

Apex Ace Holding Limited 光麗科技控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號：6036

2018

ANNUAL REPORT 年報

* For identification purposes only 僅供識別

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lee Bing Kwong (*Chairman and Chief Executive Officer*)

Mr. Lo Yuen Kin

Ms. Lo Yuen Lai (Appointed on 22 March 2019)

Independent Non-executive Directors

Mr. Cheung Siu Kui

Mr. Yim Kwok Man

Dr. Chow Terence

AUDIT COMMITTEE

Mr. Yim Kwok Man (*Chairman*)

Mr. Cheung Siu Kui

Dr. Chow Terence

REMUNERATION COMMITTEE

Mr. Cheung Siu Kui (*Chairman*)

Mr. Lee Bing Kwong

Mr. Yim Kwok Man

NOMINATION COMMITTEE

Mr. Lee Bing Kwong (*Chairman*)

Mr. Cheung Siu Kui

Dr. Chow Terence

COMPANY SECRETARY

Mr. Kwok Siu Man, *FCIS, FCS*

AUDITOR

Graham H. Y. Chan & Co.

Certified Public Accountants

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

DBS Bank (Hong Kong) Limited

Hang Seng Bank Limited

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P O Box 2681

Grand Cayman

KY1-1111, Cayman Islands

董事會

執行董事

李秉光先生 (*主席兼行政總裁*)

盧元堅先生

盧元麗女士 (於二零一九年三月二十二日獲委任)

獨立非執行董事

張小駒先生

嚴國文先生

鄒重堪醫生

審核委員會

嚴國文先生 (*主席*)

張小駒先生

鄒重堪醫生

薪酬委員會

張小駒先生 (*主席*)

李秉光先生

嚴國文先生

提名委員會

李秉光先生 (*主席*)

張小駒先生

鄒重堪醫生

公司秘書

郭兆文先生, *FCIS, FCS*

核數師

陳浩賢會計師事務所

執業會計師

主要往來銀行

香港上海滙豐銀行有限公司

星展銀行(香港)有限公司

恒生銀行有限公司

註冊辦事處

Cricket Square

Hutchins Drive

P O Box 2681

Grand Cayman

KY1-1111, Cayman Islands

CORPORATE INFORMATION

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2–3, 1/F
Sun Cheong Industrial Building
1 Cheung Shun Street
Kowloon, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

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Futian District, Shenzhen, China

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P O Box 2681
Grand Cayman
KY1-1111, Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

CORPORATE WEBSITE

<http://www.apexace.com>

INVESTOR RELATIONS CONTACT

E-mail: enquiry@apexace.com

STOCK CODE

6036

香港主要營業地點

香港九龍
長順街1號
新昌工業大廈
1樓2–3室

中華人民共和國(「中國」)主要營業地點

中國深圳福田區
天安創新科技廣場A1303室

主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square
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香港股份過戶登記分處

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香港
北角英皇道338號
華懋交易廣場二期
33樓3301至04室

公司網址

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投資者關係聯絡

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股份代號

6036

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board of directors of Apex Ace Holding Limited (the "Company" and the "Board", respectively), I am pleased to present the annual report of the Company and its subsidiaries (collectively referred as the "Group" or "Apex Ace Group") for the year ended 31 December 2018 (the "Year").

The successful listing of our issued shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the Year marked an important milestone for the Group. The listing granted the Group access to an international platform for fund raising, broadening our shareholder base as well as promoting our business development. With our more pronounced recognition, the Group achieved a significant improvement in business growth and experienced more flexibility in strategic deployment in different markets.

Thanks to our extensive product mix and our expanded clientele, the Group achieved an outstanding performance in 2018. During the Year, revenue leaped by 30.9% year-on-year to HK\$3,717.6 million (2017: HK\$2,840.3 million), while gross profit surged by 26.0% year-on-year to HK\$178.1 million (2017: HK\$141.4 million). Profit attributable to owners of the Company for the Year reduced by 35.4% year-on-year to HK\$22.6 million (2017: HK\$35.0 million). Basic earnings per share was 2.38 HK cents (2017: 4.66 HK cents). The Board has resolved to recommend the payment of a final dividend of 0.6 HK cent per share for the Year (2017: nil).

The emerging technologies in the next five years will bring technical innovation in various aspects that favour the digital storage and electronic component markets, including autonomous & electric vehicles and smart devices such as TVs, set-top boxes, mobile phones, home appliances and Internet of Things (IoT), etc. The exponential pervasiveness of tech-based products in our daily lives advocates a booming trend of related industries. Coupled with the positive impact brought forth by the 5G technology, hence the demand for digital storage products and electronic components are expected to demonstrate respectable growth in the future.

Nevertheless, the slowdown of the global economy, the trade tensions between the United States of America ("US") and the PRC and the international conflicts on 5G infrastructure rollout have poised negative influences on the supply chain like our Group. Hence, we remain cautious about the outlook of our targeted markets and will adopt a prudent approach to carefully examine the market trend and deploy consistent and conservative strategies to prepare for the possible worst to come. The Group is committed to sustaining its business growth by expanding its business scale from upstream suppliers and product mix to downstream market and sales volume; and we shall strive to achieve another impressive performance in 2019.

致各位股東：

本人謹代表光麗科技控股有限公司董事會(分別為「本公司」及「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」或「光麗科技集團」)截至二零一八年十二月三十一日止年度(「本年度」)的年度報告。

於本年度，我們已發行的股份在香港聯合交易所有限公司(「聯交所」)主板成功上市，成為本集團的重要里程碑。上市令本集團得以踏足國際集資平台、擴闊股東基礎以及推動業務發展。隨著我們的認受性日漸增強，本集團在業務增長方面取得重大進展，並能更靈活地就不同市場進行策略部署。

憑藉我們豐富的產品組合及廣泛的客源，本集團於二零一八年創下驕人業績。本年度內，收益同比躍升30.9%至3,717.6百萬港元(二零一七年：2,840.3百萬港元)，而毛利則同比飆升26.0%至178.1百萬港元(二零一七年：141.4百萬港元)。本年度本公司擁有人應佔溢利同比下跌35.4%至22.6百萬港元(二零一七年：35.0百萬港元)。每股基本盈利為2.38港仙(二零一七年：4.66港仙)。董事會議決建議就本年度派付末期股息每股0.6港仙(二零一七年：無)。

未來五年的新興技術將在多個範疇帶來技術革新，有利數碼存儲及電子元件市場，當中包括自動及電動汽車以及電視、機頂盒、手機、家用電器及物聯網(IoT)等智能設備。我們在日常生活中廣泛使用技術產品，帶動相關行業蓬勃發展的趨勢。加上5G技術帶來正面的影響，預期數碼存儲產品及電子元件的需求將於未來出現可觀增長。

儘管如此，全球經濟放緩、中國及美國(「美國」)間之貿易緊張局勢以及有關推出5G基礎建設的國際爭議對供應鏈(如本集團)造成負面影響。因此，我們對目標市場的前景保持審慎的態度，並將謹慎地仔細審視市場趨勢，採取一貫之保守策略，為可能會出現的最壞情況做好準備。本集團透過從上游供應商及產品組合以至下游市場及銷量方面著手擴大業務規模，致力維持業務增長；我們將努力於二零一九年創造另一驕人佳績。

CHAIRMAN'S STATEMENT

主席報告

On behalf of the Board, I would like to express my heartfelt gratitude to our shareholders, staff, business partners and other professional parties for their unremitting efforts and support. We are committed to the long-term development so as to bring sustainable returns to our shareholders.

Lee Bing Kwong

Chairman

22 March 2019

本人謹代表董事會感謝股東、員工、業務夥伴及其他專業人士的不懈努力與支持。我們致力推動長遠發展，務求為股東持續帶來回報。

主席

李秉光

二零一九年三月二十二日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The issued shares of the Company were initially listed on the Main Board of the Stock Exchange (the "Listing") on 16 March 2018 (the "Listing Date"), which marks a key milestone for the Group.

Apex Ace is a distributor of semiconductor and other electronic components with its core focus on identifying, sourcing, selling and distributing quality electronic components produced by branded upstream manufacturers. The Group offers a wide-range of products including digital storage products that comprise memory and data & cloud products, and general electronic components, along with the provision of our complimentary technical supports. Our customers are primarily market players in the Technology, Media and Telecom ("TMT") sector in the PRC and Hong Kong.

During the Year, the Group engaged in its three principal business divisions, namely, distribution of (i) Memory products; (ii) Data & Cloud products and (iii) General components.

The US-China trade tension, coupled with the global economic downturn in the second half of 2018, have adversely affected the overall market of the TMT sectors. However, due to the strong position of the Group's core market being in the PRC, we were able to grasp the opportunities arising from the booming demands in the PRC region. Meanwhile, the Group was able to promptly respond to market challenges brought forth by the trade tension. The proactive exploration of new products, new suppliers and new customers outside of the affected regions allowed the Group to sustain growth in the Year.

Memory products

During the Year, the Group offered memory products including DRAM and flash memory which are widely applied to multimedia and mobile devices such as set-top boxes, smart TVs, wearable devices and mobile phones, etc. Market demand for such devices recorded substantial growth which led to an increasing demand for our memory products. Revenue generated from this segment surged by 30.3% year-on-year to HK\$2,344.0 million from HK\$1,799.1 million in prior year (the "Year 2017"), accounting for approximately 63.1% of the Group's total revenue. Gross profit of the segment decreased by 3.6% year-on-year to HK\$69.6 million from HK\$72.2 million when compared with the same period in Year 2017.

業務回顧

本公司已發行股份於二零一八年三月十六日（「上市日期」）在聯交所主板首次上市（「上市」），是本集團的一個重要里程碑。

光麗科技是半導體和其他電子元件的分銷商，專注於識別、採購、銷售和分銷由上游品牌製造商生產的優質電子元件。本集團提供廣泛的產品，包括包含記憶體產品和數據與雲端產品的數碼存儲產品，以及通用電子元件，並且為客戶提供免費技術支持。我們的客戶主要是中國及香港的科技、媒體及通訊（「TMT」）行業的市場參與者。

本年度內，本集團從事三個主要業務分部，分別為分銷(i)記憶體產品；(ii)數據與雲端產品；以及(iii)通用元件。

中美貿易的緊張局勢，加上二零一八年下半年整體全球經濟衰退，對TMT行業的整體市場產生了不利影響。然而，由於本集團的核心市場定位於中國，我們能夠把握中國地區蓬勃發展帶來的機遇。與此同時，本集團能夠迅速應對貿易局勢緊張所帶來的市場挑戰，積極探索受影響以外地區的新產品、新供應商及新客戶，使本集團於本年度維持增長。

記憶體產品

於本年度，本集團提供記憶體產品包括DRAM及閃存，廣泛應用於多媒體及移動設備，如機頂盒、智能電視、可穿戴設備及手機等。市場對此類設備的需求大幅增長，導致市場對我們的記憶體產品的需求不斷增加。該分部產生的收益較上一年度（「二零一七年度」）的1,799.1百萬港元同比飆升30.3%至2,344.0百萬港元，佔本集團整體收益約63.1%。該分部的毛利由二零一七年度同期的72.2百萬港元同比下降3.6%至69.6百萬港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Data & Cloud Products

The Group's Data & Cloud products include RAID controller cards, controller ICs and networking processors, which are mainly used in enterprise-level storage and server systems. Thanks to our strong relationships with some of the global top five ranking data & cloud solution integrators, the Group received an exponential increase of purchase orders. Revenue of this segment surged by 42.7% year-on-year to HK\$935.1 million from HK\$655.1 million when compared to Year 2017, which accounted for 25.1% of the Group's total revenue. Gross profit of the segment increased by 31.3% to HK\$54.7 million from HK\$41.6 million in Year 2017.

General components

General components include switches, connectors, passive components, main chips, sensors, power semiconductors and analog-to-digital converters, which are mainly designed and used in the mobile and multimedia devices. During the Year, revenue generated from this segment leaped by approximately 13.6% year-on-year to HK\$438.5 million from HK\$386.1 million in Year 2017, accounting for approximately 11.8% of the Group's total revenue. This was mainly driven by an increasing number of new customers and a growth in sales of ceramic inductor, capacitor and main chip for the assembling of smart TVs and set-top boxes and artificial intelligence devices, etc. Gross profit of this segment surged year-on-year by 95.7% to HK\$53.7 million from HK\$27.5 million in Year 2017.

FINANCIAL REVIEW

Revenue

The electronic components supplied by the Group are primarily categorised into three major segments, namely (i) Memory products, (ii) Data & Cloud products and (iii) General Components, which contributed 63.1%, 25.1%, 11.8% of the Group's total revenue respectively.

The sales revenue of the Group for the Year increased to HK\$3,717.6 million (2017: HK\$2,840.3 million), representing an increase of 30.9%, as compared with that of last year. The increase in revenue was driven by the growth in sales of all three major segments of our products.

Gross profit and gross profit margin

Gross profit for the Year amounted to HK\$178.1 million (2017: HK\$141.4 million), representing a rise of 26.0%, compared with that of last year. The increasing trend in gross profit during the Year was generally in line with the upward trend of revenue despite a minor drop in gross profit margin. The gross profit margin for the Year has dropped slightly to 4.8% (2017: 5.0%).

數據與雲端產品

本集團的數據與雲端產品大多為RAID控制卡、控制器IC及網絡處理器，主要用於企業級存儲及伺服器系統。由於我們與全球若干名首五大數據和雲端解決方案提供商建立了牢固的關係，本集團獲得的採購訂單數目大幅增加。與二零一七年度相比，該分部的收益由655.1百萬港元同比增長42.7%至935.1百萬港元，佔本集團整體收益的25.1%。該分部的毛利從二零一七年度的41.6百萬港元增加31.3%至54.7百萬港元。

通用元件

通用元件包括主要在移動和多媒體設備中設計和使用的開關、連接器、無源元件、主芯片、傳感器、功率半導體和模數轉換器。本年度該分部的收益由二零一七年度的386.1百萬港元同比躍升約13.6%至438.5百萬港元，佔本集團整體收益約11.8%。這主要得益於新客戶數目的增加以及智能電視和機頂盒、人工智能設備等陶瓷組裝電感器、電容器和主芯片銷售的增長。該分部的毛利由二零一七年度的27.5百萬港元同比大幅增長95.7%至53.7百萬港元。

財務回顧

收益

本集團供應的電子元件主要分類為三大分部，分別為(i)記憶體產品；(ii)數據與雲端產品；及(iii)通用元件，對本集團的總收益的貢獻分別為63.1%、25.1%及11.8%。

本集團的本年度銷售收益增加至3,717.6百萬港元(二零一七年：2,840.3百萬港元)，較去年增加30.9%。收益增加乃由於受到三大產品分部的銷售增加所推動。

毛利及毛利率

本年度毛利為178.1百萬港元(二零一七年：141.4百萬港元)，較去年上升26.0%。儘管毛利率輕微下跌，本年度的毛利上升趨勢與收益上升趨勢大致同步。於本年度的毛利率輕微下跌至4.8%(二零一七年：5.0%)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other income and increase in fair value of an investment property

During the Year, the Group recognised a gain arising from changes in the fair values of an investment property of HK\$2.4 million (2017: HK\$2.2 million). The Group's other income remained immaterial to Group during the Year.

Distribution and selling expenses

The selling and distribution costs mainly include marketing and sales staff salaries, commission expense, transportation, freight charges, declaration and sample expenses. The distribution and selling expenses increased by approximately HK\$31.0 million in the Year, mainly as a result of (i) the Group adhered additional marketing effort to boost the sales performance during the Year, including an increase of commission and agency fees amounted approximately HK\$25.6 million over last year; (ii) the increase in the salaries and benefits for sales and marketing staff of approximately HK\$3.8 million, which was mainly due to certain discretionary bonuses in rewarding the outstanding sales performance and successful listing of Group; and (iii) the increase in freight charges, transportation expenses and sample expenses in response to revenue growth.

Administrative expenses

Administrative expenses primarily consist of listing expenses, salaries and benefits (including directors' emoluments), insurance, operating lease and other premise fee, exchange differences, bank charges and depreciation expenses.

The administrative expenses increased by approximately HK\$16.0 million in the Year mainly as a result of (i) the increase in the salaries and staff benefits in aggregate by approximately HK\$10.4 million as the Group had expanded operation in response to the significant growth of its business; (ii) the increase in bank charges and insurance in aggregate by approximately HK\$4.3 million mainly due to increase of other bank loan; and (iii) an increase in other expense by HK\$1.3 million, mainly due to increase in rental expense and travelling expenses.

Finance costs

The Group's finance costs represented mainly interest expenses on its bank borrowings during the Year. Such bank borrowings were obtained by the Group for general working capital needs. The Group had finance costs of approximately HK\$18.3 million (2017: HK\$11.4 million). The increased finance costs was a result of the increased interest rate and the overall increasing use of factoring loans in response to the increased sales in the Year.

其他收入及投資物業公平值增加

於本年度，本集團確認於投資物業公平值變動產生的收益2.4百萬港元(二零一七年：2.2百萬港元)。本集團的其他收入於本年度內對本集團仍然屬微不足道。

分銷及銷售開支

銷售及分銷成本主要包括營銷及銷售人員薪金、佣金開支、交通、運輸費用、申報及樣本開支。本年度之分銷及銷售開支增加約31.0百萬港元，主要由於(i)本集團於年內加強營銷力度以提升銷售表現，其中包括佣金及代理費較去年增加約25.6百萬港元；(ii)銷售及營銷人員的薪金及福利增加約3.8百萬港元，主要由於獎勵突出銷售表現及成功上市而產生若干酌情花紅；及(iii)因收入增長而增加運費、運輸開支及樣本開支。

行政開支

行政開支主要包括上市開支、薪金及福利(包括董事酬金)、保險、經營租賃及其他物業費用、匯兌差額、銀行收費及折舊開支。

行政開支於本年度增加約16.0百萬港元，乃主要由於：(i)薪金及員工福利合共增加約10.4百萬港元，乃因本集團為應對其業務顯著增長而擴大營運；(ii)銀行收費及保險合共增加約4.3百萬港元，主要由於其他銀行貸款增加所致；及(iii)其他開支增加1.3百萬港元，主要由於租金開支及差旅開支增加所致。

融資成本

本集團的融資成本主要指於本年度內在其銀行借貸的利息開支。本集團取用該等銀行借貸以供營運資金需要。本集團的融資成本約為18.3百萬港元(二零一七年：11.4百萬港元)。融資成本增加乃由於本年度利率上升以及為應對銷售增加而增加使用保理貸款。

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Net profit for the Year

Net profit for the Year amounted to HK\$33.3 million (2017: HK\$45.4 million), representing a drop of 26.6%, comparing with that of Year 2017.

The decrease of net profit was principally attributable to the net effect of (a) drop in gross profit margin as a result of the slowdown of the global economy impact, trade tensions between the US and the PRC and the weaker market demand in the PRC; (b) significant increase in distribution and selling expenses; (c) increase in administrative expenses; and (d) increase in finance costs.

Net profit attributable to the owners of the Company

The net profit attributable to the owners of the Company for the Year was HK\$22.6 million, representing a decrease of 35.4% as compared with that of Year 2017 mainly due to significant increase in administrative, distribution and selling expenses despite a growth in sales revenue.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group met its liquidity requirements principally through a combination of internal resources and bank borrowings. The Group's cash resources as at 31 December 2018 were approximately HK\$182.6 million (2017: HK\$66.3 million). They were mainly denominated in Hong Kong dollar, Renminbi and US dollar.

As at 31 December 2018, the Group's total outstanding bank borrowings amounted to HK\$391.3 million (31 December 2017: HK\$479.5 million) which comprised mainly bank factoring loans, import loans, trust receipts loans, instalment loans and revolving loans. The Group's bank borrowings which were unrestricted and carried at amortised cost with a clause of repayment on demand are classified as current liability. The bank borrowings were denominated in Hong Kong dollar and US dollar and were subject to interest at commercial lending rates. The gearing ratio decreased from 244.2% in 2017 to 118.7% in 2018. Gearing ratio is calculated based on total loans and borrowings (including amounts due to a director and a related party and bank borrowings) divided by total equity at the respective reporting date.

The Group's financial statements are presented in Hong Kong dollars. The Group carried out its business transactions mainly in Hong Kong dollar, Renminbi, and US dollar. As the Hong Kong dollar remain pegged to the US dollar, there was no material exchange risk in this respect. As the portion of Renminbi revenue is insignificant, there was no material exchange risk in this respect. The Group currently does not have any interest rate hedging policy. However, the management monitors the Group's exposure to interest rate risk on an ongoing basis and will consider hedging interest rate risk should the need arise. Credit risk was hedged mainly through credit policy and factored to external financial institutions.

本年度純利

本年度純利為33.3百萬港元(二零一七年：45.4百萬港元)，較二零一七年度下跌26.6%。

純利減少主要是由於(a)全球經濟放緩的影響、中美貿易緊張及中國市場須求疲弱所致的毛利率下降之淨影響所致；(b)分銷及銷售開支大幅增加；(c)行政開支增加；及(d)財務費用增加。

本公司擁有人應佔純利

於本年度，本公司擁有人應佔純利為22.6百萬港元，較二零一七年度下跌35.4%，主要原因是銷售收益雖有所增長但行政、分銷及銷售開支亦大幅增加。

流動資金及財務資源

於本年度，本集團主要通過綜合使用內部資源及銀行借貸來滿足其流動資金需求。本集團於二零一八年十二月三十一日的現金資源約為182.6百萬港元(二零一七年：66.3百萬港元)。其主要以港元、人民幣及美元計值。

於二零一八年十二月三十一日，本集團的未償還銀行借貸約為391.3百萬港元(二零一七年十二月三十一日：479.5百萬港元)，主要包括銀行保理貸款、進口貸款、信託收據貸款、分期貸款及循環貸款。本集團銀行借貸並無限制及按攤銷成本列賬，附帶通知償還條款，分類為流動負債。該等銀行借貸以港元及美元計值，並須按商業貸款利率支付利息。資本負債比率由二零一七年的244.2%下降至二零一八年的118.7%。資本負債比率乃按於各報告日期的貸款及借貸總額(包括應付董事及關連方的款項以及銀行借貸)除以總權益計算。

本集團的財務報表以港元呈列。本集團主要以港元、人民幣及美元進行其業務交易。由於港元仍然與美元掛鈎，就此而言並無重大匯兌風險。由於人民幣收益的比例較低，就此而言並無重大匯兌風險。本集團目前並無任何利率對沖政策。然而，管理層會持續監控本集團的利率風險，並將於需要時考慮對沖利率風險。信貸風險已主要透過信貸政策及向外間金融機構進行保理方式對沖。

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CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any material contingent liabilities.

As at 31 December 2017, the Group had executed the following guarantees in respect of banking facilities granted to related companies in which Mr. Lee Bing Kwong ("Mr. Lee") has beneficial interests.

- guarantee limited to HK\$86 million plus default interest and other costs and expenses among the Group and related companies; and
- guarantee with unlimited amount between the Group and a related company

Such banking facilities utilised by the related companies as at 31 December 2017 amounted to HK\$30.1 million. These guarantees have been released during the Year.

CHARGES ON ASSETS

As at 31 December 2018, the banking facilities of the Group were secured by trade receivables of the Group with an aggregate carrying amount of approximately HK\$367.3 million (2017: HK\$466.8 million), the legal charge over the investment property of the Group of HK\$54.0 million (2017: HK\$51.6 million), leasehold land and buildings of approximately HK\$40.5 million (2017: HK\$41.9 million) of the Group, insurance policy executed by a related company, personal guarantee executed by Mr. Pai Yin Lin (a director and non-controlling shareholder of subsidiaries of the Group) and corporate guarantees executed by the Group. (2017: bank deposit of the Group of approximately HK\$2.0 million, property of Mr. Lee, properties of a son of Mr. Lee, properties, securities and deposits owned by companies controlled by Mr. Lee, insurance policy executed by a related company, personal guarantees executed by Mr. Lee, Ms. Lo (wife of Mr. Lee), Mr. Pai Yi Lin and Mr. Lee Chak Hol (son of Mr. Lee) and corporate guarantee executed by related companies).

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2018, the Group employed 104 staff (31 December 2017: 102) inclusive of all its staff in Hong Kong and the PRC. The Group's remuneration policy is built on the principle of equitability with incentive-based, motivating, performance oriented and market-competitive remuneration packages for its employees. Remuneration packages are normally reviewed on a regular basis. Apart from salary, other staff benefits include provident fund contributions, medical insurance coverage and performance-based bonuses.

或然負債

於二零一八年十二月三十一日，本集團並無任何重大或然負債。

於二零一七年十二月三十一日，本集團就為李秉光先生（「李先生」）擁有實益權益的關連公司獲授銀行融資簽立以下擔保。

- 就本集團與關連公司之間作出上限為86百萬港元另加違約利息以及其他費用及開支的擔保；及
- 就本集團與一間關連公司之間作出無限額的擔保

於二零一七年十二月三十一日，關連公司動用的該等銀行融資30.1百萬港元。該等擔保已於本年度解除。

資產抵押

於二零一八年十二月三十一日，本集團的銀行融資以總賬面值約367.3百萬港元（二零一七：466.8百萬港元）的本集團貿易應收賬款、以54.0百萬港元（二零一七年：51.6百萬港元）的本集團投資物業作出的法定押記、約40.5百萬港元（二零一七年：41.9百萬港元）的本集團租賃土地及樓宇、關連公司所簽立的保單、白逸霖先生（本集團附屬公司的董事及非控股股東）所簽立的個人擔保以及本集團簽立的公司擔保作抵押。（二零一七年：約2.0百萬港元的本集團銀行存款、李先生的物業、李先生兒子的物業、由李先生所控制公司擁有的物業、證券及存款、關連公司所簽立的保單、由李先生、盧女士（李先生的妻子）、白逸霖先生、及李澤浩先生（李先生兒子）所作個人擔保以及關連公司所作公司擔保）。

僱員及酬金政策

於二零一八年十二月三十一日，包括所有於香港及中國的員工在內，本集團僱用104名（二零一七年十二月三十一日：102名）員工。本集團的薪酬政策乃建基於公平原則，為其僱員提供以獎勵為基礎、激勵、表現為本及具市場競爭力的薪酬待遇。薪酬待遇一般作定期檢討。除薪金外，其他員工福利包括公積金供款、醫療保險保障及與表現掛鉤的花紅。

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USE OF NET PROCEEDS FROM LISTING

The net proceeds received by the Company from the Global Offering (as defined below) in the amount of approximately HK\$116.9 million after deducting underwriting commissions and all related expenses will be used in the manner consistent with that mentioned in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 28 February 2018 (the “Prospectus”). The net proceeds received were applied by the Group from the Listing Date up to 31 December 2018 as follows:

上市所得款項淨額用途

經扣除包銷佣金及所有相關開支後，本公司自全球發售（定義見下文）收取的所得款項淨額約116.9百萬港元將以與日期為二零一八年二月二十八日的本公司招股章程（「招股章程」）「未來計劃及所得款項用途」一節所述者一致的方式使用。本集團自上市日期起直至二零一八年十二月三十一日止應用已收取的所得款項淨額如下：

		Application of net proceeds as stated in the Prospectus			
		Actual use of net proceeds	Unused net proceeds	Unused net proceeds	
		按招股章程所述應用所得款項淨額	實際使用所得款項淨額	未使用所得款項淨額	未使用所得款項淨額
		HK\$'000	HK\$'000	HK\$'000	%
		千港元	千港元	千港元	
Repayment of bank loans	償還銀行貸款	39,045	39,045	-	-
Establishing a new product and development department	新設產品及開發部門	2,810	700	2,110	75
Strengthening sales and marketing and technical support team by recruiting staff and providing trainings	透過增聘人員及提供培訓加強銷售、營銷及技術支援團隊	10,750	3,000	7,750	72
Enhancing warehouse and office in HK	改善香港的倉庫及辦事處	4,600	724	3,876	84
Installing ERP and supporting software	安裝企業資源規劃系統及支持軟件	7,090	3,316	3,774	53
Establishing new offices in the PRC	在中國建立新辦事處	5,027	-	5,027	100
Acquisition and establishment of Shenzhen head office	購買及建立深圳總辦事處	35,888	-	35,888	100
Working capital for general corporate purpose	作一般公司用途的營運資金	11,690	11,690	-	-
		116,900	58,475	58,425	50

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in the Prospectus, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Reference is made to the announcement of the Company dated 28 November 2018, AVT International Limited (“AVT”), a wholly-owned subsidiary of the Company, entered into a non-legally binding Memorandum of Understanding with the holder of certain distributorship rights (the “JV Partner”) and the guarantors, for formation of a joint venture (the “JV Company”) with the JV Partner. In consideration of the payment of an amount not more than US\$5.0 million by AVT to the JV Partner, AVT and the JV Partner shall establish the JV Company and the JV Partner shall transfer the distributorship rights to the JV Company, which will be owned as to 60% by AVT (or such other nominee as directed by AVT) and 40% by the JV Partner.

The above transaction has been under due diligence review up to the date of this report.

SUBSEQUENT EVENT

The Board is not aware of any significant event affecting the Group and requiring disclosure that has been taken place subsequent to 31 December 2018 and up to the date of this report.

PROSPECTS

With China pioneering the 5G network applications, coupled with the popularity of fibre-to-home internet, the demand for digital storage (memory and data & cloud) and general electronic component products is expected to grow in the coming years. The Group shall cautiously increase its competitiveness broadening the product mix and expanding market share. The Group shall devote continuous effort on securing distributorships of existing and newly emerging digital storage products, as well as enhancing its technical support to strengthen the relationships with its customers and suppliers.

重大收購及出售附屬公司、聯營公司及合營企業

除招股章程所披露者外，於本年度，本集團並無任何重大收購及出售附屬公司、聯屬公司及合營企業。

所持重要投資及有關重大投資或資本資產的未來計劃

茲提述本公司日期為二零一八年十一月二十八日的公佈，本公司的全資附屬公司AVT International Limited (「AVT」)與持有若干分銷權的持有人(「合營夥伴」)及擔保人訂立無法律約束力的備忘錄，以與合營夥伴成立合營公司(「合營公司」)。AVT將向合營夥伴支付一筆為數不多於5.0百萬美元的款項，以換取AVT與合營夥伴將成立合營公司，而合營夥伴將向合營公司轉讓分銷權，合營公司將分別由AVT(或AVT指示的其他代名人)及合營夥伴擁有60%及40%權益。

直至本報告日期，上述交易正在盡職審查過程中。

結算日後事項

董事會並不知悉於二零一八年十二月三十一日後直至本報告日期曾經發生任何重大事項對本集團造成影響並須予以披露。

展望

隨著中國率先推出5G網絡應用，再加上光纖入戶及互聯網的普及，市場對數碼存儲產品(記憶體產品、數據與雲端產品)，以及通用電子元件的需求預計將在未來幾年內不斷增長。本集團將謹慎地提升其競爭力，以擴大產品組合及擴大市場份額。本集團將不斷致力確保現有及新興數碼存儲產品的分銷，以及升級其技術支持，以加強與客戶及供應商的關係。

MANAGEMENT DISCUSSION AND ANALYSIS

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To uphold and expand its market share, the Group shall continue to adhere to its “high volume — low margin” business strategy. By maintaining its gross profit margin at a reasonable level and aiming for a balance between sales volume and profit, the Group shall strive to ensure sustainability in business expansion. The Group also plans to expand its newly developed market research team, which has been actively analysing and researching on market intelligence and conditions, in order to enhance the competitiveness of the Group in securing distributorship of a more comprehensive product mix from existing and new suppliers. In addition, the Group shall focus more on the sales of electronic components applied in automotive, medical electronic equipment and industrial applications, to seize more business opportunities in promising markets to generate additional contributions to its operating results in the future.

Facing the threats of continued trade tensions and global economic headwinds, the Group will strive to become an agile and adaptive leader, capable on making timely decisions to adapt to any possible changes of government regulations. We will also continue to devote efforts to embrace new technologies and enhance our staff trainings, so as to ensure the sustainable growth of the Group in challenging times.

為維持及擴大市場份額，本集團將繼續堅持薄利多銷的經營策略。通過將毛利率維持在合理水平，並力求在銷量和利潤之間取得平衡，本集團將努力確保業務擴展的可持續性。本集團亦計劃擴展其新開發的市場研究團隊，該團隊一直積極分析及研究市場情報及條件，以提升本集團的競爭力，確保取得現有及新供應商更全面的產品組合分銷權。此外，本集團將更加專注於應用在汽車、醫療電子設備及工業應用的電子元件，以在有發展潛力的市場中抓住更多商機，為未來的經營業績帶來額外貢獻。

面對持續的貿易局勢緊張和全球經濟阻力的威脅，本集團將努力成為一個敏捷和適應能力強的領導者，能夠及時作出決策應對可能出現任何變化的政府法規。我們亦會繼續致力採用新技術及加強員工培訓，以確保本集團在充滿挑戰的時期可持續發展。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Lee Bing Kwong (“Mr. Lee”), aged 64, the founder of the Group and the controlling shareholder, was appointed as an executive director of the Company (the “Director”) on 4 July 2012 and is also the chief executive officer of our Group and the Chairman as well as the chairman of the nomination committee of the Board (the “Nomination Committee”) and a member of remuneration committee of the Board (the “Remuneration Committee”). Mr. Lee is also a director of certain subsidiaries of the Company (the “Subsidiaries”). Mr. Lee obtained a bachelor’s degree of applied science from the University of Toronto, Canada in 1980. Mr. Lee established Nicegoal Investments Limited (“Nicegoal Investments”) in 1987 with business mainly in manufacturing of personal computer motherboard and trading of components and accessories for personal computer and AVT in 1992 which started its business of trading of electronic components in 2005. Prior to the establishment of Nicegoal Investments, Mr. Lee acted as sales engineer and marketing engineer in the sales and marketing department of Motorola Semiconductors (HK) Limited during the period from 1981 and 1985. Mr. Lee has been active in the semi-conductor field for more than 30 years. Mr. Lee is the sole director of Best Sheen Limited, a company which has an interest in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). Mr. Lee is the husband of Ms. Lo Yuen Lai and the brother-in-law of Mr. Lo Yuen Kin, both being executive Directors and the father of Mr. Lee Chak Hol, being the deputy chief executive officer of the Group.

