樓宇及附屬構築物	October 2018*** 二零一八年十月***	1,299.0	433.8
Enhancement works at Carpark of Airport Authority Hong Kong 機場管理局停車場改善工程	Civil engineering works 土木工程	Enhancement works at Car Park 1 一號停車場改善工程	November 2018*** 二零一八年十一月***	123.7	81.2
Main contract for the Park for West Kowloon Cultural District Authority 西九文化區管理局的公園主合約	General building works 一般樓宇工程	Construction of the Art Park in West Kowloon Cultural District 於西九龍文化區興建藝術公園	December 2018*** 二零一八年十二月***	1,140.2	386.5
Proposed subsidised housing development of Hong Kong Housing Society 香港房屋協會的建議資助房屋發展項目	General building works 一般樓宇工程	To build a 31-storey residential block, a single storey commercial block, an open car park and slope improvement 興建1棟31層高住宅樓、1棟1層高商場、露天停車場及斜坡加固	June 2019 二零一九年六月	464.0	170.4
Contract with the Hospital Authority 與醫院管理局的合約	General building works – maintenance project 一般樓宇工程 – 保養項目	To carry out minor works for New Territories East and New Territories West Clusters 為新界東及新界西醫院聯網實施小型工程	June 2019 二零一九年六月	734.2	201.1

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Project type	Business segment	Scope of works	Original contract completion date	Original contract sum	Revenue recognised during the financial year 2018
項目類型	業務分部	工程範疇	原訂合約完工日期	原訂合約金額 (approximate HK\$ million) (概約百萬港元)	於二零一八年財政年度確認的收益 (approximate HK\$ million) (概約百萬港元)
Kai Tak Development for Civil Engineering and Development Department 土木工程拓展署的啟德發展計劃	Civil engineering works 土木工程	Infrastructure works for developments at the southern part of the former runway 前跑道南面基礎設施發展工程	September 2019 二零一九年九月	1,947.0*	235.3**
Public rental housing development of the Housing Authority 房屋委員會公屋發展項目	General building works 一般樓宇工程	To build 5 domestic blocks with 4,846 flats and ancillary buildings 興建5座共4,846個單位的住宅大樓及配套建築物	October 2019 二零一九年十月	3,047.0	1,311.5
Construction of Public Rental Housing Development of the Housing Authority 房屋委員會公共租住房屋發展計劃建築工程	General building works 一般樓宇工程	Construction of Public Rental Housing Development 公共租住房屋發展計劃建築工程	December 2019 二零一九年十二月	707.0	265.4
Construction of Subsidised Sale Flats Development of Housing Authority 房屋委員會資助出售房屋發展計劃建築工程	General building works 一般樓宇工程	Construction of Subsidised Sale Flats Development 資助出售房屋發展計劃建築工程	February 2020 二零二零年二月	513.0	168.1
Main Contract for Global Graduate Tower of HKUST 香港科技大學研究生宿舍主合約	General building works 一般樓宇工程	Construction of Global Graduate Tower in HKUST 於香港科技大學興建香港科技大學研究生宿舍	February 2020 二零二零年二月	316.4	46.9
Works Contract for the M+ Waterfront Promenade of West Kowloon Cultural District Authority 西九文化區管理局的M+海濱長廊工程合約	General building works 一般樓宇工程	Construction of M+ Waterfront Promenade 興建M+海濱長廊項目	February 2020 二零二零年二月	69.7	2.3
Maintenance of hydraulic and pumping system and buildings managed by the Airport Authority 為機場管理局管理的液壓和泵送系統及樓宇提供保養	General building works – maintenance project 一般樓宇工程 – 保養項目	Maintenance, improvement and refurbishment for hydraulic and pumping system and various buildings managed by the Airport Authority 為機場管理局管理的液壓和泵送系統及多種樓宇提供保養、改善及翻新工程	March 2020 二零二零年三月	221.8	77.0

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Project type	Business segment	Scope of works	Original contract completion date 原訂合約完工日期	Original contract sum 原訂合約金額 (approximate HK\$'million) (概約百萬港元)	Revenue recognised during the financial year 2018 於二零一八年財政年度確認的收益 (approximate HK\$'million) (概約百萬港元)
項目類型	業務分部	工程範疇			
Maintenance of properties managed by the Housing Authority 為房屋委員會管理的物業提供保養	General building works – maintenance project 一般樓宇工程 – 保養項目	Maintenance, improvement and vacant flat refurbishment for properties managed by the Housing Authority in Tuen Mun and Yuen Long 為房屋委員會管理位於屯門及元朗的物業提供保養、改善及空置單位翻新工程	March 2020 二零二零年三月	246.7	86.9
Maintenance of properties managed by the Architectural Services Department 為建築署管理的物業提供保養	General building works – maintenance project 一般樓宇工程 – 保養項目	Alterations, additions, maintenance and repair of buildings and lands and properties in (i) Hong Kong Island Eastern and Outlying Islands (South); (ii) Hong Kong Island Western, Southern and Lantau Island for which Architectural Services Department (Property Services Branch) is responsible 為建築署(物業事務處)負責的(i)港島東區及離島(南); (ii)港島西區、南區及大嶼山的樓宇、土地及物業進行改建、加建、保養及維修工程	March 2021 二零二一年三月	1,471.8	372.6
Site Formation and Infrastructure Works for Civil Engineering and Development Department 土木工程拓展署的工地平整和基礎設施工程	Civil engineering works 土木工程	Site formation and infrastructure works for development at Kam Tin South, Yuen Long – Advance works 元朗錦田南發展計劃工地平整和基礎設施工程 – 前期工程	July 2021 二零二一年七月	409.0	7.5
Maintenance of properties managed by the Housing Authority 為香港房屋委員會管理的物業提供保養	General building works – maintenance projects 一般樓宇工程 – 保養項目	Maintenance, improvement and vacant flat refurbishment for properties in (i) Wong Tai Sin, Tsing Yi and Tsuen Wan; (ii) Hong Kong Island & Islands 為(i)黃大仙、青衣及荃灣區; (ii)港島及離島區的物業提供保養、改善及空置單位翻新工程	September 2021 二零二一年九月	863.2	38.6
Piers maintenance for Civil Engineering and Development Department 土木工程拓展署的碼頭保養合約	Civil engineering – maintenance project 土木工程 – 保養項目	To carry out maintenance works for piers 為渡輪碼頭進行保養工程	March 2022 二零二二年三月	150.1	93.9

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Project type	Business segment	Scope of works	Original contract completion date	Original contract sum	Revenue recognised during the financial year 2018
項目類型	業務分部	工程範疇	原訂合約完工日期	原訂合約金額 (approximate HK\$ million) (概約百萬港元)	於二零一八年財政年度確認的收益 (approximate HK\$ million) (概約百萬港元)
Construction of Public Rental Housing Development and Subsidised Sale Flats Development of the Housing Authority 房屋委員會公共租住房屋發展計劃及資助出售房屋發展計劃建築工程	General building works 一般樓宇工程	Construction of public rental housing development and subsidised sale flats development 公共租住房屋發展計劃及資助出售房屋發展計劃建築工程	October 2022 二零二二年十月	3,740.0	401.1
Management and maintenance of roads in Kowloon East for the Highways Department 為路政署管理及保養九龍東道路	Civil engineering works — maintenance projects 土木工程 — 保養項目	Management and maintenance of public roads, including associated slopes, highway structures, tunnels, landscaping and minor improvement works, in Kowloon East but excluding Expressways and High Speed Roads 管理和維修九龍東的公共道路(快速公路及高速道路除外), 包括進行相關的斜坡、道路構築物、隧道、園境設施和小規模道路改善工程	March 2024 二零二四年三月	482.6	64.3
* In a form of joint operation in which the Company participates in 40% of the contract.			* 採用合營業務形式, 本公司持有40%合約權益。		
** The revenue recognised represented our shares of the contract.			** 已確認收益指我們應佔該合約的份額。		
*** The original contract completion date has been postponed and the contract was still ongoing as at 31 December 2018.			*** 截至二零一八年十二月三十一日, 原合約完成日期已推遲, 合約仍在進行中。		

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Major projects completed in 2018

Completed projects refer to projects for which we have received the completion certificates from the respective customers or terms of year of the contracts expired. Details of the major projects completed by the Group as a main contractor during the Year are as follow:

二零一八年完成的主要項目

完成項目指我們自相關客戶收到完工證明書或合約年期已屆滿的項目。年內，本集團以總承建商身份完成的主要項目詳情如下：

Project type	Business segment	Scope of works	Contract period	Original contract sum	Revenue recognised during the financial year 2018
項目類型	業務分部	工程範疇	合約期	原訂合約金額 (approximate HK\$ million) (概約百萬港元)	於二零一八年財政年度確認的收益 (approximate HK\$ million) (概約百萬港元)
Management and maintenance of roads in Kowloon East for the Highways Department 為路政署管理及保養九龍東道路	Civil engineering works — maintenance projects 土木工程 — 保養項目	Management and maintenance of public roads, including associated slopes, highway structures, landscaping and minor improvement works, in Kowloon East but excluding high speed roads 管理及保養九龍東的公共道路(快速公路除外)，包括相關斜坡、公路構築物、景觀美化及小型道路改善工程	April 2014 to March 2018 二零一四年四月至二零一八年三月	550.0	114.6
Maintenance of properties managed by the Housing Authority 為房屋委員會管理的物業提供保養	General building works — maintenance projects 一般樓宇工程 — 保養項目	Maintenance, improvement and vacant flat refurbishment for properties managed by the Housing Authority at Wong Tai Sin, Tsing Yi, Tsuen Wan and Islands 為房屋委員會管理位於黃大仙、青衣、荃灣及離島的物業提供保養、改善及空置單位翻新工程	April 2015 to March 2018 二零一五年四月至二零一八年三月	432.2	113.9

A majority of our revenue is generated from our general building and civil engineering works. During the Year, the revenue attributable to our general building and civil engineering business amounted to HK\$4,807.08 million and HK\$1,236.28 million (2017: HK\$3,275.66 million and HK\$1,228.05 million), respectively, representing approximately 77.57% and 19.95% (2017: 71.03% and 26.63%), respectively, of the total revenue of the Group for the Year.

我們的大部分收益來自一般樓宇及土木工程。年內，一般樓宇及土木工程業務收益分別為4,807.08百萬港元及1,236.28百萬港元(二零一七年：3,275.66百萬港元及1,228.05百萬港元)，分別佔年內本集團總收益約77.57%及19.95%(二零一七年：71.03%及26.63%)。

During the Year, other than general building and civil engineering works, we also provided other services which comprised mainly housing and property management services (such as the provision of cleaning services and security management services), electrical and mechanical engineering services and BIM services to real estates in Hong Kong and the PRC. Revenue attributable to these other services amounted to approximately 2.48% of the total revenue of the Group for the Year (2017: 2.34%).

年內，除一般樓宇及土木工程外，我們亦提供其他服務，主要包括向香港及中國的房地產提供房屋及物業管理服務(如清潔服務及保安管理服務)、機電工程服務及建築資訊模型(「BIM」)服務。其他服務應佔收益佔年內本集團總收益約2.48%(二零一七年：2.34%)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Award of Contract after the Reporting Period

The Group has been awarded and undertaken by us the following contract for maintenance project after the reporting period and the table below sets forth the particulars of the project:

於報告期後獲批的合約

本集團已獲批且經我們承接於報告期後進行保養項目的合約如下，下表載列該項目的詳情：

Project type 項目類型	Business segment 業務分部	Scope of works 工程範圍	Contract period 合約期	Original contract sum 原訂合約金額 (approximate HK\$'million) (概約 百萬港元)
Design and Construction managed by the Architectural Services Department 為建築署管理的工程提供設計及施工	General building works – Maintenance projects 一般樓宇工程 – 保養項目	Design and Construction of Minor Works to Government and Subvented Properties for Architectural Services Department – New Territories and Outlying Islands (North) 為建築署負責的政府設施及資助設施的小型工程進行設計及施工 – 新界及離島(北)	February 2019 to August 2022 二零一九年二月至二零二二年八月	531.0

Our commitment to safety, quality and environment

The Board is of the view that the continued success of our business primarily depends on our ability to meet our customers' requirements, particularly in respect of safety, quality and environmental aspects. The Group has established a set of quality assurance measures and has committed to high safety standard and environmental impact control. Through the systematic and effective control of the Group's operations and monitoring procedures and control over its subcontractors, compliance with safety, quality and environmental requirements can be further assured and in the meantime, non-conformance, environmental incidents and liability can be eliminated or reduced.

安全、品質及環境承諾

董事會認為，我們業務的持續成功主要倚重我們滿足客戶要求的能力，尤其在安全、品質及環境等方面。本集團已確立一套品質保證措施並致力維持高水平安全標準及環境影響監控。通過全面高效的集團營運監控及分包商監察程序及控制，可進一步確保符合安全、質素及環境規定，亦可杜絕或減少違規、環境事故及相關責任。

The Group has been accredited and continuously re-accredited with ISO9001, ISO14001, ISO50001 and OHSAS18001 certifications. The Board believes that these certifications will enhance our public image, credibility and customers' confidence in the Group. In recent years, more and more tenders have included the requirements of ISO9001, ISO14001 and OHSAS18001 certifications and our certified status will bring us more business opportunities and uphold our competitiveness.

本集團已取得並持續取得ISO9001、ISO14001、ISO50001及OHSAS18001認證。董事會相信該等認證將提升我們的公眾形象、信譽及客戶對本集團的信心。近年，越來越多競投要求競投者通過ISO9001、ISO14001及OHSAS18001認證，因此我們的認證地位將帶給我們更多商機並維持我們的競爭力。

For more details on our performance in safety, quality and environmental aspects, please refer to the Environmental, Social and Governance Report (the "ESG Report") on pages 36 to 91 of this annual report.

有關我們於安全、品質及環境等方面表現的更多詳情，請參閱本年報第36至91頁的環境、社會及管治報告（「環境、社會及管治報告」）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Effective cost control and savings measures

Our management has been flexible and will continue to do so in deploying resources with reference to the stage of completion of various ongoing projects in order to capture business opportunities and to optimise the allocation of resources.

Given our wide diversity of works, we are able to implement a centralised resources sourcing and allocation system which allows us to reduce costs by making bulk purchases and maximise utilisation of resources, and a customised enterprise resources planning programme to monitor the cost in real time.

We maintain good and long-standing relationships with our subcontractors. By having long-standing relationships with our subcontractors, we can make comprehensive assessment of our subcontractors over years so as to ensure the quality of works in the long run. Our relationships with these subcontractors also obviate the need for keeping a large number of workers under permanent employment of the Group, thereby giving us the feasibility to deploy our resources more cost effectively without compromising our quality.

有效的成本控制及節約措施

我們的管理層一直並將按各個進行中項目的完成進度靈活調配資源，務求把握商機及優化資源分配。

鑑於我們的工程項目之多樣性，我們採用集中資源採購及分配系統，令我們可透過批量採購及物盡其用以降低成本，並根據量身定製的企業資源規劃方案實時監控成本。

我們與分包商維持良好的長期合作關係。經過長期業務往來，我們能夠全面評估分包商的多年表現，長遠而言利於確保工程質素。我們與分包商的關係亦使本集團毋需僱用大量全職工人，利於我們在無損質素的情況下更具成本效益地配置資源。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately HK\$1,585.19 million, or approximately 34.37%, from HK\$4,611.97 million for 2017 to HK\$6,197.16 million for 2018. The increase in our revenue was mainly due to the increase in general building business of HK\$1,531.42 million.

Revenue from general building business increased by approximately HK\$1,531.42 million, or approximately 46.75%, from HK\$3,275.66 million for 2017 to HK\$4,807.08 million for 2018. The increase was primarily due to the inclusion of certain new general building contracts, including the construction of public rental housing development and subsidised sale flats development for the Hong Kong Housing Authority. In addition, there was an increase in revenue of certain general building contracts in accordance with the work progress, including the construction of a home ownership scheme development for the Hong Kong Housing Authority, the construction of a proposed subsidised housing development for the Hong Kong Housing Society and the construction of a public rental housing development for the Hong Kong Housing Authority.

Revenue from civil engineering business increased slightly by approximately HK\$8.23 million, or approximately 0.67%, from HK\$1,228.05 million for 2017 to HK\$1,236.28 million for 2018. The increase was mainly the combined effect of the increase in revenue of certain civil engineering contracts in accordance with the work progress, including Kai Tak Development at the southern part of the former runway, and the enhancement works at carpark of Airport Authority Hong Kong. This was partly offset by the decrease in revenue between years due to the completion of certain civil engineering maintenance projects.

Revenue from other services (which mainly comprised housing and property management services, electrical and mechanical engineering services and BIM services) for 2018 amounted to HK\$153.81 million (2017: HK\$108.26 million), representing 2.48% (2017: 2.34%) of the total revenue of the Group.

Our business remained to be primarily focusing in the Hong Kong market during the Year.

財務回顧

收益

我們的收益由二零一七年的4,611.97百萬港元增加約1,585.19百萬港元或約34.37%至二零一八年的6,197.16百萬港元。收益增加乃主要由於一般樓宇業務增加1,531.42百萬港元所致。

一般樓宇業務的收益由二零一七年的3,275.66百萬港元增加約1,531.42百萬港元或約46.75%至二零一八年的4,807.08百萬港元。收益增加乃主要由於計入若干新一般樓宇合約(包括香港房屋委員會的公共租住房屋發展及資助出售房屋單位建築工程)所致。此外，根據施工進度(包括香港房屋委員會的居屋發展項目及香港房屋協會的擬議資助房屋發展項目以及香港房屋委員會的公共租住房屋發展建築工程)，若干一般樓宇合約的收益增加。

土木工程業務的收益由二零一七年的1,228.05百萬港元略增加約8.23百萬港元或約0.67%至二零一八年的1,236.28百萬港元。收益增加乃主要由於根據施工進度若干土木工程合約收益增加(包括前跑道南面的啟德發展計劃及香港機場管理局停車場的改善工程)綜合影響所致。部分被由於完成若干土木工程保養項目而產生的年度之間收益減少所抵銷。

其他服務(主要包括房屋及物業管理服務、機電工程服務及BIM服務)的收益於二零一八年為153.81百萬港元(二零一七年：108.26百萬港元)，佔本集團總收益的2.48%(二零一七年：2.34%)。

年內，我們的業務仍主要專注於香港市場。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit and gross profit margin

Our overall gross profit increased by approximately HK\$26.02 million, or approximately 10.53%, from HK\$247.16 million for 2017 to HK\$273.18 million for 2018. The increase in our gross profit was mainly due to the increase in contributions from our ongoing projects between years in accordance with the work progress.

Gross profit margin for 2018 amounted to 4.41%, which was slightly lower when compared to that of 5.36% for 2017. The profitability was partly affected by the surge in construction costs generally across the construction market.

Other revenue

Other revenue mainly consisted of interest income and sundry income. Our other revenue for 2018 amounted to HK\$4.76 million, which was higher compared to that of HK\$0.35 million for 2017. This was mainly due to the increase in sundry income between years.

Other net (loss)/gain

Our other net loss for 2018 amounted to HK\$0.46 million, and was mainly comprised loss on disposal of plant and equipment and net foreign exchange loss. Our other net gain for 2017 amounted to HK\$0.53 million.

Administrative expenses

Administrative expenses mainly consisted of staff costs and rental charges. Our administrative expenses for 2018 amounted to HK\$92.53 million, compared to that of HK\$72.67 million for 2017. The increase was mainly due to the increase in staff costs between years.

Finance costs

Our finance costs for 2018 amounted to HK\$12.23 million, compared to that of HK\$5.49 million for 2017. The increase was primarily associated with the increase in bank interest expenses arising from the increase in average bank loan balances and average interest rates.

Share of results of a joint venture

Our share of results of a joint venture for 2018 was a net loss of HK\$15.80 million, compared to that of a net profit of HK\$1.02 million for 2017. The net loss in 2018 was mainly because the joint venture agreed the final account with a smaller amount than originally expected after considering the financial condition of one of the customers. This led to an overall loss recorded in the books of the joint venture in 2018.

毛利及毛利率

我們的整體毛利由二零一七年的247.16百萬港元增加約26.02百萬港元或約10.53%至二零一八年的273.18百萬港元。我們的毛利增加乃主要由於我們的在建項目於各年度根據工作進度獲得的收入貢獻增加。

二零一八年的毛利率為4.41%，較二零一七年的5.36%略降。盈利能力部分受到建築市場的建築成本整體上揚所影響。

其他收益

其他收益主要包括利息收入及雜項收入。二零一八年的其他收益為4.76百萬港元，與二零一七年的其他收益0.35百萬港元相比有所增加，主要由於年度之間的雜項收入增加。

其他淨(虧損)/收益

二零一八年的其他淨虧損為0.46百萬港元，主要包括出售廠房及設備的虧損及匯兌虧損淨額。二零一七年的其他淨收益為0.53百萬港元。

行政開支

行政開支主要包括員工成本及租金支出。二零一八年的行政開支為92.53百萬港元，而二零一七年則為72.67百萬港元。是項增加乃主要由於年度之間的員工成本增加所致。

融資成本

二零一八年的融資成本為12.23百萬港元，而二零一七年的融資成本為5.49百萬港元。是項增加乃主要與平均銀行貸款結餘及平均利率增加令銀行利息開支增加有關。

分佔合營企業業績

二零一八年分佔合營企業業績為淨虧損15.80百萬港元，而二零一七年的純利為1.02百萬港元。二零一八年淨虧損主要由於合營企業在考慮一名客戶的財務狀況後同意金額低於原預期數額的決算賬戶，由此導致二零一八年合營企業的賬簿錄得全面虧損。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Income tax

Our income tax for 2018 amounted to HK\$27.59 million, compared to that of HK\$28.22 million for 2017. The effective tax rate (excluding share of results of a joint venture) for 2018 was 15.97%, compared to that of 16.61% for the 2017.

Profit attributable to the equity shareholders of the Company

Based on the above factors, profit attributable to the equity shareholders of the Company decreased by approximately HK\$12.18 million, or approximately 8.59%, from HK\$141.87 million for 2017 to HK\$129.69 million for 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

The following are some principal risks and uncertainties facing the Group, which may materially adversely affect its business, financial condition or results of operations:

Highly regulated industry

The construction industry is a highly regulated industry and our business is subject to various government regulations. In accordance with the laws of Hong Kong and Macau, the Group is required to obtain or maintain certain registrations, licences and/or certifications to operate its business. All such registrations, licences and/or certificates are granted/renewed and maintained upon the satisfactory compliance by the Group with, among others, the applicable criteria set by the relevant government departments or organisations. Such criteria may include the maintenance of certain financial criteria including the working capital level, the adequacy of our management structure and the appropriate experience and qualification of the personnel of the Group. These registrations, licences and/or certificates may only be valid for a limited period of time and may be subject to periodic reviews and renewal by government authorities and relevant organisations. In addition, the standards of compliance required in relation thereto may from time to time be subject to changes without substantial advance notice.

所得稅

二零一八年的所得稅為27.59百萬港元，而二零一七年則為28.22百萬港元。二零一八年的實際稅率（不包括分佔合營企業業績）為15.97%，而二零一七年的實際稅率則為16.61%。

本公司權益股東應佔溢利

基於上述因素，本公司權益股東應佔溢利由二零一七年的141.87百萬港元減少約12.18百萬港元或約8.59%至二零一八年的129.69百萬港元。

主要風險及不確定因素

可能嚴重不利本集團業務、財務狀況或經營業績的若干主要風險及不確定因素如下：

行業監管嚴格

建築業受嚴格監管，我們的業務須遵守多項政府法規。根據港澳兩地法例，本集團須取得或持有若干登記、牌照及／或證書方可經營業務。本集團妥善遵守（其中包括）有關政府部門或機構設定的相關標準而獲授／續期及持有所有登記、牌照及／或證書。相關標準可能包括本集團須維持若干財務標準，包括營運資金水平、適當的管理層架構及相關人員經驗及只在限期內有效資質等。該等登記、牌照及／或證書可能僅於有限時間內有效且可能須經政府部門及相關機構定期審核以續期。此外，相關合規標準或會不時變更而不會作出足夠的事先通知。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The loss of or failure to obtain or renew or a suspension of any or all of the Group's registrations, licences and/or certifications could materially and adversely affect the business of the Group.

Reliance on the contracts granted by the Hong Kong Government

The Hong Kong Government has been and is expected to continue to be the Group's largest customer. If there is any decrease or delay in the spending of the Hong Kong Government in the construction industry or any revocation or suspension of the licences, the business, results of operations and financial positions of the Group may be adversely affected.

Competitive tendering progress and the making of estimates

The business of the Group operates on a non-recurring and project-by-project basis. We have no long-term commitments with our customers, but rely on successful tenders that determine the award of construction contracts. The number of contracts awarded to the Group, therefore, may vary from time to time. Upon completion of its contracts on hand, the Group's financial performance may adversely be affected if the Group is unable to secure new tenders or obtain new contract awards with comparable contract sums or at all.

Further, in the tendering process, the Group has to estimate construction time and costs in order to determine the tender price. However the actual implementation of a project may not accord with such estimation due to cost overruns and/or other related construction risks. If our estimates of the overall risks, revenue or costs prove inaccurate, the Group will experience lower profitability or even make losses on contracts, which could materially and adversely affect its business, financial condition, results of operations and prospects.

Uncertainty in construction progress

The Group relies on subcontractors to implement the construction contracts and there is no assurance that these subcontractors will be able to continue providing services to us at fees acceptable to us or our relationship with them could be maintained in the future. In the event that any of our principal subcontractors are unable to provide the required services to the Group or their cost for providing the required services increase substantially, the Group's business, results of operations, profitability and liquidity may be adversely affected.

本集團失去或無法取得或續期或遭吊銷任何或全部登記、牌照及／或證書，可能嚴重不利影響本集團業務。

依賴香港政府授予的合約

香港政府一直是及預計仍是本集團的最大客戶。若香港政府削減或延遲建築業支出或撤銷或吊銷本集團的牌照，可能對本集團業務、經營業績及財務狀況有不利影響。

競爭性競投及所作估計

本集團業務的營運屬非經常性質，按逐一項目營運。我們對客戶並無長期承擔，而是通過成功中標獲授建築合約，故本集團獲授的合約數目不時變化。倘本集團手頭合約完成後無法獲得新的競標項目或合約金額相當的新合約或兩者皆不可得，可能對本集團財務表現有所不利。

此外，本集團競投時須估計建築時間及成本以釐定競投價，但項目實施情況因超支及／或其他建築相關風險而未必符合該等估計。倘我們對整體風險、收益或成本的估計失準，本集團的合約所得溢利或會減少，甚至可能虧損，會對業務、財務狀況、經營業績及前景產生嚴重不利影響。

建築過程的不確定因素

本集團依賴分包商執行建築合約，但無法保證分包商日後能夠持續按我們可接受的費用提供服務或與我們維持業務關係。倘任何主要分包商無法提供本集團所需服務或服務成本大幅上漲，可能對本集團的業務、經營業績、盈利能力及流動資金產生不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Further, there may be delays or disruptions to our works due to unforeseen circumstances that are beyond our control. If the Group fails to complete works by the relevant deadlines as stipulated in the contracts, it may be required to compensate its customers and the Group's business, results of operations, profitability and liquidity may be adversely affected.

Uncertain external factors

Most of our operations are currently located in Hong Kong. Although the construction industry in Hong Kong has been growing in view of the strong housing needs and government large infrastructure projects, the future growth and prospect will largely depend on the continued prosperity of the property market and the continued availability of major construction projects.

For more details of the above principal risks and uncertainties and other risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" in the prospectus of the Company dated 30 November 2015 (the "Prospectus").

另外，我們的工程或會因我們無法控制的不可預見因素而延誤或中斷。倘本集團未能於合約訂明的截止時間前完工，則可能須賠償客戶，會對本集團業務、經營業績、盈利能力及流動資金產生不利影響。

外部不確定因素

我們大部分現有業務位於香港。雖然香港建築業因應住房需求殷切及政府實施大型基建項目而持續增長，但未來增長及前景仍主要依賴物業市場的持續繁榮及大型建築項目投建。

有關上述主要風險及不確定因素及本集團面臨的其他風險及不確定因素的更多詳情，請參閱本公司日期為二零一五年十一月三十日的招股章程（「招股章程」）「風險因素」一節。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

KEY PERFORMANCE INDICATORS (“KPIs”) WITH THE STRATEGY OF THE GROUP

The Group sets a number of KPIs to support the delivery of its strategies with its performance, including the followings, and others in respect of environment, social and governance matters which are discussed in the ESG Report.

本集團策略的主要表現指標(「主要表現指標」)

本集團設定若干主要表現指標支持實施策略，表現包括以下及其他有關環境、社會及管治事項之更多主要表現指標於環境、社會及管治報告內討論。

Strategy 策略	KPIs 主要表現指標	Performance 表現
Maximise value for the Shareholders 為股東創造最大價值	Gross profit margin = 4.41% (2017: 5.36%) 毛利率 = 4.41% (二零一七年：5.36%) Return on equity = 26.26% (2017: 29.88%) 股本回報率 = 26.26% (二零一七年：29.88%)	The Group managed to maintain stable and positive operation performance during the Year by effectively controlling costs and significantly enhancing the Group's management efficiency. 本集團於年內有效控制成本並大幅提高管理效率，順利維持平穩經營利潤。
Improve the Group's liquidity 改善本集團流動資金	Net cash from operating activities = HK\$129.75 million (2017: net cash from operating activities HK\$88.77 million) 經營活動所產生的現金淨額 = 129.75 百萬港元 (二零一七年：經營活動所產生的現金淨額 88.77 百萬港元) Cash and bank balances (excluding pledged deposits) = HK\$216.90 million (2017: HK\$256.76 million) 現金及銀行結餘(不包括已抵押存款) = 216.90 百萬港元 (二零一七年：256.76 百萬港元)	The Group adopts a policy to regularly monitor the liquidity requirements of the Group and the Group's compliance with lending covenants so as to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet the liquidity requirements of the Group in the short and longer term. 本集團採取定期監控集團流動資金需求及借款契諾合規情況的政策，確保維持充裕現金儲備及主要金融機構的充足承諾資金額度，以應付短期及長期流動資金需求。
Strive for the “zero harm” safety goal 致力達致「零傷害」安全目標	Accident rate = 12.39 per 1,000 workers (2017: 11.58 per 1,000 workers) 意外事故率 = 每千名工人 12.39 (二零一七年：每千名工人 11.58)	During the Year, the Group has put adequate resources and effort to uphold and improve its safety management system in order to reduce its risks related to safety issues. Our accident rate for 2018 was 12.39 per 1,000 workers which remains low and is significantly lower than the construction industry average, of which the industry average for 2017 was 32.9 per 1,000 workers according to the Labour Department of Hong Kong. 本集團於年內投入充足資源並致力提高及改善安全管理系統，以降低相關職業安全風險。二零一八年我們平均千人意外事故率為 12.39，保持低下且遠低於建築行業平均水平。香港勞工處的資料顯示，二零一七年行業平均千人意外事故率為 32.9。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUR RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES

Customers

The customers of the Group are divided in to two categories: (a) public sector including Hong Kong Government and its related organisations and institutional bodies; and (b) the private sector. During the Year, all projects of the Group were secured by tendering. The Group maintains good relationships with its customers, and have regular contacts with customers, architects and other consultants in the construction industry to keep abreast of market development and potential business opportunities.

Suppliers

The major purchases required for our business are construction materials, which mainly consist of concrete and steel sourced mainly in Hong Kong. Generally, the Group selects suppliers from a pre-qualified list of suppliers based on their past performances and capacities to comply with specified project requirements. Only those suppliers on our approved list are invited to submit quotations or tenders. We have maintained good and long standing working relationship with our suppliers and some of our suppliers have been working with us for over 20 years. We do not foresee any difficulties in sourcing materials in the future.

Subcontractors

The Group generally acts as the main contractor and will engage or outsource to subcontractors to carry out certain part of the works. While the Group has not entered into any long-term agreement with its subcontractors, it engages them on project basis. Nevertheless, the Directors believe that the Group has maintained good relationships with its subcontractors. Some of the subcontractors have been working with the Group for over ten years and we had not experienced any significant disruption in the provision of works by our subcontractors. With the relatively large pool of approved subcontractors in the Group's pre-qualified list, we do not foresee any difficulties in finding substitute subcontractors, if necessary.

與客戶、供應商、分包商及僱員的關係

客戶

本集團客戶分為兩類：(a) 公營部門（包括香港政府及其相關組織和公共團體）；及 (b) 私營機構。年內，本集團所有項目均以競投取得。本集團與客戶關係良好，並定期聯絡客戶、建築師及其他建築業顧問，以了解市場動態並把握潛在商機。

供應商

我們業務過程中需要大量採購的建築材料主要包括大部分購自香港的混凝土及鋼材。本集團一般基於供應商過往表現及達致特定項目要求的能力從預備合資格供應商名冊挑選供應商。僅我們的認可名冊中的供應商獲邀報價或競投。我們與供應商維持良好的長期業務關係，部分供應商已與我們合作逾20年。我們預期日後採購材料並無任何困難。

分包商

本集團通常擔任總承建商，委聘分包商執行若干部分工程或外判予分包商。雖然本集團並無與分包商訂立長期協議，但會按項目基準委聘分包商。而且，董事相信，本集團與分包商一直維持良好關係。若干分包商已與本集團合作10年以上，而我們在分包商提供工程建築方面未曾遭遇任何嚴重中斷。本集團的預備合資格分包商名冊載有眾多認可分包商，我們認為於需要時物色替任分包商並不困難。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Employees and remuneration policy

The Group maintains a very stable and experienced management team and an amicable long-term relationship with its employees as it is our belief that our employees are important assets to the Group. As at 31 December 2018, the Group has 2,340 employees in Hong Kong, Macau and the PRC of which 2,128 were full-time employees and 212 were part-time employees. The Group's total remuneration for 2018 was approximately HK\$749 million. The Directors recognise the importance of attracting and retaining staff. In order to promote employee loyalty and retention, the Group provides technical and operational on-job trainings to its employees covering various aspects of its operations including contract law, and workplace and occupational safety. The Directors consider that the Group has maintained good relationship with its employees. The Group has not experienced any strikes, work stoppages or labour disputes which affected its operations during the Year. The Directors also consider that the relationship and co-operation between the management team and the employees have been good during the Year.

The Group entered into separate labour contracts with its employees in accordance with the applicable labour laws of Hong Kong, Macau and the PRC. The remuneration offered to employees generally includes salaries, medical benefits and bonus. Share options may also be granted to eligible employees. In general, the Group determines salaries of its employees based on each employee's qualification, position, seniority and experience.

More information concerning our customers, suppliers, subcontractors and employees are set out in the ESG Report.

僱員及薪酬政策

本集團維持穩健且經驗豐富的管理團隊，視僱員為本集團寶貴資產，與之維持長期和諧的關係。截至二零一八年十二月三十一日，本集團在香港、澳門及中國有2,340名僱員，其中全職僱員2,128名，兼職僱員212名。本集團二零一八年的總薪酬約為749百萬港元。董事重視吸引及挽留員工。為提升僱員忠誠度及挽留僱員，本集團為僱員提供技術及運作方面的在職培訓，涵蓋我們各業務範疇，包括合同法、工作場所和職業安全。董事認為，本集團與僱員保持良好的工作關係。年內，本集團並無遭遇任何影響營運的罷工、停工或勞資糾紛。董事亦認為，年內管理團隊與僱員之間的關係及合作良好。

本集團根據香港、澳門及中國的相關勞工法例與僱員訂立單獨的勞工合約。提供予僱員的薪酬一般包括薪金、醫療福利及花紅。合資格僱員亦可能獲授購股權。一般而言，本集團視乎每位僱員的資格、職位、資歷及經驗釐定僱員薪金。

有關我們的客戶、供應商、分包商及僱員的更多資料載於環境、社會及管治報告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Directors believe that it is essential for the Group to act as an environmentally responsible contractor to meet the customers' demands in environmental protection and the expectation of the community for a healthy living environment and in return it will ensure the healthy growth and development of the business. The Group is committed to sustainable construction and minimisation of any adverse impact on the environment resulting from its business activities. In the course of delivery of its services, the Group shall (i) focus on prevention of pollution, waste minimisation and resource conservation as critical considerations within our core management process; (ii) comply with applicable legal requirements and other requirements which relate to its environment aspects; and (iii) establish, implement and maintain the environmental management system and strive for continual improvement in environmental performance.

In order to comply with the applicable environmental protection legislation, we have established an environmental management system in accordance with ISO14001:2004 international standards and were awarded ISO14001 certification in 2006. The Group has assigned separate resources to implement its environment management system and maintain its ISO14001 certification with an aim to reduce its risks related to environmental issues. The Group promotes environment-friendly construction worksites, install environmental facilities and put in place environment control measures at our construction sites as appropriate. In 2015, we were awarded ISO50001 certification for the energy management systems of our head office and construction sites.

All along, the Group had a low number of environmental-related non-compliance incidents. There was only one count of conviction in 2018 of violating the relevant environmental laws and regulations. In 2017, there was no environmental-related non-compliance incident. We will continue to ensure implementation of our policy on environmental management as mentioned above to avoid violation of applicable laws or regulations in respect of environment.

Further disclosures on the environmental aspect are made in the ESG report.

環保政策及表現

董事相信，本集團必須成為對環境負責的承建商，達到客戶的環保要求及滿足社區對健康生活環境的期望，以確保業務穩健增長及發展。本集團致力於可持續發展的建築業務，儘量減少業務活動對環境的不利影響。本集團提供服務時應(i)將防止污染、減少廢物及保護資源作為管理流程的重點考慮事項；(ii)遵守有關法律規定及其他環境影響相關規定；及(iii)建立、執行及維持環境管理系統，致力持續改善環保表現。

為遵守有關環保法例，我們已根據ISO14001：2004國際標準建立環境管理系統，並於二零零六年獲頒發ISO14001認證資格。本集團分配獨立資源以執行環境管理系統及維持ISO14001認證資格，以降低環保風險。本集團推廣環保建築工地，安裝環保設施並適時在建築工地實行環境監控措施。於二零一五年，我們已就我們總部及建築工地的能源管理系統獲頒發ISO50001認證資格。

本集團的環境違規事件數目始終很低。二零一八年僅發生一宗環境違規定罪。二零一七年沒有環境違規事件。我們將繼續確保執行上述環保管理政策，避免違反有關環境的適用法律或法規。

有關環境方面的進一步披露於環境、社會及管治報告作出。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, the Group was fined for a total sum of HK\$127,000 in respect of 2 summonses for violation of certain regulations under the Factories and Industrial Undertaking Ordinance (Cap. 59 of the Laws of Hong Kong) (the "FIU Ordinance") related to two accident events. The Directors consider that these two accidents were independent and isolated incidents.

During the Year, save as disclosed above or otherwise in this annual report, the Group has complied with all applicable laws and regulations in Hong Kong and Macau in all material aspects for the business operation of the Group. During the Year, the Group has also obtained all necessary licenses, permits or certificates necessary to conduct its business operation in Hong Kong, and has made the necessary registration and obtained the necessary licenses to carry out its business in Macau.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Capital Structure

As at 31 December 2018, the capital structure of the Group consisted of equity of HK\$493.78 million (2017: HK\$474.80 million) and bank loans and overdrafts of HK\$371.73 million as more particularly described in the paragraph headed "Borrowings" below (2017: HK\$307.74 million).

Cash position and fund available

During the Year, the Group maintained a healthy liquidity position, with working capital being financed by our operating cash flows and bank borrowings. As at 31 December 2018, our cash at banks and in hand were HK\$216.90 million (2017: HK\$256.76 million).

As at 31 December 2018, the current ratio of the Group was 1.25 (2017: 1.29).

Our principal uses of cash have been, and are expected to continue to be, operational costs.

遵守相關法律法規

年內，本集團就有關兩項意外事故而涉及違反香港法例第59章工廠及工業經營條例（「工廠及工業經營條例」）的2宗控罪，被罰款合共127,000港元。董事認為，該兩宗事故為獨立及互不相連的事件。

年內，除上文及本年報其他部分所披露外，本集團的業務經營已於所有重大方面遵守港澳的所有適用法律法規。年內，本集團亦已取得於香港經營業務所需的全部牌照、許可或證書及進行所需登記，並取得於澳門經營業務所需的牌照。

流動資金、財務資源及資本架構

資本架構

於二零一八年十二月三十一日，本集團的資本架構包括股本493.78百萬港元（二零一七年：474.80百萬港元）及下文「借款」一段所詳述的銀行貸款及透支371.73百萬港元（二零一七年：307.74百萬港元）。

現金狀況及可用資金

年內，本集團流動資金狀況良好，以經營現金流及銀行借款撥付營運資金。於二零一八年十二月三十一日，銀行及手頭現金為216.90百萬港元（二零一七年：256.76百萬港元）。

於二零一八年十二月三十一日，本集團的流動比率為1.25（二零一七年：1.29）。

我們的現金一直及預期將繼續主要用作營運成本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Borrowings

As at 31 December 2018, the Group had total bank borrowings of approximately HK\$371.73 million (2017: HK\$307.74 million). Total bank borrowings comprised bank loans, repayable within one year, of approximately HK\$371.73 million (2017: HK\$301.76 million) and bank overdrafts, repayable on demand, of approximately HK\$nil (2017: HK\$5.98 million). As at 31 December 2018, the bank loans and overdrafts bear interest ranging from 3.42% to 4.44% (2017: 1.80% to 2.69%) per annum. The increase in total bank borrowings between years was mainly used to finance the working capital of several new and sizable projects that were awarded to us, especially at the commencement stage of these contracts which generally require more capital input. The Group's net borrowings position (i.e. total borrowings minus total cash at banks and in hand) actually improved during the past six months from HK\$239 million as at 30 June 2018 to HK\$155 million as at 31 December 2018.

As at 31 December 2018, the Group had approximately HK\$2,056 million (2017: HK\$1,267 million) of unutilised banking facilities in Hong Kong and Macau (including loans, letter of credit and letter of guaranteed facilities). All of the Group's banking facilities are subject to the fulfilment of certain covenants as are commonly found in lending arrangements with financial institutions. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group remains in compliance with its loan covenants.

GEARING RATIO

As at 31 December 2018, the Group's gearing ratio was 75.28% (2017: 64.82%), calculated based on the interest-bearing liabilities divided by the total equity as at the respective year end.

NET CURRENT ASSETS

As at 31 December 2018, the Group had net current assets of HK\$419.00 million (2017: HK\$410.08 million).

The Board regularly reviewed the maturity analysis of the Group's contractual liabilities and concluded that the Group had no liquidity issue that may cast significant doubt on the Group's ability to continue as a going concern.

借款

於二零一八年十二月三十一日，本集團的銀行借款總額約為371.73百萬港元(二零一七年：307.74百萬港元)。總銀行借款包括須於一年內償還的銀行貸款約371.73百萬港元(二零一七年：301.76百萬港元)及須於要求時償還的銀行透支約零港元(二零一七年：5.98百萬港元)。於二零一八年十二月三十一日，銀行貸款及透支按年利率介乎3.42%至4.44%(二零一七年：1.80%至2.69%)計息。有關年度之間增加的銀行借款總額乃主要用於為我們獲授的多個新增及大型項目的營運資金撥款，尤其是在該等合約的開始階段通常需要更多資金投入。本集團的借款淨額(即借款總額減銀行及手頭現金總額)於過去六個月由二零一八年六月三十日的239百萬港元實際改善至二零一八年十二月三十一日的155百萬港元。

於二零一八年十二月三十一日，本集團於香港及澳門亦擁有約2,056百萬港元(二零一七年：1,267百萬港元)的未動用銀行融資(包括貸款、信用證及保函信貸)。本集團所有銀行融資均須待若干契諾達成後方可作實，該等契諾常見於與金融機構之間的借貸安排。本集團政策為定期監控流動資金需求及遵守借款契諾的情況，確保維持充裕現金儲備及獲主要金融機構授予充足的資金額度，以應付短期及長期流動資金需求。本集團依然遵守其貸款契諾。

資產負債比率

於二零一八年十二月三十一日，本集團的資產負債比率為75.28%(二零一七年：64.82%)，按各年末計息負債除以權益總額計算。

流動資產淨值

於二零一八年十二月三十一日，本集團的流動資產淨值為419.00百萬港元(二零一七年：410.08百萬港元)。

董事會定期審閱本集團合約責任的到期分析，確定本集團並無流動資金問題會令持續經營能力受到嚴重質疑。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CAPITAL EXPENDITURES

The Group's capital expenditures primarily comprise purchase of plant and equipment, such as motor vehicles and equipment, which were funded, and are expected to continue to be funded, by internal resources and cash flow generated from our operation. For the Year, the Group has incurred HK\$28.62 million (2017: HK\$15.64 million) on acquiring items of plant and equipment.

FOREIGN EXCHANGE EXPOSURE

The functional currency to which the Group's operations and assets and liabilities are denominated is the Hong Kong dollars. The Group has cash balances that is denominated in the United States dollars, Renminbi and British Pound. Given that the Hong Kong dollars are pegged with the United States dollars, there is no currency risk exposure to the United States dollars. The Board considers that the Group was not exposed to significant foreign exchange risk, and had not employed any financial instrument for hedging. The Board will review the Group's foreign exchange risk and exposure from time to time and will apply hedging where necessary.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year and no future plan for material investments or capital assets as at 31 December 2018.

SIGNIFICANT INVESTMENTS HELD

Except for investments in the subsidiaries, a joint venture and joint operations as mentioned in notes 12 and 13 to the consolidated financial statements, the Group did not hold any significant investments during the Year.

資本開支

本集團的資本開支主要為購置廠房及設備(例如汽車及設備)，預期仍會以內部資源及經營所得現金流提供資金。年內，本集團在購置廠房及設備方面產生28.62百萬港元(二零一七年：15.64百萬港元)開支。

外匯風險

本集團功能貨幣為港元，業務以及資產及負債均以港元計值。本集團有現金結餘以美元、人民幣及英鎊計值。由於港元與美元掛鈎，故並無美元相關貨幣風險。董事會認為，本集團並無重大外匯風險，亦無運用任何對沖金融工具。董事會將不時檢討本集團的外匯風險，必要時採用對沖。

附屬公司、聯營公司及合營企業重大收購或出售以及重大投資或股本資產計劃

年內，並無附屬公司、聯營公司或合營企業重大收購或出售，於二零一八年十二月三十一日，並無重大投資或股本資產的未來計劃。

所持重大投資

除綜合財務報表附註12及13所述於附屬公司、一間合營企業及合營業務之投資外，年內本集團並無持有任何重大投資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTINGENT LIABILITIES

Save as disclosed below, the Group had no other contingent liabilities as at 31 December 2018:

(a) As at 31 December 2018, approximately HK\$402,995,000 (2017: HK\$345,803,000) of performance bonds were given by financial institutions to the Group in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and their customers. The Group has provided guarantees of the above performance bonds. If the Group fails to provide satisfactory performance to their customers to whom performance bonds have been given, such customers may demand the financial institutions to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such financial institutions accordingly. The performance bonds will be released upon completion of the contract works.

At the end of the reporting period, the directors of the Company do not consider it probable that a claim will be made against the Group.

(b) As at 31 December 2018, the Group has provided guarantees of HK\$214,991,000 (2017: HK\$258,493,000) representing a 50% proportionate guarantee in respect of certain banking facilities of HK\$429,981,000 (2017: HK\$516,986,000) granted to its joint venture in Macau. The 50% proportionate facilities were utilised to the extent of HK\$94,389,000 (2017: HK\$87,088,000), of which amounts of HK\$73,530,000 (2017: HK\$75,740,000) represent performance bonds given by financial institutions to the customers of the joint venture.

(c) The Group has not recognised any deferred income in respect of these guarantees as their fair values cannot be reliably measured using observable market data and no transaction price was incurred.

(d) The subsidiaries of the Group are defendants in a number of claims, lawsuits and potential claims relating to employee's compensation cases and personal injuries claims. The directors of the Company considered that the possibility of any outflow in settling the legal claims is remote as these claims are all well covered by insurance. Accordingly, no provision for the contingent liabilities in respect of these litigations is necessary, after due consideration of each case.

或然負債

除下文所披露者外，本集團於二零一八年十二月三十一日並無其他或然負債：

(a) 於二零一八年十二月三十一日，金融機構以本集團客戶為受益人授出約402,995,000港元(二零一七年：345,803,000港元)的履約保證，以作為本集團妥善履行及遵守本集團與客戶所訂立合約項下責任的擔保。本集團已為以上履約保證提供擔保。倘本集團未能向獲授履約保證的客戶妥善履行責任，則有關客戶可要求金融機構向其支付有關要求訂明的款額。然後本集團須相應向有關金融機構進行償付。履約保證將於合約工程完工後解除。

於報告期末，本公司董事認為不大可能會有針對本集團提起的申索。

(b) 於二零一八年十二月三十一日，本集團提供214,991,000港元(二零一七年：258,493,000港元)的擔保，相當於授予澳門合營企業之若干銀行融資429,981,000港元(二零一七年：516,986,000港元)銀行融資的50%比例擔保。50%比例融資已動用94,389,000港元(二零一七年：87,088,000港元)，其中73,530,000港元(二零一七年：75,740,000港元)指由金融機構授予合營企業客戶的履約保證。

(c) 本集團並無就該等擔保確認任何遞延收入，原因是其公平值無法利用可觀察市場數據可靠計量且並無產生交易價格。

(d) 本集團附屬公司為有關僱員補償案例及人身傷害索償的多項索償、訴訟及潛在索償的被告。本公司董事認為，索償由保險妥為保障，解決該等法律索償產生現金流出的可能微乎其微，因此，經審慎考慮各項案例後認為，毋須就該等訴訟相關的或然負債作出撥備。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PLEDGE OF ASSETS

At 31 December 2018, the Group had deposits, amounting to HK\$25.04 million (2017: HK\$25.01 million), and assignment of project proceeds from certain construction contracts of the Group and the Group's joint venture, that are pledged with banks as security of banking facilities (including bank loans and performance bonds). Pledged deposits remained relatively stable between years.

CAPITAL COMMITMENTS

As at 31 December 2018, our Group had capital commitments of HK\$5.50 million (2017: HK\$Nil) in relation to leasehold improvements and purchases of furniture and fixtures.

FUTURE PROSPECTS

Despite the ongoing turbulence in the global political and international trade environment, upon taking into account the Hong Kong Government's commitment to infrastructure investment and its housing policy of increasing land supply to accommodate growing demand, the Board is confident with the Group's future development and will continue to build on existing competitive strengths to achieve our long term business objectives.

抵押資產

於二零一八年十二月三十一日，本集團有存款25.04百萬港元(二零一七年：25.01百萬港元)及所出讓的本集團若干建築合約及合營企業的项目所得款項抵押予銀行作為銀行融資(包括銀行貸款及履約保證)的抵押。已抵押存款於有關年度之間保持相對穩定。

資本承擔

於二零一八年十二月三十一日，本集團有關租賃改進及購買傢俱及裝置的資本承擔為5.50百萬港元(二零一七年：零港元)。

未來前景

儘管全球政治及國際貿易環境持續波動，考慮到香港政府的基建投資承諾與因應需求增長而增加土地供應的住房政策，董事會對本集團未來發展充滿信心，並將繼續發揮現有競爭優勢實現長期業務目標。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONSTRUCTION AND MAINTENANCE PROJECTS IN PROGRESS

正在進行的建築及維修保養項目



- Construction of Home Ownership Scheme Development at Choi Hing Road

位於彩興路興建居屋發展項目

- Construction of Public Rental Housing Development at Fo Tan (in Sha Tin Areas 16 & 58D) Phase 1 & 2

位於火炭(沙田第16及58D區)第1及第2期興建公屋發展項目



- Construction of Home Ownership Scheme Development at Sheung Lok Street, Homantin

位於何文田常樂街興建居屋發展項目



CONSTRUCTION AND MAINTENANCE PROJECTS IN PROGRESS
正在進行的建築及維修保養項目

Proposed Subsidized Housing Development at Junction of Shek Pai Tau Road and Ming Kum Road, Tuen Mun TMTL545, New Territories

位於新界屯門地段 545 號石排頭路與鳴琴路交界處的建議資助房屋發展項目



Construction of Public Rental Housing Development of Tung Tau Estate Phase 8

位於東頭邨第 8 期公共租住房屋發展項目建築工程



Subsidized Sale Flats Development at Hang Kin Street, Ma On Shan Area 90B

位於馬鞍山第 90B 區恆健街資助出售房屋發展計劃



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONSTRUCTION AND MAINTENANCE PROJECTS IN PROGRESS

正在進行的建築及維修保養項目



- Construction of Public Rental Housing Development Phases 1 & 2 and Subsidised Sale Flats Development at Diamond Hill Comprehensive Development Area

位於鑽石山綜合發展區第一、二期公共租住房屋發展項目及資助出售房屋發展計劃建築工程

Main Contract for the Art Park for West Kowloon Cultural District Authority

位於西九文化區管理局的藝術公園的主建築工程合約



MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

CONSTRUCTION AND MAINTENANCE PROJECTS IN PROGRESS 正在進行的建築及維修保養項目



- Kai Tak Development – Stage 2 Infrastructure Works for Development at the Southern Part of the Former Runway

啟德發展計劃 - 前跑道南面第2期的基礎設施發展工程

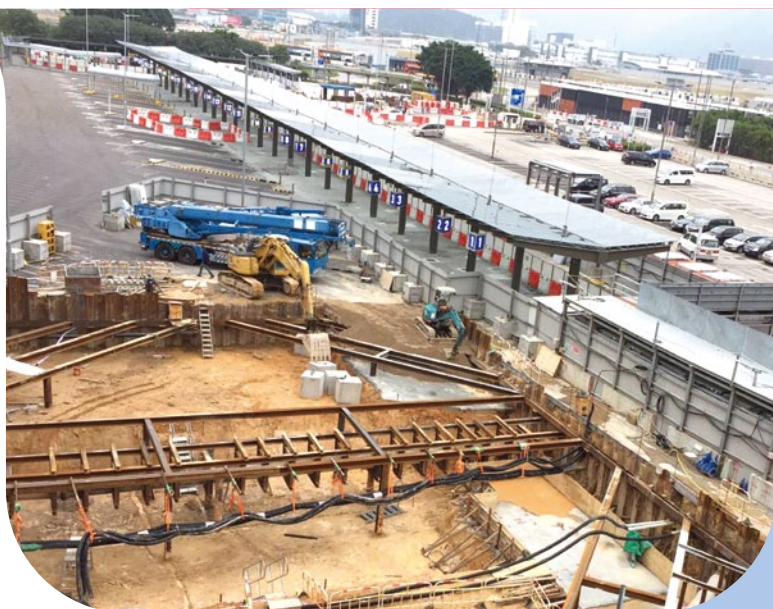


MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONSTRUCTION AND MAINTENANCE PROJECTS IN PROGRESS

正在進行的建築及維修保養項目



- ● Hong Kong International Airport Car Park 1 Enhancement Works
位於香港國際機場一號停車場改善工程

Civil Engineering and ● ●
Development Department
Maintenance Contract for
Piers (2017–2022)

土木工程拓展署碼頭
維修保養合約
(2017–2022)



MAJOR PROJECTS COMPLETED IN 2018
二零一八年完成的主要項目

Highways Department Term Contract (Management and Maintenance of Roads in Kowloon East)

為路政署負責的定期合約
(九龍東道路之管理及維修)



- • Maintenance, improvement and vacant flat refurbishment for properties managed by the Housing Authority at Wong Tai Sin, Tsing Yi, Tsuen Wan and Islands

為房屋委員會管理位於黃大仙、青衣、荃灣及離島的物業提供保養、改善及空置單位翻新工程

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

CONTENT 目錄

Chapter 1	About This Report	第一章	關於本報告	
	1.1 Introduction		1.1 緒言	37
	1.2 Report Compilation Basis		1.2 報告編製依據	46
	1.3 Scope of Reporting		1.3 報告範疇	46
Chapter 2	Social Responsibility Management	第二章	社會責任管理	52
Chapter 3	Stakeholder Engagement and Materiality Analysis	第三章	持份者的參與及重要性分析	53
Chapter 4	Overview of ESG Performance	第四章	環境、社會及管治表現概覽	55
Chapter 5	Environment	第五章	環境	
	5.1 Emission Control Management		5.1 排放控制管理	57
	5.2 Effective Use of Resources		5.2 善用資源	60
	5.3 The Environment and Natural Resources		5.3 環境及天然資源	62
Chapter 6	People	第六章	人力	
	6.1 Employment and Respect for Labour Rights		6.1 僱傭及尊重勞動權益	63
	6.2 Safety and Health		6.2 安全與健康	65
	6.3 Education, Training and Career Development		6.3 教育、培訓及職業發展	70
Chapter 7	Operating Practices	第七章	營運慣例	
	7.1 Quality and Compliance Management		7.1 質量與合規管理	71
	7.2 Supply Chain Management		7.2 供應鏈管理	72
	7.3 Moral Integrity and Anti-corruption		7.3 道德誠信與反貪腐	74
Chapter 8	Community	第八章	社區	
	8.1 Community Participation		8.1 社區參與	75
	8.2 Focus Areas		8.2 關注範圍	76
Chapter 9	Awards and Recognition Highlights	第九章	獎項及嘉許摘要	79
Chapter 10	Looking Ahead	第十章	展望	84
Appendix	The Stock Exchange ESG Reporting Guide Content Index Table	附錄	聯交所環境、社會及管治報告指引內容索引表	85



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



SFK staff and their family members participated in the "Hong Kong Disneyland 10K Weekend 2018"

新福港員工及其家屬參加「香港迪士尼樂園 10K Weekend 2018」

CHAPTER 1 ABOUT THIS REPORT

1.1 Introduction

It is the age of development; it is the age of conservation. It is the epoch of respecting others' values; it is the epoch of upholding one's principle. It is the time calling for delicate balance.

In order to promote social harmony and achieve sustainable development, business development has to be inclusive and beneficial to different stakeholders. This is a belief upheld by SFK Construction Holdings Limited and its subsidiaries (collectively "SFK" or the "Group"). We realize this belief through high transparency of operation and communication with stakeholders, and take various protective measures that render our Hong Kong be a better place for our future generations.

As a contractor for many large-scale developments, we care deeply about the environment just as we upkeep the quality of our work, and we treasure the well-being of the community around us just as we uphold the safety of our staff and the public. We make all the effort in our capacity to ensure the utmost well-being of our staff, our community and our environment.

第一章 關於本報告

1.1 緒言

這是發展的時代；這是保育的時代。這是尊重他人價值觀的時代；這是推崇個人原則的時代。此刻正是號召微妙平衡之機。

為促進社會和諧及實現可持續發展，業務發展須具有包容性且對不同持份者有所得益，這是新福港建設集團有限公司及其附屬公司（統稱「新福港」或「本集團」）堅持的信念。我們通過透明度高的經營及與持份者之間的溝通而實現此信念，並採取各項保護措施，以使我們的香港及我們子孫後代有更好的家園。

作為多個大型發展項目的承建商，我們在保持工作質量的同時，亦對環境深為關注，並在保持員工及公眾安全的同時，珍惜我們周圍社區的福祉。我們在能力範圍內竭盡全力確保我們員工、我們社區及我們環境的最大福祉。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SFK staff and their family members participated in the Flag Day 2018 held by "Care for Your Heart"

新福港員工及其家庭成員參與「關心你的心 - 愛心賣旗日2018」活動



The Volunteer Team of SFK participated in "The Neighbourhood Advice-Action Council's Mid-Autumn Festival visiting volunteer activity"

新福港義工隊參加「鄰舍輔導會「同心送暖迎中秋探訪活動」



The Volunteer Team of SFK participated in the "Sun Fook Kong Green Day" volunteer activity and enjoyed a meaningful day with children

新福港義工參與「新福港綠活體驗之旅」綠色義工活動，與小朋友共度有意義的一天

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SFK staff supported the Blood Donation Day
 新福港員工一同支持捐血日



SFK site developed an Aquaponics System with neighboring primary school



新福港地盤與鄰近小學發展魚菜共生計劃

“Green Tung Tau” Hoarding Decoration Parent-Child Competition
 「環保綠化在東頭」圍版美化親子繪畫比賽



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SFK won the Building Sites (Private Sector) Silver Award in the Construction Industry Safety Award Scheme 2017/2018

新福港榮獲建造業安全獎勵計劃 2017/2018 樓宇建造地盤 (私營合約) 銀獎



SFK won the Bronze Award in Safety Operational Device Category in Construction Safety Week 2018 - Safety Video Competition 2018 Award
2018 年創意工程安全獎之安全操作設施類別，新福港榮獲銅獎



In the 24th Considerate Contractors Site Award Scheme, SFK won the Considerate Contractors Site Silver Award in Public Works – RMAA Works

第 24 屆公德地盤嘉許計劃之工務工程-維修、保養、改善及加建工程組別，新福港榮獲公德地盤獎銀獎

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SFK staff participated in the Hong Kong Marathon

新福港同事參與香港馬拉松



SFK staff participated in Streetathon
新福港同事參與街馬

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

• • SFK staff was awarded in SFK Occupational Health Friendly Basketball and Football Award Ceremony

新福港同事於新福港職業健康籃球及足球友誼賽頒獎晚宴獲獎



• • SFK staff had the Football Match Final

新福港同事進行足球比賽總決賽

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



SFK staff and their family members participated in "The Paramount" Foshan visiting tour
新福港同事帶同家庭成員一起參加佛山市「新福港鼎峰華庭」項目參觀訪問團

With prudent monitoring and control, and through diligent management and training, we strive to minimise and mitigate environmental pollution and nuisance caused to the public in the vicinity of our project sites, and make zero compromise in occupational health and safety. We are delighted to say that our sustained efforts in these respect have been recognised with social responsibility awards issued by various authorities and associations.

Appreciating the society's support to our business growth, SFK gives support to various non-profit making organisations through sponsorships and donations. We regularly participate in charity events and volunteering works via various organisations so as to make our humble support to the under-privileged and the unfortunate class of people.

For a better future, we will continue to devote to the society and vigilantly comply with regulatory requirements, as said by William Shakespeare, 'love all, do wrong to none'.

我們兢兢業業地監督監控並進行勤勉管理與培訓，盡可能地減少對我們項目周邊的公眾造成的環境污染及損害，並在職業健康及安全方面絕不妥協。我們欣然表示，我們於上述各方面堅持不懈的努力已獲得認可，獲得當局與協會頒授多個社會責任獎勵。

感激社會對我們業務增長的支持，新福港透過贊助及捐贈支持多個非牟利組織。我們定期透過多個組織參與慈善活動及義工工作，對弱勢社群及身遭不幸者貢獻微薄之力。

為著更美好的未來，我們將繼續對社會貢獻力量並警覺地遵守監管規定，一如威廉莎士比亞所言「愛所有人，勿傷任何人」。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

SFK was awarded the Hong Kong Corporate Governance Excellence Awards 2018

新福港榮獲香港公司管治卓越獎 2018



SFK supported Drainage Services Department Open Day 2018

新福港參與渠務署開放日 2018



SFK's exhibition booth in Drainage Services Department Open Day 2018

新福港於渠務署開放日 2018 之展覽攤位

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SFK held SFK Safety & Environmental Awards Scheme 2018

新福港舉辦新福港安全及環保獎勵計劃 2018



SFK provided ICAC seminars to staff from time to time
新福港不時提供防止貪污講座給員工



SFK supported Job Shadowing Programme and provided internship session for secondary school students
新福港支持工作體驗計劃，並提供體驗實習機會予中學生

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

1.2 Report Compilation Basis

This report is prepared in accordance with the Environmental, Social and Governance (“ESG”) Reporting Guide (the “ESG Reporting Guide”) under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). The information disclosed in this report was derived from the results of internal statistics and analysis of the Group’s internal management systems.

1.3 Scope of Reporting

This ESG report discloses the related initiatives of the Group and its progress for the reporting period from 1 January 2018 to 31 December 2018.

Based on their significant contributions to the Group, the head office and the construction sites of the following entities were selected to be included in this report:

- Sun Fook Kong (Civil) Limited
- Sun Fook Kong Construction Limited
- CEC-CCC Joint Venture

1.2 報告編製依據

本報告是按照香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄二十七環境、社會及管治(「環境、社會及管治」)報告指引(「環境、社會及管治報告指引」)編製。本報告所披露的資料來自本集團內部管理系統所自行統計與分析的結果。

1.3 報告範疇

本環境、社會及管治報告披露本集團自二零一八年一月一日至二零一八年十二月三十一日止報告期間的相關舉措及其進度。

根據對本集團的主要營運項目，總辦事處及其以下建築地盤獲選載入本報告內：

- 新福港(土木)有限公司
- 新福港營造有限公司
- 大陸工程 — 捷章建築聯營

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Entities	Project	Client	Contract Commencement	Actual/expected completion date (Note) 實際/預計 完成日期 (附註)	Original Contract Sum
實體	項目	客戶	合約開始		原訂合約金額 (million HK\$) (百萬港元)
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. 20150248 Construction of Home Ownership Scheme Development at Choi Hing Road 合約編號：20150248 彩興路居屋發展計劃建築工程	Hong Kong Housing Authority 香港房屋委員會	Apr-2016 二零一六年四月	Jan-2019 二零一九年一月	1,297
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. 20140269 Construction of Home Ownership Scheme Development at Sheung Lok Street, Homantin 合約編號：20140269 何文田常樂街居屋發展計劃 建築工程	Hong Kong Housing Authority 香港房屋委員會	Feb-2015 二零一五年二月	Mar-2019 二零一九年三月	1,299
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. CC/2016/3B/045 Main Contract for the Park West Kowloon Cultural District Authority 合約編號：CC/2016/3B/045 西九文化區管理局的西九公園 主建築工程合約	West Kowloon Cultural District Authority 西九文化區管理局	Jul-2016 二零一六年七月	Apr-2019 二零一九年四月	1,140
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. TC D973 Term Contract for the Design and Construction of Minor Works to Government and Subvented Properties for which the Architectural Services Department is Responsible for the Government of the Hong Kong Special Administrative Region (Designated Contract Area of New Territories and Outlying Islands (North)) 合約編號：TC D973 為建築署向香港特別行政區政府負責的政府設施及資助設施的小型工程進行設計及建造的定期合約(合約指定區：新界及離島(北))	Architectural Services Department 建築署	Aug-2015 二零一五年八月	Feb-2019 二零一九年二月	585

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Entities	Project	Client	Contract Commencement	Actual/expected completion date (Note) 實際/預計完成日期 (附註)	Original Contract Sum
實體	項目	客戶	合約開始		原訂合約金額 (million HK\$) (百萬港元)
Sun Fook Kong Construction Limited 新福港營造有限公司	Proposed Subsidised Housing Development at Junction of Shek Pai Tau Road and Ming Kum Road, Tuen Mun TMTL545, New Territories 新界屯門地段 545 號石排頭路與鳴琴路交界處的建議資助房屋發展項目	Hong Kong Housing Society 香港房屋協會	Jun-2017 二零一七年六月	Jun-2019 二零一九年六月	464
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No.: HA-TMC-027 Hospital Authority Term Contract for Minor Works 2016 for New Territories East and New Territories West Clusters 合約編號: HA-TMC-027 醫院管理局定期合約一 二零一六年年新界東西 醫院聯網小型工程	Hospital Authority 醫院管理局	Jul-2016 二零一六年七月	Jun-2019 二零一九年六月	734
CEC-CCC Joint Venture 大陸工程 - 捷章建築 聯營	Contract No. KL/2014/01 Kai Tak Development - Stage 2 Infrastructure Works for Developments at the Southern Part of the Former Runway 合約編號: KL/2014/01 啟德發展計劃 - 前跑道南面發展項目的第2期基礎設施工程	Civil Engineering & Development Department 土木工程拓展署	Nov-2015 二零一五年十一月	Sep-2019 二零一九年九月	1,947
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. 20150597 Construction of Public Rental Housing Development at Fo Tan (in Sha Tin Areas 16 & 58D) Phase 1 & 2 合約編號: 20150597 火炭(沙田第16及58D區) 第一及第二期公屋發展項目工程	Hong Kong Housing Authority 香港房屋委員會	Aug-2016 二零一六年八月	Oct-2019 二零一九年十月	3,047
Sun Fook Kong Construction Limited 新福港營造有限公司	Hong Kong International Airport Term Contract M297-4 Maintenance, Improvement and Refurbishment Works for Buildings 香港國際機場定期合約M297-4 樓宇保養、改善及翻新工程	Hong Kong International Airport 香港國際機場	Mar-2015 二零一五年三月	Mar-2020 二零二零年三月	151

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Entities	Project	Client	Contract Commencement	Actual/expected completion date (Note) 實際/預計 完成日期 (附註)	Original Contract Sum
實體	項目	客戶	合約開始		原訂合約金額 (million HK\$) (百萬港元)
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. 20169107 DTC for Maintenance, Improvement and Vacant Flat Refurbishment for Properties Managed by Property Service Administration Unit/Tuen Mun and Yuen Long (1) 2017/2020 合約編號：20169107 二零一七年至二零二零年度屯門及元朗(物業管理服務小組)一保養、改善及空置單位翻新工程的分區定期合約(一)	Hong Kong Housing Authority 香港房屋委員會	Apr-2017 二零一七年四月	Mar-2020 二零二零年三月	247
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. TC E912 Term Contract for the Alterations, Additions, Maintenance and Repair of Buildings and Lands and Other Properties for which the ASD (Property Services Branch) is Responsible (Designated Contract Area: Hong Kong Island Western, Southern and Lantau Island) 合約編號：TC E912 為建築署(物業事務處)負責的建築物、土地及其他物業進行改建、加建、保養及維修工程的定期合約(合約指定區：港島西區、南區及大嶼山)	Architectural Services Department 建築署	Apr-2017 二零一七年四月	Mar-2021 二零二一年三月	712
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. TC E922 Term Contract for the Alterations, Additions, Maintenance and Repair of Buildings and Lands and Other Properties for which the ASD (Property Services Branch) is Responsible (Designated Contract Area: Hong Kong Island Eastern and Outlying Islands (South)) 合約編號：TC E922 為建築署(物業事務處)負責的建築物、土地及其他物業進行改建、加建、保養及維修工程的定期合約(合約指定區：港島東區及離島(南))	Architectural Services Department 建築署	Apr-2017 二零一七年四月	Mar-2021 二零二一年三月	760

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Entities	Project	Client	Contract Commencement	Actual/expected completion date (Note) 實際/預計完成日期 (附註)	Original Contract Sum
實體	項目	客戶	合約開始		原訂合約金額 (million HK\$) (百萬港元)
Sun Fook Kong (Civil) Limited 新福港(土木)有限公司	Contract No. CV/2016/09 CEDD Maintenance Contract for Piers (2017-2022) 合約編號: CV/2016/09 土木工程拓展署渡輪碼頭維修合約(二零一七年 - 二零二二年)	Civil Engineering & Development Department 土木工程拓展署	Mar-2017 二零一七年三月	Mar-2022 二零二二年三月	150
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. 20160605 Construction of Public Rental Housing Development of Tung Tau Estate Phase 8 合約編號: 20160605 東頭邨項目第8期公共租住房屋發展計劃建築工程	Hong Kong Housing Authority 香港房屋委員會	Aug-2017 二零一七年八月	Dec-2019 二零一九年十二月	707
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. 20170100 Construction of Subsidised Sale Flats Development at Hang Kin Street, Ma On Shan Area 90B 合約編號: 20170100 馬鞍山第90B區恆健街資助出售房屋單位發展計劃建築工程	Hong Kong Housing Authority 香港房屋委員會	Nov-2017 二零一七年十一月	Feb-2020 二零二零年二月	513
Sun Fook Kong Construction Limited 新福港營造有限公司	Main Contract for Global Graduate Tower for The Hong Kong University of Science and Technology 香港科技大學研究生宿舍主合約	Hong Kong University of Science and Technology 香港科技大學	Dec-2017 二零一七年十二月	Feb-2020 二零二零年二月	316
Sun Fook Kong (Civil) Limited 新福港(土木)有限公司	Hong Kong Airport Authority Contract C17W002 Car Park 1 Enhancement Works 香港機場管理局C17W002合約 一號停車場改善工程	Hong Kong International Airport 香港國際機場	Sep-2017 二零一七年九月	Apr-2019 二零一九年四月	124
Sun Fook Kong Construction Limited 新福港營造有限公司	Contract No. 20170225 Construction of Public Rental Housing Development Phases 1 & 2 and Subsidised Sale Flats Development at Diamond Hill Comprehensive Development Area 合約編號: 20170225 位於鑽石山綜合發展區第一、二期公共租住房屋發展及資助出售房屋發展計劃建築工程	Hong Kong Housing Authority 香港房屋委員會	Mar-2018 二零一八年三月	Oct-2022 二零二二年十月	3,740

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Entities	Project	Client	Contract Commencement	Actual/expected completion date (Note) 實際/預計完成日期 (附註)	Original Contract Sum (million HK\$) (百萬港元)
實體	項目	客戶	合約開始		原訂合約金額
Sun Fook Kong (Civil) Limited 新福港(土木)有限公司	Contract No. 05/HY/2017 Highways Department Term Contract (Management and Maintenance of Roads in Kowloon East excluding Expressways and High Speed Roads 2018-2024) 合約編號：05/HY/2017 路政署定期合約(九龍東道路(高速公路及快速公路除外)之管理及保養二零一八年—二零二四年)	Civil Engineering & Development Department 土木工程拓展署	Apr-2018 二零一八年四月	Mar-2024 二零二四年三月	483

Note: The expected completion date is determined with reference to the actual work schedule together with our Directors' estimation based on experience as at 31 December 2018

附註：於二零一八年十二月三十一日，有關預計完成日期乃參照實際工作時間表及根據董事經驗估算而釐定

As indicated in the table above, data and information from 19 projects were included in the preparation of this report. Data collection and analysis were conducted based on relevant guidelines or standards, such as ISO 14064 for greenhouse gas emissions. All numerical data is presented as absolute figures, and all financial data is reported in Hong Kong dollars unless otherwise specified. Employees of contractors and subcontractors to whom we have no direct responsibility are not generally included as part of our workforce unless otherwise specified.

從上表中顯示，19個項目的數據及資料被編製入本報告中。數據收集及分析乃根據相關指引或標準進行，例如與溫室氣體排放相關的ISO 14064。所有數值數據均以絕對數值呈列，除非另有指明，所有財務數據均以港元呈列。除非另有指明，我們對承建商及分包商的僱員沒有直接責任，且彼等並不屬於我們的員工隊伍。

A detailed ESG content index included at the back of this report section aims to aid the reader to browse through this report following the framework of ESG Reporting Guide, and to demonstrate greater transparency and compliance with ESG Reporting Guide.

載於本報告一節後段的詳細環境、社會及管治內容索引旨在方便讀者通覽環境、社會及管治報告指引框架後的本報告，以展示更高透明度及遵守環境、社會及管治報告指引。

This ESG report section has been approved by the senior management of the Group. We would like to express our sincere appreciation to all those who contributed to our corporate sustainability performance and to the preparation of this Report.

本集團的高級管理層已審批本環境、社會及管治報告。我們謹此向所有對我們的公司可持續性表現及本報告的編製作出貢獻的人士表達由衷感謝。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

CHAPTER 2 SOCIAL RESPONSIBILITY MANAGEMENT

Not only is SFK dedicated to furnishing clients with quality construction works, it also values corporate social responsibility by minimizing environmental impact, and contributing to the sustainable development of our society. Such a mindset in corporate social responsibility is integrated into the decisions at all levels of business operation, SFK has established a comprehensive Corporate Social Responsibility Policy to explicate our commitments:

We are committed to:

1. Considering the impacts on stakeholders, society, economy during the environmental decision-making process;
2. Fully complying with the laws of the country/region where we operate or where we have signed agreements and respecting relevant international acts;
3. Dedicating ourselves to maintain the highest business operation standards with fair competition and requesting all staff and business partners to comply with the same;
4. Following internationally recognised standards, encouraging compatible environment, respecting and maintaining human rights and labour rights;
5. Taking safety and health as the first priority, and providing a safe and healthy environment to ensure the safety and health of all staff and affected parties (including the public) at all times of work;
6. Emphasising environmental protection, taking prevention, reduction and control of environmental pollution as the prerequisite of our daily operations;
7. Reviewing our Corporate Social Responsibility Policy regularly to find opportunities to make continuous improvements, particularly, when there are changes to related ordinances and other requirements; and
8. Informing all employees of our Corporate Social Responsibility Policy, regardless as to whether they are directly employed, contracted or representing us in other means, and allowing the public to access to this Policy.

第二章 社會責任管理

新福港不僅致力於為客戶提供優質的建築工程，亦重視企業社會責任，儘量減少環境影響，並促成我們社會的可持續發展。在作出各層面的業務營運決定時融入所承擔的企業社會責任，新福港已設立全面的企業社會責任政策以詮釋我們的承諾：

我們致力於：

1. 於環境決策程序期間考慮對持份者、社會、經濟及環境決策程序的影響；
2. 全面遵守我們經營或我們在簽署協議所在國家／地區的法律及尊重相關國際法令；
3. 投身於維持公平競爭的最高業務營運標準並要求全體員工及業務夥伴遵守該等標準；
4. 遵循國際認可的準則、鼓勵兼容環境、尊重並維護人權與勞動權益；
5. 在任何時候將安全及健康視為首要事項，提供安全健康的環境，確保全體員工及受影響人士（包括公眾）的安全及健康；
6. 重視環保，將防範、減低及控制環境污染視為日常營運的前提；
7. 定期檢討我們的企業社會責任政策，尋找持續改善的機會，尤其是相關條例及其他規定的變更；及
8. 向全體僱員告知我們的企業社會責任政策，而不論彼等是否屬於直聘、合約聘用或以其他方式代表我們，並允許公眾查閱該政策。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The degrees of importance given from all the participants were compiled to determine the importance of each reporting aspect. To better illustrate the result, a materiality matrix was prepared by placing each aspect with regard to its importance grade to the management of the Group and to other stakeholders, who comprised general staff of the Group and external stakeholders, such as suppliers and contractors. The aspects located in the top-right quarter of the material matrix were considered by both the management of the Group and other stakeholders as material and were thus reported in this report.

The Health and Safety (B2 aspect) all along is the most significant aspect concerned by both the management of the Group and other stakeholders, and it was even graded with higher importance compared to survey result in 2017. Its perceived importance was followed by B6 Product Responsibility, and then by other aspects with similar importance such as B7 Anti-corruption, A1 Emissions, etc. On the other hand, A2 Use of Resources and B8 Community Investment were considered to be relatively least crucial by the stakeholders. All ESG aspects, in general, were considered by stakeholders to be more important than that in the previous year. The results signified that stakeholders may have ever increasingly concerned on our ESG performance.

In general, all aspects were considered to be important by both the Group and the external stakeholders. The management approaches and performance were outlined in this report, with emphasis in the aspects that stakeholders considered more material.

For more information about these material aspects, please refer to “The Stock Exchange ESG Reporting Guide Content Index Table” in the Appendix to this report.

所有參與者的重要程度已予編製，以判定各報告層面的重要性。為更好地說明此結果，我們按各個層面對本集團管理層及其他持份者（包括本集團的一般員工以及供應商及承建商等外部持份者）的重要性評級制定重要性矩陣。本集團管理層及其他持份者認為位於重要性矩陣右上角的各層面均屬重要層面，故而乃報告於本報告內。

就本集團管理層及其他持份者而言，健康及安全(B2層面)始終為最重要的層面，其重要性等級甚至高於二零一七年的調查。B2 認知重要性之後為B6產品責任，其次為具有類似重要性的其他層面，如B7反貪污、A1 排放物等。另一方面，持份者認為A2資源使用及B8社區投資為相對最不甚重要的。持份者認為，整體而言，所有環境、社會及管治層面較去年更加重要。結果意味著持份者或會日益關注於我們的環境、社會及管治表現。

本集團及外部持份者均認為，整體而言，所有層面均重要，因此其管理方法及表現乃報告於本報告的章節內，重點突出持份者認為更加重要的層面。

有關該等重要層面的更多資料，請參閱本報告附錄一「聯交所環境、社會及管治報告指引內容索引表」。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

CHAPTER 4 OVERVIEW OF ESG PERFORMANCE

第四章 環境、社會及管治表現概覽

The following management approaches or initiatives, in line with the direction of social responsibility set forth by the Group, were implemented in 2018.

以下管理方法或方案與本集團設定的社會責任方針一致，已於二零一八年實施。

Subject Areas 所涉範疇	Aspects 層面	Policy or Legal	
		Compliance 政策或合規	Highlights 摘要
Environmental 環境	Emissions 排放物	✓	Project Environmental Policy related to the minimisation of various emissions and discharge, as well as proper waste management 項目環境政策包括盡量減少多種排放物以及適當的廢物管理
	Use of Resources 資源使用	✓	Implementation of Environmental Management System that complies with ISO 14001 standard and Energy Management System that complies with ISO 50001 standard 實施ISO 14001 環境管理體系及ISO 50001 能源管理體系以符合有關標準
	The Environment and Natural Resources 環境及天然資源	✓	Active participation in BEAM Plus projects 積極參與綠建環評項目
Social — Employment and Labour Practices 社會 — 僱傭及勞工常規	Employment 僱傭	✓	Provision of a fair and sound working environment, as well as a family-friendly employment policy 提供公平健全的工作環境以及對家庭友善的僱傭政策
	Health and Safety 健康與安全	✓	Implementation of Occupational Health and Safety Management System that complies with OHSAS 18001 standard 實施OHSAS18001 職業健康及安全管理體系以符合有關標準 Safety and Health Policy Statement with a guaranteed safety budget of not less than 0.25% of the contract sum of each project 安全與健康政策聲明，並保證安全預算不低於每個項目合約金額的0.25%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject Areas 所涉範疇	Aspects 層面	Policy or Legal	
		Compliance 政策或合規	Highlights 摘要
Social – Operating Practices 社會 – 營運慣例	Development and Training 發展及培訓	✓	Establishment of a comprehensive staff development programme 設立全面的員工發展計劃 Provision of training and examination allowance, as well as examination leave 提供培訓及考試津貼以及考試假
	Labour Standards 勞工準則	✓	Compliance with the Employment Ordinance (Cap. 57) of Hong Kong 遵守香港僱傭條例(第57章)
	Supply Chain Management 供應鏈管理	✓	Performance and compliance assessment of suppliers and sub-contractors 供應商及分包商表現及合規評估 Requirements on suppliers to support environmental-benign initiatives 有關供應商支持良好環境計劃的規定
	Product Responsibility 產品責任	✓	Implementation of ISO 9001 Quality Management System 實施ISO 9001 質量管理體系 Establishment of procedures to respect intellectual property rights and privacy 設立尊重知識產權及隱私的程序
Social – Community 社會 – 社區	Anti-corruption 反貪腐	✓	Implementation of Code of Business Conduct 履行商業操守守則 Operation of anonymous whistle-blowing channels 經營匿名舉報渠道
	Community Investment 社區投資	✓	Participation in volunteer services and collaboration with not-for-profit organizations 參加義工服務及與非盈利組織合作

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

CHAPTER 5 ENVIRONMENT

5.1 Emission Control Management

In this modern epoch, it has always been a delicate task to strike a balance between development and environmental protection. As a group with operation primarily in construction business, SFK stands strong at this frontier to integrate environmental considerations into our construction operation so as to protect the environment. Despite all the challenges, the Group is committed to the following five guiding principles to mitigate impacts relating to air pollutant emissions, greenhouse gas emissions, noise, discharge into water and land, disposal of chemical waste, and inert and non-inert construction waste:

Foresighted Management and Resources Planning

- Ensure that environmental protection is given the highest practicable priority in all aspects of the works when discharging the contractual obligations.
- Provide sufficient resources for the implementation of pollution abatement, waste management and ecological mitigation.

Rigorous Regulatory Compliance

- Comply with the relevant environmental legislation and contractual environmental requirements.
- Obtain and renew the necessary environment-related licences, permits and registrations for our works and services.

Proactive Communication and Education

- Communicate environmental policies to all levels of persons involved in the works including our employees and subcontractors.
- Educate and train all persons involved in the works to meet the legal, contractual and other environmental requirements.

Diligent Enforcement

- Promote and implement environmental management including greenhouse gas emission to mitigate environmental impacts.
- Prevent environmental pollution, reduce environmental nuisances and minimise waste especially construction and demolition wastes.

第五章 環境

5.1 排放控制管理

在當今時代，要達到發展與環境保護之間的平衡一直是一項複雜的任務。作為一個以建築業為主要業務的集團，新福港屹立在此前沿，將環境考慮因素融入我們的建築業務營運當中，以保護環境。即使存在上述挑戰，本集團致力於遵循五項指導原則以儘量減少相關的影響，包括：空氣污染排放、溫室氣體排放、噪音、向水及土地的排污、化學廢物處置、惰性及非惰性建築廢物的影響：

前瞻性管理與資源規劃

- 在進行工程的所有方面及於履行合約義務時，確保優先保護環境。
- 為實施污染消減措施、廢物管理及生態緩解措施提供充足的資源。

嚴格的監管合規

- 遵守相關的環境法例及合約的環境要求。
- 為我們進行的工程及提供的服務取得及續領必要的與環境相關牌照、許可證及註冊。

積極主動的溝通及教育

- 將環境政策傳達予工程的各級參與人員，包括僱員及分包商。
- 教育及培訓所有參與工程的人員，以符合法律、合約及其他環境要求。

勤勉執行

- 促進及實施環境管理(包括溫室氣體排放)以緩解對環境的影響。
- 防止環境污染、減少環境滋擾及盡量減少廢物，特別是建築及清拆廢物。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Continuous Monitoring and Improvement

- Review the environmental policy periodically for continuous improvement in response to changes in the management procedures, nature of the works and environmental legislation.

SFK stringently observes the relevant environmental legislation to ensure the environmental impacts arising from our business are responsibly managed and mitigated.

- Air Pollution Control Ordinance (Cap. 311)
- Waste Disposal Ordinance (Cap. 354)
- Water Pollution Control Ordinance (Cap. 358)
- Noise Control Ordinance (Cap. 400)
- Dumping at Sea Ordinance (Cap. 466)
- Environmental Impact Assessment Ordinance (Cap. 499)

In the reporting period, the Group was fined for HK\$25,000 in respect of a conviction for violating the Noise Control Ordinance. Save as disclosed above or otherwise in the annual report, the Group was in compliance with the relevant legislation and rules governing air pollutant and greenhouse gases emissions, noise, discharge into water and land, hazardous and non-hazardous waste generation in all material aspects.

Annual Emission Data from Vehicles

Pollutants	污染物	2018 二零一八年 (g) (克)	2017 二零一七年 (g) (克)
Nitrogen Oxides (NOx)	氧化氮 (NOx)	372,779	277,119
Sulphur Oxides (SOx)	氧化硫 (SOx)	3,991	3,751
Particulate Matters	粒子	29,140	21,221

Note: All data of Year 2017 has been updated in this table after data review. Emission figures were revised to rectify the misinterpretation of the vehicle mileage meter data of one reporting site.

持續監控及改進

- 因應管理程序、工程性質及環境法例的變化，定期檢討環境政策，以便不斷改進。

新福港嚴格遵守相關環境法律以確保我們能夠負責任地管理及減輕業務對環境的影響。

- 空氣污染管制條例(第311章)
- 廢物處置條例(第354章)
- 水污染管制條例(第358章)
- 噪音管制條例(第400章)
- 海上傾倒物料條例(第466章)
- 環境影響評估條例(第499章)

於報告期內，本集團因違反噪音管制條例而被處以罰款25,000港元。除上文所披露或於年報中另有說明外，本集團已於各重大方面遵守管治空氣污染物排放及溫室氣體排放、噪音、向水及土地的排污、有害及無害廢棄物的產生等相關法律及規則。

車輛的每年排放數據

	2018 二零一八年 (g) (克)	2017 二零一七年 (g) (克)
Nitrogen Oxides (NOx)	372,779	277,119
Sulphur Oxides (SOx)	3,991	3,751
Particulate Matters	29,140	21,221

附註：在作數據審核後，二零一七年所有數據均已於本表更新。以糾正其中一個報告對汽車里程碼表數據的錯誤解讀。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Total Greenhouse Gas Emission

溫室氣體排放總量

Pollutants	污染物	2018	2017
		二零一八年 (tCO ₂ -eq) (二氧化碳當量噸)	二零一七年 (tCO ₂ -eq) (二氧化碳當量噸)
Scope 1 Direct Emission	範圍1直接排放	10,785	4,516
Scope 2 Energy Indirect Emission	範圍2能源間接排放	2,627	2,471
Total	總計	13,412	6,987

Note:

Scope 1 Direct Emission and the total emission of Year 2017 has been updated in this table after data review. Emission figures were revised to rectify the misinterpretation of the vehicle mileage meter data by one reporting site.

tCO₂-eq denotes Unit Tonne for comparing the radiative forcing of a Greenhouse Gas to CO₂

We have adopted various good practices to minimize air pollutant emission at sources. SFK operates non-road mobile machinery with approval labels or exemption labels to reduce air pollutant emission. We utilize ultra-low-sulphur diesel in our non-road mobile machinery and on-road vehicles, and in some instances, even take further steps to use biodiesel blend to promote sustainability. As a compliance control, we also regularly conduct laboratory testing to ensure the fuel we use fulfils contractual requirements.

Many other day-to-day operation practices are also properly implemented by our site staff. Exposed work areas are covered with tarpaulin sheets to minimize fugitive dust emission. A water sprinkler system with timers and sensors is installed on the construction site to suppress fugitive dust emitted by moving vehicles and machinery. As a compliance control, we monitor the dust level (1-hour TSP) to ensure there is no exceedance of the limit levels due to our site activities. On the other hand, the greenhouse gas emission intensity in the reporting period was 2.9 tCO₂-eq per million HKD project turnover payment.

附註：

在進行數據審核後，二零一七年的範圍1直接排放及總排放量已於本表更新。以糾正其中一個報告對汽車里程碼表數據的錯誤解讀。

二氧化碳當量噸指溫室氣體相對於二氧化碳的輻射效應的單位噸數

我們已採取多項良好的措施以在源頭盡可能減少空氣污染物的排放。新福港使用具有核准標籤或豁免標籤的非道路移動機械，以減少空氣污染物排放。我們非道路移動機械及道路車輛使用超低硫柴油，在某些情況下，甚至採取進一步的措施，使用生物柴油混合物以促進可持續性。作為一項合規控制，我們亦定期進行實驗室測試，以確保我們使用的燃料符合合約規定。

我們的地盤工作人員亦妥善實施了許多其他日常操作：以防水帆布覆蓋有泥土暴露的區域，以儘量減少塵土飛揚；建築工地上安裝有定時器及傳感器的灑水系統，以抑制移動車輛及機械所產生的揚塵。作為一項合規控制，我們監控粉塵水平(1小時懸浮粒子總量)以確保並無因我們的工地活動而導致超過限定水平。另一方面，報告期內的溫室氣體排放密度為2.9二氧化碳當量噸／每百萬港元項目周轉金額。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Total Waste Produced

		廢物總產生量	
		2018 二零一八年 (tonnes) (噸)	2017 二零一七年 (tonnes) (噸)
Hazardous Waste	有害廢物	4.57	0.99
Non-hazardous Waste	無害廢物	353,497.06	336,536.55

Apart from controlling air emission, we have also adopted various good practices to responsibly manage the generation and disposal of waste. SFK's Project Environmental Policy also emphasizes minimisation of construction and demolition waste as a favourable direction. To exemplify, we adopt environmental-benign construction methods and meticulously select construction materials to minimize generation of waste. For example, we adopt the reusable and modular site offices and fences that can suit different construction sites.

Pollution is nothing but the resources we are not harvesting. In the waste stream that is unavoidable, we segregate recyclable waste from general waste. Recyclable waste including scrap metal and waste paper was collected both in the head office and on project sites. The remaining waste is then responsibly handled and disposed of, for example, chemical waste and other hazardous waste are stored in designated areas to minimize any chance of accidental spillage, and are collected by registered chemical waste collectors for disposal and treatment in the licensed treatment facilities. In the reporting period, the intensity of the hazardous and the non-hazardous waste were 0.00094 and 72.36 tonnes per million HKD project turnover payment respectively. The significant change of hazardous waste quantity was due to oil changes in machinery on one site.

5.2 Effective Use of Resources

Conservation means the wise use of the earth and its resources for the lasting good of humans. SFK's resources conservation strategy covers consumption of energy, water and raw materials, and operates in accordance with our environmental management system and energy management system that were certified to have complied with the ISO 14001 and ISO 50001 standards respectively.

除控制空氣排放外，我們亦已採取多項良好措施以負責任地管理廢物的產生及處置。作為一項有利方針，新福港項目環境政策亦注重儘量減少建築及清拆廢物。例如，我們採用有利環境的建築法及精心挑選建材以最大限度地減少廢物的產生。比如，我們採用可適用於不同建築工地的可重複使用模塊化工地辦公室及圍欄。

污染物只不過是我們並無收穫的資源。在無法避免的廢物當中，我們從一般廢物中將可回收廢物分類出來。可回收廢物包括總部辦事處及項目地盤所收集的廢金屬及廢紙。然後，我們會負責任地處理及處置餘下的廢物，例如化學廢物及其他有關廢物會存放於指定區域，以減少任何意外溢出的機會，然後由註冊化學廢物收集商收集，於經授權處理設施內進行處置及處理。於報告期內，有害廢物及無害廢物的密度分別為每百萬港元項目周轉金額0.00094噸及72.36噸。有害廢物數量大幅變動的原因是在一個工地進行機械更換機油。

5.2 善用資源

保育意味著明智地利用地球及其資源來維持人類的持久利益。新福港的資源保護策略涵蓋能源、水及原材料的消耗，並分別獲得ISO 14001環境管理體系及ISO 50001能源管理體系等認證標準。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group encourages project sites to adopt renewable energy equipment such as solar heat exchanger for water heaters and photovoltaic panel for barricade warning lights. Temporary lightings coupled with motion sensors installed on the sites of building projects help to reduce the consumption of electricity energy. Under the Group's policy, for the purpose of maximizing energy efficiency, all electrical appliances purchased onsite should have Grade 1 energy efficiency labels. In the head office, SFK also encourages energy saving practices in accordance with the Group's energy guidelines and the recommended practices from the Energy Efficiency Office of the Electrical and Mechanical Services Department, so as to promote energy conservation. The total energy consumption and the energy consumption intensity in the reporting period were 40,726,540 kWh and 8,690 kWh per million HKD project turnover payment respectively.

On top of energy conservation, reducing our water footprint is also one of SFK's focus areas given water availability is crucial to human survival. The Group encourages recollection, reuse and recycling of greywater on construction sites to minimize freshwater consumption. As an example, muddy water generated from bored piling works and washing of construction vehicles was treated through sedimentation and flocculation in the wastewater treatment system to allow reuse whenever it is feasible. Efficient sprinkler nozzles in the sprinkler system were utilized to minimize water consumption while suppressing fugitive dust emission. In the reporting period, the water consumption intensity was 90,260 L per million HKD project turnover payment.

When commissioned to conduct plumbing works, we recommend our clients to install water efficient facilities and appliances registered under the Water Efficiency Labelling Scheme (WELS), such water-efficient practice is also in line with the requirements stipulated in Building Environmental Assessment Method (BEAM) Plus certification. Not only are we resources-conscious, we also strive to motivate our stakeholders to engage in resources conservation practices.

本集團鼓勵建築工程地盤採用可再生能源設備，如太陽能熱水器及路障警示燈光光伏板。臨時照明安裝上動態感應器，有助於減少電能消耗。根據本集團的政策，為符合最大限度地節約能源，地盤購買的所有電器應具有1級能源效益標籤。在總部，新福港亦根據本集團的能源指引及機電工程署能源效益事務處的推薦，鼓勵實施節能措施，以促進節約能源。於報告期內，總能耗及能源消耗密度分別為每百萬港元項目周轉金額40,726,540千瓦時及8,690千瓦時。

除節能外，鑒於水資源對人類的生存至關重要，減少我們的用水足跡亦為新福港的重點關注之一。本集團管理回收、重用及循環再用建築工地的污水，盡量降低淡水消耗。例如，打樁工程及清洗施工車輛產生的污水通過廢水處理系統的沉澱及絮凝處理，以便重複使用。於灑水系統使用節水灑水頭，盡量減少用水，同時抑制粉塵排放。於報告期間，用水密度為90,260升／每百萬港元項目周轉金額。

獲委託進行水管工程時，我們推薦客戶用水效益標籤計劃(WELS)下註冊的節水設施及裝置，此節水措施亦符合綠建環評認證規定。我們不僅有資源意識，亦致力於鼓勵持份者保護資源。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Energy Consumption in Different Categories

不同類別能源消耗

		2018 二零一八年 (mWh) (兆瓦時)	2017 二零一七年 (mWh) (兆瓦時)
Electricity	電力	5,013.16	3,922.36
Renewable Energy	可再生能源	0.19	7.06
Liquid Fuel (e.g. Petrol and Diesel)	液體燃料(例如汽油及柴油)	35,713.19	Data not available 無數據

Note: Electricity data of Year 2017 has been updated in this table after data review, electricity consumption figure were revised to rectify the misinterpretation of the electricity meter data of one reporting site and the scope of data of Year 2018 is expanded to cover liquid fuel.

附註：於審閱數據後二零一七年電力數據已於本表更新，以糾正其中一個報告對電力用量和電標數據的錯誤解讀，而二零一八年的數據範圍擴大至涵蓋液體燃料。

Total Water Consumption

總用水量

		2018 二零一八年 (L) (升)	2017 二零一七年 (L) (升)
Water Consumption	用水量	422,901,000	346,862,315

Note: Data of Year 2017 has been updated in this table after data review. Water consumption was also updated to align the volume unit used by two reporting projects with the others.

附註：於審閱數據後二零一七年的數據已於本表更新。用水量數據以糾正其中兩個報告使用的體積單位與其他項目報告保持一致。

5.3 The Environment and Natural Resources

We cannot afford to be concerned with only the economic aspect of projects. There may be adverse impacts on the natural environment if preventive mitigation measures are not implemented properly. SFK engages external third-party to review and audit our environmental management system and energy management system to ensure the robustness of our management system complies with the requirements of international standards including ISO 14001 Environmental Management System and ISO 50001 Energy Management System. Our robust system comprehensively reviews and addresses material concerns in our operations that impact the environment and natural resources.

5.3 環境及天然資源

我們不能僅關注項目的經濟方面，倘未能妥善實施預防性緩解措施，則可能會對自然環境產生不利影響。新福港委聘外部第三方審閱及審核我們的環境管理體系及能源管理體系，以確保我們管理體系的穩健性符合ISO 14001環境管理體系及ISO 50001能源管理體系等國際標準的規定。我們健全的系統全面審查並解決影響環境及天然資源在營運中的所有重要問題。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Amid many measures, pollution abatement, waste management, resources conservation and ecological mitigation are among the top considerations in our Project Environmental Policy. Each project site complies with the requirements stipulated in environmental permits and monitoring manuals, and follows established waste management plan in which procedures are stipulated to guide project staff and sub-contractors to implement the waste management hierarchy as well as proper handling procedures. Moreover, the Group's Energy Policy and Purchase Policy demonstrates our commitment in energy conservation and the Group's support to the adoption of energy efficient technologies. The Group also actively contributes to the enhancement of Hong Kong's building environment by application of local and international standards such as the BEAM Plus requirements on our project sites.

CHAPTER 6 PEOPLE

6.1 Employment and Respect for Labour Rights

As a company, SFK is well aware that the cohesive force of our staff is crucial to our sustainable growth in the market, and is thus committed to providing a fair and sound working environment to our employees.

SFK gives paramount importance to ethical and fair employment practice and equal opportunities by stringently complying with the relevant legislation including:

- Employment Ordinance (Cap. 57)
- Employees' Compensation Ordinance (Cap. 282)
- Sex Discrimination Ordinance (Cap. 480)
- Personal Data (Privacy) Ordinance (Cap. 486)
- Disability Discrimination Ordinance (Cap. 487)

Establishing a harmonious workplace where employees is free from any form of discrimination is the Group's commitment throughout all our operations. All employees and job applicants are treated equally throughout the recruitment and promotion process. The Group assesses candidates in terms of their qualifications and work experiences, and will never make any decision based on ethnicity, gender, disability, family status, religion and political factors, and other factors that are irrelevant to the job. The Group fully respects the religious belief, political stance, race, disability, gender, marital status, age and sexual orientation of our employees as well as job applicants.

在眾多措施中，減少污染、廢物管理、資源保護及生態保護是我們項目環境政策的首要考慮因素。各建築工程地盤符合環保許可證及監測手冊所載規定及遵循既定的廢物管理計劃，當中規定程序以指導項目人員及分包商實施層次式廢物管理方法以及正確的處理程序。此外，本集團的能源政策及採購政策表明我們在節能方面的承諾及本集團對採用節能技術的支持。本集團亦透過在我們的建築工程地盤應用綠建築環評等本地及國際標準，從而為改善香港的建築環境作出積極貢獻。

第六章 人力

6.1 僱傭及尊重勞動權益

作為一家公司，新福港深知我們員工的凝聚力對我們在市場上可持續發展至關重要，因此致力於為員工提供公平合理的工作環境。

新福港重視道德及公平僱傭常規以及平等機會，因此嚴格遵守所有相關法律，包括以下方面：

- 僱傭條例(第57章)
- 僱員補償條例(第282章)
- 性別歧視條例(第480章)
- 個人資料(私隱)條例(第486章)
- 殘疾歧視條例(第487章)

本集團致力在我們所有營運活動中，為員工建立和諧工作環境，免受任何歧視。於整個招聘及晉升過程中，所有僱員及應聘人員應得到公平對待。本集團根據彼等資歷及工作經驗評估候選人，且不會根據種族、性別、殘障、家庭狀況、宗教及政治因素及以其他與工作無關因素作出任何決定。本集團全面尊重我們員工以及應聘人員的宗教信仰、政策立場、種族、殘障、性別、婚姻狀況、年齡及性取向。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

For a pleasant environment and work-life balance, we are dedicated to providing our employees with competitive remuneration packages, reasonable working hours and rest periods. A range of allowances and bonuses, including year end bonus, overtime allowances, first-aid or emergency attendance allowance, is also offered to our employees.

Extending our care to the family members of our employees, we have also implemented family-friendly employment practices to aid our employees to balance their work and family affairs. To exemplify, these practices include marriage leave, maternity leave, paternity leave and compassionate leave. The Group has also implemented Breastfeeding Friendly Workplace Policy to accommodate the needs of breastfeeding employees and their new-born.

Forced labour, child labour and illegal workers are prohibited in the Group. We have comprehensive steps in place to regularly review the employment practices and eliminate undesired practices if discovered. The Group undertakes due diligence throughout the recruitment process, including requiring job applicants to provide personal identity documents for verification of age. Contracts of employment are signed by the Group and the employees, explaining and detailing the rights and responsibilities of both parties. Under no circumstance will we tolerate labour exploitation, forced labour and child labour.

In the reporting period, the Group was in compliance with the relevant laws and regulations that have a significant impact on the Group relating to compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, as well as prevention of child and forced labour in all material respects.

Total Work Force (Hong Kong) as at the end of the reporting period

		Construction 建築	Housing Services 屋宇服務	Total 總計
Gender	性別			
Male	男性	1,195	286	1,481
Female	女性	346	513	859
Employment Type	僱傭類型			
Full-time	全職	1,477	651	2,128
Part-time	兼職	64	148	212
Age Group	年齡組別			
18-30	18-30	468	12	480
31-45	31-45	554	73	627
46-60	46-60	456	392	848
≥ 61	≥ 61	63	322	385

為營造愉快的環境及工作與生活的平衡，我們致力於為員工提供有競爭力的薪酬待遇、合理的工作時間及休息時間。我們亦為僱員提供一系列津貼及花紅，包括年終花紅、加班津貼、急救人員或緊急出動津貼。

我們對員工的關懷延展至彼等的家庭成員，我們亦實施家庭友善僱傭實務，以幫助僱員平衡工作及家庭事務。舉例來說，該等實務包括婚假、產假、陪產假及恩恤假。本集團亦已履行母乳餵哺友善工作間政策，以滿足母乳喂養僱員及其新生兒的需求。

本集團禁止強迫勞動、童工及非法勞工。我們已制訂全面措施定期審查僱傭員工的實際情況，一經發現任何不當行為會立即糾正。本集團在整個招聘過程中進行盡職調查，包括要求應聘人員提供個人身份證明文件以核實年齡。僱傭合約由本集團及僱員簽署，闡釋及詳述雙方的權利及責任。我們於任何情況下絕不會容忍勞動剝削、強迫勞動及童工。

於報告期內，本集團於各重要層面遵守對本集團有重大影響的有關薪酬、解僱、招聘、晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利以及防止兒童或強制勞工的相關法律法規。

於報告期末的僱員總數(香港)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Employee (Hong Kong) Monthly Average Turnover Rate

僱員月均流動率(香港)

		Construction 建築		Housing Services 屋宇服務	
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年
Gender	性別				
Male	男性	2.3%	2.0%	3.4%	7.1%
Female	女性	1.6%	2.1%	2.8%	5.5%
Age Group	年齡組別				
18-30	18-30	1.5%	2.3%	11.3%	15.6%
31-45	31-45	2.9%	2.1%	4.0%	13.2%
46-60	46-60	2.1%	1.7%	3.1%	6.3%
≥ 60	≥ 60	0.4%	1.8%	2.6%	4.6%

6.2 Safety and Health

Hong Kong is a fast-paced city, but to SFK, faster does not have to mean riskier. The Group gives paramount importance to safety and health. As the Group primarily engages in construction business, we prioritize occupational safety and health in all our works.

SFK gives paramount importance to safety and health by rigorously complying with the relevant legislation including:

- Factories and Industrial Undertakings Ordinance (Cap. 59)
- Occupational Safety and Health Ordinance (Cap. 509)

Like all effective management systems, our safety and health policy is actively participated by all levels of management and supervision staff to explore and implement various approaches to establish a safe working environment. Safety and health is also treasured by our clients, SFK always maintains a high standard of safety and health to meet the expectations of our clients. Not only is our safety and health policy applicable to our employees, SFK's subcontractors are also required to comply with the requirements diligently.

6.2 安全與健康

香港是一個節奏明快的城市，但對新福港而言，更快不一定意味著更多風險。本集團極為重視安全與健康。由於本集團主要從事建築行業，故在所有工程當中，把職業安全與健康放在第一位。

新福港極為重視安全與健康，嚴格遵守所有相關法律，包括：

- 工廠及工業經營條例(第59章)
- 職業安全及健康條例(第509章)

像所有有效管理制度一樣，各級管理層及監督員工積極參與我們的安全與健康政策，探索及實施各項方法打造安全的工作環境。我們的客戶亦非常着重安全與健康，新福港一直維持高標準的安全與健康以達到客戶的預期。我們的安全與健康政策不僅適用於我們的僱員，亦要求新福港的分包商堅持不懈地遵循規定。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group has established the Safety and Environmental Committee, and the Site Safety and Environmental Committee to oversee and steer the management of occupational health and safety in our operation. Not only did the committees actively engage with our employees, but also collaborated with our subcontractors to effectively implement the Group's safety directives and protocols. Regular safety meetings are held between safety officers and site supervision teams together with the participation of subcontractor's and worker's representatives to share the latest information and best practices regarding occupational health and safety. The regular safety meetings also form a platform for the various interested parties to express their views on safety issues.

On top of clear directives and proactive engagement, dissemination and trainings are also an integral part of our safety management. In the reporting period, the Group invested approximately HKD220,000 and approximately 7,000 man-hours in safety training, providing over 300 safety training courses in 48 topics to staff of various level. Courses that were frequently provided included safety training in confined spaces operation, safety supervisors courses, etc. In addition, quarterly safety bulletins were published internally to maintain the momentum of safety awareness with news and events information related to occupational health and safety. Moreover, SFK has set up a Safety Training Centre to deliver safety training courses. The Safety Training Centre is recognized by the Labour Department of the Government as a course provider for "Mandatory Basic Safety Training Course (Construction Work)" for Construction Worker under the legislative requirement, proving the quality and competence of our safety training. The Group also regularly reviews the needs and commissions our Safety Training Centre as well as external training bodies to hold safety training courses to our workers and employees.

As a contractor striving for excellence, we cannot afford to be complacent with the basics of requiring workers to possess basic safety qualification, we have taken further steps to require all foremen to hold a Construction Safety Supervisor Certificate so as to ensure more effective implementation and supervision of safety measures.

本集團已成立安全與環境委員會以及地盤安全與環境委員會，以監督及帶領我們的業務營運中的職業健康和安全管理。上述委員會不僅積極接洽我們的僱員，亦與我們的分包商合作以積極實施本集團的安全指令及協議。安全主任及地盤督導團隊定期舉行安全會議，並加入分包商及工人代表參與，分享有關職業健康與安全的最新資料及最佳實踐方案。定期安全會議亦成為多個利益相關方發表彼等對安全問題意見的平台。

除明確的指令及積極參與之外，宣傳及培訓亦為我們安全管理不可或缺的一部分。於報告期內，本集團在安全培訓方面投入約220,000港元及約7,000工時，為各級員工提供48個課題及逾300次的安全培訓課程。比較頻密提供的課程包括密閉空間工作的安全培訓、安全監督員課程等。此外，藉著發表內部季度安全通訊對職業健康及安全有關的新聞與事件以保持安全意識的動力。另外，新福港已成立安全培訓中心以提供安全培訓課程，安全培訓中心獲政府勞工處認可為根據法律規定為建築工人提供「強制性基本安全培訓課程(建築工程)」的課程營辦機構，證實我們在安全培訓的質素與能力。本集團亦定期檢討我們的安全培訓中心以及外部培訓機構的需求及委任情況，為我們的工人及僱員開展安全培訓課程。

作為不斷力求卓越的承建商，我們尚不能自滿於只要求工人擁有基本安全資格的基準，我們已採取進一步措施要求所有管工持有建造業安全督導員證書以確保對安全措施更有效的實施及監督。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Furthermore, we also established internal safety requirements and targets as below:

- Zero fatal occupational accidents; and
- Less than 0.25 reportable accidents per 100,000 man-hours; or
- Less than 9 reportable accidents per 1,000 workers.

In the reporting period, the Group maintained the achievement of zero fatal occupational accident. However, there were 0.38 reportable accident per 100,000 man-hours and 16 reportable accidents per 1,000 workers, whilst 10,460 man-days were lost due to work-related injuries. Despite the number being lower than the accident frequency rate objective set out by the Development Bureau of the government, we cannot afford to become complacent about our performance in occupational health and safety.

In the reporting period, the Group was fined for a total sum of HK\$127,000 in respect of convictions related to two incidents in violation of the regulations under the Factories and Industrial Undertaking Ordinance (Cap. 59) on two sites. These two incidents were considered to be independent and isolated incidents. Save as disclosed above or otherwise in the annual report, the Group has in all material respects complied with all applicable laws and regulations in Hong Kong in relation to providing a safe working environment and protecting employees from occupational hazards.