Mr. Lo Yuen Kin (“Mr. Lo”), aged 56, was appointed as an executive Director on 21 February 2014. Mr. Lo is also a director of certain Subsidiaries. Mr. Lo joined our Group in May 2012 as finance director. Mr. Lo obtained a bachelor’s degree of engineering from The Cooper Union for the Advancement of Science and Art, New York, US in 1988 and a master’s degree of science (aeronautics and astronautics) from Stanford University, California, US in 1990. In 1987, Mr. Lo was elected by The Cooper Union — Cooper Union Pi Phi Chapter and declared a certified member of Pi Tau Sigma Fraternity. Further, Mr. Lo has been a responsible officer of Positano Wealth Management Limited for the supervision of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO since September 2017 and was a responsible officer of China Shenghai Investment Management Limited responsible for the supervision of Type 1 (dealing in securities) (for the period from September 2009 to August 2013), Type 4 (advising on securities) (for the period from April 2009 to August 2013) and Type 9 (asset management) (for the period from April 2009 to August 2013). During the period from December 2002 to February 2007, Mr. Lo worked for SinoPac Capital Limited as director of equity trading. During the period from 1990 to 2016, Mr. Lo worked with various financial institutions and accounting firm, including Price Waterhouse, Credit Lyonnais (Asia) Limited, Mees Pierson Securities (Asia) Limited, Morgan Grenfell Asia Securities (HK) Limited, BZW Asia Limited, China International Capital Corporation (Hong Kong) Limited, ING Baring Securities (Hong Kong) Limited, G.K. Goh Securities (H.K.) Limited and YGD Asset Management (HK) Limited. Mr. Lo is the younger brother of Ms. Lo Yuen Lai and the brother-in-law of Mr. Lee, both being executive Directors and the uncle of Mr. Lee Chak Hol, being the deputy chief executive officer of the Group.

執行董事

李秉光先生 (「李先生」)，64歲，本集團之創始人及控股股東，於二零一二年七月四日獲委任為本公司執行董事 (「董事」)，亦為本集團之行政總裁及主席，以及董事會提名委員會 (「提名委員會」) 主席及董事會薪酬委員會 (「薪酬委員會」) 成員。李先生亦為本公司若干附屬公司 (「附屬公司」) 之董事。李先生於一九八零年自加拿大多倫多大學獲應用科學學士學位。李先生於一九八七年成立奮勝投資有限公司 (「奮勝投資」) (主要業務為製造個人電腦主板及從事個人電腦元件及配件貿易) 及於一九九二年成立 AVT (於二零零五年開業及從事電子元件貿易)。於成立奮勝投資之前，李先生自一九八一年至一九八五年期間擔任萬力半導體香港有限公司銷售及市場推廣部之銷售工程師及市場工程師。李先生於半導體行業活躍逾30年。李先生為佳澤有限公司 (乃擁有本公司股份及相關股份權益的公司，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2及3分部須向本公司披露) 的唯一董事。李先生為執行董事盧元麗女士的丈夫及執行董事盧元堅先生的內兄及本集團行政副總裁李澤浩先生的父親。

盧元堅先生 (「盧先生」)，56歲，於二零一四年二月二十一日獲委任為執行董事。盧先生亦為若干附屬公司之董事。盧先生於二零一二年五月加入本集團，擔任財務董事。盧先生於一九八八年於美國紐約獲柯柏高科學藝術聯盟學院工程學士學位及於一九九零年於美國加利福尼亞州獲史丹佛大學 (航空航太學) 碩士學位。於一九八七年，盧先生獲選為柯柏聯盟學院 — Cooper Union Pi Phi Chapter 及 Pi Tau Sigma Fraternity 認證會員。此外，盧先生自二零一七年九月起擔任知見財富管理顧問有限公司的負責人員，負責監督證券及期貨條例項下第4類 (就證券提供意見) 及第9類 (提供資產管理) 受規管活動，並曾擔任中國盛海投資管理有限公司的負責人員，負責監督第1類 (證券交易) (於二零零九年九月至二零一三年八月期間)、第4類 (就證券提供意見) (於二零零九年四月至二零一三年八月期間) 及第9類 (提供資產管理) (於二零零九年四月至二零一三年八月期間) 受規管活動。自二零零二年十二月至二零零七年二月期間，盧先生擔任元豐金 (香港) 財務有限公司股權交易主任。自一九九零年至二零一六年期間，盧先生在多間金融機構及會計師事務所任職，包括羅兵咸永道、Credit Lyonnais (Asia) Limited、Mees Pierson Securities (Asia) Limited、Morgan Grenfell Asia Securities (HK) Limited、巴克萊德勝亞洲有限公司、中國國際金融 (香港) 有限公司、霸菱證券 (香港) 有限公司、吳玉欽證券 (香港) 有限公司及國鼎資產管理 (香港) 有限公司。盧先生為執行董事盧元麗女士之胞弟及執行董事李先生之內弟及本集團行政副總裁李澤浩先生之舅父。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Ms. Lo Yuen Lai (“Ms. Lo”), aged 63, was appointed as an executive Director on 22 March 2019. Ms. Lo is also a director of certain Subsidiaries. Ms. Lo worked as the assistant to the chief executive officer of AVT, an indirect wholly-owned Subsidiary, from August 2015 to February 2018 and has been the sales director and a director of AVT since February 2018 and March 2019 respectively. Ms. Lo has also been a director of I-Sky Electronic Limited, an indirect wholly-owned Subsidiary, since March 2004. She served as a non-executive director from April 2010 to July 2010 and as an executive director and the deputy chairman of the board from July 2010 to June 2013 of CIL Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 479). Ms. Lo is the wife of Mr. Lee Bing Kwong, being a controlling shareholder (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”)) of the Company, the Chairman, the chief executive officer of the Group and an executive Director, the elder sister of Mr. Lo Yuen Kin, being an executive Director, and the mother of Mr. Lee Chak Hol, being the deputy chief executive officer of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Siu Kui (“Mr. Cheung”), aged 69, was appointed as an independent non-executive Director on 15 February 2018. He is also the chairman of the Remuneration Committee and a member of each of the audit committee of the Board (the “Audit Committee”) and the Nomination Committee. Mr. Cheung obtained a bachelor’s degree of applied science from the University of Toronto, Canada in 1975. Mr. Cheung was elected as a member of the Association of Professional Engineers of the Province of Ontario, Canada and the Institution of Electronic and Radio Engineers in 1977 and 1983 respectively. Mr. Cheung retired in 2008. Prior to Mr. Cheung’s retirement, he acted as vice president (Greater China Operation) of Renesas Technology (Hong Kong) Limited during the period from 2003 to 2008 responsible for, amongst others, strategic planning and operation support for the Greater China Market. During the period from 1983 to 2003, Mr. Cheung worked with various electronic components companies, including Motorola Semiconductors (HK) Limited and Hitachi Electronic Components (Asia) Limited; and was responsible for the sales and marketing of electronic components.

盧元麗女士(「盧女士」)，63歲，於二零一九年三月二十二日獲委任為執行董事。盧女士亦為若干附屬公司之董事。於二零一五年八月至二零一八年二月，以及自二零一八年二月至二零一九年三月，盧女士分別出任間接全資附屬公司AVT的行政總裁助理及AVT的銷售總監兼董事。自二零零四年三月起，盧女士亦為間接全資附屬公司天科電子有限公司的董事。彼於二零一零年四月至二零一零年七月曾任華建控股有限公司(其股份於聯交所主板上市(股份代號：479))的非執行董事，並且於二零一零年七月至二零一三年六月出任該公司執行董事兼副主席。盧女士為本公司控股股東(定義見聯交所證券上市規則(「上市規則」))、主席、本集團行政總裁兼執行董事李秉光先生的妻子、執行董事盧元堅先生的姊姊，以及本集團行政副總裁李澤浩先生的母親。

獨立非執行董事

張小駒先生(「張先生」)，69歲，於二零一八年二月十五日獲委任為獨立非執行董事。彼亦為薪酬委員會主席以及董事會審核委員會(「審核委員會」)及提名委員會各自的成員。張先生於一九七五年獲加拿大多倫多大學應用科學學士學位。張先生於一九七七年及一九八三年分別獲選為加拿大安大略省職業工程師協會(Association of Professional Engineers)會員及電子及無線電工程師學會會員。張先生於二零零八年退休。於退休前，自二零零三年至二零零八年期間，張先生擔任瑞薩香港有限公司(大中華區營運)副總裁，負責(其中包括)大中華市場的戰略規劃與運營支持。自一九八三年至二零零三年期間，張先生任職於多間電子元件公司，包括萬力半導體香港有限公司及Hitachi Electronic Components (Asia) Limited，負責電子元件銷售及營銷。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Yim Kwok Man (“Mr. Yim”), aged 50, was appointed as an independent non-executive Director on 15 February 2018. He is also the chairman of the Audit Committee and a member of the Remuneration Committee. Mr. Yim has over 20 years’ experience in the areas of corporate finance, debt and equity capital markets, asset management and merger and acquisition advisory. He has been a fellow member of The Association of Chartered Certified Accountants in the United Kingdom (“UK”) since 2003 and an associate member of the Hong Kong Society of Accountants (now known as The Hong Kong Institute of Certified Public Accountants) since 2002. Mr. Yim is currently an independent non-executive director of Tsui Wah Holdings Limited, the shares of which are listed on Main Board of the Stock Exchange (stock code: 1314), with effect from November 2012. Mr. Yim is also a non-executive director of Star Properties Group (Cayman Islands) Ltd., the shares of which are listed on Main Board of the Stock Exchange (stock code: 1560), with effect from March 2016. Mr. Yim was a responsible officer of Odysseus Capital Asia Limited (formerly known as GALAXY CAPITAL LIMITED), a corporation licensed under the SFO, for Type 6 regulated activity (advising on corporate finance) till July 2014. Mr. Yim graduated with a bachelor’s degree of engineering in civil engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in 1991 and obtained a master in business administration degree from The Chinese University of Hong Kong in 1994. Prior to joining our Group, Mr. Yim served as a non-executive director of Eternite International Company Limited (now renamed as Larry Jewelry International Company Limited), the shares of which are listed on GEM of the Stock Exchange (stock code: 8351), for the period from December 2010 to August 2011. From Mr. Yim’s graduation to present, he worked with various financial institutions and investment banks, including Rabobank International Hong Kong Branch, DBS Asia Capital Limited and CITIC Capital Markets Holdings Limited.

Dr. Chow Terence (“Dr. Chow”), aged 56, was appointed as an independent non-executive Director on 15 February 2018. He is also a member of each of the Audit Committee and the Nomination Committee. Dr. Chow obtained a Bachelor of Medicine and Bachelor of Surgery degree from The Chinese University of Hong Kong in 1987. Dr. Chow has worked in various public and academic units, including medicine, surgery, orthopaedics & traumatology, oncology, anaesthesia and intensive care before starting his private general practice in 1991. Dr. Chow founded Bright Growth Doctors & Associates in 1993, which was the first private medical group in Hong Kong to have its own CT (computerized tomography) machine. In 2000, Dr. Chow founded TY Healthcare Corporation and has been its Chairman and Medical Director since then. From 2007 to 2012, Dr. Chow has been appointed by the Government of the Hong Kong Special Administrative Region as a Penal Member of the Human Organ Transplant Board. He is currently a member of the Hong Kong Medical Association and the Hong Kong College of Family Physicians. Dr. Chow is also been an Honorary Clinical Assistant Professor in Family Medicine at the University of Hong Kong.

嚴國文先生(「嚴先生」)，50歲，於二零一八年二月十五日獲委任為獨立非執行董事。彼亦為審核委員會主席及薪酬委員會成員。嚴先生在企業融資、債務及股權資本市場、資產管理及併購諮詢領域擁有逾20年經驗。彼於二零零三年起為英國(「英國」)特許公認會計師公會資深會員及於二零零二年為香港會計師公會會員。嚴先生現為翠華控股有限公司(其股份自二零一二年十一月起於聯交所主板上市，股份代號：1314)的獨立非執行董事。嚴先生亦自二零一六年三月起擔任星星地產集團(開曼群島)有限公司(其股份於聯交所主板上市，股份代號：1560)的非執行董事。嚴先生擔任奧斯資本亞洲有限公司(前稱嘉理資本有限公司)的負責人員直至二零一四年七月，該公司為一間根據證券及期貨條例從事第6類(就機構融資提供意見)受規管活動之持牌法團。嚴先生於一九九一年畢業於香港理工學院(現稱香港理工大學)，獲土木工程學士學位，並於一九九四年獲香港中文大學工商管理碩士學位。於加入本集團之前，自二零一零年十二月至二零一一年八月期間，嚴先生擔任永恒國際股份有限公司(現更名為俊文寶石國際有限公司，其股份於聯交所GEM上市，股份代號：8351)的非執行董事。畢業後至今，嚴先生任職於多間金融機構及投資銀行，包括荷蘭合作銀行香港分行、星展亞洲融資有限公司及中信資本市場控股有限公司。

鄧重基醫生(「鄧醫生」)，56歲，於二零一八年二月十五日獲委任為獨立非執行董事。彼亦為審核委員會及提名委員會的成員。鄧醫生於一九八七年獲香港中文大學內外全科醫學學士學位。鄧醫生於一九九一年開始從事私營全科前，曾任職於多個公共及學術團體，包括內外科、骨科與創傷科、腫瘤科、麻醉及重症監護。鄧醫生於一九九三年成立高怡醫務所，其乃香港首家擁有CT(電腦層析成像)的私人醫療機構。於二零零零年，鄧醫生成立天一醫療機構有限公司，並自此擔任其主席及醫學總監。於二零零七年至二零一二年，鄧醫生獲香港特別行政區政府委任為人體器官移植委員會小組成員。彼現時為香港醫務委員會及香港家庭醫學學院會員。鄧醫生亦為香港大學家庭醫學名譽臨床助理教授。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

SENIOR MANAGEMENT

Mr. Lee Chak Hol (“Mr. CH Lee”), aged 27, joined our Group in October 2015 and was appointed as deputy chief executive officer of our Company. He is also a director of certain Subsidiaries. He is mainly responsible for assisting the chief executive officer in daily management of the Group for relevant coordination with internal management and external business alliances, including but not limited to the operation and management of the Information Technology and Human Resources Departments of the Group and the supervision of internal control implementation. Mr. CH Lee obtained a Bachelor of Science degree from the University of Toronto in November 2014. Prior to joining our Group, Mr. CH Lee had worked with various financial institutions, including the commercial banking department of The Hongkong and Shanghai Banking Corporation Limited, and was responsible for arrangement of trade and/or guarantee transactions for corporation, Denz Capital Limited (primarily investing in private equity) as an intern and the risk control department of UBS, responsible for internal control. Mr. CH Lee is a son of Mr. Lee and Ms. Lo and the nephew of Mr. Lo Yuen Kin, all being executive Directors.

Ms. Leung Yuen Ting (“Ms. Leung”), aged 48, joined our Group in May 2012 and was appointed as the financial controller of the Group responsible for general financial management and daily financial operations of the Group. Ms. Leung obtained her Bachelor of Business (Accountancy) from the Royal Melbourne Institute of Technology University, Australia, in September 2008. Ms. Leung has been a member of the Hong Kong Association of Accounting Technicians since 1995. Ms. Leung has over 25 years of experience in the accounting field. Prior to joining our Group, Ms. Leung had worked as an in-house accountant for various companies, including Far East Consortium International Limited, Card Protection Plan Limited, AET Flexible Space (Hong Kong) Limited and EQ Corporate Management (HK) Limited.

Mr. Ho Yuen Tung (“Mr. Ho”), aged 39, joined the Group in 2017 and was appointed as the financial controller of the Group in July 2018. Mr. Ho is responsible for the Group’s financial planning, internal control and management, compliance requirements under the Listing Rules. He has extensive experience in auditing, financial and treasury management, information technology, credit control as well as banking. He has accumulated more than 15 years of experience in accounting, auditing and financial management in international audit firms and listed company. He holds a Bachelor’s degree in Business Administration (Accounting) from Hong Kong Baptist University. He is a fellow member of the Association of Chartered Certified Accountants in the UK.

高級管理層

李澤浩先生 (「李澤浩先生」)，27歲，於二零一五年十月加入本集團，獲委任為本公司行政副總裁。彼亦為若干附屬公司之董事。彼主要負責協助行政總裁對本集團的日常管理，協調內部管理層及外部商業聯盟，包括但不限於本集團資訊科技及人力資源部門的運營及管理以及監督內部控制措施的實施情況。李澤浩先生於二零一四年十一月獲多倫多大學理學學士學位。於加入本集團之前，李澤浩先生曾任職於多家金融機構，包括香港上海滙豐銀行有限公司的商业銀行部(負責為公司交易安排貿易及/或擔保)、戴斯資本有限公司的實習生(主要負責私募資金的投資)及瑞士銀行風險控制部(負責內部控制)。李澤浩先生為李先生和盧女士的兒子及盧元堅先生的外甥，李先生、盧女士及盧元堅先生均為執行董事。

梁婉婷女士 (「梁女士」)，48歲，於二零一二年五月加入本集團，獲委任為本集團財務總監，負責本集團整體財務管理及日常財務運營。梁女士於二零零八年九月獲澳洲墨爾本皇家理工大學商學士(會計)學位。梁女士自一九九五年起成為香港專業會計師協會會員。梁女士於會計行業擁有逾25年經驗。加入本集團之前，梁女士曾於多家公司(包括遠東發展有限公司、Card Protection Plan Limited、AET Flexible Space (Hong Kong) Limited及怡信企劃管理(香港)有限公司)任職內部會計師。

何遠東先生 (「何先生」)，39歲，於二零一七年加入本集團，並於二零一八年七月獲委任為本集團財務總監。何先生負責本集團的財務規劃、內部監控及管理、上市規則的合規要求等事宜。彼於審計、財務及庫務管理、資訊科技、信貸監控以及銀行業務方面擁有豐富經驗。彼曾任職多間國際審計公司及上市公司，在會計、審計及財務管理方面累積逾15年的經驗。彼持有香港浸會大學工商管理(會計)學士學位。彼為英國特許公認會計師公會資深會員。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

Apex Ace Holding Limited (the “Company”) is dedicated in maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and its subsidiaries (collectively the “Group”) as well as the shareholders of the Company (the “Shareholders”). The Company had adopted the applicable code provisions and, where appropriate, adopted the recommended best practices as set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 to the Listing Rules as its own code of corporate governance.

As the Company’s issued ordinary shares (the “Shares”) were initially listed on the Stock Exchange on 16 March 2018 (the “Listing Date” or the “Listing”), the CG Code was not applicable to the Company for the period from 1 January 2018 to 15 March 2018, being the date immediately before the Listing Date. However, the Company has complied with all the applicable code provisions as set out in the CG Code during the period from the Listing Date to 31 December 2018 (the “Period”), with the following exception:

Under code provision A.2.1 of the CG Code, the responsibilities between the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lee Bing Kwong, who has considerable experience in semiconductor and other electronics components industry, is the chairman of the board of directors (the “Board” and the “Chairman”) and the chief executive officer of the Company (the “CEO”). The Board believes that vesting the roles of both the Chairman and the CEO in Mr. Lee Bing Kwong has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. The Board will nevertheless review the structure from time to time and separate the roles of the Chairman and the CEO to two individuals, if appropriate.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as the code for dealing in securities of the Company by the Directors. A specific enquiry has been made by the Company with each of the Directors and all the Directors have confirmed that they had complied with the requirements set out in the Model Code throughout the Period.

企業管治常規

光麗科技控股有限公司(「本公司」)致力維持及確保高水準的企業管治常規，而本公司的企業管治原則乃採納以符合本公司及其附屬公司(統稱「本集團」)以及本公司之股東(「股東」)的最佳利益。本公司已採納適用守則條文及(如適用)採納上市規則附錄十四所載企業管治守則(「企業管治守則」)所載的建議最佳常規作為其自身的企業管治守則。

由於本公司已發行普通股(「股份」)於二零一八年三月十六日(「上市日期」或「上市」)初步在聯交所上市，故企業管治守則於二零一八年一月一日至二零一八年三月十五日(即緊接上市日期前的日期)期間並不適用於本公司。然而，本公司於上市日期至二零一八年十二月三十一日(「本期間」)一直遵守企業管治守則所載所有適用守則條文，除下文情況外：

根據企業管治守則第A.2.1條之守則條文，主席及行政總裁之責任應加以區分，且不應由同一人士擔任。李秉光先生(彼於半導體及其他電子元件行業擁有豐富經驗)為本公司的董事會主席(「董事會」及「主席」)及行政總裁(「行政總裁」)。董事會認為，將主席及行政總裁之角色賦予李秉光先生對確保本集團維持始終如一的領導大有裨益，並可快速高效地實施本集團的整體策略規劃。然而，董事會將不時檢討該架構，並於適當時候將主席及行政總裁的角色分開由兩人擔任。

董事進行證券交易

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」)作為董事買賣本公司證券的守則。本公司已向各董事作出具體查詢，而全體董事已確認彼等於本期間整段期間已遵守標準守則所載規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD

The Board is responsible for the leadership and control of the Group and oversees the Group's businesses, strategic decisions and performance. The Board has delegated the day-to-day responsibility to the executive Directors and senior management who perform their duties. The Board has established Board committees and has delegated to these Board committee's various responsibilities as set out in their respective terms of reference. The responsibilities of these Board committees include monitoring the Group's operational and financial performance and ensuring that appropriate internal control and risk management are in place.

As at the date of this annual report, the Board is comprised of three (3) executive Directors and three (3) independent non-executive Directors (the "INEDs"). The members of the Board during the Period and up to the date of this annual report is set out below:

Executive Directors

Mr. Lee Bing Kwong (*Chairman and CEO*)

Mr. Lo Yuen Kin

Ms. Lo Yuen Lai (Appointed on 22 March 2019)

INEDs

Mr. Cheung Siu Kui

Mr. Yim Kwok Man

Dr. Chow Terence

The biographical information of the Directors and relationship between the Directors are set out in the section headed "Biographies of Directors and Senior Management" on pages 14 to 17 of this annual report. There is no other financial, business, family or other material/relevant relationships among the members of the Board.

Chairman and CEO

The Company has appointed Mr. Lee Bing Kwong as the Chairman and CEO, who is primarily responsible for overseeing the corporate development and strategic planning of the Group.

INEDs

In compliance with the Listing Rules, the Company has appointed three (3) INEDs, representing at least one-third of the Board, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has received a written confirmation from each of the INEDs in respect of their independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all INEDs are independent during the Period and up to the date of this annual report.

董事會

董事會負責領導及監控本集團以及監督本集團的業務、策略決定及表現。董事會已將日常責任轉授予履行其職責的執行董事及高級管理層。董事會已成立董事委員會並將多項職責委派予該等董事委員會，有關職責載於該等董事委員會各自的職權範圍。該等董事委員會的職責包括監控本集團營運及財務表現，並確保備有合適內部監控及風險管理措施。

於本年報日期，董事會由三(3)名執行董事及三(3)名獨立非執行董事(「獨立非執行董事」)組成。本期間及截至本年報日期董事會成員載列如下：

執行董事

李秉光先生(主席兼行政總裁)

盧元堅先生

盧元麗女士(於二零一九年三月二十二日獲委任)

獨立非執行董事

張小駒先生

嚴國文先生

鄒重基醫生

董事履歷資料及董事之間的關係載於本年報第14至17頁「董事及高級管理層履歷」一節。董事會成員之間概無任何其他財務、業務、家族或其他重要／相關關係。

主席兼行政總裁

本公司已委任李秉光先生為主席兼行政總裁，主要負責監督本集團的企業發展及策略規劃。

獨立非執行董事

為遵守上市規則，本公司已委任三(3)名獨立非執行董事，佔董事會人數至少三分之一，其中一人具備適當專業資格或會計或有關財務管理專長。根據上市規則第3.13條所載的獨立性指引，本公司已接獲各獨立非執行董事有關彼等獨立性的確認書。本公司認為全體獨立非執行董事於本期間及截至本年報日期均為獨立人士。

CORPORATE GOVERNANCE REPORT

企業管治報告

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the businesses, strategic decisions and performance of the Group and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors take decisions objectively in the best interests of the Company.

The Chairman leads the Board to formulate corporate mission, visions and policies of the Group and to ensure that all Directors are properly briefed on issues.

All Directors, including INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All executive Directors actively involves in managing the affairs of the Company with a good understanding of the business, and play important roles in the daily operations, whilst all INEDs participate in the Board meetings and bring their independent views and judgments on various issues.

INEDs provide the Group with a wide range of skills, expertise and varied backgrounds and qualifications through their regular attendance and active participation at various committee meetings of the Company. They bring independent opinion and judgment on the strategy and policies to ensure that the interests of all Shareholders are taken into account.

All Directors have full and timely access to all the information of the Company and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each director to perform his/her responsibilities to the Company.

董事會與管理層的職責、如何負責及作出貢獻

董事會負有領導及監控本公司以及監督本集團的業務、策略決定及表現的責任，並集體負責統管並監督其事務以促使本公司成功。董事客觀行事，所作決策符合本公司最佳利益。

主席帶領董事會制訂本集團的企業使命、願景及政策，並確保所有董事對事情有適當了解。

全體董事(包括獨立非執行董事)已為董事會的高效及有效運作帶來廣泛而寶貴的業務經驗、知識及專業技術。

全體執行董事積極參與管理本公司事務，對業務有清楚了解，並於日常營運中扮演重要角色，而全體獨立非執行董事則參與董事會會議，為各種事宜提供獨立意見及判斷。

獨立非執行董事透過定期出席及積極參與各委員會會議，為本集團提供廣泛的技能、專業知識及不同背景和資歷。彼等為策略及政策提供獨立意見及判斷，確保全體股東的利益受到保障。

全體董事均可全面及適時地查閱本公司的所有資料。且管理層有義務向董事及時提供充足資料，以便董事履行其責任。董事可按要求，在適當的情況下尋求獨立專業意見以履行其對本公司所負職責，費用由本公司支付。

董事須向本公司披露彼等擔任的其他職位詳情，而董事會會定期檢討各董事向本公司履行責任所需付出的貢獻。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management team. Such management team is accounted for their performance to the Board.

During the Period, each executive Director frequently met and discussed with the management team in order to maintain an effective feedback system and enable the Group to react to changes or problems quickly and efficiently. The Board shall review its arrangement on delegation of responsibilities and authority regularly to ensure that such delegations are appropriate in view of the Company's prevailing circumstances and that appropriate reporting system is in place.

Each Director is free to seek advice from and has access to the Company's senior management team independently.

Board Proceedings

The Board is required to convene four (4) regular meetings in a financial year with intervals of not more than four (4) months. Notices of not less than 14 days is required to be given to all Directors and each Director is invited to include matters in the agenda. The company secretary of the Company (the "Company Secretary") assisted the Chairman in establishing the meeting agenda. Detailed agenda and related meeting materials were circulated to all Directors at least three days before the date of the regular meetings.

Minutes were recorded in sufficient detail and draft minutes have been circulated to all Board members for comments. Finalised minutes were also sent to all Directors for their records within reasonable time after the meetings. All minutes were kept by the Company Secretary and were open for inspection by Directors.

Immediately prior to the Listing, all Directors have been given the relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors and duty of disclosure of interest.

During the Period, the Board held four (4) meetings, amongst other matters, considered and approved the audited combined financial statements of the Group for the year ended 31 December 2017 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2018.

董事會保留與政策事宜、策略及預算、內部監控及風險管理、重大交易(尤其是可能涉及利益衝突的交易)、財務資料、董事委任及本公司其他重要營運事宜有關的一切重大事宜的決定權。有關實行董事會決定、領導及協調本公司日常營運及管理的責任轉授予管理層團隊負責。該管理層團隊須向董事會報告其表現。

於本期間，各執行董事經常與高級管理層團隊會面及討論以保持有效的意見反饋機制及讓本集團能迅速高效地對變化或問題作出反應。董事會須定期檢討其責任及權限授予安排以確保有關權力授予於本公司當前的情況下實屬恰當及設有適當的匯報制度。

各董事可自由及獨立地尋求本公司高級管理層團隊的意見及和彼等接觸。

董事會議事程序

董事會須於一個財政年度內召開四(4)次定期會議，每次會議之間相隔不超過四(4)個月。召開會議須向所有董事發出不少於14日通知，各董事均獲邀在議程中加入商討事項。本公司的公司秘書(「公司秘書」)協助主席制訂會議議程。詳細議程及有關會議資料於定期會議日期前至少三日向所有董事傳閱。

會議記錄已作足夠詳細的記錄，而會議記錄初稿已向全體董事會成員傳閱以供表達意見。會議記錄的最終定稿亦已在會議結束後的合理時段內發送全體董事以作其記錄之用。所有會議記錄皆由公司秘書保存，並可供董事查閱。

緊接上市前，全體董事已獲發有關作為董事的職責及責任、董事適用的相關法例及規例，以及權益披露責任的相關指引資料。

於本期間，董事會舉行四(4)次會議，內容有關(其中包括)考慮及批准本集團截至二零一七年十二月三十一日止年度的經審核合併財務報表及本集團截至二零一八年六月三十日止六個月的未經審核綜合財務報表。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the Period, four (4) Board meetings and one (1) annual general meeting (the "AGM") were held. Details of the attendance of the Directors are set out below:

於本期間，舉行了四(4)次董事會會議及一(1)次股東週年大會(「股東週年大會」)。董事出席詳情載列如下：

Name of Directors 董事姓名	Attendance of 出席		
	Board Meeting(s) 董事會會議	AGM 股東週年大會	
	Attended/eligible to attend 已出席/合資格出席		
Executive Directors	執行董事		
Mr. Lee Bing Kwong (<i>Chairman and CEO</i>)	李秉光先生 (主席兼行政總裁)	4/4	1/1
Mr. Lo Yuen Kin	盧元堅先生	4/4	1/1
INEDs	獨立非執行董事		
Mr. Cheung Siu Kui	張小駒先生	4/4	1/1
Mr. Yim Kwok Man	嚴國文先生	4/4	1/1
Dr. Chow Terence	鄒重璠醫生	4/4	1/1

Directors' Induction and Continuous Professional Development

All Directors should participate in continuous professional development which is relevant to develop and refresh their knowledge and skills. Every newly appointed Director has received a comprehensive, formal and tailored induction package to ensure that he or she has a proper understanding of the Company's operation and business and the relevant statutes, common laws, the Listing Rules, legal and regulatory requirements and governance policies. The Company Secretary also provides the updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements to the Board from time to time. All Directors are encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records.

During the Period, all Directors attended suitable training and/or briefings by certain professional advisers and/or participated in continuous professional development courses organized by professional bodies/firms on corporate governance or updates on laws, rules and regulations relating to the roles, functions and duties of a director to develop and refresh their knowledge and skills.

董事就任簡報及專業發展計劃

全體董事均須等參與有關發展及重溫知識及技能的持續專業發展。本公司每名新委任董事已收到全面、正式及特製的就任資料集，以確保彼對本公司的營運及業務、相關法規、普通法、上市規則、法例及監管規定以及管治政策有正確了解。公司秘書亦不時向董事會提供上市規則以及其他相關法例及監管規定的最新發展及轉變的更新資料。本公司鼓勵所有董事出席相關培訓課程，費用由本公司支付，且彼等須向本公司提供彼等的培訓記錄。

於本期間，全體董事均出席由若干專業顧問提供適當的培訓及/或簡介會，及/或參與由專業團體/機構舉辦有關企業管治或有關董事角色、職能及責任的法律、規則及法規的最新資料的持續專業發展課程，以發展及重溫其知識及技能。

CORPORATE GOVERNANCE REPORT

企業管治報告

Based on the training records provided by the Directors, the following continuing professional development programmes received by each of the Directors during the Period is summarised as follows:

根據董事提供的培訓記錄，各董事於本期間收到的以下持續專業發展計劃概述如下：

Name of Directors	董事姓名	Type of Training
		培訓類型
Executive Directors	執行董事	
Mr. Lee Bing Kwong	李秉光先生	A and B A及B
Mr. Lo Yuen Kin	盧元堅先生	A and B A及B
INEDs	獨立非執行董事	
Mr. Cheung Siu Kui	張小駒先生	A and B A及B
Mr. Yim Kwok Man	嚴國文先生	A and B A及B
Dr. Chow Terence	鄒重堪醫生	A and B A及B

Notes:

- A: attending training sessions, including but not limited to, seminars, briefings, conferences, forums and workshops
- B: reading materials relating to the seminars material, economy, general business, corporate governance and directors' duties and responsibilities

附註：

- A: 參與培訓課程，包括但不限於研討會、簡介會、會議、討論會及研討會
- B: 閱讀有關研討會材料、經濟、整體業務、企業管治以及董事職務及責任的資料

The Appointment, Re-election and Removal of Directors

Code provision A.4.1 of the CG Code stipulates that non-executive Directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three (3) years.

Each of the executive Director has entered into a service agreement with the Company for a term of three (3) years and each of the INEDs has entered into a letter of appointment with the Company for a term of two (2) years, and is subject to retirement provision pursuant to the Company's articles of association (the "Articles of Association").

委任、重選及罷免董事

企業管治守則守則條文A.4.1訂明，非執行董事的委任應有指定任期，並須接受重選，而守則條文A.4.2則列明，所有為填補臨時空缺而被委任的董事應在接受委任後的首次股東大會上接受股東選舉，及每名董事(包括有指定任期的董事)應輪流退任，至少每三(3)年一次。

各執行董事已與本公司訂立服務協議，任期為三(3)年，而各獨立非執行董事已與本公司訂立委任函，任期為兩(2)年，並須遵守本公司組織章程細則(「組織章程細則」)的退任條文。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Articles of Association contains provisions for the appointment, re-election and removal of Directors as follows:

Appointment of Directors

Article 83(2) provides that subject to the Articles of Association and the Law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.

Article 83(3) provides that the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board.

Re-election of Directors

Article 83(3) also provides that any Director so appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointment by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to the article 84(1), at each annual general meeting one-third (1/3) of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third (1/3)) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Article 84(2) provides that a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires and 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.

Removal of Directors

Under article 83(5), the members may, at any general meeting and by an ordinary resolution, remove a Director at any time before the expiration of his/her period of office notwithstanding anything to the contrary in these articles or in any agreement between the Company and such Director (but without prejudice to any claim from damage under any such agreement).