Total Work-related Fatality and Work Injury

		2018 二零一八年	2017 二零一七年
Work-related Fatality	工傷相關的身故		
Total	總次數	0	0
Rate	比率	0%	0%
Lost Man-Day due to Work Injury	因工傷所致誤工損失		
Total	總計	10,460	3,336

此外，我們亦設立內部安全規定及目標，如下：

- 零致命職業意外；及
- 每100,000工時少於0.25宗須呈報意外；或
- 每1,000名工人少於9宗須呈報意外。

於報告期內，本集團保持了零致命職業意外的成績。然而，每100,000工時的須呈報意外為0.38宗及每1,000名工人的須呈報意外為16宗，而因工傷損失的工作日數為10,460日。儘管該數字低於政府發展局規定的意外頻率目標，但我們仍不能夠對我們的職業健康與安全表現變得自滿。

於報告期內，本集團兩個地盤就有關兩項事故而涉及違反第59章工廠及工業經營條例的定罪，被罰款合共127,000港元。該兩宗事故為獨立及互不相連的事件。除上文或本年報其他部分所披露外，本集團於香港在各重要層面遵守有關安全工作環境及保護僱員免受職業危害的所有適用法律法規。

工傷相關的身故及工傷總次數

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Exhibit: Safe use of Gantry Cranes

Gantry cranes are used widely for handling material in construction industry. Most accidents related to gantry cranes occur during the lifting activity. The consequences of an accident in connection with the use of gantry crane can be serious, sometimes fatal. Therefore, adopting the right method and using the right equipment are important to greatly minimise potential accidents.

SFK ensures the gantry cranes to be used are tested to ensure they are in good working condition and all controls, hoist limit switches, travel limit switches, indicating devices, etc. are in good condition. Our responsible staff also inspects the hook block and the safety latch for any nicks, gouges, deformation, etc. Besides, the wire ropes are examined to ensure absence of any broken wires, strand distortion, kinks, excessive wear, caging, rust and other deformations to ensure the strength has not been compromised. Chains and chain slings are also checked link-by-link for excessive wear, cracks, bend, stretch, tangle and other defects.

Our trained operators are also familiar with the proper rigging methods with considerations of the weight of the load including lifting gear, the capacity of the hoisting devices, and the safe working load limit of the lifting gear. When rigging the load, our operators check the sling angle, and ensure the centre of gravity of the load is directly under the hook for maximum stability.

When operating cranes and hoists, our operator team checks the operating environment to make sure that there are no new hazards which might affect the safe use of the crane, centre the crane directly over the load before hoisting to avoid any swinging, and ensure adequate clearances between cranes and fixed objects. Our operator team clearly communicates before and during lifting, and uses tag lines to help control the load. The team is also kept informed of the latest weather information and is authorized to stop the operations if the weather turns bad.

SFK makes no compromise in safety, and this value is shared by all of our employees. With such an expertise and attention to details, our team won the Champion of the Gantry Crane category in the Construction Industry Machinery Operation Competition held by the Construction Industry Council.

展示：安全使用龍門式起重機

龍門式起重機乃廣泛應用於建築行業的物料運送。與龍門式起重機相關的意外多產生於起重活動當中，就使用起重機發生意外的後果可能相當嚴重，有時甚至致命。因此，採用正確方案及使用適當設備相當重要，可大大地減少潛在意外的發生。

新福港確保在使用龍門式起重機前先進行檢測以確保其良好運作狀況及所有控制裝置、起重機限位開關、行程限位開關、指示裝置等良好狀況。我們的負責人員亦會檢查帶鉤滑車及保險鎖是否有任何刻痕、鑿痕、變形等。此外，檢查鋼絲繩以確保不存在任何斷線、鋼絞線變形、扭結、過度磨損、鎖緊、鏽蝕及其他變形以確保其力度並無受損。我們亦逐個接檢查鏈條及鏈條吊索，以防止過度磨損、破裂、彎曲、拉伸、纏結及其他缺陷。

我們的受培訓操作人員亦熟知適當的索具操縱方法，當中考慮負載物的重量(包括起重裝置)、吊重裝置容量以及起重裝置的安全工作負載限制。在操縱負載物時，我們的操作人員將檢查吊索角度，並確保負載物的重心直接地置於吊鉤之下以獲得最大的穩定性。

在操作起重機及吊機時，我們的操作人員團隊會檢查運作環境以確保並無可能影響起重機的安全使用的新危險，吊起前起重機的中心直接地置於負載物之下以避免出現任何擺動，並確保起重機與固定物體之間有充足的間隙。我們的操作人員團隊會在吊運之前或其過程中清晰溝通，並使用引索繩以助控制負載物。該團隊亦保持並掌握最新天氣的狀況，並獲授權在天氣變壞時終止運作。

新福港在安全方面絕不妥協，我們全體僱員對此價值觀均有共識。憑藉相關的專業知識以及對細節的關注，我們的團隊贏得建造業議會舉辦的建造業機械操作大賽的龍門式起重機類別冠軍。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Exhibit: Safe Use of Power-Operated Elevating Work Platforms

Power-operated elevating work platforms have been widely used in construction industry for work at height. Inappropriate operation of these machineries can result in serious injuries to workers and property damage, therefore, SFK values highly the proper procedures to ensure safe use of these convenient machineries.

We appoint competent personnel to be responsible for the safety of the power-operated elevating work platforms. Our responsible personnel take the following steps to ensure the safe work related to the machineries:

- carry out risk assessment to potential hazards associated with the operation of a power-operated elevating work platform, such as the working environment, the ground condition, and the specifications of the power-operated elevating work platform;
- plan the operation by identifying and describing the working locations, scale and duration of the operation, use of access road and possible route of travelling or moving, and lay down safe work methods and procedures for the required operation;
- provide the information, instruction, training and supervision to the workers and operators if necessary to ensure the safety plan can be followed effectively; and
- review periodically and evaluate the safety of the operation and whether adjustment or improvement is required when there has been a significant change.

Our competent staff is familiar with the pros and cons of various types of power-operated elevating work platforms and is able to select a suitable machine designed in accordance with sound and accepted engineering practices for the nature and location of work. Our relevant personnel ensure all inspections, tests, repairs, maintenance and hours of service related to the machine are duly carried out and documented to ensure the machineries are operating in a satisfactory condition. We also maintain good workplace conditions by protecting pedestrians with physically segregated walkways, maintaining awareness of gradient, conditions and load-bearing capacity of the ground, taking precautions with public utilities such as electricity supply lines, as well as getting latest weather information.

展示：電動升降作業平台的安全使用

電動升降作業平台已廣泛應用於建築行業的高空工作，而操作不當將導致工人受重傷及財產受到重大損壞。因此，新福港高度重視適當的程序以確保有關機械的安全使用。

我們委任符合資格的人員負責電動升降作業平台的安全。我們的負責人員採取以下措施確保與該等機械有關的安全工作：

- 進行與電動升降作業平台的操作有關的潛在危險的風險評估，如工作環境、地面狀況以及電動升降作業平台的規格；
- 通過確定及描述工作位置、操作規模及其時段、使用通道及可能的行進或移動路線而規劃作業，並為所需作業制定安全工作方法及程序；
- 必要時向工人及操作人員提供信息、指示、培訓及監督以確保安全計劃能得到有效地遵循；及
- 定期審查並於出現重大改變時評估運作的安全性及是否需要作出調整或改善。

我們符合資格的員工熟知各類電動升降作業平台的優缺點，可就工程的性質及地點選定適當機械，而機械是按認可工程實踐所設計的。我們的相關人員確保與機器相關的所有檢查、檢測、維修、維護及運作時段均得到正式的執行及備案，以確保機械在滿意的狀況下作業。我們亦通過實際隔離的人行通道以保護行人以維持良好的工作環境，保持對地面斜度、狀況及承重能力的警覺、對公用設施(如電力供應線路)採取預防措施，並了解最新天氣情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Thanks to SFK's robust safety management, quality training and our employees' devotion and competence, our competition representative was awarded with Gold award for Outstanding Power Operated Elevating Platform Worker in Occupational Safety and Health in the 19th Construction Safety Competition held by the Occupational Safety and Health Council.

6.3 Education, Training and Career Development

'Education is the premise of progress, in every society, in every family.' said the recipient of Nobel Peace Prize, Kofi Annan. In SFK's value, education is also the premise of progress in every corporation. With this belief, we spare no expense in staff education and training with an objective to create a solid keystone for the Group's sustainable development in construction business.

SFK provides comprehensive staff development and training to deepen and broaden the professional knowledge and technical skills of our staff. We are committed to providing adequate opportunities to our staff to acquire job-related trainings and development, primarily through on-the-job trainings, seminars, workshops, site visits and formal training schemes approved by professional institutes. We also support continuing professional development by providing paid study leave and subsidies for tuition. Furthermore, we provide examination leave to allow staff to focus on their qualification development.

Full-time Employees Trained

Gender	性別
Male	男性
Female	女性
Employee Category	僱員類別
Senior Management	高級管理層
Middle Management	中級管理層
Junior Level	初級

得益於新福港穩健的安全管理、質量培訓及我們僱員的忠誠與能力，我們的比賽代表獲得職業安全健康局所舉行第19屆建造安全大賽職業安全與健康方面傑出電動升降平台工人金獎。

6.3 教育、培訓及職業發展

諾貝爾和平獎得主科菲·安南曾言「教育是每個社會和每個家庭發展的前提。」在新福港的價值觀中，教育亦為公司每項發展的前提。因此信念，我們不惜成本進行員工教育及培訓，旨在為本集團在建築業務上的可持續發展奠定基石。

新福港提供全面的員工發展以及培訓以深化及拓寬員工的專業知識及技術技能。我們致力於向員工提供充足的機會以獲得與工作相關的培訓及發展，主要是通過在職培訓、研討會、講習班、現場考察以及專業機構核准的正式培訓計劃等進行。我們亦以提供有薪進修假期及助學金的形式支持持續職業發展。此外，我們提供考試假期以讓員工專注於彼等的資歷發展。

全職受訓僱員

	2018 二零一八年	2017 二零一七年
Male	27.0%	28.3%
Female	3.0%	5.6%
Senior Management	56.8%	53.7%
Middle Management	100.0%	26.3%
Junior Level	4.7%	12.1%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Average Training Hours Completed Per Full-time Employee

每名全職僱員完成受訓的平均時數

		2018 二零一八年	2017 二零一七年
Gender	性別		
Male	男性	4.4	3.4
Female	女性	0.4	0.8
Employee Category	僱員類別		
Senior Management	高級管理層	10.2	4.3
Middle Management	中級管理層	40.5	4.3
Junior Level	初級	0.6	1.8

CHAPTER 7 OPERATING PRACTICES

第七章 營運慣例

7.1 Quality and Compliance Management

7.1 質量與合規管理

‘Without craftsmanship, inspiration is a mere reed shaken in the wind.’ said Johannes Brahms, a German composer in the nineteenth century. It is also the notion of SFK to materialize our work at its finest. We have established and implemented a quality management system in accordance with the ISO 9001 standard, which assure quality deliverable to our customers by ensuring that:

德國十九世紀作曲家約翰尼斯·布拉姆斯說：「沒有技藝，靈感僅為風中飄盪的蘆葦。」新福港的觀念亦是以最好的質素實現我們的工作。我們已根據ISO9001標準制定及實施品質管理制度，通過確保以下各項的保證向客戶提供可予交付的質量：

- The services and works we deliver to our customers meet the specifications and requirements of our customers and the applicable statutory and regulatory requirements;
- The sites under our management and operation follow the policies and procedures defined in the quality management system at all stages with the relevant records produced to substantiate compliance with the requirements;
- We continuously improve our products or services and the effectiveness of the quality management system to enhance customer satisfaction; and
- The quality management is given the highest practicable priority in both all aspects of the contract and discharging our contractual obligations.

- 我們交付予客戶的服務及工程將符合客戶的規格及要求以及適用的法例法規的要求；
- 我們所管理及營運的地盤於各階段將遵循品質管理體系所界定的政策及程序，並保持相關記錄以證明符合相關要求；
- 透過持續改進產品或服務以及質量管理體系的有效性，加強客戶滿意；及
- 於制定合約的各個方面以及履行合約責任時，均優先考慮品質管理。

Under the quality management system, our Project Quality Policy ensures the quality and compliance of all project sites through a systematic control process in which inspection and testing of the works are carried out to detect non-compliance, non-compliance is then subject to rectification and re-inspection until quality specification is met. In addition, with an aim to further finesse our work, we highly value feedbacks from all our stakeholders. All feedbacks from our stakeholders are handled in accordance with our complaint handling system to ensure complaints can be resolved in a timely and effective manner.

根據品質管理制度，我們的項目質量政策透過系統性的控制流程確保所有項目地盤的質量及合規性，在此流程中進行工程檢查及檢測以發現不合規之處，然後對不合規之處加以糾正及重新檢測，直至質量規格達標。此外，為進一步靈巧處理我們的工作，我們高度重視我們所有持份者的反饋。我們根據投訴處理系統處理持份者的所有反饋，以確保投訴能夠及時有效地得到解決。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group has also formulated and established procedures to respect intellectual property rights, all our installed operating systems and software were sourced from authorised suppliers or copyright holders to ensure integrity of intellectual property rights.

Information regarding our clients is also under strict protection under our internal administration of information technology. We are also dedicated to protecting the privacy of our employees, subcontractors and clients according to our code of practice and the relevant regulations, including the Personal Data (Privacy) Ordinance (Cap. 486).

The Group will only collect personal data that is necessary to fulfill the relevant functions and activities. Where the person from whom personal data is or will be collected, he or she will be informed of the details and the purposes of the collection on or before the data is being collected. In the reporting period, the Group was in compliance with the applicable, rules and regulations governing health and safety, advertising, labelling and privacy matters relating to works and services provided and methods of redress in all material respects.

Non-compliance and Complaints

Total completed works subject to recalls for safety and health reasons	因安全及健康理由返修的已竣工工程總數
Number of complaints received at the corporate level relating to works and services	總公司層面接獲的工程及服務相關投訴的次數

本集團亦已制定及確立尊重知識產權的程序，我們所有已裝備的操作系統及軟件均源自經授權供應商或版權持有人以確保知識產權的完整性。

與我們客戶有關的資料亦受到我們內部信息技術管理的嚴格保護。我們亦致力於根據行為守則及有關法例(包括第486章個人資料(私隱)條例)保障僱員、分包商及客戶的私隱。

本集團僅收集履行相關職能及活動所需的個人資料。倘該名人士的個人資料被收集或將被收集，則於收集資料時或之前，彼將獲告知所收集的詳情及目的。於報告期內，本集團於各重要層面遵守有關廣告、標籤及與提供的工作及服務相關的私隱事宜以及相關的補救方法的當地適用規則及法規。

違規事項及投訴

	2018 二零一八年	2017 二零一七年
Total completed works subject to recalls for safety and health reasons	0	0
Number of complaints received at the corporate level relating to works and services	0	0

7.2 Supply Chain Management

SFK's success cannot be achieved on our own, but with a team of partners with a wide range of expertise. It is important for us to maintain proactive communication and engagement with our suppliers and subcontractors so as to effectively manage environmental and social risks along the supply chain.

With mutual trust and consent with our partners, we implement comprehensive review and monitoring procedures to ensure our partners are suitable and competent for our work. SFK selects subcontractors based on factors including requirements under the main contract with our customer, previous collaboration experience and our evaluation of their performance from the list of qualified subcontractors maintained by us. Addition of new subcontractors is subject to internal approval process with consideration of their financial stability, quality of work, past performance and capability to meet our required quality, schedule, costs, environmental and safety requirements.

7.2 供應鏈管理

新福港的成功無法單憑我們自身實現，而是需要擁有廣泛專業知識的夥伴團隊。我們非常重視保持與供應商及分包商的主動溝通及往來，以便有效管理與供應鏈相伴的環境及社會風險。

憑藉與我們合夥人之間的相互信任及一致意見，我們實施全面的審核及監控程序以確保我們的合夥人適合及能勝任我們的工作。新福港基於多項因素甄選分包商，包括與客戶之間主合約項下的規定、先前的合作經驗以及對我們所持有合資格分包商清單內彼等的表現進行評估。新分包商的加入須通過內部審批程序，以考慮彼等的財務穩定性、工作質素、過往表現及達到我們所規定的質素、時間安排、成本、環境及安全規定的能力。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Our subcontractors range from sole proprietorships with several employees to sizeable companies registered under the List of Approved Contractors for Public Works and/or the Specialist List of the Development Bureau, and at least 80 of them have been working with us for more than ten years. With established relationship with our subcontractors, we can comprehensively assess the subcontractors and ensure the consistent quality of our works.

In line with our selection process of subcontractors, SFK selects suppliers based on a similar control process. SFK also evaluates annually all active suppliers and subcontractors in terms of their performance in quality, safety, environment, financial stability and resource availability.

On top of assessment and review, we also furnish with our suppliers and subcontractors environmental and social compliance training to ensure their understanding and compliance with the applicable legal and regulatory requirements as well as the specific project requirements.

我們的分包商範圍從擁有數名僱員的獨資企業到認可公共工程承建商名冊及／或「專門承造商名冊」項下發展局認可註冊的大型公司，其中至少80名分包商與我們之間已合作超過十年。憑藉與分包商之間建立的良好關係，我們可全面地評估分包商及確保我們工作品質始終如一。

根據我們的分包商甄選流程，新福港根據相若的控制流程甄選供應商，亦按年評估所有積極供應商及分包商在質量、安全、環境、財務穩定性及資源可用性方面的表現。

除評估及審核外，我們亦向供應商及分包商提供環境及社會合規培訓，以確保彼等了解及遵守適用法規及監管規定以及特定項目要求。

Number of Suppliers as at the end of the reporting period

於報告期末的供應商數目

Region	地區	Number 數目
Hong Kong	香港	586
Mainland China	中國大陸	1

Number of sub-contractors as at the end of the reporting period

於報告期末的的分包商數目

Region	地區	Number 數目
Hong Kong	香港	536
Britain	英國	1
Canada	加拿大	1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

7.3 Moral Integrity and Anti-corruption

All successful business stands on the foundation of morality. SFK is committed to maintaining the highest ethical standard of business conduct and gives utmost importance to moral integrity and anti-corruption by adamantly complying with relevant regulation and legislation such as Prevention of Bribery Ordinance (Cap. 201).

SFK's internal Code of Business Conduct related to anti-bribery and unethical and illegal behaviours governs all our employees. SFK does not tolerate any bribery, extortion, fraud and money laundering. The Code is effectively conveyed to our employees to ensure their understanding of and compliance with all the relevant regulations and codes. In addition, the Group also regularly invite speakers from the Hong Kong Independent Commission Against Corruption ("ICAC") to conduct anti-corruption training. All newly onboard employees are also required to undergo a ICAC anti-corruption video training to help them familiarize themselves with the regulations and codes. In order to ensure our employees to conduct business fairly and morally, the Group also requires all employees to declare any conflict of interest at least annually. Externally, during the festive seasons, we issue notices to our subcontractors and suppliers to remind them of SFK's policy that offering any kinds of advantages or bribes to our employees is prohibited.

To further safeguard SFK's moral integrity, as listed in our Code of Conduct, we have established effective procedures and confidential whistle-blowing channels to ensure thorough investigation of all allegations of corruption and ethical impropriety. All complaints received by the Managing Director via confidential fax or letter are promptly handled and investigated. Any staff in violation of our company policies or applicable laws and regulations will be reported to the ICAC and wherever appropriate, shall be subject to disciplinary action.

In the reporting period, the Group was in compliance with the applicable rules and regulations relating to bribery, extortion, fraud and money laundering in all material respects. No legal case concerned with corrupt practices was brought against SFK or any of our employees in the reporting period.

7.3 道德誠信與反貪腐

所有成功的業務均以道德為基石。新福港致力保持業務行為的最高道德標準，並嚴格遵守相關的法規及法律(如第201章《防止賄賂條例》)，高度重視道德操守及反貪污。

新福港通過有關反賄賂、不道德及非法行為的內部商業操守守則，管治我們全體僱員。新福港不容忍任何賄賂、勒索、欺詐及洗黑錢等行為。該守則有效地傳達予我們的僱員，以確保彼等了解及遵守所有相關法規及守則。此外，本集團亦定期邀請香港廉政公署(「廉政公署」)的講者進行反貪污培訓。所有新進僱員亦須接受廉政公署反貪污視頻培訓，以助彼等了解相關法規及守則。為確保我們的僱員公平有道德地開展工作，本集團亦要求全體僱員至少每年一次聲明任何利益衝突。對外，於節日假期，我們會向分包商及供應商發出通知，提醒彼等新福港的政策，即不得向我們的僱員提供任何類別的好處或賄賂。

為進一步保障新福港的道德操守(如我們的行為守則所列)，我們已設立有效的程序及機密的舉報渠道，以確保對所有貪污及道德行為不當指稱進行徹底調查。所有投訴會透過保密傳真或函件寄發至董事總經理，並獲得立即處理及調查。任何違反公司政策或適用法律法規的員工均會呈報予廉政公署，並會執行適當的紀律處分。

於報告期內，本集團於各重要層面均遵守有關賄賂、勒索、欺詐及洗黑錢的適用規則及法規。於報告期內，新福港或我們的僱員均未受到涉及貪腐行為的法律指控。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

**Total Number of Corrupt Practices
as at 31 December 2018**

於二零一八年十二月三十一日
的貪腐行為總數

	Number 數目
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period	0

於匯報期內對發行人或其僱員提出
並已審結的貪污訴訟案件的數目

CHAPTER 8 COMMUNITY

第八章 社區

8.1 Community Participation

8.1 社區參與

‘True charity is the desire to be useful to others with no thought of recompense.’ said Emanuel Swedenborg, a Swedish philosopher in the eighteenth century. This belief is also upheld by SFK in our community participation, and contribution to the community is necessary for sustainable development of society.

十八世紀瑞典哲學家伊曼紐·斯威登堡說「真正的慈善是希望在對他人有用而不望回報。」新福港亦在我們的社區參與中推崇此信仰，而對社區的貢獻是社會實現可持續發展所需。

Expressing our support, we offer sponsorships and donations to various non profit making organisations. We collaborate with social welfare organisations, charity groups, and community organisations to co-organise voluntary and charity activities. SFK’s volunteer team engages and organises our staff to participate in voluntary activities.

為表示我們的支持，我們向多個非牟利組織提供贊助及捐贈。我們與社會福利組織、慈善團體以及社區組織合作以共同舉辦義務工作及慈善活動。新福港的義工團隊帶領及組織我們的員工參與義務工作活動。

The Group’s administration department and volunteer team organising committee evaluate the effectiveness of our community activities and review feedbacks from the community groups through various channels including e-mails, company website and annual report to understand the needs of the communities. Based on these feedbacks, the Group’s sustainability objectives are regularly reviewed.

本集團的行政部門及義工團隊組織委員會評估我們社區活動的有效性，並檢討社區團體透過電郵、公司網站及年報等多個渠道所作反饋以了解社區的需求。基於上述的反饋，本集團定期檢討可持續目標。

Not only does the community participation foster a closer relationship between SFK and various community organisations, it also brings our staff members from different departments and project sites closer to each other, boosting our team spirit to contribute to the well-being of the Group and the society.

社區參與不僅發展了新福港與多個社區組織之間更為親密的關係，同時也令來自不同部門及項目地盤的員工成員相互之間更為親密，宣揚了我們的團隊精神以促進本集團及社會的福祉。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

8.2 Focus Areas

8.2.1 Voluntary Services

The only way we can serve a higher meaning is by serving other people. The Group encourages involvement in voluntary services as one of the many ways to appeal community participation. SFK's volunteer team serves our communities through selfless dedication to a wide variety of subjects in need, such as elderly, children, as well as people with disability. So as to extend our reach to those in need, we collaborate with various social organisations, welfare organisations and charity groups to organise events and activities for maximum benefits and impacts.

Amid all our voluntary services in the reporting period, we partnered with Food for Good to carry out a signature event, a poon choi luncheon celebrating Master Lu Ban's birthday, in Tung Tau Community Kitchen in July 2018. In this traditional Chinese festival that has deep-rooted in our culture for thousands of years, not only did senior citizens who joined the activity enjoy delicious traditional gourmets, they also received blood pressure checks provided by voluntary nurses. With joy and harmony, the event promoted the well-being of our senior citizens, and served as a recurring reminder of our traditional virtues.

On top of serving elderly, our care also extended to children with disability. In June 2018, we collaborated with SAHK to co-organize a volunteer activity, "Happy gathering in Party House". Our volunteers spent a wonderful weekend morning with a group of children with development disorder in a playhouse in Kowloon Bay. Through the activity, volunteers can understand more about the children's need, and raise the corresponding awareness in our society.

SFK spares no expense to foster the culture of volunteering. In the reporting period, the Group contributed over HKD110,000 of sponsorship or in-kind sponsorship to voluntary services. At the same time, our volunteer team devoted more than 250 man-hours to those in need. Not only does voluntary work contribute to the communities, it also discovers and exploits the potential and capability of our employees.

8.2 關注範圍

8.2.1 義工服務

我們可成就更高意義的唯一方式是服務他人。本集團鼓勵參與義工服務作為呼籲社區參與的眾多方式之一。新福港的義工團隊通過各種形式幫助有需要的人(如長者、兒童以及殘疾人士)，以無私奉獻服務我們的社區。為向有需要幫助的人群伸出援手，我們與多個社會組織、福利機構及慈善團體合作，一起舉辦活動以達到最大的影響及效益。

於報告期內所提供的我們所有義務工作服務之中，我們夥拍齊惜福於二零一八年七月在東頭社區廚房(Tung Tau Community Kitchen)開展特色活動，以及盆菜午宴，慶祝魯班大師的生日。在此幾千年來根植於我們文化的傳統中國節日中，參加此活動的長者不僅可以享受美味的傳統美食，亦可接受義工護士提供的血壓檢查。此活動充滿歡樂與和諧氛圍，改善了我們長者的福祉，亦一再提醒我們不忘傳統美德。

除為長者服務之外，我們亦給予殘疾兒童關懷。於二零一八年六月，我們與香港耀能協會合作共同舉辦義工活動，「樂聚 Party House」。我們的義工們在九龍灣兒童室內遊樂場與有發展障礙的一群兒童渡過了愉快的週末上午。透過該活動，義工們可更好地了解他們的需要，並提高對我們社會的相應認知。

新福港不惜成本培育義工文化。於報告期內，本集團向義工服務貢獻超過110,000港元的贊助或實物贊助。同時，我們的義工團隊對該等需要幫助人士奉獻超過250小時的義工服務時數。義務工作不僅對社區有貢獻，亦發展及開發我們僱員的潛力及能力。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

8.2.2 Health

Health is the greatest asset. Being aware of this, the Group strives to promote healthy lifestyles and expresses our concern to the sick.

A total of 115 SFK staff members and their relatives participated in “10K Weekend 2018” in Hong Kong Disneyland in November 2018. Disney-Pixar characters from beloved films such as “Toy Story,” “Monsters University” and “The Incredibles,” Disney friends and performers cheered runners on as they raced in and around the theme park along different race routes. Participation in this event encouraged a healthy lifestyle to promote work-life balance, and raised fund for those in need. Part of the donation was designated for TWGHs Ho Yuk Ching Educational Psychology Service Centre to provide service for children and youth with special education needs.

In the reporting period, we also participated in various sports events to enable our employees to develop their interests and maintain a healthy work-life balance. We participated in different sport events, including the Standard Chartered Hong Kong Marathon 2018, Hong Kong Streetathon 2018, and Construction Industry Happy Run and Carnival 2018. Internally, we also organised football and basketball matches for our employees from the head office and project sites. In total, more than 600 participants joined these sports events in the reporting period.

To extend our concern to the sick, the Group also participated in the “Care for You Heart Flag Day 2018” in February 2018. 88 SFK staff members and their friends and relatives joined the event. The Flag Day aimed to raise fund for cardiac patient support, and comprehensive heart health and rehabilitation services for patients and the public, ultimately helping heart disease patients to actively face heart disease.

We also participated in blood donation activity in June 2018. Many of our warm-hearted colleagues supported the activities through blood donation, and contributed to the society with their actual actions. Besides, we invited different social workers and paramedics to organise talks for our employees to promote healthy lifestyles, such as prevention of diseases and smoking cessation. We also organised site-based activities on health issues, such as prevention of heat stroke, basic physical check-up of blood pressure and the body mass index.

8.2.2 健康

健康是最大的資產。認識到這點，本集團致力推崇健康生活方式並對病人表達我們的關懷。

於二零一八年十一月，合共115名新福港員工成員及其親屬參加了香港迪士尼樂園的「10K Weekend 2018」。「反斗奇兵」、「怪獸大學」及「超人特工隊」等深受喜愛的電影內的迪士尼·彼思角色、迪士尼朋友及演藝人員沿不同賽道為在主題公園內或其周邊比賽的跑步者歡呼加油。參與該賽事鼓勵了一種健康的生活方式，促進工作與生活平衡，並為有需要幫助人士籌款。捐出部分收益予何玉清教育心理服務中心，為有特殊教育需要的兒童及年輕人提供服務。

於報告期內，我們亦參加了多項體育賽事，讓我們的員工可發展其興趣及保持健康的工作與生活平衡。我們參與不同的體育賽事，包括渣打香港馬拉松2018、香港街馬2018及2018建造業開心跑暨嘉年華。在集團內部，我們亦為來自總部及項目地盤的員工組織了足球及籃球比賽。於報告期內，合共有超過600名的參與者參加了以上體育賽事。

為向病人表達我們的關懷，本集團亦於二零一八年二月參加「關心您的心 — 愛心賣旗日2018」。88名新福港員工成員及其親朋參加了該項活動。該賣旗日旨在為支持心臟病患者籌款、對患者及公眾提供全面的心臟健康與康復服務、最終目的是幫助患者積極面對心臟病。

我們亦於二零一八年六月參加捐血活動。我們許多熱心同事透過捐血支持活動，以實際行動貢獻社會。此外，我們邀請不同的社會工作者及護理人員為我們的員工演講以推廣健康的生活方式，如疾病預防與戒煙。我們亦在地盤舉辦有關健康問題的活動，如防止中暑、血壓及身高體重指數的基本體檢。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In the reporting period, the Group contributed over HKD70,000 of sponsorship to promotion of healthy lifestyles. At the same time, our staff members and their friends and relatives devoted more than 1,100 man-hours in activities relevant to healthy lifestyles.

8.2.3 Environmental Protection

The environment is an integral part of sustainable development. Not only do we strive for environmental excellence in our projects, we also attempt to convey messages of pollution minimization and resources conservation to the public. In May 2018, we co-organized a volunteer activity, “Sun Fook Kong Green Day”, with BiciLine of Tung Wah Group of Hospitals to participate in a workshop together with 20 children from Tin Shui Wai. In an attempt to improve the mosquito problem with resource conservation in mind, SFK’s volunteers and the children made good use of coffee grounds and wormwood to produce natural mosquito coils.

We attach great importance to the environmental issues arising from our daily life. Partnered with Greeners Action, the Group participated in the Mooncake Box Recycling Campaign 2018 and the Red Packet Recycle and Reuse Campaign 2018 to recycle or reuse wastes generated in our daily life. Besides participating in environmental activities, four of our projects were awarded as Good Level in “Wastewi\$e” Certificate from Hong Kong Awards for Environmental Excellence.

In the reporting period, the Group contributed over HKD140,000 of sponsorship to promotion of environmental protection, and our staff members and their friends and relatives devoted more than 260 man-hours in activities relevant to environmental protection.

於報告期內，本集團贊助超過70,000元以推廣健康的生活方式。同時，我們的員工成員及其親朋在與健康生活方式相關的活動中奉獻超過1,100工時。

8.2.3 環保

環境是可持續發展不可或缺的一部分。我們不僅致力在項目中做到環保，亦嘗試向公眾傳達儘量減少污染及資源保護的信息。於二零一八年五月，我們與東華三院BiciLine共同舉辦義工活動「新福港綠活體驗之旅」，與來自天水圍的20名兒童參與一項工作坊。為在進行節約資源的同時考慮改善蚊患問題，新福港的義工及兒童利用咖啡渣及艾草製出天然的蚊香。

我們極為重視於日常生活中出現的環境問題。通過與綠領行動合作，本集團參與了二零一八年度月餅盒回收大行動及二零一八年度利是封回收重用大行動，以回收或再利用我們日常生活所產生的廢物。除參與環保活動外，我們有四個項目獲得香港環保卓越計劃所頒發的「良好級別」減廢證書。

於報告期內，本集團贊助逾140,000港元以促進環保，而我們的員工成員及其親朋於與環保有關的活動中投入超過260個工時。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

CHAPTER 9 AWARDS AND RECOGNITION HIGHLIGHTS

第九章 獎項及嘉許摘要

Name of Awards or Achievement 獎項或成就名稱	Issuing Organisation 頒發機構	Award Receiving Date 得獎日期	Award Receiving Company 得獎公司
Certificate of Appreciation for Participation of Drainage Services Department Open Day 2018 積極參與2018年渠務署開放日感謝狀	Drainage Services Department 渠務署	January 2018 二零一八年一月	SFK Construction Holdings Limited 新福港建設集團有限公司
Construction Industry Operation Competition 2017 Champion Team — Gantry Cranes Operation Competition 建造業機械操作比賽2017冠軍隊伍 — 龍門式起重機操作比賽	Construction Industry Council 建造業議會	January 2018 二零一八年一月	Sun Fook Kong — Biwater Joint Venture
Construction Industry Operation Competition 2017 Best Operator of Gantry Cranes 建造業機械操作比賽2017最佳龍門式起重機操作員	Construction Industry Council 建造業議會	January 2018 二零一八年一月	Sun Fook Kong — Biwater Joint Venture
Construction Industry Operation Competition 2017 First Runner-up Team — Crawler Cranes Operation Competition 建造業機械操作比賽2017亞軍隊伍 — 履帶式起重機操作比賽	Construction Industry Council 建造業議會	January 2018 二零一八年一月	Chit Chueng Construction Company Limited
Construction Industry Operation Competition 2017 Best Sling Team— Crawler Cranes Operation Competition 建造業機械操作比賽2017最佳吊索團隊— 履帶式起重機操作比賽	Construction Industry Council 建造業議會	January 2018 二零一八年一月	Chit Chueng Construction Company Limited
Construction Industry Operation Competition 2017 Best Signaler— Crawler Cranes Operation Competition 建造業機械操作比賽2017最佳訊號員— 履帶式起重機操作比賽	Construction Industry Council 建造業議會	January 2018 二零一八年一月	Chit Chueng Construction Company Limited
Construction Industry Operation Competition 2017 Second Runner-up Team — Truck Cranes Operation Competition 建造業機械操作比賽2017季軍隊伍 — 貨車式起重機操作比賽	Construction Industry Council 建造業議會	January 2018 二零一八年一月	Sun Fook Kong Construction Limited 新福港營造有限公司

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Name of Awards or Achievement 獎項或成就名稱	Issuing Organisation 頒發機構	Award Receiving Date 得獎日期	Award Receiving Company 得獎公司
Red Packet Sponsor for Red Packet Recycle and Reuse Campaign 2018 利是封回收重用大行動2018紅封包贊助	Greeners Action 綠領行動	February 2018 二零一八年二月	Sun Fook Kong Construction Group 新福港建設集團
Certificate of Appreciation for Flag Day 愛心賣旗日感謝狀及義工人數最高獎	Care for Your Heart 關心您的心	February 2018 二零一八年二月	Sun Fook Kong Construction Group 新福港建設集團
Most Amazing Award 2017 2017年度最嘆為觀止的一刻獎狀	MTR 港鐵	March 2018 二零一八年三月	Sun Fook Kong Construction Limited 新福港營造有限公司
5 years+ Caring Company Logo 連續5年或以上獲頒「商界展關懷」標誌	The Hong Kong Council of Social Service 香港社會服務聯會	March 2018 二零一八年三月	Sun Fook Kong Holdings Limited 新福港控股有限公司
Business for Sustainability 2017/18 Logo 可持續發展企業2017/18 標誌	The Hong Kong Council of Social Service 香港社會服務聯會	March 2018 二零一八年三月	SFK Construction Holdings Limited 新福港建設集團有限公司
Gold Award (Type I Security Work) for Security Services Best Training Award 2017 二零一七年度保安服務最佳培訓獎 — 金獎(第一類別保安公司)	Vocational Training Council, and Hong Kong Police Force Crime Prevention Bureau 職業訓練局及香港警務處防止罪案科	March 2018 二零一八年三月	Sun Fook Kong Housing Services Limited 新福港屋宇服務有限公司
Construction Industry Safety Award Scheme 2017/18 — Silver Award 建造業安全獎勵計劃2017/2018 — 銀獎	Labour Department 勞工處	March 2018 二零一八年三月	Sun Fook Kong Construction Limited 新福港營造有限公司
2017/18 Airport Safety Recognition Scheme — Role Model Safety Behaviour 2017/18機場安全嘉許計劃 — 模範安全行為	Airport Authority Hong Kong 香港機場管理局	April 2018 二零一八年四月	Sun Fook Kong (Civil) Limited 新福港(土木)有限公司
2017/18 Airport Safety Recognition Scheme — Good Safety Advice 2017/18機場安全嘉許計劃 — 優良安全建議	Airport Authority Hong Kong 香港機場管理局	April 2018 二零一八年四月	Sun Fook Kong (Civil) Limited 新福港(土木)有限公司
2017/18 Airport Safety Recognition Scheme — Corporate Safety Performance Award 2017/18機場安全嘉許計劃 — 企業安全表現獎	Airport Authority Hong Kong 香港機場管理局	April 2018 二零一八年四月	Sun Fook Kong (Civil) Limited 新福港(土木)有限公司

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Name of Awards or Achievement 獎項或成就名稱	Issuing Organisation 頒發機構	Award Receiving Date 得獎日期	Award Receiving Company 得獎公司
Airport Authority Capital Works Department First Quarter 2018 – Site Safety Award 機場管理局基本工程部2018第一季 — 地盤安全獎	Airport Authority Hong Kong 香港機場管理局	April 2018 二零一八年四月	Sun Fook Kong (Civil) Limited 新福港(土木)有限公司
Happiness at Work 2018 – Happy Company 開心工作間2018—開心企業	Promoting Happiness Index Foundation 香港提升快樂指數基金	May 2018 二零一八年五月	SFK Construction Holdings Limited 新福港建設集團有限公司
Innovative Safety Initiative Award 2018 — Safety Operational Device Category Height Alert System and Road Work Uniform 2018創意工程安全獎—安全操作設施 類別限高系統及新反光制服	Development Bureau, Construction Industry Council and Hong Kong Construction Association 發展局、建造業議會及 香港建造商會	May 2018 二零一八年五月	CEC – CCC Joint Venture 大陸工程—捷章建築聯營
Construction Safety Week 2018 Safety Video Competition – Lifting and Plant Operation Item: Silver Award (Safe Lifting Simple as Cooking) 建造業安全周2018安全短片比賽— 起重及機械操作類別：金獎 《安全吊運「芝」菜心炒牛肉》	Development Bureau and Construction Industry Council 發展局及建造業議會	May 2018 二零一八年五月	CEC – CCC Joint Venture 大陸工程—捷章建築聯營
Construction Safety Week 2018 Safety Video Competition – Construction Safety Related Innovative Video Item: Silver Award (“Y” Chin Strap) 建造業安全周2018安全短片比賽— 工地安全相關的創意短片類別： 銀獎《“Y”型帽帶》	Development Bureau and Construction Industry Council 發展局及建造業議會	May 2018 二零一八年五月	CEC – CCC Joint Venture 大陸工程—捷章建築聯營
Construction Safety Week 2018 Safety Video Competition – Repair, Maintenance, Alterations and Additions Works Item: Silver Award (Just For You) 建造業安全周2018安全短片比賽— 維修、保養、改建及加建工作短片： 銀獎《全為你》	Development Bureau and Construction Industry Council 發展局及建造業議會	May 2018 二零一八年五月	Sun Fook Kong Construction Group 新福港建設集團
24th Considerate Contractors Site Award Scheme – Silver Award 第24屆公德地盤嘉許計劃—銀獎	Development Bureau 發展局	May 2018 二零一八年五月	Sun Fook Kong Construction Limited 新福港營造有限公司

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Name of Awards or Achievement 獎項或成就名稱	Issuing Organisation 頒發機構	Award Receiving Date 得獎日期	Award Receiving Company 得獎公司
The 7th Outstanding Corporate Social Responsibility Award 第七屆傑出企業社會責任獎	The Mirror Post Cultural Enterprises Co Ltd 鏡報文化企業有限公司	July 2018 二零一八年七月	SFK Construction Holdings Limited 新福港建設集團有限公司
19th Construction Safety Forum and Award Presentation Best Safety Enhancement Program for Work at Height – Silver Award 第十九屆建造業安全分享會暨頒獎禮 最佳高處工作安全改善計劃 – 銀獎	Occupational Safety and Health Council 職業安全健康局	July 2018 二零一八年七月	Sun Fook Kong Construction Limited 新福港營造有限公司
19th Construction Safety Forum and Award Presentation Best Safety Culture Site – Merit Award 第十九屆建造業安全分享會暨頒獎禮 最佳安全文化地盤 – 優異獎	Occupational Safety and Health Council 職業安全健康局	July 2018 二零一八年七月	Sun Fook Kong Construction Limited 新福港營造有限公司
19th Construction Safety Forum and Award Presentation Best Safety Culture Project Manager/Site Agent – Merit Award 第十九屆建造業安全分享會暨頒獎禮最佳 安全文化項目經理/地盤總管 – 優異獎	Occupational Safety and Health Council 職業安全健康局	July 2018 二零一八年七月	Sun Fook Kong Construction Limited 新福港營造有限公司
19th Construction Safety Forum and Award Presentation Outstanding Power Operated Elevating Platform Operator – Gold Award 第十九屆建造業安全分享會暨頒獎禮模範 動力操作升降台操作員 – 金獎	Occupational Safety and Health Council 職業安全健康局	July 2018 二零一八年七月	Sun Fook Kong Construction Limited 新福港營造有限公司
19th Construction Safety Forum and Award Presentation Outstanding Metal Scaffolder – Silver Award 第十九屆建造業安全分享會暨頒獎禮模範 金屬棚架工 – 銀獎	Occupational Safety and Health Council 職業安全健康局	July 2018 二零一八年七月	Sun Fook Kong Construction Limited 新福港營造有限公司
19th Construction Safety Forum and Award Presentation Outstanding Metal Scaffolder – Merit Award 第十九屆建造業安全分享會暨頒獎禮模範 金屬棚架工 – 優異獎	Occupational Safety and Health Council 職業安全健康局	July 2018 二零一八年七月	Sun Fook Kong Construction Limited 新福港營造有限公司

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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Safety Performance Award 2018 – Zero Accident Award 安全表現 2018 – 零事故承建商	West Kowloon Cultural District Authority 西九文化區管理局	August 2018 二零一八年八月	Sun Fook Kong Construction Limited 新福港營造有限公司
Safety Performance Award 2018 – Best Model Foreman 安全表現 2018 – 最佳模範管工	West Kowloon Cultural District Authority 西九文化區管理局	August 2018 二零一八年八月	Sun Fook Kong Construction Limited 新福港營造有限公司
Safety Performance Award 2018 – Best Model Worker 安全表現 2018 – 最佳模範工友	West Kowloon Cultural District Authority 西九文化區管理局	August 2018 二零一八年八月	Sun Fook Kong Construction Limited 新福港營造有限公司
Safe Project Team Award 2018 – Certificate of Appreciation 安全工程項目團隊獎2018 – 嘉許獎	The Lighthouse Club (Hong Kong) 明建會(香港)	September 2018 二零一八年九月	Sun Fook Kong Construction Limited 新福港營造有限公司
The 17th Hong Kong Occupational Safety & Health Award OSH Enhancement Program Award – Gold Award “Tailor-made Working Platform (TWP) for Precast Façade Lifting Operation” 第十七屆香港職業安全健康大 職安健改善項目大獎 – 金獎《預制件埋碼工作平台》	Occupational Safety and Health Council 職業安全健康局	September 2018 二零一八年九月	Sun Fook Kong Construction Limited 新福港營造有限公司
The 17th Hong Kong Occupational Safety & Health Award Work Safe Behaviour Award – Silver Award 第十七屆香港職業安全健康大 工作安全行為大獎 – 銀獎	Occupational Safety and Health Council 職業安全健康局	September 2018 二零一八年九月	Sun Fook Kong Housing Services Limited 新福港屋宇服務有限公司
Good MPF Employer Award 積金好僱主標誌	Mandatory Provident Fund Schemes Authority 強制性公積金計劃管理局	October 2018 二零一八年十月	SFK Construction Holdings Limited 新福港建設集團有限公司
Hong Kong Star Brand – Enterprise Award 香港星級品牌-企業獎	Hong Kong Small and Medium Enterprises Association 香港中小型企业聯合會	November 2018 二零一八年十一月	SFK Construction Holdings Limited 新福港建設集團有限公司
Certificate of Appreciation for Mooncake Box Recycling Campaign 2018 月餅盒回收大行動2018 嘉許狀	Greeners Action 綠領行動	November 2018 二零一八年十一月	Sun Fook Kong Group 新福港集團

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Name of Awards or Achievement 獎項或成就名稱	Issuing Organisation 頒發機構	Award Receiving Date 得獎日期	Award Receiving Company 得獎公司
2017/18 Family-Friendly Employers Award Scheme Family-Friendly Employers, Special Mention (Gold) Award and Awards for Breastfeeding Support 2017/2018 年度家庭友善僱主獎勵計劃 家庭友善僱主標誌、特別嘉許(金獎)、支持母乳餵哺獎	Family Council 家庭議會	December 2018 二零一八年十二月	SFK Construction Holdings Limited 新福港建設集團有限公司
Hong Kong Corporate Governance Excellence Award 2018 – Honourable Mention 2018 香港公司管治卓越獎 – 特別嘉許	The Chamber of Hong Kong Listed Companies 香港上市公司商會	December 2018 二零一八年十二月	SFK Construction Holdings Limited 新福港建設集團有限公司
The 9th HK Corporate Citizenship Program Recognition Logo 第九屆香港企業公民嘉許標誌	Hong Kong Productivity Council 香港生產力促進局	December 2018 二零一八年十二月	Sun Fook Kong Construction Group 新福港建設集團
Social Capital Builder Logo Award 社會資本動力標誌獎	Labour and Welfare Bureau 勞工及福利局	December 2018 二零一八年十二月	Sun Fook Kong Construction Group 新福港建設集團

CHAPTER 10 LOOKING AHEAD

Foresight is a critical adaptive strategy for times of rapid changes. Through proactive communication with various stakeholders including the authority and our clients, we maintain vigilant of the latest development of the industry and the expectations from our stakeholders, and strive to create value for our stakeholders through prudent management of material environmental and social aspects.

SFK will explore cost-effective technologies and methods to further improve our quality of works as well as achieving better safety and environmental management, and simultaneously, continue our prudent monitoring and control mechanism. Our pioneer adoption of Building Information Modelling (BIM) in the project management was proven to be effective and successful. The BIM envisages virtual construction of a facility, thus reduces uncertainty, improves safety, resolves problems, and simulates impacts. Critical information can be input into the model before beginning construction, offering opportunities to facilitate products delivery on a just-in-time basis and pre-fabricate or pre-assemble some systems off-site to minimise waste generation. We expect more of our upcoming projects will adopt BIM process as an integral part of our project management.

第十章 展望

對於日新月異的時代，高瞻遠矚是一項關鍵的適應性策略。透過與包括機關及客戶在內的多名持份者主動溝通，我們對行業的最新發展及持份者的預期保持警醒，並致力透過對重大環境及社會層面的審慎管理而為我們的持份者創造價值。

新福港將探索具成本效益的技術及方法，進一步提高我們的工作質量及實現更好的安全與環境管理，同時不斷實行審慎監控及控制機制。我們在項目管理中先行採用建築資訊模擬(BIM)經證實有效並且成功。BIM通過虛擬技術設定建築方法，從而減少不確定性、提高安全性、解決問題並模擬影響。關鍵資料可在開始動工前輸入模型，同時提供機會促進產品剛好及時地交付，並在場外預製或預裝若干系統以儘量減少垃圾的產生。我們預期日後會有更多項目採用BIM程序作為我們項目管理不可或缺的一環。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

At the same time, we will also look for opportunities for family-friendly initiatives to strengthen the cohesiveness of our team to provide professional and quality services and works. Progress is not automatic. Every step toward the goal requires commitment, devotion, and exertion; and it is our responsibility to get ourselves ready for the challenges to come.

同時，我們亦會為家庭友善計劃尋找機會以加強我們團隊的凝聚力，以提供專業的高品質服務及工作。進步並非平白取得。朝著目標前進的每一步均需承諾、奉獻及努力，而我們有責任時刻準備著迎接挑戰。

APPENDIX THE STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX TABLE

附錄 聯交所環境、社會及管治報告指引內容索引表

HKSE ESG Reporting Guide 聯交所環境、社會及管治報告指引	Description 描述	Chapter 章節
A. Environmental A. 環境		
Aspect A1: Emissions 層面 A1：排放物		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關空氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Chapter 5.1 Emissions Control Management 5.1 章排放控制管理
KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Chapter 5.1 Emissions Control Management 5.1 章排放控制管理
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	Chapter 5.1 Emissions Control Management 5.1 章排放控制管理
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。	Chapter 5.1 Emissions Control Management 5.1 章排放控制管理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HKSE ESG Reporting Guide 聯交所環境、社會及管治報告指引	Description 描述	Chapter 章節
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Chapter 5.1 Emissions Control Management 5.1 章排放控制管理
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Chapter 5.1 Emissions Control Management 5.1 章排放控制管理
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Chapter 5.1 Emissions Control Management 5.1 章排放控制管理
Aspect A2: Use of Resources 層面 A2：資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Chapter 5.2 Effective Use of Resources 5.2 章善用資源
KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	5.2 Effective Use of Resources 5.2 善用資源
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	5.2 Effective Use of Resources 5.2 善用資源
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	5.2 Effective Use of Resources 5.2 善用資源
KPI A2.4 關鍵績效指標 A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 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。	5.2 Effective Use of Resources 5.2 善用資源

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HKSE ESG Reporting Guide 聯交所環境、社會及管治報告指引	Description 描述	Chapter 章節
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	Not applicable as our operation does not involve significant use of packaging material 我們並不適合，由於操作不涉及大量使用包裝材料
Aspect A3: The Environment and Natural Resources 層面 A3：環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	5.3 The Environment and Natural Resources 5.3 環境及天然資源
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 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。	5.3 The Environment and Natural Resources 5.3 環境及天然資源
B. Social B. 社會		
Employment and Labour Practices 僱傭及勞工常規		
Aspect B1: Employment 層面 B1：僱傭		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關： (a) 政策；及 (b) 遵守對發行人有重大影響的有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的相關法律及規例的資料。	6.1 Employment and Respect for Labour Rights 6.1 就業及尊重勞動權益
KPI B1.1 關鍵績效指標 B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	6.1 Employment and Respect for Labour Rights 6.1 就業及尊重勞動權益

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HKSE ESG Reporting Guide 聯交所環境、社會及管治報告指引	Description 描述	Chapter 章節
KPI B1.2 關鍵績效指標 B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	6.1 Employment and Respect for Labour Rights 6.1 就業及尊重勞動權益
Aspect B2: Health and Safety 層面 B2：健康與安全		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	6.2 Safety and Health 6.2 安全與健康
KPI B2.1 關鍵績效指標 B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	6.2 Safety and Health 6.2 安全與健康
KPI B2.2 關鍵績效指標 B2.2	Lost days due to work injury. 因工傷損失工作日數。	6.2 Safety and Health 6.2 安全與健康
KPI B2.3 關鍵績效指標 B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	6.2 Safety and Health 6.2 安全與健康
Aspect B3: Developing and Training 層面 B3：發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	6.3 Education, Training and Career Development 6.3 教育、培訓及職業發展
KPI B3.1 關鍵績效指標 B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	6.3 Education, Training and Career Development 6.3 教育、培訓及職業發展

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HKSE ESG Reporting Guide 聯交所環境、社會及管治報告指引	Description 描述	Chapter 章節
KPI B3.2 關鍵績效指標 B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	6.3 Education, Training and Career Development 6.3 教育、培訓及職業發展
Aspect B4: Labour Standards 層面 B4：勞工準則		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	6.1 Employment and Respect for Labour Rights 6.1 就業及尊重勞動權益
KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	6.1 Employment and Respect for Labour Rights 6.1 就業及尊重勞動權益
KPI B4.2 關鍵績效指標 B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	6.1 Employment and Respect for Labour Rights 6.1 就業及尊重勞動權益
Operating Practices 營運慣例		
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	7.2 Supply Chain Management 7.2 供應鏈管理
KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	7.2 Supply Chain Management 7.2 供應鏈管理
KPI B5.2 關鍵績效指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	7.2 Supply Chain Management 7.2 供應鏈管理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HKSE ESG Reporting Guide 聯交所環境、社會及管治報告指引	Description 描述	Chapter 章節
Aspect B6: Product Responsibility 層面 B6：產品責任		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	7.1 Quality and Compliance Management 7.1 質量與合規管理
KPI B6.1 關鍵績效指標 B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	7.1 Quality and Compliance Management 7.1 質量與合規管理
KPI B6.2 關鍵績效指標 B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	7.1 Quality and Compliance Management 7.1 質量與合規管理
KPI B6.3 關鍵績效指標 B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	7.1 Quality and Compliance Management 7.1 質量與合規管理
KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	7.1 Quality and Compliance Management 7.1 質量與合規管理
KPI B6.5 關鍵績效指標 B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	7.1 Quality and Compliance Management 7.1 質量與合規管理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HKSE ESG Reporting Guide 聯交所環境、社會及管治報告指引	Description 描述	Chapter 章節
Aspect B7: Anti-corruption 層面 B7：反貪污		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	7.3 Moral Integrity and Anti-corruption 7.3 道德誠信與反貪腐
KPI B7.1 關鍵績效指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	7.3 Moral Integrity and Anti-corruption 7.3 道德誠信與反貪腐
KPI B7.2 關鍵績效指標 B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	7.3 Moral Integrity and Anti-corruption 7.3 道德誠信與反貪腐
Community 社區		
Aspect B8: Community Investment 層面 B8：社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	8 Community Participation 8 社區參與
KPI B8.1 關鍵績效指標 B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	8 Community Participation 8 社區參與
KBI B8.2 關鍵績效指標 B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	8 Community Participation 8 社區參與

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board recognises that corporate governance practices are crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholder value. The Company is committed to achieving and maintaining a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) under Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Board is of the opinion that the Company has complied with all the code provisions, except for the deviation from provision A.2.1 and C.2.5 of the CG Code during the Year.

According to provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have a chief executive officer and such role has been assumed by the managing director of the Company. Mr. Chan Ki Chun is the chairman and the managing director of the Company. In the view that Mr. Chan has been assuming day-to-day responsibilities in operating and managing the Group since 1999, the Board believes that it is in the best interest of the Group to have Mr. Chan taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from provision A.2.1 of the CG Code is appropriate in such circumstances.

According to code provision C.2.5 of the CG Code, the Company should have an internal audit function. The Company does not establish a standalone internal audit department, however, the Board has put in place adequate measures to perform the internal audit function in relation to different aspects of the Group. In 2018, the Company appointed an external internal control adviser to perform periodic review of our internal control system to evaluate the effectiveness and formulate plans and recommendations for improvement of our internal control measures and policies. It is intended to review the effectiveness of the Group’s material internal controls so as to provide assurance that key internal control measures are carried out appropriately and are functioning as intended.

Notwithstanding the above, the Board is of the view that this management structure is effective for the Group’s operations and sufficient checks and balances are in place. The Board will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with regulatory requirements and to meet the growing expectations of the shareholders of the Company and investors.

企業管治常規

董事會深明公司能平穩、有效及透明地運作，招商引資，維護股東與持有人的權利並提升股東價值，企業管治常規的作用至關重要。本公司致力達成並保持高標準的企業管治，透過有效的企業管治程序引領本集團再創佳績，提高企業形象。

本公司已採納聯交所證券上市規則（「上市規則」）附錄十四的企業管治守則（「企業管治守則」）所載守則條文。董事認為，於年內，除偏離企業管治守則第A.2.1條及C.2.5條外，本公司均已遵守所有守則條文。

根據企業管治守則第A.2.1條，主席與行政總裁的角色應有區分，不應由一人同時兼任。本公司並無設有行政總裁，該角色一直由本公司董事總經理兼任。陳麒淳先生為本公司主席兼董事總經理。鑑於陳先生自一九九九年以來一直承擔本集團日常經營管理的職責，董事會相信陳先生兼任兩職可實現有效管理及業務發展，符合本集團的最佳利益。因此，董事認為在該情況下偏離企業管治守則第A.2.1條屬適當。

根據企業管治守則條文第C.2.5條，本公司應擁有內部審核職能部門。本公司並無設立獨立內部審核部門，然而，董事會已實施適當措施，履行與本集團不同層面相關的內部審核職能。於二零一八年，本公司已委任外聘內部控制顧問定期檢討內部控制系統，評估內部控制系統的成效以及制定規劃及建議，務求改善內部控制措施及政策。我們擬檢討本集團重要內部控制的成效，以保證主要內部控制措施妥善執行及發揮擬定作用。

儘管如此，董事會認為此管理架構對本集團的業務營運屬有效，並能形成充分的權力制衡。董事會會持續檢討本身的企業管治常規，以提高企業管治標準，遵守監管規定及滿足本公司股東與投資者日益提高的期望。

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out in the provision D.3.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and relevant disclosures in the corporate governance report as set out in the annual report of the Company.

The Board is performing the abovementioned corporate governance functions throughout the Year.

THE BOARD

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and the Shareholders. The Board has established three Board committees (the "Board Committees"), being the audit committee (the "Audit Committee"), the nomination committee (the "Nomination Committee") and the remuneration committee (the "Remuneration Committee"), to oversee different areas of the Company's affairs.

Board composition

The Board currently consists of seven directors, comprising four executive Directors, and three independent non-executive Directors (the "INED(s)"). As at the date of this report, the Board of the Company comprises the following Directors:

Executive Directors

Mr. CHAN Ki Chun (*Chairman and Managing Director*)
Mr. CHAN Chor Tung
Mr. YUNG Kim Man
Mr. YEUNG Cho Yin, William

INEDs

Mr. LAM Leung Tsun
Mr. JIM Fun Kwong, Frederick
Mr. CHAN Kim Hung, Simon

企業管治職責

董事會負責履行企業管治守則第D.3.1條所載企業管治職責，包括(a)制定及檢討本公司企業管治的政策及常規；(b)檢討及監督本集團董事及高級管理人員的培訓與持續專業發展；(c)檢討及監督本公司的政策及常規是否符合法律及監管規定；(d)制定、檢討及監督適用於本集團僱員及董事的行為守則與合規指引手冊(如有)；及(e)檢討本公司有否遵守企業管治守則及於本公司年報所載企業管治報告的相關披露。

董事會於整個年內履行上述企業管治職責。

董事會

董事會致力有效盡責地領導本公司發展。董事須單獨並一致真誠為本公司與股東的最佳利益行事。董事會成立三個董事委員會(「董事委員會」)，由其監督本公司各方面事務，分別為審核委員會(「審核委員會」)、提名委員會(「提名委員會」)及薪酬委員會(「薪酬委員會」)。

董事會組成

董事會現由七名董事組成，包括四名執行董事及三名獨立非執行董事(「獨立非執行董事」)。於本報告日期，本公司董事會由以下董事組成：

執行董事

陳麒淳先生(主席兼董事總經理)
陳楚東先生
容劍文先生
楊楚賢先生

獨立非執行董事

林良俊先生
詹勳光先生
陳劍雄先生

CORPORATE GOVERNANCE REPORT

企業管治報告

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making. The biographies of the Directors (and their relationships, if any) are set out in the “Biographical Details of Directors and Senior Management” section of this annual report, which demonstrates a diversity of skills, expertise, experience and qualifications. Save as disclosed therein, there are no financial, business, family or other material or relevant relationships among the members of the Board.

Each of the executive Directors has entered into a new service agreement with the Company for a further fixed term of three years with effect from 10 December 2018, unless terminated by the respective Director or the Company in accordance with the terms of the service agreement. Under the code provision A.4.1 of the CG Code, the INEDs should be appointed for a specific term. Each of the INEDs has entered into a letter of appointment with the Company which shall last for a period of three years with effect from 10 December 2018, subject to early termination by the INED or the Company in accordance with the terms of the letter of appointment.

Throughout the Year, the Board has at all times met the requirements of Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three INEDs with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise.

The three INEDs represent more than one-third of the Board, the proportion of which is higher than what is required by Rule 3.10A of the Listing Rules whereby INEDs of a listed issuer must represent at least one-third of the board. The Board believes there is sufficient independence element in the Board to safeguard the interest of the Shareholders.

Independence of the INEDs

The role of the INEDs is to provide independent and objective opinions to the Board, giving adequate control and balances for the Group to protect the overall interests of the Shareholders and the Group. They serve actively on the Board and Board Committees to provide their independent and objective views. All the INEDs are free from any business or other relationships with the Company.

The Company has received written annual confirmation of independence from each INED in accordance with Rule 3.13 of the Listing Rules. The Company has assessed their independence and concluded that all the INEDs are independent within the meaning of the Listing Rules.

董事會組成反映有效領導本公司及獨立決策需要均衡的技能及經驗。董事履歷(及彼等的關係, 如有)載於本年報「董事及高級管理層履歷」一節, 闡明各種技能、專長、經驗及資格。除該節所披露者外, 董事會成員之間概無財務、業務、家屬或其他重大或相關關係。

各執行董事已與本公司訂立新服務協議, 自二零一八年十二月十日起再續固定任期三年, 除非有關董事或本公司根據服務協議條款予以終止。根據企業管治守則之守則條文第A.4.1條, 獨立非執行董事之委任應有具體任期。各獨立非執行董事與本公司訂立委任函, 自二零一八年十二月十日起有效期三年, 但獨立非執行董事或本公司可根據委任函條款提前終止。

於整個年內, 董事會一直遵守上市規則第3.10(1)條及(2)條, 已委任至少三名獨立非執行董事, 其中至少一名獨立非執行董事擁有適當的專業資格或會計或相關財務管理專長。

三名獨立非執行董事代表超過三分之一董事會席位, 比例高於上市規則第3.10A條的規定, 即上市發行人的獨立非執行董事須代表至少三分之一董事會席位。董事會相信, 董事會充分獨立, 可保障股東利益。

獨立非執行董事的獨立性

獨立非執行董事的職責是向董事會提供獨立客觀的意見, 適當約束及制衡本集團, 保護股東及本集團的整體利益。彼等積極配合董事會及董事委員會, 提供獨立客觀的意見。全體獨立非執行董事不參與任何業務或概無與本公司存在其他關係。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認函。本公司評估彼等的獨立性後, 認為全體獨立非執行董事符合上市規則規定之獨立性。

Board Diversity Policy

Pursuant to the CG Code, the Board has adopted a board diversity policy. The Company recognises and embraces the benefits of diversity of the Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. The nominations were made in accordance with the nomination policy of the Group and selection of candidates will be based on a range of objective criteria with due regard for the benefit of diversity of the Board including, but not limited to, gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

Functions of the Board and Management

The Board is primarily responsible for establishing the overall strategies of the Group, setting objectives and business development plans, assuming responsibility of corporate governance and monitoring the performance of senior management.

The management, under the leadership of the managing director of the Company, is responsible for implementing the strategies and plans established by the Board and reporting on the Group's operations to the Board on a regular basis to ensure effective performance of the Board's responsibilities.

All the Directors have separate and independent access to the Group's senior management to fulfill their duties. Independent professional advice can be sought to assist the relevant Directors to discharge their duties at the Group's expense upon their request. In accordance with code provision C.1.2 of the CG Code, all the Directors have been provided with monthly updates on the Group's performance and financial position to enable the Board as a whole and each Director to discharge their duties.

Continuing Professional Development

In compliance with code provision A.6.5 of the CG Code, training, briefing and updates on the latest development of the Listing Rules in connection with the environmental, social and governance reporting, internal control and risk management and other applicable regulatory requirements have been provided to each Director during the Year to ensure compliance and enhance their awareness of good corporate governance practices. All the Directors have participated in continuous professional development to develop and refresh their knowledge and skills in these respects, and have submitted their training records to the Company. Continuing briefings and professional development for the Directors will be arranged whenever necessary.

董事會成員多元化政策

根據企業管治守則，董事會已採納董事會成員多元化政策。本公司認可並相信董事會成員多元化的裨益。所有董事會成員會繼續按長處委任，同時本公司確保董事會成員兼備與本公司業務所需的相關技能、經驗與多元想法。有關提名乃根據本集團《提名政策》作出，選擇候選人時將基於一系列客觀標準，包括但不限於性別、年齡、文化及教育背景、經驗（專業或其他經驗）、技能及學識，並適當考慮董事會多元化利益而作出。

董事會及管理層的職能

董事會主要負責制定本集團整體策略，釐定目標及業務發展計劃，負責企業管治及監督高級管理層表現。

在本公司董事總經理的領導下，管理層負責執行董事會制定的策略及計劃，並就本集團的經營狀況定期向董事會報告，確保董事會職責得以有效履行。

全體董事可個別及獨立地諮詢本集團的高級管理層以便其履行職責。相關董事應能經發出要求獲得獨立專業意見助其履行職責，費用由本集團承擔。根據企業管治守則之守則條文第C.1.2條，全體董事均獲提供本集團每月最新業績及財務狀況資料，以便董事會及各董事履行職責。

持續專業發展

我們已遵守企業管治守則之守則條文第A.6.5條，於年內就上市規則所載有關環境、社會與政府報告、內部控制與風險管理及其他相關監管規定的最新發展對每名董事進行培訓、簡報及提供最新資訊，確保彼等遵守及更加重視良好的企業管治常規。全體董事均參加持續專業發展培訓，對上述領域的知識及技能溫故知新，並已向本公司提交培訓記錄。我們會於必要時為董事安排後續簡報及專業發展培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

The individual training record of each Director during the Year is summarised below: 年內，各董事接受的個人培訓記錄概述如下：

Name of Director	董事姓名	Attending training course(s)/ reading materials	參與培訓課程／閱讀資料
Executive Directors		執行董事	
Mr. CHAN Ki Chun	陳麒淳先生		√
Mr. CHAN Chor Tung	陳楚東先生		√
Mr. YUNG Kim Man	容劍文先生		√
Mr. YEUNG Cho Yin, William	楊楚賢先生		√
INEDs		獨立非執行董事	
Mr. LAM Leung Tsun	林良俊先生		√
Mr. JIM Fun Kwong, Frederick	詹勳光先生		√
Mr. CHAN Kim Hung, Simon	陳劍雄先生		√

Board attendance

Code provision A.1.1 of the CG Code prescribes that at least 4 regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through other electronic means of communication. Accordingly, the Board will schedule to have at least four regular meetings in a year. Other board meetings will be held if necessary.

During the Year, a total of 4 Board meetings and one annual general meeting (the “2018 AGM”) of the Company were held and the attendance records of the respective Directors at the Board meetings and the 2018 AGM are set out below:

董事會出席情況

企業管治守則之守則條文第A.1.1條規定，每年應大致按季度間隔至少召開四次定期董事會會議，大多數董事不論親身或透過其他電子通訊方式均應積極與會。因此，董事會將安排每年至少召開四次定期會議。如有必要，另行召開其他董事會會議。

年內，本公司總共舉行了四次董事會會議及一次股東週年大會（「二零一八年股東週年大會」），有關董事出席董事會會議及二零一八年股東週年大會的記錄載列如下：

Name of Director	董事姓名	Attendance/Number of meetings during the Year	
		Board Meetings	the 2018 AGM
		年內出席次數／召開會議次數	二零一八年 股東週年大會
Executive Directors		執行董事	
Mr. CHAN Ki Chun	陳麒淳先生	4/4	1/1
Mr. CHAN Chor Tung	陳楚東先生	4/4	1/1
Mr. YUNG Kim Man	容劍文先生	4/4	1/1
Mr. YEUNG Cho Yin, William	楊楚賢先生	4/4	1/1
INEDs		獨立非執行董事	
Mr. LAM Leung Tsun	林良俊先生	4/4	1/1
Mr. JIM Fun Kwong, Frederick	詹勳光先生	4/4	1/1
Mr. CHAN Kim Hung, Simon	陳劍雄先生	4/4	1/1

DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions that may be taken against the Directors and senior management arising out of corporate activities. The insurance coverage is reviewed on an annual basis by the Company.

BOARD COMMITTEES

The Board has established three Board Committees to oversee specific aspects of the Group's affairs and assist the Board in the execution of its responsibilities. Each of these committees has specific written terms of reference which clearly outline the committee's authority and duties, and which require the committee to report back on its decisions or recommendations to the Board. All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

Audit Committee

The Company has established the Audit Committee on 19 November 2015 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision C.3 of the CG Code. The Audit Committee consists of three INEDs, namely Mr. Jim Fun Kwong, Frederick, Mr. Lam Leung Tsun and Mr. Chan Kim Hung, Simon. Mr. Jim Fun Kwong, Frederick has been appointed as the chairman of the Audit Committee, and is the INED with the appropriate professional qualifications.

The primary duties of the Audit Committee are, among other things, to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, to monitor relationship with external auditor of the Group, to review the Group's financial information, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

董事及管理層的責任

本公司就任何因公司活動可能引致對董事及高級管理層發起的法律訴訟購買適當的董事及管理層責任保險。本公司每年檢討保險責任範圍。

董事委員會

董事會成立三個董事委員會監督本集團的具體事務及協助董事會履行其責任。各委員會設有各自的書面職權範圍，清楚列明委員會的權力及職責，並要求委員會向董事會匯報其決策或提議。所有董事委員會均可獲提供充足資源以便履行職責，包括於必要時諮詢管理層或獲得專業意見。

審核委員會

本公司於二零一五年十一月十九日成立審核委員會，並根據上市規則第3.21條及企業管治守則之守則條文第C.3條訂立書面職權範圍。審核委員會由三名獨立非執行董事組成，分別為詹勳光先生、林良俊先生及陳劍雄先生。詹勳光先生獲委任為審核委員會主席，具有適當專業資格的獨立非執行董事。

審核委員會的主要職責為(其中包括)藉以提供有關本集團財務申報程序、風險管理及內部控制體系是否有效的獨立意見協助董事會以及監督本集團與外部核數師的關係，檢討本集團的財務資料，監察審核程序以及履行董事會指派的其他職責及責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

The members of the Audit Committee should meet at least twice a year. During the Year, the Audit Committee has held 3 meetings, during which the Audit Committee has, inter alia, reviewed the continuing connected transaction of the Group; the external auditor's statutory audit scope for 2018 and their independence; the consolidated financial statements of the Group for the year ended 31 December 2017 and for the 6 months ended 30 June 2018, including the accounting principles and practices adopted by the Group, as well as the risk management and internal control systems of the Group. The attendance records of the respective members of the Audit Committee at its meetings are set out below:

審核委員會成員應每年至少開會兩次。年內，審核委員會已召開三次會議，主要檢討本集團的持續關連交易；外聘核數師的二零一八年法定審核範圍以及彼等獨立性；本集團於截至二零一七年十二月三十一日止年度及截至二零一八年六月三十日止六個月的綜合財務報表，包括本集團採納的會計準則與慣例，以及本集團風險管理與內部控制體系。有關審核委員會成員出席會議的記錄載列如下：

	Attendance/Number of meetings during the Year 年內出席次數／召開會議次數
Mr. JIM Fun Kwong, Frederick (<i>Chairman</i>) 詹勳光先生(主席)	3/3
Mr. LAM Leung Tsun 林良俊先生	3/3
Mr. CHAN Kim Hung, Simon 陳劍雄先生	3/3

Remuneration Committee

The Company has established the Remuneration Committee on 19 November 2015 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and code provision B.1 of the CG Code. The Remuneration Committee comprises two INEDs, namely Mr. Chan Kim Hung, Simon and Mr. Jim Fun Kwong, Frederick and one executive director, namely Mr. Yeung Cho Yin, William. Mr. Chan Kim Hung, Simon has been appointed as the chairman of the Remuneration Committee.

薪酬委員會

本公司於二零一五年十一月十九日成立薪酬委員會，並根據上市規則第3.25條及企業管治守則第B.1條訂立書面職權範圍。薪酬委員會由兩名獨立非執行董事陳劍雄先生及詹勳光先生及一名執行董事楊楚賢先生組成。陳劍雄先生獲委任為薪酬委員會主席。

The primary duties of the Remuneration Committee are, among other things, to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations on remuneration packages of Directors and senior management. Details of the remuneration paid to the Directors and the five highest paid employees are set out in notes 8 and 9, respectively, to the consolidated financial statements in this annual report.

薪酬委員會的主要職責為(其中包括)制定並檢討董事及高級管理層的薪酬政策及架構，並就董事及高級管理層的薪酬待遇提出建議。董事及五名最高薪人士的薪酬詳情分別載於本年報綜合財務報表附註8及9。

Details of the remuneration of the members of the senior management by band for the Year are set out below:

年內高級管理層成員的薪酬範圍詳情載列如下：

Remuneration band (HK\$'000)	薪酬範圍(千港元)	Number of individual 人數
0-1,000	0至1,000	1
1,000-2,000	1,000至2,000	8

CORPORATE GOVERNANCE REPORT

企業管治報告

The members of the Remuneration Committee should meet at least once a year. During the Year, the Remuneration Committee held 1 meeting, for, inter alia, reviewing the remuneration packages for individual Directors and senior management and making recommendations to the Board. The attendance records of the respective members of the Remuneration Committee at its meetings are set out below:

薪酬委員會成員應每年至少開會一次。年內，薪酬委員會已召開一次會議，主要檢討個別董事與高級管理層的薪酬待遇，向董事會提出建議。有關成員出席薪酬委員會會議的記錄載列如下：

Attendance/Number of meetings during the Year 年內出席次數／召開會議次數

Mr. CHAN Kim Hung, Simon (<i>Chairman</i>) 陳劍雄先生(主席)	1/1
Mr. JIM Fun Kwong, Frederick 詹勳光先生	1/1
Mr. YEUNG Cho Yin, William 楊楚賢先生	1/1

Nomination Committee

The Company has established the Nomination Committee on 19 November 2015 with written terms of reference in compliance with code provision A.5 of the CG Code. The Nomination Committee consists of one executive director, namely Mr. Chan Ki Chun and two INEDs, namely Mr. Lam Leung Tsun and Mr. Chan Kim Hung, Simon. Mr. Chan Ki Chun has been appointed as the chairman of the Nomination Committee.

提名委員會

本公司於二零一五年十一月十九日成立提名委員會，並根據企業管治守則第A.5條訂立書面職權範圍。提名委員會由一名執行董事陳麒淳先生及兩名獨立非執行董事林良俊先生及陳劍雄先生組成。陳麒淳先生獲委任為提名委員會主席。

The primary duties of the Nomination Committee are, among other things, to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and to make recommendations to the Board on the appointment or re-appointment of the Directors and succession planning for the Directors, and to assess the independence of the INEDs.

提名委員會的主要職責為(其中包括)至少每年檢討董事會的架構、規模與組成(包括技能、知識、經驗及多元化方面)及就委任或重新委任董事及董事繼任計劃向董事會提出建議，及評估獨立非執行董事的獨立性。

The members of the Nomination Committee can call for a meeting anytime when it is necessary. During the Year, the Nomination Committee held 1 meeting and has, inter alia, reviewed the structure, size and composition of the Board and assessed the independence of the INEDs. The attendance records of the respective members of the Nomination Committee at its meetings are set out below:

提名委員會成員可於必要時隨時召開會議。年內，提名委員會已召開一次會議，主要檢討董事會的架構、規模與組成及評估獨立非執行董事的獨立性。有關成員出席提名委員會會議的記錄載列如下：

Attendance/Number of meetings during the Year 年內出席次數／召開會議次數

Mr. CHAN Ki Chun (<i>Chairman</i>) 陳麒淳先生(主席)	1/1
Mr. LAM Leung Tsun 林良俊先生	1/1
Mr. CHAN Kim Hung, Simon 陳劍雄先生	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

Nomination Criteria

In evaluating and selecting any candidate for the directorship, a number of criteria should be considered, including:

- skills, knowledge, experience and professional expertise which are relevant to the operations of the Group;
- diversity aspects under the board diversity policy of the Group;
- willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company;
- character and integrity;
- for INEDs, whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules; and
- any potential contributions that the candidate can bring to the Board.

Nomination Procedures

The Company has put in place the following director nomination procedures:

Appointment of director

- (i) If the Nomination Committee determines that an additional or replacement director is required, the Committee may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate, including internal promotion, referral from directors, shareholders, management, advisors of the Company and external executive search firms.
- (ii) The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board and the appointment or re-appointment of directors and succession planning for directors is subject to the approval of the Board.

提名標準

於評估及挑選任何董事人選時應考慮以下若干標準包括：

- 與本集團經營有關的技能、知識、經驗及專業知識；
- 本集團董事會多元化政策下的多元化方面；
- 投入足夠時間履行董事會及／或本公司董事委員會成員的職務的意向及能力；
- 性格及誠信；
- 就獨立非執行董事而言，參照上市規則所載的獨立指引，候選人是否被視為獨立；及
- 候選人可為董事會帶來的任何潛在貢獻。

提名程序

本公司已實施以下董事提名程序：

委任董事

- (i) 倘提名委員會釐定所需新增或替代董事，委員會可就釐定及評估候選人採取其認為適當的措施，包括內部晉升以及來自董事、股東、管理層、公司顧問及外部獵頭公司的推薦。
- (ii) 提名委員會可向董事會建議由本公司股東推薦或提呈提名的候選人，作為董事會選任的被提名人，董事的委任或重選委任，以及董事的繼任計劃須經董事會批准。

- (iii) On making recommendation, the Nomination Committee may submit the candidate's personal profile and a proposal to the Board for consideration. In order to be a valid proposal, the proposal must clearly indicate the nominating intention and the candidate's consent to be nominated and the personal profile must incorporate and/or be accompanied by the full particulars of the candidate that are required to be disclosed under the Listing Rules, including the information and/or confirmation required under Rule 13.51(2) of the Listing Rules. If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.
- (iv) The Board shall observe the Board Diversity Policy and shall, subject to merit and suitability, continue in its endeavours to introduce more diversity into the Board, taking into account professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving board diversity.
- (iii) 提名委員會於作出推薦時，可將候選人的個人簡介及提案交予董事會以供考慮。為使提案有效，提案必須明確指出提名意向及候選人同意被提名，個人簡介必須包括及／或附有根據上市規則要求披露候選人的全部詳情，包括根據上市規則第13.51(2)條所規定的資料及／或確認。倘建議候選人獲委任為獨立非執行董事，則其獨立性須根據上市規則第3.13條所載因素進行評估，惟聯交所可能不時作出任何修訂。
- (iv) 董事會須遵守董事會多元化政策，並在可取及適用的情況下，繼續致力於使董事會更多元化（計及專業經驗及資歷、性別、年齡、文化及教育背景、以及董事會可能認為與實現董事會多元化有關且不時適用的任何其他因素）。

Re-election of director

- (i) When a retiring director, being eligible, offers himself for re-election, the Board shall consider and, if consider appropriate, recommend such retiring director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring director will be sent to the shareholders of the Company prior to a general meeting in accordance with the Listing Rules.
- (ii) If an INED is subject to the re-election, the Nomination Committee and/or the Board will also assess and consider whether the INED will continue to satisfy the independence requirements as set out in the Listing Rules.
- (iii) Each proposed appointment or re-election of a Director shall be assessed and/or considered against the criteria and qualifications set out in the Nomination Policy by the Nomination Committee which shall recommend its views to the Board and/or the Shareholders for consideration and determination.

The Board will from time to time review the nomination policy and monitor its implementation, as appropriate, to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

重選董事

- (i) 退任董事合資格重選時，董事會須考慮及推薦（倘認為適用）該名退任董事於股東大會上膺選連任。一份載有該名退任董事所需資料的通函將根據上市規則於股東大會前寄發予本公司股東。
- (ii) 倘獨立非執行董事須接受重選，提名委員會及／或董事會亦將評估及考慮獨立非執行董事會是否繼續符合上市規則所載的獨立性規定。
- (iii) 每項建議委任或重選董事須由提名委員會根據提名政策所載的準則及資格進行評估及／或考慮，並將其意見提呈予董事會及／或股東以供考慮及釐定。

董事會將不時審閱提名政策及監察其實施情況（如適用），以確保其持續有效及遵守監管規定及良好的企業管治常規。

CORPORATE GOVERNANCE REPORT

企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Having made specific enquiries of all the Directors, each of the Directors confirmed that he has complied with the required standards set out in the Model Code during the Year.

Pursuant to Rule B.13 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he would be prohibited from dealing by the Model Code as if he were a Director.

COMPANY SECRETARY

Ms. Tang Yuen Wah, Rity is the company secretary of the Company. Please refer to the section “Biographical details of Directors and Senior Management” of this annual report for her biographical information. All Directors have access to the company secretary to ensure that the Board procedures and all applicable laws, rules and regulations are followed.

During the Year, Ms. Tang has completed not less than 15 hours of relevant professional training as required under Rule 3.29 of the Listing Rules by attending the continuing professional development programmes as well as seminars covering regulatory updates and professional knowledge about company secretary duties organised by professional bodies.

FINANCIAL REPORTING

The Board acknowledges its responsibility to prepare the Group’s consolidated financial statements for each financial year which give a true and fair view of the Group’s state of affairs, results and cash flows and in accordance with the relevant accounting standards and principles and the disclosure requirements under applicable laws and regulations in Hong Kong. In preparing the consolidated financial statements of the Group for the Year, the Company has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgements and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and is not aware of any material uncertainties relating to any events or conditions which may affect the business of the Group or cast doubts over the Group’s ability to continue as a going concern. Accordingly, the Board has continued to adopt the ongoing concern basis in preparing the consolidated financial statements for the Year.

The responsibilities of KPMG, the external auditor of the Company, with respect to financial reporting are set out in the section headed “Independent Auditor’s Report” in this annual report.

證券交易標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)。向全體董事作出詳細查詢後，各董事確認彼等於年內已遵守標準守則所載標準規定。

根據標準守則第B.13條，董事亦要求因任職或受聘於本公司或附屬公司而可能知悉本公司證券內幕消息的任何本公司僱員或本公司附屬公司董事或僱員不可在標準守則禁止的情況下買賣本公司證券(猶如其為董事)。

公司秘書

鄧婉華女士為本公司公司秘書。有關其履歷資料，請參閱本年報「董事及高級管理層履歷」一節。全體董事均可諮詢公司秘書，確保董事會程序及所有相關法律、規例及法規得以遵守。

年內，鄧女士參加持續專業發展項目及由專業機構組織的有關公司秘書職責的最新管理規定與專業知識的研討會，現已完成上市規則第3.29條規定之不少於十五小時的相關專業培訓。

財務申報

董事會負責編製本集團各財政年度的綜合財務報表，根據相關會計準則及原則及相關香港法律法規項下之披露規定真實公平地反映本集團的事務狀況、業績及現金流量。為編製本集團年內的綜合財務報表，本公司選取並基於審慎合理判斷與估計貫徹應用適當的會計政策。董事會認為本集團擁有充足資源能於可見未來繼續營業，且據董事會所知，並無有關任何事件或情況之任何重大不確定因素可能影響本集團業務或對本集團持續經營的能力產生疑問。因此，董事會按持續經營基準編製年內的綜合財務報表。

有關本公司外部核數師畢馬威會計師事務所之財務申報責任載於本年報「獨立核數師報告」一節。

CORPORATE GOVERNANCE REPORT

企業管治報告

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

KPMG, certified public accountants (the "Auditor") has been appointed as the external auditor of the Company. During the Year, the fees paid/payable to the Auditor in respect of its services provided to the Group is set out as follows:

外部核數師及核數師薪酬

執業會計師畢馬威會計師事務所(「核數師」)獲委任為本公司外部核數師。年內，就核數師為本集團提供的服務向其已付／應付費用載列如下：

		Fees paid/payable during the Year 年內已付／ 應付費用 (approximate HK\$'000) (概約千港元)
Audit of annual financial statements	審計年度財務報表	3,403
Review of continuing connected transactions	審閱持續關連交易	55
Review of internal control	審閱內部控制	156
		3,614

The amount of fees charged by the Auditor generally depends on the scope and volume of the Auditor's work.

核數師所收費用一般按核數師的工作範圍及工作量計算。

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external Auditor during the Year.

年內，董事會與審核委員會就甄選及委任外部核數師並無異議。

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for the Group's risk management and internal control systems and oversee management in the design, implementation and monitoring of the risk management and internal control systems.

內部控制及風險管理

董事會整體負責本集團的風險管理及內部控制體系並監督管理層對風險管理及內部控制體系的設計、執行及監察。

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board is also responsible for reviewing from time to time the effectiveness of the Group's risk management and internal control system, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions.

董事會負責評估及釐定本集團達成策略目標所願意接納的風險性質及程度，並確保本集團設立及維持合適有效的風險管理及內部控制體系。董事會亦負責不時檢討本集團風險管理及內部控制體系的效用，包括資源充足性、員工資歷及經驗、培訓項目及本集團的會計預算、內部審核及財務匯報職能。

Clear roles and responsibilities are assigned to different level of management within the Group. Management of the Group is responsible for designing, implementing and monitoring risk management and internal control systems, and is responsible for identifying, analysing and prioritising risk for further consideration by the Board, and ensuring that the risk monitoring and control system are working effectively and risk mitigation actions are implemented within business units.

本集團各級管理層權責分明。本集團管理層負責設計、執行及監察風險管理及內部控制體系，並負責識別、分析風險並對風險的優先順序排序，以供董事會進一步考慮，並確保業務單元內的風險監察及控制體系有效運作及執行風險舒緩行動。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board has reviewed the effectiveness of the internal control and risk management systems of the Group, covering all material controls, including financial, operational and compliance controls and risk management functions on an ongoing basis. Based on the result of the review in respect of the Year, the Directors considered that the internal control and risk management systems of the Group are effective and adequate.

The Group has established a set of risk management and internal control policies and measures covering various aspects of its operations including, but not limited to: (a) revenue and receipts; (b) capital expenditure management; (c) purchases, expenses and payments; (d) human resources and payroll; (e) treasury management; and (f) financial reporting. These policies and measures are to ensure that proper accounting records are kept so that reliable financial reporting can be provided, effectiveness and efficiency of operation can be achieved, compliance with applicable laws and regulations and safeguarding of assets can be maintained.

The Board is also of the view that safety, as part of loss control management, is a vital part of the construction business worldwide, and if not managed properly, it can be extremely costly not only in human terms, but also in monetary terms. Therefore, safety is treated as the highest priority during the delivery of our services with emphasis on hazard management and risk assessment.

The Group has established safety manuals and project safety plans to ensure that all workers at our construction sites are well aware of all our stipulated safety requirements. In addition, qualified safety officers and safety supervisors, all of them registered under Factories and Industrial Undertakings (safety officers and safety supervisors) Regulations and approved by the Labour Department in Hong Kong, are deployed to monitor and implement our safety system in each construction project. The Company has been accredited and continuously re-accredited with ISO 14001 and OHSAS 18001 certifications in respect of our environmental management system and occupational safety and health management system. As a result, the Board is satisfied that these measures are adequate and effective to promote a safer and healthier environment for the workers at our construction sites.

For the handling and dissemination of inside information, an inside information handling policy is in place to enable the Group to handle inside information and, where required, communicate with the Group's stakeholders in a timely manner.

董事會已檢討本集團內部控制及風險管理體系(涵蓋財務、營運及合規控制和風險管理職能等所有重大管控方面)是否有效。根據年內的檢討結果，董事認為本集團內部控制及風險管理體系有效且適當。

本集團已設定一套風險管理及內部控制政策及措施，涵蓋營運的方方面面，包括但不限於：(a) 收益及收款；(b) 資本開支管理；(c) 採購、開支及付款；(d) 人力資源及發薪；(e) 庫務管理；及(f) 財務報告。該等政策及措施旨在確保妥善保存會計賬目，以便能提供可靠財務報告，實時高效經營業務，遵守相關法律法規及保障資產。

董事會亦認為安全作為損失控制管理工作的一部分乃全球建築業務的重要一環，若管理不當，可能會導致代價高昂，不單是人力方面，經濟方面亦然。因此，我們在提供服務時以安全至上，著重危機管理及風險評估。

本集團已制定安全手冊及項目安全計劃，確保我們建築地盤的所有工人知悉全部安全規定。此外，我們會派出合資格的安全主任及安全督導員，全部根據《工廠及工業經營(安全主任及安全督導員)規例》註冊並獲香港勞工處批准，以監察及實施我們於各建築項目的安全系統。本公司的環境管理系統以及職業安全健康管理系統已獲得並持續獲得ISO 14001及OHSAS 18001認證。因此，董事會相信該等措施能充分有效地促進我們建築地盤的工人擁有更加安全健康的工作環境。

有關處理及發佈內幕消息，本集團已制定內幕消息處理政策，使本集團能適時處理內幕消息及如有需要與本集團持份者溝通。

SHAREHOLDERS' RIGHTS AND COMMUNICATION WITH SHAREHOLDERS

The Company aims to, via its corporate governance structure, enable all the Shareholders an equal opportunity to exercise their rights in an informed manner and allow all the Shareholders to engage actively with the Company. Under the bye-laws of the Company (the "Bye-Laws"), the shareholder communication policy and other relevant internal procedures of the Company, the Shareholders enjoy, among others, the following rights:

Participation at general meetings

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting (the "SGM").

Convening of SGM and Putting Forward Proposals at General Meetings

Pursuant to bye-law no. 58 of the Bye-Laws, the Board may, whenever it thinks fit, call SGMs. Any one or more of the Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may convene a meeting in accordance with the Bye-Laws.

Right to Put Enquiries to the Board

Shareholders have the right to put enquiries to the Board. All such enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the company secretary of the Company.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

股東權利及與股東的通訊

本公司旨在透過企業管治架構讓全體股東有平等機會以知情方式行使彼等的權利，並讓全體股東積極參與本公司活動。根據本公司的細則（「細則」）、股東通訊政策及本公司其他相關內部程序，股東享有（其中包括）以下權利：

參與股東大會

本公司股東大會是股東與董事會溝通的平台。本公司股東週年大會應於每年召開並席設董事會釐定之地點。每次股東大會（股東週年大會除外）應被稱為股東特別大會（「股東特別大會」）。

召開股東特別大會及於股東大會提呈議案

根據細則第58條，董事會可於其認為合適之際召開股東特別大會。於提交申請當日持有附帶於本公司股東大會表決權的本公司實繳股本不少於十分之一的任何一名或多名股東有權以書面向董事會或公司秘書提出申請，由董事會召開股東特別大會，處理該申請所註明的任何事務；而該大會須於提交申請後兩個月內舉行。

倘提出申請21天內，董事會尚未安排召開有關大會，則根據細則，申請人可自行召開大會。

詢問董事會的權利

股東有權向董事會提出詢問。所有有關詢問應以書面發出，並郵寄至本公司於香港的主要營業地點，由本公司公司秘書接收。

股東亦可於本公司股東大會向董事會提出詢問。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for Nomination of Director

Any Shareholder who wishes to nominate a person to stand for election as a director at general meeting of the Company, the following documents must be validly served on the company secretary at the Company's principal place of business in Hong Kong (43/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) or to the branch share registrar of the Company (Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong), provided that the minimum length of the period, during which such documents are given, shall be at least seven days and that (if such documents are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgement of such documents shall commence on the day after the despatch of the notice of the general meeting appointed for election of director and end no later than seven days prior to the date of such general meeting:

- (i) notice in writing signed by the Shareholder of his/her intention to propose such person for election (the "Nominated Candidate");
- (ii) letter of consent signed by the Nominated Candidate of his/her willingness to be elected; and
- (iii) the biographical details of the Nominated Candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company.

CONSTITUTIONAL DOCUMENTS

There has been no change in the Company's constitutional documents during the Year. The Memorandum of Association of the Company and the Bye-Laws are available on the websites of the Stock Exchange and the Company.

提名董事的程序

任何股東如欲於本公司股東大會上提名任何人士出選董事，則以下文件須妥善交至在本公司香港主要營業地點(香港灣仔皇后大道東183號合和中心43樓)的公司秘書，或本公司股份過戶登記分處(香港皇后大道東183號合和中心22樓)，惟有關文件至少須在七天內送交，倘有關文件於有關選舉之股東大會通知派發後提交，則有關文件須自有關選舉董事之股東大會通知派發翌日起至股東大會舉行日期前七天內送交：

- (i) 股東簽署的有意提議有關人士(「提名候選人」)出選之書面通知；
- (ii) 提名候選人簽署的有關其願意參選的同意函；及
- (iii) 上市規則第13.51(2)條要求之提名候選人的履歷詳情，由本公司用以公示。

組織章程文件

本公司的組織章程文件於年內概無變動。本公司組織章程大綱及細則可於聯交所及本公司網站查閱。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Ki Chun (formerly known as Chan Kin Chung), aged 62, was appointed as a director of the Company and chairman of the Board on 24 October 2007 and has been an executive director since then. Mr. Chan is also the managing director of the Group and a director of various of our subsidiaries. He is primarily responsible for overseeing and planning the business strategies and the overall management of the Group. Mr. Chan has over 39 years of experience in the construction industry and has participated in various foundation, substructures, building works, drainage and bridge works. Mr. Chan joined the Group in March 1989 and was appointed as a director of Sun Fook Kong (Civil) Limited (an indirect wholly-owned subsidiary of the Company) in January 1993 and Sun Fook Kong Construction Limited (an indirect wholly-owned subsidiary of the Company) in January 1995. He has participated in various significant projects of the Group including the Central Reclamation Phase II, the West Kowloon Corridor and the Hong Kong Disneyland Resort project. Prior to joining the Group, Mr. Chan joined OVE ARUP & Partners Hong Kong Limited, a company which provides consulting services in building design, civil engineering and industrial construction where he was primarily responsible for civil engineering related works, from June 1979 to February 1989.

Mr. Chan is also a director and (in the case of PRC-established companies) the legal representative of most of the subsidiaries of Sun Fook Kong Group Limited, a controlling shareholder of the Company.

Mr. Chan is a registered professional engineer in civil and geotechnical engineering by Hong Kong Engineers Registration Board and a member of the Institution of Civil Engineers in the United Kingdom and the Hong Kong Institution of Engineers. Mr. Chan holds a bachelor's degree in civil engineering from the University of Alberta in Canada. He is father of Mr. Chan Yau Ming, a member of the senior management of the Company.

Mr. Chan Chor Tung, aged 62, was appointed as a director of the Company on 1 July 2014 and has been an executive director since then. He is an executive director of our construction and civil division since January 2017 and is primarily responsible for overseeing, planning, estimating, tendering and subcontracting of our projects. He is also a director of several of our subsidiaries and joint ventures. Mr. Chan has over 28 years of experience in the building and construction industry. Mr. Chan joined the Group in April 1990. Prior to joining the Group, Mr. Chan served as a civil engineering estimator of Shui On Civil Contractors Limited, a building contractor company, and was primarily responsible for negotiation, planning and programming for tendering from 1989 to 1990. Mr. Chan is a member of the Chartered Institution of Civil Engineering Surveyors in the United Kingdom, a member of the Royal Institution of Chartered Surveyors in the United Kingdom and a member of the Hong Kong Institute of Surveyors. Mr. Chan holds a bachelor's degree in civil engineering from the National Cheng Kung University in Taiwan.

董事會

執行董事

陳麒淳先生 (前稱陳建中)，62歲，於二零零七年十月二十四日獲委任為本公司董事兼董事會主席，至今一直擔任執行董事。陳先生亦為本集團董事總經理及我們多間附屬公司的董事。彼主要負責監督及規劃本集團業務策略及整體管理。陳先生擁有逾39年建築行業經驗，曾參與多個地基、底部構造、樓宇工程、渠務及橋樑工程。陳先生於一九八九年三月加入本集團，分別於一九九三年一月及一九九五年一月獲委任為本公司間接全資附屬公司新福港(土木)有限公司及新福港營造有限公司的董事。彼曾參與本集團多個重要項目，包括中環填海工程第二期、西九龍走廊及香港迪士尼樂園項目。加入本集團前，陳先生自一九七九年六月至一九八九年二月於奧雅納工程顧問任職，主要負責土木工程相關工作，而該公司則提供樓宇設計、土木工程及工業建築方面的顧問服務。

陳先生亦為本公司控股股東新福港集團有限公司的大部分附屬公司的董事及(倘屬在中國成立的公司)法人代表。

陳先生是香港工程師註冊管理局認可的土木及岩土工程註冊專業工程師，亦為英國土木工程師學會及香港工程師學會會員，持有加拿大阿爾伯塔大學土木工程學士學位。彼為本公司高級管理層人員陳佑銘先生之父親。

陳楚東先生，62歲，於二零一四年七月一日獲委任為本公司董事，至今一直擔任執行董事。彼自二零一七年一月起為我們建設及土木部的執行董事，主要負責項目監督、策劃、評估、招標及分包。彼亦為我們多間附屬公司及合營企業的董事。陳先生擁有逾28年樓宇及建築行業經驗。陳先生於一九九零年四月加入本集團。加入本集團前，陳先生自一九八九年至一九九零年擔任瑞安土木工程有限公司(一間樓宇承建商公司)土木工程估價員，主要負責競投事宜的洽談、計劃及規劃。陳先生為英國特許土木工程測量師學會、英國皇家特許測量師學會及香港測量師學會會員，持有台灣國立成功大學土木工程學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Mr. Yung Kim Man, aged 57, was appointed as a director of the Company on 1 July 2014 and has been an executive director since then. He is an executive director of our construction and civil division since January 2017 where he is primarily responsible for the overall monitoring and management of projects in the construction and civil division of the Group and safety and environmental issues. In July 2018, Mr. Yung was appointed as director of Sun Fook Kong Construction Limited and Sun Fook Kong (Civil) Limited (both being indirect wholly-owned subsidiaries of the Company). He is also a managing director of Chit Cheung Construction Company Limited (an indirect wholly-owned subsidiary of the Company) since 1 June 2011 where he is responsible for its overall management and a director of various of our subsidiaries. Mr. Yung has over 34 years of experience in the construction management and civil engineering industry. Mr. Yung joined the Group in October 1990. Prior to joining the Group, Mr. Yung worked with Cheng Kwan Construction Co., Ltd from June 1984 to October 1990, where his last position was a site agent and he was primarily responsible for tendering, budgeting, subletting, subcontractors liaison, cost control and claim submissions.

Mr. Yung is a member of the American Society of Civil Engineers and the Hong Kong Institution of Engineers. Mr. Yung holds a diploma in civil engineering from the Hong Kong Baptist College (now known as the Hong Kong Baptist University), a bachelor's degree in building engineering (construction engineering and management) from the City University of Hong Kong and a master's degree of science in construction project management from the City University of Hong Kong.

Mr. Yeung Cho Yin, William, aged 57, was appointed as a director of the Company on 1 January 2015 and has been an executive director since then. He is the chief financial officer of the Group since June 2007. He is also a director of SFK Housing Services (China) Limited (an indirect wholly-owned subsidiary of the Company), High Horse Holdings Limited (an indirect wholly-owned subsidiary of the Company) and Consent Consultants Limited (an indirect wholly-owned subsidiary of the Company). He joined us in November 1993 and since then he is primarily responsible for our overall financial and accounting management of the Group. Prior to joining the Group, Mr. Yeung served as an accountant of Kwan, Wong, Tan and Fong BDO (now known as Deloitte Touche Tohmatsu), Certified Public Accountants, from July 1987 to November 1993 where he specialised in their audit practice. Mr. Yeung holds a professional diploma in accountancy from The Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University).

容劍文先生，57歲，於二零一四年七月一日獲委任為本公司董事，至今一直擔任執行董事。彼自二零一七年一月起為我們建設及土木部的執行董事，主要負責本集團建設及土木部項目的整體監督與管理以及安全與環保事宜。於二零一八年七月，容先生獲委任為本公司間接全資附屬公司新福港營造有限公司及新福港(土木)有限公司的董事。彼亦自二零一一年六月一日起為本公司間接全資附屬公司捷章建築有限公司的董事總經理，負責整體管理，亦擔任我們多間附屬公司的董事。容先生擁有逾34年建造管理及土木工程行業經驗。容先生於一九九零年十月加入本集團。加入本集團前，容先生自一九八四年六月至一九九零年十月在振坤建築有限公司任職，最後任職地盤總管，主要負責競投、預算、分包、分包商聯絡、成本控制及索賠申訴。

容先生為美國土木工程師學會及香港工程師學會會員，持有香港浸會學院(現為香港浸會大學)的土木工程文憑、香港城市大學的建築工程(建造工程及管理)學士學位及香港城市大學的建造項目管理學碩士學位。

楊楚賢先生，57歲，於二零一五年一月一日獲委任為本公司董事，至今一直擔任執行董事。彼自二零零七年六月起為本集團財務總監，亦擔任本公司間接全資附屬公司新福港屋宇服務(中國)有限公司、本公司間接全資附屬公司駿高控股有限公司及本公司間接全資附屬公司康信顧問有限公司董事。彼於一九九三年十一月加入我們，自此主要負責本集團的整體財務及會計管理。加入本集團前，楊先生自一九八七年七月至一九九三年十一月在註冊會計師關黃陳方會計師行(現稱德勤•關黃陳方會計師行)擔任會計員，專門從事審核實務。楊先生持有香港理工學院(現稱香港理工大學)的會計專業文憑。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Independent Non-Executive Directors

Mr. Lam Leung Tsun, aged 62, was appointed as an independent non-executive director of the Company on 19 November 2015. Mr. Lam was previously appointed as our independent non-executive director in January 2008 in anticipation of the proposed listing of the Company and he subsequently resigned in July 2008 as the proposed listing did not proceed due to the volatile market conditions at that time. Mr. Lam has over 32 years of management experience. He is presently the sales director of Niche-Tech (Hong Kong) Limited, an advanced materials supplier for the semiconductor and microelectronics industries. Previously, Mr. Lam worked as the general manager of Atmel Asia Limited, a subsidiary of Atmel Corporation (Nasdaq: ATML), a company listed on the NASDAQ Stock Exchange, which is principally engaged in the design and manufacture of Semiconductor solutions, where he was responsible for overseeing the operations of the company.

Mr. Lam received a higher diploma in production and industrial engineering from the Hong Kong Polytechnic in Hong Kong (now known as Hong Kong Polytechnic University) in November 1978.

Mr. Jim Fun Kwong, Frederick, aged 71, was appointed as an independent non-executive director of the Company on 19 November 2015. Mr. Jim is an experienced agent of a local securities company since May 2007. As a licensed representative of type 1 (dealing in securities) and type 2 (dealing in futures contracts) of the regulated activities as defined under the Securities and Futures Ordinance (cap.571 of the Laws of Hong Kong), he joined such company in September 1996 and he is primarily responsible for dealing in securities and future contracts. Mr. Jim has over 40 years of experience in the financial services industry. Prior to joining such company, he served as an investment consultant in Sun Hung Kai Securities Limited, a stock brokerage company from August 1977 to September 1996, where he was primarily responsible for retail sales of securities and related products in the marketing department. He served as a staff accountant of Arthur Andersen & Co., an international audit firm where he was primarily responsible for providing services in auditing from November 1973 to April 1975.

Mr. Jim is a fellow member of the Hong Kong Institute of Certified Public Accountants. He holds a higher diploma in accountancy from the Hong Kong Technical College (subsequently known as The Hong Kong Polytechnic, now known as the Hong Kong Polytechnic University).

Mr. Chan Kim Hung, Simon, aged 62, was appointed as an independent non-executive director of the Company on 19 November 2015. Mr. Chan has retired since April 2006. Mr. Chan has over 25 years of experience in treasury and capital markets and had served various trading and managerial roles in Hong Kong and Singapore. He joined the Royal Bank of Scotland plc., ("RBS") Hong Kong branch as a dealer in

獨立非執行董事

林良俊先生，62歲，於二零一五年十一月十九日獲委任為本公司獨立非執行董事。林先生此前於二零零八年一月本公司預期進行建議上市時獲委任為獨立非執行董事，其後於二零零八年七月辭任，原因是當時的市況波動，使建議上市並未進行。林先生擁有逾32年的管理經驗。彼現時為駿碼科技(香港)有限公司的銷售總監。該公司為半導體及微電子行業的先進材料供應商。林先生曾於在納斯達克證券交易所上市公司Atmel Corporation(納斯達克交易代碼：ATML)附屬公司Atmel Asia Limited擔任總經理。該公司主要從事設計及製造半導體解決方案，於其任期內，彼負責監管公司營運。

林先生於一九七八年十一月在香港取得香港理工學院(現稱香港理工大學)的生產及工業工程高級文憑。

詹勳光先生，71歲，於二零一五年十一月十九日獲委任為本公司獨立非執行董事。詹先生自二零零七年五月起為一間本地證券公司的資深代理。詹先生作為證券及期貨條例(香港法例第571章)所界定的第1類(證券交易)及第2類(期貨合約交易)受規管活動持牌代表，於一九九六年九月加入該公司，主要負責買賣證券及期貨合約。詹先生擁有逾40年金融服務行業經驗。加入該公司前，自一九七七年八月至一九九六年九月，彼於新鴻基證券有限公司(證券經紀公司)擔任投資顧問，主要負責市場部的證券及相關產品的零售工作。彼自一九七三年十一月至一九七五年四月在安達信會計師事務所(國際核數公司)擔任會計人員，主要負責提供審核服務。

詹先生為香港會計師公會之資深會員，持有香港工業專門學院(其後稱為香港理工學院，現稱香港理工大學)會計學高級文憑。

陳劍雄先生，62歲，於二零一五年十一月十九日獲委任為本公司獨立非執行董事。陳先生自二零零六年四月起退休。陳先生擁有逾25年財資市場領域經驗，曾在香港及新加坡擔任多個交易及管理職務。彼於一九八一年六月加入蘇格蘭皇家銀行有限公司(「蘇格蘭皇家銀行」)香港分行任職交易員，自此開始其

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

June 1981, and since then he began his 25 years of progressive career advancement within RBS's treasury and capital markets/financial markets business in both Hong Kong branch and Singapore branch. Mr. Chan last held the position of Head of Treasury and Capital Markets, Hong Kong, prior to the relocation to the Singapore branch in October 1998. Subsequent to transferring to the Singapore branch, Mr. Chan was the treasurer of Treasury and Capital Markets, Singapore in 1999, assuming full responsibility for the Singapore branch's treasury and capital market operations. Mr. Chan last held the position of the Head of Front Office Infrastructure prior to his retirement from RBS and returning to Hong Kong in May 2006.

Mr. Chan holds a master's degree in business administration majored in investment and finance offered in Singapore and validated by the University of Hull in the United Kingdom.

SENIOR MANAGEMENT

Mr. Lee Wai Shing, aged 64, is a managing director of our construction and civil division and is primarily responsible for overseeing the building, civil and maintenance operations of the Group in Hong Kong and Macau. He is also a director of several of our subsidiaries and joint ventures. Mr. Lee has over 36 years of experience in the building and construction industry and his areas of expertise include site formation, bridges, roads, drainage works and buildings. Mr. Lee joined the Group in November 1989.

Mr. Fung Kit Man, aged 61, is a director of our construction division and is primarily responsible for the overall management of projects in our construction division. He is also a director of Sun Fook Kong Construction Limited, Sun Fook Kong (Civil) Limited and Consent Consultants Limited (all being indirect wholly-owned subsidiaries of the Company). Mr. Fung has over 25 years of experience in the construction industry. Mr. Fung joined the Group in June 2001.

Mr. Fung is a member of the Institution of Structural Engineers in the United Kingdom and the Hong Kong Institution of Engineers and a fellow member of the Chartered Institute of Building in United Kingdom. Mr. Fung holds a master's degree in civil and structural engineering from the University of Sheffield in the United Kingdom and a master's degree in construction management from the City University of Hong Kong.

Mr. Lam Wai Ki, Davie, aged 58, is a director of our quantity surveying division and is primarily responsible for the overall monitoring and management of quantity surveying, contractual disputes and litigation matters in our construction division. He is also a director of Build.it Limited, Grand Win Design Consultants Limited and Linktech Engineering & Landscape Consultants Limited (all being indirect wholly-owned subsidiaries of the Company). Mr. Lam has over 39 years of experience in the building and construction industry. Mr. Lam joined the Group in January 1988.

於蘇格蘭皇家銀行香港分行及新加坡分行財資市場／金融市場業務領域長達25年不斷晉升的職業生涯。於一九九八年十月調任至新加坡分行前，陳先生擔任香港分行財資市場主管。調派至新加坡分行後，陳先生於一九九九年出任新加坡分行財資市場司庫，全面負責新加坡分行的財資市場營運。陳先生於二零零六年五月從蘇格蘭皇家銀行退休返港前最後出任前台辦公基礎建設主管。

陳先生持有英國赫爾大學於新加坡頒授及驗證的工商管理碩士學位，主修投資及財務。

高級管理層

李偉誠先生，64歲，我們建設及土木部的董事總經理，主要負責監督本集團於香港及澳門的樓宇、土木及保養營運。彼亦為我們多間附屬公司及合營企業的董事。李先生擁有逾36年樓宇及建築行業經驗，專業領域包括地盤平整、橋樑、道路、渠務工程及樓宇。李先生於一九八九年十一月加入本集團。

馮傑民先生，61歲，我們建設部的董事，主要負責建設部項目的整體管理，亦為新福港營造有限公司、新福港(土木)有限公司及康信顧問有限公司(均為本公司之間接全資附屬公司)的董事。馮先生擁有逾25年建造業經驗，於二零零一年六月加入本集團。

馮先生為英國結構工程師學會及香港工程師學會會員，亦為英國皇家特許建造學會資深會員，持有英國謝菲爾德大學土木及結構工程碩士學位及香港城市大學建造管理碩士學位。

林偉麒先生，58歲，我們工料測量部的董事，主要負責整體監控及管理建設部的工料測量、合約糾紛及訴訟事宜。彼亦為本公司間接全資附屬公司建築資訊顧問有限公司、創意設計顧問有限公司及德滙工程及園林顧問有限公司董事。林先生擁有逾39年樓宇及建築行業經驗，於一九八八年一月加入本集團。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Mr. Lam is a member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors in the United Kingdom. Mr. Lam holds a bachelor's degree in quantity surveying from the University of Reading in the United Kingdom, which was taught in conjunction with the College of Estate Management in the United Kingdom.

Mr. Szeto Chi Wing, aged 52, is a director of our quantity surveying division and is primarily responsible for the overall monitoring and management of quantity surveying, contractual disputes and litigation matters in our civil division. He is also a director of Bestwise Envirotech Limited (formerly known as Biwater Man Lee Limited), BML Engineering Limited, Chit Cheung Construction Company Limited and Linktech Engineering & Landscape Consultants Limited (all being indirect wholly-owned subsidiaries of the Company). Mr. Szeto has over 34 years of experience in the civil engineering industry and he joined the Group in July 1989.

Mr. Szeto is a member of the Chartered Institute of Arbitrators (East Asia Branch) and a professional member of the Royal Institution of Chartered Surveyors in the United Kingdom. Mr. Szeto holds a bachelor's degree in quantity surveying from Edinburgh Napier University in the United Kingdom and a master's degree in arbitration and dispute resolution from the City University of Hong Kong.

Mr. Chan Yau Ming, aged 34, is a manager of our estimating division and is primarily responsible for the overall management of our estimating division. He is also a director of Build.it Limited (an indirect wholly-owned subsidiary of the Company). Mr. Chan has over 10 years of experience in the civil engineering and building construction industry. Mr. Chan joined our Group in August 2008 as an Engineer Graduate and was promoted to the current position in January 2019. Mr. Chan is a member of the Institution and a Chartered Civil Engineer in the United Kingdom and a member of Hong Kong Institute of Engineers. Mr. Chan graduated from The University of Alberta in Canada with a bachelor's degree of science in civil engineering in November 2006 and subsequently obtained a master's degree of science in civil infrastructural engineering and management from the Hong Kong University of Science and Technology in November 2012. Mr. Chan is the son of Mr. Chan Ki Chun, the Chairman and Managing Director of the Company.