組織章程細則載有關於委任、重選及罷免董事的條文如下：

委任董事

細則第83(2)條規定，根據組織章程細則及法律，本公司可通過普通決議案選舉任何人士擔任董事，以填補董事會的臨時空缺或增加現有董事人數。

細則第83(3)條規定，董事會有權不時及隨時委任任何人士為董事以填補董事會的臨時空缺或作為現有董事會的新增成員。

重選董事

細則第83(3)條亦規定，獲董事會委任以填補臨時空缺的任何董事的任期至彼獲委任後本公司的首個股東大會為止，並可於該會上膺選連任，獲董事會委任作為現有董事會新增成員的任何董事的任期僅至本公司下屆股東週年大會為止，屆時符合資格膺選連任。

根據細則第84(1)條，於本公司每屆股東週年大會上，當時三分之一(1/3)董事(或倘人數並非三(3)的倍數，則取最接近但不少於三分之一(1/3)的人數)須輪值告退，惟每位董事須最少每三年於股東週年大會退任一次。

細則第84(2)條規定，退任董事符合資格膺選連任，並繼續於彼退任之大會上擔任董事，而任何其他退任董事為自上次重選或獲委任以來任期最長而須輪值告退之其他董事，而於同日獲委任或重選為董事者(除彼等之間另有協定)則以抽籤方式決定告退人選。

罷免董事

根據細則第83(5)條，股東可於任何股東大會上通過普通決議案，於其任期屆滿前的任何時間罷免董事，即使細則有任何相反規定或本公司與該董事有任何協議亦然(但無損根據任何該協議提出的任何損害索償)。

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Remuneration of Directors and Senior Management

The Directors' remuneration for the year ended 31 December 2018 are set out in note 10 to the consolidated financial statements.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographical Details of Directors and Senior Management" in this annual report for the year ended 31 December 2018 by band is set out below:

董事及高級管理層薪酬

於截至二零一八年十二月三十一日止年度董事薪酬載於綜合財務報表附註10。

根據企業管治守則的守則條文第B.1.5條，於截至二零一八年十二月三十一日止年度高級管理層成員(董事除外)(其資料載於本年報「董事及高級管理層履歷詳情」一節內)的薪酬組別載列如下：

Remuneration band (HK\$)	薪酬組別 (港元)	Number of individual(s) 人數
Nil to 1,000,000	零至 1,000,000	2
1,000,001 to 2,000,000	1,000,001 至 2,000,000	1

Corporate Governance Functions

The Board is responsible for performing the following corporate governance duties:

1. to develop and review the Company's policies and practices on corporate governance and make appropriate recommendations to the Board;
2. to review and monitor the training and continuous professional development of Directors and senior management;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
5. to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

企業管治職能

董事會負責履行以下企業管治職責：

1. 制訂及檢討本公司的企業管治政策及常規，並向董事會提供適當建議；
2. 檢討及監察董事及高級管理層的培訓及持續專業發展；
3. 檢討及監察本公司遵守法例及監管規定方面的政策及常規；
4. 制訂、檢討及監察適用於僱員及董事的行為守則及合規手冊(如有)；及
5. 檢討本公司對守則的遵守情況及企業管治報告的披露資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

The Board has established three (3) Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. All the committees are empowered by the Board under the respective terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee, which are posted on the respective websites of the Stock Exchange and the Company and are available for inspection by the Shareholders upon request made to the Company Secretary. The Board committees are provided with sufficient resources to discharge their duties.

Audit Committee

The Audit Committee comprises all the INEDs, namely Mr. Yim Kwok Man, Mr. Cheung Siu Kui and Dr. Chow Terence. Mr. Yim Kwok Man is the chairman of the Audit Committee.

The Board considers that each Audit Committee member has extensive commercial experience and the Audit Committee has a suitable expertise in various businesses, financial and legal sectors and that the composition and establishment of the Audit Committee complies with the requirements under rule 3.21 of the Listing Rules.

The primary duties of the Audit Committee are mainly (i) to review and supervise the financial reporting process and to oversee the audit process of the Group, (ii) to oversee internal control procedures and corporate governance of our Group, and (iii) to review risk management and internal control systems of our Group. It has the responsibilities and powers set forth in the terms of reference.

The Audit Committee members shall meet at least twice a year to consider the interim and final results prepared by the Board.

During the Period, the Audit Committee held four (4) meetings to, among others, review and supervise the financial reporting process and review the risk management and internal control systems of the Group and its audit-related matters. It had, in conjunction with Graham H. Y. Chan & Co., the independent auditor of the Company, reviewed the Group's audited combined financial statements for the year ended 31 December 2017 and the unaudited consolidated financial statements for the six months ended 30 June 2018 and recommended the same to the Board for their consideration and approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures had been made. The Audit Committee also carried out and discharged its other duties as set out in the CG Code.

董事委員會

董事會設有三(3)個董事委員會，分別為審核委員會、薪酬委員會及提名委員會。所有委員會均由董事會根據審核委員會、薪酬委員會及提名委員會各自的職權範圍授權，該等職權範圍已分別登載於聯交所及本公司網站，股東亦可要求公司秘書供其查閱。董事委員會配備充足資源以履行彼等的職責。

審核委員會

審核委員會由全體獨立非執行董事組成，即嚴國文先生、張小駒先生及鄒重堪醫生。嚴國文先生為審核委員會主席。

董事會認為各審核委員會成員均具備豐富的從商經驗，審核委員會於各業務、財務及法律領域均具有合適的專業知識，且委員會的組成及設立符合上市規則第3.21條的規定。

審核委員會的主要職責為(i)檢討及監督財務匯報過程及監察本集團之審核過程；(ii)監察本集團之內部監控程序及企業管治；及(iii)審閱本集團之風險管理及內部監控制度。其具有職權範圍所載的責任及權力。

審核委員會成員須每年至少會面兩次以審議由董事會編製的中期及末期業績。

於本期間，審核委員會舉行四(4)次會議，以(其中包括)檢討及監督財務匯報過程及審閱本集團之風險管理及內部監控制度以及其審核相關事宜。其已與本公司獨立核數師陳浩賢會計師事務所審閱本集團截至二零一七年十二月三十一日止年度的經審核合併財務報表及截至二零一八年六月三十日止六個月的未經審核綜合財務報表，並就此向董事會作出推薦建議，以供董事會考慮及批准。審核委員會認為，該等業績的編製符合適用會計準則及規定，且已作出充分披露。審核委員會亦進行及履行於企業管治守則所載的其他職責。

CORPORATE GOVERNANCE REPORT

企業管治報告

The attendance of each INED at the Audit Committee meetings during the Period is as follows:

各獨立非執行董事於本期間出席審核委員會會議的次數如下：

Members	成員	No. of Attendance/ No. of Meetings Eligible to Attend 已出席／合資格 出席的會議次數
Mr. Yim Kwok Man	嚴國文先生	4/4
Mr. Cheung Siu Kui	張小駒先生	4/4
Dr. Chow Terence	鄒重堪醫生	4/4

The Audit Committee met on 22 March 2019 and, among other matters, review the Group's audited consolidated results for the year ended 31 December 2018.

審核委員會於二零一九年三月二十二日舉行會議，並(其中包括)審閱本集團截至二零一八年十二月三十一日止年度的經審核綜合業績。

Remuneration Committee

The Remuneration Committee comprises two (2) INEDs, namely Mr. Cheung Siu Kui and Mr. Yim Kwok Man and one (1) executive Director, namely Mr. Lee Bing Kwong. Mr. Cheung Siu Kui is the chairman of the Remuneration Committee.

薪酬委員會

薪酬委員會由兩(2)名獨立非執行董事組成，即張小駒先生及嚴國文先生以及一(1)名執行董事，即李秉光先生。張小駒先生為薪酬委員會主席。

The primary duties of the Remuneration Committee are mainly (i) to develop a transparent policy in relation to remuneration; (ii) to review the remuneration policy and the structure relating to all Directors and senior management of our Group; (iii) to assess performance of all Directors and review performance based remunerations payable to Directors and senior management of our Group and make recommendations to the Board on the remuneration packages of individual executive Directors and senior management; and (iv) to make recommendations on other remuneration-related arrangement, such as, housing allowance and bonuses payable to Directors and senior management of our Group.

薪酬委員會的主要職責為(i)制定具透明度之薪酬政策；(ii)檢討本集團所有董事及高級管理層之薪酬政策及架構；(iii)評估所有董事的表現及檢討應付本集團董事及高級管理層之績效薪酬並就個別執行董事及高級管理層的薪酬待遇向董事會提出建議；及(iv)就其他薪酬相關安排(例如房屋津貼及應付本集團董事及高級管理層之花紅)提供推薦建議。

During the Period, the Remuneration Committee held one (1) meeting for reviewing and recommending the Board of the remuneration and other benefits payable by the Company to the Directors and senior management.

於本期間，薪酬委員會舉行一(1)次會議，以審閱本公司向董事及高級管理層支付的薪酬及其他福利並向董事會提供推薦建議。

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The attendance of each member of the Remuneration Committee meeting during the Period is as follows:

各薪酬委員會會議成員於本期間的出席次數如下：

Members	成員	No. of Attendance/ No. of Meeting Eligible to Attend 已出席／合資格 出席的會議次數
Mr. Cheung Siu Kui	張小駒先生	1/1
Mr. Yim Kwok Man	嚴國文先生	1/1
Mr. Lee Bing Kwong	李秉光先生	1/1

The Remuneration Committee met on 22 March 2019 and considered certain remuneration-related matters of the Directors and senior management.

薪酬委員會於二零一九年三月二十二日舉行會議，並考慮董事及高級管理層的若干薪酬相關事宜。

Nomination Committee

The Nomination Committee comprises two (2) INEDs, namely Mr. Cheung Siu Kui and Dr. Chow Terence and one (1) executive Director, namely Mr. Lee Bing Kwong (Chairman). Mr. Lee Bing Kwong is the chairman of the Nomination Committee.

提名委員會

提名委員會由兩(2)名獨立非執行董事組成，即張小駒先生及鄒重璠醫生以及一(1)名執行董事，即李秉光先生(主席)。李秉光先生為提名委員會主席。

The primary duties of the Nomination Committee are (i) to review the structure, size and composition of the Board on a regular basis; (ii) to make recommendations to our Board relating to the appointment, re-appointment; (iii) to identify individuals suitably qualified to become members of the Board; and (iv) to assess the independence of our INEDs.

提名委員會的主要職責為(i)定期檢討董事會之架構、規模及組成；(ii)就委任及重聘向董事會提供推薦建議；(iii)物色擁有適當資格人士成為董事會成員；及(iv)評估獨立非執行董事之獨立性。

The Board has adopted the Board diversity policy (the "Board Diversity Policy") on 15 February 2018 and the Nomination Committee shall monitor the implementation of the Board Diversity Policy and review the progress of its measurable objectives from time to time.

董事會已於二零一八年二月十五日採納董事會成員多元化政策(「董事會成員多元化政策」)，及提名委員會須監察董事會成員多元化政策的施行情況並不時檢討其可計量目標的達成進度。

A summary of the Board Diversity Policy, together with the implementation are disclosed as below.

董事會成員多元化政策的概要連同實施情況於下文披露。

The Board Diversity Policy aims to set out the approach to achieve and maintain diversity on the Board in order to strengthen the performance of the Board, promote effective decision-making and better corporate governance and monitoring. To achieve a sustainable and balanced development, the Company encourages increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing an appropriate composition of the Board, the Board diversity has been considered from a number of perspectives, including but not limited to gender, age, culture and educational background, professional experience, skills, knowledge and length of service. All Directors appointment will be based on applicable merits and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

董事會成員多元化政策旨在列出實現及維持使本公司董事會成員達致多元化的方法，藉以提升董事會的表現、促進有效決策及更佳的企業管治及監控。為達到可持續及均衡發展，本公司鼓勵董事會層面更趨多元化，並視之為支持實現其策略目標及其可持續發展的關鍵元素。於設計董事會的適當組成時，已就董事會成員多元化作出多方面考慮，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期。所有董事委任將基於適用價值而定，而候選董事將按客觀標準加以考慮，並妥為顧及董事會成員多元化的益處。

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During the Period, the Nomination Committee held one (1) meeting for, among other matters, reviewing the structure, size and composition of the Board, assessing the independence of INEDs and making recommendation to the Board on the appointment or re-appointment of Directors.

The attendance of each member of the Nomination Committee meeting during the Period is as follows:

於本期間，提名委員會舉行一(1)次會議，其中包括檢討董事會之架構、規模及組成、評估獨立非執行董事之獨立性，以及就委任或重新委任董事向董事會提供推薦建議。

提名委員會會議各成員於本期間的出席次數如下：

Members	成員	No. of Attendance/ No. of Meeting Eligible to Attend 已出席／合資格 出席的會議次數
Mr. Lee Bing Kwong	李秉光先生	1/1
Mr. Cheung Siu Kui	張小駒先生	1/1
Dr. Chow Terence	鄒重璣醫生	1/1

The Nomination Committee met on 22 March 2019 and recommended the re-appointment of all the retiring Directors at the forthcoming annual general meeting after assessing their contribution and performance based on the nomination policy of the Company (the "Nomination Policy").

Nomination Policy

The Nomination Policy which sets out the selection criteria and nomination procedures to identify, select and recommend candidates for Directors. The policy is embedded in the terms of reference of the Nomination Committee (the "NCTOR"). Please refer paragraphs 8.1.1 to 8.1.4 and paragraph 9 of the NCTOR.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2018.

The statement of the independent auditor of the Company about their reporting responsibilities and opinion on the financial statements is set out in the Independent Auditor's Report on pages 66 to 74 of this annual report.

提名委員會於二零一九年三月二十二日舉行會議，並建議於根據本公司提名政策(「提名政策」)評估其貢獻及表現後，在即將舉行的股東週年大會上重新委任所有退任董事。

提名政策

提名政策載列選擇標準及提名程序，以識別、選擇及推薦董事候選人。該政策已納入提名委員會的職權範圍(「提名委員會職權範圍」)。請參閱提名委員會職權範圍的第8.1.1至8.1.4段及第9段。

董事對財務報表的責任

董事確認彼等負責編製本集團截至二零一八年十二月三十一日止年度的財務報表。

本公司獨立核數師有關其對財務報表的匯報責任載於本年報第66至74頁的獨立核數師報告內。

CORPORATE GOVERNANCE REPORT

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INDEPENDENT AUDITOR'S REMUNERATION

An analysis of the remuneration paid/payable to the independent auditor of the Company, Graham H. Y. Chan & Co., in respect of audit services and other services for the year ended 31 December 2018 is set out below:

獨立核數師酬金

截至二零一八年十二月三十一日止年度就審核服務及其他服務已付／應付本公司獨立核數師陳浩賢會計師事務所的酬金分析載列如下：

Service	服務	Fee paid/payable 已付／應付費用 HK\$'000 千港元
Annual audit services	年度審核服務	1,236
Other services (mainly as the reporting accountant of the Company in relation to the Listing)	其他服務(主要為就上市擔任本公司申報會計師)	1,867
Total	總計	3,103

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for maintaining an adequate and effective risk management and internal control systems to safeguard the interest of the Company and the Shareholders and through the Audit Committee, reviewing the effectiveness of such systems on an annual basis.

Procedures have been set up for, inter alia, identifying, analysing, categorizing, mitigating and monitoring significant risks, and safeguarding assets against unauthorized use or disposition, maintaining proper accounting records and ensuring reliability of financial information, ensuring compliance with relevant legislation and regulations and protecting the interests of the Shareholders. Such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and aims to provide a reasonable, as opposed to an absolute assurance against material misstatement or loss.

The Company does not have an internal audit department. The Board currently takes the view that there is no immediate need to set up an internal audit function in light of the size and nature of the Group's business. The need for an internal audit function will be reviewed from time to time. However, for the Period, the Audit Committee, through the engagement of an external independent consultants has conducted a review of the effectiveness of the risk management and internal control systems of the Group covering all material controls, including financial, operational and compliance controls. The Board considers that the Group's risk management and internal control are adequate and effective. The Board expects that a review of the risk management and internal control systems will be performed annually.

風險管理及內部監控

董事會明白其有責任維持適當有效的風險管理及內部監控制度，以保障本公司及股東的權益，並透過審核委員會每年檢討有關制度的成效。

本公司已制定程序，以(其中包括)識別、分析、分類、減輕及監測重大風險，及保護資產以防未經授權使用或處置，維持妥當的會計記錄及確保財務資料的可靠性，確保遵守相關法律法規及保護股東權益。有關制度為管理而非消除未能達致業務目標的風險而設，並旨在就重大失實陳述或損失作出合理而非絕對的保證。

本集團並無內部審核部門。鑑於本集團的業務規模及性質，董事會目前認為並無設立內部審核職能的即時需要。設立內部審核職能的需要將不時予以檢討。然而，於本期間，審核委員會透過委聘外部獨立顧問，對本集團的風險管理及內部監控制度的成效進行檢討，當中涉及所有重大監控事項，包括財務、營運及合規監控。董事會認為本集團的風險管理及內部監控屬適當有效。董事會預計將每年對風險管理及內部監控制度進行檢討。

CORPORATE GOVERNANCE REPORT

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DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the SFO, Chapter 571 of the laws of Hong Kong and the Listing Rules and the overriding principle that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorized use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the executive Directors, Company Secretary and investor relations officers are authorized to communicate with parties outside the Group.

COMPANY SECRETARY

The Company Secretary is Mr. Kwok Siu Man (“Mr. Kwok”), who has been appointed by the Board since 5 August 2018 and had been so nominated by Boardroom Corporate Services (HK) Limited (“Boardroom”) under an engagement letter made between the Company and Boardroom. The primary person at the Company with whom Mr. Kwok has been contacting is Mr. Lee Chak Hol, the deputy chief executive officer of the Company, in relation to corporate secretarial matters. As Mr. Kwok was first appointed as the company secretary of a Hong Kong Hang Seng Index constituent stock company in 1991 and has been acting in such capacity for a number of other reputable companies listed on the Stock Exchange at a substantial amount of time since then, he was not required to have at least 15 hours of relevant continuous professional training under the Listing Rules for each of the five conservation years from 2012. Mr. Kwok have undertaken 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules during the Period.

內幕消息的披露

本集團確認其根據香港法例第571章證券及期貨條例及上市規則須履行的責任，整體原則為內幕消息須在決定後即時公佈。處理及發佈內幕消息的程序及內部監控如下：

- 本集團處理事務時會充分考慮上市規則項下的披露規定及香港證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」；
- 本集團透過財務報告、公告及其網站等途徑，向公眾廣泛及非獨家地披露資料，以實施及披露其公平披露政策；
- 本集團已嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界查詢本集團事務訂立及執行回應程序，據此只有執行董事、公司秘書及投資者關係專員獲授權與外界人士溝通。

公司秘書

本公司的公司秘書為郭兆文先生（「郭先生」），彼自二零一八年八月五日起獲董事會委任，並根據本公司與寶德隆企業服務（香港）有限公司（「寶德隆」）訂立的委任函獲寶德隆提名。就公司秘書事宜與郭先生聯絡的本公司主要人員為本公司行政副總裁李澤浩先生。由於郭先生於一九九一年首次獲委任為香港恒生指數成份股公司的公司秘書，並自此大部分時間在若干其他知名聯交所上市公司出任有關職位，故彼於二零一二年起連續五年間各年毋須根據上市規則接受至少15小時的相關持續專業發展培訓。於本期間，郭先生已根據上市規則第3.29條規定接受15小時的相關專業培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIVIDEND POLICY

The Company adopted a dividend policy (the “Dividend Policy”) on 31 December 2018. According to the Dividend Policy, in deciding whether to propose any dividend payout and/or determining the amount of any dividend to be paid, the Board will take into account, amongst other matters:

- (a) the Group’s actual and expected financial performance;
- (b) interests of shareholders of the Company;
- (c) retained earnings and distributable reserves of the Company and each of the other members of the Group;
- (d) the level of the Group’s debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- (e) possible effects on the Group’s creditworthiness;
- (f) any restrictions on payment of dividends that may be imposed by the Group’s lenders;
- (g) the Group’s expected working capital requirements and future expansion plans;
- (h) liquidity position of the Group and any future commitments at the time of declaration of dividend;
- (i) taxation considerations;
- (j) statutory and regulatory restrictions;
- (k) general business conditions and strategies;
- (l) general economic conditions, business cycle of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- (m) other factors that the Board deems appropriate.

The declaration and payment of dividends shall be subject to all applicable laws and regulations including but not limited to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the memorandum and articles of association of the Company (the “Memorandum and Articles”).

The Company will review the Dividend Policy from time to time and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time.

股息政策

本公司已於二零一八年十二月三十一日採納股息政策（「股息政策」）。根據股息政策，董事會決定是否建議派發任何股息及／或釐定將予派付的任何股息金額時，將考慮（其中包括）：

- (a) 本集團的實際及預期財務表現；
- (b) 本公司股東的利益；
- (c) 本公司以及本集團下屬每個成員的留存收益及可分配儲備金；
- (d) 本集團之債務權益比率、股本回報比率，以及施加於本集團的財務限制所處之水平；
- (e) 對本集團信貸狀況之潛在影響；
- (f) 由本集團的貸款人可能施加的任何股息派付限制；
- (g) 本集團之預期營運資本需求以及未來擴張計劃；
- (h) 於宣派股息時本集團之流動性及任何未來之承諾情況；
- (i) 稅務考慮；
- (j) 法律及合規限制；
- (k) 整體商業條件及策略；
- (l) 整體經濟狀況、本集團業務的商業週期，以及可能對本公司業務或財務表現和狀況有影響的其他內部或外部因素；及
- (m) 董事會認為適當的其他因素。

股息的宣派及派付應符合所有適用的法例及規定，包括但不限於公司條例（香港法例第622章）及本公司組織章程大綱及細則（「大綱及細則」）。

本公司將會不時審閱股息政策以及保留其唯一及絕對酌情權於任何時間更新、修訂及／或修改股息政策。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the respective websites of the Stock Exchange and the Company after each general meeting.

Convening an Extraordinary General Meeting by Shareholders

Pursuant to article 58, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; any such meeting shall be held within two (2) months after deposit of such requisition; and if within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or the Cayman Islands Companies Law for the Shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries or requests as mentioned above to the following:

Company Secretary

Units 2-3, 1/F
Sun Cheong Industrial Building
1 Cheung Shun Street
Kowloon, Hong Kong

股東權利

為保障股東的權益及權利，股東大會上會就每項實際獨立的事宜個別提出決議案，包括選舉個別董事。於股東大會提呈的所有決議案將根據上市規則以投票方式表決，投票結果將於各股東大會後分別登載於聯交所及本公司網站。

股東召開股東特別大會

根據細則第58條，任何一名或以上股東倘於請求提交日期持有不少於附帶本公司股東大會表決權的本公司繳足股本的十分之一，即時刻有權透過向董事會或公司秘書提出書面請求，要求董事會召開股東特別大會處理該請求所指明的任何事項；而任何該大會須於提出該請求後兩(2)個月內舉行。倘於提出有關請求起計二十一(21)日內，董事會並無如期召開該會議，則請求人本身可以按相同方式召開股東大會，而請求人因董事會未有召開大會而招致的一切合理開支須獲本公司償付予請求人。

於股東大會提呈建議

組織章程細則或開曼群島公司法並無有關股東於股東大會動議新決議案的條文。股東如欲動議決議案，可按照上一段所載程序要求本公司召開股東大會。

向董事會作出查詢

如欲向董事會作出任何查詢，股東可向本公司寄發書面查詢。本公司一般不會處理口頭或匿名查詢。

股東可將上述查詢或要求寄往以下地址：

公司秘書

香港九龍
長順街1號
新昌工業大廈
1樓2-3室

CORPORATE GOVERNANCE REPORT

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For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/ INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Company's business performance and strategies. The Company endeavors to maintain an on-going dialogue with the Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Chairman and chairman of the Board committees (or their delegates as appropriate) are available to meet the Shareholders and answer their enquiries.

The Company maintains a website at www.apexace.com as a communication platform with the Shareholders and investors, where the financial information and other relevant information of the Company are available for public access.

Constitutional Documents

During the Period, the Company has not made any changes to its Memorandum and Articles. An up to date version of the Memorandum and Articles is available on the respective websites of the Stock Exchange and the Company.

為免生疑問，股東必須將妥為簽署的書面請求、通知或聲明，或查詢（視何者適用而定）的正本交回或寄往以上地址，並提供其全名、聯絡資料及身份以使其生效。股東資料可能按法例規定被披露。

與股東及投資者的溝通／投資者關係

本公司認為，與股東有效溝通對提升投資者關係以及投資者對本公司業務表現及策略的了解非常重要。本公司致力與股東維持持續對話，尤其是透過股東週年大會及其他股東大會。於股東週年大會上，主席及董事委員會主席（或其代表（如適用））會出席會見股東及解答股東查詢。

本公司設有網站 www.apexace.com 作為與股東及投資者的溝通平台，可供公眾查閱本公司的財務資料及其他相關資料。

組織章程文件

於本期間，本公司並無對其大綱及細則作出任何更改。大綱及細則的最新版本已分別刊載於聯交所網站及本公司網站。

REPORT OF THE DIRECTORS

董事會報告

The board of directors of the Company (the “Directors” and the “Board”, respectively) is pleased to present the report of the Directors together with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Subsidiaries are principally engaged in the sales of electronic components, and sales and integration of storage systems. The shares of the Company was listed on the Main Board of the Stock Exchange on 16 March 2018 (the “Listing Date”).

Segment analysis of the Company for the year ended 31 December 2018 is set out in note 6 to the consolidated financial statements. A list of the Company’s subsidiaries, together with their places of incorporation, principal activities, place of operation and particulars of their issued shares/registered share capital, is set out in note 30 to the consolidated financial statements.

FINANCIAL RESULTS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 75 and 76.

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 168 of this annual report.

SHARE CAPITAL

Details of the movement in the share capital of the Company during the year ended 31 December 2018, together with the reasons thereof, are set out in note 26 to the consolidated financial statements.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend the payment of a final dividend of 0.6 HK cent per Share payable in cash for the year ended 31 December 2018 (the “Proposed Final Dividend”). Subject to the approval of Shareholders at the forthcoming annual general meeting of the Company (the “AGM”) to be held on Tuesday, 28 May 2019, the Proposed Final Dividend will be paid on Friday, 5 July 2019 to the Shareholders whose names appear on the register of members of the Company (the “Register of Members”) on Thursday, 6 June 2019. The Register of Members will be closed from Tuesday, 4 June 2019 to Thursday, 6 June 2019, both days inclusive. On 13 February 2018, dividend of HK\$15,975,000 was declared and paid by Apex Team Limited, a wholly-owned subsidiary of the Company as at date of this report, to the then controlling shareholder.

本公司董事會(分別為「董事」及「董事會」)欣然提呈董事會報告連同本集團截至二零一八年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。附屬公司主要從事銷售電子元件以及銷售及整合儲存系統。本公司股份於二零一八年三月十六日(「上市日期」)在聯交所主板上市。

本公司截至二零一八年十二月三十一日止年度的分部分析載於綜合財務報表附註6。本公司附屬公司列表連同其註冊成立地點、主要業務、經營地點及其已發行股份/註冊股本詳情載於綜合財務報表附註30。

財務業績

本集團截至二零一八年十二月三十一日止年度的業績載於第75頁及76頁的綜合損益及其他全面收益表。

財務資料概要

本集團過往五個財政年度的業績及資產和負債概要載於本年報第168頁。

股本

本公司截至二零一八年十二月三十一日止年度的股本變動詳情連同有關變動的原因載於綜合財務報表附註26。

末期股息及暫停辦理股東登記手續

董事會議決建議就截至二零一八年十二月三十一日止年度以現金派付末期股息每股0.6港仙(「建議末期股息」)。待股東在將於二零一九年五月二十八日(星期二)舉行的本公司應屆股東週年大會(「股東週年大會」)批准後,建議末期股息將於二零一九年七月五日(星期五)派付予於二零一九年六月六日(星期四)名列本公司股東名冊(「股東名冊」)的股東。股東名冊將於二零一九年六月四日(星期二)至二零一九年六月六日(星期四)(包括首尾兩天)期間暫停辦理登記。於二零一八年二月十三日,本集團於本報告日期的全資附屬公司Apex Team Limited已向其當時控股股東宣派及派付股息15,975,000港元。

REPORT OF THE DIRECTORS

董事會報告

BUSINESS REVIEW AND PERFORMANCE

Review of our Business and Performance

A discussion and analysis of the Group's performance during the year ended 31 December 2018 and the key factors affecting its results and financial position are set out in the section headed "Management Discussion and Analysis" of this annual report.

Information about a review of, and an indication of likely future development in, the Group's business is set out in the "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

Particulars of Important Events

Since 31 December 2018, being the end of the financial year under review, no important event has occurred affecting the Group.

RISK MANAGEMENT

The following section lists out the key risks and uncertainties faced by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below. Besides, this annual report does not constitute a recommendation or an advice for anyone to invest in the securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

Financial risks

Details on the financial risks on foreign currency, credit on trade receivables, liquidity and interest rate facing the Group on its operation can be referred to note 33 to the consolidated financial statements included in this annual report on pages 155 to 163.

Seasonality of products demand

Our Group's business is generally seasonal in nature. It is possible that seasonality in demand for our customers' products might affect our Group's sales in the future. Market conditions faced by our customers may be volatile and are beyond the control of the Group. Future downturns in the end markets of our customers may affect the business of our Group.

業務回顧及表現

業務及表現的回顧

本集團於截至二零一八年十二月三十一日止年度的表現的討論及分析以及影響其業績及財務狀況的主要因素載於本年報「管理層討論及分析」一節。

有關本集團業務的事務回顧及未來可能發展說明的資料載於本年報「主席報告」及「管理層討論及分析」一節。

重大事件的詳情

自二零一八年十二月三十一日(即回顧財政年度結算日)以來,概無發生影響本集團的重大事件。

風險管理

以下章節列出本集團所面對的主要風險及不明朗因素。這並非詳盡清單,故可能存在下文概述的主要風險領域以外的其他風險及不明朗因素。此外,本年報並不構成任何人士投資本公司證券的推薦或建議,投資者務請自行判斷或於對本公司證券作任何投資前諮詢其本身的投資顧問。

財務風險

有關本集團營運所面對的外幣、貿易應收賬款、流動資金及利率的財務風險詳情,可參閱載於本年報第155至163頁的綜合財務報表附註33。

產品需求的季節性影響

本集團的業務在本質上通常具有季節性。我們客戶產品的季節性需求可能影響本集團日後的銷售。客戶所面對的市場環境或會波動且非本集團所能控制。客戶的終端市場進一步下滑或會影響本集團的業務。

REPORT OF THE DIRECTORS

董事會報告

Reliance on major customers and suppliers

Our stable relationship with our major customers and suppliers enables our business to achieve stable revenue and profitability level. On the other hand, if there are any changes in such relationships, which may lead to withdrawals, cancellations or terminations of transactions, the Group's performance and business growth may be adversely affected.

Evolvement in information technology

Our Group operates in a highly competitive industry which faces rapid changes in market trends, consumer preferences and constantly evolving technological advances in hardware models, software features and functionalities. The ongoing changes in technology require us to constantly incorporate new features or technology into our sensitivity and adaptability to market demand and/or services in order to cope with the evolving environment and customer demands.

Our business operation may be affected by future economic and political policies of the PRC government

The development of PRC's economy is based on many factors, including but not limited to structure of economy, government involvement, control of foreign exchange, allocation of resources and capital investment. However, any of such changes to the economic and political strategies and policies of the PRC government may have an adverse impact on the overall global economy and affect all the industries in which the Group operates.

Our business operation may be affected by future economic and political uncertainties in the world

Economic and political uncertainties in the world resulted from major events such as Brexit, the U.S. presidential election or terrorist attack events may have short-term and long-term effects on the global economy and the performance of the global capital markets, which in turn may adversely impact the performance of the Group.

Performance history and forward looking statements

The performance and the results of the operations of the Group as set out in this annual report are historical in nature and past performance is not a guarantee of future performance. This annual report may contain forward looking statements and opinions that involve risks and uncertainties. Actual results may also differ materially from expectations discussed in such forward-looking statements and opinions. Neither the Group nor the Directors, employees or agents of the Group assume any obligations or liabilities in the event that any of the forward-looking statements or opinions does not materialize or turns out to be incorrect.

依賴主要客戶及供應商

我們與主要客戶及供應商的穩定關係令我們的業務能取得穩定的收益及盈利水平。另一方面，倘該等關係出現可能導致撤回、取消或終止交易的任何轉變，則本集團的業績及業務增長可能遭受不利影響。

資訊科技的演變

本集團所經營的行業競爭非常激烈，市場趨勢及客戶喜好變化迅速，硬件型號、軟件特色及功能方面的技術不斷進步。科技的持續轉變令我們必須不斷加入新特色或技術以迎合或適應市場需求及／或服務，以應對不斷變化的環境及客戶需求。

我們業務運營可能受日後中國政府的經濟及政治政策的影響

中國經濟的發展基於眾多因素，包括但不限於經濟結構、政府干涉程度、外匯管制、資源分配及資本投資。然而，中國政府的政經策略及政策的任何相關變動或會對環球經濟整體造成不利影響並影響本集團所經營的所有行業。

我們業務運營可能受日後環球經濟及政治不明朗因素的影響

英國脫歐、美國總統大選或恐襲等重大事件所帶來的環球經濟及政治不明朗因素可能對環球經濟及環球資本市場的表現造成短期及長期影響，繼而可能對本集團的表現造成不利影響。

表現記錄及前瞻性陳述

本年報所載的本集團表現及經營業績為歷史資料，而過往表現並非未來表現的保證。本年報可能載有前瞻性陳述及意見，當中涉及風險及不明朗因素。實際業績亦可能與該等前瞻性陳述及意見所述的預期有重大出入。倘任何前瞻性陳述或意見未能成真或並不正確，本集團或董事、本集團僱員或代理概不承擔任何責任或法律責任。

REPORT OF THE DIRECTORS

董事會報告

ENVIRONMENTAL POLICIES AND PERFORMANCE

It is our corporate and social responsibility in promoting a sustainable and environmental friendly environment. Our Group does not engage in the manufacturing of products and does not have any production facilities. The inventory are kept at our Group's storage and warehousing facilities situated inside the headquarters office unit. Therefore, our Group is not subject to significant health, safety or environmental risks. During the year ended 31 December 2018, our Group had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental regulations.

Compliance with Laws and Regulations

Our operations are mainly carried out by the Company's subsidiaries in Hong Kong and China while the Company itself is listed on the Stock Exchange. Our operations shall comply with relevant laws and regulations in China and Hong Kong.

During the year ended 31 December 2018 and up to the date of this report, the Group has complied with all the relevant laws and regulations in China and Hong Kong in all material respects.

Relationship with Employees, Customers and Suppliers

The Group is constantly aware of the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. We encourage employees to strengthen their knowledge of the industries in which the Group operate and attend courses or training sessions to improve their relevant industry and technical knowledge. The Group also maintains ongoing communications with its employees, customers and suppliers through various channels such as regular meetings, calls and emails in order to allow employees to contribute to the development of the Group, deliver better customer services to our clients and obtain better services and cooperation from our suppliers.

DONATIONS

Donations made by the Group during the year ended 31 December 2018 for charitable and community purposes amounted to HK\$1,234,000 (2017: HK\$234,000).

環境政策及表現

推動可持續及綠色環境是我們的企業及社會責任。本集團並無從事產品製造業務，亦無任何生產設施。存貨乃存儲在本集團位於總部辦公室單位內的存儲及倉庫設施。因此，本集團並無面對重大健康、安全或環境風險。截至二零一八年十二月三十一日止年度，本集團並無因違反健康、安全或環境規例而遭到任何罰款或其他懲罰。

遵守法例及規例

我們的營運主要由本公司於香港及中國的附屬公司進行，而本公司本身則於聯交所上市。我們的營運須遵守中國及香港的相關法例及規例。

截至二零一八年十二月三十一日止年度及直至本報告日期，本集團於所有重大方面一直遵守中國及香港的所有相關法例及規例。

與僱員、客戶及供應商的關係

本集團一向明白與其僱員、客戶及供應商保持良好關係以實現其即時及長遠業務目標的重要性。我們鼓勵僱員增進對本集團所經營行業的認識，以及參與課程或培訓以提升其相關行業及技術知識。本集團亦透過定期會議、電話及電郵等多種途徑與其僱員、客戶及供應商保持持續溝通，從而讓僱員為本集團的發展作出貢獻、向客戶提供更佳的客戶服務，以及從供應商獲得更佳的服務及合作關係。

捐款

本集團於截至二零一八年十二月三十一日止年度就慈善及公益用途作出為數1,234,000港元(二零一七年：234,000港元)的捐款。

REPORT OF THE DIRECTORS

董事會報告

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to Shareholders by reason of their holding of the Company's securities.