Mr. Au Man Kiu, Derek, aged 59, is a director of our civil division and is primarily responsible for the overall management of projects in our civil division. In February 2019, Mr. Au was appointed as safety director of the Group. He is also a director of Bestwise Envirotech Limited (formerly known as Biwater Man Lee Limited) and Chit Cheung Construction Company Limited (both being indirect wholly-owned subsidiaries of the Company). Mr. Au has over 35 years of experience in the civil engineering industry and he joined the Group in May 1990. Mr. Au is an associate member of The Hong Kong Institution of Engineers.

林先生為香港測量師學會及英國皇家特許測量師學會會員，並獲得英國雷丁大學的工料測量學士學位（與英國房地產管理學院合作講授）。

司徒志榮先生，52歲，我們工料測量部的董事，主要負責整體監控及管理土木部的工料測量、合約糾紛及訴訟事宜。彼亦為百威環保科技有限公司（前稱百沃特文利工程有限公司）、百文樂工程有限公司、捷章建築有限公司及德滙工程及園林顧問有限公司（該等公司均為本公司的間接全資附屬公司）的董事。司徒先生擁有逾34年土木工程行業經驗，於一九八九年七月加入本集團。

司徒先生為英國特許仲裁員協會（東亞分會）會員及英國皇家特許測量師學會專業會員，持有英國愛丁堡龍比亞大學的工料測量學士學位及香港城市大學的仲裁及爭議解決碩士學位。

陳佑銘先生，34歲，我們估價部的經理，主要負責估價部的整體管理。彼亦為本公司間接全資附屬公司建築資訊顧問有限公司的董事。陳先生擁有逾10年土木工程及樓宇建造行業經驗，於二零零八年八月加入本集團擔任見習工程師並於二零一九年一月晉升至現在職位。陳先生為英國特許土木工程師學會及香港工程師學會會員。陳先生於二零零六年十一月畢業於加拿大阿爾伯塔大學，獲得土木工程理學士學位及其後於二零一二年十一月取得香港科技大學土木工程及管理理學碩士學位。陳先生為本公司主席兼董事總經理陳麒淳先生之兒子。

區敏翹先生，59歲，土木工程部董事，主要負責土木工程部項目的整體管理。於二零一九年二月，區先生獲委任為本集團安全董事，彼亦為百威環保科技有限公司（前稱百沃特文利工程有限公司）及捷章建築有限公司（兩間公司均為本公司的間接全資附屬公司）的董事。區先生擁有逾35年土木工程行業經驗，於一九九零年五月加入本集團。區先生為香港工程師學會副會員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Kwok Chi Wah, Andrew, aged 50, is a director of our housing services/maintenance division and is primarily responsible for the overall monitoring and management of projects in our building maintenance, housing services and property management. He is also a director of various of our subsidiaries. Mr. Kwok joined the Group in December 1990, he has over 28 years of experience in the building maintenance and properties management industry.

Mr. Kwok is a member of the Royal Institution of Chartered Surveyors in the United Kingdom and a fellow of the Hong Kong Institute of Certified Property Managers and a member of the Hong Kong Institute of Utility Specialists. Mr. Kwok received a master's degree in construction project management from the University of Greenwich in the United Kingdom.

Ms. Lee Yeuk Lui, Rosa, aged 46, is the senior financial manager of the Group and is primarily responsible for the financial management and accounting of the Group. Ms. Lee has over 24 years of experience in accounting. Ms. Lee joined the Group in August 2007.

Ms. Lee is a fellow of the Association of Chartered Certified Accountants in the United Kingdom, a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of the Institute of Chartered Accountants in England and Wales. She is also a certified internal auditor by the Institute of Internal Auditors. Ms. Lee holds a bachelor's degree in business administration (honours) from the Chinese University of Hong Kong.

Ms. Tang Yuen Wah, Rity, aged 60, is the deputy director of administration division and company secretary of the Group and is primarily responsible for the personnel, office administration, company secretarial and insurance matters of the Group. Ms. Tang has over 22 years of experience in business administration, human resources and company secretarial matters and she joined the Group in January 1995.

Ms. Tang is an associate member of The Institute of Chartered Secretaries and Administrators in the United Kingdom and an associate member of The Hong Kong Institute of Chartered Secretaries. Ms. Tang holds a bachelor's degree in business administration from the Royal Melbourne Institute of Technology University in Australia and a master's degree in professional accounting and information systems from the City University of Hong Kong.

COMPANY SECRETARY

Ms. Tang Yuen Wah, Rity is our company secretary for the purposes of Rule 8.17 of the Rules Governing the Listing of Securities on the Stock Exchange. For details of her background, please refer to the paragraph headed "Senior Management" under the section headed "Biographical details of Directors and Senior Management" in this annual report.

郭志華先生，50歲，屋宇服務／保養部董事，主要負責樓宇維修、屋宇服務及物業管理項目的整體監控及管理。彼亦為我們多間附屬公司的董事。郭先生於一九九零年十二月加入本集團，彼擁有逾28年樓宇保養及物業管理行業經驗。

郭先生為英國皇家特許測量師學會會員，亦為香港物業管理師學會資深會員及香港管綫專業學會會員。郭先生獲得英國格林威治大學的建築項目管理碩士學位。

李若蕾女士，46歲，本集團高級財務經理，主要負責本集團的財務管理及會計。李女士擁有逾24年的會計經驗，於二零零七年八月加入本集團。

李女士為英國特許公認會計師公會、香港會計師公會以及英格蘭及威爾斯特許會計師公會資深會員，亦獲國際內部審計師協會接納為國際內部審計師，持有香港中文大學工商管理榮譽學士學位。

鄧婉華女士，60歲，本集團行政部副董事兼公司秘書，主要負責本集團的人事、辦公室行政、公司秘書及保險事宜。鄧女士擁有逾22年工商管理、人力資源及處理公司秘書事宜相關經驗，於一九九五年一月加入本集團。

鄧女士為英國特許秘書及行政人員公會會員、香港特許秘書公會會員，持有澳洲皇家墨爾本理工大學工商管理學士學位及香港城市大學專業會計及資訊系統碩士學位。

公司秘書

鄧婉華女士為聯交所證券上市規則第8.17條所指我們的公司秘書。相關背景資料請參閱本年報「董事及高級管理層履歷」一節「高級管理層」一段。

The Directors are pleased to present this annual report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are general building, civil engineering and the provision of other services, which mainly comprise housing and property management services, electrical and mechanical engineering services and BIM services. The principal activities and other particulars of the subsidiaries of the Company are set out in note 12 to the consolidated financial statements.

PRINCIPAL PLACE OF BUSINESS

The Company is a limited liability company incorporated in Bermuda and its principal place of business in Hong Kong is situated at 43/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

SEGMENT INFORMATION

An analysis of the Group's performance for the Year by operating segment is set out in note 3 to the consolidated financial statements.

RESULTS

The results of the Group for the Year are set out in the consolidated statement of comprehensive income on page 141 of this annual report.

DIVIDEND AND DIVIDEND POLICY

The Company has adopted a dividend policy which aims to provide reasonably stable and sustainable returns to the shareholders. When considering the declaration and payment of dividends, the Board shall take into account, inter alia, our results of operation, the working capital requirements, cash flow and financial position, liquidity position, debt to equity ratio, general economic environments and other factors the Board considers appropriate. The Company will generally propose dividends semi-annually.

The payment of the dividend by the Company is also subject to any restrictions under the Bye-Laws, or the laws of Bermuda. Any final dividend for a financial year will be subject to shareholders' approval.

The Board will continually review the dividend policy and, if consider appropriate, may modify, amend and change the dividend policy at any time.

董事欣然提呈本年報連同本集團年內經審核綜合財務報表。

主要業務

本公司主要業務為投資控股。本集團的主要業務為一般樓宇、土木工程及提供其他服務，主要包括房屋及物業管理服務、機電工程服務及BIM服務。本公司附屬公司主要業務及其他詳情載於綜合財務報表附註12。

主要營業地點

本公司為於百慕達註冊成立的有限公司，香港主要營業地點設於香港灣仔皇后大道東183號合和中心43樓。

分部資料

本集團年內按營運分部劃分之表現分析載於綜合財務報表附註3。

業績

本集團年內業績載於本年報第141頁綜合全面收益表。

股息及股息政策

本公司採納一項股息政策，旨在能為股東提供合理穩定及可持續的回報。考慮宣派及派付股息時，董事會須考慮(其中包括)經營業績、營運資金要求、現金流量及財務狀況、流動資金狀況、債務權益比率、整體經濟環境及董事會認為適當的其他因素。本公司通常每半年建議派付一次股息。

本公司派付股息亦受細則或百慕大法律的任何限制所規限。財政年度的任何末期股息須經股東批准。

董事會將持續檢討股息政策，若應為合適，隨時修訂、修改及改變股息政策。

REPORT OF THE DIRECTORS

董事報告

The directors recommended the payment of a final dividend of HK4.0 cents per Share for the Year (2017: HK18.5 cents per Share), amounting to approximately HK\$16 million (2017: HK\$74 million). Such payment of dividends will be subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on Thursday, 23 May 2019 (the "2019 AGM") and if approved, will be payable to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 31 May 2019. It is expected that the proposed final dividend will be paid on or about Friday, 14 June 2019.

There is no arrangement under which a Shareholder has waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Monday, 20 May 2019 to Thursday, 23 May 2019, during which period no transfer of the Shares will be registered. Shareholders of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 17 May 2019.

In order to establish entitlements to the proposed final dividend, the register of members of the Company will be closed from Thursday, 30 May 2019 to Friday, 31 May 2019, during which period no transfer of the Shares of the Company will be registered. Shareholders of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 29 May 2019.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the latest five years is set out on page 240 of this annual report. This summary does not form part of the audited consolidated financial statement.

CHARITABLE DONATIONS

Charitable and other donations made by the Group during the Year amounted to HK\$24,800 (2017: HK\$85,000).

董事建議派付年內末期股息每股4.0港仙(二零一七年：每股18.5港仙)，約16百萬港元(二零一七年：74百萬港元)。有關股息派付須經股東於二零一九年五月二十三日(星期四)召開的應屆股東週年大會(「二零一九年股東週年大會」)批准，獲批後應付予二零一九年五月三十一日(星期五)營業時間結束時名列本公司股東名冊的股東。預期於二零一九年六月十四日(星期五)或前後派付建議末期股息。

並無訂立安排使股東放棄或同意放棄任何股息。

暫停辦理股份過戶登記

為釐定有權出席二零一九年股東週年大會並於會上投票的股東，本公司將於二零一九年五月二十日(星期一)至二零一九年五月二十三日(星期四)暫停辦理股份過戶登記，期間不會辦理股份過戶登記。本公司股東應確保於二零一九年五月十七日(星期五)下午四時三十分前將所有填妥股份過戶表格連同相關股票遞交本公司香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。

為釐定有權享有建議末期股息的股東，本公司將於二零一九年五月三十日(星期四)至二零一九年五月三十一日(星期五)暫停辦理股份過戶登記，當日不會辦理本公司股份過戶登記。本公司股東應確保於二零一九年五月二十九日(星期三)下午四時三十分前將所有填妥股份過戶表格連同相關股票遞交本公司香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。

五年財務概要

本集團過往五年已公佈業績及資產與負債概要載於本年報第240頁。該概要不屬經審核綜合財務報表的一部分。

慈善捐贈

年內本集團作出慈善及其他捐贈24,800港元(二零一七年：85,000港元)。

PLANT AND EQUIPMENT

Details of the movements during the Year in the plant and equipment of the Group are set out in note 11 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of the movements in reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 144 of this annual report and the details of reserves attributable to equity shareholders of the Company are set out in note 20 to the consolidated financial statements.

SHARE CAPITAL

Details of share capital of the Company during the Year are set out in note 20 to the consolidated financial statements. There were no movements during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed minimum public float under the Listing Rules during the Year and at any time up to the date of this annual report.

PRE-EMPTIVE RIGHTS

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

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

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

SHARE OPTION SCHEME

A share option scheme (the "Scheme") was conditionally adopted by the written resolutions of the Company's then sole shareholder passed on 19 November 2015. As of the date of this report, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Scheme.

Purpose of the Scheme

The purpose of the Scheme is to motivate the participants to optimise their performance efficiency for the benefit of the Group and to attract and retain or otherwise maintain an on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

廠房及設備

本集團年內的廠房及設備變動詳情載於綜合財務報表附註11。

儲備及可供分派儲備

本集團年內儲備變動詳情載於本年報第144頁綜合權益變動表，本公司股東應佔儲備詳情載於綜合財務報表附註20。

股本

本公司年內股本詳情載於綜合財務報表附註20。年內概無變動。

充足公眾持股量

根據可供本公司查閱之資料及就董事所知，本公司於年內及本年報日期前任何時間已維持上市規則規定的最低公眾持股量。

優先購買權

細則及百慕達法例並無任何優先購買權條文，規定本公司按比例向現有股東發售新股。

購買、出售或贖回本公司上市證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

購股權計劃

根據本公司當時唯一股東於二零一五年十一月十九日通過的書面決議案，有條件採納購股權計劃（「計劃」）。截至本報告日期，概無購股權根據計劃授出、同意授出、行使、註銷或失效。

計劃目的

計劃旨在激勵參與者為本集團的利益而盡量提升其表現效率和吸引及挽留對或將對本集團的長遠發展有利的合資格參與者或與該等參與者保持持續的業務關係。

REPORT OF THE DIRECTORS

董事報告

Participants of the Scheme

The Board may, at its discretion, offer to grant an option to the following persons:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including the INEDs) of the Company or any of its subsidiaries and joint operations; and
- (iii) any advisers, consultants, agents, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries and joint operations.

Shares available for issuance

The maximum number of the Shares in respect of which options may be granted under the Scheme and under any other share option schemes of the Company (excluding, for this purpose, shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Scheme or any other share option scheme of the Company) must not in aggregate exceed 10% of the total number of Shares in issue as at Listing Date, being 40,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance the terms of the Scheme (or any other share option schemes of the Company). The Company may, subject to the issue of a circular, the shareholders' approval in general meeting and/or such other requirements prescribed under the Listing Rules, refresh this limit at any time to 10% of the Shares in issue as at the date of the Shareholders' approval and/or grant options beyond the 10% limit to eligible participants specifically identified by the Board. The above is subject to the condition that the maximum number of the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Scheme) if this will result in the 30% limit being exceeded.

As at the date of this report, the outstanding number of share options available for grant under the Scheme is 40,000,000 share options to subscribe for the Shares, representing approximately 10% of the issued share capital of the Company.

計劃參與者

董事會可酌情決定向下列人士授出購股權：

- (i) 本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員；
- (ii) 本公司或其任何附屬公司及合營業務的任何董事(包括獨立非執行董事)；及
- (iii) 本公司或其任何附屬公司及合營業務的任何顧問、諮詢人員、代理、供應商、客戶、分銷商及董事會全權認為會或曾對本公司或其任何附屬公司及合營業務作出貢獻的其他人士。

可供發行的股份數目上限

根據計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份數目上限(就此而言不包括根據計劃或本公司任何其他購股權計劃條款已失效的購股權可發行的股份)合共不得超過上市日期已發行股份總數的10%，即40,000,000股股份，就此而言不包括根據計劃(或本公司任何其他購股權計劃)條款已失效的購股權可發行的股份。倘本公司已刊發通函並經股東在股東大會上批准及/或遵守上市規則規定的其他要求，則可隨時重新釐定該上限至股東在股東大會批准當日已發行股份的10%及/或向董事會特別選定的合資格參與者授出超過10%上限的購股權，惟條件是根據計劃及本公司任何其他購股權計劃授出及有待行使的所有尚未行使購股權獲行使時可予發行的股份數目上限，於任何時間均不得超過不時已發行股份的30%。倘根據本公司任何計劃(包括計劃)授出的購股權導致超出30%的上限，則不得授出購股權。

截至本報告日期，根據計劃可授出的未行使購股權數目為40,000,000份可認購股份的購股權，相當於本公司已發行股本約10%。

Maximum entitlement of each eligible participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular, the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules.

Time for exercising option and duration of the Scheme

An option may be exercised in accordance with the terms of the Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

Payment on acceptance of the option

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance or payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date.

To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Basis of determining exercise price of the option

The subscription price of a Share in respect of any particular option granted under the Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

向各合資格參與者授出購股權的數目上限

在直至授出日期的任何十二個月期間已發行和根據計劃及本公司任何其他購股權計劃向每名合資格參與者授出的購股權(包括已行使及尚未行使的購股權)行使時可能發行的股份總數不得超過授出日期已發行股份的1%。倘進一步授出購股權的數目超過上述1%限額，則本公司須發出通函、經股東在股東大會上批准及/或符合上市規則的其他規定。

行使購股權的期限及計劃期限

購股權可根據計劃條款於購股權視為已授出並獲接納之日後及自該日起十年屆滿前期間隨時行使。購股權行使期將由董事會全權酌情釐定，惟不得超過購股權授出後十年。於批准計劃之日起十年後不得授出購股權。除非本公司經由股東大會或經由董事會提前終止，否則計劃自採納日期起十年內有效。

接納購股權要約的付款

當本公司於相關接納日期或之前收到由承授人正式簽署構成接納購股權的一式兩份要約文件連同匯付或支付予本公司的1.00港元款項作為授出購股權的代價後，購股權即被視作已授出及已獲承授人接納。

倘授出購股權的要約未於規定的接納日期獲接納，則視為已不可撤銷地拒絕。

釐定購股權行使價的基準

根據計劃授出任何特定購股權所涉及股份的認購價須由董事會全權酌情決定，惟該價格須不低於下列各項的最高者：

- (i) 股份於購股權授出日期(須為聯交所可進行證券交易業務的日子)載於聯交所每日報價表的正式收市價；

REPORT OF THE DIRECTORS

董事報告

- (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 date of grant; and
- (iii) the nominal value of a share.

RETIREMENT SCHEMES

Details of the retirement schemes of the Group are set out in note 25 to the consolidated financial statements.

DIRECTORS

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

Executive Directors

Mr. CHAN Ki Chun
(Chairman and Managing Director)
Mr. CHAN Chor Tung
Mr. YUNG Kim Man
Mr. YEUNG Cho Yin, William

Independent Non-executive Directors

Mr. LAM Leung Tsun
Mr. JIM Fun Kwong, Frederick
Mr. CHAN Kim Hung, Simon

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 107 to 112 of this annual report.

DIRECTORS' RETIREMENT AND RE-ELECTION

In accordance with bye-law no. 84 of the Bye-Laws, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation every year shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

- (ii) 緊接購股權授出日期前五個營業日股份於聯交所每日報價表所載正式收市價的平均值；及
- (iii) 股份面值。

退休計劃

本集團退休計劃的詳情載於綜合財務報表附註25。

董事

年內及直至本報告日期的董事如下：

執行董事

陳麒淳先生
(主席兼董事總經理)
陳楚東先生
容劍文先生
楊楚賢先生

獨立非執行董事

林良俊先生
詹勳光先生
陳劍雄先生

董事及高級管理層履歷

本公司董事及高級管理層的履歷詳情載於本年報第107至112頁。

董事退任及重選

根據細則第84條，在本公司每屆股東週年大會上，當時的三分之一董事（若人數並非三的倍數，則以最接近但不少於三分之一的人數為準）將輪流退任，惟每位董事均須至少每三年輪流退任。退任董事符合資格膺選連任，並於其退任之整個大會舉行期間仍以董事身份行事。釐定輪席告退董事人數時，每年輪流退任的董事須包括任何擬退任但不願膺選連任之董事。其他退任董事為自上次獲選連任或委任後任期最長的須輪席告退的董事，但若多位董事於同一日成為董事或獲選連任，則抽籤決定須予告退的董事名單（除非彼等之間另有協定）。

Mr. Yeung Cho Yin William, Mr. Lam Leung Tsun and Mr. Jim Fun Kwong, Frederick will retire by rotation and, being eligible, offer themselves for re-election at the 2019 AGM pursuant to bye-law no. 84 of the Bye-Laws.

INDEPENDENCE OF INEDs

The Company has received annual confirmation of independence from each of the INEDs pursuant to Rule 3.13 of the Listing Rules. As at the date of this report, the Board considered them independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Director has entered into a service agreement with the Company which shall be for fixed term of three years, unless terminated by either the Company or the respective Director in accordance with the terms of the service agreement.

Each of the INED has entered into a letter of appointment with the Company which shall last for a period of three years, subject to early termination by the INED or the Company in accordance with the terms of the letter of appointment.

Save as disclosed above, none of the Directors proposed for re-election at the 2019 AGM has or is proposed to have a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

EMOLUMENT POLICY

In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualification, position, seniority and experience) and various in-house training courses. Share options may also be granted to eligible employees. The remuneration packages are subject to review on a regular basis.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration, having regard to market competitiveness, individual performance and achievement. The Company has adopted the Scheme as an incentive to Directors and the relevant eligible participants.

根據細則第84條，楊楚賢先生、林良俊先生及詹勳光先生將於二零一九年股東週年大會上輪席告退並合資格膺選連任。

獨立非執行董事的獨立性

根據上市規則第3.13條，每名獨立非執行董事均已就彼等的獨立性向本公司發出年度確認。於本報告日期，董事會認為所有獨立非執行董事均為獨立。

董事服務合約

各執行董事已與本公司訂立服務協議，任期固定為期三年，除非本公司或有關董事根據服務協議條款予以終止。

各獨立非執行董事已與本公司訂立委任函，為期三年，獨立非執行董事或本公司可根據委任函條款提前終止。

除上文所披露者外，提議於二零一九年股東週年大會重選的董事概無與本集團任何成員公司訂立或擬訂立任何本集團於一年內不付賠償(法定賠償除外)而不可終止的服務合約。

薪酬政策

為吸引及挽留優質員工，確保本集團內部正常經營，本集團提供具競爭力的薪酬待遇(經參考市況和個人資歷、職位、職級及經驗而定)和多項內部培訓課程。合資格僱員亦可能獲授購股權。薪酬待遇會定期檢討。

薪酬委員會負責就本公司的政策、全體董事架構及高級管理層薪酬(參考市場競爭、個人表現及成就)向董事會提供建議。本公司已採納計劃作為對董事及相關合資格參與者的獎勵。

REPORT OF THE DIRECTORS

董事報告

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and the five highest paid individuals are set out in notes 8 and 9 to the consolidated financial statements respectively. No Director has waived or has agreed to waive any emolument during the Year.

DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the Director or an entity connected the Director had a material interest, whether directly or indirectly, subsisted at any time during the Year.

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

Interests in the Company

As at 31 December 2018, none of the Directors or chief executive of the Company has any interest or short positions in the shares, underlying shares or debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

董事薪酬及五名最高薪人士

有關董事薪酬及五名最高薪人士之詳情分別載於綜合財務報表附註8及9。年內並無董事放棄或同意放棄任何薪酬。

董事於合約的重大權益

除本年報所披露者外，年內任何時間，概無任何有關本集團業務，本公司或其任何附屬公司為訂約方而董事或與董事相關的實體直接或間接擁有重大權益且仍然有效的重大交易、安排及合約。

董事及最高行政人員於股份、相關股份及債權證的權益及淡倉

於本公司的權益

截至二零一八年十二月三十一日，本公司董事或最高行政人員概無於本公司股份、相關股份或債權證中擁有根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文被當作或視為擁有的權益或淡倉），或擁有根據證券及期貨條例第352條須登記於該條所述登記冊的權益或淡倉，或擁有根據標準守則須知會本公司及聯交所的權益或淡倉。

Interests in associated corporations of the Company

As at 31 December 2018, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Name of associated corporation	Capacity	Number of Shares (long position) 股份數目 (好倉)	Approximate percentage of shareholding 概約持股百分比
董事姓名	相聯法團名稱	身份		
Mr. Chan Ki Chun 陳麒淳先生	Sun Fook Kong Group Limited (the "SFK Group") 新福港集團有限公司 (「新福港集團」)	Interest in controlled corporation (Note 1) 受控法團權益(附註1)	97,599	3.54%

Note 1: Mr. Chan Ki Chun beneficially owns the entire issued share capital of Growth Asset Holdings Limited, a company incorporated in the British Virgin Islands with limited liability ("Growth Asset"). By virtue of the SFO, Mr. Chan Ki Chun is deemed to be interested in the 97,599 shares of SFK Group held by Growth Asset.

於本公司相聯法團的權益

截至二零一八年十二月三十一日，本公司董事或最高行政人員於本公司相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中(i)擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的有關條文被當作或視為擁有的權益或淡倉)，或(ii)擁有根據證券及期貨條例第352條須登記於該條所述登記冊的權益或淡倉，或(iii)擁有根據標準守則須知會本公司及聯交所的權益或淡倉如下：

附註1：陳麒淳先生實益擁有Growth Asset Holdings Limited(「Growth Asset」，在英屬處女群島註冊成立的有限公司)全部已發行股本。根據證券及期貨條例，陳麒淳先生被視為於Growth Asset所持新福港集團的97,599股股份中擁有權益。

Save as disclosed above, as at 31 December 2018, none of the Directors nor chief executive of the Company has registered any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，截至二零一八年十二月三十一日，董事及本公司最高行政人員概無於本公司或其相聯法團(定義見證券及期貨條例第XV部)股份、相關股份或債權證中登記(i)根據證券及期貨條例第XV部第7及8分部條文須知會本公司及聯交所的任何權益或淡倉(包括根據證券及期貨條例的有關條文被當作或視為擁有的權益或淡倉)，或(ii)擁有根據證券及期貨條例第352條須登記於該條所述登記冊的任何權益或淡倉，或(iii)擁有根據標準守則須知會本公司及聯交所的任何權益或淡倉。

REPORT OF THE DIRECTORS

董事報告

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

So far as the Directors are aware, as at 31 December 2018, the following persons (other than the Directors and chief executive of the Company) had or deemed or taken to have an interest and/or short position in the Shares, the underlying Shares or the debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

主要股東於本公司股份、相關股份及債權證的權益及淡倉

據董事所知，截至二零一八年十二月三十一日，以下人士（董事及本公司最高行政人員除外）於本公司股份、相關股份或債權證中擁有或視為或當作擁有根據證券及期貨條例第XV部第2及3分部條文須予披露的權益及／或淡倉，或須記錄於本公司根據證券及期貨條例第336條須置存之權益登記冊的權益及／或淡倉：

Name of shareholder	Nature of interest	Number of Shares (long position) 股份數目 (好倉)	Approximate percentage of shareholding 概約持股 百分比
SFK Group 新福港集團	Beneficial owner (Note 1) 實益擁有人(附註1)	300,000,000	75%
Good Target Limited ("Good Target")	Interest of controlled corporations (Notes 1 and 2) 受控法團權益(附註1及2)	300,000,000	75%
Ocean Asset Holdings Limited ("Ocean Asset")	Interest of controlled corporation (Notes 1 and 2) 受控法團權益(附註1及2)	300,000,000	75%
Mr. Lo Kai Shui ("Mr. Lo") 羅啟瑞先生(「羅先生」)	Interest of controlled corporations (Note 2) 受控法團權益(附註2)	300,000,000	75%
Mr. Hu Liang Ming Raymond 胡亮明先生	Beneficial owner 實益擁有人	12,000,000	3%
Mr. Hu Liang Ming Raymond 胡亮明先生	Beneficiary of a trust 信託受益人	10,000,000	2.5%

Note 1: SFK Group, a company incorporated in the British Virgin Islands with limited liability, is owned as to approximately 71.39% by Good Target, 18.94% by Ocean Asset, 3.54% by Growth Asset, 1.94% by Chief Champion Limited, 1.46% by Jemrick Holdings Limited, 1.06% by KSL Management Limited, 0.83% by LHS Management Limited, 0.46% by Worldrich Enterprises Limited, 0.22% by Easespeed Limited and 0.16% by Global Trinity Limited.

Note 2: Good Target, a company incorporated in the British Virgin Islands with limited liability, is beneficially and wholly owned by Mr. Lo. Ocean Asset, a company incorporated in the British Virgin Islands with limited liability is beneficially and wholly owned by Mr. Lo. By virtue of the SFO, Mr. Lo is deemed to be interested in the Shares held by SFK Group.

附註1：新福港集團為在英屬處女群島註冊成立的有限公司，由Good Target、Ocean Asset、Growth Asset、Chief Champion Limited、Jemrick Holdings Limited、KSL Management Limited、LHS Management Limited、Worldrich Enterprises Limited、捷安有限公司及Global Trinity Limited分別擁有約71.39%、18.94%、3.54%、1.94%、1.46%、1.06%、0.83%、0.46%、0.22%及0.16%。

附註2：Good Target為在英屬處女群島註冊成立的有限公司，由羅先生實益全資擁有。Ocean Asset為在英屬處女群島註冊成立的有限公司，由羅先生實益全資擁有。根據證券及期貨條例，羅先生視為於新福港集團持有的股份中擁有權益。

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

除上文所披露者外，截至二零一八年十二月三十一日，就董事所知並無任何其他人士於本公司股份、相關股份或債權證中擁有或視為或當作擁有根據證券及期貨條例第XV部第2及3分部條文須予披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條須置存之權益登記冊的權益或淡倉。

CONTROLLING SHAREHOLDERS' INTEREST

Save as disclosed herein, apart from transactions carried out in the normal course of business, there were no contracts of significance between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries or any contracts of any significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

DEED OF NON-COMPETITION

The deed of non-competition dated 19 November 2015 has been entered into by SFK Group, Good Target and Mr. Lo, the controlling shareholders of the Company within the meaning of the Listing Rules (collectively the "Controlling Shareholders") in favour of the Company regarding certain non-competition undertakings given by the Controlling Shareholders in favour of the Company. The details of the deed of non-competition have been disclosed in the section headed "Relationship with our Controlling Shareholders" in the Prospectus.

Each of the Controlling Shareholders has given an annual declaration to the Company confirming that he/it has complied with the non-compete undertakings provided to the Company under the said deed of non-competition. The INEDs have reviewed the status of compliance and enforcement of the non-compete undertaking and confirmed that all the undertakings thereunder have been complied for the Year.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the Group's top five customers (where various departments of the Hong Kong Government were considered individually), all of which are based in Hong Kong, collectively accounted for approximately 84.1% (2017: 82.1%) of the Group's total revenue for the Year. The largest customer accounted for approximately 54.3% of the Group's total revenue for the Year (2017: 38.6%).

During the Year, purchases from the Group's top five suppliers, all of which are based in Hong Kong and are independent third parties, collectively accounted for approximately 15.1% (2017: 17.8%) of the Group's total purchase costs for the Year. The largest supplier accounted for approximately 3.5% of the Group's total purchase costs for the Year (2017: 4.0%).

To the best of the knowledge of the Directors, none of the Directors, their respective close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the issued share capital of the Company) had any interest in any of the Group's top five customers or suppliers.

控股股東權益

除本節所披露者外，除在一般業務過程中進行的交易外，本公司或其任何附屬公司概無與控股股東或其任何附屬公司訂立重要合約，亦無訂立內容有關控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務的重要合約。

不競爭契約

新福港集團、Good Target及羅先生(本公司控股股東(統稱「控股股東」)，定義見上市規則)以本公司為受益人就控股股東向本公司作出若干不競爭承諾於二零一五年十一月十九日訂立不競爭契約，不競爭契約詳情披露於招股章程「與控股股東的關係」一節。

各控股股東向本公司作出年度聲明，確認其已遵守根據上述不競爭契約向本公司作出的不競爭承諾。獨立非執行董事已審閱不競爭承諾的合規及履行情況，確認年內所有承諾已得到遵守。

主要客戶及供應商

年內，本集團五大客戶(均位於香港，香港政府不同部門單獨分析)共同佔本集團年內總收益約84.1%(二零一七年：82.1%)。最大客戶佔本集團年內總收益約54.3%(二零一七年：38.6%)。

年內，自本集團五大供應商的採購(均位於香港並均為獨立第三方)共同佔本集團年內總採購成本約15.1%(二零一七年：17.8%)。最大供應商佔本集團年內總採購成本約3.5%(二零一七年：4.0%)。

就董事所知，董事、彼等各自緊密聯繫人或本公司任何股東(就董事所知擁有本公司5%以上已發行股本)概無於本集團五大客戶或供應商擁有任何權益。

REPORT OF THE DIRECTORS

董事報告

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the Year.

MATERIAL RELATED PARTY TRANSACTIONS

Part of the material related party transactions entered into by the Group during the Year as set out in:

- (a) note 24(b)(ii) to the consolidated financial statements in relation to rental expenses, license fees, air-conditioning and service charges (the amount of which being HK\$9.0 million as disclosed in note 24(c) to the consolidated financial statements); and
- (b) note 24(b)(iii) to the consolidated financial statements in relation to property management services and property consultancy services income (the amount of which being HK\$5.9 million as disclosed in note 24(c) to the consolidated financial statements)

are non-exempt continuing connected transactions which are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirements pursuant to the Listing Rules. Further details of these continuing connected transactions are set out in the section below headed "Continuing Connected Transactions".

The Group has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver (the "Waiver") from strict compliance with the announcement requirement of the Listing Rules in respect of part of the continuing connected transaction mentioned in (a) above. Further details are set out in the section below headed "The Waiver".

Part of the material related party transactions entered into by the Group during the Year as set out in note 24(b)(i) to the consolidated financial statements in relation to housing management and related service income (the amount of which being approximately HK\$163,000 as disclosed in note 24(c) to the consolidated financial statements) constitute connected transactions which fall below the de minimis threshold and hence exempt from reporting, announcement and independent shareholders' approval requirements pursuant to the Listing Rules.

Part of the material related party transactions set out in note 24(a) to the consolidated financial statements in respect of the remuneration of the Directors constitute connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to the Listing Rules.

管理合約

年內並無訂立或存續任何涉及本集團全部或任何重大部分業務管理的合約。

重大關聯方交易

本集團年內所訂立的部分重大關聯方交易載列如下：

- (a) 綜合財務報表附註24(b)(ii)所載有關租金開支、許可費、冷氣及服務費(綜合財務報表附註24(c)所披露金額為9.0百萬港元); 及
- (b) 綜合財務報表附註24(b)(iii)所載有關物業管理服務及物業顧問服務收入(綜合財務報表附註24(c)所披露金額為5.9百萬港元)

均為非豁免持續關連交易，須遵守上市規則的申報、年度審閱及公告規定，惟豁免遵守獨立股東批准規定。該等持續關連交易進一步詳情分別載於「持續關連交易」一節。

本集團已就上述一節(a)段中部分「持續關聯交易」向聯交所申請，且聯交所已就此予以批准豁免嚴格遵守上市規則公告的規定(「豁免」)，詳情載於下文「豁免」一節。

綜合財務報表附註24(b)(i)所載本集團年內所訂有關房屋管理及相關服務收入(綜合財務報表附註24(c)所披露金額約為163,000港元)的部分重大關聯交易構成低於最低豁免水平的關連交易，故獲豁免遵守上市規則申報、公告與獨立股東批准規定。

綜合財務報表附註24(a)所載有關董事薪酬的部分重大關聯方交易屬獲豁免遵守上市規則申報、公告及獨立股東批准規定的關連交易。

Save as disclosed above, the Directors consider that those material related party transactions disclosed in note 24 to the consolidated financial statements did not fall under the definition of “connected transactions” or “continuing connected transactions” (as the case may be) in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders’ approval requirements under the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

During the Year, the Group had the following continuing connected transactions:

(1) Moon Yik Agreements

On 20 December 2012, Sun Fook Kong Construction Management Limited (“SFK Management”), an indirect wholly-owned subsidiary of the Company, entered into a tenancy agreement (the “Tenancy Agreement”) with Moon Yik Company, Limited (“Moon Yik”) as landlord, pursuant to which Moon Yik agreed to lease to SFK Management properties situated at Suites 3201–2, 3206–10, 32nd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong (the “Office Premises”) as the head office of the Group. The Tenancy Agreement expired on 31 March 2016.

On 21 May 2015, SFK Management as licensee entered into a master license agreement (the “Master License Agreement”) with Moon Yik as licensor, to govern the use of five car parking spaces (numbers B2-03, B2-06, B2-11, B2-32 and B2-38) (the “Car Parking Spaces”) within the car park situated in Basement 2 of Great Eagle Centre, together with the right to use the entrance and drive-ways in Great Eagle Centre so far as the same are necessary to the enjoyment of the Car Parking Spaces. The Master License Agreement expired on 31 March 2016.

On 21 September 2015, SFK Management and Moon Yik entered into a renewed tenancy agreement (the “Renewed Tenancy Agreement”) to renew the Tenancy Agreement and the Master License Agreement, pursuant to which:

- (i) the lease of the Office Premises to SFK Management was renewed for a term of three years commencing from 1 April 2016 and ending on 31 March 2019 at a monthly rental (exclusive of government rates, air-conditioning charge and service charge in relation to the management of the Office Premises) of HK\$596,731.20, a monthly air-conditioning charge of HK\$34,923.20 (subject to adjustment) and a monthly service charge of HK\$53,713.40 (subject to adjustment); and

除上文所披露者外，董事認為綜合財務報表附註24所披露其餘重大關聯方交易不屬上市規則第14A章所定義須遵守上市規則申報、公告或獨立股東批准規定的「關連交易」或「持續關連交易」（視情況而定）。本公司已遵守上市規則第14A章的披露規定。

持續關連交易

年內，本集團訂立以下持續關連交易：

(1) 滿億協議

於二零一二年十二月二十日，本公司間接全資附屬公司新福港工程策劃管理有限公司（「新福港管理」）與滿億有限公司（「滿億」）（作為業主）訂立租賃協議（「租賃協議」），據此，滿億同意向新福港管理出租位於香港灣仔港灣道23號鷹君中心32樓3201-2室、3206-10室的物業（「辦公室物業」），作為本集團的總辦事處。租賃協議已於二零一六年三月三十一日到期。

於二零一五年五月二十一日，新福港管理（作為獲許可方）與滿億（作為許可方）訂立總許可協議（「總許可協議」），以規管位於鷹君中心地庫2層五個停車位（編號B2-03、B2-06、B2-11、B2-32及B2-38）（「停車位」）的使用及使用鷹君中心入口及行車道的權利，惟限於在該項權利對使用停車位有必要時。總許可協議已於二零一六年三月三十一日到期。

於二零一五年九月二十一日，新福港管理與滿億訂立經續新租賃協議（「經續新租賃協議」）以續期租賃協議及總許可協議，據此：

- (i) 向新福港管理出租辦公室物業之租賃續期三年，自二零一六年四月一日起至二零一九年三月三十一日止，月租（不包括與管理辦公室物業有關的政府差餉、空調費及服務費）為596,731.20港元，每月空調費為34,923.20港元（可予調整）及每月服務費為53,713.40港元（可予調整）；及

REPORT OF THE DIRECTORS

董事報告

- (ii) the grant to SFK Management of a license to use the Car Parking Spaces was renewed for the term of the Renewed Tenancy Agreement at the prevailing monthly license fee (subject to adjustment as Moon Yik or the carpark manager of the Car Parking Spaces may prescribe from time to time).

As disclosed in annual report of last year, the Board estimated that the annual caps under the Renewed Tenancy Agreement would be HK\$9.70 million, HK\$9.99 million and HK\$2.516 million for each of the three years ending 31 December 2019 respectively. Such estimate is based on (a) the rental of the Office Premises, the license fees of the Car Parking Spaces, the air-conditioning charge and the service charge under the Renewed Tenancy Agreement; (b) possible adjustment in the license fees of the Car Parking Spaces, the air-conditioning charge (due to increase in the operating cost of air cooling services of the Building) and the service charge (due to increase in the management fee of the Building); and (c) other outgoings related to the services or facilities provided to SFK Management in relation to the Office Premises. The said annual cap for the year ending 31 December 2019 was determined based on the fees payable for the period from 1 January 2019 to 31 March 2019, since the term of the Renewed Tenancy Agreement will expire on 31 March 2019.

During the Year, the expenses for the lease of Office Premises and the use of the Car Parking Spaces paid under the Renewed Tenancy Agreement amounted to approximately HK\$8.84 million (2017: HK\$8.83 million), which were within the annual caps for the Year.

Moon Yik is an indirect wholly-owned subsidiary of Great Eagle Holdings Limited (“Great Eagle”) and Mr. Lo, our Controlling Shareholder, was the then deputy managing director and executive director at the time of entering into the continuing connected transaction and is a controlling shareholder of Great Eagle. As such, Moon Yik is a connected person of the Company for the purpose of the Listing Rules. Accordingly, the transactions contemplated under the Renewed Tenancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (other than the profits ratio) for the Renewed Tenancy Agreement on a standalone basis is expected to be more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the Renewed Tenancy Agreement on a standalone basis constitute non-exempt continuing connected transactions under the Listing Rules and are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders’ approval requirement under Rule 14A.76(2) of the Listing Rules, subject however to the Waiver.

- (ii) 向新福港管理所授出使用停車位的許可，按現時每月許可費（可由滿億或停車位之停車場管理人不時調整）續期經續新租賃協議的年期。

按上年年報所披露，董事會估計截至二零一九年十二月三十一日止三個年度各年，經續新租賃協議的年度上限將分別為9.70百萬港元、9.99百萬港元及2.516百萬港元。該估計乃基於(a)根據經續新租賃協議項下的辦公室物業租金、停車位的許可費、空調費及服務費；(b)對停車位許可費、對空調費（因該大廈的冷氣服務的營運成本上升）及服務費（因該大廈的管理費增加）的可能調整；及(c)就辦公室物業向新福港管理提供服務或設施有關的其他開支。由於經續新租賃協議年期將於二零一九年三月三十一日屆滿，上述截至二零一九年十二月三十一日止年度的年度上限基於二零一九年一月一日至二零一九年三月三十一日止期間的應付費用釐定。

年內，根據經續新租賃協議支付的辦公室物業租賃費及停車位使用費約為8.84百萬港元（二零一七年：8.83百萬港元），未超過年內的年度上限。

滿億為鷹君集團有限公司（「鷹君」）的間接全資附屬公司，而我們的控股股東羅先生於訂立持續關連交易時為鷹君的當時的副董事總經理及執行董事而仍是控股股東。故此，就上市規則而言，滿億為本公司的關連人士。因此根據上市規則第14A章，經續新租賃協議擬進行的交易屬本公司持續關連交易。

由於經續新租賃協議（按獨立基準）的各適用百分比率（盈利比率除外）按年度基準預期將超過0.1%但低於5%，根據上市規則，經續新租賃協議（按獨立基準）擬進行的交易屬非豁免持續關連交易，須遵守上市規則第14A.76(2)條有關申報、年度審核及公告的規定，但獲豁免遵守獨立股東批准的規定，以下文豁免為準。

(2) Foshan SFK Agreements

佛山新福港物業管理有限公司 (Foshan SFK Building Management Limited[#]) (formerly known as 佛山寶得物業管理有限公司) (“Foshan SFK”), an indirect wholly-owned subsidiary of the Company, entered into a number of service or rental agreements (the “Previous Service and Rental Agreements”) with various subsidiaries of SFK Group on 11 January 2017. All the Previous Service and Rental Agreements expired on 31 December 2017.

On 22 January 2018, Foshan SFK entered into renewed service and rental agreements to renew some of the Previous Service and Rental Agreements (each the “Renewed Agreement” and collectively the “Renewed Agreements”) with various subsidiaries of the SFK Group. On the same day, Foshan SFK and 廣州新福港物業管理有限公司 (Guangzhou Sun Fook Kong Property Management Limited[#]) (“Guangzhou SFK”), an indirectly wholly-owned subsidiary of the Company, entered into two new services agreements (each the “New Agreement” and collectively the “New Agreements”) with various subsidiaries of the SFK Group. Details of the Renewed Agreements and New Agreements are as follows:

Date of New Agreement/ Renewed Agreement	Parties	Scope of services	Term/ Renewed Term	Fees	Annual Cap for the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度的年度 上限 (approximate RMB'000) (概約 人民幣千元)
新協議/經續 新協議日期	訂約方	服務範圍	年期/續新年期	費用	
22 January 2018 二零一八年 一月二十二日	<ul style="list-style-type: none"> — 佛山市新運泰房地產開發有限公司 (Foshan Xin Yun Tai Real Estate Development Company Limited[#]) — Foshan SFK (through its Foshan head office) — 佛山市新運泰房地產開發有限公司 — 佛山新福港 (透過其佛山總辦事處) 	Provision of property consultancy services in respect of 佛山新福港廣場項目 (Foshan Sun Fook Kong Guang Chang Development [#]) (“Foshan SFK Guang Chang”) and property services as requested 就佛山新福港廣場項目 (「佛山新福港廣場」) 提供物業顧問服務及所要求的物業服務	1 January 2018 to 31 December 2018 二零一八年一月一日至二零一八年十二月三十一日	Basic fee of RMB250,000 per month 基本費用每月人民幣250,000元 Additional service fees for the property services, if any 物業服務的額外服務費(如有)	3,600

(2) 佛山新福港協議

於二零一七年一月十一日，本公司的間接全資附屬公司佛山新福港物業管理有限公司(前稱佛山寶得物業管理有限公司)(「佛山新福港」)，與新福港集團的各附屬公司於二零一七年一月十一日訂立若干服務或租賃協議(「舊服務及租賃協議」)。所有舊服務及租賃協議已於二零一七年十二月三十一日到期。

於二零一八年一月二十二日，佛山新福港與新福港集團的各附屬公司訂立經續新服務及租賃協議，以重續若干舊服務及租賃協議(各為「經續新協議」及統稱為「該等經續新協議」)，同日，佛山新福港及本公司的間接全資附屬公司廣州新福港物業管理有限公司「廣州新福港」與新福港集團的若干附屬公司訂立二份新服務協議(各為「新協議」及統稱為「該等新協議」)。經續新協議及新協議的詳列如下：

REPORT OF THE DIRECTORS

董事報告

Date of New Agreement/ Renewed Agreement	Parties	Scope of services	Term/ Renewed Term	Fees	Annual Cap for the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度的年度 上限 (approximate RMB'000) (概約 人民幣千元)
新協議/經續 新協議日期	訂約方	服務範圍	年期/續新年期	費用	
22 January 2018 二零一八年 一月二十二日	<ul style="list-style-type: none"> - 都江堰根園房地產開發有限公司 (Dujiangyan Gen Yuan Real Estate Development Limited*) - Foshan SFK (through its Foshan head office) - 都江堰根園房地產開發有限公司 - 佛山新福港(透過其佛山總辦事處) 	Provision of property consultancy services in respect of 成都青城·根園項目 (Chengdu Qing Cheng. Gen Yuan Development*) and property services as requested 就成都青城·根園項目提供物業顧問服務及所要求的物業服務	1 January 2018 to 31 December 2018 二零一八年一月一日至二零一八年十二月三十一日	Basic fee of RMB80,000 per month 基本費用每月人民幣80,000元 Additional service fees for the property services, if any 物業服務的額外服務費(如有)	1,150
22 January 2018 二零一八年 一月二十二日	<ul style="list-style-type: none"> - 廣州市宏康福港房地產開發有限公司 (Guangzhou City Hong Kang Fook Kong Real Estate Development Company Limited*) ("Guangzhou Hong Kang Fook Kong") - Foshan SFK (through its Guangzhou branch office) - 廣州市宏康福港房地產開發有限公司(「廣州宏康福港」) - 佛山新福港(透過其廣州分支辦事處) 	Provision of property consultancy services in respect of 廣州福港鼎峰花園項目 (Guangzhou Fook Kong The Paramount Development*) ("The Paramount") and property services as requested 就廣州福港鼎峰花園項目(「鼎峰項目」)提供物業顧問服務及所要求的物業服務	1 January 2018 to 31 December 2018 二零一八年一月一日至二零一八年十二月三十一日	Basic fee of RMB20,000 per month 基本費用每月人民幣20,000元 Additional service fees for the property services, if any 物業服務的額外服務費(如有)	290

REPORT OF THE DIRECTORS

董事報告

Date of New Agreement/ Renewed Agreement	Parties	Scope of services	Term/ Renewed Term	Fees	Annual Cap for the year ended 31 December 2018 截至二零一八年十二月三十一日止年度的年度上限 (approximate RMB'000) (概約人民幣千元)
新協議/經續新協議日期	訂約方	服務範圍	年期/續新年期	費用	
22 January 2018 二零一八年一月二十二日	<ul style="list-style-type: none"> — Guangzhou Hong Kang Fook Kong — Foshan SFK (through its Guangzhou branch office) — 廣州宏康福港 — 佛山新福港(透過其廣州分支辦事處) 	<p>Leasing of the property situated at 廣州高新技術產業開發區科學城香雪大道西283號A15, 福港鼎峰花園商業綜合樓 (A15, No. 283, Xiangxue Road West, Guangzhou Science City, Gaoxin Jishu Chanye Development Zone, Fook Kong Paramount Commercial Complex*)</p> <p>租賃位於廣州高新技術產業開發區科學城香雪大道西283號A15·福港鼎峰花園商業綜合樓的物業</p>	1 January 2018 to 31 December 2018 二零一八年一月一日至二零一八年十二月三十一日	Monthly rental of RMB8,960.40 月租人民幣8,960.40元	108
22 January 2018 二零一八年一月二十二日	<ul style="list-style-type: none"> — Foshan Xin Yun Tai Real Estate Development Company Limited — Foshan SFK (through its Foshan Head Office) — 佛山市新運泰房地產開發有限公司 — 佛山新福港(透過其佛山總辦事處) 	<p>Provision of property consultancy services in respect of Foshan SFK Guang Chang and property services as requested</p> <p>就佛山新福港廣場項目提供物業顧問服務及所要求的物業服務</p>	1 January 2018 to 31 December 2018 二零一八年一月一日至二零一八年十二月三十一日	<p>Basic fee of RMB60,000 per month 基本費用每月人民幣60,000元</p> <p>Additional service fees for the property services, if any 物業服務的額外服務費(如有)</p>	860
22 January 2018 二零一八年一月二十二日	<ul style="list-style-type: none"> — Guangzhou Hong Kang Fook Kong — Guangzhou SFK — 廣州宏康福港 — 廣州新福港 	<p>Provision of property consultancy services in respect of The Paramount and property services as requested</p> <p>就鼎峰項目提供物業顧問服務及所要求的物業服務</p>	1 January 2018 to 31 December 2018 二零一八年一月一日至二零一八年十二月三十一日	<p>Basic fee of RMB23,000 per month 基本費用每月人民幣23,000元</p> <p>Additional service fees for the property services, if any 物業服務的額外服務費(如有)</p>	330

The Board's estimated annual caps under the Renewed Agreements and the New Agreements, as disclosed in the announcement of the Company dated 22 January 2018, are set out above. For more details of the Renewed Agreements and the New Agreements and the basis of determination of these annual caps, please refer to such announcement.

During the Year, the total service fees received and rental paid under the Renewed Agreements and the New Agreements amounted to RMB5,304,000 (equivalent to approximately HK\$6,041,000), which was within the annual caps for the Year.

董事會估計的該等經續新協議及該等新協議項下的年度上限(誠如本公司日期為二零一八年一月二十二日的公告所披露)載於上文。有關該等經續新協議及該等新協議及該等年度上限的釐定基準的更多詳情,請參閱有關公告。

年內,根據該等經續新協議及該等新協議收取的服務費用及支付的租金總額為人民幣5,304,000元(相當於約6,041,000港元),未超過年內的年度上限。

REPORT OF THE DIRECTORS

董事報告

SFK Group is a controlling shareholder of the Company. Thus, SFK Group and its subsidiaries are connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions contemplated under the Renewed Agreements and the New Agreements constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the estimated annual cap for the Year for the transactions under the Renewed Agreements and the New Agreements, as one or more of the applicable percentage ratios calculated in accordance with the Listing Rules are expected to be more than 0.1% but less than 5%, such transactions are continuing connected transactions subject to the reporting, announcement and annual review requirements, but are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

All the Renewed Agreements and the New Agreements have expired on 31 December 2018. On 31 January 2019, Foshan SFK renewed some of them and Guangzhou SFK entered into new agreements in replacement of some of them. For more details of these further renewed agreements and new agreements, the proposed annual caps and basis of determination, please refer to the announcement of the Company dated 31 January 2019.

THE WAIVER

The Group has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirement of the Listing Rules in respect of the non-exempt continuing connected transactions as disclosed above in paragraph 1 (for the Tenancy Agreement and the Master License Agreement on an aggregated basis and for the Renewed Tenancy Agreement on a standalone basis) under the above section headed "Continuing Connected Transactions" subject to (a) these non-exempt continuing connected transactions will be carried out in compliance with the requirements of the Listing Rules and the Company shall comply with the relevant requirements for continuing connected transactions in accordance with Chapter 14A of the Listing Rules; and (b) the aggregate value of each of the relevant non-exempt continuing connected transactions for each of the financial years ending 31 December 2019 will not exceed the relevant annual caps.

新福港集團為本公司的控股股東。因此，就上市規則而言，新福港集團及其附屬公司為本公司關連人士。因此，根據上市規則第14A章，該等經續新協議及該等新協議項下擬進行的交易構成本公司的持續關連交易。

由於該等經續新協議及該等新協議項下之交易之年度估計年度上限，根據上市規則計算的一項或多項適用百分比率預期超過0.1%但低於5%，故有關交易屬持續關連交易，須遵守申報、公告及年度審閱規定，惟豁免遵守上市規則第14A章項下之通函及股東批准之規定。

所有該等經續新協議及該等新協議已於二零一八年十二月三十一日屆滿。於二零一九年一月三十一日，佛山新福港已續部分新服務協議，而廣州新福港已簽訂了新的協議，以取代其中部分協議。有關該等進一步續新協議及新協議、建議年度上限及釐定基準的更多詳情，請參閱本公司日期為二零一九年一月三十一日的公告。

豁免

本集團已就上述「持續關連交易」一節第1段（租賃協議及總許可協議（按綜合基準）及經續新租賃協議（按獨立基準））所披露非豁免持續關連交易向聯交所申請，且聯交所已就此予以批准，豁免我們嚴格遵守上市規則有關公告，惟(a)該等非豁免持續關連交易將根據上市規則規定進行，及本公司須根據上市規則第14A章遵守有關持續關連交易的規定；及(b)各項相關非豁免持續關連交易於截至二零一九年十二月三十一日止財政年度各年的總價值將不會超過相關年度上限。

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS

Pursuant to Rule 14A.55 of the Listing Rules, the above non-exempt continuing connected transactions have been reviewed by the INEDs who have confirmed that the transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor has been engaged by the Company to report on the above non-exempt continuing connected transactions. The auditor has issued a letter to the Board containing their findings and conclusions in respect of the above non-exempt continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. The auditor has confirmed that nothing has come to their attention that causes them to believe that the above non-exempt continuing connected transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (d) have exceeded the annual cap as set by the Company.

A copy of the auditor's letter has been provided to the Stock Exchange in accordance with Rule 14A.57 of the Listing Rules.

PERMITTED INDEMNITY PROVISIONS

At no times during the Year was there any permitted indemnity provisions (whether made by the Company or otherwise) being in force for the benefit of any Directors of the Company, or of its associated Company.

RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

BUSINESS REVIEW

The business review of the Group for the Year is included in the "Management Discussion and Analysis" in this annual report on pages 7 to 35. Such business review forms part of this Report of the Directors.