RESERVES

Details of the movements in the reserves of the Group during the year ended 31 December 2018 are set out on page 79 in the consolidated statement of changes in equity for the year ended 31 December 2018 to this annual report.

DISTRIBUTABLE RESERVES

As of 31 December 2018, the Company's distributable reserves calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands amounted to HK\$117.4 million.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements of our property, plant and equipment during the year ended 31 December 2018 are set out in are set out in note 14 to the consolidated financial statements.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The Company was listed on the Stock Exchange on the Listing Date with net proceeds received by the Company from the global offering in the amount of approximately HK\$116.9 million after deducting underwriting commissions and all related expenses and before the exercise of over-allotment option. The net proceeds received from the global offering will be used in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the Prospectus. Please refer to section headed "Management Discussion and Analysis" of this annual report for the utilization of the net proceeds from the Listing Date up to 31 December 2018 (the "Period").

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

The Company did not redeem any of its Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the Period.

稅務寬減及寬免

本公司並不知悉股東可因其持有本公司證券而獲得任何稅務寬減及寬免。

儲備

本集團截至二零一八年十二月三十一日止年度的儲備變動詳情載於本年報第79頁的截至二零一八年十二月三十一日止年度的綜合權益變動表。

可分派儲備

於二零一八年十二月三十一日，根據開曼群島法律第22章公司法(一九六一年第3號法例，經綜合及修訂)計算，本公司的可分派儲備達117.4百萬港元。

物業、廠房及設備

截至二零一八年十二月三十一日止年度的物業、廠房及設備變動詳情載於綜合財務報表附註14。

首次公開發售所得款項用途

本公司於上市日期在聯交所上市，經扣除包銷佣金及所有相關開支後以及於行使超額配股權前，本公司從全球發售收到的所得款項淨額約為116.9百萬港元。從全球發售收到的所得款項淨額將按與招股章程「未來計劃及所得款項用途」一節所述者一致的方式動用。有關自上市日期直至二零一八年十二月三十一日(「本期間」)動用所得款項淨額的詳情，請參閱本年報「管理層討論及分析」一節。

購買、出售或贖回本公司的上市證券

於本期間，本公司並無贖回其於聯交所上市之任何股份，且本公司或其任何附屬公司概無購買或出售任何該等股份。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The Directors during the year ended 31 December 2018 and up to the date of this annual report were:

Executive Directors:

Mr. Lee Bing Kwong (*Chairman and CEO*)

Mr. Lo Yuen Kin

Ms. Lo Yuen Lai (appointed on 22 March 2019)

INEDs:

Mr. Cheung Siu Kui

Mr. Yim Kwok Man

Dr. Chow Terence

Biographical details of the Directors are set out in "Biographies of Directors and Senior Management" to this annual report. In accordance with the Articles of Association, Mr. Lee Bing Kwong, Ms. Lo Yuen Lai and Mr. Cheung Siu Kui shall retire at the AGM and being eligible, have offered themselves for re-election thereat.

DIRECTORS' SERVICE CONTRACTS

None of the Directors offering for re-election at the AGM has a service contract with the Company which is not terminable within one year without payment of compensation other than statutory compensation.

REMUNERATION POLICY

The remuneration policy of the employees of our Group has been set up by the remuneration committee of the Board (the "Remuneration Committee") on the basis of their merit, qualifications and competence. The remuneration of the Directors is recommended by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The Company has adopted a share option scheme as an incentive to the eligible participants.

董事

於截至二零一八年十二月三十一日止年度及直至本年報日期的董事為：

執行董事：

李秉光先生(主席兼行政總裁)

盧元堅先生

盧元麗女士(於二零一九年三月二十二日獲委任)

獨立非執行董事：

張小駒先生

嚴國文先生

鄒重堪醫生

董事履歷詳情載於本年報「董事及高級管理層履歷」。根據組織章程細則，李秉光先生、盧元麗女士及張小駒先生須於股東週年大會上退任且合資格並願意於會上重選連任。

董事服務合約

於股東週年大會接受重選的董事概無與本公司訂有不可在並無支付賠償(法定賠償除外)的情況下於一年內終止的服務合約。

薪酬政策

本集團僱員的薪酬政策由董事會薪酬委員會(「薪酬委員會」)按其貢獻、資歷及能力訂定。董事酬金由薪酬委員會經考慮本公司經營業績、個人表現及可資比較之市場數據後作出建議。本公司已採納購股權計劃，作為對合資格參與者的鼓勵。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE AND COMPETING BUSINESS

Save as disclosed under note 31 "Related Party Transactions" to the consolidated financial statements, no transactions, arrangements and contracts of significance (as defined in Appendix 16 to the Listing Rules to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director, an entity connected with the Director or controlling shareholder of the Company or its subsidiaries (other than members of the Group) had a material interest, whether directly or indirectly, during the year ended 31 December 2018 and up to the date of this report.

As of 31 December 2018, none of the Directors is interested in any businesses apart from our business which competes or is likely to compete with our business, either directly or indirectly or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions were set out in note 31 to the consolidated financial statements. In the opinion of the Directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this report, at no time during the year ended 31 December 2018 had the Company or any of its subsidiaries entered into any contract of significance with the controlling shareholder or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

CONNECTED TRANSACTION

The Directors confirm that none of the related party transactions set out in note 31 to the consolidated financial statements constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules that is required to be disclosed. Save as disclosed in note 31 to the consolidated financial statements, the Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this report pursuant to the Listing Rules during the year ended 31 December 2018.

董事於重大交易、安排及合約以及競爭業務中的權益

除綜合財務報表附註31「關聯方交易」所披露者外，於截至二零一八年十二月三十一日止年度及直至本報告日期，概無存續重大交易、安排及合約（定義見上市規則附錄十六），而本公司或其控股公司或其任何附屬公司或同系附屬公司為訂約方且本公司董事、與董事有關連之實體或控股股東或其附屬公司（本集團成員公司除外）於其中直接或間接擁有重大權益。

於二零一八年十二月三十一日，除我們的業務外，概無董事於與我們業務構成或很可能構成直接或間接競爭，或須根據上市規則第8.10條披露的任何業務中擁有權益。

關聯方交易

關聯方交易詳情載於綜合財務報表附註31。本公司董事認為，關聯方交易乃於一般業務過程中及按本集團與各關聯方磋商的條款進行。

重大合約

除本報告所披露者外，於截至二零一八年十二月三十一日止年度任何時間，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任何重大合約，亦無就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訂立任何重大合約。

關連交易

董事確認，概無載於綜合財務報表附註31的關連方交易構成上市規則第14A章所須披露的關連交易或持續關連交易。除綜合財務報表附註31所披露者外，於截至二零一八年十二月三十一日止年度，本集團概無訂立任何關連交易或持續關連交易而須根據上市規則於本報告中披露。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURE

As at 31 December 2018, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required: (i) 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), (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"), or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Long positions

董事於本公司股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，董事及本公司最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中，須根據：(i) 證券及期貨條例第XV部第7及8分部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該等條文彼等被視作或視為擁有的權益或淡倉），(ii) 證券及期貨條例第352條記入該節所指登記冊（「登記冊」）的權益或淡倉，或(iii) 標準守則知會本公司及聯交所的權益或淡倉如下：

好倉

Name of Directors 董事姓名	Companies concerned 有關公司	Capacity 身份	Number of Shares held 所持股份數目				Number of underlying Shares held 持有相關股份數目	Total 總計	Percentage of issued voting shares of the companies concerned 佔有關公司已發行具投票權股份百分比
			Personal interest 個人權益	Corporate interests 公司權益	Family interests 家族權益	Other interest 其他權益			
Mr. Lee Bing Kwong ("Mr. Lee") 李秉光先生 ("李先生")	the Company 本公司	Interest of a controlled corporation 受控法團權益	-	750,000,000 (Note 1) (附註1)	-	-	-	750,000,000	75%
	Best Sheen Limited ("Best Sheen") (Note 2) 佳澤有限公司("佳澤") (附註2)	Beneficial owner 實益擁有人	1	-	-	-	-	1	100%

Notes:

- These Shares are registered in the name of Best Sheen, a company wholly owned by Mr. Lee. As Mr. Lee controls more than one-third of the voting power of Best Sheen, by virtue of the provisions in Part XV of the SFO, Mr. Lee is deemed to be interested in all the Shares held by Best Sheen.
- Best Sheen is interested in 75% of the issued Shares and, accordingly, is the holding company of the Company within the meaning of the SFO.

附註：

- 該等股份以佳澤的名義登記，而佳澤為由李先生全資擁有的公司。由於李先生控制佳澤超過三分之一的投票權，根據證券及期貨條例第XV部的條文，李先生被視為為佳澤持有的所有股份中擁有權益。
- 佳澤擁有已發行股份之75%權益及因此為本公司之控股公司（定義見證券及期貨條例）。

REPORT OF THE DIRECTORS

董事會報告

Save as disclosed above, as at 31 December 2018, so far as is known to the Directors, none of the Directors and the chief executives of the Company had or were deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) and/or required to be recorded in the Register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to the Directors and chief executives of the Company, as at 31 December 2018, the person (other than a Director or the chief executives of the Company) or corporations who had interests or short position in the Share and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

除上文所披露者外，於二零一八年十二月三十一日，就董事所知，概無董事及本公司最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有或被視為擁有任何權益或淡倉，而須根據證券及期貨條例第XV部第7及8分部須通知本公司及聯交所（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉）及／或須記錄於登記冊或根據標準守則知會本公司及聯交所。

主要股東於股份及相關股份的權益及淡倉

就董事及本公司最高行政人員所知，於二零一八年十二月三十一日，根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露，或根據證券及期貨條例第336條記入須存置登記冊的人士（一名董事及本公司最高行政人員除外）或公司於股份及相關股份中擁有的權益或淡倉如下：

Name of substantial shareholders 主要股東 名稱／姓名	Capacity/Nature of interest 身份／權益性質	Number of Shares held ^(Note 1) 所持股份 數目 ^(附註1)	Percentage of issued Shares 佔已發行 股份百分比
Best Sheen 佳澤	Beneficial owner/Personal interest 實益擁有人／個人權益	750,000,000	75%
Ms. Lo Yuen Lai ("Ms. Lo") ^(Note 2) 盧元麗女士（「盧女士」） ^(附註2)	Interest of spouse/Family interest 配偶權益／家族權益	750,000,000	75%

Notes:

- These represent the entity/person's long position in the Shares.
- The entire issued share capital of Best Sheen is held by Mr. Lee. Accordingly, Mr. Lee is deemed to be interested in the Shares held by Best Sheen under the SFO. Ms. Lo (appointed as an executive Director on 22 March 2019) is the wife of Mr. Lee and is therefore deemed to be interested in the Shares in which Mr. Lee is interested in under the SFO.

附註：

- 其指實體／人士於股份的好倉。
- 佳澤的全部已發行股本由李先生持有。因此，根據證券及期貨條例，李先生被視為於佳澤所持股份中擁有權益。盧女士（於二零一九年三月二十二日獲委任為執行董事）為李先生的妻子，因此，根據證券及期貨條例，彼被視為於李先生擁有權益的股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

Save as those disclosed above, as at 31 December 2018, the Directors and the chief executives of the Company are not aware of any other person or corporation having an interest or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme pursuant to a resolution in writing passed by the shareholders on 15 February 2018 (the "Share Option Scheme") as incentives or rewards for eligible participants who contribute to the Group.

As at 31 December 2018, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme. Summary of major terms of the Share Option Scheme are as follows:

(i) Purposes of the scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to our Group. The Directors consider the Share Option Scheme will enable the Group to reward the employees, the Directors and other selected participants for their contribution to our Group.

(ii) The Participants

The following persons of the Company, any member of the Group or of an entity in which the Group holds an equity interest may be invited by the Directors to take up options to subscribe for Shares at the Directors' absolute discretion:

- (a) employees and directors;
- (b) suppliers and customers;
- (c) persons or entities that provides research, development or other technological support;
- (d) holders of any securities;

除上文所披露者外，於二零一八年十二月三十一日，董事及本公司最高行政人員並不知悉有任何其他人士或公司於股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部向本公司披露，或記錄於本公司根據證券及期貨條例第336條須存置的登記冊。

購股權計劃

本公司根據股東於二零一八年二月十五日通過的書面決議案採納購股權計劃（「購股權計劃」），作為對向本集團作出貢獻的合資格參與者的獎勵或獎賞。

於二零一八年十二月三十一日，並無購股權根據購股權計劃獲授出、行使、失效及被註銷。購股權計劃的主要條款概要如下：

(i) 計劃目的

購股權計劃旨在讓本集團向選定的參與者授出購股權，作為對彼等向本集團所作貢獻的獎勵或獎賞。董事認為，購股權計劃讓本集團能回報僱員、董事及其他選定的參與者向本集團所作的貢獻。

(ii) 參與者

本公司、本集團任何成員公司或本集團持有股本權益的實體的以下人士可獲董事邀請接納購股權以認購股份（由董事全權酌情決定）：

- (a) 僱員及董事；
- (b) 供應商及客戶；
- (c) 提供研究、開發或其他技術支援的人士或實體；
- (d) 任何證券的持有人；

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- (e) advisers (professional or otherwise) or consultants to any area of business or business development; and
- (f) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

(iii) Maximum number of Shares

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date (i.e. 100,000,000 shares).

(iv) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted to each participant other than a Director, chief executive or substantial shareholders of the Company who accepts the offer for the grant of an option under the Share Option Scheme in any 12-month period shall not exceed 1% of the issued share capital of the Company. Any further grant of options in excess of this limit is subject to shareholders' approval in a general meeting.

Options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval by the INEDs. Where any grant of options to a substantial shareholder of the Company or an INED, or to any of their respective associates, in excess of 0.1% of the Shares in issue at the date of grant and with an aggregate value (based on the closing price of the Shares at the date of each grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in a general meeting.

(v) Time of acceptance and exercise of option

An offer of options may be accepted by a participant within 21 days from the date of the offer of the options. Unless otherwise determined by the Directors and stated in the offer, a grantee is not required to hold an option for any minimum period nor achieve any performance targets before the exercise of an option granted to him.

- (e) 任何業務領域或業務發展的顧問(專業或其他)或諮詢人；及

- (f) 以合營企業、商業聯盟或其他業務安排的方式經已或可能對本集團的發展及成長作出貢獻的任何其他參與者組別或類別。

(iii) 股份最高數目

因行使根據購股權計劃將予授出的所有購股權而可予發行的股份最高數目合共不得超過於上市日期已發行股份的10% (即100,000,000股股份)。

(iv) 每名參與者的最高配額

於任何12個月期間內，因授予接納根據購股權計劃授出購股權的要約的每名參與者(本公司董事、最高行政人員或主要股東除外)的購股權獲行使而已發行及將發行的股份總數，不得超過本公司已發行股本1%。任何進一步授出超逾此限額的購股權須獲股東於股東大會上批准。

授予本公司董事、最高行政人員或主要股東或其任何聯繫人的購股權須獲獨立非執行董事批准方可作實。倘於任何12個月期間內，向本公司主要股東或獨立非執行董事或其各自任何聯繫人授出超逾授出日期已發行股份0.1%及總值(根據股份於各授出日期的收市價計算)超過5百萬港元的購股權，則須獲股東於股東大會上批准。

(v) 購股權的接納及行使時間

購股權的要約可由參與者於購股權的要約日期起計21日內接納。除董事另行釐定及於要約載列外，承授人於行使獲授的購股權前，並無規定持有購股權的任何最短期間，亦毋須達到任何表現指標。

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(vi) Subscription price for Shares and consideration for the option

The subscription price for Shares will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

A nominal consideration of HK\$1.00 is payable by the grantee on acceptance of the grant of option.

(vii) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on 16 March 2018, the date on which the Share Option Scheme is adopted.

EQUITY-LINK AGREEMENTS

No equity-linked agreement that would or might result in the Company issuing shares, or that requiring the Company to enter into an agreement that would or might result in the Company issuing shares, was entered into by the Company during the year ended 31 December 2018 or subsisted at the end of the year.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Mr. Lee, through his interest in Best Sheen, is interested in 75% of the issued Shares. As such Mr. Lee and Best Sheen are the controlling shareholders (has the meaning ascribed thereto in the Listing Rules) of the Company (collectively, the "Controlling Shareholders"). The Controlling Shareholders have confirmed that they had been in compliance with all the undertakings provided under the deed of non-competition dated 15 February 2018 and signed by Mr. Lee and Best Sheen in favour of the Company (the "Deed of Non-competition"), since the signing of the Deed of Non-competition up to the year ended 31 December 2018. Details of the Deed of Non-competition are set out in the section headed "Non-competition Undertaking" in the Prospectus. There are no matters which required to be deliberated by the INEDs in relation to the compliance and enforcement of the Deed of Non-competition and they considered that the terms of the Deed of Non-competition have been complied with by the Controlling Shareholders.

(vi) 股份的認購價及購股權的代價

股份的認購價將由董事釐定，惟不得低於以下各項的最高者：(i) 股份於授出要約日期(必須為營業日)按聯交所日報表所示股份的收市價；(ii) 股份於緊接授出要約日期前五個交易日按聯交所日報表所示的平均收市價；及(iii) 股份面值。

接納授出的購股權時，承授人須支付1.00港元的象徵式代價。

(vii) 購股權計劃期間

購股權計劃將由購股權計劃採納日期二零一八年三月十六日起的10年期間內有效。

股權掛鈎協議

概無將會或可能導致本公司發行股份，或令本公司須訂立將會或可能導致本公司發行股份的協議的股權掛鈎協議於截至二零一八年十二月三十一日止年度獲本公司訂立或於該年結束時存續。

控股股東的不競爭承諾

李先生透過其於佳澤的權益，擁有已發行股份之75%權益。因此，李先生及佳澤為本公司控股股東(具有上市規則賦予該詞的涵義)(統稱「控股股東」)。控股股東確認，彼等自簽立不競爭契據起直至截至二零一八年十二月三十一日止年度一直遵守日期為二零一八年二月十五日且由李先生及佳澤以本公司為受益人及簽立的不競爭契據(「不競爭契據」)項下所作出的所有承諾。有關不競爭契據的詳情載於招股章程「不競爭承諾」一節。概無與遵守及強制執行不競爭契據有關的事項須經獨立非執行董事商討，且彼等認為不競爭契據的條款已獲控股股東遵守。

REPORT OF THE DIRECTORS

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SUFFICIENCY OF PUBLIC FLOAT

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the laws of the Cayman Islands (place of incorporation of the Company) or under the Articles of Association which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

CORPORATE GOVERNANCE

The Company has adopted the code provisions as set out in the CG Code. The Board considered that during the period from the Listing Date up to the date of this annual report, the Company has complied with the applicable code provisions set out in the CG Code except for those disclosed in the Corporate Governance Report included in this report. For details please refer to the "Corporate Governance Report" on pages 18 to 34 of this annual report.

MANAGEMENT CONTRACT

No contracts, other than the employment contracts of the executive Directors, concerning the management and administration of the whole or substantial part of the business of the Company were entered into or existed during the year ended 31 December 2018.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has arranged for appropriate insurance cover for the Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities during the year ended 31 December 2018 and the indemnity provision and Directors' and officers' liability insurance remained in force as of the date of this report.

充足公眾持股量

根據本公司公開獲得的資料及就董事所知，於本年報日期，本公司維持上市規則項下的規定充足公眾持股量。

優先購買權

開曼群島(本公司的註冊成立地點)法例或章程細則並無有關優先購買權的條文，令本公司須向其現有股東按比例提呈新股份。

企業管治

本公司已採納企業管治守則所載的守則條文。除載於本報告的企業管治報告所披露者外，董事會認為於上市日期直至本年報日期的期間內，本公司一直遵守企業管治守則所載的適用守則條文。詳情請參閱本年報第18至34頁的「企業管治報告」。

管理合約

截至二零一八年十二月三十一日止年度，除執行董事之僱傭合約外，概無訂立或存在有關本公司全部或重大部分業務的管理及行政管理合約。

准許的彌償保證條文

根據組織章程細則，各董事均有權從本公司的資產中就其因執行職務或與之有關的其他事宜而蒙受或招致的所有損失或負債獲得彌償。

於截至二零一八年十二月三十一日止年度，本公司已為董事及高級職員投購合適保險，就董事及高級管理層因企業活動而引致針對彼等展開的法律行動提供保障。截至本報告日期，有關彌償條文以及董事及高級職員責任保險仍然有效。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2018, the five largest customers of the Group comprised 46.7% by value of our total sales during the year, with the largest customer accounted for 14.7%.

For the year ended 31 December 2018, the five largest suppliers of the Group comprised 84.6% by value of our total purchases during the year, with the largest supplier accounted for 35.5%.

None of the Directors, their close associates or a Shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) has an interest in any of our five largest customers and suppliers.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the year ended 31 December 2018 was the Company or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

EVENT AFTER THE REPORTING PERIOD

Other than the matters outlined elsewhere in this annual report, there have been no matters that have occurred subsequent to the reporting period which have significantly affected, or may significantly affect the Group's operations, results or state of affairs in future years.

INDEPENDENT AUDITOR

The consolidated financial statements for the year ended 31 December 2018 have been audited by Graham H. Y. Chan & Co, who will retire at the conclusion of the AGM and offer themselves for re-appointment. A resolution for the re-appointment of Graham H. Y. Chan & Co. as the independent auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Lee Bing Kwong

Chairman

Hong Kong, 22 March 2019

主要客戶及供應商

截至二零一八年十二月三十一日止年度，本集團五大客戶佔我們年內銷售總值46.7%，而最大客戶則佔14.7%。

截至二零一八年十二月三十一日止年度，本集團五大供應商佔我們年內採購總值84.6%，而最大供應商則佔35.5%。

概無董事、其緊密聯繫人或股東（就董事所知擁有本公司已發行股份數目5%以上者）於任何五大客戶及供應商中擁有權益。

董事購入股份或債權證的權利

除本年報另行披露者外，於截至二零一八年十二月三十一日止年度內任何時間，本公司或其任何控股公司、附屬公司或同系附屬公司概非任何安排的訂約方，從而讓本公司董事可藉購入本公司或任何其他法人團體的股份或債權證而取得利益。

報告期後事項

除本年報其他部分所述的事宜外，於報告期間後概無發生對或可能對未來年度本集團之經營、業績或事務狀況有重大影響的事宜。

獨立核數師

截至二零一八年十二月三十一日止年度的綜合財務報表已由陳浩賢會計師事務所審核，其將於股東週年大會結束時退任並願意獲重聘。重聘陳浩賢會計師事務所為本公司獨立核數師的決議案將於應屆股東週年大會上提呈。

代表董事會

主席

李秉光

香港，二零一九年三月二十二日

2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二零一八年環境、社會及管治報告

ABOUT THE REPORT

Apex Ace Holding Limited (the “Company” together with its subsidiaries, hereinafter referred to as the “Group” or “We”) is pleased to present the 2018 Environmental, Social and Governance Report (the “Report”) to provide an overview of the Group’s management of significant issues affecting the operations, including environmental, social and governance (“ESG”) issues.

Reporting Period

The Report illustrates the policies and performance regarding the environmental and social aspects from 1 January 2018 to 31 December 2018 (the “Reporting Period”).

Reporting Scope and Boundaries

The Report focuses on the three principal business divisions, namely, trading of (i) Memory products; (ii) Data and Cloud products and (iii) General components. The reporting boundary includes sites of operations¹ in Hong Kong and Shenzhen. The Group will continuously upgrade its internal data collection procedures and gradually expand the scope of the disclosure.

Reporting Basis

The Report is prepared in accordance with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) contained in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and on the basis of the four reporting principles — materiality, quantitative, balance and consistency.

The information contained herein is sourced from official documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group’s relevant policies. The Report is prepared and published in both Chinese and English. In the event of contradiction or inconsistency, the English version shall prevail.

關於本報告

光麗科技控股有限公司(「本公司」，連同其附屬公司統稱「本集團」或「我們」)欣然提呈二零一八年環境、社會及管治報告(「本報告」)，以概述本集團如何管理對營運構成影響的重大問題，包括環境、社會及管治(「環境、社會及管治」)議題。

報告期間

本報告說明於二零一八年一月一日至二零一八年十二月三十一日(「報告期間」)有關環境及社會層面的政策及績效。

報告範疇及範圍

本報告集中於三個主要業務分部，分別為：(i) 記憶體產品；(ii) 數據與雲端產品及(iii) 通用元件之貿易。報告範圍包括香港及深圳之營運地點¹。本集團將不斷提升內部數據收集程序並逐步擴大披露範圍。

報告基準

本報告是根據香港聯合交易所有限公司(「聯交所」)證券上市規則附錄二十七所載的環境、社會及管治報告指引(「環境、社會及管治報告指引」)中的「不遵守就解釋」條文，按四個報告原則的基準(重要性、量化、平衡及一致性)編製。

本報告所載資料來源於本集團官方文件及統計資料，以及附屬公司根據本集團相關政策，整理出結合控制、管理及營運的資料。本報告以中、英文編製及刊發。如中、英文兩個版本有任何抵觸或不相符之處，應以英文版本為準。

¹ The sites of operations refer to the warehouse and office in Hong Kong and the office in Shenzhen. They are operated by the Company’s subsidiaries Ascent Way International Limited, AVT International Limited and Shenzhen Lisigao Electronics Company Limited* (深圳麗斯高電子有限公司).

* The English name is translated for identification purpose only.

¹ 營運地點指香港倉庫及辦事處以及深圳辦事處。該等營運地點由本公司附屬公司振啟國際有限公司、AVT International Limited及深圳麗斯高電子有限公司營運。

2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

二零一八年環境、社會及管治報告

Confirmation and Approval

The Report has been confirmed and approved by the board of directors of the Company (the "Board") on 22 March 2019.

Information and Feedbacks

The Group values the opinion of stakeholders. If you have any questions or suggestions regarding the content of this Report, please contact the Group through the following channels:

Address Units 2-3, 1/F, Sun Cheong Industrial Building,
1 Cheung Shun Street, Kowloon, Hong Kong

Email enquiry@apexace.com

Tel +852 3725 0102

Fax +852 2401 2105

ESG MANAGEMENT APPROACH

The Group is committed to integrating environmental, social and governance factors into its operations in order to create sustainable value for stakeholders and take up the responsibilities as a corporate citizen. The Group has established an Environmental, Social and Governance Working Group (the "Working Group"). The Working Group is composed of core members of the Group and is responsible for facilitating the adoption of ESG strategies and policies throughout the Group, collecting information related to ESG and other relevant tasks. The Working Group reports to the audit committees on the implementation of ESG initiatives and the performance of the sites of operations regularly.

The Board is responsible for the evaluation and determination of the Group's ESG-related risks and ensuring that the Group has established an applicable and effective system to manage and internally control ESG-related risks.

The Group has complied with the "comply or explain" provisions of the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") contained in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended 31 December 2018.

Stakeholder Engagement

Stakeholders' opinion provides a solid foundation for the Group's sustainable development and success. The stakeholder engagement helps the Group to develop a business strategy that meets the needs and expectations of stakeholders, enhances the ability to identify risks and strengthens important relationships. Stakeholders can express their opinions on environmental, social and governance aspects through various channels. The relevant stakeholders of the Group and their engagement platforms are as follows:

確認和批准

本報告已於二零一九年三月二十二日經本公司董事會(「董事會」)確認和批准。

意見和反饋

本集團重視持份者的意見。閣下如對本報告的內容有任何問題或建議，謹請經以下渠道與本集團聯絡：

地址 香港九龍長順街1號新昌工業大廈
1樓2-3室

電郵 enquiry@apexace.com

電話 +852 3725 0102

傳真 +852 2401 2105

環境、社會及管治管理方法

本集團致力將環境、社會及管治因素納入營運中，為持份者創造可持續價值，並承擔企業公民的責任。本集團已設立環境、社會及管治工作小組(「工作小組」)，由本集團的核心成員組成，負責促進整個集團採用環境、社會及管治策略及政策，收集有關環境、社會及管治及其他相關任務的資料。工作小組會定期向審核委員會匯報環境、社會及管治措施的推行情況，以及營運地點的表現。

董事會負責評估及釐定本集團的環境、社會及管治相關風險，並確保本集團設立有效的適用系統，以管理及內部監控環境、社會及管治相關風險。

本集團於截至二零一八年十二月三十一日止年度已遵守香港聯合交易所有限公司(「聯交所」)證券上市規則附錄二十七所載的環境、社會及管治報告指引(「環境、社會及管治報告指引」)中的「不遵守就解釋」條文。

持份者參與

持份者的意見為本集團可持續發展和成功奠定堅實的基礎。持份者參與有助本集團制定符合持份者需要及期望的業務策略，提高識別風險的能力和加強重要關係。持份者可通過各種渠道表達對環境、社會及管治方面的意見。本集團的相關持份者及其參與平台如下：

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Stakeholders 持份者	Engagement Platforms 參與平台
Government and regulatory agencies 政府及監管機構	<ul style="list-style-type: none"> Annual reports, interim reports, environmental, social and governance reports and other public information 年報、中期報告、環境、社會及管治報告以及其他公開資料
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> Annual general meetings and other general meetings of shareholders 股東週年大會及其他股東大會 Company website 公司網站 Press release and announcements 新聞稿及公告 Annual reports, interim reports, environmental, social and governance reports and other public information 年報、中期報告、環境、社會及管治報告以及其他公開資料
Peer Industry 同業	<ul style="list-style-type: none"> Exhibition and trade fair 展覽及貿易展覽會
Employee 僱員	<ul style="list-style-type: none"> Training 培訓 Community services 社區服務
Customer 客戶	<ul style="list-style-type: none"> Exhibition and trade fair 展覽及貿易展覽會 Regular visits 定期造訪
Supplier 供應商	<ul style="list-style-type: none"> Supplier selection 供應商甄選 Exhibition and trade fair 展覽及貿易展覽會 Regular visits 定期造訪

Materiality Assessment

The Group identifies issues for disclosure in the Report through internal and external materiality assessment. By considering the dependence and influence on the Group of the stakeholders and the resources availability of the Group, the management has identified key stakeholders and conducted a survey with them. They have expressed their opinions and recommendations on the sustainability issues related to the Group's operations.

重要性評估

本集團通過內部及外部重要性評估識別本報告的披露問題。經考慮持份者對本集團的依賴及影響以及本集團的資源可用性後，管理層已識別主要持份者並向其進行調查。彼等已就本集團營運的相關可持續發展問題發表意見及提出建議。

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Consolidating the results from internal and external materiality assessment, the Group has identified the materiality level for the issues based on the importance of the issues to the business and the importance to stakeholders (refer to the table below).

本集團透過整合內部及外部的重要性評估結果，按照問題對業務的重要性以及對持份者的重要性識別議題的重要性程度(見下表)。

Materiality Level 重要性程度	Issues 議題
 <p>High 高</p> <p>Low 低</p>	Product Responsibility 產品責任
	Employment 僱傭
	Labour Standards 勞工準則
	Anti-corruption 反貪污
	Health and Safety 健康與安全
	Development and Training 發展及培訓
	Supply Chain Management 供應鏈管理
	Community Investment 社區投資
	Use of Resources 資源使用
	Emissions 排放
	The Environment and Resources 環境及資源

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ENVIRONMENTAL ASPECTS

Environmental sustainability is a key focus of the Group's corporate social responsibility. The Group has formulated the Environmental Protection Policy Statement to demonstrate its determination to protect the environment.

Emissions

Since the business activities covered by this Report mainly involve office operations, there was no emission that would have significant environmental impacts other than greenhouse gases produced indirectly in the course of electricity consumption. Domestic wastewater produced by the Group was sent through a local pipe network to a sewage treatment plant.

The Group is committed to the following:

- Minimise emissions of air pollutants and greenhouse gases;
- Adopt internationally recognised standards or equivalent local standards in assessing and disclosing the emissions of greenhouse gases in its operations;
- Prevent and minimize hazardous and non-hazardous waste; and
- Properly discharge hazardous and non-hazardous waste produced in its operations.

As the Group's business activities mainly involve office operations with no material manufacturing of products, there are no significant environmental laws and regulations that have a significant impact on the Group.

環境層面

環境的可持續是本集團企業社會責任的重點。本集團已制訂環保政策聲明，以展現其保護環境的決心。

排放

由於本報告涵蓋的業務活動主要涉及辦公室營運，因此並不會產生對環境構成顯著影響的排放，惟用電過程中間接產生的溫室氣體除外。本集團生產的日常起居廢水通過當地管網排放至污水處理廠。

本集團致力於以下各方面：

- 盡量減少空氣污染物和溫室氣體的排放；
- 在評估和披露其營運中的溫室氣體排放時，採用國際公認的標準或同等的地方標準；
- 防止和減少有害廢棄物和無害廢棄物；及
- 妥善清理其營運中產生的有害廢棄物和無害廢棄物。

由於本集團的業務活動主要涉及辦公室營運而並無重大之製造產品運作，因此並無重大環保法律及規例對本集團產生顯著影響。

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Greenhouse Gas (“GHG”) Emissions

To control the greenhouse gas emissions, the Group has adopted policies on efficient use of energy as described in the section headed “Use of Resources” below and will continue to assess, record and disclose its greenhouse gas emissions and other environmental data on a yearly basis. The performance indicators are as follows:

溫室氣體(「溫室氣體」)排放

為控制溫室氣體的排放，本集團已採用下文「資源使用」一節所述有關有效使用能源之政策，並將繼續每年評估、記錄及披露其溫室氣體排放及其他環境數據。績效指標如下：

GHG Emissions ² 溫室氣體排放 ²	Unit 單位	2017 二零一七年	2018 ³ 二零一八年 ³
Scope 1 ⁴ 範圍一 ⁴	tonnes CO ₂ -equivalent 二氧化碳當量，以噸計	0	0
Scope 2 ⁵ 範圍二 ⁵	tonnes CO ₂ -equivalent 二氧化碳當量，以噸計	47.4	53.7
Scope 3 ⁶ 範圍三 ⁶	tonnes CO ₂ -equivalent 二氧化碳當量，以噸計	N/A 不適用	29.3
Total GHG Emissions 溫室氣體總排放量	tonnes CO ₂ -equivalent 二氧化碳當量，以噸計	47.4	83.0
GHG Emissions Intensity 溫室氣體排放量的密度	tonnes CO ₂ -equivalent/ft ² 二氧化碳當量(以噸計)/平方呎	0.006	0.005

The main sources of greenhouse gas emissions of the Group were purchased energy (Scope 2) and employee business air travel (Scope 3), which constituted 65% and 35% of the total greenhouse gas emissions respectively in 2018. The Group did not have Scope 1 emissions from fuel consumption.