持續關連交易的年度審閱

根據上市規則第14A.55條，上述非豁免持續關連交易已由獨立非執行董事審閱，確認各交易(a)於本集團日常一般業務過程中；(b)按正常或更佳商業條款；及(c)根據有關協議訂立，而協議條款公平合理且符合股東整體利益。

本公司核數師受聘對上述非豁免持續關連交易作出報告。根據上市規則第14A.56條，核數師已就上述非豁免持續關連交易向董事會發出意見函，載有其審閱結果和結論。核數師確認，彼等概無獲悉任何事項致使彼等認為上述非豁免持續關連交易：

- (a) 未經董事會批准；
- (b) 在各重大方面未遵守本集團有關提供產品或服務之交易的定價政策；
- (c) 在各重大方面未遵守規管該等交易之相關協議進行；及
- (d) 超出本公司設定之年度上限。

本公司已根據上市規則第14A.57條向聯交所提供核數師函件副本。

獲准彌償條文

本年度概無以本公司或其聯營公司的任何董事為受益人的任何獲准彌償條文(不論是否由本公司或其他人士作出)。

稅務寬免

就本公司所知，股東並無因持有股份而獲得任何稅務寬免。

業務回顧

本集團年內業務回顧載於本年報第7至35頁的「管理層討論及分析」。該業務回顧屬於本董事報告的一部分。

REPORT OF THE DIRECTORS

董事報告

SIGNIFICANT LEGAL PROCEEDINGS

The Group was not engaged in any litigation or arbitration of material importance and so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against the Group.

EVENTS AFTER THE REPORTING PERIOD

Save for the continuing connected transactions as disclosed in the announcement dated 31 January 2019, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2018 and up to the date of this report.

CORPORATE GOVERNANCE

Details of the corporate governance of the Company are set out in the section headed "Corporate Governance Report" in this annual report on pages 92 to 106.

AUDITOR

The consolidated financial statements for the Year have been audited by KPMG, who will retire and, being eligible, offer themselves for reappointment at the 2019 AGM. A resolution for their re-appointment as the auditor of the Company will be proposed at the 2019 AGM.

On behalf of the Board

Chan Ki Chun
Chairman

Hong Kong, 26 March 2019

The English names are translations from their Chinese names. If there is any inconsistency, the Chinese names shall prevail.

重大法律訴訟

本集團概無涉及任何重大訴訟或仲裁，而就董事所知，本集團亦無任何尚未了結或似將發生的重大訴訟或索償要求。

報告期後事項

除日期為二零一九年一月三十一日的公告所披露的持續關連交易以外，就董事會所知，二零一八年十二月三十一日至本報告日期並無任何須予披露的重大事項。

企業管治

本公司企業管治詳情載於本年報第92至106頁的「企業管治報告」。

核數師

畢馬威會計師事務所已審核年內綜合財務報表，其將於二零一九年股東週年大會退任並合資格膺選連任。有關續聘其為本公司核數師的決議案將於二零一九年股東週年大會提呈。

代表董事會

主席
陳麒淳

香港，二零一九年三月二十六日

英文名稱來自彼等中文名稱之翻譯。如有任何歧義，概以中文為準。



**Independent auditor's report to the shareholders of
SFK Construction Holdings Limited**
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of SFK Construction Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 140 to 239, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

獨立核數師報告
致新福港建設集團有限公司股東
(於百慕達註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第140至239頁的新福港建設集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表。此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)以及與我們對百慕達綜合財務報表的審計相關的道德要求，我們獨立於貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。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審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Contract accounting estimates

合約會計估計

Refer to note 3 to the consolidated financial statements and the accounting policies in notes 1(k) and 1(s)(i) to the consolidated financial statements.

請參閱綜合財務報表附註3及綜合財務報表附註1(k)及1(s)(i)中的會計政策。

The Key Audit Matter

關鍵審核事項

The Group recorded revenue from the provision of general building and civil engineering totalling HK\$6,043 million for the year ended 31 December 2018.

截至二零一八年十二月三十一日止年度，貴集團錄得提供一般建築及土木工程產生的收益總計為6,043百萬港元。

Contract revenue is recognised over time using the output method, based on direct measurements of the value of services delivered or surveys of work performed and the estimated total revenue for the contracts entered into by the Group. Contract costs are recognised when work is performed, together with any provisions for expected contract losses.

合約收益基於直接計量已交付服務或已開展工程測量的價值以及貴集團所訂立合約的估計總收益採用產出法隨時間確認。合約成本於進行工作時確認，連同預期合約虧損的任何撥備。

The recognition of revenue and profit relies on management's estimate of the final outcome of each contract, which involves the exercise of significant management judgement, particularly in forecasting the costs to complete a contract, in valuing contract variations, claims and liquidated damages, in estimating the amount of expected losses and in assessing the ability of the Group to deliver services according to the agreed timetable.

收益及溢利的確認倚賴於管理層對各項合約的最終結果的估計，當中涉及行使重大管理層判斷，尤其是在預測完成合約的成本、評估合約變量、申索及違約賠償金、估計預期虧損金額以及評估貴集團根據協定的時間表提供服務的能力方面。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our audit procedures to assess contract accounting estimates included the following:

我們評估合約會計估計的審核程序包括以下各項：

- assessing the design, implementation and operating effectiveness of key internal controls over the contract revenue recognition processes;
- 評估對合約收益確認流程的關鍵內部控制的設計、實施及經營效力；
- discussing with the Group management and project directors the performance of the major contracts in progress during the year and challenging the key estimates and assumptions adopted in the forecast of contract revenue and contract costs, including estimated costs to completion, the recognition of variation orders, the adequacy of contingency provisions and their assessment of potential liquidated damages for contracts which are behind schedule, by obtaining and assessing information in connection the assumptions adopted, including contract agreements and sub-contracts, confirmations from and correspondence with customers regarding contract variations and claims and by considering historical outcomes for similar contracts;
- 透過獲取及評估與所採納的假設有關於資料(包括合約協議及分包合約、客戶對合約變動及申索的確認及與客戶的通信)以及透過考慮類似合約的歷史結果，與貴集團管理層及項目總監討論年內正在進行的合約的績效並對在預測合約收益及合約成本時所採納的關鍵估計及假設提出質疑，包括估計的完成成本、合約變量的確認、應計經費的充足性及其對落後於預定計劃的潛在違約賠償金的評估；

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Contract accounting estimates

合約會計估計

Refer to note 3 to the consolidated financial statements and the accounting policies in notes 1(k) and 1(s)(i) to the consolidated financial statements.

請參閱綜合財務報表附註3及綜合財務報表附註1(k)及1(s)(i)中的會計政策。

The Key Audit Matter

關鍵審核事項

How the matter was addressed in our audit

我們的審計如何處理該事項

We identified contract accounting estimates as a key audit matter because the estimation of the total revenue and total costs to complete contracts is inherently subjective and requires significant management judgement and estimation and because errors in the forecast of contract revenue and contract costs could result in a material variance in the amount of profit or loss recognised from contracts to date and, therefore, in the current period.

我們將合約會計估計確定為關鍵審核事項，因為總收益及完成合約的總成本估計原本具有主觀性且需要重大的管理層判斷及估計及由於合約收益及合約成本預測的錯誤可能會導致迄今為止（及因此於當前期間內）透過合約確認的損益金額出現重大差異。

- obtaining a detailed breakdown of the total estimated costs to completion for major contracts in progress during the year and comparing, on a sample basis, actual costs incurred to-date and cost estimates to agreements, certifications or correspondence with subcontractors and suppliers and other documentation referred to by management in its assessment of the estimated costs to completion;
- 取得年內正在進行的主要合約的完成估計總成本的詳盡明細，並以抽樣方式比較至今產生的實際成本和估計費用，與分包商及供應商間的協議、認證或通訊以及管理層在評估完成估計成本時提述的其他文件；
- comparing the contract revenue recognised for the major contracts in progress during the year with reference to the certifications from the professionals appointed by the customers;
- 將就年內正在進行的重大合約確認的合約收益與來自客戶委聘的專業人士的認證參考進行對比；
- conducting site visits, on a sample basis, to observe the progress of individual contracts and discussing with site personnel the status of each project and evaluating whether the project progress was consistent with the agreed timetable and the Group's financial accounting records;
- 按抽樣基準進行實地視察以觀察個別合約的進度，並與現場人員討論各個項目的狀態及評估項目進度與協定的時間表及貴集團的財務會計記錄是否一致；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Contract accounting estimates

合約會計估計

Refer to note 3 to the consolidated financial statements and the accounting policies in notes 1(k) and 1(s)(i) to the consolidated financial statements.

請參閱綜合財務報表附註3及綜合財務報表附註1(k)及1(s)(i)中的會計政策。

The Key Audit Matter

關鍵審核事項

How the matter was addressed in our audit

我們的審計如何處理該事項

- performing a retrospective review for contracts completed during the current year by comparing the final outcome of the contracts to previous estimates made for those contracts to assess the reliability of the management's forecasting process; and
- 通過將合約的最終結果與之前對該等合約作出的估計進行對比，對本年度完成的合約進行回顧性審核，以評估管理層預測流程的可靠性；及
- inspecting a sample of contract agreements with customers and subcontractors to identify key terms and conditions, including contracting parties, contract period, contract sum, scope of work, liquidated damages and evaluating whether these key terms and conditions had been appropriately reflected in the total estimated revenue and costs to complete under the forecasts of contract.
- 抽樣檢查與客戶及分包商的合約協議以確定關鍵條款及條件(包括訂約方、合約期、合約金額、工作範圍、違約賠償金)並評估該等關鍵條款及條件是否根據合約預測於估計收益總額及完成成本中得到恰當的反映。

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON (Continued)

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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

綜合財務報表及其核數師報告以外的信息 (續)

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助董事履行監督 貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照百慕達1981年《公司法案》第90條的規定，僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

(Continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement 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.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

綜合財務報表及其核數師報告以外的信息 (續)

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

(Continued)

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Yeung Yuk Fan.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 March 2019

綜合財務報表及其核數師報告以外的信息 (續)

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是楊玉芬。

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

二零一九年三月二十六日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 December 2018
(Expressed in Hong Kong dollars)

截至二零一八年十二月三十一日止年度
(以港元呈列)

		Note 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Revenue	收益	3	6,197,164	4,611,972
Direct costs	直接成本		(5,923,988)	(4,364,813)
Gross profit	毛利		273,176	247,159
Other revenue	其他收益	4	4,763	351
Other net (loss)/gain	其他淨(虧損)/收益	5	(462)	528
Administrative expenses	行政開支		(92,534)	(72,668)
Profit from operations	經營溢利		184,943	175,370
Finance costs	融資成本	6(a)	(12,234)	(5,486)
Share of results of a joint venture	分佔合營企業業績		(15,803)	1,022
Profit before taxation	除稅前溢利	6	156,906	170,906
Income tax	所得稅	7(a)	(27,585)	(28,215)
Profit for the year	年度溢利		129,321	142,691
Attributable to:	應佔：			
Equity shareholders of the Company	本公司權益股東		129,689	141,874
Non-controlling interests	非控股權益		(368)	817
Profit for the year	年度溢利		129,321	142,691
Earnings per share – Basic/Diluted	每股盈利 – 基本/攤薄	10	32.4 cents 港仙	35.5 cents 港仙

The notes on pages 147 to 239 form part of these consolidated financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 20(b).

第147至239頁附註構成該等綜合財務報表一部分。有關年度溢利之應付本公司權益股東之股息詳情載於附註20(b)。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2018
(Expressed in Hong Kong dollars)

截至二零一八年十二月三十一日止年度
(以港元呈列)

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Profit for the year	年度溢利	129,321	142,691
Other comprehensive income for the year (after tax)	年度其他全面收益(除稅後)		
<i>Item that may be reclassified subsequently to profit or loss:</i>	其後可重新分類至損益的項目：		
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表的匯兌差額	(336)	368
Total comprehensive income for the year	年度全面收益總額	128,985	143,059
Attributable to:	應佔：		
Equity shareholders of the Company	本公司權益股東	129,352	142,242
Non-controlling interests	非控股權益	(367)	817
Total comprehensive income for the year	年度全面收益總額	128,985	143,059

The notes on pages 147 to 239 form part of these consolidated financial statements. 第147至239頁附註構成該等綜合財務報表一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

at 31 December 2018
(Expressed in Hong Kong dollars)

於二零一八年十二月三十一日
(以港元呈列)

		Note 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 (Note) (附註) \$'000 千元
Non-current assets	非流動資產			
Plant and equipment	廠房及設備	11	43,538	30,314
Goodwill	商譽		1,209	1,209
Interest in a joint venture	於合營企業的權益	13(a)	–	3,089
Deferred tax assets	遞延稅項資產	7(c)(ii)	34,750	33,557
			79,497	68,169
Current assets	流動資產			
Contract assets	合約資產	14	1,262,372	–
Gross amount due from customers for contract work	應收合約工程客戶總額	15	–	689,399
Trade and other receivables	應收貿易賬款及其他應收款項	16	568,734	871,904
Amount due from a joint venture	應收合營企業款項	13(a)	2,323	–
Current tax recoverable	可收回即期稅項	7(c)(i)	4,528	2,482
Pledged deposits	抵押存款		25,039	25,006
Cash at banks and in hand	銀行及手頭現金	17(a)	216,897	256,759
			2,079,893	1,845,550
Current liabilities	流動負債			
Interest in a joint venture	於合營企業的權益	13(a)	12,714	–
Contract liabilities	合約負債	14	119,888	–
Gross amount due to customers for contract work	應付合約工程客戶總額	15	–	186,396
Trade and other payables	應付貿易賬款及其他應付款項	18	1,145,617	931,071
Amount due to a joint venture	應付合營企業款項	13(a)	–	1,904
Bank loans and overdrafts	銀行貸款及透支	19	371,732	307,742
Current tax payable	應付即期稅項	7(c)(i)	10,942	8,360
			1,660,893	1,435,473
Net current assets	流動資產淨值		419,000	410,077
Total assets less current liabilities	總資產減流動負債		498,497	478,246
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	7(c)(ii)	4,717	3,451
NET ASSETS	資產淨值		493,780	474,795

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

at 31 December 2018
(Expressed in Hong Kong dollars)

於二零一八年十二月三十一日
(以港元呈列)

		Note	2018 二零一八年 \$'000 千元	2017 二零一七年 (Note) (附註) \$'000 千元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	20(c)	40,000	40,000
Reserves	儲備		453,343	433,991
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額		493,343	473,991
Non-controlling interests	非控股權益		437	804
TOTAL EQUITY	權益總額		493,780	474,795

Approved and authorised for issue by the board of directors on 26 March 2019.

經董事會於二零一九年三月二十六日批准及授權發行。

Chan Ki Chun
陳麒淳
Director
董事

Yeung Cho Yin, William
楊楚賢
Director
董事

Note: The Group has initially applied HKFRS 15 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See note 1(d).

附註：本集團已於二零一八年一月一日首次應用香港財務報告準則第15號。根據所選擇過渡法，比較資料不予重列。參見附註1(d)。

The notes on pages 147 to 239 form part of these consolidated financial statements.

第147至239頁附註構成該等綜合財務報表一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018
(Expressed in Hong Kong dollars)

截至二零一八年十二月三十一日止年度
(以港元呈列)

		Attributable to equity shareholders of the Company 本公司權益股東應佔						Non-controlling interests	Total equity
Note		Share capital	Share premium	Capital reserve	Exchange reserve	Retained profits	Total		
附註		股本	股份溢價	資本儲備	匯兌儲備	保留溢利	總計	非控股權益	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	千元	千元	
At 1 January 2017	於二零一七年一月一日	40,000	82,867	81	(166)	328,967	451,749	(13)	451,736
Changes in equity for 2017:	二零一七年權益變動：								
Profit for the year	年度溢利	-	-	-	-	141,874	141,874	817	142,691
Other comprehensive income	其他全面收益	-	-	-	368	-	368	-	368
Total comprehensive income	全面收益總額	-	-	-	368	141,874	142,242	817	143,059
Dividends approved in respect of the previous year	就前一年度批准的股息	20(b)(ii)	-	-	-	(70,000)	(70,000)	-	(70,000)
Dividends declared in respect of the current year	就本年度宣派的股息	20(b)(i)	-	-	-	(50,000)	(50,000)	-	(50,000)
At 31 December 2017	於二零一七年十二月三十一日	40,000	82,867	81	202	350,841	473,991	804	474,795

		Attributable to equity shareholders of the Company 本公司權益股東應佔						Non-controlling interests	Total equity
Note		Share capital	Share premium	Capital reserve	Exchange reserve	Retained profits	Total		
附註		股本	股份溢價	資本儲備	匯兌儲備	保留溢利	總計	非控股權益	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	千元	千元	
At 1 January 2018	於二零一八年一月一日	40,000	82,867	81	202	350,841	473,991	804	474,795
Changes in equity for 2018:	二零一八年權益變動：								
Profit for the year	年度溢利	-	-	-	-	129,689	129,689	(368)	129,321
Other comprehensive income	其他全面收益	-	-	-	(337)	-	(337)	1	(336)
Total comprehensive income	全面收益總額	-	-	-	(337)	129,689	129,352	(367)	128,985
Dividends approved in respect of the previous year	就前一年度批准的股息	20(b)(ii)	-	-	-	(74,000)	(74,000)	-	(74,000)
Dividends declared in respect of the current year	就本年度宣派的股息	20(b)(i)	-	-	-	(36,000)	(36,000)	-	(36,000)
At 31 December 2018	於二零一八年十二月三十一日	40,000	82,867	81	(135)	370,530	493,343	437	493,780

The notes on pages 147 to 239 form part of these consolidated financial statements.

第147至239頁附註構成該等綜合財務報表一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2018
(Expressed in Hong Kong dollars)

截至二零一八年十二月三十一日止年度
(以港元呈列)

			2018 二零一八年	2017 二零一七年 (Note) (附註)
		Note 附註	\$'000 千元	\$'000 千元
Operating activities	經營活動			
Profit before taxation	除稅前溢利		156,906	170,906
Adjustments for:	就下列各項作出調整：			
— Interest income	— 利息收入	4	(248)	(133)
— Finance costs	— 融資成本	6(a)	12,234	5,486
— Depreciation	— 折舊	6(c)	14,161	1,696
— Net loss/(gain) on disposal of plant and equipment	— 出售廠房及設備的虧損／(收益)淨額	5	498	(505)
— Share of results of a joint venture	— 分佔合營企業業績		15,803	(1,022)
— Net foreign exchange loss/(gain)	— 外匯虧損／(收益)淨額		32	(38)
Changes in working capital:	營運資金變動：			
— Increase in contract assets	— 合約資產增加		(440,180)	—
— Increase in gross amount due from customers for contract work	— 應收合約工程客戶總額增加		—	(106,149)
— Decrease/(increase) in trade and other receivables	— 應收貿易賬款及其他應收款項減少／(增加)	17(b)	97,896	(295,478)
— Increase in pledged deposits	— 抵押存款增加		(33)	(65)
— Increase in contract liabilities	— 合約負債增加		20,207	—
— Increase in gross amount due to customers for contract work	— 應付合約工程客戶總額增加		—	59,891
— Increase in trade and other payables	— 應付貿易賬款及其他應付款項增加	17(b)	279,448	281,264
Cash generated from operations	經營所得現金		156,724	115,853
Hong Kong Profits Tax paid, net	已付香港利得稅，淨額		(26,976)	(27,081)
Net cash generated from operating activities	經營活動所得現金淨額		129,748	88,772

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2018
(Expressed in Hong Kong dollars)

截至二零一八年十二月三十一日止年度
(以港元呈列)

			2018 二零一八年	2017 二零一七年 (Note) (附註)
		Note 附註	\$'000 千元	\$'000 千元
Investing activities	投資活動			
Payment for the purchase of plant and equipment	購置廠房及設備付款		(28,620)	(15,637)
Proceeds from disposal of plant and equipment	出售廠房及設備所得款項		737	976
Repayment from a joint venture	來自合營企業的還款		17,381	8,508
Advances to a joint venture	向合營企業墊款		(21,608)	(7,636)
Payment for acquisition of subsidiaries net of cash acquired	收購附屬公司付款 (扣除收購現金)	26	-	(3,219)
Interest received	已收利息		245	166
Net cash used in investing activities	投資活動所用現金淨額		(31,865)	(16,842)
Financing activities	融資活動			
Proceeds from bank loans	銀行貸款所得款項	17(b) & 17(c)	602,500	710,000
Repayment of bank loans	償還銀行貸款	17(c)	(611,812)	(621,628)
Interest paid	已付利息	17(c)	(12,234)	(5,486)
Dividends paid to equity shareholders of the Company	向本公司權益股東派付的股息	20(b)	(110,000)	(120,000)
Net cash used in financing activities	融資活動所用現金淨額		(131,546)	(37,114)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少)/增加淨額		(33,663)	34,816
Cash and cash equivalents at the beginning of the year	年初的現金及現金等價物	17(a)	250,775	215,828
Effect of foreign exchange rate changes	匯率變動的影響		(215)	131
Cash and cash equivalents at the end of the year	年末的現金及現金等價物	17(a)	216,897	250,775

Note: The Group has initially applied HKFRS 15 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See note 1(d).

附註：本集團已於二零一八年一月一日首次應用香港財務報告準則第15號。根據所選擇過渡法，比較資料不予重列。參見附註1(d)。

The notes on pages 147 to 239 form part of these consolidated financial statements.

第147至239頁附註構成該等綜合財務報表一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) General information

SFK Construction Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) are principally engaged in construction and maintenance projects in Hong Kong, construction projects in Macau and housing management services in Hong Kong and the People’s Republic of China (the “PRC”). The Company was incorporated in Bermuda on 17 October 2007 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). The Company’s shares were listed on The Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 December 2015.

(b) Statement of compliance

These 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 disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(d) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(c) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2018 comprise the Company and its subsidiaries and the Group’s interest in a joint venture.

The measurement basis used in the preparation of these financial statements is the historical cost basis.

1 主要會計政策

(a) 一般資料

新福港建設集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要在香港從事建築及保養項目、在澳門從事建築項目以及在香港及中華人民共和國(「中國」)從事房屋管理服務。本公司於二零零七年十月十七日根據百慕達一九八一年公司法(經修訂)於百慕達註冊成立為獲豁免有限公司。本公司股份於二零一五年十二月十日於香港聯合交易所有限公司(「聯交所」)主板上市。

(b) 合規聲明

該等財務報表乃按照所有適用香港財務報告準則(「香港財務報告準則」)(此統稱包括香港會計師公會(「香港會計師公會」)頒布的所有適用香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計準則及香港《公司條例》之披露規定而編製。該等財務報表亦符合聯交所證券上市規則(「上市規則」)的適用披露條文。本集團所採用的主要會計政策披露於下文。

香港會計師公會已頒布若干首次生效或本集團可於當前會計期間提早採納之新訂及經修訂香港財務報告準則。附註1(d)提供與首次應用該等發展產生的會計政策的任何變動有關的資料，惟限於該等財務報表中反映的當前及之前會計期間內有關資料與本集團相關。

(c) 財務報表呈列基準

截至二零一八年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司以及本集團於合營企業的權益。

編製該等財務報表時所用計量基準為歷史成本基準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of preparation of the financial statements (Continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

(d) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- (i) HKFRS 9, *Financial instruments*
- (ii) HKFRS 15, *Revenue from contracts with customers*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1 主要會計政策(續)

(c) 財務報表呈列基準(續)

根據香港財務報告準則編製財務報表時，管理層須作出影響政策運用和資產、負債、收入及開支所呈報金額的判斷、估計及假設。估計及相關假設乃基於過往經驗及在有關情況下認為屬合理的多項其他因素，其結果成為對在其他來源並非明顯可見的資產與負債賬面值作出判斷的基礎。實際結果或有別於該等估計。

估計及相關假設按持續基準審閱。倘若會計估計的修訂只影響修訂期間，則有關修訂於該期間確認，倘若修訂影響現時及未來期間，則於作出有關修訂的期間及未來期間確認。

管理層於應用香港財務報告準則時作出對財務報表及估計不確定因素之主要來源有重大影響之判斷，於附註2論述。

(d) 會計政策變動

香港會計師公會頒布多項於本集團本會計期間首次生效的新訂香港財務報告準則及其修訂本。當中，以下發展與本集團的財務報表有關：

- (i) 香港財務報告準則第9號，*金融工具*
- (ii) 香港財務報告準則第15號，*客戶合約收益*

本集團並無應用於本會計期間尚未生效的任何新訂準則或詮釋。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Changes in accounting policies (Continued)

(i) HKFRS 9, *Financial instruments*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment for financial assets. The Group has been impacted by HKFRS 9 in relation to measurement of impairment for financial assets.

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” (“ECL”) model. Under the ECL model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month ECL or a lifetime ECL, depending on the asset and the facts and circumstances. The application of the ECL model results in earlier recognition of credit losses, but with no material financial impact to the Group.

(ii) HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

There is no impact of transition to HKFRS 15 on retained profits at 1 January 2018.

1 主要會計政策 (續)

(d) 會計政策變動 (續)

(i) 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號取代香港會計準則第39號，*金融工具：確認及計量*。香港財務報告準則第9號引入金融資產分類及計量的新規定，包括金融資產的減值計量。本集團就金融資產的減值計量受香港財務報告準則第9號的影響。

香港財務報告準則第9號的新減值模型「預期信貸虧損」模型取代香港會計準則第39號中的「已產生虧損」模型。根據預期信貸虧損模型，其將不再需要於確認減值虧損前發生虧損事件。相反，實體須確認及計量十二個月預期信貸虧損或年期內的預期信貸虧損，視乎資產以及有關事實及情況而定。應用預期信貸虧損模型導致提早確認信貸虧損，但對本集團並無重大財務影響。

(ii) 香港財務報告準則第15號，客戶合約收益

香港財務報告準則第15號制訂確認收益及客戶合約部分成本的全面框架。香港財務報告準則第15號取代香港會計準則第18號，*收益*（其涵蓋自銷售貨品及提供服務產生的收益）及香港會計準則第11號，*建築合約*（其指定建築合約的會計方法）。

香港財務報告準則第15號亦引入額外定性和定量的披露要求，以便財務報表使用者能了解來自客戶合約的收益和現金流的性質、金額、時間及不確定性。

過渡至香港財務報告準則第15號對二零一八年一月一日的保留溢利並無影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Changes in accounting policies (Continued)

(ii) HKFRS 15, Revenue from contracts with customers (Continued)

Further details of the nature and effect of the changes on previous accounting policies are set out below:

a. Timing of revenue recognition

Previously, revenue arising from construction contracts and provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

- A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

1 主要會計政策(續)

(d) 會計政策變動(續)

(ii) 香港財務報告準則第15號，客戶合約收益(續)

有關先前會計政策的性質及變動影響進一步詳情載列如下：

a. 收益確認的時間

此前，來自建築合約及提供服務產生的收益按時間確認，其中來自銷售貨品的收益通常於貨品的所有權風險及回報已轉移至客戶時確認。

根據香港財務報告準則第15號，收益於客戶取得合約中承諾的商品或服務的控制權時確認。這可能是單一的時間點或隨時間推移。香港財務報告準則第15號確認以下三種情況，承諾的商品或服務的控制權被視為隨時間轉移：

- A. 當客戶於實體履約時同時接受及使用實體履約提供的利益時；
- B. 當實體履約創造或增強一項於資產被創造或增強時由客戶控制之資產(如在建工程)時；
- C. 於實體履約並無創造對實體而言具替代用途的資產，且該實體擁有迄今已完成履約的付款具有可強制執行權利時。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Changes in accounting policies (Continued)

(ii) HKFRS 15, Revenue from contracts with customers (Continued)

a. Timing of revenue recognition (Continued)

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from construction contracts (see note 1(s)(i)) and provision of services (see note 1(s)(ii)).

b. Timing of recognition of contract costs

Under HKFRS 15, if the costs incurred in fulfilling a contract with a customer are not within the scope of another standard, assets shall only be recognised if the costs incurred (i) relate directly to a contract or an anticipated contract that can be specifically identified; (ii) generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; and (iii) are expected to be recovered. Costs that relate to satisfied performance obligations (or partially satisfied performance obligations) in the contracts and costs for which an entity cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations shall be expensed as incurred under HKFRS 15.

Previously, contract costs of the Group are recognised by reference to the stage of completion of the contract, which was measured by reference to the percentage of the estimated total revenue for the contracts entered into by the Group that have been performed to date. Under HKFRS 15, contract costs that related to satisfy performance obligations are expensed as incurred. The adoption of HKFRS 15 does not have a significant impact on the timing of recognition of contract costs.

1 主要會計政策 (續)

(d) 會計政策變動 (續)

(ii) 香港財務報告準則第15號，客戶合約收益 (續)

a. 收益確認的時間 (續)

倘合約條款及實體的活動不屬於任何該等三種情況，則根據香港財務報告準則第15號，實體於單一時間點（即控制權轉移時）確認銷售商品或服務的收益。所有權的風險及回報僅被視為釐定發生控制權轉移的指標之一。

採納香港財務報告準則第15號不會對本集團確認建築合約（參見附註1(s)(i)）及提供服務（參見附註1(s)(ii)）的收益產生重大影響。

b. 確認合約成本的時間

根據香港財務報告準則第15號，倘履行與客戶的合約產生的成本不屬於另一準則的範圍，有關資產僅可於產生成本的情況下確認(i)與合約或可具體確認的預期合約直接有關；(ii)產生或提升實體資源將用於履行日後的履約責任；及(iii)預期可予收回。與合中約支付履行責任（或部分支付履約責任）有關的成本及實體無法識別該成本是否與未支付的履約責任或將予支付的履約責任有關的成本須根據香港財務報告準則第15號支銷為已產生成本。

過往，本集團的合約成本參考完成合約分階段確認，即參考本集團所訂立迄今已履行的合約的估計總收益的百分比計量。根據香港財務報告準則第15號，與支付履約責任有關的合約成本支銷為已產生成本。採納香港財務報告準則第15號對確認合約成本的時間點並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Changes in accounting policies (Continued)

(ii) HKFRS 15, Revenue from contracts with customers (Continued)

c. Presentation of contract assets and liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue (see note 1(s)) before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays non-refundable consideration, or is contractually required to pay non-refundable consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis (see note 1(k)).

Previously, contract balances relating to construction contracts in progress were presented in the statement of financial position under “gross amount due from customers for contract work” or “gross amount due to customers for contract work” respectively.

Receivables for which the Group’s entitlement to the consideration was conditional on achieving certain milestones or satisfactory completion for retention period were presented in the statement of financial position as “retentions receivable” under “trade and other receivables”.

1 主要會計政策 (續)

(d) 會計政策變動 (續)

(ii) 香港財務報告準則第15號，客戶合約收益 (續)

c. 合約資產及負債的呈列

香港財務報告準則第15號，應收款項僅當本集團擁有代價的無條件權利時方可確認。倘本集團於合約中所承諾的商品及服務的代價成為無條件權利前確認相關收益（參見附註1(s)），則代價的權利被分類為合約資產。類似地，於集團確認相關收益前，客戶支付不可退還代價或合約上須支付不可退還代價且該金額已到期，則確認為合約負債（而非應付款項）。就與客戶的單一合約而言，呈列合約資產淨值或合約負債淨額。就多份合約而言，不相關合約的合約資產及合約負債不會按淨額基準呈列（參見附註1(k)）。

以往，與進行中的建築合約有關的合約結餘於財務狀況表中「應收合約工程客戶總額」或「應付合約工程客戶總額」下呈列。

有關本集團收取代價的權利的應收款項須待達成若干里程碑或信納保留期間的完成於財務狀況表中「應收貿易賬款及其他應收款項」下呈列為「應收保證金」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Changes in accounting policies (Continued)

(ii) HKFRS 15, Revenue from contracts with customers (Continued)

c. Presentation of contract assets and liabilities (Continued)

To reflect these changes in presentation, the Group has made the following adjustments at 1 January 2018, as a result of the adoption of HKFRS 15:

(i) “Gross amount due from customers for contract work” (note 15) and “retentions receivable” under “trade and other receivables” (note 16) amounting to \$689,399,000 and \$219,508,000 respectively, are now included under contract assets (note 14) or contract liabilities (note 14) on a net basis for a single contract with the customer; and

(ii) “Gross amount due to customers for contract work” (note 15) amounting to \$186,396,000 is now included under contract liabilities (note 14).

d. Disclosure of the estimated impact on the amounts reported in respect of the year ended 31 December 2018 as a result of the adoption of HKFRS 15 on 1 January 2018

The following tables summarise the estimated impact of adoption of HKFRS 15 on the Group's consolidated financial statements for the year ended 31 December 2018, by comparing the amounts reported under HKFRS 15 in these consolidated financial statements with estimates of the hypothetical amounts that would have been recognised under HKAS 18 and HKAS 11 if those superseded standards had continued to apply to 2018 instead of HKFRS 15. These tables show only those line items impacted by the adoption of HKFRS 15:

1 主要會計政策 (續)

(d) 會計政策變動 (續)

(ii) 香港財務報告準則第15號，客戶合約收益 (續)

c. 合約資產及負債的呈列 (續)

為反映該等呈列變動，本集團因採納香港財務報告準則第15號已於二零一八年一月一日作出以下調整：

(i) 「應收合約工程客戶總額」(附註15)及「應收貿易賬款及其他應收款項」(附註16)下的「應收保證金」金額分別為689,399,000元及219,508,000元，現納入合約資產(附註14)或就與客戶之間的單一合約按淨額納入合約負債(附註14)項下；及

(ii) 「應付合約工程客戶總額」(附註15)186,396,000元現納入合約負債(附註14)項下。

d. 就截至二零一八年十二月三十一日止年度披露因於二零一八年一月一日採納香港財務報告準則第15號而列報的金額之估計影響

下表就本集團截至二零一八年十二月三十一日止年度的綜合財務報表而總結採納香港財務報告準則第15號的估計影響，方式是將此等綜合財務報表中按香港財務報告準則第15號列報的金額，與本來按香港會計準則第18號及香港會計準則第11號確認的假定金額估計數字作比較(倘該等被替代準則(而非香港財務報告準則第15號)一直適用於二零一八年)。此等列表僅顯示該等受採納香港財務報告準則第15號影響的項目：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Changes in accounting policies (Continued)

(ii) HKFRS 15, Revenue from contracts with customers (Continued)

d. Disclosure of the estimated impact on the amounts reported in respect of the year ended 31 December 2018 as a result of the adoption of HKFRS 15 on 1 January 2018 (Continued)

1 主要會計政策 (續)

(d) 會計政策變動 (續)

(ii) 香港財務報告準則第15號，客戶合約收益 (續)

d. 就截至二零一八年十二月三十一日止年度披露因於二零一八年一月一日採納香港財務報告準則第15號而列報的金額之估計影響 (續)

Line items in the consolidated statement of financial position as at 31 December 2018 impacted by the adoption of HKFRS 15:	Amounts reported in accordance with HKFRS 15 (A)	Hypothetical amounts under HKASs 18 and 11 (B)	Difference: Estimated impact of adoption of HKFRS 15 on 2018 (A)-(B)
			差額：
	按香港財務報告準則第15號列報的金額	香港會計準則第18及11號下的假定金額	於二零一八年採納香港財務報告準則第15號的估計影響
	\$'000	\$'000	(A)-(B)
	千元	千元	千元
Line items in the consolidated statement of financial position as at 31 December 2018 impacted by the adoption of HKFRS 15:	受採納香港財務報告準則第15號影響的截至二零一八年十二月三十一日綜合財務狀況表中項目：		
Contract assets	合約資產	1,262,372	-
Gross amount due from customers for contract work	應收合約工程客戶總額	-	1,024,165
Trade and other receivables	應收貿易賬款及其他應收款項	568,734	866,249
Total current assets	流動資產總額	2,079,893	2,139,201
Contract liabilities	合約負債	(119,888)	-
Gross amount due to customers for contract work	應付合約工程客戶總額	-	(179,196)
Total current liabilities	流動負債總額	(1,660,893)	(1,720,201)
			59,308
Line items in the reconciliation of profit before taxation to cash generated from operations for year ended 31 December 2018 impacted by the adoption of HKFRS 15:	受採納香港財務報告準則第15號影響的截至二零一八年十二月三十一日止年度除稅前溢利與經營活動所得現金之對賬項目：		
Depreciation	折舊	14,161	1,312
Increase in contract assets	合約資產增加	(440,180)	-
Increase in gross amount due from customers for contract work	應收合約工程客戶總額增加	-	(323,031)
Decrease in trade and other receivables	應收貿易賬款及其他應收款項減少	97,896	19,889
Increase in contract liabilities	合約負債增加	20,207	-
Decrease in gross amount due to customers for contract work	應付合約工程客戶總額減少	-	(6,086)
			6,086

The significant differences arise as a result of the changes in accounting policies described above.

重大差額因上述會計政策變動而產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

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 income statement and the consolidated statement of 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.

1 主要會計政策(續)

(e) 附屬公司及非控股權益

附屬公司乃本集團所控制的公司。當本集團從參與實體獲得或有權獲得可變回報，及有能力對實體行使其權力而影響該等回報時，則本集團控制該實體。於評估本集團是否有權力時，僅會考慮實質權利(由本集團及其他人士持有)。

從控制權開始之日至控制權結束之日，於附屬公司投資綜合計入綜合財務報表。集團內公司間的結餘、交易及現金流量以及集團內公司間交易所產生的任何未變現溢利，在編製綜合財務報表時均全數抵銷。集團內公司間交易所產生的未變現虧損則僅在並無出現減值跡象的情況下以與抵銷未變現收益相同的方法予以抵銷。

非控股權益為並非由本公司直接或間接應佔附屬公司的權益，就此而言，本集團並未與該等權益持有人協定任何額外條款，以致本集團整體須就該等權益承擔金融負債所界定的合約責任。就每項業務合併而言，本集團可選擇以公平值或非控股權益按比例應佔附屬公司可予識別資產淨值的份額計量任何非控股權益。

非控股權益列入綜合財務狀況表的權益賬內，與本公司權益股東應佔權益分開列賬。至於非控股權益應佔本集團業績的權益，則於綜合收益表及綜合全面收益表內列報，並作為非控股權益與本公司權益股東應佔年內總溢利或虧損及全面收益總額的一個分配項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Subsidiaries and non-controlling interests (Continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in a joint venture (see note 1(f)(i)) or an associate.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(j)(iii)).

(f) Joint arrangements

(i) Joint venture

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

1 主要會計政策(續)

(e) 附屬公司及非控股權益(續)

本集團於附屬公司的權益變更，如不構成失去控制權，這些變更會被視為權益交易，於綜合權益的控股權益及非控股權益數額將會被調整，以反映相關權益的轉變，但不會調整商譽及確認收益或虧損。

如本集團失去附屬公司控制權，將會被視為出售該附屬公司的全部權益，所得收益或虧損將會計入損益賬。於失去附屬公司控制權當日，在該前附屬公司仍然保留的任何權益將會以公平值確認，而該金額將被視為金融資產初始確認的公平值，或(如適用)初始確認合營企業(見附註1(f)(i))或聯營公司投資的成本。

於本公司的財務狀況表內，於附屬公司投資按成本減減值虧損列賬(見附註1(j)(iii))。

(f) 合營安排

(i) 合營企業

合營企業為一項安排，據此本集團及其他訂約方同意共同控制該安排，及對該安排的資產淨值享有權利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Joint arrangements (Continued)

(i) Joint venture (Continued)

An investment in a joint venture is accounted for in the consolidated financial statements under the 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 joint venture 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 (see note 1(j)(iii)). 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 recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

1 主要會計政策 (續)

(f) 合營安排 (續)

(i) 合營企業 (續)

於合營企業的投資使用權益法於綜合財務報表入賬。根據權益法，該項投資初步按成本入賬，其後就本集團所佔被投資公司可予識別資產淨值於收購日期的公平值超過投資成本的金額(如有)作出調整。投資成本包括購買價、收購投資直接應佔的其他成本以及對構成本集團股權投資一部分的合營企業的任何直接投資。其後，該項投資就本集團應佔被投資公司資產淨值及與該項投資有關的任何減值虧損於收購後的變動作出調整(見附註1(j)(iii))。收購日期公平值超過成本的任何金額、本集團所佔被投資公司於收購後的除稅後業績及任何年內減值虧損於綜合收益表內確認，而本集團所佔被投資公司於收購後的其他全面除稅後收益項目則於綜合全面收益表內確認。

倘本集團應佔虧損超出其於合營企業的權益，則本集團的權益將減計至零，並且不再確認進一步虧損，惟本集團有法律或推定義務或已代被投資公司支付款項則例外。就此而言，本集團的權益乃以權益法計算的投資賬面值，連同任何其他長期權益乃實質上構成本集團於合營企業淨投資的一部分。

本集團及其合營企業間的交易所產生的未變現溢利及虧損均在本集團的被投資公司權益中沖銷；惟倘未變現虧損提供已轉讓資產減值的證據，則須即時於損益賬確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Joint arrangements (Continued)

(i) Joint venture (Continued)

If an investment in a joint venture becomes an investment in an associate, 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 joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

(ii) Joint operations

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

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenues from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

1 主要會計政策(續)

(f) 合營安排(續)

(i) 合營企業(續)

倘於合營企業的投資轉為於聯營公司的投資，則保留權益不會重新計量，而該投資繼續按權益法列賬。

在所有其他情況下，倘本集團對合營企業不再具有共同控制權，將會被視為出售有關被投資公司的全部權益，所得收益或虧損將會計入損益賬。於不再具有共同控制權當日，在該前被投資公司仍然保留的任何權益將會以公平值確認，而該金額將被視為金融資產初始確認的公平值。

(ii) 合營業務

合營業務為合營安排，據此，對安排擁有共同控制權的各方有權分佔有關合營安排的資產及承擔負責任。共同控制為分佔一項安排控制權的合約協議，僅於要求分佔控制權各方一致同意相關活動時存在。

當集團實體承辦合營業務下的業務時，本集團作為合營營運者就其於合營業務中的權益確認：

- 其資產，包括其分佔共同持有的任何資產；
- 其負債，包括其分佔共同產生的任何負債；
- 其因合營業務而分佔出產銷售的收益；
- 其分佔來自合營業務出產銷售的收益；及
- 其開支，包括其分佔任何共同產生的開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Joint arrangements (Continued)

(ii) Joint operations (Continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity sells or contributes assets to a joint operation in which a group entity is a joint operator, the Group is considered to be selling or contributing assets to the other parties to the joint operation, and gains and losses resulting from the sale or contribution are recognised in the consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity purchases assets from a joint operation in which a group entity is a joint operator, the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(g) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(j)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

1 主要會計政策(續)

(f) 合營安排(續)

(ii) 合營業務(續)

本集團根據適用於特定資產、負債、收益及開支的香港財務報告準則就其有關合營業務權益的資產、負債、收益及開支入賬。

當集團實體向該集團實體於其中身為合營營運者的合營業務出售或注入資產時，本集團被視作向合營業務其他方出售或注入資產，而出售或注入所產生的收益及虧損於綜合財務報表確認，惟限於其他方於合營業務的權益。

當集團實體自該集團實體於其中身為合營營運者的合營業務購買資產時，本集團直至該等資產重新出售予第三方後方確認其應佔收益及虧損。

(g) 商譽

商譽指以下兩者之差額：

- (i) 所轉讓代價之公平值、於被收購方之任何非控股權益金額及本集團過往於被收購方所持有股權之公平值之總額；減
- (ii) 被收購方可識別資產及負債於收購日計量之公平淨值。

當(ii)高於(i)時，則其差額即時於損益中確認為議價購買之收益。

商譽按成本減累計減值虧損列賬。企業合併產生的商譽會分配至預期可透過合併的協同效益獲利的每個現金產生單位或一組現金產生單位，並且每年接受減值測試(見附註1(j))。

於年內出售現金產生單位時，購買商譽任何應佔金額計入出售時損益的計算中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment losses (see note 1(j)).

Gains or losses arising from the retirement or disposal of an item of plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

— Machinery and equipment	5 years
— Motor vehicles	5 years
— Furniture and fixtures	5 years

Where parts of an item of plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(i) Operating lease charges

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

1 主要會計政策(續)

(h) 廠房及設備

廠房及設備按成本減去累計折舊及減值虧損列賬(見附註1(j))。

報廢或出售廠房及設備項目產生的任何收益或虧損，以該項目的出售所得款項淨額與其賬面值的差額釐定，並於報廢或出售當日在損益賬中確認。

折舊乃採用直線法在估計可使用年期撇銷廠房及設備項目的成本並扣除其估計剩餘價值(如有)計算，估計可使用年期如下：

— 機器及設備	五年
— 汽車	五年
— 傢俬及裝置	五年

倘廠房及設備項目各部分的可使用年期不同，該項目的成本按合理基準於各部分之間分配，每部分個別折舊。資產的可使用年期及其剩餘價值(如有)每年審閱。

(i) 經營租賃費用

倘本集團釐定根據某一項安排可有權於協定時間內使用某一特定資產或多項資產以換取付款或一系列付款，則該項安排(包括一項交易或一系列交易)屬於租賃或包含租賃。此乃基於對有關安排的實質之評估結果作出釐定，而無論有關安排是否以法定租賃形式展開。

凡不會將擁有權的絕大部分風險及回報轉移至本集團的租賃，均分類為經營租賃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Operating lease charges (Continued)

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

(A) Policy applicable from 1 January 2018

The Group recognises a loss allowance for ECLs on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents and trade and other receivables); and
- contract assets as defined in HKFRS 15 (see note 1(k)).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

1 主要會計政策(續)

(i) 經營租賃費用(續)

如本集團擁有根據經營租賃持有資產的使用權，根據租賃而支付的款項會於租賃期所涵蓋的會計期間內以等額計入損益賬，惟其他基準能更清楚地反映租賃資產所產生的收益模式時則除外。獲取的租賃優惠於損益賬內確認為租賃淨付款總額的組成部分。或然租金在其產生的會計期間內自損益賬扣除。

(j) 信貸虧損及資產減值

(i) 來自金融工具及合約資產的信貸虧損

(A) 自二零一八年一月一日適用的政策

本集團就以下項目的預期信貸虧損確認虧損撥備：

- 按攤銷成本計量的金融資產(包括現金及現金等價物以及應收貿易賬款及其他應收款項)；及
- 香港財務報告準則第15號所界定的合約資產(見附註1(k))。

預期信貸虧損的計量

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損以所有預期現金差額的現值(即根據合約應付予本集團的現金流量與本集團預計收取的現金流量之間的差額)計量。

倘貼現影響重大，則預期現金差額將採用以下貼現率貼現：

- 固定利率金融資產、應收貿易賬款及其他應收款項以及合約資產：於初步確認時釐定的實際利率或其近似值；及
- 可變利率金融資產：當前實際利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

Measurement of ECLs (Continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

1 主要會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

(A) 自二零一八年一月一日適用的政策(續)

預期信貸虧損的計量(續)

估計預期信貸虧損時所考慮的最長期間為本集團面對信貸風險的最長合約期間。

於計量預期信貸虧損時，本集團會考慮在毋需付出過多成本或努力下即可獲得的合理可靠資料。此包括有關過往事件、現時狀況及未來經濟狀況預測的資料。

預期信貸虧損採用以下之其中一項基準計量：

- 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件而導致的預期虧損；及
- 全期預期信貸虧損：指預期信貸虧損模式適用項目的預計年內所有可能違約事件而導致的預期虧損。

應收貿易賬款及合約資產的虧損撥備一直按等同於全期預期信貸虧損的金額計量。於報告日期，該等金融資產的預期信貸虧損乃根據本集團的過往信貸虧損經驗使用撥備矩陣進行評估，根據債務人的特定因素及對目前及預測一般經濟狀況的評估進行調整。

就所有其他金融工具而言，本集團確認相等於12個月預期信貸虧損的虧損撥備，除非金融工具信貸風險自初步確認後大幅增加，在此情況下，虧損撥備乃按相等於全期預期信貸虧損的金額計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

1 主要會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

(A) 自二零一八年一月一日適用的政策(續)

信貸風險大幅上升

評估金融工具的信貸風險自初步確認以來有否大幅上升時，本集團會比較於報告日期評估及於初步確認日期評估的金融工具發生違約的風險。於重新評估時，本集團認為，倘(i)於本集團未有採取追索行動，如變現抵押品(倘持有任何抵押品)的情況下，借款人全數履行其對本集團之信貸責任的可能性不大；或(ii)金融資產已逾期90天，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及毋需付出過多成本或努力即可獲得的前瞻性資料。

具體而言，評估信貸風險自初步確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融工具外部或內部信貸評級的實際或預期顯著惡化(如適用)；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

Significant increases in credit risk (Continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 1(s)(iii) 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 amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

1 主要會計政策(續)

(j) 信貸虧損及資產減值(續)

(i) 來自金融工具及合約資產的信貸虧損(續)

(A) 自二零一八年一月一日適用的政策(續)

信貸風險大幅上升(續)

視乎金融工具的性質而定，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初步確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整。

計算利息收入的基準

根據附註1(s)(iii)確認的利息收入乃按金融資產的總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產預計未來現金流量有不利影響的事件時，金融資產則出現信貸減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

Basis of calculation of interest income (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1 主要會計政策 (續)

(j) 信貸虧損及資產減值 (續)

(i) 來自金融工具及合約資產的信貸虧損 (續)

(A) 自二零一八年一月一日適用的政策 (續)

計算利息收入的基準 (續)

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人有重大財務困難；
- 違反合約，如拖欠或延遲償還利息或本金；
- 債務人可能破產或進行其他財務重組；或
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響。

撇銷政策

倘實際上並無收回的可能性，金融資產或合約資產的總賬面值會被撇銷（部分或全部）。此乃本集團認為債務人並無資產或收入來源可產生足夠現金流量以償還將予撇銷的款項之一般情況。

倘過往已撇銷的資產於其後收回，則於收回期間於損益確認為減值撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

(B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an “incurred loss” model was used to measure impairment losses on financial assets not classified as at fair value through profit or loss (e.g. trade and other receivables). Under the “incurred loss” model, an impairment loss was recognised only when there was objective evidence of impairment. Objective evidence of impairment included:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

1 主要會計政策 (續)

(j) 信貸虧損及資產減值 (續)

(i) 來自金融工具及合約資產的信貸虧損 (續)

(B) 二零一八年一月一日前適用的政策

於二零一八年一月一日前，「已產生虧損」模式用於計量未歸類為按公平值計入損益的金融資產（如應收貿易賬款及其他應收款項）之減值虧損。根據「已產生虧損」模式，減值虧損僅於客觀減值證據存在時確認。客觀減值證據包括：

- 債務人有重大財務困難；
- 違反合約，如拖欠或延遲償還利息或本金；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

(B) Policy applicable prior to 1 January 2018 (Continued)

If any such evidence existed, an impairment loss was determined and recognised as follows:

- For trade and other receivables and other financial assets carried at amortised cost, the impairment loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting was material. This assessment was made collectively where these financial assets shared similar risk characteristics, such as similar past due status, and had not been individually assessed as impaired. Future cash flows for financial assets which were assessed for impairment collectively were based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through profit or loss. A reversal of an impairment loss was only recognised to the extent that it did not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

1 主要會計政策 (續)

(j) 信貸虧損及資產減值 (續)

(i) 來自金融工具及合約資產的信貸虧損 (續)

(B) 二零一八年一月一日前適用的政策 (續)

倘有任何該等憑證存在，則減值虧損會被釐定及確認如下：

- 就按經攤銷成本入賬的應收貿易賬款及其他應收款項以及其他金融資產而言，減值虧損按資產賬面值與估計未來現金流量的現值之間的差額計算。倘貼現的影響重大，則以金融資產的原有實際利率（即於初步確認該等資產時計算的實際利率）貼現。如該等金融資產具備類似的風險特徵，例如類似的逾期情況及並未單獨被評估為減值，則有關的評估會同時進行。共同評估減值的金融資產的未來現金流量會根據與該組被評估資產具有類似信貸風險特徵資產的過往虧損情況計算。

倘減值虧損金額其後減少，且該等減少可客觀地與減值虧損確認後發生的事件聯繫，則減值虧損將在損益賬撥回。減值虧損的撥回額僅於不導致資產的賬面值超過假設該資產於以往年度從來未確認減值虧損情況下確認的賬面值的情況下確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

(B) Policy applicable prior to 1 January 2018 (Continued)

- When the recovery of a trade debtor or other financial assets carried at amortised cost was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

1 主要會計政策 (續)

(j) 信貸虧損及資產減值 (續)

(i) 來自金融工具及合約資產的信貸虧損 (續)

(B) 二零一八年一月一日前適用的政策 (續)

- 倘就按攤銷成本列賬的應收貿易賬款或其他金融資產的可收回性被認為難以預料但並非微乎其微，則相關減值虧損以撥備賬記錄。倘本集團確認可收回性微乎其微，則視為不可收回金額會直接從該等資產的總賬面值中撇銷。倘之前計入撥備賬的款項在其後收回，則有關款項於撥備賬撥回。撥備賬的其他變動及其後收回先前直接撇銷的款項均於損益中確認。

(ii) 已發出財務擔保的信貸虧損

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債項工具的條款於到期時付款而蒙受的損失，而向持有人支付特定款項的合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantees issued (Continued)

Financial guarantees issued are initially recognised within “trade and other payables” at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

(A) Policy applicable from 1 January 2018

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in “trade and other payables” in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 1(j)(i) apply.

1 主要會計政策 (續)

(j) 信貸虧損及資產減值 (續)

(ii) 已發出財務擔保的信貸虧損 (續)

已發出財務擔保最初按公平值於「應付貿易賬款及其他應付款項內」確認，乃參照就類似服務的公平交易中所收取的費用（如可獲取有關資料）釐定，或參照於提供擔保時貸款人實際收取的費用與貸款人在未有提供擔保時估計可收取的費用（如可就有關資料作出可靠估計）之間的利率差異作出估計。倘在發行該擔保時已收取或應收取代價，該代價則根據本集團適用於該類資產的政策而予以確認。倘有關代價不會收取或不應收取，則即時於損益內確認為開支。

初步確認後，初步確認為遞延收入的金額於擔保期內於損益中攤銷為已發出財務擔保的收入。

(A) 自二零一八年一月一日適用的政策

本集團監察特定債務人違約的風險，並當財務擔保的預期信貸虧損確定為高於擔保的「應付貿易賬款及其他應付款項」中的金額（即初步確認金額減累計攤銷）時確認撥備。

為釐定預期信貸虧損，本集團會考慮特定債務人自發出擔保以來的違約風險變動，並會計量12個月預期信貸虧損，惟在特定債務人自發出擔保以來的違約風險大幅增加的情況下除外，在此情況下，則會計量全期預期信貸虧損。附註1(j)(i)所述的相同違約定義及信貸風險大幅增加的相同評估標準適用於此。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantees issued (Continued)

(A) Policy applicable from 1 January 2018 (Continued)

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

(B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, a provision would be recognised if and when it became probable that (i) the holder of the guarantee would call upon the Group under the guarantee and (ii) the amount of the claim on the Group was expected to exceed the amount carried in “trade and other payables” in respect of the guarantee.

(iii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- plant and equipment;
- goodwill; and
- investment in a subsidiary in the Company’s statement of financial position.

1 主要會計政策(續)

(j) 信貸虧損及資產減值(續)

(ii) 已發出財務擔保的信貸虧損(續)

(A) 自二零一八年一月一日適用的政策(續)

由於本集團僅須於根據獲擔保工具的條款特定債務人違約時作出付款，故預期信貸虧損乃按預期就補償持有人產生的信貸虧損而作出的付款，減本集團預期從擔保持有人(特定債務人或任何其他人士)收取的任何款項估計。有關金額其後將使用現時的無風險利率貼現，並就現金流量的特定風險作出調整。

(B) 於二零一八年一月一日前適用的政策

於二零一八年一月一日之前，倘(i)擔保持有人可能根據擔保要求本集團還款及(ii)預期本集團的索賠金額將超過擔保的「應付貿易賬款及其他應付款項」所載金額，則撥備將予以確認。

(iii) 其他非流動資產減值

本集團於各報告期末審閱內部及外部資料來源，以確定以下資產是否存在減值跡象(商譽除外)，或先前確認的減值虧損是否不再存在或可能已經減少：

- 廠房及設備；
- 商譽；及
- 本公司財務狀況表內於附屬公司投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-current assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

1 主要會計政策(續)

(j) 信貸虧損及資產減值(續)

(iii) 其他非流動資產減值(續)

倘存在任何上述跡象，則資產的可收回金額將予估計。此外，就商譽而言，可收回金額乃按年估計，而不論是否有任何減值跡象。

— 計算可收回金額

資產的可收回金額為其公平值減出售成本和使用價值兩者之間的較高者。在評估使用價值時，會按反映當時市場對貨幣時間價值及資產特定風險評估的稅前貼現率，將估計未來現金流量貼現至其現值。倘資產並無產生基本上獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)來釐定可收回金額。

— 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，則於損益賬中確認減值虧損。就現金產生單位確認的減值虧損會首先分配至減少該現金產生單位(或該組單位)所獲分配之商譽的賬面值，其後按比例減少該單位(或該組單位)內其他資產的賬面值，惟某資產的賬面值不會減至低於其個別公平值減去出售成本(如可計量)或使用價值(如能釐定)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-current assets (Continued)

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iv) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(j)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(k) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(s)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 1(j)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(l)).

1 主要會計政策(續)

(j) 信貸虧損及資產減值(續)

(iii) 其他非流動資產減值(續)

— 撥回減值虧損

就商譽以外的資產而言，倘用作釐定可收回金額的估計出現正面的變化，則會撥回減值虧損。有關商譽之減值虧損並未撥回。

所撥回的減值虧損僅限於在過往年度並未確認減值虧損時原應釐定的資產賬面值。所撥回的減值虧損在確認撥回的年內計入損益賬。

(iv) 中期財務報告及減值

根據上市規則，本集團須遵照香港會計準則第34號，*中期財務報告*就財年的前六個月編製中期財務報告。於中期結束時，本集團應用財年結束時可能應用的相同減值測試、確認及撥回準則(見附註1(j)(i)及(ii))。

於中期內就商譽確認的減值虧損並無於隨後期間內撥回。倘於中期有關的財年結束時僅對減值進行評估，即使並無確認虧損或較小的虧損亦屬該情況。

(k) 合約資產及合約負債

合約資產於在本集團有權無條件獲取合約所載付款條款下的代價前確認收益(見附註1(s))時確認。合約資產按附註1(j)(i)所載政策就預期信貸虧損而獲評估，並在代價權利成為無條件後獲重新分類至應收款項(見附註1(l))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Contract assets and contract liabilities (Continued)

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(s)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(l)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Policy prior to 1 January 2018

In the comparative period, contract balances were recorded for construction contracts at the net amount of costs incurred plus recognised profit less recognised losses and progress billings. These net balances were presented in the statement of financial position as the “gross amount due from customers for contract work” (as an asset) or the “gross amount due to customers for contract work” (as a liability), as applicable respectively on a contract-by-contract basis. Progress billings not yet paid by the customer were included under “trade and other receivables”. Amounts received before the related work was performed were included under “trade and other payables”. These balances have been reclassified on 1 January 2018 as shown in note 14 (see note 1(d)(ii)).

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 1(k)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 1(j)(i)).

1 主要會計政策(續)

(k) 合約資產及合約負債(續)

合約負債於客戶在本集團確認相關收益前支付不可退還代價時確認(見附註1(s))。倘本集團有無條件權利在本集團確認相關收益前收取不可退還代價，則合約負債亦會獲確認。在相關情況下，相應收款項亦會獲確認(見附註1(l))。

就與客戶的單一合約而言，淨合約資產或淨合約負債得以呈列。就多份合約而言，不相關合約的合約資產及合約負債不按淨額基準呈列。

於二零一八年一月一日前適用的政策

在比較期間，建築合約的合約結餘按所產生的成本加上已確認溢利減去已確認虧損及按進度賬單的淨額而入賬。該等淨結餘按逐份合約基準於財務狀況表分別呈列為「應收合約工程客戶總額」(作為資產)或「應付合約工程客戶總額」(作為負債)(如適用)。客戶尚未償付的進度賬單數額則計入「應收貿易賬款及其他應收款項」。進行相關工程前收取的款項，則計入「應付貿易賬款及其他應付款項」。如附註14所示，該等結餘已於二零一八年一月一日重新分類(見附註1(d)(ii))。

(l) 應收貿易賬款及其他應收款項

應收款項於本集團具有無條件權利收取代價時確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。倘收益在本集團有無條件權利收取代價前已確認，則金額呈列為合約資產(見附註1(k))。

應收款項利用實際利率法按攤銷成本減信貸虧損撥備列賬(見附註1(j)(i))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 1(j)(i).

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(u)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(j)(ii), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

1 主要會計政策(續)

(m) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、存放於銀行和其他金融機構的活期存款，以及可以隨時兌換為已知現金額且價值變動風險不大，並在購入後三個月內到期的短期和高流動性投資。就綜合現金流量表而言，須按要求償還及構成本集團現金管理一部分之銀行透支亦納入現金及現金等價物。現金及現金等價物乃根據附註1(j)(i)所載的政策評估預期信貸虧損。

(n) 計息借款

計息借款初步按公平值減交易成本計量。於初步確認後，計息借款使用實際利率法按攤銷成本列賬。利息開支根據本集團借貸成本的會計政策確認(見附註1(u))。

(o) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項初步按公平值確認。除按附註1(j)(ii)所述方法計量的財務擔保負債外，應付貿易賬款及其他應付款項其後按攤銷成本入賬，惟倘若貼現影響並不重大，則按成本入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination benefits

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

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1 主要會計政策(續)

(p) 僱員福利

(i) 短期僱員福利及向界定供款退休計劃作出的供款

薪金、年終花紅、有薪年假、向界定供款退休計劃作出的供款及非現金福利的成本，均在僱員提供相關服務的年內計提。若有關的付款延遲及其影響重大，則該數額以現值列賬。

(ii) 解僱福利

解僱福利於本集團再無能力撤回福利時或本集團確認重組成本(涉及支付解僱福利)時(以較早者為準)確認。

(q) 所得稅

年內所得稅包括即期稅項和遞延稅項資產與負債的變動。即期稅項和遞延稅項資產與負債的變動均在損益賬內確認，但於其他全面收益確認或直接在權益中確認的相關項目，則有關稅項金額分別於其他全面收益確認或直接確認為權益。

即期稅項是按年內應課稅收入根據在報告期末已生效或實質上已生效的稅率計算的預期應付稅項，以及對過往年度應付稅項的任何調整。

遞延稅項資產與負債分別由可扣稅和應課稅暫時差額產生。暫時差異是指資產與負債於財務申報時的賬面值與該等資產與負債的計稅基礎的差額。遞延稅項資產亦可由未動用稅項虧損和未動用稅項抵免產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purpose, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

1 主要會計政策(續)

(g) 所得稅(續)

除若干有限的特殊情況外，所有遞延稅項負債及所有遞延稅項資產僅於可能產生未來應課稅溢利用於資產抵扣時予以確認。支持確認由可抵扣暫時差額所產生遞延稅項資產的未來應課稅溢利，包括因轉回現有應課稅暫時差額而產生的金額，惟差額須與相同稅務機關及相同應課稅實體有關，並預期在預計撥回可抵扣暫時差額的同一期間撥回，或在遞延稅項資產所產生的稅項虧損可承前或結轉的期間內撥回。在釐定現有應課稅暫時差額是否足以支持確認因未動用稅項虧損及抵免所產生的遞延稅項資產時，亦會採用相同準則，即如差額與相同稅務機關及相同應課稅實體有關，並預期在稅項虧損或抵免可被動用的同一期間內撥回情況下始會計及有關差額。

確認遞延稅項資產和負債的有限例外情況包括商譽產生的不可扣稅暫時性差額、不影響會計或應課稅溢利(如屬業務合併的一部分則除外)的資產或負債的初次確認、以及有關附屬公司投資的暫時性差額，就應課稅差異而言，僅限於本集團可以控制撥回的時間，而且在可預見的將來不大可能撥回的差額，而就扣稅的差額而言，則僅限於可在將來撥回的差異。

所確認的遞延稅項金額按照資產及負債賬面值的預期變現或償還方式並根據在報告期末已生效或實質上已生效的稅率計算。遞延稅項資產及負債均不予貼現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Income tax (Continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arises from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1 主要會計政策(續)

(q) 所得稅(續)

遞延稅項資產的賬面值會於各報告期末予以檢討。倘不再可能獲得足夠的應課稅溢利用以動用相關稅務利益，則遞延稅項資產的賬面值會相應予以減少。如可能有足夠應課稅溢利，該減少金額將被撥回。

分派股息所產生的額外所得稅於支付相關股息之責任確認時確認。

即期稅項結餘及遞延稅項結餘以及有關變動均獨立呈列及不予抵銷。倘本公司或本集團具備合法可強制執行權力將即期稅項資產與即期稅項負債抵銷，且符合以下額外條件，則即期稅項資產與即期稅項負債可以相抵，且遞延稅項資產則與遞延稅項負債可以相抵：

- 就即期稅項資產及負債而言，本公司或本集團擬按淨值基準結算或同時變現資產及清償負債；或
- 就遞延稅項資產及負債而言，倘此等資產及負債與相同稅務機構就以下其中一項徵收的所得稅有關：
 - 相同應課稅實體；或
 - 如屬不同應課稅實體，此等實體計劃在清償或收回遞延稅項負債或資產大額的各未來期間以淨值基準變現即期稅項資產和清償即期稅項負債或同時變現資產及清償負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Provisions and contingent liabilities

(i) Provisions and contingent liabilities

Provisions are recognised 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.

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the construction contracts or the provision of services in the ordinary course of the Group's business.

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

1 主要會計政策(續)

(r) 撥備及或然負債

(i) 撥備及或然負債

當本集團因過往事件而須負上法律或推定責任，且可能須就履行該等責任而導致經濟利益流出，並能夠就此作出可靠估計，則會確認撥備。當涉及重大的貨幣時間價值時，則按預期用以履行責任的開支的現值呈列撥備。

倘不一定需要流出經濟利益或未能可靠估計款額，則該等責任將披露作或然負債，除非出現經濟利益流出的可能性極微。可能出現的責任（僅於一項或多項未來事件發生或不發生的情況下確定）亦披露為或然負債，除非出現經濟利益流出的可能性極微。

(ii) 虧損性合約

當本集團為了履行合約規定之義務所產生不可避免的成本超過預期因該合約可獲取之經濟效益，則該合約成為虧損性合約。虧損性合約的撥備按終止合約的預期成本與合約的預期持續成本淨額的現值較低者計算。

(s) 收益及其他收入

當收入來自建築合約及於本集團日常業務過程中所提供的服務，則本集團將該收入歸類為收益。

收益在產品或服務控制權按本集團預期有權獲取的承諾代價金額（不包括代表第三方收取的該等金額）轉讓予客戶時確認。收益不包括增值稅或其他銷售稅，並經扣減任何貿易折讓。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue and other income (Continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised over time using the output method, i.e. based on direct measurements of the value of services delivered or surveys of work performed and the estimated total revenue for the contracts entered into by the Group.

The likelihood of contract variations, claims and liquidated damages are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in note 1(r)(ii).

Revenue for construction contracts was recognised on a similar basis in the comparative period under HKAS 11.

1 主要會計政策(續)

(s) 收益及其他收入(續)

本集團收益及其他收入確認政策的進一步詳情如下：

(i) 建築合約

當合約與受客戶管控的資產工程相關，故本集團建築活動創造或提升受客戶管控的資產時，本集團將與客戶的合約歸類為建築合約。

當建築合約的結果可合理計量時，合約收益採用產出法隨時間確認（即基於直接計量已交付服務或已開展工程測量的價值以及本集團所訂立合約的估計總收益）。

合約變量、申索及違約賠償金的可能性於作出該等估計時獲考慮，並僅在已確認累計收益金額很可能不會大幅撥回時方會確認收益。

當合約的結果不能合理計量時，僅在所產生的合約成本預期將會收回時方會確認收益。

倘於任何時間估計完成合約成本超過合約代價剩餘金額，則根據附註1(r)(ii)所載政策確認撥備。

建築合約收益根據香港會計準則第11號在比較期間按類似基準確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue and other income (Continued)

(ii) Provision of services

Revenue arising from the provision of services is recognised when the services are rendered.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(j)(i)).

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

1 主要會計政策(續)

(s) 收益及其他收入(續)

(ii) 提供服務

來自提供服務的收益於提供服務時確認。

(iii) 利息收入

利息收入於產生時按實際利息法確認。就未出現信貸減值且按攤銷成本計量的金融資產而言，實際利率應用於資產的賬面值總額。就出現信貸減值的金融資產而言，實際利率應用於資產的攤銷成本(即賬面值總額扣除虧損撥備)(見附註1(j)(i))。

(t) 外幣換算

年內的外幣交易以交易日的匯率換算。以外幣計值的貨幣資產及負債均以報告期末的匯率換算。匯兌盈虧於損益賬內確認。

按歷史成本以外幣計值的非貨幣資產及負債，按交易日期的匯率換算。交易日期為本集團初步確認該等非貨幣資產或負債的日期。

海外業務的業績按與交易日的匯率相若的匯率換算為港元。財務狀況表項目則按報告期末的收市匯率換算為港元。所產生的匯兌差額於其他全面收益確認並於匯兌儲備內的權益單獨累計。

出售海外業務時，與該海外業務有關的匯兌差額累計金額於確認出售的損益時自權益重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(v) Related parties

- (1) 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.

1 主要會計政策(續)

(u) 借貸成本

收購、建設或生產需要長時間才可以投入擬定用途或銷售的資產直接應佔的借貸成本資本化為該資產成本的一部分。其他借貸成本於產生期間支銷。

屬於合資格資產成本一部分的借貸成本在用於資產的開支產生、借貸成本產生及使資產投入擬定用途或銷售所必須的準備工作進行期間開始資本化。當合資格資產投入擬定用途或銷售所必須的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

(v) 關聯方

- (1) 倘屬以下人士，則該人士或該人士的近親與本集團有關連：
 - (i) 擁有本集團的控制權或共同控制權；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理人員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Related parties (Continued)

- (2) 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.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1).
 - (vii) A person identified in (1)(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.

1 主要會計政策(續)

(v) 關聯方(續)

- (2) 倘符合下列任何條件，則一間實體與本集團有關聯：
- (i) 該實體與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彼此間有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或一間實體為集團旗下成員公司的聯營公司或合營企業而另一實體為集團成員公司)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 該實體是為本集團或為與本集團有關聯的實體的僱員而設的退休福利計劃。
 - (vi) 實體受(1)所識別人士控制或受共同控制。
 - (vii) 於(1)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理人員。
 - (viii) 實體或其所屬集團之任何成員公司為本集團或本集團母公司提供主要管理人員服務。

一名人士的近親是指在與實體往來過程中，預期可影響該人士或受其影響的家庭成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in these financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(a) Revenue recognition of construction contracts

As explained in policy note 1(s), revenue from construction contracts are recognised over time using the output method. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in note 14 do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

In the comparative period, revenue from construction contracts was also subject to such estimation uncertainty. In addition, the contract assets arising from construction contracts were recognised in the statement of financial position as "gross amount due from customers for contract work", rather than note 14.

1 主要會計政策 (續)

(w) 分部報告

營運分部及該等財務報表內呈報的各分部項目的金額，均見於定期向本集團最高行政管理人員匯報的財務報表，以對本集團不同業務作出資源分配及評估其表現。

個別重大的營運分部不會合計以供財務匯報之用，惟此等分部有類似的經濟特徵、產品與服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法，以及監管環境性質。若個別並不重大的營運分部符合上述大部分條件，或會合計處理。

2 會計判斷及估計

於應用本集團的會計政策的過程中，管理層已作出以下會計判斷：

(a) 建築合約的收益確認

誠如政策附註1(s)所述，建築合約收益採用產出法隨時間確認。對未完成項目的收益及溢利確認取決於對建築合約總結果的估計及迄今已進行的工程。根據本集團的近期經驗及本集團進行的建築業務的性質，本集團已估計其認為工程已充分完工則合約的結果可合理計量的時間點。在達到該時間點前，附註14所披露的相關合約資產並不包括本集團可最終自迄今已進行的工程變現的溢利。此外，有關總成本或收益的實際結果可能高於或低於報告期末的估計，將會影響於未來年度作為迄今所入賬金額的調整而確認的收益及溢利。

於比較期間，合約工程收益亦受相關計算不確認因素影響。此外，產生自建築合約的合約資產於財務狀況表（而非附註14）中確認為「應收合約工程客戶總額」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

2 ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

(b) Depreciation

Plant and equipment is depreciated on a straight-line basis over their estimated useful lives. The Group reviews annually the estimated useful lives of the plant and equipment in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(c) Provision of ECLs for trade receivables and contract assets

The Group uses provision matrix to calculate ECLs for the trade receivables and contract assets. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables and contract assets with significant balances and credit impaired are assessed for ECLs individually.

The provision of ECLs is sensitive to changes in circumstances and forecast general economic conditions. The information about the ECLs and the Group's trade receivables and contract assets are disclosed in note 21(a). If the financial condition of the customers or the forecast economic conditions were to deteriorate, the actual loss allowance would be higher than estimated.

In the comparative period, the Group evaluated whether there was any objective evidence that trade receivables were impaired, and estimates allowances for doubtful debts as a result of the inability of the debtors to make required payments. The Group based the estimates on the ageing of the trade receivables balance, credit-worthiness of the customer and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

2 會計判斷及估計(續)

(b) 折舊

廠房及設備按直線法於資產估計可使用年期內計算折舊。本集團每年檢討廠房及設備的估計可使用年期，以釐定任何報告期間內計入的折舊開支金額。可使用年期乃根據本集團類似資產的過往經驗計算，並考慮預期技術轉變。倘與過往估計比較有重大變動，則會對未來期間的折舊開支予以調整。

(c) 應收貿易賬款及合約資產的預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款及合約資產的預期信貸虧損。撥備矩陣基於本集團之歷史違約率，當中考慮無需付出過多成本或精力即可獲得之合理且可支持的前瞻性資料。於各報告日期，可觀察的歷史違約率會重新被評估，並考慮前瞻性資料之變動。此外，具有大額結餘及出現信貸減值的應收貿易賬款及合約資產會個別進行預期信貸虧損評估。

預期信貸虧損撥備容易受各種情況及預測一般經濟狀況變動影響。有關預期信貸虧損及本集團應收貿易賬款及合約資產的資料於附註21(a)披露。倘客戶的財務狀況或預測經濟狀況將惡化，則實際虧損撥備會高於估計額。

於比較期間，本集團評估是否有任何客觀證據證明應收貿易賬款減值，且估計因債務人不能作出規定付款而產生的呆賬撥備。本集團根據應收貿易賬款結餘的賬齡分析、客戶的信用及過往撇銷經驗作出估計。倘債務人的財政狀況惡化，實際的撇銷將高於估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

2 ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

(d) Deferred tax assets

Management considers the key source of estimation uncertainty lies in the recognition of deferred tax assets from unused tax losses. As explained in note 1(q), all deferred tax assets to the extent that it is probable that future taxable profits will be available against which they can be utilised, are recognised. It is possible that adverse changes to the operating environment or the Group's organisation structure could cause a future write-down of the deferred tax assets recognised.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are general building, civil engineering and the provision of other services. Further details regarding the Group's principal activities are disclosed in note 3(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by major service lines is as follows:

Disaggregated by major service lines	按主要服務項目劃分
— General building	— 一般樓宇
— Civil engineering	— 土木工程
— Housing management services	— 房屋管理服務
— Others	— 其他

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Disaggregated by major service lines		
— General building	4,807,075	3,275,662
— Civil engineering	1,236,282	1,228,047
— Housing management services	71,653	79,745
— Others	82,154	28,518
	6,197,164	4,611,972

2 會計判斷及估計(續)

(d) 遞延稅項資產

管理層認為於估計不確定之關鍵來源在於確認因尚未使用的稅務虧損而引致的遞延稅項資產。如附註1(q)所說明，所有預計可得足夠應課稅盈利以作扣減之遞延稅項資產，均予以確認。經營環境或本集團組織架構之不利轉變可能導致已確認遞延稅項資產的日後撇減。

3 收益及分部報告

(a) 收益

本集團的主要業務為一般樓宇、土木工程及提供其他服務。有關本集團主要業務的進一步詳情披露於附註3(b)。

(i) 收益分類

香港財務報告準則第15號範圍內按主要服務項目劃分的客戶合約分類收益如下：

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Disaggregated by major service lines		
— General building	4,807,075	3,275,662
— Civil engineering	1,236,282	1,228,047
— Housing management services	71,653	79,745
— Others	82,154	28,518
	6,197,164	4,611,972

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

3 REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2018, the aggregated amount of revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date is \$6,773,673,000. The Group applies the practical expedient in paragraph 121 of HKFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations for contracts with an original expected duration of one year or less. In addition, contracts that include a promise to perform an undefined quantity of tasks at a fixed contractual rate per unit, with no contractual minimums that would make some or all of the consideration fixed, are not included as the possible transaction prices and the ultimate consideration for those contracts will depend on the occurrence or non-occurrence of future customer usage. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 to 72 months. This analysis is solely for compliance with HKFRS 15 disclosure requirement in respect of transaction price allocated to the remaining performance obligations.

3 收益及分部報告 (續)

(a) 收益 (續)

(ii) 預計將來確認源自報告日期存在的客戶合約的收益

於二零一八年十二月三十一日，預計於將來確認的與於報告日期未完成(或部分未完成)履約責任有關的總收益金額為6,773,673,000港元。本集團應用香港財務報告準則第15號第121段所載可行權宜之計，並未披露分配至原定預計持續時間為一年或更短合約餘下履約責任的交易價格金額。另外，合約若載有承諾按單位固定合約價履行未界定任務，且並無合約最低限額釐定部分或全部代價情況下，將不計及可能交易價，而此等合約的最終代價將取決於未來客戶是否使用。本集團於將來完成工作時確認預計收益(預計於未來12至72個月內發生)。此分析僅用於遵守香港財務報告準則第15號關於分配至剩餘履約責任的交易價格的披露規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting

The Group manages its businesses by segments, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments.

- General building : this segment provides engineering services of substructure or superstructure of building structures and maintenance, repairs, alterations services and additions to building structures
- Civil engineering : this segment provides engineering services of infrastructure facilities and maintenance, repairs, alterations services to infrastructure facilities
- Others : this segment mainly provides housing management services, electrical and mechanical engineering services and consultancy services

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of deferred tax assets, current tax recoverable and other corporate assets. Segment liabilities include trade creditors, accruals and other current and non-current liabilities attributable to the business activities of the individual segments.

3 收益及分部報告(續)

(b) 分部報告

本集團按以業務線劃分的管理其業務。本集團按與就資源分配及表現評估向本集團最高行政管理層內部呈報資料方式一致的方法，呈列以下三個可報告分部。

- 一般樓宇 : 該分部提供樓宇結構的底層結構或上蓋工程的工程服務及樓宇結構的保養、維修、改建服務及加建
- 土木工程 : 該分部提供基建設施的工程服務及基建設施的保養、維修、改建服務
- 其他 : 該分部主要提供房屋管理服務、機電工程服務及顧問服務

(i) 分部業績、資產及負債

為評估分部表現及在分部間分配資源，本集團的最高行政管理層按如下基準監察各可報告分部應佔的業績、資產及負債：

分部資產包括所有有形資產及流動資產，惟於遞延稅項資產、可收回即期稅項及其他公司資產的投資除外。分部負債包括個別分部的業務活動應佔貿易應付款項、應計費用及其他流動及非流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

Segment result includes revenue and expenses that are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.

In addition, management is provided with segment information concerning revenue, share of results of a joint venture, depreciation, additions to non-current segment assets used by the segments in their operations and share of net assets/liabilities in a joint venture. Inter-segment sales are priced with reference to prices charged to external price for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for each of the year ended 31 December 2018 and 2017 is set out below.

3 收益及分部報告 (續)

(b) 分部報告 (續)

(i) 分部業績、資產及負債 (續)

分部業績包括參照該等分部所產生銷售額及該等分部所產生或該等分部應佔資產的折舊產生的開支分配至可報告分部的收益及開支。

此外，管理層獲提供有關收益、分佔合營企業業績、折舊、分部於其經營中所用的非流動分部資產添置及分佔於合營企業的資產／負債淨值的分部資料。分部間銷售參考就類似訂單所收取外部價格定價。

截至二零一八年及二零一七年十二月三十一日止年度各年，向本集團最高行政管理層提供用於分配資源及評定分部表現的本集團可報告分部的資料載列如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

For the year ended 31 December 2018

3 收益及分部報告(續)

(b) 分部報告(續)

(i) 分部業績、資產及負債(續)

截至二零一八年十二月三十一日止
年度

		General building 一般樓宇 \$'000 千元	Civil engineering 土木工程 \$'000 千元	Others 其他 \$'000 千元	Total 總計 \$'000 千元
Reportable segment revenue (recognised over time)	可報告分部收益 (隨時間確認)	4,807,075	1,236,282	153,807	6,197,164
Reportable segment profit	可報告分部溢利	221,568	21,745	17,209	260,522
Other revenue and other net income	其他收益及其他淨收入				480
Depreciation	折舊				(734)
Finance costs	融資成本				(12,234)
Unallocated head office and corporate expenses	未分配總部及公司開支				(91,128)
Consolidated profit before taxation	除稅前綜合溢利				156,906
Share of results of a joint venture	分佔合營企業業績	(15,803)	—	—	(15,803)
Depreciation for the year	年內折舊	9,967	2,719	741	13,427
Reportable segment assets	可報告分部資產	1,179,211	619,458	61,533	1,860,202
Deferred tax assets	遞延稅項資產				34,750
Current tax recoverable	可收回即期稅項				4,528
Unallocated head office and corporate assets	未分配總部及公司資產				259,910
Consolidated total assets	綜合資產總值				2,159,390
Additions to non-current segment assets during the year	年內添置非流動分部資產	21,404	5,505	843	27,752
Reportable segment liabilities (including interest in a joint venture)	可報告分部負債(包括 於合營企業的權益)	870,493	301,970	13,212	1,185,675
Current tax payable	應付即期稅項				10,942
Deferred tax liabilities	遞延稅項負債				4,717
Unallocated head office and corporate liabilities	未分配總部及公司負債				464,276
Consolidated total liabilities	綜合負債總額				1,665,610
Share of net liabilities in a joint venture	分佔合營企業負債淨額	12,714	—	—	12,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

For the year ended 31 December 2017 (note)

		General building 一般樓宇 \$'000 千元	Civil engineering 土木工程 \$'000 千元	Others 其他 \$'000 千元	Total 總計 \$'000 千元
Reportable segment revenue	可報告分部收益	3,275,662	1,228,047	108,263	4,611,972
Reportable segment profit	可報告分部溢利	183,648	49,350	15,166	248,164
Other revenue and other net gain	其他收益及其他淨收益				362
Depreciation	折舊				(1,129)
Finance costs	融資成本				(5,486)
Unallocated head office and corporate expenses	未分配總部及公司開支				(71,005)
Consolidated profit before taxation	除稅前綜合溢利				170,906
Share of results of a joint venture	分佔合營企業業績	1,022	—	—	1,022
Depreciation for the year	年內折舊	7,518	3,026	362	10,906
Reportable segment assets (including interest in a joint venture)	可報告分部資產(包括於合營企業的權益)	1,039,701	455,809	90,756	1,586,266
Deferred tax assets	遞延稅項資產				33,557
Current tax recoverable	可收回即期稅項				2,482
Unallocated head office and corporate assets	未分配總部及公司資產				291,414
Consolidated total assets	綜合資產總值				1,913,719
Additions to non-current segment assets during the year	年內添置非流動分部資產	10,807	4,087	378	15,272
Share of net assets in a joint venture	應佔合營企業資產淨值	3,089	—	—	3,089
Reportable segment liabilities	可報告分部負債	790,819	240,923	15,936	1,047,678
Current tax payable	應付即期稅項				8,360
Deferred tax liabilities	遞延稅項負債				3,451
Unallocated head office and corporate liabilities	未分配總部及公司負債				379,435
Consolidated total liabilities	綜合負債總額				1,438,924

Note: The Group has initially applied HKFRS 15 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See note 1(d).

3 收益及分部報告(續)

(b) 分部報告(續)

(i) 分部業績、資產及負債(續)

截至二零一七年十二月三十一日止年度(附註)

附註：本集團已於二零一八年一月一日首次應用香港財務報告準則第15號。根據所選擇過渡法，比較資料不予重列。參見附註1(d)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(ii) Geographic information

No geographic information has been presented as most of the Group's operating activities are carried out in Hong Kong.

(iii) Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Customer A	客戶 A	3,364,507	1,780,925
Customer B	客戶 B	658,059	773,839
Customer C	客戶 C	N/A 不適用	621,096

Notes:

- (1) Revenue from customer A is generated from provision of general building, housing management services and consultancy services.
- (2) Revenue from customer B is generated from provision of civil engineering.
- (3) Revenue from customer C is generated from provision of general building.
- (4) Revenue from customer C for the year ended 31 December 2018 did not contribute over 10% of the total revenue of the Group.

3 收益及分部報告(續)

(b) 分部報告(續)

(ii) 地區資料

由於本集團大部分經營活動在香港開展，故並未呈列地區資料。

(iii) 有關主要客戶的資料

為本集團貢獻逾10%總收益的客戶的收益如下：

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Customer A	3,364,507	1,780,925
Customer B	658,059	773,839
Customer C	N/A 不適用	621,096

附註：

- (1) 來自客戶A的收益由提供一般樓宇服務、房屋管理服務及顧問服務產生。
- (2) 來自客戶B的收益由提供土木工程服務產生。
- (3) 來自客戶C的收益由提供一般樓宇服務產生。
- (4) 截至二零一八年十二月三十一日止年度來自客戶C的收益貢獻並未超過本集團總收益的10%。

4 OTHER REVENUE

Bank interest income	銀行利息收入
Others	其他

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Bank interest income	248	133
Others	4,515	218
	4,763	351

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

5 OTHER NET (LOSS)/GAIN

5 其他淨(虧損)/收益

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Net foreign exchange (loss)/gain	匯兌(虧損)/收益淨額	(264)	23
Net (loss)/gain on disposal of plant and equipment	出售廠房及設備的(虧損)/收益淨額	(498)	505
Others	其他	300	-
		(462)	528

6 PROFIT BEFORE TAXATION

6 除稅前溢利

Profit before taxation is arrived at after charging/(crediting):

除稅前溢利乃扣除/(計入)以下各項後達致：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
(a) Finance costs	(a) 融資成本		
Interest on bank advances (note 17(c))	銀行墊款的利息(附註17(c))	12,234	5,486
(b) Staff costs	(b) 員工成本		
Salaries, wages and other benefits	薪金、工資及其他福利	722,193	574,698
Contributions to defined contribution retirement plans	界定供款退休計劃供款	26,800	21,178
Less: Amount included in direct costs	減：計入直接成本的金額	(691,118)	(556,497)
		57,875	39,379
(c) Other items	(c) 其他項目		
Depreciation (note 11)	折舊(附註11)	14,161	12,035
Less: Amount included in direct costs	減：計入直接成本的金額	(12,849)	(10,339)
		1,312	1,696
Operating lease charges: minimum lease payments	經營租賃開支：最低租賃付款	39,098	27,601
Less: Amount included in direct costs	減：計入直接成本的金額	(27,551)	(17,936)
		11,547	9,665
Auditors' remuneration	核數師酬金	3,403	3,345

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

7 INCOME TAX

(a) Taxation in the consolidated income statement represents:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Current tax — Hong Kong Profits Tax	即期稅項 — 香港利得稅		
Provision for the year	年內撥備	27,718	27,767
Over provision in respect of prior years	過往年度超額撥備	(206)	(126)
		27,512	27,641
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差額的產生及撥回	73	574
		27,585	28,215

The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year.

二零一八年香港利得稅撥備按年內估計應課稅溢利的16.5% (二零一七年：16.5%) 計算。

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 按適用稅率計算的稅項開支與會計溢利的對賬如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Profit before taxation	除稅前溢利	156,906	170,906
Notional tax on profit before taxation, calculated at the rates applicable to profits/losses in the jurisdictions concerned	除稅前溢利的名義稅項 (按相關司法權區適用於溢利/虧損的稅率計算)	25,738	28,342
Tax effect of non-taxable income	毋須納稅收入的稅務影響	(1,140)	(644)
Tax effect of non-deductible expenses	不可扣減開支的稅務影響	3,342	617
Tax effect of current year's tax losses not recognised	未確認的本年度稅項虧損的稅務影響	13	7
Over provision in respect of prior years	過往年度超額撥備	(206)	(126)
Others	其他	(162)	19
Tax expense	稅項開支	27,585	28,215

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

7 INCOME TAX (Continued)

(c) Income tax in the consolidated statement of financial position:

(i) Current taxation in the consolidated statement of financial position represents:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Provision for Hong Kong Profits Tax for the year	年內香港利得稅撥備	27,718	27,767
Provisional Profits Tax paid	已付暫繳利得稅	(19,644)	(22,376)
		8,074	5,391
Balance of Profits Tax (recoverable)/ payable relating to prior year, net	有關過往年度(可收回)/應付利得稅結餘淨額	(1,660)	487
		6,414	5,878
Representing:	指：		
Current tax recoverable	可收回即期稅項	(4,528)	(2,482)
Current tax payable	應付即期稅項	10,942	8,360
		6,414	5,878

(ii) Deferred tax assets and liabilities:

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

(ii) 遞延稅項資產及負債：

已於綜合財務狀況表內確認的遞延稅項(資產)/負債的組成部分及於年內的變動如下：

Deferred tax arising from:		Depreciation allowances in excess of the related depreciation	Tax losses	Others	Total
來自以下各項的遞延稅項：		超出相關折舊的折舊撥備	稅項虧損	其他	總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2017	於二零一七年一月一日	3,067	(1,217)	98	1,948
Acquisition of a subsidiary (note 26)	收購附屬公司(附註26)	-	(32,628)	-	(32,628)
Charged to profit or loss	於損益內扣除	286	288	-	574
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	3,353	(33,557)	98	(30,106)
Charged/(credited) to profit or loss	於損益內扣除/(計入)	1,364	(367)	(924)	73
At 31 December 2018	於二零一八年十二月三十一日	4,717	(33,924)	(826)	(30,033)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

7 INCOME TAX (Continued)

(c) Income tax in the consolidated statement of financial position (continued):

(ii) Deferred tax assets and liabilities (continued):

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表內確認的遞延稅項資產淨值	(34,750)	(33,557)
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表內確認的遞延稅項負債淨額	4,717	3,451
		(30,033)	(30,106)

(d) In accordance with the accounting policy set out in note 1(q), the Group has not recognised deferred tax assets in respect of cumulative tax losses of \$2,641,000 (2017: \$2,565,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses arising from Hong Kong operations do not expire under current tax legislation.

7 所得稅 (續)

(c) 綜合財務狀況表內的所得稅：(續)

(ii) 遞延稅項資產及負債：(續)

(d) 根據於附註1(q)所載的會計政策，由於在有關稅務司法權區及就有關實體而言，不大可能有未來應課稅溢利以抵銷可供動用的稅項虧損，故本集團並無就累計稅項虧損2,641,000港元(二零一七年：2,565,000港元)確認遞延稅項資產。根據現行稅務規例，香港業務所產生的稅項虧損並無屆滿。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8 董事薪酬

根據香港《公司條例》第383(1)條及公司(披露董事利益資料)規例第2部規定所披露之董事薪酬如下：

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度				
		Directors' fees	Basic salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		董事袍金	基本薪金、津貼及實物利益	酌情花紅	退休計劃供款	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Executive directors	執行董事					
Mr. Chan Ki Chun	陳麒淳先生	-	1,585	-	73	1,658
Mr. Chan Chor Tung	陳楚東先生	-	1,523	260	71	1,854
Mr. Yeung Cho Yin, William	楊楚賢先生	-	1,200	60	56	1,316
Mr. Yung Kim Man	容劍文先生	-	1,493	530	68	2,091
Independent non-executive directors	獨立非執行董事					
Mr. Chan Kim Hung, Simon	陳劍雄先生	120	-	-	-	120
Mr. Jim Fun Kwong, Frederick	詹勳光先生	120	-	-	-	120
Mr. Lam Leung Tsun	林良俊先生	120	-	-	-	120
Total	總計	360	5,801	850	268	7,279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

8 DIRECTORS' EMOLUMENTS (Continued)

8 董事薪酬 (續)

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度				
		Directors' fees	Basic salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		董事袍金	基本薪金、津貼及實物利益	酌情花紅	退休計劃供款	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Executive directors	執行董事					
Mr. Chan Ki Chun	陳麒淳先生	-	1,585	-	73	1,658
Mr. Chan Chor Tung	陳楚東先生	-	1,465	260	68	1,793
Mr. Yeung Cho Yin, William	楊楚賢先生	-	1,153	60	54	1,267
Mr. Yung Kim Man	容劍文先生	-	1,392	260	63	1,715
Independent non-executive directors	獨立非執行董事					
Mr. Chan Kim Hung, Simon	陳劍雄先生	120	-	-	-	120
Mr. Jim Fun Kwong, Frederick	詹勳光先生	120	-	-	-	120
Mr. Lam Leung Tsun	林良俊先生	120	-	-	-	120
Total	總計	360	5,595	580	258	6,793

Notes:

- (i) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2017: \$Nil). No director waived or agreed to waive any emoluments during the year (2017: \$Nil).
- (ii) The Company did not grant any share options for the purchase of ordinary shares in the Company during the year (2017: \$Nil).

附註：

- (i) 年內，概無董事自本集團收取任何酬金作為吸引加入本集團或加入本集團時的獎勵或作為離職補償（二零一七年：無）。年內，概無董事放棄或同意放棄任何酬金（二零一七年：無）。
- (ii) 年內，本公司並無授出任何有關購買本公司普通股的購股權（二零一七年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, three directors (2017: three) whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other two (2017: two) individuals are as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	2,993	2,880
Discretionary bonuses	酌情花紅	649	590
Retirement scheme contributions	退休計劃供款	89	86
		3,731	3,556

The emoluments of the two (2017: two) individuals with the highest emoluments are within the following bands:

		2018 二零一八年 Number of Individuals 人數	2017 二零一七年 Number of individuals 人數
Nil to \$1,000,000	零至 1,000,000 港元	-	-
\$1,000,001 to \$1,500,000	1,000,001 港元至 1,500,000 港元	-	-
\$1,500,001 to \$2,000,000	1,500,001 港元至 2,000,000 港元	1	1
\$2,000,001 to \$2,500,000	2,000,001 港元至 2,500,000 港元	1	1

Note: No individual received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2017: \$Nil).

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$129,689,000 (2017: \$141,874,000) and 400,000,000 shares (2017: 400,000,000 shares) in issue during the year.

(b) Diluted earnings per share

There were no potential dilutive shares in existence during the years ended 31 December 2018 and 2017.

9 最高薪人士

五名最高薪人士中，有三名為董事（二零一七年：三名），彼等的薪酬已於附註8中披露。另外兩名（二零一七年：兩名）人士的薪酬總額如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	2,993	2,880
Discretionary bonuses	酌情花紅	649	590
Retirement scheme contributions	退休計劃供款	89	86
		3,731	3,556

另外兩名（二零一七年：兩名）最高薪人士的薪酬在以下範圍內：

		2018 二零一八年 Number of Individuals 人數	2017 二零一七年 Number of individuals 人數
Nil to \$1,000,000	零至 1,000,000 港元	-	-
\$1,000,001 to \$1,500,000	1,000,001 港元至 1,500,000 港元	-	-
\$1,500,001 to \$2,000,000	1,500,001 港元至 2,000,000 港元	1	1
\$2,000,001 to \$2,500,000	2,000,001 港元至 2,500,000 港元	1	1

附註：年內，概無任何個別人士收取本集團任何報酬，作為加入或加入本集團時的獎勵或作為離職補償（二零一七年：無）。

10 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司普通權益股東應佔溢利129,689,000港元（二零一七年：141,874,000港元）以及年內已發行股份400,000,000股（二零一七年：400,000,000股）計算。

(b) 每股攤薄盈利

於截至二零一八年及二零一七年十二月三十一日止年度，並無潛在攤薄股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

11 PLANT AND EQUIPMENT

11 廠房及設備

		Machinery and equipment 機器及設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Furniture and fixtures 傢俬及裝置 \$'000 千元	Total 總計 \$'000 千元
Cost:	成本：				
At 1 January 2018	於二零一八年一月一日	29,569	76,005	5,222	110,796
Additions	添置	2,636	25,266	718	28,620
Disposals	出售	(336)	(13,086)	(24)	(13,446)
At 31 December 2018	於二零一八年十二月三十一日	31,869	88,185	5,916	125,970
Accumulated depreciation:	累計折舊：				
At 1 January 2018	於二零一八年一月一日	24,687	51,194	4,601	80,482
Charge for the year	年內折舊	1,916	11,779	466	14,161
Written back on disposals	出售時撥回	(336)	(11,851)	(24)	(12,211)
At 31 December 2018	於二零一八年十二月三十一日	26,267	51,122	5,043	82,432
Net book value:	賬面淨值：				
At 31 December 2018	於二零一八年十二月三十一日	5,602	37,063	873	43,538
Cost:	成本：				
At 1 January 2017	於二零一七年一月一日	29,016	65,447	4,639	99,102
Additions	添置	2,903	12,734	-	15,637
Acquisition of a subsidiary (note 26)	收購一間附屬公司(附註26)	-	1,442	583	2,025
Disposals	出售	(2,350)	(3,618)	-	(5,968)
At 31 December 2017	於二零一七年十二月三十一日	29,569	76,005	5,222	110,796
Accumulated depreciation:	累計折舊：				
At 1 January 2017	於二零一七年一月一日	25,108	43,127	3,718	71,953
Charge for the year	年內折舊	1,929	9,772	334	12,035
Acquisition of a subsidiary (note 26)	收購一間附屬公司(附註26)	-	1,442	549	1,991
Written back on disposals	出售時撥回	(2,350)	(3,147)	-	(5,497)
At 31 December 2017	於二零一七年十二月三十一日	24,687	51,194	4,601	80,482
Net book value:	賬面淨值：				
At 31 December 2017	於二零一七年十二月三十一日	4,882	24,811	621	30,314

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

12 INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of subsidiaries as at 31 December 2018, all of which are private companies and the class of shares held is ordinary unless otherwise stated.

12 於附屬公司的投資

下表載列於二零一八年十二月三十一日附屬公司之詳情，除另有指明外，下列所有附屬公司均為私營公司且所持股份類別為普通股。

Name of company 公司名稱	Place of incorporation/ establishment and business 註冊成立/成立 及營業地點	Particulars of issued and paid-up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest 所有權權益百分比			Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Bestwise Envirotech Limited (formerly known as Biwater Man Lee Limited) 百威環保科技有限公司 (前稱百沃特文利工程有限公司)	Hong Kong 香港	200,578,047 shares 200,578,047 股	100% 100%	– –	100% 100%	Electrical and mechanical engineering 機電工程
BML Engineering Limited 百文樂工程有限公司	Hong Kong 香港	100 shares 100 股	100% 100%	– –	100% 100%	Supply and installation 供應及裝置
BML Engineering (Macao) Limited [^] 百文樂工程(澳門)一人有限公司 [^]	Macau 澳門	1 share of MOP25,000 1 股面值 25,000 澳門幣的股份	100% 100%	– –	100% 100%	Supply and installation 供應及裝置
Build.it Limited 建築資訊顧問有限公司	Hong Kong 香港	100 shares 100 股	80% 80%	– –	80% 80%	Consultancy services 諮詢服務
Chit Cheung Construction Company Limited 捷章建築有限公司	Hong Kong 香港	1,450,000 shares 1,450,000 股	100% 100%	– –	100% 100%	Construction and civil engineering 建築及土木工程
Consent Consultants Limited 康信顧問有限公司	Hong Kong 香港	1 share 1 股	100% 100%	– –	100% 100%	Project consultancy services 項目顧問服務
ELM Keen Limited 榆敏有限公司	British Virgin Islands 英屬處女群島	100 shares of US\$1 each 100 股每股面值 1 美元的股份	100% 100%	– –	100% 100%	Supply and installation 供應及裝置
Everfirst Profits Limited Everfirst Profits Limited	British Virgin Islands 英屬處女群島	1 share of US\$1 1 股面值 1 美元的股份	100% 100%	– –	100% 100%	Investment holding 投資控股
Fujitac Construction & Engineering Consultants Limited 富士達建築及工程顧問有限公司	Hong Kong 香港	1 share 1 股	100% 100%	– –	100% 100%	Construction-related consultancy services 建築相關的顧問服務
Grand Win Design Consultants Limited 創意設計顧問有限公司	Hong Kong 香港	1 share 1 股	100% 100%	– –	100% 100%	Construction design and consultancy services 建築設計及顧問服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

12 INVESTMENTS IN SUBSIDIARIES (Continued)

12 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ establishment and business 註冊成立/成立 及營業地點	Particulars of issued and paid-up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest 所有權權益百分比			Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
High Horse Holdings Limited 駿高控股有限公司	British Virgin Islands 英屬處女群島	10,000 shares of US\$1 each 10,000股每股面值 1美元的股份	100%	–	100%	Investment holding 投資控股
High Regard Holdings Limited 尊崇控股有限公司	British Virgin Islands 英屬處女群島	1 share of US\$1 1股面值 1美元的股份	100%	–	100%	Investment holding 投資控股
Intercede International Limited Intercede International Limited	British Virgin Islands 英屬處女群島	1 share of US\$1 1股面值 1美元的股份	100%	–	100%	Investment holding 投資控股
Linktech Engineering & Landscape Consultants Limited 德滙工程及園林顧問有限公司	Hong Kong 香港	1 share 1股	100%	–	100%	Consultancy services 顧問服務
Sun Fook Kong – Bestwise Joint Venture (formerly known as Sun Fook Kong – Biwater Joint Venture) ^{#A}	Hong Kong 香港	N/A 不適用	100%	–	100%	Civil engineering 土木工程
Sun Fook Kong – Bestwise Joint Venture (前稱 Sun Fook Kong – Biwater Joint Venture) ^{#A}	Hong Kong 香港	N/A 不適用	100%	–	100%	Construction and civil engineering 建築及土木工程
Sun Fook Kong – Chit Cheung Joint Venture [#]	Hong Kong 香港	N/A 不適用	100%	–	100%	Construction and civil engineering 建築及土木工程
Sun Fook Kong (Civil) Limited 新福港(土木)有限公司	Hong Kong 香港	12,300,000 shares 12,300,000股	100%	–	100%	Civil engineering and maintenance 土木工程及保養
Sun Fook Kong Construction Limited 新福港營造有限公司	Hong Kong 香港	4,440,000 shares 4,440,000股	100%	–	100%	Building construction and maintenance 樓宇建築及保養

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

12 INVESTMENTS IN SUBSIDIARIES (Continued)

12 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ establishment and business 註冊成立/成立 及營業地點	Particulars of issued and paid-up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest 所有權權益百分比			Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Sun Fook Kong Construction Management Limited 新福港工程策劃管理有限公司	Hong Kong 香港	10,000 shares 10,000股	100% 100%	– –	100% 100%	Project management services 項目管理服務
Sun Fook Kong E & M Management Limited 新福港機電工程有限公司	Hong Kong 香港	4,700,000 shares 4,700,000股	100% 100%	– –	100% 100%	Hiring out of plant and machinery and undertaking electrical installation work 從事廠房及機器出租及承接電氣安裝工程
Sun Fook Kong Engineering Limited 新福港工程有限公司	Hong Kong 香港	2,000,000 shares 2,000,000股	100% 100%	– –	100% 100%	Civil engineering 土木工程
Sun Fook Kong Holdings Limited 新福港控股有限公司	British Virgin Islands 英屬處女群島	10,400 shares of US\$1 each 10,400股每股面值1美元的股份	100% 100%	100% 100%	– –	Investment holding and building construction 投資控股及樓宇建築
Sun Fook Kong Housing Services Limited 新福港屋宇服務有限公司	Hong Kong 香港	12,100,000 shares 12,100,000股	100% 100%	– –	100% 100%	Housing management services 房屋管理服務
SFK Housing Services (China) Limited 新福港屋宇服務(中國)有限公司	Hong Kong 香港	10,000 shares 10,000股	100% 100%	– –	100% 100%	Investment holding 投資控股
Sun Fook Kong Joint Venture [#] 新福港聯營公司 [#]	Hong Kong 香港	N/A 不適用	100% 100%	– –	100% 100%	Construction and civil engineering 建築及土木工程
Sun Fook Kong Themeworks (Hong Kong) Limited 新福港奇幻制作(香港)有限公司	Hong Kong 香港	100 shares 100股	100% 100%	– –	100% 100%	Investment holding 投資控股
Sun Fook Kong Themeworks Production (Macao) Limited [^] 新福港奇幻制作(澳門)有限公司 [^]	Macau 澳門	2 shares of MOP12,500 each 2股每股面值12,500澳門幣的股份	75% 75%	– –	75% 75%	Construction and civil engineering 建築及土木工程

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

12 INVESTMENTS IN SUBSIDIARIES (Continued)

12 於附屬公司的投資 (續)

Name of company 公司名稱	Place of incorporation/ establishment and business 註冊成立/成立 及營業地點	Particulars of issued and paid-up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of ownership interest 所有權權益百分比			Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
佛山新福港物業管理有限公司 (前名佛山寶得物業管理 有限公司)**	The PRC	US\$800,000	100%	-	100%	Building management, property consultancy and consultancy services
佛山新福港物業管理有限公司 (前名佛山寶得物業管理有限公司)**	中國	800,000 美元	100%	-	100%	建築管理、物業顧問及 顧問服務
廣州標迪建築模型設計有限公司**	The PRC	Renminbi ("RMB") 100,000,000	80%	-	80%	Consultancy services
廣州標迪建築模型設計有限公司**	中國	人民幣(「人民幣」) 100,000,000 元	80%	-	80%	諮詢服務
廣州新福港物業管理有限公司**	The PRC	RMB1,000,000	100%	-	100%	Building management, property consultancy and consultancy services
廣州新福港物業管理有限公司**	中國	人民幣 1,000,000 元	100%	-	100%	建築管理、物業顧問及 顧問服務

These entities are unincorporated bodies.

* These entities are wholly foreign-owned enterprises.

^ These entities are not audited by KPMG.

該等實體乃無法人地位的機構。

* 該等實體為外商獨資企業。

^ 該等實體未經畢馬威會計師事務所審核。

The financial statements of the subsidiaries not audited by KPMG reflect total net assets and total revenue constituting approximately 1.9% and 0.1% respectively of the related consolidated totals.

該等未經畢馬威會計師事務所審核之附屬公司財務實表反映其資產淨值總額與總收益分別佔有關之綜合總額約 1.9% 及 0.1%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

13 INTEREST IN JOINT ARRANGEMENTS AND AMOUNT DUE FROM/(TO) A JOINT VENTURE

(a) Interest in a joint venture and amount due from/(to) a joint venture

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Share of net (liabilities)/assets (note (i))	分佔淨(負債)／資產(附註(i))	(12,714)	3,089
Amount due from/(to) a joint venture (note (ii))	應收／(應付)合營企業款項(附註(ii))	2,323	(1,904)

Notes:

- (i) As at 31 December 2018, the Group has recognised its share of net liabilities in a joint venture as the Group has provided guarantees in respect of bank loans of the joint venture.
- (ii) The amount due from/(to) a joint venture is interest-free, unsecured and recoverable/repayable on demand.

Details of the Group's interest in the joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

13 於合營安排的權益及應收／(應付)合營企業款項

(a) 於合營企業的權益及應收／(應付)合營企業款項

附註：

- (i) 於二零一八年十二月三十一日，本集團已確認其於合營企業應佔淨負債，原因為本集團已就合營企業的銀行貸款提供擔保。
- (ii) 應收／(應付)合營企業款項不計息，無抵押，須按要求收回／償還。

本集團於合營企業的權益採用權益法在綜合財務報表列賬，詳情如下：

Name of joint venture	Form of business structure	Place of incorporation and business 註冊成立及營業地點	Percentage of ownership interest 所有權權益百分比			Principal activities
			Group's effective interest 本集團實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Sun Fook Kong – Kun Fai Engineering and Construction Co., Ltd. ("Sun Fook Fong – Kun Fai")	Incorporated	Macau	50%	–	50%	Building construction and public works
新福港 – 權暉建築工程有限公司 ([新福港 – 權暉])	註冊成立	澳門	50%	–	50%	樓宇建築及公共工程

Sun Fook Fong – Kun Fai, the only joint venture in which the Group participates, is an unlisted corporate entity whose quoted market price is not available.

本集團參與的唯一合營企業新福港 – 權暉為並無市場報價的非上市企業實體。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

13 INTEREST IN JOINT ARRANGEMENTS AND AMOUNT DUE FROM/(TO) A JOINT VENTURE

(Continued)

(a) Interest in a joint venture and amount due from/ (to) a joint venture (Continued)

Summarised financial information of Sun Fook Kong — Kun Fai, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

13 於合營安排的權益及應收／(應付)合營企業款項(續)

(a) 於合營企業的權益及應收／(應付)合營企業款項(續)

新福港 — 權暉的財務資料概要(已調整任何會計政策之差異)與綜合財務報表賬面值的對賬披露如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Gross amounts of the joint venture's	合營企業總額		
Current assets	流動資產	176,863	181,537
Non-current assets	非流動資產	319	444
Current liabilities	流動負債	(202,609)	(175,803)
(Deficit)/equity	(虧絀)/權益	(25,427)	6,178
Included in the above assets and liabilities:	計入上述資產及負債：		
Cash and cash equivalents	現金及現金等價物	7,440	3,808
Current financial liabilities (excluding trade and other payables and provisions)	流動金融負債(不包括應付貿易賬款及其他應付款項及撥備)	(41,718)	(22,728)
Revenue	收益	516,088	576,857
(Loss)/profit and total comprehensive income for the year	年內(虧損)/溢利及全面收益總額	(31,605)	2,044
Reconciled to the Group's interest in the joint venture	與本集團於合營企業權益對賬		
Gross amounts of the joint venture's net (liabilities)/assets	合營企業淨(負債)/資產總額	(25,427)	6,178
Group's effective interest	本集團實際權益	50%	50%
Group's share of the joint venture's net (liabilities)/assets arising from guarantees provided to the joint venture's obligation	本集團因合營企業承擔所提供之擔保而應佔合營企業之淨(負債)/資產	(12,714)	3,089
Carrying amount of the Group's interest	本集團權益的賬面值	(12,714)	3,089

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

13 INTEREST IN JOINT ARRANGEMENTS AND AMOUNT DUE FROM/(TO) A JOINT VENTURE

(Continued)

(b) Interest in joint operations

In addition to the joint venture as listed in note 13(a), the Group has also established joint arrangements with outside contractors to undertake general building and civil engineering in the form of joint operations. In accordance with the agreement, the decisions about relevant activities in these entities require unanimous consent of the parties sharing control and, therefore management has accounted for the investments as joint operations.