本集團排放溫室氣體的主要來源為購買能源(範圍二)及僱員商務航空差旅(範圍三)，分別佔二零一八年溫室氣體總排放量的65%及35%。本集團並無因消耗燃料而造成範圍一的排放。

² The greenhouse gas emissions is estimated with reference to *The GHG Protocol Corporate Accounting and Reporting Standard* published by World Resources Institute and World Business Council for Sustainable Development, *2017 Sustainability Report* issued by China Light and Power Co. Ltd. and *2011–2012 Regional Power Grid Average CO₂ Emission Factors in China* guideline published by the National Development and Reform Commission of the People’s Republic of China.

³ The physical boundaries covered in Hong Kong were expanded in 2018.

⁴ Scope 1: The direct emission from the business operations owned or controlled by the Group

⁵ Scope 2: The “indirect energy” emissions from the internal purchased electricity consumption by the Group

⁶ Scope 3: Other indirect emissions that occur outside the Group, including both upstream and downstream emissions

² 溫室氣體排放量的估算乃經參考世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、中華電力有限公司刊發的《2017可持續發展報告》及中華人民共和國國家發展和改革委員會發佈的《2011年和2012年中國區域電網平均二氧化碳排放因子》指引。

³ 二零一八年香港涵蓋的地域範圍有所擴大。

⁴ 範圍一：由本集團擁有或控制的業務營運直接產生的排放

⁵ 範圍二：由本集團內部消耗外購電力所引致的「間接能源」排放

⁶ 範圍三：在本集團以外產生的其他間接排放，包括上流及下流排放

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Wastes

The wastes generated from sites of operations are generally domestic wastes, office paper, paper board and toner. We have engaged with recycling companies to recycle the wastes. The details of the wastes generated are as follows:

廢物

營運地點產生的廢物通常是家庭廢物、辦公室用紙、紙板及碳粉。我們委聘回收公司以回收廢物。所產生的廢物詳情如下：

Wastes ⁷ 廢物 ⁷	Unit 單位	2018 二零一八年
General Unclassified Wastes 一般未分類廢物	kg 千克	288.0
Office Paper 辦公室用紙	kg 千克	11.5
Paper Board 紙板	kg 千克	51.0
Toner 碳粉	kg 千克	3.0

To reduce paper consumption, we encourage our employees to:

- Reuse envelopes and folders for sending internal documents and letters; and
- Adopt electronic communication and filing.

為減少紙張消耗，我們鼓勵僱員：

- 發送內部文件和信件時重用信封和文件夾；及
- 採用電子通訊和存檔方式。

The Group will continuously monitor the greenhouse gas emissions and waste production to see if any detailed measures can be formulated in the future for more effective management of emissions.

本集團將持續監察溫室氣體排放及製造廢物的情況，以確定日後是否可制定任何更有效地管理排放的詳細措施。

Use of Resources

The Group is well aware that reasonable use of resources is essential to sustainable development. The Group is committed to the following:

- Adopt the principles of reduce, reuse and recycle to increase the consumption efficiency of energy, paper, water, high-quality plastic stretch film (packaging materials) and other resources in its business operations;
- Nurture the culture of environmental protection within the Group to increase the environmental awareness of employees;
- Formulate achievable and measurable goals with regard to environmental protection;
- Maintain continuous communication with employees with regard to environmental protection policies; and

資源使用

本集團深明合理使用資源對可持續發展至關重要。本集團致力於以下各方面：

- 奉行減少、再利用和回收的原則，提高其業務營運中的能源、紙張、水、優質塑料拉伸膜(包裝材料)和其他資源的消耗效率；
- 在本集團內培育環保文化，提高員工的環保意識；
- 制訂有關環境保護的可實現和可計量的目標；
- 在環境保護政策方面與員工保持持續溝通；及

⁷ The data was not available in 2017.

⁷ 未有二零一七年的數據。

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- Regularly review the implementation of the Environmental Protection Policy Statement to ensure effective execution.

The Group seeks to encourage its employees to adopt efficiency measures in the use of lighting, computer, water, paper and packaging materials.

Energy Management

The major energy source is electricity. The Group has implemented various measures to mitigate the consumption regarding the use of lighting, air conditioner and computer.

Lighting

- Switch off unnecessary lighting in public areas (such as reception area, pantry, lavatory and corridors) during less busy hours (such as lunch-time and non-business hours);
- Divide space into zones with the individual lighting control system to provide flexibility; and
- Paint light colours for the office walls and ceilings to reduce unnecessary lighting.

Air conditioner:

- Switch off unnecessary air-conditioners during less busy hours (such as lunch-time and non-business hours);
- Switch on the air-conditioner only when the meeting room is occupied. Switch off the air-conditioner upon leaving the meeting room; and
- Replacing old, inefficient systems with energy-efficient air-conditioning systems when necessary.

Computer:

- Adjust the computer setting to activate the standby or hibernation mode of computers so that the display monitor will switch off automatically or enter energy saving mode when left idle for a prescribed period of time;
- Adjust the brightness of the display monitor; and
- Switch off computers (including the display monitor) after use.

- 定期審視環境保護政策聲明的實施，以確保其有效執行。

本集團致力鼓勵員工以符合效率的方式使用照明、電腦、水、紙張及包裝材料。

能源管理

能源的主要來源是電力。本集團已實行多項措施以減低有關使用照明、空調及電腦的消耗。

照明

- 在較為空閒的時間(如午膳時段和非營業時間)關掉公共區域(如接待處、茶水間、洗手間和走廊)的非必要照明；
- 將空間劃分為設有個別照明控制系統之區域以靈活控制照明安排；及
- 辦公室牆壁和天花板選用淺色，以減少不必要的照明。

空調：

- 在較為空閒的時間(如午膳時段和非營業時間)關掉不必要的空調；
- 會議室只會在使用時才開啟空調。離開會議室時關掉空調；及
- 於需要時以節能空調系統取代舊式低效系統。

電腦：

- 調整電腦設定以啟用電腦的待機或休眠模式，使顯示屏在閒置一段既定時間後自動關閉或進入節能模式；
- 調整顯示屏的亮度；及
- 用後關掉電腦(包括顯示屏)。

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The details of energy consumption are as follows:

能源消耗詳情如下：

Energy Consumption 能源消耗	Unit 單位	2017 二零一七年	2018 ⁸ 二零一八年 ⁸
Energy Consumption 能源消耗	MWh 千個千瓦時	91.8	104.0
Energy Consumption Intensity 能源消耗的密度	MWh/ft ² 千個千瓦時／平方呎	0.011	0.006

The main source for energy consumption was still the purchased electricity during the Reporting Period. The electricity consumption was higher during summer time (May to August). It was possibly caused by the increase in the uses of air conditioners.

於報告期間，能源消耗的主要來源仍然是外購電力。夏季(五月至八月)的耗電量較高，原因可能是空調使用量提升所致。

Water Resource

Water consumption refers to the water usage in washroom and pantry. The water supply is provided by the third party and managed by the property management company. Therefore, there is no issue in sourcing water. The Group has implemented initiatives to control water consumption as follows:

水資源

耗水量指洗手間及茶水間的用水。供水由第三方提供，並由物業管理公司管理。因此，本公司並無採購水的問題。本集團已推行以下控制耗水的措施：

- Turn off the water tap promptly after use; and
- When using dual-flush toilets, choose the amount of water for flushing according to one's needs and avoid unnecessary flushing.
- 用後隨即關掉水龍頭；及
- 使用「雙沖式沖廁」坐廁時，根據需要選擇沖水量，避免不必要的沖水。

Water Resource 水資源	Unit 單位	2017 二零一七年	2018 二零一八年
Water Consumption 耗水	m ³ 立方米	349	381
Water Consumption Intensity 耗水密度	m ³ /employee 立方米／僱員	3.42 ⁹	3.66

The water consumption for each employee had increased by 7% in 2018 as compared with 2017 and it was steady during the Reporting Period.

相較二零一七年，二零一八年每名僱員的耗水量增加7%，並於報告期間內保持穩定。

⁸ The physical boundaries covered in Hong Kong were expanded in 2018.

⁹ The data is restated.

⁸ 二零一八年香港涵蓋的地域範圍有所擴大。

⁹ 日期已作重列。

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Others

- Maintain or replace malfunctioning equipment; and
- Give priority to environmentally friendly products or materials in the procurement process.

The Group plans to adopt more resource saving measures in the future, such as holding regular internal environmental awareness seminars for employees, turning off all electrical equipment when not in use at its offices and warehouses, and conducting regular inspection for water leaking faucets and toilets.

Packaging Materials

The main packaging materials include label stickers, stretch film and plastic pallet. The details of the consumption volume are as follows:

Types of material 材料類型	Unit 單位	2017 ¹⁰ 二零一七年 ¹⁰	2018 二零一八年
Label Stickers 標籤貼紙	tonnes 噸	N/A 不適用	0.006
Stretch Film 拉伸膜	tonnes 噸	0.420	0.570
Plastic Pallet 塑料墊板	tonnes 噸	N/A 不適用	4.590

The Environment and Natural Resources

Due to the nature of the Group's business, its daily business operations posed no significant adverse impact on the environment directly. However, the indirect greenhouse gas emissions would aggravate the phenomenon of global warming. The Group strives to reduce the indirect impact caused by greenhouse gas emissions through various measures mentioned in the sections "Emissions" and "Use of resources".

Looking ahead, the Group will continuously assess its environmental risks so as to formulate appropriate response measures and regularly review and update its Environmental Protection Policy Statement.

其他

- 維護或更換故障設備；及
- 在採購過程中優先考慮環保產品或材料。

本集團計劃日後採取更多資源節約措施，例如為員工定期舉辦內部環保意識研討會，員工在辦公室及倉庫關閉不使用的所有電力設備，並定期檢查水龍頭及廁所有否漏水。

包裝材料

主要包裝材料包括標籤貼紙、拉伸膜及塑料墊板。消費量的詳情如下：

環境及天然資源

由於本集團業務的性質，其日常業務營運對環境並無直接的重大不利影響。然而，溫室氣體的間接排放加劇全球暖化現象。本集團致力通過「排放」及「資源使用」各節提述的不同措施，減輕溫室氣體排放造成的間接影響。

展望未來，本集團將持續評估其環境風險，以制訂適當的應對措施，並定期檢視及更新其環保政策聲明。

¹⁰ The data of label stickers and plastic pallet were not available in 2017.

¹⁰ 未有二零一七年標籤貼紙及塑料墊板的數據。

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SOCIAL ASPECTS

The Group abided by all laws and regulations adopted in all sites of operations and has formulated the Employment and Labour Practices Policy Statement. The aim of the Employment and Labour Practices Policy Statement is to provide employees with a workplace that is free of discrimination and harassment and emphasises diversity, health and safety.

Employment and Labour Practices

Employment

The Group regards talents as a key to corporate success and sustainability. The Group stipulates in the Employment and Labour Practices Policy Statement and Staff Handbook that the Group will:

- Provide equal opportunities in employment, training and career development regardless of gender, age, nationality, race, skin colour, religion, body size, illness, mental or physical disability, family roles, family composition, sexual orientation, political beliefs or social status;
- Provide employees with internal guidelines in relation to equal opportunities, discrimination and harassment; and
- Create a diverse working environment within the Group.

Remuneration and compensation

The remuneration is determined based on the internal grading structure and with reference to the employee's educational or technical qualifications, experience and degree of responsibility pertinent to the job. Salary is reviewed and adjusted regularly based on the performance of employee. Besides, overtime compensation is offered to applicable employee.

Promotion

Employees are promoted on basis of their performance in the current jobs and the extent to which they demonstrate the attributes required for the higher grade. Promotion assessment will be conducted by the Head of Department or Business Unit and the Head of Human Resources Department, and finally approved by the authorized Management.

Working hours, rest periods

The Group implements five-day work week for non-shift employees. For shift employees will work according to shift roster but will be entitled to a rest day per week. The Group's statutory holidays are entitled to employees, including public holidays, annual leave, sick leave and maternity leave.

社會層面

本集團恪守所有營運地點採納的所有法律及規例，並已制訂僱傭及勞工常規政策聲明。僱傭及勞工常規政策聲明旨在為員工提供並無歧視和騷擾的工作場所，並強調多元化、身心健康和安全。

僱傭及勞工常規

僱傭

本集團視人才為企業成功與可持續發展的關鍵。本集團在僱傭及勞工常規政策聲明及員工手冊中訂明，本集團將：

- 在僱傭、培訓和事業發展方面提供平等機會，不論性別、年齡、國籍、種族、膚色、宗教、體型、疾病、精神或身體殘疾、家庭角色、家庭組成、性取向、政治信念或社會地位如何；
- 為員工提供與平等機會、歧視和騷擾相關的內部指引；及
- 在本集團內創造多元化的工作環境。

薪酬及酬金

薪酬乃基於內部評級架構及參考員工的學歷或技術資格、經驗及就有關工作須承擔的責任而釐定。薪金定期根據員工的表現予以檢討及調整。此外，亦向部分適用的員工提供加班補償。

晉升

僱員的晉升基於彼等於當前工作崗位的表現以及所展示才能與較高職級所需者的相符程度而定。晉升評估將由部門或業務單位的主管或人力資源部主管負責進行，並由獲授權管理層作出最終審批。

工作時數、假期

本集團為非輪班制員工實施五天工作週。而輪班制員工則根據輪班執勤表工作，每週享有一天假期。本集團的員工享有法定假期，包括公眾假期、年假、病假及產假。

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Welfare and other benefits

Employees after probation are admitted to the Company's medical scheme and are included in the travel and personal accident insurance. Monthly contributions are made to Mandatory Provident Fund retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance of Hong Kong.

The Group abided by the employment laws and regulations that apply to its sites of operations, including but not limited to the Employment Ordinance (Cap. 57), the Employees' Compensation Ordinance (Cap. 282), the Minimum Wage Ordinance (Cap. 608), the Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong and the labour law of the People's Republic of China. During the Reporting Period, there were no cases of non-compliance in relation to compensation, dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

The Group has been enhancing the related employment policies and establishing a grievance mechanism to timely manage and respond to grievance and suggestions raised by employees recently.

Health and Safety

To build a healthy and safe working environment, the Group has stated its commitment in the Employment and Labour Practices Policy Statement that it will:

- Formulate occupational health and safety measures to minimize the risk of employees being injured, infected, or exposed to occupational hazards in the workplace; and
- Prepare for emergencies to ensure that the Group can respond in a timely and effective manner.

The Group abided by the relevant laws and regulations that apply to its sites of operations, including but not limited to the Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong. During the Reporting Period, there were no cases of non-compliance in relation to providing a safe working environment and protecting employees from occupational hazards.

During the Reporting Period, the Group established announcements and advertisements related to occupational health and safety in the workplace. Looking ahead, the Group will refine its occupational health and safety management system and organise occupational health training to improve the health awareness of employees.

福利及其他待遇

通過試用期的員工可參加本公司的醫療計劃，獲得差旅及個人意外保險的保障。本公司根據香港《強制性公積金計劃條例》，每月就強制性公積金退休福利計劃作出供款。

本集團恪守適用於其營運地點的僱傭法律及規例，包括但不限於香港的《僱傭條例》(第57章)、《僱員補償條例》(第282章)、《最低工資條例》(第608章)、《職業安全及健康條例》(第509章)及《中華人民共和國勞動法》。於報告期間，在薪酬及解僱、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方面均無不合規情況。

本集團一直改善相關僱傭政策，並建立申訴機制，適時管理和回應員工最近提出的申訴和建議。

健康和 safety

為營造健康安全的工作環境，本集團已在僱傭及勞工常規政策聲明中表明其致力：

- 制訂職業健康和安全措施，以盡量減少員工在工作場所受傷、受感染或面對職業危害的風險；及
- 為緊急情況做好準備，以確保本集團能夠及時有效地應對。

本集團恪守適用於其營運地點的相關法律及規例，包括但不限於香港的《職業安全及健康條例》(第509章)。於報告期間，在提供安全的工作環境和保護員工免受職業危害方面並無任何不合規情況。

於報告期間，本集團訂明有關工作場所職業健康及安全的公告及告示。展望未來，本集團將完善其職業健康安全管理體系，並組織職業健康培訓，以提高員工的健康意識。

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Development and Training

The Group values the employees' development and training and has stated in the Employment and Labour Practices Policy Statement that it will:

- Invest in the training and career development of employees;
- Provide sufficient training opportunities to enhance the knowledge and skills required for employees to perform their job duties; and
- Continuously improve the employment system and create a positive environment for the career development of employees.

The Group conducted technical product training as well as training on information technology for all employees. To communicate with its employees on their career development and performance, management also held staff performance review with employees on an annual basis.

Recently, the Group has been building a system to assess the performance of employees annually. The Group will periodically review and update its development and training measures.

Labour Standards

The Group has formulated the Employment and Labour Practices Policy Statement and prohibits the use of child labour and forced labour. The Group undertakes timely communication with employees regarding overtime work arrangements. For example, if there is any need for regular overtime work, the Group will make forward planning and discussion with the relevant employees beforehand. Before hiring, various documents related to the age of applicants are checked to verify his/her age and identity to avoid child labour and forced labour.

The Group abided by the relevant laws and regulations that apply to its sites of operations, including but not limited to the Employment Ordinance (Cap. 57). During the Reporting Period, there were no cases of non-compliance in relation to child labour and forced labour.

The Group will review the implementation of its Employment and Labour Practices Policy Statement to ensure effective execution of its practices on prohibiting child labour and forced labour.

發展及培訓

本集團重視員工的發展及培訓，並在僱傭及勞工常規政策聲明中表明其將：

- 投資於員工的培訓和事業發展；
- 提供足夠的培訓機會，以提升員工履行職務所需的知識和技能；及
- 不斷完善僱傭體系，為員工的事業發展創造利好環境。

本集團為全體員工進行技術產品培訓和資訊科技培訓。為了與員工就其事業發展和表現進行溝通，管理層亦每年與僱員進行員工表現回顧。

最近，本集團建立每年評估員工表現的系統。本集團將定期檢討及更新其發展及培訓措施。

勞工準則

本集團制訂了僱傭及勞工常規政策聲明，禁止使用童工和強制勞工。本集團適時與員工進行加班安排的溝通。例如，倘若需要定期加班，本集團將事先制訂計劃並與相關員工討論。在招聘之前，檢查與求職者年齡相關的各種文件，以核實年齡和身份，以防童工和強制勞工。

本集團恪守適用於其營運地點的相關法律及規例，包括但不限於《僱傭條例》(第57章)。於報告期間，並無與童工和強制勞工有關的不合規個案。

本集團將審視其僱傭及勞工常規政策聲明的實施情況，以確保有效執行其禁止童工和強制勞工的做法。

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Operating Practices

The Group abided by laws and regulations that apply to all sites of operations and has formulated the Supply Chain Management, Product Responsibility and Anti-corruption Policy Statement in order to manage environmental and social risks in its daily operations.

Supply Chain Management

The Group believes that proper management of supply chain is essential to a socially responsible company and is committed to the following:

- Stringently select suppliers and review their performance regularly;
- Identify environmental and social risks in the supply chain and formulate corresponding measures; and
- Ensure continuous communication with suppliers and provide them with timely support.

When selecting and sourcing potential suppliers, the Group will take into account certain factors including (i) the suppliers' credentials such as, their backgrounds, production facilities and goodwill; (ii) the features and quality of the products manufactured by them; (iii) the current and forecasted demand of the products in the market; (iv) the price and payment terms offered to the Group; and (v) their technical capability.

The Group has established a risk assessment procedure to identify environmental and social risks of suppliers and formulate a supplier code of practice that covers issues of environmental protection and community care. The Group will continuously review and improve related procedures.

Product Responsibility

The Group is principally engaged in the sales of electronic components and is committed to the following:

- Ensure the quality of our products to safeguard the health and safety of our clients;
- Protect clients' privacy when collecting, saving, using and sending personal information of clients;
- Formulate remedial measures and contingency plan when there is client information leakage in a timely and effective manner;
- Adopt adequate measures to maintain and protect the Group intellectual property rights; and
- Ensure continuous communication with employees and clients regarding product responsibility.

營運慣例

本集團恪守適用於所有營運地點的法律及規例，並制訂了供應鏈管理、產品責任及反貪污政策聲明，以管理日常營運中的環境和社會風險。

供應鏈管理

本集團相信，對篤行社會責任的公司而言，妥善管理供應鏈至關重要，而本集團致力於以下各方面：

- 嚴選供應商並定期審查其表現；
- 識別供應鏈中的環境和社會風險並制訂相應措施；及
- 確保與供應商持續溝通，並為供應商提供適時的支持。

於選擇及物色潛在供應商時，本集團將考慮若干因素，包括(i)供應商的認證資料，例如其背景、生產設施及商譽；(ii)其所製造產品的特性及質量；(iii)產品的現有及預測市場需求；(iv)提供予本集團的價格及支付條款；及(v)技術能力。

本集團已建立風管評估程序，以識別供應商的環境及社會風險，並制訂涵蓋環境保護和關懷社區事宜的供應商行為守則。本集團將持續審視並改善相關程序。

產品責任

本集團主要從事電子元件的銷售，並致力於以下各方面：

- 確保產品質素以保障客戶的健康和安全；
- 在收集、保存、使用和發送客戶的個人資料時保護客戶的私隱；
- 制訂糾正措施及應急計劃以及時有效地應對客戶信息洩漏的情況；
- 採取適當措施維護和保障本集團的知識產權；及
- 確保與員工和客戶就產品責任進行持續溝通。

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The Group has developed internal quality monitoring standards to ensure our product safety. For instance, the goods supplied shall be subject to Restriction of the Use of Certain Hazardous Substances ("RoHS") compliant. Besides, the Group has implemented measures related to product return and customer privacy protection. The details are illustrated in the following sections. Issue related to advertising or labelling does not have a significant impact on the Group's operations.

The Group abided by the relevant laws and regulations that apply to its sites of operations, including but not limited to the Trade Descriptions Ordinance (Cap. 362) of Hong Kong. During the Reporting Period, there were no cases of non-compliance in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided.

Quality Control and Management

Upon the arrival of the products to the Group, items are ascertained to be delivered in accordance with our purchase orders, namely the type and quantity of the products. Once the delivery is confirmed, the staff will conduct visual checks against the products to ensure that the quality is up to standard, followed by the conduct of performance testing on some storage system products.

Most products are packaged in vacuum sealed bags, in such circumstances, only visual inspections would be conducted on these products. Generally, opened or damaged packaging is not accepted by our customers, it is thus not feasible for our Group to conduct performance testing on these products prior to delivery. The product packaging must be intact to guarantee the authenticity of the products and that the products have never been tampered with.

The Group also has measures in place to protect the products from being damaged during the testing process. The Group's quality assurance technicians are required to wear anti-electrostatic clothing and shoes to prevent the hardware components from being damaged or destroyed by electrostatic discharge during the testing.

After the visual inspection, products would be repacked pending delivery in accordance with the purchase orders issued by our customers.

本集團已制訂內部品質監控標準，以確保產品安全。例如，供應貨品須遵守《限制使用某些有害物質指令》(「限制使用某些有害物質指令」)的規定。此外，本集團已實施與退貨及客戶私隱保障有關的措施。有關詳情於下文章節說明。與廣告或標籤有關的事宜不會對本集團的營運造成重大影響。

本集團恪守適用於其營運地點的相關法律及規例，包括但不限於香港的《商品說明條例》(第362章)。於報告期間，並無與所提供產品和服務相關的健康和安全、廣告、標籤和私隱事宜的不合規個案。

質量控制及管理

於產品送達至本集團後，將首先根據採購訂單(即產品的類型及數量)確認貨品是否交付。交付一經確認，員工對產品進行外觀檢查以確保質量符合標準，隨後對存儲系統產品進行性能測試。

大部分產品為真空密封袋包裝，於此情況下僅能為有關產品進行外觀檢查。一般而言，客戶不接受包裝開封或包裝受損，故本集團於交付前對該等產品進行性能測試並不可行。產品包裝必須完好無損，以確保產品貨真價實且產品未曾受損。

本集團亦已採取措施保護產品於測試過程中免受損毀。本集團的質量鑒證技術員須穿戴防靜電服裝及鞋履，以防止測試過程中硬件元件遭靜電放電損毀或破壞。

於外觀檢查後，產品將根據客戶所下的採購訂單重新包裝以待交付予客戶。

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Product Return Policy

The availability of warranties is subject to the decision of the upstream manufacturers. Where the upstream manufacturers provide warranties to the Group, we would in turn, provide warranties to our customers. The Group would subsequently return defective products under warranty to the relevant upstream manufacturers for an exchange according to the Return Merchandise Authorization¹¹ procedures as agreed with the upstream manufacturers. The related costs of return are borne by the relevant upstream manufacturers as per the relevant distribution agreements. It is believed that the quality of the Group's products would be maintained and that no substantial costs shall be incurred by the Group even if we encounter product return circumstances.

Customer Data Protection and Privacy

The Group attaches great importance to the confidential information of the customers. To ensure the safety and privacy of client information, the Group will only collect client data for purposes permissible under the applicable law. Employees are required to sign Confidentiality, Non-disclosure and Non-competing Agreement, stipulating that the trade secrets and other confidential information shall not be revealed to any person, company or media.

In the future, the Group will continue to pay attention to amendments of relevant laws and regulations in relation to product responsibility. This will enable the Group to take follow-up action in due course.

Anti-corruption

To maintain a fair, ethical and efficient business and working environment and prevent any form of corruption, the Group is committed to the following:

- Nurture an anti-corruption atmosphere within the Group to improve employees' anti-corruption awareness;
- Ensure continuous communication with employees and clients with regard to anti-corruption policy and execution; and
- Adopt measures to prevent behaviours such as bribery, extortion, fraud and money laundering.

產品退貨政策

上游製造商決定是否提供保修。當上游製造商向本集團提供保修，我們亦可向客戶提供保修。本集團隨後將根據與上游製造商協議的退貨授權¹¹程序向上游製造商退換保修期內的產品。相關退貨成本根據相關分銷協議將由相關上游製造商承擔。我們相信，本集團可維持優質產品，即使本集團遭遇退貨，亦不會產生大額成本。

客戶資料保障及私隱

本集團非常重視客戶資料的保密。為確保客戶資料的安全及私隱，本集團將僅會根據適用法律允許的目的收集客戶數據。員工須簽署保密、不披露及不競爭協議，當中規定不得向任何人士、公司或媒體披露商業機密及其他保密資料。

未來，本集團將繼續關注產品責任相關法律及規例的修訂。此將讓本集團能夠在適當時候採取跟進行動。

反貪污

為維持公平、合乎道德及有效率的業務及工作環境並且防止任何形式的貪污，本集團致力於以下各方面：

- 培養本集團內部的反貪污風氣，提高員工的反貪污意識；
- 確保在反貪污政策和執行方面與員工及客戶持續溝通；及
- 採取措施防止賄賂、勒索、欺詐和洗黑錢等行徑。

¹¹ Return Merchandise Authorization, one of the after-sales services that provides replacement or repair of defective components, given that the components are within the product's warranty period.

¹¹ 退貨授權，一種售後服務，為在產品保修期內的瑕疵元件提供退換或維修服務。

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Employees are prohibited from accepting or granting gifts for business partners, such as customers and suppliers. As detailed in the Staff Handbook, the Group has specified the circumstances that allow our employees in accepting and granting gifts. Employees must declare and obtain approval from management for cases that are deemed inevitable.

The Group abided by the relevant laws and regulations that apply to its sites of operations, including but not limited to the Prevention of Bribery Ordinance (Cap. 201) in Hong Kong and the Criminal Law of the People's Republic of China. During the Reporting Period, there were no cases of non-compliance in relation to bribery, extortion, fraud and money laundering.

The Group has formulated a corruption risk assessment mechanism and will introduce terms related to anti-corruption in the employment contract. The Group will regularly review and update its anti-corruption policy and measures.

Community

Community Investment

The Group has formulated the Community Investment Policy Statement to fulfil its corporate responsibility and contribute to the community where it operates. The Group is committed to the following:

- Promote a responsible corporate culture within the Group;
- Encourage and arrange employees to participate in voluntary services and charity activities; and
- Leverage its expertise to contribute to the community where it operates.

The Group selects and approves volunteering and charity activities organised by external organisations. The Group encourages employees to participate in and organise their own volunteering and charity activities during the Reporting Period, for instance, Flag Day 2018, Tung Wah Charity Gala, and more. Meanwhile, our senior management — Mr. Lee Chak Hol, Michael is also one of the directors in the board of director at the Tung Wah Group of Hospital for 2018/2019. These examples illustrate the commitment of the Group to the community.

In the future, the Group will continue to understand the needs of the communities in its sites of operations to determine the focus of contribution.

禁止員工與商業夥伴(如客戶和供應商)之間的禮品收受或餽贈。誠如員工手冊中所詳述,本集團已訂明允許員工接受和餽贈禮品的情况。對於被視為不可避免的情况,員工必須向管理層申報並獲得批准。

本集團恪守適用於其營運地點的相關法律及規例,包括但不限於香港的《防止賄賂條例》(第201章)及中華人民共和國刑法。於報告期間,並無有關賄賂、勒索、欺詐和洗黑錢的不合規個案。

本集團已制訂貪污風險評估機制,並將在僱傭合約中引入與反貪污相關的條款。本集團將定期審查和更新其反貪污政策和措施。

社區

社區投資

本集團已制訂社區投資政策聲明,以履行其企業責任,並為其經營所在社區作出貢獻。本集團致力於以下各方面:

- 在本集團內部推廣克盡己責的企業文化;
- 鼓勵和安排員工參加義工服務和慈善活動;及
- 發揮其專業訣竅為其經營所在的社區作出貢獻。

本集團選擇和批准外界組織籌辦的義工和慈善活動。於報告期間,本集團鼓勵員工自行參與和籌辦義工和慈善活動,例如二零一八年賣旗日、東華慈善晚會等等。同時,高級管理層成員李澤浩先生亦為東華集團二零一八年/二零一九年董事局的其中一名總理。該等事例印證本集團對社區作出貢獻的決心。

未來,本集團將繼續了解其營運地點的社區所需,以確定作出貢獻的重點範疇。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



GRAHAM H. Y. CHAN & CO.

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)
HONG KONG

TO THE MEMBERS OF APEX ACE HOLDING LIMITED

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Apex Ace Holding Limited (the "Company") and its subsidiaries (collectively referred to as, the "Group") set out on pages 75 to 167, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致光麗科技控股有限公司列位股東

(於開曼群島註冊成立的有限公司)

意見

吾等已審計第75至167頁所載的光麗科技控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，包括於二零一八年十二月三十一日的綜合財務狀況表以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實及公平地反映貴集團於二零一八年十二月三十一日的財務狀況以及截至該日止年度的財務表現及現金流量，並已遵照香港公司條例的披露規定妥為編製。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

1. Revenue recognition;
2. Impairment assessment of trade receivables; and
3. Provision for inventories.

意見的基礎

吾等已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行吾等的審計工作。吾等就該等準則承擔的責任於本報告「核數師就審計綜合財務報表承擔的責任」一節中進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則（「守則」），吾等獨立於貴集團，及吾等已履行守則中的其他專業道德責任。吾等相信，吾等所獲得的審計憑證充足及適當地為吾等的審計意見提供基礎。

關鍵審計事項

關鍵審計事項乃根據吾等的專業判斷，認為對本期的綜合財務報表的審計最為重要的事項。此等事項乃於吾等審計整體綜合財務報表及出具意見時進行處理，而吾等不會對此等事項提供單獨意見。

吾等於審計中識別的關鍵審計事項如下：

1. 收益確認；
2. 貿易應收賬款的減值評估；及
3. 存貨撥備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

1. Revenue recognition

Nature of the key audit matter 關鍵審計事項性質

Revenue principally comprises sales of digital storage products and general electronic components. For revenue recognition, once the products are delivered to the customers and the customers acknowledge the receipt of the products, the control of the goods is considered to have been transferred to the customers and revenue is recognised at that point.

We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore it gives rise to an inherent risk that revenue could be recorded in the incorrect period or could be subject to manipulation.

收益主要包括銷售數碼儲存產品及通用電子元件。對於收益確認，一旦產品交付予客戶而客戶確認收到產品，則貨品控制權被視為已轉移予客戶，並於該時候確認收益。

吾等識別收益確認為關鍵審計事項，原因是收益乃貴集團的關鍵績效指標之一，因此產生收益可能於錯誤期間入賬或可能受到操控的既有風險。

關鍵審計事項(續)

1. 收益確認

How our audit addressed the key audit matter 吾等的審計如何處理關鍵審計事項

Our audit procedures to assess the recognition of revenue included the following:

- Assessing the design, implementation and operating effectiveness of key internal controls over revenue recognition;
- Obtaining confirmations from major customers to ascertain the amounts of sales to them from the Group for the year;
- Assessing, on a sample basis, whether revenue transactions recorded during the year had been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including customers' purchase orders, goods delivery notes and sales invoices;
- Scrutinising the delivery notes before and after the year end on a sample basis to assess whether revenue is recognised in the correct period;
- Scrutinizing the sales ledger after the year end to identify significant credit notes issued and sales returns and inspecting relevant underlying documentation to assess if the related revenue had been accounted for in the appropriate period in accordance with the requirements of the prevailing accounting standards; and
- Inspecting significant manual adjustments to revenue raised during the year, enquiring of management about the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation.

吾等的審計程序乃評估收益確認，包括下列各項：

- 評估有關收益確認的關鍵內部監控的設計、實施及操作成效；
- 向主要客戶取得確認以核實貴集團於本年度向彼等銷售的金額；
- 以抽樣方式評估於本年度入賬的收益交易是否於適當期間確認，方法為將所選交易與相關所屬文件(包括客戶購貨訂單、貨品交付單據及銷售發票)比較；
- 於年結前後以抽樣方式檢視交付單據以評估收益是否於正確期間確認；
- 於年結後檢視銷售分類賬以識別已發出的重大貨記單據及銷售退回，以及查閱相關所屬文件以評估有關收益是否並非根據現行會計準則的規定於適當期間入賬；及
- 查閱於本年度提出對收益作出的重大人手調整，向管理層查詢作出該等調整的理由及將調整詳情與相關所屬文件進行比較。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

2. Impairment assessment of trade receivables

Nature of the key audit matter

關鍵審計事項性質

We identified the impairment assessment of trade receivables as a key audit matter due to the use of management judgement and estimates in assessing the impairment of trade receivables under the expected credit losses model.

As disclosed in note 5 to the consolidated financial statements, in determining the provision for impairment of trade receivables, the management considers the ageing analysis of trade debts, the current creditworthiness of the customers, the past collection history of each debtor, and existing market conditions. Management also considers forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.

At 31 December 2018, the carrying amount of trade receivables was HK\$508,953,000. No impairment was recognised for the year.