Details of the Group's interest in the material joint operations, all of which are accounted for using the line-by-line basis to the extent of the Group's interest in the joint operations, are as follows:

13 於合營安排的權益及應收／(應付)合營企業款項(續)

(b) 於合營業務的權益

除附註13(a)所列合營企業外，本集團亦已與外界承包商組成共同安排，以共同經營的方式承接一般樓宇及土木工程。根據協議，與該等實體相關活動有關的決策須經享有控制權的各方一致同意後方可作實，因而管理層將有關投資按合營業務入賬。

本集團於重大合營業務均按逐項基準將本集團於合營業務的權益列賬，重大合營業務的權益詳情如下：

Name of joint operation	Form of business structure	Place of incorporation and business	Percentage of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
合營業務名稱	業務架構形式	註冊成立及營業地點	本集團實際權益	本公司持有	附屬公司持有	主要業務
CEC – CCC Joint Venture	Unincorporated	Hong Kong	40%	–	40%	Civil engineering
大陸工程 – 捷章建築聯營	無法人地位	香港	40%	–	40%	土木工程
Fujita – Sun Fook Kong Joint Venture	Unincorporated	Hong Kong	50%	–	50%	Civil engineering
Fujita – Sun Fook Kong Joint Venture	無法人地位	香港	50%	–	50%	土木工程

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

14 CONTRACT ASSETS AND CONTRACT LIABILITIES

14 合約資產及合約負債

			31 December 2018	1 January 2018	31 December 2017
			二零一八年 十二月三十一日	二零一八年 一月一日	二零一七年 十二月三十一日
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元
Contract assets	合約資產				
Arising from performance under construction contracts	因履行建築合約工程產生	(ii)	1,262,372	822,192	-
Contract liabilities	合約負債				
Construction contracts – Billings in advance of performance	建築合約 – 履行前收款項	(ii)	119,888	99,681	-

Notes:

- (i) The Group has initially applied HKFRS 15 using the cumulative effect method and adjusted the opening balances as at 1 January 2018.
- (ii) Upon the adoption of HKFRS 15 (see note 1(d)(iii)),
- some of the trade receivables, for which the Group's entitlement to the consideration was conditional on achieving certain milestones or satisfactory completion of the retention period, were reclassified from "retentions receivable" under "trade and other receivables" to contract assets or contract liabilities on a net basis for a single contract with the customer; and
 - amounts previously included as "gross amount due from/to customers for contract work" (note 15) were reclassified to contract assets and contract liabilities respectively.

附註：

- (i) 本集團已首次應用香港財務報告準則第15號，利用累計影響方法並調整二零一八年一月一日的期初結餘。
- (ii) 採納香港財務報告準則第15號(見附註1(d)(iii))後，
- 本集團有權獲得代價的部分應收貿易賬款須待達成若干里程碑或信納保證期間的完成，由「應收貿易賬款及其他應收款項」下的「應收保證金」重新分類至合約資產或就與客戶之間的單一合約按淨額納入合約負債項下；及
 - 過往計入「應收/應付合約工程客戶總額」的金額(附註15)分別重新分類至合約資產及合約負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

14 CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

The Group's construction contracts normally include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. The Group also typically agrees to a one to two years retention period for 1% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional. The increase in contract assets in 2018 was the result of the increase in the provision of construction services at the end of the year. The amount of contract assets that is expected to be recovered after more than one year is \$136,681,000, all of which relates to retentions.

The contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advanced payments from the customers and will be recognised as income within one year. The amount of revenue recognised during the year ended 31 December 2018 that was included in the contract liabilities at the beginning of the year is \$186,396,000. The amount of retentions receivable included in contract liabilities on a net basis for a single contract with the customer that is expected to be recovered after more than one year is \$5,696,000.

The amount of revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous periods is \$121,765,000, mainly due to the changes in estimate of the transaction price of certain construction contracts.

14 合約資產及合約負債(續)

本集團建築合約通常包括建築期間要求分階段付款的付款日程(一旦進程達標)。此等付款日程防止積聚重大合約資產。本集團亦基本上同意就1%至10%的合約價值設有一至兩年保證期。因本集團獲得此最終款項的權利於本集團工程完滿通過檢測後方可作實，故此金額計入合約資產，直至保證期結束為止。

合約資產主要與本集團取得已完成工程但未發出發票的代價的權利有關，因有關權利取決於本集團的未來表現。合約資產於權利成為無條件時轉至應收貿易賬款。合約資產於二零一八年增加是由於年末所提供建築服務增加所致。預計將在超過一年後收回的合約資產金額為136,681,000港元，所有該等金額與保證金有關。

合約負債主要與本集團向客戶轉移服務的責任有關，本集團已向客戶收取預付款及將於一年內確認為收入。截至二零一八年十二月三十一日止年度確認於年初計入合約負債的收益金額為186,396,000港元。就與客戶簽訂的單一合約按淨基準計入合約負債預計將在超過一年後收回的應收保證金金額為5,696,000港元。

年內，就於過往期間已達成(或已部分達成)履約責任確認的收益為121,765,000港元，主要是由於若干建築合約的交易價格的估計變動所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

15 GROSS AMOUNT DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

15 應收／應付合約工程客戶總額

		2017 二零一七年 \$'000 千元
Contract costs incurred plus recognised profits less recognised losses	已產生合約成本加已確認溢利減已確認虧損	9,453,857
Less: progress billings received and receivable	減：已收及應收進度賬款	(8,950,854)
		503,003
Representing:	指：	
Gross amount due from customers for contract work (note)	應收合約工程客戶總額(附註)	689,399
Gross amount due to customers for contract work (note)	應付合約工程客戶總額(附註)	(186,396)
		503,003

Note: Upon the adoption of HKFRS 15, gross amount due from/to customers for contract work is included in contract assets and contract liabilities respectively and disclosed in note 14 (see note 1(d)(iii)).

附註：採納香港財務報告準則第15號後，應收／應付合約工程客戶總額分別計入合約資產及合約負債，並於附註14披露(見附註1(d)(iii))。

As at 31 December 2017, all gross amount due from/to customers for contract work were expected to be recovered/settled within one year.

於二零一七年十二月三十一日，預期所有應收／應付合約工程客戶總額將於一年內收回／償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

16 TRADE AND OTHER RECEIVABLES

16 應收貿易賬款及其他應收款項

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Trade debtors	應收貿易賬款	503,055	570,525
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	24,922	43,246
Amounts due from related companies (note (i))	應收關聯公司款項(附註(i))	-	1,815
Amounts due from a joint operation partner (note (ii))	應收合營業務夥伴款項(附註(ii))	40,757	36,810
Retentions receivable (note (iii))	應收保證金(附註(iii))	-	219,508
		568,734	871,904

Notes:

- (i) The amounts represent trade balances due from subsidiaries of Great Eagle Holdings Limited and Sun Fook Kong Group Limited for the provision of housing management services and consultancy services. The balances carry similar trade terms to those with other customers.
- (ii) The amounts due from a joint operation partner are interest-free, unsecured and recoverable on demand.
- (iii) Upon the adoption of HKFRS 15, retentions receivable is included in contract assets or contract liabilities on a net basis for a single contract with the customer (see note 14).
- (iv) Except for the amounts of \$11,539,000 (2017: \$174,022,000) which are expected to be recovered after one year, all of the remaining balances of trade and other receivables are expected to be recovered within one year.

附註：

- (i) 該款項指就提供房屋管理服務及諮詢服務應收鷹君集團有限公司及新福港集團有限公司之附屬公司的貿易結餘。該等結餘的貿易條款與向其他客戶提供者相若。
- (ii) 應收合營業務夥伴款項不計息、無抵押及可按要求收回。
- (iii) 於採納香港財務報告準則第15號後，應收保證金計入合約資產或就與客戶之間的單一合約按淨額納入合約負債(見附註14)。
- (iv) 除11,539,000港元(二零一七年：174,022,000港元)的款項預期將於一年後收回外，應收貿易賬款及其他應收款項所有餘下結餘預期將於一年內收回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

16 TRADE AND OTHER RECEIVABLES (Continued)

Ageing analysis

As at the end of the reporting period, the ageing analysis of trade debtors and trade balances due from related companies (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) is as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Within 1 month	1個月內	475,789	532,377
Over 1 to 2 months	1至2個月	15,440	24,502
Over 2 to 3 months	2至3個月	4,807	7,941
Over 3 months but within 6 months	超過3個月但於6個月內	7,019	7,520
		503,055	572,340

Trade debtors are due within 14–30 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade debtors and trade balances due from related companies are set out in note 21(a).

16 應收貿易賬款及其他應收款項(續)

賬齡分析

於報告期末，基於發票日期或收益確認日期(以較早者為準)的應收貿易賬款以及應收關聯公司的貿易結餘(計入應收貿易賬款及其他應收款項)的賬齡分析如下：

應收貿易賬款自發票日期起14至30日內到期。有關本集團信貸政策及來自應收貿易賬款及應收關聯公司貿易結餘的信貸風險的其他詳情載於附註21(a)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Cash at banks and in hand in the consolidated statement of financial position	綜合財務狀況表內的銀行及手頭現金	216,897	256,759
Bank overdrafts (note 19)	銀行透支(附註19)	-	(5,984)
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表內的現金及現金等價物	216,897	250,775

(b) Major non-cash transactions

During the year ended 31 December 2018, there were proceeds from bank loans of \$64,811,000 (2017: \$81,775,000) directly transferred to trade creditors to settle the trade balances. These proceeds from bank loans had no cash flow impact to the Group.

During the year ended 31 December 2018, there were proceeds from bank loans of \$14,475,000 (2017: \$30,879,000) directly transferred to a joint operation partner to settle the trade balances of the joint operation. These proceeds from bank loans had no cash flow impact to the Group.

17 現金及現金等價物及其他現金流量資料

(a) 現金及現金等價物包括：

(b) 主要非現金交易

截至二零一八年十二月三十一日止年度，直接轉撥銀行貸款所得款項64,811,000港元(二零一七年：81,775,000港元)至應付貿易賬款，以結算貿易結餘。該等銀行貸款所得款項對本集團並無現金流量影響。

截至二零一八年十二月三十一日止年度，直接轉撥銀行貸款所得款項14,475,000港元(二零一七年：30,879,000港元)至一間合營業務夥伴，以結算合營業務的貿易結餘。該等銀行貸款所得款項對本集團並無現金流量影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

17 現金及現金等價物及其他現金流量資料(續)

(c) 融資活動所產生負債的對賬

下表載列融資活動所產生本集團負債的變動(包括現金及非現金變動)詳情。融資活動所產生負債為其現金流量已經或未來現金流量將於本集團的綜合現金流量表內分類作融資活動所產生現金流量的負債。

		Bank loans 銀行貸款		
		2018 二零一八年	2017 二零一七年	
		\$'000 千元	\$'000 千元	
		Note 附註		
At 1 January	於一月一日	19	301,758	100,732
Changes from financing cash flows:	融資現金流量的變動：			
Proceeds from bank loans	銀行貸款所得款項		602,500	710,000
Repayment of bank loans	償還銀行貸款		(611,812)	(621,628)
Interest paid	已付利息		(12,234)	(5,486)
Total changes from financing cash flows	融資現金流量的變動總額		(21,546)	82,886
Other changes	其他變動			
Bank loans directly transferred to trade creditors	直接轉撥至應付貿易賬款的銀行貸款	17(b)	64,811	81,775
Bank loans directly transferred to a joint operation partner	直接轉撥至合營業務夥伴的銀行貸款	17(b)	14,475	30,879
Finance costs	融資成本	6(a)	12,234	5,486
Total other changes	其他變動總額		91,520	118,140
At 31 December	於十二月三十一日	19	371,732	301,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

18 TRADE AND OTHER PAYABLES

18 應付貿易賬款及其他應付款項

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Trade creditors	應付貿易賬款	466,011	450,070
Accruals and other payables	應計費用及其他應付款項	362,868	250,640
Amounts due to joint operation partners (note (i))	應付合營業務夥伴的款項(附註(i))	6,562	6,562
Retentions payable	應付保證金	310,176	223,799
		1,145,617	931,071

Notes:

- (i) The amounts due to joint operation partners are interest-free, unsecured and repayable on demand.
- (ii) Except for the amounts of \$144,228,000 (2017: \$140,475,000), all of the remaining balances of trade and other payables are expected to be settled within one year.

附註：

- (i) 應付合營業務夥伴的款項不計息、無抵押及須按要要求償還。
- (ii) 除144,228,000港元(二零一七年：140,475,000港元)的款項外，應付貿易賬款及其他應付款項所有餘下結餘預期將於一年內償還。

As at the end of the reporting period, the ageing analysis of trade creditors, based on the invoice date, is as follows:

於報告期末，基於發票日期的應付貿易賬款的賬齡分析如下：

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Within 1 month	1個月內	291,755	352,289
Over 1 to 2 months	1至2個月	133,932	70,655
Over 2 to 3 months	2至3個月	31,624	10,319
Over 3 months	超過3個月	8,700	16,807
		466,011	450,070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

19 BANK LOANS AND OVERDRAFTS

19 銀行貸款及透支

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Bank overdrafts, repayable on demand (note 17)	銀行透支，須按要求償還 (附註17)		
— Secured	— 有抵押	-	4,858
— Unsecured	— 無抵押	-	1,126
		-	5,984
Bank loans, repayable within 1 year	銀行貸款，一年內償還		
— Secured	— 有抵押	98,000	60,000
— Unsecured	— 無抵押	273,732	241,758
		371,732	301,758
		371,732	307,742

(a) As at 31 December 2018, the bank loans and overdrafts bear interest ranging from 3.42% to 4.44% (2017: 1.80% to 2.69%) per annum.

(b) As at 31 December 2018 and 2017, the banking facilities (including bank loans, overdrafts and performance bonds) granted to the Group, the Group's joint operations and the Group's joint venture jointly were secured by:

(i) Assignment of project proceeds from certain construction contracts of the Group, the Group's joint operations and the Group's joint venture;

(ii) Pledged deposits of the Group of \$25,039,000 (2017: \$25,006,000);

(iii) Corporate guarantees provided by a subsidiary and the joint venture partner, personal properties and pledged deposits owned by the joint venture partner; and

(iv) Corporate guarantees provided by the Company and cross corporate guarantees provided by the Company and certain subsidiaries.

(a) 於二零一八年十二月三十一日，銀行貸款及透支按年利率3.42%至4.44%（二零一七年：1.80%至2.69%）計息。

(b) 於二零一八年及二零一七年十二月三十一日，授予本集團、本集團合營業務及本集團合營企業的銀行融資（包括銀行貸款、透支及履約保證）一同以下列各項作抵押：

(i) 轉讓本集團若干建築合約、本集團合營業務及本集團合營企業的項目所得款項；

(ii) 本集團已抵押存款25,039,000港元（二零一七年：25,006,000港元）；

(iii) 一家附屬公司及合營企業夥伴提供的企業擔保、合營企業夥伴所擁有的私人財產及已抵押存款；及

(iv) 本公司提供的企業擔保以及本公司及若干附屬公司提供的交叉企業擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

19 BANK LOANS AND OVERDRAFTS (Continued)

- (c) All of the Group's banking facilities are subject to the fulfilment of certain covenants as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 21(b). During the year ended 31 December 2018, none of the covenants relating to the drawn down facilities had been breached (2017: \$Nil).

20 CAPITAL, RESERVES AND DIVIDENDS

(a) Movement in components of equity

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:

The Company

	Note	Share capital	Share premium	Capital reserve	Retained profits	Total
	附註	股本	股份溢價	股本儲備	保留溢利	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
At 1 January 2017	於二零一七年一月一日	40,000	82,867	81	75,040	197,988
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	159,369	159,369
Dividends approved in respect of the previous year	上一年度批准的股息	-	-	-	(70,000)	(70,000)
Dividends declared in respect of the current year	本年度已宣派股息	-	-	-	(50,000)	(50,000)
At 31 December 2017	於二零一七年十二月三十一日	40,000	82,867	81	114,409	237,357
At 1 January 2018	於二零一八年一月一日	40,000	82,867	81	114,409	237,357
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	11,864	11,864
Dividends approved in respect of the previous year	上一年度批准的股息	-	-	-	(74,000)	(74,000)
Dividends declared in respect of the current year	本年度已宣派股息	-	-	-	(36,000)	(36,000)
At 31 December 2018	於二零一八年十二月三十一日	40,000	82,867	81	16,273	139,221

19 銀行貸款及透支(續)

- (c) 本集團所有銀行融資均須待若干契諾達成後方可作實，此契諾通常見於與金融機構達成的借貸安排。倘本集團違反契諾，所提取的融資將按要求償還。本集團定期監察其有否遵守該等契諾。有關本集團管理流動資金風險的進一步詳情載於附註21(b)。截至二零一八年十二月三十一日止年度，本集團概無違反與已提取的融資有關的契諾(二零一七年：無)。

20 資本、儲備及股息

(a) 權益部分變動

本集團綜合權益各部分的期初及期末結餘的對賬載於綜合權益變動表。

本公司權益個別組成部分的年初及年末變動詳情載列如下：

本公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

20 CAPITAL, RESERVES AND DIVIDENDS (Continued)

20 資本、儲備及股息 (續)

(b) Dividends

(b) 股息

(i) Dividends payable to equity shareholders of the Company attributable to the year

(i) 年內應佔之應付本公司權益股東之股息

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Interim dividend declared and paid of 9.0 cents (2017: 12.5 cents) per ordinary share	已宣派及派付之中期股息每股普通股9.0港仙 (二零一七年：12.5港仙)	36,000	50,000
Final dividend proposed after the end of the reporting period of 4.0 cents (2017: 18.5 cents) per ordinary share	於報告期末後擬派付之末期股息每股普通股4.0港仙 (二零一七年：18.5港仙)	16,000	74,000
		52,000	124,000

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

於報告期末後擬派付之末期股息並未於報告期末確認為負債。

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(ii) 年內批准及派付之前一財年應佔之應向本公司權益股東派付之股息

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year, of 18.5 cents (2017: 17.5 cents) per share	於年內批准及派付之與前一財年有關之末期股息每股股份18.5港仙 (二零一七年：17.5港仙)	74,000	70,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

20 CAPITAL, RESERVES AND DIVIDENDS (Continued)

20 資本、儲備及股息(續)

(c) Share capital

(c) 股本

		2018 二零一八年		2017 二零一七年	
		No. of shares 股份數目	Amount \$ 金額港元	No. of shares 股份數目	Amount \$ 金額港元
Authorised:	法定：				
Ordinary shares of \$0.1 each	每股面值0.1港元的 普通股				
At 1 January and 31 December	於一月一日及 十二月三十一日	10,000,000,000	1,000,000,000	10,000,000,000	1,000,000,000
Issued and fully paid:	已發行繳足：				
Ordinary shares of \$0.1 each	每股面值0.1港元的 普通股				
At 1 January and 31 December	於一月一日及 十二月三十一日	400,000,000	40,000,000	400,000,000	40,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息，並有權於本公司會議上就每股股份投一票。所有普通股就本公司剩餘資產享有同等權利。

(d) Nature and purpose of reserves

(d) 儲備的性質及目的

(i) Share premium

The application of the share premium account is governed by section 40 of the Bermuda Companies Act 1981.

(i) 股份溢價

股份溢價賬之應用受百慕達一九八一年公司法第40條規管。

(ii) Capital reserve

The capital reserve of the Company arose from the Group's reorganisation completed in January 2008.

(ii) 資本儲備

本公司的資本儲備於二零零八年一月完成集團重組後產生。

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign operations.

(iii) 匯兌儲備

匯兌儲備包括換算境外業務財務報表產生的所有外匯差額。

The reserve is dealt with in accordance with the accounting policies set out in note 1(t).

儲備根據附註1(t)所載會計政策處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

20 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings) less cash and cash equivalents. Total capital comprises all components of equity attributable to equity shareholders of the Company.

During 2018, the Group's strategy, which was unchanged from 2017, was to maintain the adjusted net debt-to-capital ratio at the lower end of the range 25% to 40%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

20 資本、儲備及股息(續)

(e) 資本管理

本集團管理資本的首要目標乃保障本集團能夠持續經營的能力，透過與風險水平相對應的定價服務及以合理成本獲得融資，從而繼續為股東帶來回報及為其他持份者帶來利益。

本集團積極及定期對資本架構進行檢查及管理，以在提升股東回報(可能伴隨有借貸水平上升)與良好的資本狀況帶來的好處及保障之間取得平衡，並因應經濟環境的變化對資本架構作出調整。

本集團按照經調整淨債務對資本比率的基準監察資本架構。就此而言，經調整淨債務被界定為總債務(包括計息貸款及借款)減現金及現金等價物。總資本由本公司權益股東應佔的所有權益部分組成。

二零一八年，本集團延續二零一七年的策略，將經調整淨債務對資本比率維持在25%至40%範圍的下限。為維持或調整該比率，本集團或會對派付予股東的股息金額作出調整、發行新股、返還資本予股東、籌措新的債務融資或出售資產以減債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

20 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(e) Capital management (Continued)

The Group's adjusted net debt-to-capital ratio at 31 December 2018 and 2017 was as follows:

		Note	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Cash at banks and in hand	銀行及手頭現金	17(a)	216,897	256,759
Less: Bank loans and overdrafts	減：銀行貸款及透支	19	(371,732)	(307,742)
Net debt	債務淨額		(154,835)	(50,983)
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔總權益		493,343	473,991
Net debt-to-capital ratio	淨債務對資本比率		31.4%	10.8%

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with sound credit ratings for which the Group considers to have low credit risk and the Group has exposure limit to any single financial institution.

Except for the financial guarantees given by the Group as set out in note 23, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 23.

20 資本、儲備及股息(續)

(e) 資本管理(續)

本集團於二零一八年及二零一七年十二月三十一日的經調整淨債務對資本比率如下：

		Note	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Cash at banks and in hand	銀行及手頭現金	17(a)	216,897	256,759
Less: Bank loans and overdrafts	減：銀行貸款及透支	19	(371,732)	(307,742)
Net debt	債務淨額		(154,835)	(50,983)
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔總權益		493,343	473,991
Net debt-to-capital ratio	淨債務對資本比率		31.4%	10.8%

本公司及其任何附屬公司均不受任何外部施加的資本規定所限。

21 財務風險管理及金融工具公平值

本集團所面臨的信貸、流動資金、利率及貨幣風險乃在本集團正常業務過程中產生。本集團所面臨的該等風險以及本集團為管理該等風險所採納的財務風險管理政策及措施如下。

(a) 信貸風險

信貸風險指對手方將違反合約義務而導致本集團產生財務虧損的風險。本集團信貸風險主要歸因於應收貿易賬款及合約資產。本集團由現金及現金等價物產生的信貸風險有限，原因為對手方為本集團視為信貸風險較低的具有良好信貸評級的銀行及金融機構，且本集團對每一間金融機構設置額度。

除附註23所載本集團作出的財務擔保外，本集團並無提供會使本集團承受信貸風險的任何其他擔保。於報告期末，就該等財務擔保而承受的最大信貸風險於附註23披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or region in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 33% and 77% (2017: 30% and 75%) of the total trade receivables and contract assets was due from the Group's largest customer and the five largest customers respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 14 to 30 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade debtors, trade balances due from related companies and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Given the customers of the Group are mainly reputable companies and the Government of the Hong Kong Special Administrative Region and its related organisations and institutional bodies and the Group has not experienced any significant credit losses in the past, management considered that the allowance for ECLs is insignificant. As a result, no provision for impairment of trade debtors, trade balances due from related companies and contract assets is necessary during the year.

21 財務風險管理及金融工具公平值 (續)

(a) 信貸風險 (續)

應收貿易賬款及合約資產

本集團面臨的信貸風險主要受各客戶的個別特性而非客戶經營所在的行業或地區所影響，因此信貸風險高度集中的情況主要於本集團對個別客戶承擔重大風險時產生。於報告期末，應收貿易賬款及合約資產總額中分別有33%及77% (二零一七年：30%及75%) 為應收本集團最大客戶及五大客戶款項。

個別信貸評估對所有要求若干金額信貸的客戶執行。該等評估集中於客戶過往於到期時的支付紀錄及現時的支付能力，並考慮客戶的特定資料以及與客戶經營所在經濟環境有關的資料。應收貿易賬款自發票日期起14至30日內到期。一般而言，本集團不會要求客戶提供抵押品。

本集團按相當於全期預期信貸虧損的金額(用撥備矩陣計算)來計量應收貿易賬款及應收關聯公司貿易結餘的虧損撥備。鑒於本集團的客戶主要為信譽良好的公司及香港特別行政區政府及其相關組織及機構，而本集團過往並無出現任何重大信貸虧損，管理層認為預期信貸虧損的撥備並不重大。因此，年內毋須就應收貿易賬款及應收關聯公司貿易結餘及合約資產的減值作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Comparative information under HKAS 39

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment (see note 1(j)(i) — policy applicable prior to 1 January 2018). At 31 December 2017, none of the trade debtors and trade balances due from related companies were considered to be impaired. The ageing analysis of trade debtors and trade balances due from related companies that were neither individually nor collectively considered to be impaired are as follows:

		2017 二零一七年 \$'000 千元
Neither past due nor impaired	既無逾期亦無減值	543,815
Within 1 month past due	逾期不足1個月	19,319
Over 1 to 2 months past due	逾期1至2個月	1,609
Over 2 to 3 months past due	逾期2至3個月	1,108
Over 3 months past due	逾期超過3個月	6,489
		28,525
		572,340

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

21 財務風險管理及金融工具公平值(續)

(a) 信貸風險(續)

香港會計準則第39號的比較資料

二零一八年一月一日前，減值虧損僅在有客觀減值證據時確認(見附註1(j)(i) — 二零一八年一月一日前適用的政策)。於二零一七年十二月三十一日，概無應收貿易賬款及應收關聯公司貿易結餘被視為減值。並無個別或共同被視為減值的應收貿易賬款及應收關聯公司貿易結餘的賬齡分析如下：

		2017 二零一七年 \$'000 千元
Neither past due nor impaired	既無逾期亦無減值	543,815
Within 1 month past due	逾期不足1個月	19,319
Over 1 to 2 months past due	逾期1至2個月	1,609
Over 2 to 3 months past due	逾期2至3個月	1,108
Over 3 months past due	逾期超過3個月	6,489
		28,525
		572,340

既無逾期亦無減值的應收款項涉及大量並無近期違約記錄的客戶。

逾期但並無減值的應收款項涉及許多與本集團之間存在良好往績記錄的獨立客戶。根據過往經驗，管理層認為毋須就該等結餘作出減值撥備，原因是信貸質素並無重大變化且結餘仍被視為可全數收回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover the expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting periods of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

At 31 December 2018

21 財務風險管理及金融工具公平值(續)

(b) 流動資金風險

本集團旗下的個別營運實體負責自身現金管理，包括進行短期現金盈餘投資及籌措貸款以應付預期現金需求，惟倘借款超過預定的若干授權水平時，須取得母公司董事會的批准。本集團的政策是定期監控流動資金需求及借款契諾遵守情況，確保有充裕的現金儲備及獲主要金融機構授予充足的已承諾資金額度，以應付短期及長期流動資金需求。

下表列示於報告期末本集團非衍生金融負債的餘下合約到期情況，乃基於合約未貼現現金流量(包括按合約利率(如屬浮息，則按報告期末當時的利率)計算的利息付款)及本集團可被要求付款的最早日期分析：

於二零一八年十二月三十一日

		Contractual undiscounted cash outflow				Carrying amount
		合約未貼現現金流出				
	Within 1 year or 1年內或於要求時	More than 1 year but less than 2 years 1年以上但2年內	More than 2 years but less than 5 years 2年以上但5年內	Total 總計		
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
Trade and other payables	應付貿易賬款及其他應付款項	835,441	-	-	835,441	835,441
Retentions payable	應付保證金	165,948	92,764	51,464	310,176	310,176
Bank loans	銀行貸款	372,927	-	-	372,927	371,732
		1,374,316	92,764	51,464	1,518,544	1,517,349
Financial guarantees issued:	已發出財務擔保：					
Maximum amount guaranteed (note 23)	最高擔保金額(附註23)	94,389	-	-	94,389	12,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

At 31 December 2017

		Contractual undiscounted cash outflow			Total	Carrying amount
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years		
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
Trade and other payables	應付貿易賬款及其他應付款項	707,272	-	-	707,272	707,272
Retentions payable	應付保證金	83,324	75,831	64,644	223,799	223,799
Amount due to a joint venture	應付一間合營企業款項	1,904	-	-	1,904	1,904
Bank loans and overdrafts	銀行貸款及透支	308,373	-	-	308,373	307,742
		1,100,873	75,831	64,644	1,241,348	1,240,717
Financial guarantees issued:	已發出財務擔保：					
Maximum amount guaranteed (note 23)	最高擔保金額(附註23)	87,088	-	-	87,088	-

The Group is exposed to liquidity risk that arises from guarantees in respect of banking facilities of joint venture and joint operations. The guarantees are callable if the respective joint venture and joint operations are unable to meet their obligations.

本集團面臨向合營企業及合營業務的銀行融資提供擔保所產生的流動資金風險。倘有關合營企業、合營業務未能償還債務，本集團可被要求代為償還。

21 財務風險管理及金融工具公平值(續)

(b) 流動資金風險(續)

於二零一七年十二月三十一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings, pledged deposits and cash at banks. Interest rate risk on bank deposits is considered immaterial and therefore have been excluded from the sensitivity analysis below. The Group has not used financial derivatives to hedge against the interest rate risk. However, from time to time, if interest rate fluctuates significantly, appropriate measures would be taken to manage interest risk exposure.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate arising from its variable-rate bank borrowings. The interest rates and terms of repayment of interest-bearing bank borrowings of the Group are disclosed in note 19 to the financial statements.

(i) Interest rate profile

The following table details the interest rate profile of the Group's interest-bearing bank borrowings.

21 財務風險管理及金融工具公平值 (續)

(c) 利率風險

利率風險為一項金融工具的公平值或未來現金流量將因市場利率改變而波動所帶來的風險。本集團在浮動利率銀行借款、已抵押存款及銀行現金方面面臨現金流量利率風險。我們認為銀行存款的利率風險並不重大，因此並無將其納入以下敏感度分析。本集團並無動用金融衍生工具對沖利率風險。然而，倘利率大幅波動，我們將不時採取適當措施管理利率風險。

本集團的現金流量利率風險主要集中於浮動利率銀行借款所產生的香港銀行同業拆息波動。本集團計息銀行借款的利率及償還條款於財務報表附註19披露。

(i) 利率情況

下表詳載本集團計息銀行借款的利率情況。

		2018 二零一八年		2017 二零一七年	
		Effective interest rate	Amount	Effective interest rate	Amount
		實際利率 %	金額 \$'000 千元	實際利率 %	金額 \$'000 千元
Variable-rate borrowings:	可變利率借款：				
Bank loans and overdrafts	銀行貸款及透支	3.78	371,732	2.49	307,742

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2018, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately \$3,104,000 (2017: \$2,570,000) in response to the general increase/decrease in interest rates.

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from variable-rate bank borrowings held by the Group at the end of the reporting period, the impact on the Group's profit after taxation and retained profits is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis is performed on the same basis as 2017.

(d) Currency risk

The Group is exposed to currency risk primarily from trade and other receivables, trade and other payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk is primarily Renminbi, United States dollars and Great British Pound.

In respect of cash balances denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary.

21 財務風險管理及金融工具公平值(續)

(c) 利率風險(續)

(ii) 敏感度分析

於二零一八年十二月三十一日，在所有其他變量保持不變的情況下，估計利率整體上調／下調100個基點，本集團除稅後溢利及保留溢利將隨利率的整體上調／下調分別減少／增加約3,104,000港元(二零一七年：2,570,000港元)。

上述敏感度分析顯示本集團於報告期末持有的浮動利率銀行借款所產生的現金流量利率風險。對本集團除稅後溢利及保留溢利的影響，按利率的上述變動對利息開支的年化影響作出估計。該等分析按與二零一七年相同的基準進行。

(d) 貨幣風險

本集團面臨的貨幣風險主要來自以外幣(即除與交易相關的營運功能性貨幣以外的貨幣)計值的應收貿易賬款及其他應收款項、應付貿易賬款及其他應付款項以及現金結餘。產生此風險的貨幣主要為人民幣、美元及英鎊。

對於以外幣計值的現金結餘，本集團在必要時按即期匯率買賣外匯以確保風險淨額處於可接受水平。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end date.

21 財務風險管理及金融工具公平值 (續)

(d) 貨幣風險 (續)

(i) 貨幣風險

下表詳列本集團於報告期末所面臨以相關實體功能貨幣以外貨幣計值的已確認資產或負債所產生的貨幣風險。呈報時，所面臨風險的金額以按年結日即期匯率換算的港元列示。

		Exposure to foreign currencies (expressed in Hong Kong dollars) 外幣風險 (以港元列示)				
		2018 二零一八年			2017 二零一七年	
		United States dollars 美元 \$'000 千元	Renminbi 人民幣 \$'000 千元	Great British Pound 英鎊 \$'000 千元	United States dollars 美元 \$'000 千元	Renminbi 人民幣 \$'000 千元
Trade and other receivables	應收貿易賬款及其他應收款項	-	2,833	-	-	5,285
Trade and other payables	應付貿易賬款及其他應付款項	-	(2,535)	-	(3,557)	(2,402)
Cash at banks and in hand	銀行及手頭現金	954	186	4,064	1,018	841
Gross exposure arising from recognised assets and liabilities	確認資產及負債產生之風險總額	954	484	4,064	(2,539)	3,724

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that dates, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollars and the United States dollars would be materially unaffected by any changes in movement in value of United States dollars against other currencies. That is, for entities with Hong Kong dollars as their functional currencies, United States dollars denominated cash at banks and in hand is assumed to have no currency risk exposure.

		2018 二零一八年		2017 二零一七年	
		Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits 對除稅後 溢利及保留 溢利的影響	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits 對除稅後 溢利及保留 溢利的影響
		%	\$'000 千元	%	\$'000 千元
Renminbi	人民幣	3%	12	3%	97
		(3)%	(12)	(3)%	(97)
Great British Pound	英鎊	3%	102	3%	-
		(3)%	(102)	(3)%	-

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currency, translated to Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

21 財務風險管理及金融工具公平值(續)

(d) 貨幣風險(續)

(ii) 敏感度分析

下表顯示倘本集團於報告期末假設所有其他風險變數維持不變，而面臨重大風險的匯率於該日出現變動時，本集團除稅後溢利(及保留溢利)及綜合權益其他部分的即時變動。就此而言，已假設美元價值相對其他貨幣的任何變動不會對港元與美元的聯繫匯率產生重大影響。意即，對於以港元作為功能貨幣的實體，以美元計值的銀行及手頭現金假定並不面臨貨幣風險。

上表呈列的分析結果乃本集團各實體的除稅後溢利及權益(按各自的功能貨幣計量)所受即時影響的合計，並按報告期末當時匯率換算為港元，以供呈列之用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currency of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis as 2017.

(e) Fair values

Financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2018 and 2017.

22 COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2018 not provided for in the financial statements were as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Contracted for	已訂約	5,500	-

21 財務風險管理及金融工具公平值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

敏感度分析乃假設匯率的變動已用於重新計量本集團於報告期末所持有使本集團面臨外匯風險的該等金融工具，包括本集團內公司間以貸款人或借款人的功能貨幣以外的貨幣計值的應付款項及應收款項。此分析不包括將海外業務的財務報表換算成本集團的呈列貨幣所產生的差額。該等分析按與二零一七年相同的基準進行。

(e) 公平值

按公平值以外的價值列賬的金融工具

於二零一八年及二零一七年十二月三十一日，本集團按成本或攤銷成本列賬的金融工具的賬面值與其公平值並無重大差異。

22 承擔

- (a) 於二零一八年十二月三十一日，在財務報表未撥備的資本承擔如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

22 COMMITMENTS (Continued)

- (b) At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Within 1 year	一年內	22,420	15,339
After 1 year but within 5 years	一年後但五年內	22,659	6,196
		45,079	21,535

The Group is the lessee in respect of a number of properties under operating leases. The leases typically run for an initial period of seven months to three years, with an option to renew the lease when all terms are renegotiated. None of the leases include contingent rentals.

本集團為經營租約項下多項物業的承租人。該等租約一般初步為期七個月至三年，可於重新協商所有條款時選擇續新租約。租約並不包括或然租金。

23 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

- (a) As at 31 December 2018, approximately \$402,995,000 (2017: \$345,803,000) of performance bonds were given by financial institutions to the Group in favour of the Group's customers as security for the due performance and observance of the Group's obligation under the contracts entered into between the Group and their customers. The Group has provided guarantees of the above performance bonds. If the Group fails to provide satisfactory performance to their customers to whom performance bonds have been given, such customers may demand the financial institutions to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such financial institutions accordingly. The performance bonds will be released upon completion of the contract works. The performance bonds were granted under the banking facilities with details as set out in note 19(b).

At the end of the reporting period, the directors of the Company do not consider it probable that a claim will be made against the Group.

22 承擔(續)

- (b) 於二零一八年十二月三十一日，根據不可撤銷經營租約應付的未來最低租賃款項總額如下：

23 財務擔保及或然負債

- (a) 於二零一八年十二月三十一日，金融機構以本集團客戶為受益人授出約402,995,000港元(二零一七年：345,803,000港元)的履約保證，以作為本集團妥善履行及遵守本集團與客戶所訂立合約項下責任的擔保。本集團已為以上履約保證提供擔保。倘本集團未能向獲授履約保證的客戶妥善履行責任，則有關客戶可要求金融機構向其支付有關要求訂明的款額。然後本集團須相應向有關金融機構進行償付。履約保證將於合約工程完工後解除。履約保證根據銀行融資獲授出，詳情見附註19(b)。

於報告期末，本公司董事認為不大可能有針對本集團提起的申索。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

23 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES (Continued)

- (b) As at 31 December 2018, the Group has provided guarantees of \$214,991,000 (2017: \$258,493,000) representing a 50% proportionate guarantee in respect of certain banking facilities of \$429,981,000 (2017: \$516,986,000) granted to its joint venture in Macau. The 50% proportionate facilities were utilised to the extent of \$94,389,000 (2017: \$87,088,000), of which amounts of \$73,530,000 (2017: \$75,740,000) represent performance bonds given by financial institutions to the customers of the joint venture.
- (c) The Group has not recognised any deferred income in respect of these guarantees as their fair values cannot be reliably measured using observable market data and no transaction price was incurred.
- (d) The subsidiaries of the Group are defendants in a number of claims, lawsuits and potential claims relating to employee's compensation cases and personal injuries claims. The directors of the Company considered that the possibility of any outflow in settling the legal claims is remote as these claims are all well covered by insurance. Accordingly, no provision for the contingent liabilities in respect of these litigations is necessary, after due consideration of each case.

23 財務擔保及或然負債(續)

- (b) 於二零一八年十二月三十一日，本集團提供214,991,000港元(二零一七年：258,493,000港元)的擔保，相當於授予澳門合營企業之若干銀行的融資429,981,000港元(二零一七年：516,986,000港元)銀行融資的50%比例擔保。50%比例融資已動用94,389,000港元(二零一七年：87,088,000港元)，其中73,530,000港元(二零一七年：75,740,000港元)指由金融機構授予合營企業客戶的履約保證。
- (c) 本集團並無就該等擔保確認任何遞延收入，原因是其公平值無法利用可觀察市場數據可靠計量且並無產生交易價格。
- (d) 本集團附屬公司為有關僱員補償案例及人身傷害索償的多項索償、訴訟及潛在索償的被告。本公司董事認為，索償由保險妥為保障，解決該等法律索償產生現金流出的可能微乎其微，因此，經審慎考慮各項案例後認為，毋須就該等訴訟相關的或然負債作出撥備。

24 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration of key management personnel of the Group, including amounts paid to the directors as disclosed in note 8 and certain of the highest paid employees and senior management as disclosed in note 9.

24 重大關聯方交易

(a) 主要管理人員的薪酬

本集團主要管理人員的薪酬(包括已付予董事的款項)於附註8披露，而若干最高薪酬僱員及高級管理層於附註9披露。

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Short-term employee benefits	短期僱員福利	20,888	19,730
Post-employment benefits	解僱福利	725	695
		21,613	20,425

Total remuneration is included in "staff costs" (see note 6(b)).

薪酬總額計入「員工成本」(請參閱附註6(b))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

24 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following transactions with the related parties during the year which the directors consider to be material:

		2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Housing management and related service income	房屋管理及相關服務收入	163	13,669
Rental expenses, license fees, air-conditioning and service charges	租金開支、許可費、冷氣及服務費	8,967	9,043
Property management services and property consultancy services income	物業管理服務及物業顧問服務收入	5,930	5,434

The ultimate controlling party of the Group is a substantial shareholder of Great Eagle Holdings Limited.

Notes:

- (i) During the years ended 31 December 2018 and 2017, the Group mainly earned housing management service income from subsidiaries of Great Eagle Holdings Limited.
- (ii) During the years ended 31 December 2018 and 2017, the Group paid rental expenses to a subsidiary of Great Eagle Holdings Limited and subsidiaries of Sun Fook Kong Group Limited.
- (iii) During the years ended 31 December 2018 and 2017, the Group provided property management services and property consultancy services to subsidiaries of Sun Fook Kong Group Limited.

24 重大關聯方交易(續)

(b) 與關聯方的交易

除該等財務報表其他內容所披露的交易及結餘外，年內本集團與關聯方進行了董事認為屬重大的下列交易：

	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Housing management and related service income	163	13,669
Rental expenses, license fees, air-conditioning and service charges	8,967	9,043
Property management services and property consultancy services income	5,930	5,434

本集團的最終控制方為鷹君集團有限公司的主要股東。

附註：

- (i) 於截至二零一八年及二零一七年十二月三十一日止年度，本集團從與鷹君集團有限公司的附屬公司主要賺取房屋管理服務收入。
- (ii) 於截至二零一八年及二零一七年十二月三十一日止年度，本集團向鷹君集團有限公司的一間附屬公司及新福港集團有限公司的附屬公司支付租金開支。
- (iii) 於截至二零一八年及二零一七年十二月三十一日止年度，本集團向新福港集團有限公司之附屬公司提供物業管理服務及物業顧問服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

24 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(c) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of notes 24(b)(i), (ii), (iii) as disclosed below fall under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules. The amount of each category of related party transactions in respect of notes 24(b)(i), (ii), (iii) for the year ended 31 December 2018 is as follows:

		Rental expenses, license fees, air-conditioning and service charges	Property management services and property consultancy services income	
	Housing management and related service income			
	房屋管理及相關 服務收入 (note 24(b)(i)) (附註 24(b)(i))	租金開支、 許可費、冷氣 及服務費 (note 24(b)(ii)) (附註 24 (b)(ii))	物業管理服務及 物業顧問服務 收入 (note 24(b)(iii)) (附註 24 (b)(iii))	
	\$'000 千元	\$'000 千元	\$'000 千元	
Constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules	屬上市規則第 14A 章所定義的關連交易或持續關連交易	-	8,967	5,930
Exempt as below the de minimis threshold under Listing Rule 14A.76(1)	因低於上市規則第 14A.76(1) 條的最低豁免限度而獲豁免	163	-	-
		163	8,967	5,930

The disclosures required by Chapter 14A of the Listing Rules are set out in "Continuing Connected Transactions" of the report of the directors on pages 125 to 130.

上市規則第 14A 章所規定之披露載於第 125 至 130 頁董事報告「持續關連交易」。

24 重大關聯方交易(續)

(c) 與關連交易相關之上市規則的適用性

下文附註 24(b)(i)、(ii) 及 (iii) 所披露之關聯方交易屬於上市規則第 14A 章所定義的關連交易或持續關連交易。截至二零一八年十二月三十一日止年度，附註 24(b)(i)、(ii) 及 (iii) 所述之各類關聯方交易金額如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

25 EMPLOYEE RETIREMENT BENEFITS

The Group contributes to an Occupational Retirements Scheme (the "ORSO Scheme"), a defined contribution retirement scheme, which is available to some of its employees in Hong Kong. Under the ORSO Scheme, the employees are required to contribute 5% of their monthly salaries, while the Group's contributions are calculated at 5% of the monthly salaries of the employees as well. The employees are entitled to 100% of the employer's contributions after 10 years of completed service, or at a reduced scale after completion of 3 to 9 years' service. Contributions to the ORSO Scheme are reduced by contributions forfeited by those employees who leave the ORSO Scheme prior to vesting fully in the Group's contributions.

A mandatory provident fund scheme (the "MPF Scheme") has been established under the Hong Kong Mandatory Provident Fund Scheme Ordinance in December 2000. The then existing employees of the Group in Hong Kong could elect to join the MPF Scheme, while all new employees joining the Group in Hong Kong from then onwards are required to join the MPF Scheme. Both the Group and the employees are required to contribute 5% of each individual's relevant income with a maximum amount of \$1,500 per month as a mandatory contribution. Employer's mandatory contributions are 100% vested in the employees as soon as they are paid to the MPF Scheme. Senior employees may also elect to join Mutual Voluntary Plan in which both the Group and the employees, on top of the MPF Scheme mandatory contributions, make a voluntary contribution to the extent of contributions that would have been made under the ORSO Scheme.

Employees engaged by the Group outside Hong Kong are covered by the appropriate local defined contribution retirement schemes pursuant to the local labour rules and regulations.

26 ACQUISITION OF SUBSIDIARIES

On 1 December 2017, the Group acquired from a third party its entire issued capital of Bestwise Envirotech Limited (formerly known as Biwater Man Lee Limited) for a cash consideration of \$1. The acquisition was made as a part of the Group's strategy to expand its civil engineering market share in wastewater and potable water treatment sector.

25 僱員退休福利

本集團為其部分香港僱員設立的界定供款退休計劃，即職業退休計劃（「職業退休計劃」）供款。根據職業退休計劃，僱員須按月薪5%供款，本集團的供款額亦按僱員月薪5%計算。僱員服務年資滿10年即可享有僱主100%供款，而服務年資達3至9年則可享有相應遞減比例的僱主供款。於本集團的供款全數歸屬前退出職業退休計劃的該等僱員的沒收供款，可用作扣減於職業退休計劃的供款。

強制性公積金計劃（「強積金計劃」）已於二零零零年十二月根據香港強制性公積金計劃條例成立。本集團當時在香港的僱員可選擇加入強積金計劃，而本集團其後在香港新聘任的所有僱員均須加入強積金計劃。本集團及僱員均須按個人相關收入5%作出強制性供款，惟每月最高供款額為1,500港元，作為強制性供款。在向強積金計劃付款後，僱主強制性供款全數歸僱員所有。高級僱員亦可選擇參與自願供款計劃，除根據強積金計劃強制性規定作出供款外，本集團與僱員均可按原應向職業退休計劃作出的供款作出自願供款。

本集團於香港境外聘請的僱員根據地方勞動法律法規受適當地方法界定供款退休計劃保障。

26 收購附屬公司

於二零一七年十二月一日，本集團以1港元現金代價自一名第三方收購其於百威環保科技有限公司（前稱百沃特文利工程有限公司）的全部已發行股本。該項收購的作出符合本集團擴大其於廢水及飲用水處理行業的土木工程市場份額的策略。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

26 ACQUISITION OF SUBSIDIARIES (Continued)

The fair values of the identifiable assets and liabilities acquired and the goodwill as at the date of acquisition were set out as follows:

26 收購附屬公司(續)

於收購日期，所收購可識別資產及負債與商譽之公平值載列如下：

		Note	Fair value at date of acquisition
		附註	於收購日期的公平值
			\$'000
			千元
Plant and equipment	廠房及設備	11	34
Deferred tax assets	遞延稅項資產	7(c)(ii)	32,628
Gross amount due from customers for contract work	應收合約工程客戶總額		4,782
Trade and other receivables	應收貿易賬款及其他應收款項		20,253
Pledged deposits	抵押存款		5,000
Cash at banks and in hand	銀行及手頭現金		995
Gross amount due to customers for contract work	應付合約工程客戶總額		(4,248)
Trade and other payables	應付貿易賬款及其他應付款項		(56,439)
Bank overdrafts	銀行透支		(4,214)
Total identifiable net liabilities at fair value	按公平值列賬之可識別淨負債總額		(1,209)
Goodwill	商譽		1,209
			-

Analysis of net cash outflow of cash and cash equivalents in respect of the acquisition:

有關收購事項的現金及現金等價物現金流出淨額分析：

		\$'000
		千元
Cash consideration	現金代價	-
Cash at banks and in hand acquired	所收購銀行及手頭現金	995
Bank overdrafts acquired	所收購銀行透支	(4,214)
		(3,219)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

27 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

27 公司層面財務狀況表

		Note 附註	2018 二零一八年 \$'000 千元	2017 二零一七年 \$'000 千元
Non-current assets	非流動資產			
Interest in subsidiaries	於附屬公司的權益		20,081	20,081
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項		119,152	216,837
Cash and cash equivalents	現金及現金等價物		143	603
			119,295	217,440
Current liabilities	流動負債			
Other payables	其他應付款項		155	164
Net current assets	流動資產淨值		119,140	217,276
NET ASSETS	資產淨值		139,221	237,357
CAPITAL AND RESERVES	資本及儲備	20		
Share capital	股本	20(c)	40,000	40,000
Reserves	儲備		99,221	197,357
TOTAL EQUITY	權益總額		139,221	237,357

28 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 20(b)(i).

28 報告期後非調整事項

於報告期末後，董事建議宣派末期股息。進一步詳細資料披露於附註20(b)(i)。

29 COMPARATIVE FIGURES

The Group has initially applied HKFRS 15 at 1 January 2018. Under the transition method chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 1(d).

29 比較數字

本集團於二零一八年一月一日首次應用香港財務報告準則第15號。根據所選擇過渡法，比較資料不予重列。有關會計政策變動的進一步詳情於附註1(d)披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

30 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2018, the directors consider the immediate parent and ultimate controlling party of the Group to be Sun Fook Kong Group Limited, which is incorporated in British Virgin Islands, and Mr. Lo Kai Shui respectively. They do not provide financial statements available for public use.

30 直接及最終控制方

於二零一八年十二月三十一日，董事認為，本集團的直接母公司及最終控制方分別為於英屬處女群島註冊成立的新福港集團有限公司及羅啟瑞先生。兩者並未提供可供公眾人士查閱的財務報表。

31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

31 已頒布但尚未於截至二零一八年十二月三十一日止年度生效的修訂、新準則及詮釋可能構成的影響

截至該等財務報表刊發之日，香港會計師公會已頒布數項於截至二零一八年十二月三十一日止年度尚未生效的修訂、新準則及詮釋，而該等財務報表並無採納該等修訂、新準則及詮釋。該等修訂、新準則及詮釋包括與本集團可能有關係的下列各項。

		Effective for accounting periods beginning on or after 於下列日期或以後開始的 會計期間生效
HKFRS 16, <i>Leases</i>	香港財務報告準則第16號，租賃	1 January 2019 二零一九年一月一日
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i>	香港(國際財務報告詮釋委員會) 詮釋第23號，所得稅處理之不確定性	1 January 2019 二零一九年一月一日
Annual Improvements to HKFRSs 2015–2017 Cycle	香港財務報告準則二零一五年至二零一七年週期之年度改進	1 January 2019 二零一九年一月一日
Amendments to HKAS 28, <i>Long-term interest in associates and joint ventures</i>	香港會計準則第28號之修訂，於聯營公司及合營企業之長期權益	1 January 2019 二零一九年一月一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impact upon the initial adoption of this standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standard is initially applied in the Group's interim financial report for the six months ending 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standard is initially applied in that financial report.

HKFRS 16, Leases

As disclosed in note 1(i), currently the Group classifies all the leases it entered as lessee into operating leases.

HKFRS 16 specifies that lessees should account for all leases in a similar way to the current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of the leases for certain properties which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the consolidated income statement over the period of the lease.

31 已頒布但尚未於截至二零一八年十二月三十一日止年度生效的修訂、新準則及詮釋可能構成的影響(續)

本集團現正評估預期該等修訂、新準則及詮釋於首次應用期間的影響。迄今為止，本集團已發現可能對綜合財務報表造成重大影響的香港財務報告準則第16號的若干方面。預期影響的進一步詳情論述於下文。儘管香港財務報告準則第16號的評估已大致完成，但首次採納該準則的實際影響可能有所不同，原因乃至今完成的評估基於本集團現時可獲得的資料作出，進一步影響可能於本集團截至二零一九年六月三十日止六個月的中期財務報告首次採納該準則之前識別。於上述財務報告首次應用該準則前，本集團亦可能變更其會計政策選擇(包括過渡性條文選擇)。

香港財務報告準則第16號，租賃

誠如附註1(i)所披露，本集團現時將所有其作為承租人訂立的租賃分類為經營租賃。

香港財務報告準則第16號訂明，承租人應按照與當前融資租賃會計處理相似的方式將所有租賃入賬，即於該租約開始日期，承租人將按最低未來租賃款項的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債的未償還結餘所產生的利息開支及使用權資產折舊，而非於租期內按系統基準確認根據經營租約所產生的租賃開支的現有政策。作為一項可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

採納香港財務報告準則第16號將主要影響本集團作為租約承租人若若干物業(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於綜合收益表確認開支的時間。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有指明外，以港元呈列)

31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018 (Continued)

HKFRS 16, Leases (Continued)

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. As allowed by HKFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. In addition, the Group plans to elect the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets.

The Group plans to elect to use the modified retrospective approach for the adoption of HKFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019 and will not restate the comparative information. As disclosed in note 22(b), at 31 December 2018 the Group's future minimum lease payments under non-cancellable operating leases amounted to \$45,079,000. Upon the initial adoption of HKFRS 16, the opening balances of lease liabilities and the corresponding right-of-use assets will be adjusted as at 1 January 2019.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material.

31 已頒布但尚未於截至二零一八年十二月三十一日止年度生效的修訂、新準則及詮釋可能構成的影響(續)

香港財務報告準則第16號，租賃(續)

香港財務報告準則第16號於二零一九年一月一日或之後開始的年度期間生效。香港財務報告準則第16號允許，本集團計劃使用可行權宜方法以融入先前評估的當中現有安排為(或包含)租賃。因此，本集團僅將香港財務報告準則第16號中的新租賃定義應用於首次應用日期或之後訂立的合約。此外，本集團計劃選用可行權宜方法以不將新會計模式應用於短期租約及低價值資產的租約。

本集團計劃就採納香港財務報告準則第16號而選用經修訂追溯法，並於二零一九年一月一日將首次應用的累計影響確認為權益期初結餘調整，並不會重列比較資料。誠如附註22(b)所披露，於二零一八年十二月三十一日，本集團於不可撤銷經營租賃項下就日後最低租賃付款達45,079,000港元。首次採納香港財務報告準則第16號後，租賃負債及相應使用權資產的期初結餘將於二零一九年一月一日調整。

除確認租賃負債及使用權資產外，本集團預期，首次採納香港財務報告準則第16號後將作出的過渡調整將不屬重大。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

The summary of the consolidated results and assets and liabilities of the Group for the last five financial years as extracted from the audited financial statements is set out below:

摘錄自經審核財務報表的本公司最近五個財政年度的綜合業績以及資產及負債的概要載列如下：

CONSOLIDATED RESULTS

綜合業績

		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	2,752,162	2,733,571	3,002,023	4,611,972	6,197,164
Gross profit	毛利	171,645	167,301	196,487	247,159	273,176
Profit for the year	年度溢利	72,106	72,356	106,111	142,691	129,321
Attributable to:	應佔：					
Shareholders of the Company	本公司股東	72,480	71,962	105,967	141,874	129,689
Non-controlling interests	非控股權益	(374)	394	144	817	(368)

CONSOLIDATED ASSETS, LIABILITIES AND EQUITY

綜合資產、負債及權益

		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS	資產					
Non-current assets	非流動資產	35,480	28,379	30,433	68,169	79,497
Current assets	流動資產	1,323,951	1,490,946	1,333,530	1,845,550	2,079,893
Total assets	資產總值	1,359,431	1,519,325	1,363,963	1,913,719	2,159,390
LIABILITIES	負債					
Current liabilities	流動負債	1,070,113	1,034,290	909,062	1,435,473	1,660,893
Non-current liabilities	非流動負債	2,338	3,244	3,165	3,451	4,717
Total liabilities	負債總額	1,072,451	1,037,534	912,227	1,438,924	1,665,610
EQUITY	權益					
Total equity attributable to shareholders of the company	本公司股東應佔權益總額	287,531	481,948	451,749	473,991	493,343
Non-controlling interests	非控股權益	(551)	(157)	(13)	804	437
Total equity	權益總額	286,980	481,791	451,736	474,795	493,780



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