吾等已識別貿易應收賬款的減值評估作為關鍵審計事項，原因是於評估預期信貸虧損模式下貿易應收賬款減值時運用管理層判斷及估計。

如綜合財務報表附註5所披露，於釐定貿易應收賬款減值撥備時，管理層審視貿易債務的賬齡分析、客戶的現有信貸狀況、每名債務人的過往還款記錄，以及當前市場條件。管理層亦考慮可能影響客戶償還未償還結餘的能力的前瞻性資料，以估計減值評估的預期信貸虧損。

於二零一八年十二月三十一日，貿易應收賬款的賬面值為508,953,000港元。年內概無確認減值。

關鍵審計事項(續)

2. 貿易應收賬款的減值評估

How our audit addressed the key audit matter

吾等的審計如何處理關鍵審計事項

Our audit procedures to assess the impairment of trade receivables included the following:

- Understanding the Group's key internal control in managing and monitoring its credit risk, debt collection and estimate of expected credit losses;
 - Re-computing the accuracy of ageing analysis of trade receivables and testing the accuracy of the ageing analysis by, on a sample basis, checking to source documents;
 - Obtaining confirmations from debtors, on a sample basis, to verify the accuracy of the debtor balances;
 - Reviewing the subsequent settlement of trade receivables and checking the subsequent settlement, on a sample basis, to the related sales invoices and bank records;
 - Assessing the reasonableness of the impairment assessment made by the management by examining the information used by management to make such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information; and
 - Assessing the adequacy of the credit risk disclosures in relation to trade receivables.
- 吾等的審計程序乃評估貿易應收賬款減值，包括下列各項：
- 了解 貴集團於管理及監控其信貸風險、收取債務及估計預期信貸虧損時的關鍵內部監控；
 - 以抽樣方式透過查核資料來源文件以重新計算貿易應收賬款賬齡分析是否準確及測試賬齡分析是否準確；
 - 以抽樣方式向債務人取得確認，以核實債務人結餘是否準確；
 - 以抽樣方式對照有關銷售發票及銀行記錄以審閱貿易應收賬款的其後清償及查核其後清償；
 - 評估管理層進行減值評估的合理性，方式為審查管理層用於作出有關判斷的資料，包括測試過往拖欠數據的準確性、評估過往虧損率是否根據目前經濟狀況及前瞻性資料進行適當調整；及
 - 評估有關貿易應收賬款的信貸風險披露是否足夠。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (CONTINUED)

3. Provision for inventories

關鍵審計事項(續)

3. 存貨撥備

Nature of the key audit matter

關鍵審計事項性質

We identified the provision for inventories as a key audit matter due to use of judgement in determining the appropriate levels of inventory provision.

As disclosed in note 5 to the consolidated financial statements, in determining the allowance for slow-moving and obsolete inventories, the management takes into accounts the ageing, net realisable value and subsequent sales of inventories.

At 31 December 2018, the carrying amount of inventories was HK\$84,834,000 and no write down of inventories was made for the year.

吾等已識別存貨撥備作為關鍵審計事項，原因是於釐定存貨撥備適當水平時運用判斷。

如綜合財務報表附註5所披露，於釐定滯銷及老舊存貨的撥備時，管理層考慮賬齡、可變現淨值及存貨其後銷售。

於二零一八年十二月三十一日，存貨的賬面值為84,834,000港元及於本年度概無作出存貨撇減。

How our audit addressed the key audit matter

吾等的審計如何處理關鍵審計事項

Our audit procedures in relation to provision for inventories included the following:

- Understanding the inventory impairment policy of the Group and management's assessment in estimating the net realisable values of the inventories;
 - Assessing the reasonableness of management's estimates of the net realisable value of inventories with reference to ageing of the inventories, subsequent sales of inventories, latest selling prices, and estimates for costs to make sales;
 - Testing the accuracy of the ageing analysis of the inventories by, on a sample basis, checking to the source documents; and
 - Enquiring the sales team of the Group about the expected sales of the slow-moving or long-outstanding inventories.
- 吾等對存貨撥備的審計程序包括下列各項：
- 了解 貴集團的存貨減值政策及於估計存貨的可變現淨值時的管理層評估；
 - 參考存貨賬齡、存貨其後銷售、最新售價及作出銷售的成本估計，評估管理層的存貨可變現淨值估計是否合理；
 - 以抽樣方式對照資料來源文件，測試存貨的賬齡分析是否準確；及
 - 向 貴集團銷售團隊查詢有關滯銷或長期待售存貨的預期銷售額。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of 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.

除綜合財務報表及就此發出的核數師報告外的資料

貴公司董事對其他資料負責。其他資料包括年度報告所載的資料，惟不包括綜合財務報表及吾等就此發出的核數師報告。

吾等就綜合財務報表的意見並不涵蓋其他資料，吾等亦不就其他資料發表任何形式的鑒證結論。

於吾等審計綜合財務報表時，吾等的責任乃閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審計過程中所了解的情況有重大抵觸，或者似乎存在重大錯誤陳述。倘基於吾等已執行的工作，吾等認為其他資料存在重大錯誤陳述，吾等須報告該事實。於此方面，吾等並無任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的香港財務報告準則及香港公司條例的披露規定擬備真實及公平的綜合財務報表，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。

於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，並在適用的情況下，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營運，或別無其他實際的替代方案。

審核委員會協助董事負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

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

核數師就審計綜合財務報表承擔的責任

吾等的目標乃就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，並出具包括吾等意見的核數師報告。根據吾等的委聘條款，本報告僅向閣下（作為整體）作出，除此之外別無其他目的。吾等不就本報告的內容向任何其他人士負責或承擔責任。

合理保證屬高水平的保證，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滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

於根據香港審計準則進行審計的過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對此等風險，以及取得充足及適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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.

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

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

核數師就審計綜合財務報表承擔的責任 (續)

- 就董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，確定是否存在與事件或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要於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。假如有關披露不足，則吾等應當發表非無保留意見。吾等的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致 貴集團無法持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否以達致公允陳述之方式反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充分、適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督及執行。吾等為審計意見承擔全部責任。

除其他事項外，吾等與審核委員會溝通了計劃的審計範圍、時間安排及重大審計發現等，包括吾等在審計過程中識別出的內部監控的任何重大缺陷。

吾等亦向審核委員會作出聲明，確認吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理地被認為會影響吾等獨立性的所有關係及其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 CHAN Ho Yin, Graham.

Graham H.Y. Chan & Co.

Certified Public Accountants (Practising)
Hong Kong

22 March 2019

核數師就審計綜合財務報表承擔的責任 (續)

從與審核委員會溝通的事項中，吾等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。吾等於核數師報告中描述該等事項，除非法律法規不允許披露這些事項，或於極端罕見的情況下，倘合理預期於吾等報告中披露某事項而造成的負面後果將會超過其產生的公眾利益，則吾等決定不應於報告中傳達該事項。

出具本獨立核數師報告的審計項目合夥人為陳浩賢。

陳浩賢會計師事務所

執業會計師
香港

二零一九年三月二十二日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	6	3,717,611	2,840,308
Cost of sales	銷售成本		(3,539,551)	(2,698,945)
Gross profit	毛利		178,060	141,363
Other income	其他收入	7	3,944	2,496
Increase in fair value of an investment property	投資物業公平值增加		2,400	2,200
Distribution and selling expenses	分銷及銷售開支		(46,955)	(15,937)
Administrative expenses	行政開支		(76,776)	(60,745)
Finance costs	融資成本	8	(18,293)	(11,368)
Profit before tax	除稅前溢利	9	42,380	58,009
Income tax expense	所得稅開支	11	(9,098)	(12,642)
Profit for the year	年內溢利		33,282	45,367
Other comprehensive income	其他全面收益			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益之項目：</i>			
— Exchange differences arising on translation of foreign operations	— 換算海外業務產生之匯兌差額		331	147
Total comprehensive income for the year	年內全面收益總額		33,613	45,514

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit for the year attributable to:			
— Owners of the Company	以下人士應佔年內溢利： — 本公司擁有人	22,614	34,986
— Non-controlling interests	— 非控股權益	10,668	10,381
		33,282	45,367
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收益 總額：		
— Owners of the Company	— 本公司擁有人	22,945	35,133
— Non-controlling interests	— 非控股權益	10,668	10,381
		33,613	45,514
Earnings per share attributable to owners of the Company	本公司擁有人應佔每股盈利		
— Basic	— 基本	12 2.38 HK cents 港仙	4.66 HK cents 港仙
— Diluted	— 攤薄	N/A 不適用	N/A 不適用

The notes on pages 82 to 167 form part of these consolidated financial statements.

第82至167頁之附註構成此等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日
(Expressed in Hong Kong dollars) (以港元列示)

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	50,648	51,263
Investment property	投資物業	15	54,000	51,600
Deposit paid for acquisition of property, plant and equipment, and intangible asset	收購物業、廠房及設備以及無形資產的已付按金	18	9,691	–
Total non-current assets	非流動資產總值		114,339	102,863
Current assets	流動資產			
Inventories	存貨	16	84,834	174,631
Trade receivables	貿易應收賬款	17	508,953	642,336
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	18	66,251	95,308
Income tax recoverable	可收回所得稅		5,392	–
Bank balances and cash	銀行結餘及現金	19	182,639	66,302
Total current assets	總流動資產		848,069	978,577
Current liabilities	流動負債			
Trade payables	貿易應付賬款	20	205,889	360,857
Other payables, accruals and deposits received	其他應付款項、應計費用及已收按金	21	31,314	20,647
Amount due to a Director	應付一名董事款項	22	–	8,247
Amount due to a related party	應付一名關連方款項	23, 35(a)	–	1,560
Bank borrowings	銀行借貸	24, 35(a)	391,268	479,486
Income tax payable	應付所得稅		3,819	10,019
Total current liabilities	總流動負債		632,290	880,816
Net current assets	流動資產淨值		215,779	97,761
Total assets less current liabilities	總資產減流動負債		330,118	200,624
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	25	386	290
NET ASSETS	資產淨值		329,732	200,334

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日
(Expressed in Hong Kong dollars) (以港元列示)

		Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	26	10,000	–
Reserves	儲備		295,866	184,952
Equity attributable to the owners of the Company	本公司擁有人應佔權益		305,866	184,952
Non-controlling interests	非控股權益		23,866	15,382
TOTAL EQUITY	總權益		329,732	200,334

The consolidated financial statements on pages 75 to 167 were approved and authorised for issue by the Board on 22 March 2019 and were signed on its behalf by

第75至167頁之綜合財務報表已由董事會於二零一九年三月二十二日批准及授權刊發，並由以下人士代表簽署：

Lee Bing Kwong

李秉光

Director

董事

Lo Yuen Kin

盧元堅

Director

董事

The notes on pages 82 to 167 form part of these consolidated financial statements.

第82至167頁之附註構成此等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

	Note 附註	Attributable to owners of the Company 本公司擁有人應佔					Subtotal 小計 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	Total equity 總權益 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元 (Note) (附註)	Exchange reserve 匯兌儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元			
Balance at 1 January 2017	於二零一七年一月一日 之結餘	-	-	3,054	(31)	144,050	147,073	5,094	152,167
Profit for the year	年內溢利	-	-	-	-	34,986	34,986	10,381	45,367
Other comprehensive income for the year	年內其他全面收益	-	-	-	147	-	147	-	147
Total comprehensive income for the year	年內全面收益總額	-	-	-	147	34,986	35,133	10,381	45,514
Acquisition of non-controlling interests	收購非控股權益	-	-	-	-	2,714	2,714	(4,897)	(2,183)
Capital injection by non- controlling shareholder	非控股股東注資	-	-	-	-	-	-	4,804	4,804
Others	其他	-	-	32	-	-	32	-	32
Balance 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 之結餘	-	-	3,086	116	181,750	184,952	15,382	200,334
Profit for the year	年內溢利	-	-	-	-	22,614	22,614	10,668	33,282
Other comprehensive income for the year	年內其他全面收益	-	-	-	331	-	331	-	331
Total comprehensive income for the year	年內全面收益總額	-	-	-	331	22,614	22,945	10,668	33,613
Issue of new shares	發行新股份	26	2,500	122,500	-	-	125,000	-	125,000
Share issue expenses	股份發行開支	-	-	(11,056)	-	-	(11,056)	-	(11,056)
Capitalisation issue	資本化發行	26	7,500	(7,500)	-	-	-	-	-
Dividend paid to the then controlling shareholder	已付當時控股股東股息	-	-	-	-	(15,975)	(15,975)	-	(15,975)
Dividend paid to the non- controlling shareholder of a subsidiary	已付一間附屬公司 非控股股東股息	-	-	-	-	-	-	(2,184)	(2,184)
Balance at 31 December 2018	於二零一八年 十二月三十一日 之結餘	10,000	103,944	3,086	447	188,389	305,866	23,866	329,732

Note: Other reserve mainly represents the difference between the historical cost of the shares of a subsidiary paid by the then controlling shareholder and the consideration paid by the Group in exchange.

附註：其他儲備主要指當時控股股東已付一間附屬公司過往股份成本與本集團已付代價之間的差額。

The notes on pages 82 to 167 form part of these consolidated financial statements.

第82至167頁之附註構成此等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating activities	經營活動		
Profit before tax	除稅前溢利	42,380	58,009
Adjustments for:	經調整：		
Increase in fair value of investment property	投資物業公平值增加	15 (2,400)	(2,200)
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損/(收益)	1	(88)
Interest income	利息收入	7 (176)	(21)
Depreciation	折舊	9, 14 2,738	2,420
Write-down of inventories	存貨撇減	9 -	305
Exchange gain on capitalising shareholder loan	資本化股東貸款之匯兌收益	35(a) -	(249)
Gain on disposal of a subsidiary	出售一間附屬公司收益	-	(11)
Finance costs	融資成本	8 18,293	11,368
Operating cash flows before working capital changes	營運資金變動前經營現金流量	60,836	69,533
Decrease/(increase) in inventories	存貨減少/(增加)	89,797	(58,915)
Decrease/(increase) in trade receivables	貿易應收賬款減少/(增加)	133,383	(336,052)
Decrease/(increase) in other receivables, deposits and prepayments	其他應收款項、按金及預付款項減少/(增加)	29,057	(74,965)
(Decrease)/increase in trade payables	貿易應付賬款(減少)/增加	(154,968)	201,589
Increase in other payables, accruals and deposits received	其他應付款項、應計費用及已收按金增加	10,667	7,091
(Repayment to)/advance from a Director	(償還)/來自一名董事墊款	(8,247)	5,489
Cash generated from/(used in) operating activities	經營活動所得/(所用)現金	160,525	(186,230)
Interest income received	已收利息收入	176	21
Tax paid	已付稅項	(20,594)	(7,213)
Net cash from/(used in) operating activities	經營活動所得/(所用)現金淨額	140,107	(193,422)
Investing activities	投資活動		
Payments for purchase of property, plant and equipment	購買物業、廠房及設備款項	(4,340)	(1,213)
Payments for acquisition of intangible asset	收購無形資產款項	(7,800)	-
Decrease/(increase) of pledged fixed deposit	已抵押定期存款減少/(增加)	1,956	(1,956)
Sales proceeds received from the disposal of property, plant and equipment	已收出售物業、廠房及設備所得款項	-	96
Net cash used in investing activities	投資活動所用現金淨額	(10,184)	(3,073)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

	Note 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financing activities			
New bank instalment loans raised	35(a)	12,800	7,923
Repayment of bank instalment loans	35(a)	(14,381)	(5,838)
Net (decrease)/increase in factoring loans	35(a)	(19,047)	78,009
Net (decrease)/increase in other bank borrowings	35(a)	(67,442)	136,810
Interests on bank borrowings paid	35(a)	(18,293)	(11,368)
(Repayment to)/Advance from a related party	35(a)	(1,560)	1,560
Proceeds from issuance of shares		125,000	–
Share issue expenses		(11,056)	–
Payment for acquisition of non-controlling interests		–	(2,183)
Proceeds from issue of share capital to non-controlling shareholders		–	124
Dividend paid		(18,159)	–
Net cash (used in)/generated from financing activities		(12,138)	205,037
Net increase in cash and cash equivalents		117,785	8,542
Cash and cash equivalents at beginning of year		64,198	55,971
Effect of foreign exchange rate change		656	(315)
Cash and cash equivalents at end of the year		182,639	64,198
Cash and cash equivalents at end of the year			
Cash at banks and on hand		182,639	64,346
Bank overdrafts		–	(148)
		182,639	64,198

The notes on pages 82 to 167 form part of these consolidated financial statements.

第82至167頁之附註構成此等綜合財務報表之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 4 July 2012, as an exempted company with limited liability under the Companies Law of the Cayman Islands. The immediate and ultimate holding company of the Company is Best Sheen Limited (“Best Sheen”), a limited liability company incorporated in the British Virgin Islands. The address of the registered office and principal place of business of the Company are disclosed in the ‘Corporate Information’ section of the annual report.

The Company is an investment holding company, the principal activities of its subsidiaries are set out in note 30.

The Company has its primary listing on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 March 2018.

The consolidated financial statements of the Company and its subsidiaries (collectively referred as the “Group” or “Apex Ace Group”) are presented in Hong Kong dollar (“HK\$”), which is the same as the functional currency of the Company, and all values are rounded to nearest thousand, unless otherwise stated.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the group reorganisation (the “Reorganisation”) as detailed in the subsection headed “Reorganisation” under the section headed “History, Reorganisation and Group Structure” in the prospectus of the Company dated 28 February 2018 (the “Prospectus”), the Company became the holding company of all subsidiaries now comprising the Group on 15 February 2018. The companies now comprising the Group, were under the common control of the controlling shareholder, Mr. Lee Bing Kwong (“Mr. Lee”), before and after the Reorganisation. Accordingly, the Group’s financial statements have been prepared on a combined basis by applying the principals of merger accounting as if the Company had been the holding company of the Group since the commencement of the year ended 31 December 2017 taking into account the respective date of incorporation or the respective date the combining entities first came under the common control of the controlling shareholder of the Group where this is a shorter period.

1 一般資料

本公司於二零一二年七月四日根據開曼群島公司法在開曼群島註冊成立為一間獲豁免有限公司。本公司之直接及最終控股公司為佳澤有限公司(「佳澤」)，乃於英屬處女群島註冊成立之有限公司。本公司之註冊辦事處及主要營業地點於年報「公司資料」一節披露。

本公司為一間投資控股公司。其附屬公司之主要業務載於附註30。

本公司於二零一八年三月十六日在香港聯合交易所有限公司(「聯交所」)主板作為其主要上市地點。

本公司及其附屬公司(統稱「本集團」或「光麗科技集團」)之綜合財務報表以港元(「港元」)呈列，即等同本公司之功能貨幣，及除非另行說明外，所有價值湊整至最接近的千位。

2 綜合財務報表之編製基準

根據集團重組(「重組」，詳述於日期為二零一八年二月二十八日的本公司招股章程(「招股章程」)內的「歷史、重組及集團架構」一節下的「重組」分節)，於二零一八年二月十五日，本公司成為本集團現時旗下所有附屬公司之控股公司。於重組前後，本集團現時旗下公司均由控股股東李秉光先生(「李先生」)共同控制。因此，計及有關實體各自的成立日期或合併實體首次受控於本集團控股股東的共同控制之日起(以較短期間為準)，本集團的財務報表乃採用合併會計原則按合併基準編製，猶如本公司自截至二零一七年十二月三十一日止年度開始以來一直為本集團的控股公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended 31 December 2018 and 2017 included the results, changes in equity and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout the years, or since their respective dates of incorporation or first came under the common control of the controlling shareholder, whichever is the shorter period. The consolidated statements of financial position of the Group as at 31 December 2018 and 2017 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure has been in existence at those dates taking into account the respective dates of incorporation or acquisition of relevant entities, where applicable.

All intra-group transactions and balances have been eliminated on consolidation. The assets and liabilities of the companies comprising the Group are combined using the existing book values. No amount is recognised in respect of goodwill or excess of acquirer's interest in the fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

2 綜合財務報表之編製基準(續)

截至二零一八年及二零一七年十二月三十一日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表包括本集團旗下各公司的業績、權益變動及現金流量，猶如當前集團結構於有關年度或自該等公司各自註冊成立之日或首次受控於控股股東的共同控制之日起(以較短期間為準)已存在。本集團於二零一八年及二零一七年十二月三十一日的綜合財務狀況表乃為呈列本集團現時旗下各公司的資產及負債而編製，猶如當前集團結構於該等日期(計及相關實體各自的註冊成立日期或收購日期(如適用))已存在。

所有集團內公司間交易及結餘均已於綜合入賬時對銷。本集團旗下各公司的資產及負債使用現有賬面值予以合併。合併共同控制權時，並無確認任何金額為商譽或於被收購方的可識別資產、負債及或然負債公平值中確認收購方的權益超出成本的部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 APPLICATION OF NEW AND REVISED HKFRSs

(a) New and revised HKFRSs adopted as at 1 January 2018

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

Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Clarification to HKFRS 15 Revenue from Contracts with Customers
Annual Improvements 2014–2016 Cycle	Amendments to HKFRS 1 and HKAS 28
Amendments to HKAS 40	Transfer of Investment Property
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration

3 應用新訂及經修訂香港財務報告準則

(a) 於二零一八年一月一日採納的新訂及經修訂香港財務報告準則

本集團已於本年度首次應用以下由香港會計師公會（「香港會計師公會」）所頒佈的香港財務報告準則的新訂準則、詮釋及修訂本：

香港財務報告準則第2號(修訂本)	以股份為基礎付款交易之分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具時一併應用香港財務報告準則第4號保險合約
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約收益
香港財務報告準則第15號(修訂本)	澄清香港財務報告準則第15號來自客戶合約收益
二零一四年至二零一六年週期之年度改進	香港財務報告準則第1號及香港會計準則第28號(修訂本)
香港會計準則第40號(修訂本)	投資物業轉讓
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

(a) New and revised HKFRSs adopted as at 1 January 2018 (Continued)

Except for the adoption of HKFRS 9 and HKFRS 15, the adoption of the interpretation and amendments to HKFRSs has no material effect on the Group's financial position and financial performance for the current and prior years. The impacts on HKFRS 9 and HKFRS 15 are described as follows:

HKFRS 9 "Financial Instruments"

The Group has adopted HKFRS 9 on 1 January 2018. HKFRS 9 introduced new requirements for the classification and measurement of financial assets and financial liabilities, expected credit losses for the financial assets, and general hedge accounting. Under HKFRS 9, the classification for all of the Group's financial assets and financial liabilities measured at amortised cost remain the same. Key changes in accounting policies resulting from adoption of HKFRS 9 is impairment of financial assets. HKFRS 9 replaces the 'Incurred loss' model in HKAS 39 with the "expected credit loss" model. Expected credit losses are measured on either of the following bases:

- Lifetime expected credit losses: the losses that are expected to result from all possible default events over the expected life of the relevant instrument; and
- 12-month expected credit losses: the losses that are expected to result from possible default events within 12 months after the reporting date.

3 應用新訂及經修訂香港財務報告準則(續)

(a) 於二零一八年一月一日採納的新訂及經修訂香港財務報告準則(續)

除採納香港財務報告準則第9號及香港財務報告準則第15號外，採納香港財務報告準則的詮釋及修訂本對本集團本年度及過往年度的財務狀況及財務表現並無構成重大影響。香港財務報告準則第9號及香港財務報告準則第15號的影響載述如下：

香港財務報告準則第9號「金融工具」

本集團已於二零一八年一月一日採納香港財務報告準則第9號。香港財務報告準則第9號引入有關金融資產及金融負債之分類及計量、金融資產之預期信貸虧損及一般對沖會計法之新規定。根據香港財務報告準則第9號，本集團所有按攤銷成本計量的金融資產及金融負債的分類維持相同。採納香港財務報告準則第9號所產生的會計政策的主要變動為金融資產減值。香港財務報告準則第9號中的「預期信貸虧損」模式取代香港會計準則第39號「已產生虧損」模式。預期信貸虧損乃按下述基準的其中一項計量：

- 全期預期信貸虧損：相關工具在其整個預期年期內所有可能發生的違約事件預期會帶來的虧損；及
- 十二個月預期信貸虧損：在報告日後十二個月內可能發生的違約事件預期會帶來的虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

(a) New and revised HKFRSs adopted as at 1 January 2018 (Continued)

HKFRS 9 “Financial Instruments” (Continued)

The Group applies simplified approach to recognise lifetime expected credit losses on trade and other receivables that result from revenue and general approach to recognise 12-month expected credit losses on other financial assets. The Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade and other receivables. The Group has established provision for impairment 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 other financial assets, the Group recognises a loss allowance for expected credit losses at an amount equal to 12-month expected credit losses.

The loss allowance for trade receivables applying the lifetime expected credit loss as compared to incurred loss model of HKAS 39 did not result in a material difference and hence did not result in an adjustment of opening retained earnings as of 1 January 2018.

3 應用新訂及經修訂香港財務報告準則(續)

(a) 於二零一八年一月一日採納的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」(續)

本集團應用簡化方法確認來自收益之貿易及其他應收賬款的全期預期信貸虧損，而採用一般方法確認其他金融資產的十二個月預期信貸虧損。就貿易及其他應收賬款而言，本集團按相等於全期預期信貸虧損的金額計量虧損撥備。本集團基於本集團過往的信貸虧損經驗制定減值撥備，根據債務人的特定因素及於報告日對當前及預期一般經濟狀況的評估予以調整。就其他金融資產而言，本集團按相等於十二個月預期信貸虧損的金額確認預期信貸虧損的虧損撥備。

與香港會計準則第39號已產生虧損模式相比，應用全期預期信貸虧損的貿易應收賬款虧損撥備並無構成重大差異，因此並無就二零一八年一月一日的期初保留盈利作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

(a) New and revised HKFRSs adopted as at 1 January 2018 (Continued)

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 provides a single, principles based five-step model in accounting for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised in accordance with the core principle by identifying the contract(s) with a customer, identifying the performance obligation in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract and recognising revenue when (or as) the performance obligation is satisfied. The Group’s major revenue is revenue from sales of goods. The Group recognises revenue when ‘control’ of the goods underlying the particular performance obligation is transferred to the customers. Adoption of HKFRS 15 has no material impact on the Group’s financial results and financial position.

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before receiving the consideration or 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 consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue.

HKFRS 15 does not prohibit an entity from using alternative descriptions in the statement of financial position for contract assets and contract liabilities, provided that sufficient information is available for a financial statements user to distinguish between receivables and contract assets, payables and contract liabilities. The Group does not have any significant contract asset and continues to use the term “Customer deposits received” instead of contract liability in the consolidated financial statements.

3 應用新訂及經修訂香港財務報告準則(續)

(a) 於二零一八年一月一日採納的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號「來自客戶合約收益」

香港財務報告準則第15號提供單一、以原則為基準的五步驟模式處理來自客戶合約產生的收益。根據香港財務報告準則第15號，根據核心原則確認收益，即透過確定客戶合約、識別合約的履約責任、釐定交易價格、按照合約的履約責任分配交易價格及當(或隨著)完成履約責任時確認收益。本集團主要收益乃來自銷售貨物之收益。本集團於與特定履約責任相關之貨物之「控制權」轉移予客戶時確認收益。採納香港財務報告準則第15號對本集團的財務業績及財務狀況並無重大影響。

根據香港財務報告準則第15號，僅在本集團擁有無條件權利收取代價時，方會確認應收款項。倘本集團於收取代價或可無條件獲得合約承諾貨品及服務的代價前確認有關收益，則該代價應分類為合約資產。同樣，在本集團確認相關收益前，當客戶支付代價或按合約規定客戶須支付代價且款項已到期時，該代價應確認為合約負債而非應付款項。

香港財務報告準則第15號並無禁止實體於財務狀況表中就合約資產及合約負債使用其他說明，惟須提供充足資料予財務報表使用者，以便區分應收款項與合約資產、應付款項與合約負債。本集團並無任何重大合約資產，並於綜合財務報表中繼續使用「已收客戶按金」詞彙而非合約負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

(b) New and revised HKFRSs issued but not yet effective

Up to the date of this report, HKICPA has issued the following new and revised standards, amendments or interpretations which are not yet effective for the accounting period beginning on 1 January 2018. The Group has not early applied these new and revised standards, amendments or interpretations in the consolidated financial statements.

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatment ¹
Amendments to HKFRS 3	Definition of a Business ³
Amendments to HKFRS 9	Prepayment of Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between Investor and its Associate or Joint Venture ⁵
Amendments to HKAS 1 and HKAS 8	Definition of Material ²
Amendments to HKAS 19	Plan Amendments, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ¹

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020
- ⁴ Effective for annual periods beginning on or after 1 January 2021
- ⁵ Effective for annual periods beginning on or after a date to be determined

3 應用新訂及經修訂香港財務報告準則(續)

(b) 已頒布但尚未生效的新訂及經修訂香港財務報告準則

截至本報告日期，香港會計師公會已頒佈以下於二零一八年一月一日開始之會計期間尚未生效之新訂及經修訂準則、修訂本或詮釋。本集團並無於綜合財務報表中提早應用該等新訂及經修訂準則、修訂本或詮釋。

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理的不確定因素 ¹
香港財務報告準則第3號(修訂本)	業務的定義 ³
香港財務報告準則第9號(修訂本)	具有負補償的提前還款特性 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁵
香港會計準則第1號及香港會計準則第8號(修訂本)	重大性的定義 ²
香港會計準則第19號(修訂本)	計劃修訂、縮減或清償 ¹
香港會計準則第28號(修訂本)	於聯營公司及合營企業之長期權益 ¹
香港財務報告準則(修訂本)	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

- ¹ 於二零一九年一月一日或其後開始的年度期間生效
- ² 於二零二零年一月一日或其後開始的年度期間生效
- ³ 對收購日期為於二零二零年一月一日或其後開始的首個年度報告期初或之後的業務合併及資產收購生效
- ⁴ 於二零二一年一月一日或其後開始的年度期間生效
- ⁵ 於將釐定的日期或之後開始之年度期間生效

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

(b) New and revised HKFRSs issued but not yet effective (Continued)

Except as disclosed below, the directors of the Company (the "Director(s)") anticipate that the application of the new and revised standards, amendments or interpretations will have no material impact on the financial performance and positions of the Group.

HKFRS 16 "Leases"

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases", introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classify cash repayments of the lease liability into a principal portion and an interest portion and present them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

3 應用新訂及經修訂香港財務報告準則(續)

(b) 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

除下文所披露者外，本公司董事（「董事」）預期，應用該等新訂及經修訂準則、修訂本或詮釋將不會對本集團的財務表現及狀況造成重大影響。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號將於生效日期起取代香港會計準則第17號「租賃」而引入單一承租人會計處理模式，並規定承租人就為期超過十二個月的所有租賃確認資產及負債，惟相關資產為低價值資產除外。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產（指其有權使用相關租賃資產）及租賃負債（指其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債的現金還款分類為本金部分及利息部分，並在現金流量表中呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括倘承租人合理肯定會行使選擇權延租或不行使選擇權中止租賃的情況，而於選擇權期間內作出的付款。此會計處理方法與根據原準則香港會計準則第17號分類為經營租賃的租賃的承租人會計處理顯著不同。

就出租人會計處理而言，香港財務報告準則第16號大致承轉香港會計準則第17號的出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對上述兩種租賃進行不同的會計處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

(b) New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 16 “Leases” (Continued)

As set out in note 28, total operating lease commitment of the Group as at 31 December 2018 amounting to HK\$930,000. The Directors do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial performance but it is expected that certain portion of the lease commitments will be required to be recognised in the Group's statement of financial position as right-of-use assets and lease liabilities.

4 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis, except for investment property which is measured at fair value as explained in the accounting policies set out below, and in accordance with HKFRSs, which is a collective term that includes all individual HKFRSs, Hong Kong Accounting Standards, and interpretations issued by HKICPA, and accounting policies generally accepted in Hong Kong. In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and by the Hong Kong Companies Ordinance.

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

3 應用新訂及經修訂香港財務報告準則(續)

(b) 已頒布但尚未生效的新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

如附註28所載，本集團於二零一八年十二月三十一日的經營租賃承擔總額為930,000港元。董事預期，相較於現有會計政策，採納香港財務報告準則第16號將不會對本集團的財務表現造成重大影響，惟預期租賃承擔的若干部分將須於本集團的財務狀況表中確認為使用權資產及租賃負債。

4 重大會計政策

綜合財務報表按歷史成本基準編製(惟下文所載會計政策所述的按公平值計量的投資物業外)，及根據香港財務報告準則(該詞彙為統稱，包括所有個別香港財務報告準則、香港會計準則，以及由香港會計師公會頒佈的詮釋及香港普遍採納的會計政策)，此外，綜合財務報表包括聯交所主板證券上市規則及香港公司條例規定的適用披露。

編製符合香港財務報告準則的綜合財務報表須採用若干關鍵會計估計，且亦要求管理層於應用本集團會計政策過程作出判斷。涉及較多判斷或較高複雜性的範疇或涉及對綜合財務報表有重大影響的假設及估計的範疇於附註5披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation

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

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

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

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

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

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

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

4 重大會計政策(續)

(a) 綜合入賬

綜合財務報表包括本公司及由本公司控制之實體(其附屬公司)之財務報表。當本公司符合以下各項時，即表示該實體受本公司控制：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得浮動回報；及
- 能夠運用其權力以影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對投資對象擁有控制權。

當本公司獲得附屬公司之控制權時開始將該附屬公司綜合入賬，並於本公司失去該附屬公司之控制權時結束。具體而言，於本年度所收購或出售附屬公司之收入及開支自本公司取得控制權當日起至本公司失去附屬公司控制權當日止期間計入綜合損益及其他全面收益表內。

損益及其他全面收益之各項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉將導致非控股權益出現虧損結餘。

附屬公司的財務報表於有需要時作出調整，以令其會計政策與本集團之會計政策一致。

所有集團內資產及負債、權益、收入、開支以及與本集團成員公司間之交易有關的現金流量均在綜合入賬時悉數對銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (Continued)

Business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

4 重大會計政策(續)

(a) 綜合入賬(續)

共同控制實體業務合併

綜合財務報表包括發生共同控制合併的合併實體或業務的財務報表項目，猶如該等項目自合併實體或業務首次受控制方控制當日起已綜合入賬處理。

從控制方的角度看，合併實體或業務的資產淨值按照現有賬面值綜合入賬。在控制方的權益持續的情況下，於發生共同控制合併時，概無就商譽或收購方所佔被收購方可識別資產、負債及或然負債的公平淨值的權益超出成本之差額確認任何金額。

綜合損益及其他全面收益表包括各合併實體或業務自最早呈列日期起或自合併實體或業務首次受共同控制當日起(以較短者為準)的業績。

本集團於現有附屬公司的擁有權權益變動

本集團於附屬公司的擁有權權益變動如未導致本集團失去附屬公司的控制權，則會作為權益交易入賬。本集團權益及非控股權益的賬面值經調整，以反映彼等於附屬公司的相關權益變動。非控股權益的經調整金額與已付或已收代價的公平值之間的差額直接於權益確認並歸屬於本公司擁有人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 "Financial Instruments", when applicable, or the cost on initial recognition of an investment in an associate or a jointly controlled entity.

(b) Revenue recognition

Revenue recognition under HKFRS 15 for the year ended 31 December 2018

Sale of electronic components:

Revenue from the sales and distribution of products is recognised when control of the products has transferred, being at the point the products are delivered to the customer's premise and the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of discounts and returns.

A receivable is recognised when the products are delivered and the customers accept the products, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4 重大會計政策(續)

(a) 綜合入賬(續)

本集團於現有附屬公司的擁有權權益變動(續)

當本集團失去附屬公司的控制權時，出售所產生的溢利或虧損按以下兩者之差額計算：(i) 已收代價的公平值與任何保留權益的公平值之總額；及(ii) 附屬公司的資產(包括商譽)及負債與任何非控股權益過往之賬面值。在失去控制權當日於前附屬公司保留的任何投資的公平值將被視為初步確認香港財務報告準則第9號「金融工具」項下後續會計處理的公平值(如適用)，或初步確認投資於聯營公司或共同控制實體的成本。

(b) 收益確認

截至二零一八年十二月三十一日止年度根據香港財務報告準則第15號收益確認

銷售電子元件：

銷售及分銷產品的收益於產品控制權已轉移(即產品交付至客戶地點及客戶驗收產品)，且並無會影響客戶驗收產品的未履行義務時確認。交付於產品已運至指定地點、過時及損失風險已轉移至客戶，且客戶已根據銷售合約驗收產品、驗收條件已告失效或本集團有客觀證據證明所有驗收標準已獲達成時，方會發生。

該等銷售的收益於扣除折扣及退貨後按合約訂明的價格確認。

應收款項於產品交付而客戶驗收產品時確認，原因是收取代價之權利於該時間點成為無條件，僅須待時間過去即可收取付款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition (Continued)

Revenue recognition under HKFRS 15 for the year ended 31 December 2018 (Continued)

Rental income from operating leases:

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

Interest income:

interest income is recognised as it accrues using the effective interest method.

Revenue recognition under HKAS 18 for the year ended 31 December 2017

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) revenue from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (ii) rental income under operating leases is recognised on a straight-line basis over the lease term; and
- (iii) interest income is recognised as it accrues using the effective interest method.

4 重大會計政策(續)

(b) 收益確認(續)

截至二零一八年十二月三十一日止年度根據香港財務報告準則第15號收益確認(續)

來自經營租賃的租金收入：

經營租賃的應收租金收入於租期涵蓋之期間內以等額分期方式於損益確認。

利息收入：

利息收入於產生時按實際利率法確認。

截至二零一七年十二月三十一日止年度根據香港會計準則第18號收益確認

收益乃於經濟利益可能流向本集團且收益能可靠地計量時按以下基準確認：

- (i) 銷售貨品所得收益，於其擁有權之重大風險及回報已轉至買方時確認，惟本集團不再涉及其一般與擁有權相關之管理或對售出貨品擁有實際控制權；
- (ii) 經營租約項下之租金收入於租期內按直線法確認；及
- (iii) 利息收入於產生時按實際利率法確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Property, plant and equipment are depreciated at rates sufficient to write off their costs, less their estimated residual value, if any, over their estimated useful lives on a straight-line basis at the following annual rates:

Leasehold land and buildings	Over the unexpired term of lease
Leasehold improvement	20%
Furniture and fixtures	20%
Computer and office equipment	20%
Motor vehicle	20%

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The gain or loss on disposal or retirement of an asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4 重大會計政策(續)

(c) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列賬。

物業、廠房及設備項目之成本包括其購買價及促使有關資產達致其營運狀況及地點作擬定用途之任何直接應佔成本。物業、廠房及設備項目投產後所產生之開支(如維修及保養)通常於產生期間計入損益。當可清晰表明開支使預期日後使用一項物業、廠房及設備項目所得的經濟利益增加,有關開支撥充資本,作為該資產的額外成本。

物業、廠房及設備按足以在其估計可使用期內撇銷成本減其估計剩餘價值(如有)估計的比率按以下年率以直線法計算:

租賃土地及樓宇	於未屆滿租期內
租賃裝修	20%
傢俱及裝置	20%
電腦及辦公設備	20%
汽車	20%

可使用期及折舊法於各報告日期末檢討及調整(如適用),任何估計變動之影響按預提基準入賬。

物業、廠房及設備項目於出售時或預期日後繼續使用該資產不會再產生經濟利益時終止確認。出售或廢棄該資產所產生之收益或虧損乃有關資產之出售所得款項淨值與賬面值之差額,並於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investment property

Investment property is property held to earn rentals and/or for capital appreciation. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gain and loss arising from change in the fair value of investment property is included in profit or loss in the period which they arise.

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

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method and includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses. At the end of each reporting period, inventories are assessed for impairment and the carrying amount is reduced to its net realisable value with the impairment loss recognised immediately in profit or loss.

(f) Leases

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

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

4 重大會計政策(續)

(d) 投資物業

投資物業為持作賺取租金及／或作資本增值的物業。投資物業初始按成本(包括交易成本)計量。於初步確認後，投資物業按公平值計量。投資物業公平值之變動所產生之收益或虧損於產生期間計入損益。

投資物業於出售後或投資物業永久不再使用且預期出售不會產生未來經濟利益時終止確認。終止確認物業產生之任何收益或虧損(按該資產之出售所得款項淨額與賬面值之差額計算)於該物業終止確認期間計入損益。

(e) 存貨

存貨以成本及可變現淨值的較低者列賬。成本乃使用加權平均成本法計算，並包括所有採購成本、加工成本及其他使存貨達至其現時地點及狀況而產生的成本。可變現淨值乃按預期出售所得款項減估計銷售開支計算。於各報告期末，存貨估計減值，且賬面值將調減至其估計可變現值，而減值虧損會即時於損益內確認。

(f) 租賃

當租賃的條款將所有權的絕大部份風險與回報轉讓予承租人時，租賃可分類為融資租賃。所有其他租賃則分類為經營租賃。

以融資租賃持有的資產，按於租賃開始時之公平值，或倘為較低者，按最低租賃支付款項現值初步確認為本集團資產。對出租人之相應責任於綜合財務狀況表列為融資租賃責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases (Continued)

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

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense on a straight-line basis over the lease term.

(g) Contract assets and liabilities

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract asset is assessed for impairment in accordance with HKFRS 9 and are reclassified to receivables when the right to the consideration has become unconditional.

Customers' deposits are recognised as a contract liability when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognised

(h) Financial instruments

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

4 重大會計政策(續)

(f) 租賃(續)

租賃付款在融資成本與租賃責任減少之間分配，使責任之餘下結餘之利率固定不變。融資成本於損益即時確認，除非其為直接與合資格資產有關，在這情況下，融資成本按照本集團之借貸成本政策資本化(見下文會計政策)。

經營租賃付款於有關租賃期內以直線法確認為開支。作為鼓勵訂立經營租賃之已收取及應收利益於租賃期內以直線法確認為租金支出減少。

(g) 合約資產及負債

本集團根據合約所載之付款條款有權無條件收取代價前，合約資產在確認收益時確認。本公司根據香港財務報告準則第9號對合約資產進行減值評估，並於收取代價之權利成為無條件時重新分類至應收款項。

本集團確認相關收益前，客戶按金在客戶支付代價時確認為合約負債。倘本集團在確認相關收益前無條件有權收取代價，則合約負債亦會確認。在該情況下，亦會確認相應應收款項。

(h) 金融工具

當集團實體成為工具的合約條款一方時，金融資產及金融負債於綜合財務狀況表確認。所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

Interest income/expense is recognised on an effective interest basis.

Financial assets (upon application of HKFRS 9 from 1 January 2018)

Classification and subsequent measurement of financial assets

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

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

4 重大會計政策(續)

(h) 金融工具(續)

金融資產及金融負債初步以公平值計量，惟產生自與客戶的合約之貿易應收賬款(自二零一八年一月一日起初步按香港財務報告準則第15號計量)除外。收購或發行金融資產及金融負債直接應佔的交易成本於初步確認時加入或從金融資產或金融負債的公平值扣除(倘適用)。

實際利率法為計算金融資產或金融負債的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於初步確認時按金融資產或金融負債的預期可使用年期或適用的較短期間內確切貼現估計未來現金收入及款項(包括構成實際利率不可或缺部分的所有已付或已收費用及點數、交易成本及其他溢價或貼現)至賬面淨值的利率。

利息收入/開支按實際利率基準確認。

金融資產(自二零一八年一月一日起應用香港財務報告準則第9號後)

金融資產的分類及其後計量

滿足以下條件其後按攤銷成本計量的金融資產：

- 以收取合約現金流量為目的而持有資產之經營模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9 from 1 January 2018) (Continued)

Amortised cost and interest income

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

Impairment of financial assets

The Group recognises a loss allowance for expected credit loss on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, and bank balances and cash). The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk since initial recognition. Lifetime expected credit loss represents the expected credit loss that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month expected credit loss represents the portion of lifetime expected credit loss that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

4 重大會計政策(續)

(h) 金融工具(續)

金融資產(自二零一八年一月一日起應用香港財務報告準則第9號後)
(續)

攤銷成本及利息收入

其後按攤銷成本計量的金融資產乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

金融資產減值

本集團根據香港財務報告準則第9號就發生減值之金融資產(包括貿易及其他應收賬款、銀行結餘及現金)確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各報告日期更新，以反映自初始確認後信貸風險的變化。全期預期信貸虧損指將相關工具的預期使用期內所有可能的違約事件產生之預期信貸虧損。相反，12個月預期信貸虧損將預期於報告日期後12個月內可能發生的違約事件導致之全期預期信貸虧損部分。評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9 from 1 January 2018) (Continued)

Impairment of financial assets (Continued)

The Group recognises lifetime expected credit loss for trade and other receivables that result from revenue. The expected credit loss on these assets are assessed collectively using a provision matrix with appropriate groupings based on its historical observed default rates which is adjusted for forward-looking estimates. For other financial assets, the Group measures the loss allowance equal to 12-month expected credit loss, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime expected credit loss. The assessment of whether lifetime expected credit loss should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

4 重大會計政策(續)

(h) 金融工具(續)

金融資產(自二零一八年一月一日起應用香港財務報告準則第9號後)
(續)

金融資產減值(續)

本集團就來自收益之貿易及其他應收賬款確認全期預期信貸虧損。該等資產的預期信貸虧損使用以其觀察所得歷史違約率為基礎的撥備矩陣評估，並就前瞻性估計進行調整。對於其他金融資產，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初始確認後信貸風險顯著增加，本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

(i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量和定性資料，包括無需付出不必要的成本或努力而可得之歷史經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信貸違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9 from 1 January 2018) (Continued)

Impairment of financial assets (Continued)

- (i) Significant increase in credit risk (Continued)
- an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

- (ii) Definition of default
- For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4 重大會計政策(續)

(h) 金融工具(續)

金融資產(自二零一八年一月一日起應用香港財務報告準則第9號後)(續)

金融資產減值(續)

- (i) 信貸風險顯著增加(續)
- 債務人經營業績的實際或預期顯著惡化；
 - 債務人監管、經濟或技術環境出現實際或預期的重大不利變化，導致債務人償還債務責任能力大幅下降。

不論上述評估之結果如何，本集團認為，當合約付款逾期超過30天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持之資料證明。

本集團定期監控用以識別信貸風險有否顯著增加的標準之效益，且修訂標準(如適當)來確保標準能在金額逾期前識別信貸風險顯著增加。

- (ii) 違約定義
- 就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，本集團都認為，已於金融資產逾期超過90日後發生違約，惟本集團有合理及具理據資料來顯示更加滯後的違約標準更為恰當。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9 from 1 January 2018) (Continued)

Impairment of financial assets (Continued)

- (iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- (a) significant financial difficulty of the issuer or the borrower;
 - (b) a breach of contract, such as a default or past due event;
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
 - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
 - (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (iv) Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4 重大會計政策(續)

(h) 金融工具(續)

金融資產(自二零一八年一月一日起應用香港財務報告準則第9號後)(續)

金融資產減值(續)

- (iii) 信貸減值金融資產
金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：
- (a) 發行人或借貸人出現重大財政困難；
 - (b) 違約(如違約或逾期事件)；
 - (c) 借貸人的貸款人因有關借貸人財政困難的經濟或合約理由而向借貸人批出貸款人不會另行考慮的優惠；
 - (d) 借貸人將可能陷入破產或其他財務重組；或
 - (e) 由於財政困難而令該金融資產的活躍市場消失。
- (iv) 撇銷政策
資料顯示對手方處於嚴重財政困難及無實際收回可能時(例如對手方被清盤或已進入破產程序時)，本集團則撇銷金融資產。經考慮法律意見後(倘合適)，遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9 from 1 January 2018) (Continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Where lifetime expected credit loss is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

4 重大會計政策(續)

(h) 金融工具(續)

金融資產(自二零一八年一月一日起應用香港財務報告準則第9號後)
(續)

預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損(即違約時虧損大小)及違約時風險之函數。違約概率及違約虧損之評估乃基於上述過往數據按前瞻性資料作調整。而金融資產的違約風險則由資產於報告日期的賬面總值代表；就金融擔保合約而言，風險包括於報告日期提取的金額連同任何基於歷史趨勢、本集團對債務人特定未來融資需求的理解以及其他相關前瞻性資料釐定的預計將於未來違約日期前提取的任何額外金額。

金融資產的預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預計收取的所有現金流量(按原定實際利率折現)之間的差額估算。

就金融擔保合約而言，根據擔保工具條款，本集團僅須於債務人違約時作出付款，預期虧損撥備為償還持有人所產生信貸虧損的預計款項減本集團預計自持有人、債務人或任何其他方收取的任何金額。

若按集體基準計量全期預期信貸虧損，以處理個別工具層面的信貸風險大幅上升證據尚未可得的情況，金融工具乃按以下基準分組：

- 金融工具的性質(即本集團的貿易及其他應收賬款分別作為單獨組別評估)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 可用的外部信貸評級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9 from 1 January 2018) (Continued)

Measurement and recognition of expected credit losses (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each separate group continues to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit loss in the previous reporting period, but determines at the current reporting date that the conditions for lifetime expected credit loss are no longer met, the Group measures the loss allowance at an amount equal to 12-months expected credit loss at the current reporting date.

For expected credit loss on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risk are taken into account by adjusting the cash shortfalls being discounted.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9 and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

4 重大會計政策(續)

(h) 金融工具(續)

金融資產(自二零一八年一月一日起應用香港財務報告準則第9號後)
(續)

預期信貸虧損之計量及確認(續)

管理層定期檢討分組方法，確保各組別的組成項目仍然具有相似的信貸風險特徵。

倘本集團已於前一個報告期間以相當於全期預期信貸虧損之金額計量一項金融工具之虧損撥備，但於當前報告日期確定全期預期信貸虧損的條件不再符合，則本集團按於當前報告日期相當於12個月預期信貸虧損之金額計量虧損撥備。

對於無法釐定實際利率的金融擔保合約的預期信貸虧損，本集團將應用折現率反映當前市場對貨幣時間價值的評估以及特定於現金流量的風險，但僅在某種程度上，通過調整貼現率而非調整貼現的現金短缺來考慮風險。

就金融擔保合約而言，虧損撥備按照香港財務報告準則第9號釐定的虧損撥備金額與初始確認的金額減去在擔保期內確認的累計收入金額(如適用)的較高者確認。

本集團通過調整所有金融工具的賬面值於損益確認彼等之減值收益或虧損，惟貿易應收賬款除外，在此情況下透過虧損撥備賬確認相應調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (before application of HKFRS 9 on 1 January 2018)

All the Group's financial assets are classified as loans and receivables. The accounting policies adopted for the Group's financial assets are set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, bank balances and cash) are carried at amortised cost using the effective interest rate method, less any identified impairment losses (see accounting policy in respect of impairment on financial assets below), unless the effect of discounting would be immaterial, in which case they are stated at cost less any identified impairment losses.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been impacted.

For loans and receivables, objective evidence of impairment could include: (i) significant financial difficulty of the issuer or the counterparty; (ii) default or delinquency in interest or principal payments; (iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or (iv) the disappearance of an active market for that financial asset because of financial difficulties.

4 重大會計政策(續)

(h) 金融工具(續)

金融資產(於二零一八年一月一日應用香港財務報告準則第9號前)

本集團的所有金融資產分類為貸款及應收款項。本集團就其金融資產所採納的會計政策載於下文。

貸款及應收款項

貸款及應收款項乃非衍生金融資產，其付款為固定或可確定，不在活躍市場報價。於初步確認後的各報告期末，貸款及應收款項(包括貿易應收賬款、其他應收款項、銀行結餘及現金)使用實際利率法按攤銷成本，減任何已識別減值虧損(見下文有關金融資產減值的會計政策)入賬，除非貼現的影響微不足道，在該情況下，則以成本減去任何已識別減值虧損入賬。

金融資產減值

於各報告期末評估金融資產是否有減值跡象。倘有客觀跡象顯示由於初步確認金融資產後發生一項或多項事件，令金融資產的估計日後現金流量受影響，則金融資產已減值。

就貸款及應收款項而言，減值的客觀跡象包括：(i) 發行人或對手方有重大財政困難；(ii) 拖欠或逾期不還利息或本金付款；(iii) 借貸人將可能破產或進行財務重組；或(iv) 由於財政困難而令該金融資產的活躍市場消失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

Impairment of financial assets (Continued)

Financial assets that are assessed not to be impaired individually, such as trade receivables, are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in the subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

4 重大會計政策(續)

(h) 金融工具(續)

金融資產(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

金融資產減值(續)

並無單獨評估減值的金融資產(如貿易應收賬款)其後集體評估減值。應收款項組合減值的客觀跡象可包括本集團收賬的過往經驗、於組合超逾平均信貸期的延遲還款數量增加及與拖欠應收款項有關的國家或地方經濟狀況的可察覺變化。

就按攤銷成本入賬的金融資產而言，當有該資產減值的客觀跡象時，減值虧損即於損益確認，並按資產的賬面值與按金融資產原實際利率貼現估計日後現金流量現值兩者之差額計量。

就按成本入賬的金融資產而言，減值虧損的金額按資產的賬面值與按同類金融資產的現行市場回報率貼現的估計日後現金流量現值兩者之差額計量。上述減值虧損於其後期間不會撥回。

所有金融資產的賬面值直接按減值虧損削減，惟貿易應收賬款除外，其賬面值乃透過使用撥備賬削減。撥備賬賬面值的變動於損益內確認。當貿易應收賬款被認為無法收回時，則於撥備賬內撇銷。其後如收回之前已撇銷款項，則撥入損益賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

All the Group's financial liabilities (including trade payables, other payables and accruals, amounts due to a Director and related party and bank borrowings) are subsequently measured at amortised cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost.

4 重大會計政策(續)

(h) 金融工具(續)

金融資產(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

金融資產減值(續)

就按攤銷成本計量的金融資產而言，如於其後期間該減值虧損減少，而減少客觀上與確認減值虧損後的某項事件有關，則先前已確認的減值虧損透過損益撥回，惟資產於撥回減值日期的賬面金額不得超過倘並無確認減值的攤銷成本。

金融負債及股本

集團實體發行的金融負債及股本工具乃按照所訂立的合約安排內容及金融負債及股本工具的定義分類。

金融負債

本集團的所有金融負債(包括貿易應付賬款、其他應付款項及應計費用、應付一名董事及關連方款項以及銀行借貸)其後採用實際利率法按攤銷成本計量，除非貼現的影響微不足道，在這情況下以成本入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Upon application of HKFRS 9 from 1 January 2018, the liability is subsequently measured at the higher of the amount determined in accordance with expected credit loss model under HKFRS 9 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15. Prior to 1 January 2018, the liability is subsequently measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortisation.

Equity instruments

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the Group transfers the financial assets and substantially all the risks and rewards of ownership of the financial assets to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4 重大會計政策(續)

(h) 金融工具(續)

金融負債及股本(續)

金融擔保合約

本集團作出之金融擔保合約即要求作出付款以償付持有人因特定債務人未能按債務工具之條款償還到期款項而招致損失之合約。金融擔保合約初步按其公平值確認為負債，並就發出該擔保直接應佔之交易成本作出調整。於二零一八年一月一日應用香港財務報告準則第9號後，負債其後按香港財務報告準則第9號下預期信貸虧損模式釐定的金額與初步確認金額減(如適用)根據香港財務報告準則第15號確認的累計收入金額的較高者計量。於二零一八年一月一日前，負債其後按報告日期履行現有責任所需開支之最佳估計金額與已確認金額減累計攤銷兩者中的較高者計量。

股本工具

股本工具是對某實體的資產(於扣除所有負債後)有剩餘權益的任何合約。由有關集團實體發行的股本工具以已收所得款項扣除直接發行成本後列賬。

終止確認

當自資產收取現金流量的權利屆滿後，或本集團已轉讓金融資產且將金融資產所有權的絕大部份風險及回報轉讓至另一實體，則終止確認金融資產。倘本集團未轉讓亦無保留所有權之絕大部份風險且繼續控制已轉讓資產，本集團繼續確認其持續涉及之有關資產，並確認相關負債。倘本集團保留已轉讓金融資產所有權之絕大部份風險及回報，則本集團繼續確認有關金融資產，並就已收所得款項確認抵押借貸。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Derecognition (Continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(i) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, deposits held at call with banks and short-term bank deposits with an original maturity period of three months or less. Bank overdrafts which 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.

4 重大會計政策(續)

(h) 金融工具(續)

終止確認(續)

於全面終止確認金融資產時，資產的賬面值與已收取及應收代價及已直接於其他全面收益及累計權益中確認的累計損益總和之差額乃於損益中確認。

除全面終止確認金融資產外，於終止確認金融資產時，本集團將於其繼續確認之部分與不再確認之部分之間按該等部分於轉讓日期之相關公平值分配金融資產之過往賬面值。分配至不再確認部分之賬面值與就不再確認部分已收代價及已於其他全面收益確認之所獲分配任何累計收益或虧損之總和間之差額，於損益內確認。已於其他全面收益確認之累計收益或虧損，會根據繼續確認之部分與不再確認之部分之相對公平值，於兩者間作出分配。

金融負債於相關合約規定之責任已獲解除、註銷或到期時終止確認。終止確認之金融負債賬面值與其已付代價之間之差額於損益確認。

(i) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金、活期存款及原於三個月或以下到期之短期銀行存款。於要求時償還及構成本集團現金管理之銀行透支亦列為現金及現金等價物之成份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Impairment of non-financial assets, other than inventories

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognised to reduce the carrying amount of the asset to its recoverable amount. Such impairment losses are recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income in profit or loss.

(k) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

4 重大會計政策(續)

(j) 非金融資產(存貨除外)減值

於各報告期末，本集團檢討其非金融資產的賬面值以釐定是否有跡象顯示資產產生減值虧損。倘資產之可收回金額低於其賬面值，則確認減值虧損，以減少該資產的賬面值至其可收回金額。有關減值虧損於損益確認。

倘減值虧損其後撥回，則資產的賬面金額增至其經修訂估計的可收回金額，惟已增加的賬面值不可超過於過往年度資產並無確認減值虧損所釐定的賬面金額。減值虧損的撥回於損益確認為收入。

(k) 稅項

所得稅開支指現時應付的稅項及遞延稅項之總和。

現時應付稅項根據該年度的應課稅溢利計算。應課稅溢利與在綜合損益及其他全面收益表所呈報的溢利不同，原因為其不計入其他年度的應課稅或應扣減收入及開支項目，並且不計入非課稅或不可扣減項目。本集團的現行稅務負債乃使用於報告期末已實施或大致上已實施的稅率計算。

遞延稅項按綜合財務報表的資產與負債賬面金額的暫時差額及用以計算應課稅溢利的相應稅基確認。遞延稅項負債一般按所有應課稅暫時差額確認。遞延稅項資產一般按所有可扣減暫時差額確認，惟應課稅溢利將可用於抵銷可扣減暫時差額。倘暫時差額產生自初步確認不影響應課稅溢利或會計溢利的某項交易的其他資產及負債(業務合併除外)，則上述遞延稅項及負債不予確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Taxation (Continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax assets and liabilities for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4 重大會計政策(續)

(k) 稅項(續)

遞延稅項負債確認為與於附屬公司投資有關的應課稅暫時差額，惟倘本集團可控制暫時差額的撥回且暫時差額於可見將來不可撥回則除外。上述投資有關的可扣減暫時差額產生的遞延稅項資產僅會於可能有足夠的應課稅溢利用於暫時差額的利益且預期於可見將來可撥回時才會確認。

於各報告期末對遞延稅項資產的賬面值進行檢討，並於不再可能有足夠應課稅溢利可供收回全部或部份資產時予以調減。

遞延稅項資產及負債乃根據於報告期末時已實施或大致上已實施之稅率(及稅法)，按預期於負債清償或資產變現期間適用之稅率計算。遞延稅項資產及負債之計量反映本集團預期於報告期末收回或清償資產及負債賬面值之方式所產生稅務結果。

就計量使用公平值模式計量之投資物業之遞延稅項資產及負債而言，該等物業之賬面值乃假定為可透過出售全數收回，除非有關假定被推翻則作別論。當投資物業可予折舊及於業務模式目標為隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益內持有時，有關假定會被推翻。

即期及遞延稅項乃於損益確認，惟其與於其他全面收益或直接於權益中確認之項目有關者除外，在此情況下，即期及遞延稅項亦分別會於其他全面收益或直接於權益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

(n) Retirement benefits costs

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

4 重大會計政策(續)

(l) 外幣

於編製各個別集團實體的財務報表時，以該實體的功能貨幣以外貨幣(外幣)進行的交易均以各自的功能貨幣(即該實體經營所在的主要經濟環境的貨幣)按交易日的當時匯率入賬。於報告期末，以外幣列賬的貨幣項目按當日的當時匯率再換算。以外幣按歷史成本計量的非貨幣項目不須再換算。

來自貨幣項目結算及於再換算貨幣項目時的匯兌差額於其產生期間於損益確認。

就呈列綜合財務報表而言，本集團境外業務的資產及負債乃按本集團的呈報貨幣(即港元)按報告期末的當時匯率換算，而其收入及支出按期內的平均匯率換算，除非匯率於期內大幅波動，在這種情況下，則使用於各交易日的當時匯率。所產生的匯兌差額(如有)於其他全面收益及累計權益中的匯兌儲備項下確認。

(m) 借貸成本

與收購、建造或生產合資格資產(均屬經一段頗長時間才可按計劃使用或出售的資產)直接有關的借貸成本均加入有關資產的成本中，直至資產大致上可按計劃使用或出售。

所有其他借貸成本均於其產生期間內於損益確認。

(n) 退休福利成本

強制性公積金計劃及國家管理退休福利計劃(即定額供款計劃)之供款於僱員提供服務使彼等有權取得供款時作為開支扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) the entity and the reporting entity 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 reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); or
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4 重大會計政策(續)

(o) 關連方

關連方乃指與編製其財務報表實體(「報告實體」)有關之人士或實體。

- (a) 該名人士須符合以下條件時，該名人士或其家族之近親與報告實體有關連：
 - (i) 對報告實體擁有控制權或聯合控制權；
 - (ii) 對報告實體擁有重大影響；或
 - (iii) 為報告實體或報告實體母公司之主要管理層成員。
- (b) 實體於適用以下任何條件時，與報告實體方有關連：
 - (i) 實體與報告實體為同一集團公司成員，即母公司、附屬公司及同系附屬公司彼此相互關連；
 - (ii) 某一實體為另一實體之聯營公司或合營企業，或為另一實體所屬集團公司成員之聯營公司或合營企業；
 - (iii) 實體均為同一第三方之合營企業；
 - (iv) 實體為第三實體之合營企業，而另一實體為第三實體之聯營公司；
 - (v) 實體為報告實體或與報告實體有關之實體之僱員福利設立離職後福利計劃。倘報告實體自身設立計劃，則提供資助之僱主亦與報告實體有關連；
 - (vi) 實體受(a)所界定人士控制或聯合控制；或
 - (vii) (a)(i)所界定人士對實體擁有重大影響或為實體(或該名實體母公司)之主要管理層成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on past experience, expectations of the future and other information that are considered to be relevant. 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.

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

Impairment of property, plant and equipment

The Group assesses whether there are any indicators of impairment for property, plant and equipment at the end of each reporting period. Such assets are tested for impairment annually, and/or when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amounts, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market price less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

5 關鍵會計判斷及估計不明朗因素的主要來源

於應用本集團的會計政策(載於附註4)時,管理層須就從其他來源不易得知的資產與負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗、未來預期及被視作相關的其他資料。實際結果可能與該等估計不同。

估計及相關假設須作持續檢討。倘有關會計估計的修訂僅影響修訂期間,則該等修訂將於修訂期間確認,或倘有關修訂影響現行及未來期間,則有關修訂將於修訂期間及未來期間確認。

以下為關係到未來的主要假設,以及於報告期末對下一個報告期內的資產與負債賬面值有引致重大調整風險的估計不明朗因素主要來源。

物業、廠房及設備減值

本集團於各報告期末評估物業、廠房及設備是否存在減值跡象。有關資產每年及/或於有跡象顯示賬面值可能無法收回時進行減值測試。當資產或現金產生單位的賬面值超出其可收回金額(為公平值減銷售成本及使用價值兩者中的較高者)時,即存在減值。公平值減銷售成本乃按類似資產按公平原則進行的交易中,來自具約束力銷售交易的所得數據,或可觀察市價扣除出售資產的遞增成本計算。於採用計算使用價值的方法時,管理層必須估計來自資產或現金產生單位的預期未來現金流,並需選擇一個合適的貼現率計算該等現金流的現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of trade receivables

The Group makes impairment of trade receivables based on assessments of the expected credit loss which uses a lifetime expected credit loss allowance for all trade receivables. The loss allowances for trade receivable are based on assumptions about risk of default and expected loss rates. The Group uses judgement and estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past collection history, ageing analysis of the receivables, current creditworthiness of customers, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the expectations are different from the original estimates, such difference will have impact on the carrying amount of trade receivables and the impairment loss on trade receivables in the reporting period in which such estimates have been changed. Management reassess the provision at each reporting date.

At 31 December 2018, the carrying amounts of trade receivables are approximately HK\$508,953,000 (2017: HK\$642,336,000). No allowance for impairment is made on trade receivables at 31 December 2018 (2017: HK\$2,119,000).

Allowance for slow-moving and obsolete inventories

Allowance for slow-moving and obsolete inventories is made based on the ageing, estimated net realisable value and subsequent sales of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and the allowance charge/write-back in the period in which such estimate has been changed. At 31 December 2018, the carrying amounts of inventories are approximately HK\$84,834,000 (2017: HK\$174,631,000). During the year ended 31 December 2018, no written down of inventories was made (2017: HK\$305,000).

Fair value of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves assumption of market conditions. The Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statements of profit or loss and other comprehensive income. The movements of fair value of the investment property are set out in note 15.

5 關鍵會計判斷及估計不明朗因素的主要來源(續)

貿易應收賬款減值

本集團根據預期信貸虧損的評估對貿易應收賬款進行減值，並就所有貿易應收賬款採用全期預期信貸虧損撥備。貿易應收賬款的虧損撥備乃基於對違約風險及預期虧損率的假設。根據本集團過往收回記錄、應收款項的賬齡分析、客戶的現有信貸狀況、現時市況以及於各報告期末的前瞻性估計，本集團於作出該等假設及選擇減值計算的輸入數據時使用判斷及估計。倘預期與原先估計不同，則差額會影響估計變更之報告期間的貿易應收賬款的賬面值及貿易應收賬款減值虧損。管理層於各報告日期重新評估有關撥備。

於二零一八年十二月三十一日，貿易應收賬款的賬面值約為508,953,000港元(二零一七年：642,336,000港元)。於二零一八年十二月三十一日，概無就貿易應收賬款作出減值撥備(二零一七年：2,119,000港元)。

滯銷及陳舊存貨撥備

滯銷及陳舊存貨撥備乃根據存貨的賬齡、估計變現淨值及存貨其後銷售而作出。評估撥備金額涉及判斷及估計。倘日後的實際結果與原來估計不同，有關差異將會對上述估計已變動期間的存貨賬面值及扣除／撥回撥備造成影響。於二零一八年十二月三十一日，存貨的賬面值約為84,834,000港元(二零一七年：174,631,000港元)。截至二零一八年十二月三十一日止年度，概無撇減存貨(二零一七年：305,000港元)。

投資物業公平值

投資物業乃根據獨立專業估值師所作估值呈列公平值。釐定公平值涉及市況估計。董事已作出判斷，並信納估值方法可反映當前市況。該等假設的有利或不利變動將導致本集團投資物業公平值變動，並須對綜合損益及其他全面收益表內呈報的收益或虧損金額作出相應調整。投資物業的公平值變動載於附註15。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 REVENUE AND SEGMENT INFORMATION

Revenue represents the amount received and receivable for goods sold by the Group at invoiced value, net of returns and discounts. The timing of revenue recognition of all revenue is at a point in time in the years ended 31 December 2018 and 2017. An analysis of the Group's revenue recognised during the year is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sales of goods	銷售貨物	3,717,611	2,840,308

Segment information

The executive Directors, who are the chief operating decision-makers ("CODM"), review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports. Segment information reported internally was analysed on the basis of the type of products sold and activities carried out by the Group's operating division. The Group is currently operating in three operating segment as follows:

- (a) Memory products;
- (b) Data and Cloud products; and
- (c) General components.

Management assesses the performance of the operating segments based on a measure of gross profits. The accounting policies of the operating segments are the same as those described in note 4 above.

As the segment assets and the liabilities are not regularly reported to the Directors, the information of reportable segment assets and liabilities is not presented.

6 收益及分部資料

收益指本集團銷售貨物而已收及應收金額的發票價值，並扣除退貨及折扣。所有收益的收益確認時間均為截至二零一八年及二零一七年十二月三十一日止年度某一時間點。年內確認的本集團收益分析如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sales of goods	銷售貨物	3,717,611	2,840,308

分部資料

執行董事（為主要經營決策者（「主要經營決策者」））審閱本集團內部呈報，以評估表現並分配資源。主要營運決策人已根據該等報告釐定經營分部。內部呈報的分部資料乃根據本集團營運部所售產品及從事活動類別分析。本集團現有以下三個經營分部：

- (a) 記憶體產品；
- (b) 數據與雲端產品；及
- (c) 通用元件。

管理層按毛利計量評估經營分部表現。經營分部的會計政策與上文附註4所述者一致。

由於不會定期向董事報告分部資產及負債，故未呈列可呈報分部資產及負債的資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

The following tables represent segment information of the Group provided to the management for the years:

6 收益及分部資料(續)

分部資料(續)

下表呈列提供予管理層之本集團於各年度之分部資料：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Segment revenue	分部收益		
Memory products	記憶體產品	2,344,048	1,799,083
Data and Cloud products	數據與雲端產品	935,068	655,122
General components	通用元件	438,495	386,103
Total reportable segment revenue	可呈報分部收益總額	3,717,611	2,840,308
Segment results	分部業績		
Memory products	記憶體產品	69,642	72,255
Data and Cloud products	數據與雲端產品	54,670	41,637
General components	通用元件	53,748	27,471
Total reportable segment profit	可呈報分部溢利總額	178,060	141,363
Other income	其他收入	3,944	2,496
Fair value change of investment property	投資物業公平值變動	2,400	2,200
Finance costs	融資成本	(18,293)	(11,368)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(2,738)	(2,420)
Unallocated corporate expenses	未分配企業開支	(120,993)	(74,262)
Profit before tax	除稅前溢利	42,380	58,009
Income tax expenses	所得稅開支	(9,098)	(12,642)
Profit after tax	除稅後溢利	33,282	45,367

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the years. Segment profit represents the gross profit earned by each segment.

上文呈報之分部收益指外部客戶產生之收益。於各年度，概無分部間銷售。分部溢利指各分部所得毛利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Geographical information

The Group is domiciled in Hong Kong. The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets. The geographical location of customers is based on the location of the customers. The geographical location of the non-current assets other than deposit paid for acquisition of property, plant and equipment, and intangible asset is based on the physical location of the assets.

6 收益及分部資料(續)

分部資料(續)

地域資料

本集團位於香港。下表載列與(i)本集團來自外部客戶收益及(ii)本集團非流動資產地理位置有關的資料。客戶的地理位置乃基於客戶所在地。非流動資產(收購物業、廠房及設備以及無形資產的已付按金除外)的地理位置乃該等資產之實際位置。

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue from external customers	來自外部客戶收益		
Hong Kong	香港	942,091	421,363
The PRC	中國	2,743,533	2,391,476
Others	其他	31,987	27,469
		3,717,611	2,840,308
		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產		
Hong Kong	香港	98,476	95,961
The PRC	中國	6,172	6,902
		104,648	102,863

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information (Continued)

Information about major customers

The Group's revenue from customers which accounted for 10% or more of the Group's total revenue are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶 A	547,499	362,412
Customer B	客戶 B	N/A 不適用*	345,087

Sales to customer A and customer B are included in the segment of sales of Data & Cloud products and segment of sales of Memory products respectively.

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6 收益及分部資料(續)

分部資料(續)

主要客戶資料

本集團來自佔本集團總收益10%或以上的客戶的收益如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A	客戶 A	547,499	362,412
Customer B	客戶 B	N/A 不適用*	345,087

向客戶A及客戶B所作銷售分別計入銷售數據與雲端產品分部及記憶體產品分部。

* 有關收益並未佔本集團總收益10%以上。

7 OTHER INCOME

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank interest income	銀行利息收入	176	21
Rental income	租金收入	1,005	1,620
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	-	88
Gain on disposal of a subsidiary	出售一間附屬公司收益	-	11
Sundry income	雜項收入	2,763	756
		3,944	2,496

7 其他收入

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

8 FINANCE COSTS

8 融資成本

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Discounting charges on factoring loans	保理貸款之貼現支出	9,869	6,838
Interests on other bank borrowings	其他銀行借貸利息	8,424	4,530
		18,293	11,368

9 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging and (crediting):

9 除稅前溢利

除稅前溢利經扣除及(計入)以下各項：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cost of inventories recognised as an expenses	確認為開支之存貨成本	3,539,551	2,698,640
Write-down of inventories	存貨撇減	-	305
Auditor's remuneration	核數師酬金		
— Current year	— 本年度	1,255	1,125
— Overprovision for prior year	— 前一年度超額撥備	-	(20)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,738	2,420
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	1	-
Listing expenses	上市開支	5,423	14,676
Net foreign exchange loss/(gain)	匯兌虧損/(收益)淨額	1,653	(1,845)
Operating lease charges in respect of land and buildings	土地及樓宇之經營租賃支出	2,189	1,697
Commission expenses	佣金費用	32,388	6,766
Staff costs including Director's emoluments	員工成本(包括董事酬金)		
— Basic salaries and allowance	— 基本薪金及津貼	36,449	23,386
— Contributions to defined contribution retirement plans	— 界定供款退休計劃供款	2,513	1,788
— Messing and welfare	— 膳食及福利	1,402	1,021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

The emoluments paid or payable to the Directors for the year were as follows:

Year ended 31 December 2018

10 董事薪酬及五位最高薪酬人士

(a) 董事薪酬

年內，已付或應付董事的酬金如下：

截至二零一八年十二月三十一日止年度

Name	姓名	Salaries, allowances and benefits in kind			Retirement scheme contributions	Total
		Fees	in kind			
		袍金	薪金、津貼及實物利益	退休計劃供款	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	
<i>Executive Directors:</i>		<i>執行董事：</i>				
Mr. Lee Bing Kwong	李秉光先生	667	720	33	1,420	
Mr. Lo Yuen Kin	盧元堅先生	305	50	17	372	
<i>Independent non-executive Directors:</i>		<i>獨立非執行董事：</i>				
Mr. Cheung Siu Kui	張小駒先生	143	-	-	143	
Mr. Yim Kwok Man	嚴國文先生	143	-	-	143	
Dr. Chow Terence	鄒重璣醫生	143	-	-	143	
		1,401	770	50	2,221	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

(a) Directors' remuneration (Continued)

Year ended 31 December 2017

Name	姓名	Fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
		袍金	薪金、津貼及實物利益	退休計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<i>Executive Directors:</i>		<i>執行董事：</i>			
Mr. Lee Bing Kwong	李秉光先生	-	1,679	95	1,774
Mr. Lo Yuen Kin	盧元堅先生	-	240	12	252
		-	1,919	107	2,026

Fees paid to executive Directors were mainly for services as Directors. Salaries, allowances and benefits in kind paid to executive Directors shown above were mainly for their services in connection with the management of the affairs of the Group.

The independent non-executive Directors' emoluments shown above were mainly for their services as Directors.

Mr. Cheung Siu Kui, Mr. Yim Kwok Man and Dr. Chow Terence were appointed as the Company's independent non-executive directors on 15 February 2018. During the year ended 31 December 2017, all independent non-executive Directors have not yet been appointed and received nil directors' remuneration in the capacity of Directors.

付予執行董事的費用主要就作為董事之服務支付。上文所示向執行董事支付的薪金、津貼及實物福利主要是就其管理與本集團事務有關的服務而付。

上述獨立非執行董事酬金主要就其作為董事之服務而支付。

張小駒先生、嚴國文先生及鄒重堪醫生於二零一八年二月十五日獲委任為本公司獨立非執行董事。截至二零一七年十二月三十一日止年度內，全體獨立非執行董事尚未獲委任，且並無就擔任董事收取董事酬金。

10 董事薪酬及五位最高薪酬人士(續)

(a) 董事薪酬(續)

截至二零一七年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

(b) Five highest paid individuals' remuneration

The five highest paid individuals of the Group included one Director for the years ended 31 December 2018 and 2017, details of whose emoluments are included in the disclosures in note 10(a) above. The emoluments of the remaining four highest paid individuals during the years are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	10,387	4,195
Retirement scheme contributions	退休計劃供款	50	30
		10,437	4,225

The emolument of the remaining four is within the following bands:

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 Number 人數	2017 二零一七年 Number 人數
Nil to HK\$1,000,000	零至1,000,000港元	-	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	-	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	-

No remuneration was paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the years. In addition, the Directors have not waived any emoluments during the years.

10 董事薪酬及五位最高薪酬人士(續)

(b) 五名最高薪酬人士

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，本集團五名最高薪酬人士包括本公司一名董事，其薪金詳情於上文附註10(a)披露。年內餘下四名最高薪酬人士的酬金如下：

餘下四位酬金介乎以下範圍：

於各年內，本集團並無向任何董事或五名最高薪酬人士支付薪酬，作為鼓勵其加入或於其加入本集團時的獎勵或作為離職補償。此外，於各年內概無董事放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 INCOME TAX EXPENSE

11 所得稅開支

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong profits tax	香港利得稅	9,022	12,437
PRC tax	中國稅項	-	218
(Over)/under-provision in prior years	過往年度(超額撥備)/撥備不足		
— Hong Kong profits tax	— 香港利得稅	(90)	4
Under-provision in prior years — PRC tax	過往年度撥備不足 — 中國稅項	70	-
		9,002	12,659
Deferred tax (Note 25)	遞延稅項(附註25)	96	(17)
Total income tax expense recognised in profit or loss for the year	年內於損益確認之所得稅開支總額	9,098	12,642

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from the year ended 31 December 2018, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. For the year ended 31 December 2017, Hong Kong profits tax was provided at a rate of 16.5% on the estimated assessable profits.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate for the PRC subsidiary of the Company is 25%. No Enterprise Income Tax has been provided for the year ended 31 December 2018 as the PRC subsidiary has no assessable profit for the year.

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務(修訂)(第7號)條例草案》(「條例草案」)，引入利得稅兩級制。條例草案於二零一八年三月二十八日獲簽署成為法律，並於翌日刊憲。根據利得稅兩級制，合資格集團實體首2百萬港元溢利之稅率為8.25%，而超過2百萬港元之溢利之稅率為16.5%。不符合利得稅兩級制之集團實體之溢利將繼續按16.5%之劃一稅率納稅。

因此，自截至二零一八年十二月三十一日止年度起，首2百萬港元之估計應課稅溢利按8.25%計算香港利得稅，而2百萬港元以上之估計應課稅溢利則按16.5%計算香港利得稅。截至二零一七年十二月三十一日止年度，香港利得稅已按16.5%的稅率就估計應課稅溢利計提撥備。

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，本公司中國附屬公司的稅率為25%。由於中國附屬公司於年內並無應課稅溢利，故並無就截至二零一八年十二月三十一日止年度作出企業所得稅撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 INCOME TAX EXPENSE (CONTINUED)

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

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before tax	除稅前溢利	42,380	58,009
Tax at the applicable income tax rate of 16.5% (2017: 16.5%)	按 16.5% 之適用所得稅稅率計算的稅項(二零一七年: 16.5%)	6,993	9,571
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	2,112	4,013
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(432)	(364)
Tax effect of utilisation of tax losses previously not recognised	動用先前未確認稅項虧損之稅務影響	-	(302)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	1,024	-
Tax effect of deductible temporary differences not recognised	未確認可扣減暫時性差異之稅務影響	(100)	(28)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運之附屬公司稅率不同之稅務影響	(314)	(252)
Tax effect of concessionary tax rate	優惠稅率的稅務影響	(165)	-
(Over)/under-provision in prior years, net	過往年度(超額撥備)/撥備不足淨額	(20)	4
Income tax expense for the year	年內所得稅開支	9,098	12,642

11 所得稅開支(續)

年內之所得稅開支與綜合損益及其他全面收益表所載除稅前溢利對賬如下：

12 EARNINGS PER SHARE

Earnings	盈利
Profit for the year attributable to owner of the Company	本公司擁有人應佔年內溢利

12 每股盈利

Year ended 31 December
截至十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		22,614	34,986

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綜合財務報表附註

12 EARNINGS PER SHARE (CONTINUED)

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年	2017 二零一七年
Number of ordinary shares	普通股數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利而言的普通股加權平均數	950,000,000	750,000,000

The weighted average number of ordinary shares as presented above has taken into account of the Reorganisation and the Capitalization issue of 749,999,900 shares, which is effective on 16 March, 2018, the listing date of the Company. Accordingly, the weighted average number of ordinary shares in issue have been adjusted retrospectively as if it was effective from 1 January 2017.

No diluted earnings per share is presented as the Company did not have any dilutive ordinary shares for the years ended 31 December 2018 and 2017.

13 DIVIDENDS

The Board of Directors has recommended the payment of final dividends of 0.6 HK cent per ordinary share, totally HK\$6,000,000 for the year ended 31 December 2018 (2017: Nil).

The final dividends proposed after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

For the years ended 31 December 2018 and 2017, subsidiaries of the Company made the following distributions:

12 每股盈利(續)

上文呈列的普通股加權平均數已計入重組及資本化發行749,999,900股股份，而有關發行已於本公司的上市日期二零一八年三月十六日生效。因此，已發行普通股加權平均數已作出追溯調整，猶如於二零一七年一月一日起生效。

概無呈列每股攤薄盈利，原因為本公司於截至二零一八年及二零一七年十二月三十一日止年度概無任何攤薄普通股。

13 股息

董事會建議就截至二零一八年十二月三十一日止年度派付末期股息每股普通股0.6港仙，總額為6,000,000港元(二零一七年：無)。

於報告期末之後建議的末期股息並無於報告期末確認為負債。

於截至二零一八年及二零一七年十二月三十一日止年度，本公司附屬公司已作出以下分派：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Dividend declared and paid to its then controlling shareholder by Apex Team Limited ("Apex Team")	Apex Team Limited (「Apex Team」) 向其當時的控股股東宣派及派付的股息	15,975	–
Dividends declared and paid to non-controlling shareholder by Data Star Inc. ("Data Star")	Data Star Inc. (「Data Star」) 向非控股股東宣派及派付的股息	2,184	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、廠房及設備

		Leasehold land and building 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvement 租賃裝修 HK\$'000 千港元	Furniture and fixtures 傢俱及裝置 HK\$'000 千港元	Computer and office equipment 電腦及 辦公設備 HK\$'000 千港元	Motor vehicle 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本						
At 1 January 2017	於二零一七年一月一日	50,027	1,271	920	1,483	313	54,014
Additions	添置	-	11	23	359	820	1,213
Disposal	出售	-	-	-	(35)	(325)	(360)
Exchange realignment	匯兌調整	456	-	-	11	43	510
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	50,483	1,282	943	1,818	851	55,377
Additions	添置	-	384	64	587	1,414	2,449
Disposal	出售	-	-	-	(7)	-	(7)
Exchange realignment	匯兌調整	(314)	-	-	(9)	(43)	(366)
As at 31 December 2018	於二零一八年十二月三十一日	50,169	1,666	1,007	2,389	2,222	57,453
Accumulated depreciation	累計折舊						
At 1 January 2017	於二零一七年一月一日	1,057	41	63	549	297	2,007
Charge for the year	年內支出	1,692	256	181	269	22	2,420
Disposal	出售	-	-	-	(28)	(324)	(352)
Exchange realignment	匯兌調整	24	-	-	3	12	39
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	2,773	297	244	793	7	4,114
Charge for the year	年內支出	1,700	304	191	349	194	2,738
Disposal	出售	-	-	-	(6)	-	(6)
Exchange realignment	匯兌調整	(34)	-	-	(4)	(3)	(41)
As at 31 December 2018	於二零一八年十二月三十一日	4,439	601	435	1,132	198	6,805
Net book value	賬面淨值						
As at 31 December 2018	於二零一八年十二月三十一日	45,730	1,065	572	1,257	2,024	50,648
As at 31 December 2017	於二零一七年十二月三十一日	47,710	985	699	1,025	844	51,263

The leasehold land and building of HK\$40,517,000 have been mortgaged to secure general banking facilities granted to the Group at 31 December 2018 (2017: HK\$41,939,000).

於二零一八年十二月三十一日，金額為40,517,000港元之租賃土地及樓宇已抵押，以獲取授予本集團之一般銀行融資（二零一七年：41,939,000港元）。

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14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of leasehold land and building at the end of the years are analysed by the term of the leases are as follows:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
In Hong Kong	於香港		
— Medium term leases	— 中期租賃	40,517	41,939
In the PRC	於中國		
— Medium term leases	— 中期租賃	4,358	4,824
— Long term leases	— 長期租賃	855	947
		45,730	47,710

14 物業、廠房及設備(續)

於各年末之租賃土地及樓宇之賬面淨值按租期分析如下：

15 INVESTMENT PROPERTY

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At fair value	按公平值		
At 1 January	於一月一日	51,600	49,400
Fair value adjustment	公平值調整	2,400	2,200
At 31 December	於十二月三十一日	54,000	51,600

15 投資物業

The Group's investment property is a commercial property situated in Hong Kong, held on medium term leases and leased out to third parties. The investment property was revalued by RHL Appraisal Limited and International Valuation Limited as at 31 December 2018 and 2017 respectively on an open market value basis. They are independent professional valuer, who have among their staff holding recognised and relevant professional qualification with recent experience in the location and category of property being valued.

本集團的投資物業為位於香港的商業物業，持有中期租約並出租予第三方。投資物業乃由永利行評值顧問有限公司及國際評估有限公司於二零一八年及二零一七年十二月三十一日按公開市值進行重估。該等公司為獨立專業估值師，且有多名員工持有認可及相關專業資格及近期對所估值物業地點及類別進行估值。

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15 INVESTMENT PROPERTY (CONTINUED)

The valuation at 31 December 2018 was arrived by adopting the direct comparison method where comparison based on price information of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values. The valuation at 31 December 2017 was arrived by adopting the market approach and employing a combination of investment method and comparison method by taking into account of the rental income derived from the existing tenancy with due consideration of their respective the then market values, which are then discounted for the respective remaining lease term of the tenancy of the property.

The investment property has been mortgaged to secure general banking facilities granted to the Group at 31 December 2018 and 2017.

Fair value measurement:

Fair value measurements are categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 — unadjusted quoted prices in active markets for identical asset or liabilities
- Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability
- Level 3 — unobservable inputs for the asset or liability

Details of the Group's investment property and information about the fair value measurements for the year are as follows:

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Recurring fair value measurements	經常性公平值計量				
Commercial property located in Hong Kong	位於香港的商業物業				
31 December 2018	二零一八年十二月三十一日	-	54,000	-	54,000
31 December 2017	二零一七年十二月三十一日	-	-	51,600	51,600

15 投資物業(續)

於二零一八年十二月三十一日的估值採納直接比較法，即根據可資比較物業的價格資料進行比較。大小、特徵及位置相若的可資比較物業會被分析，並仔細權衡各物業的所有利弊，從而公平比較資本值。於二零一七年十二月三十一日的估值乃採納市場法及綜合採用投資法及比較法，經計及現有租約產生的租金收入及對其當時市值作出適當考慮後達致，且隨後於該等物業租約的各餘下租期內貼現。

投資物業已抵押，以獲取於二零一八年及二零一七年十二月三十一日授予本集團的一般銀行融資。

公平值計量：

公平值計量分類為三級公平值層級(定義見香港財務報告準則第13號公平值計量)。公平值計量分類的等級乃經參考以下估值技術所用輸入數據的可觀察性及重要性後釐定：

- 第一級 — 相同資產或負債於活躍市場之未經調整報價
- 第二級 — 資產或負債之可觀察輸入數據(第一級內包含之報價除外)
- 第三級 — 資產或負債的不可觀察輸入數據

年內本集團投資物業的詳情及有關公平值計量的資料載列如下：

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15 INVESTMENT PROPERTY (CONTINUED)

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the year in which they occur. For the year ended 31 December 2018, the fair value measurements for the investment property are transferred from Level 3 to Level 2 of the fair value hierarchy. The transfer is due to change of valuation technique that direct comparable method is adopted for valuation of investment property at 31 December 2018 while income capitalisation method was adopted to value the investment property at 31 December 2017. The change of valuation technique resulted in a measurement that is equally or more representative of fair value in the circumstances. The impact on the change in valuation technique is not material. There were no transfers between Level 1 and Level 2 for both years and no transfers into or out of Level 3 for year ended 31 December 2017.

The fair value measurement for investment property as at 31 December 2018 is categorised as Level 2 of the fair value hierarchy. The fair value of investment property is determined using direct comparison method by reference to sales price of comparable properties which is publicly available. Relevant comparable properties are analysed and considered with adjustments including location, time, size, building age and others as appropriate. The most significant input into this valuation approach is price per square foot.

The fair value measurement for investment property as at 31 December 2017 is categorised as Level 3 of the fair value hierarchy. The fair value is determined by discounting a projected cash flow associated with the property using discount rates that reflect current market assessment of the uncertainty in the amount and timing of the cash flows.

Key unobservable inputs used in valuing the investment property as at 31 December 2017:

15 投資物業(續)

本集團之政策為公平值層級間於年末發生轉撥時確認轉撥。截至二零一八年十二月三十一日止年度，投資物業的公平值計量由公平值層級的第三級轉入第二級。有關轉撥乃由於估值技術變更所致，於二零一八年十二月三十一日投資物業估值採納直接比較法，而於二零一七年十二月三十一日投資物業估值則採納收益資本化法。估值技術變更導致計量相等於或更能代表該情況下的公平值。估值技術變更影響並不重大。於兩個年度，第一級與第二級之間概無轉撥，而於截至二零一七年十二月三十一日止年度亦無轉入或轉出第三級。

於二零一八年十二月三十一日，投資物業的公平值計量分類為公平值層級第二級。投資物業的公平值乃透過參考可公開取得的可資物比較物業售價，採用直接比較法而釐定。對相關可資比較物業就地點、時間、大小、樓齡及其他(如適用)等調整予以分析及考慮。該估值方法最重要的輸入數據為每平方米的價格。

於二零一七年十二月三十一日，投資物業的公平值計量分類為公平值層級第三級。公平值乃透過採用貼現率對物業相關的預測現金流量貼現釐定，該貼現率可反映當時市場對現金流量金額及時間的不確定性進行評估。

於二零一七年十二月三十一日，對投資物業進行估值使用的主要不可觀察輸入數據：

Valuation technique	key unobservable inputs	As at 31 December 2017	Inter-relationship between Key unobservable inputs and fair value measurement
估值技術	主要不可觀察輸入數據	於二零一七年十二月三十一日	主要不可觀察輸入數據及公平值計量之間的相互關係
Income capitalisation method 收益資本化法	Capitalisation rate (per annum) 年資本化率	3.05%–3.20%	Increase in the capitalization rate, decrease in fair value of the investment property 資本化率增加，投資物業的公平值減少
	Market unit value per square feet 市場單位價值 (每平方米)	HK\$17,500 17,500 港元	Increase in market unit value, increase in fair value of the investment property 市場單位價值增加，投資物業的公平值增加

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15 INVESTMENT PROPERTY (CONTINUED)

The movements during the years ended 31 December 2017 and 2018 in the balance of the Level 3 fair value measurements are as follows:

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	49,400
Unrealised gain from fair value adjustment included in profit or loss	計入損益之公平值調整產生之未變現收益	
— Increase in fair value of an investment property	— 投資物業公平值增加	2,200
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	51,600
Transfer to Level 2	轉入第二級	(51,600)
At 31 December 2018	於二零一八年十二月三十一日	-

The gains recognised in profit or loss for the year arise from the investment property held at the end of the year.

15 投資物業(續)

於截至二零一七年及二零一八年十二月三十一日止年度於第三級公平值計量結餘之變動如下：

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	49,400
Unrealised gain from fair value adjustment included in profit or loss	計入損益之公平值調整產生之未變現收益	
— Increase in fair value of an investment property	— 投資物業公平值增加	2,200
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	51,600
Transfer to Level 2	轉入第二級	(51,600)
At 31 December 2018	於二零一八年十二月三十一日	-

年內於損益確認之收益產生自年末持有的投資物業。

16 INVENTORIES

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trading inventories	貿易存貨	84,834	174,631

16 存貨

17 TRADE RECEIVABLES

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收賬款	508,953	644,455
Less: allowance for impairment	減：減值撥備	-	(2,119)
		508,953	642,336

17 貿易應收賬款

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 TRADE RECEIVABLES (CONTINUED)

The Group's trading terms with its customers are mainly on open account terms, except for new customers, where payment in advance is normally required. The balance of the business is on open account terms which is often covered by customers' letters of credit or is factored to external financial institutions. The credit terms vary from 1 day to 120 days after the monthly statement. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by management. Trade receivables are non-interest-bearing and their carrying amounts approximate to their fair values.

The following is an ageing analysis of trade receivables based on the invoice date:

17 貿易應收賬款(續)

本集團與其客戶的貿易條款主要以掛賬形式進行，惟新客戶一般須預付款項。以掛賬方式進行的業務結餘通常附有客戶信用證或保理至外部金融機構。信貸期介乎1日至月度報表後120日。本集團對其未收回應收款項維持嚴謹監控，藉以減低信貸風險。管理層會定期審閱逾期結餘。貿易應收賬款為免息，且其賬面值與其公平值相若。

貿易應收賬款按發票日期的賬齡分析如下：

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
0-30 days	0至30日	183,335	304,722
31-60 days	31至60日	100,064	172,688
61-90 days	61至90日	87,673	104,106
More than 90 days	90日以上	137,881	62,939
		508,953	644,455
Less: Allowance for impairment	減：減值撥備	-	(2,119)
		508,953	642,336

At 31 December 2018, included in the Group's trade receivables balance were debtors with aggregate carrying amount of approximately HK\$222,387,000 (2017: HK\$133,752,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

於二零一八年十二月三十一日，本集團貿易應收賬款結餘包括於報告日期已逾期且總賬面值約為222,387,000港元(二零一七年：133,752,000港元)的賬款，而本集團尚未就該等賬款計提減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

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17 TRADE RECEIVABLES (CONTINUED)

An aged analysis of the Group's trade receivables which are past due but not impaired is as follows:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Less than 1 month past due	逾期不足一個月	96,179	89,930
1 to 3 months past due	逾期一至三個月	85,763	32,354
More than 3 months past due	逾期超過三個月	40,445	11,468
		222,387	133,752

Trade receivables that were past due but not impaired related to a number of independent customers in respect of which management believes that no impairment allowance is necessary as there has not been a significant change in credit quality up to the date of this report and the balances are still considered fully recoverable.

Impairment losses in respect of trade receivables are recorded using an allowance account based on lifetime expected credit loss unless there is no expectation of recovery, in which case the impairment loss is written off against trade receivables directly. Details of impairment assessment of trade receivable for the year ended 31 December 2018 are set out in note 33. The movement in the allowance for doubtful debts during the year is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	2,119	2,119
Written off	已撇銷	(2,119)	-
At 31 December	於十二月三十一日	-	2,119

As at 31 December 2018, the Group has assessed that the expected credit losses for trade receivables is immaterial and thus no loss allowance for trade receivables was recognised. At 31 December 2017, the individually impaired receivable of HK\$2,119,000 related to a customer who had financial difficulties and the Group had filed a winding up petition against this customer. The Group did not hold any collateral over the balance.

17 貿易應收賬款(續)

本集團已逾期但未減值的貿易應收賬款的賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Less than 1 month past due	逾期不足一個月	96,179	89,930
1 to 3 months past due	逾期一至三個月	85,763	32,354
More than 3 months past due	逾期超過三個月	40,445	11,468
		222,387	133,752

已逾期但未減值的貿易應收賬款與多名獨立客戶有關。就此，由於截至本報告日期，彼等信貸質素概無重大變動且該等結餘仍被視作可悉數收回，故管理層認為毋須作出減值撥備。

貿易應收賬款減值虧損採用撥備賬記錄，惟在不期望可收回該款項之情況下，減值虧損直接於貿易應收賬款撇銷。有關截至二零一八年十二月三十一日止年度的貿易應收賬款減值評估的詳情載於附註33。於年內之呆賬撥備變動如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	2,119	2,119
Written off	已撇銷	(2,119)	-
At 31 December	於十二月三十一日	-	2,119

於二零一八年十二月三十一日，本集團已評估貿易應收賬款的預期信貸虧損並不重大，因此並無確認貿易應收賬款虧損撥備。於二零一七年十二月三十一日，單獨減值應收款項2,119,000港元與一名面臨財政困難的客戶有關，且本集團已對該客戶提出清盤呈請。本集團概無就該結餘持有任何抵押品。

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17 TRADE RECEIVABLES (CONTINUED)

At 31 December 2018, trade receivables of the Group with an aggregate carrying amount of HK\$367,320,000 (2017: HK\$466,805,000) have been assigned to banks to secure the general banking facilities of the Group.

17 貿易應收賬款(續)

於二零一八年十二月三十一日，本集團總賬面值為367,320,000港元(二零一七年：466,805,000港元)之貿易應收賬款已分配予銀行，以獲取本集團一般銀行融資。

18 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

18 其他應收款項、按金及預付款項

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other receivables	其他應收款項	2,277	171
Deposit for purchase	採購按金	60,049	91,812
Prepayment of listing expenses	上市開支預付款項	-	1,470
Utilities and other deposits	水電及其他按金	586	664
Prepaid expenses	預付開支	3,339	1,191
Deposit paid for acquisition of property, plant and equipment	收購物業、廠房及設備的已付按金	1,891	-
Deposit paid for acquisition of intangible asset (note)	收購無形資產的已付按金(附註)	7,800	-
		75,942	95,308
Less: amount classified as current assets	減：分類為流動資產的金額	(66,251)	(95,308)
Amount classified as non-current assets	分類為非流動資產的金額	9,691	-

Note: It is earnest deposit paid to a third party ("JV Partner") for formation of a joint venture company ("JV Company"). The Group entered into a non-legally binding Memorandum of Understanding with the JV Partner. Subject to the entering into a formal joint venture agreement, the Group and the JV Partner shall establish a JV Company and the JV Partner will transfer the distribution rights of a range of products granted by various electronic component manufacturers to the JV Company.

附註：該款項指就成立合營公司(「合營公司」)而向第三方(「合營夥伴」)支付的誠意金。本集團與合營夥伴訂立無法律約束力的備忘錄。待訂立正式合營協議後，本集團與合營夥伴將成立合營公司，而合營夥伴將向合營公司轉讓由多間電子元件製造商授出分銷一系列產品的分銷權。

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19 BANK BALANCES AND CASH

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Cash at banks and on hand	銀行及手頭現金	182,639	64,346
Pledged fixed deposit	已抵押定期存款	-	1,956
		182,639	66,302

Bank balances and cash comprise cash and short-term deposits held with financial institutions and carry interest at prevailing market rates.

As at 31 December 2018, the Group places approximately HK\$9,337,000 (2017: HK\$5,493,000) in banks in the PRC, the remittance of which is subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

As at 31 December 2018, there is no pledged fixed deposit. At 31 December 2017 the fixed deposit of HK\$1,956,000 was pledged to secure general banking facilities granted to the Group and it had maturity of three months.

20 TRADE PAYABLES

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Trade payable	貿易應付賬款	205,889	360,857

19 銀行結餘及現金

銀行結餘及現金包括現金及存置於金融機構的短期存款，且按現行市場利率計息。

於二零一八年十二月三十一日，本集團向國內銀行分別存置約9,337,000港元（二零一七年：5,493,000港元），匯款受中國政府頒佈的相關外匯管制規則及條例規限。

於二零一八年十二月三十一日，概無已抵押定期存款。於二零一七年十二月三十一日，已抵押定期存款1,956,000港元作為本集團獲授一般銀行融資之擔保，該筆存款到期日為三個月。

20 貿易應付賬款

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 TRADE PAYABLES (CONTINUED)

An ageing analysis of the Group's trade payables presented based on the invoice date at the end of each reporting date, is as follows:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0-30 days	0至30日	146,716	190,721
31-60 days	31至60日	46,807	120,533
61-90 days	61至90日	11,045	48,368
More than 90 days	90日以上	1,321	1,235
		205,889	360,857

20 貿易應付賬款(續)

本集團於各報告期末按發票日期呈列的貿易應付賬款的賬齡分析如下：

21 OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other payables and accruals	其他應付款項及應計費用	24,191	18,458
Value added tax payables	應付增值稅	201	10
Customer deposits received	已收客戶按金	6,682	1,774
Rental deposit received	已付租賃租金	240	405
		31,314	20,647

21 其他應付款項、應計費用及已收按金

Customer deposits received represents consideration received from customers for goods before the Group recognises the related revenue. Customer deposits of HK\$1,256,000 included in the balance as at 1 January 2018 were recognised as revenue during the year ended 31 December 2018.

已收客戶按金指本集團確認相關收益前就貨物向客戶收取的代價。客戶按金1,256,000港元已計入於二零一八年一月一日的結餘，並於截至二零一八年十二月三十一日止年度確認為收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 AMOUNT DUE TO A DIRECTOR

22 應付一名董事款項

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. Lee Bing Kwong	李秉光先生	-	8,247

The amount was non-trade in nature, unsecured, interest-free and had no fixed terms of repayment.

該款項屬非貿易性質、無抵押、免息及無固定償還期限。

23 AMOUNTS DUE TO A RELATED PARTY

23 應付一名關連方款項

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. Lee Chak Hol ("Mr. CH Lee") (note)	李澤浩先生(「李澤浩先生」)(附註)	-	1,560
		-	1,560

Note:

Mr. CH Lee is son of Director, Mr. Lee.

The amount was non-trade in nature, unsecured, interest-free and had no fixed terms of repayment.

附註：

李澤浩先生為董事李先生之兒子。

該款項屬非貿易性質、無抵押、免息及無固定償還期限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 BANK BORROWINGS

24 銀行借貸

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Current liabilities	流動負債		
Factoring loans	保理貸款	205,953	225,000
Other bank loans	其他銀行貸款	158,804	226,246
Bank instalment loans	銀行分期貸款		
— portion of loans due for repayment within one year	— 須於一年內償還之貸款部分	8,191	7,182
— portion of loans due for repayment after one year which contain a repayment on demand clause	— 須於一年後償還之貸款部分 (附有按要求償還條款)	18,320	20,910
Bank overdrafts	銀行透支	-	148
		391,268	479,486

(i) The Group bank loans are carried at amortised cost. None of the portion of the term loans due for repayment after one year which contain a repayment on demand clause and that is classified as current liability is expected to be settled within one year.

(ii) Factoring loans are variable-rate borrowings which carry effective rate (which is also equal to contractual interest rate) of 3.92% to 4.97% per annum at 31 December 2018 (2017: 2.87% to 3.70%).

Other bank loans represent import loans, trust receipts loans and revolving loan which are variable-rate borrowings and carry effective interest rate ranging from 3.65% to 5.23% per annum at 31 December 2018 (2017: 2.60% to 4.41%).

Bank instalment loans are variable-rate borrowings and carry effective interest rate of 1.98% to 2.79% per annum at 31 December 2018 (2017: 1.79% to 2.72%).

Bank overdrafts are variable-rate borrowings and carry interest at 0.5% (2017: 0.5%) below prime rate per annum.

(i) 本集團銀行貸款按攤銷成本列賬。預期概無附有按要求償還條款且分類為流動資產之須於一年後償還之定期貸款部分將於一年內結清。

(ii) 保理貸款屬浮息借貸，且於二零一八年十二月三十一日之實際年利率(亦相當於合約利率)為3.92%至4.97%(二零一七年：2.87%至3.70%)。

其他銀行貸款指進口貸款、信託收據貸款及循環貸款，屬浮息借貸，且於二零一八年十二月三十一日之實際年利率介乎3.65%至5.23%(二零一七年：2.60%至4.41%)。

銀行分期貸款屬浮息借貸，且於二零一八年十二月三十一日之實際年利率介乎1.98%至2.79%(二零一七年：1.79%至2.72%)。

銀行透支為浮息借貸，按低於優惠利率0.5%(二零一七年：0.5%)的年利率計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 BANK BORROWINGS (CONTINUED)

- (iii) During the year ended 31 December 2018, the Group has transferred the collection right of certain trade receivables to financial institutions under factoring agreements, but such transfers do not qualify for derecognition in the consolidated financial statements. A transferred asset is derecognised when the Group transfers the asset and substantially all the risks and rewards of ownership of the asset to another entity. The factoring facilities are secured by pledge of assets and corporate guarantees executed by the Group and personal guarantee executed by Mr. Pai Yin Lin (Mr. Pai) (2017: personal guarantees executed by Mr. Lee, Ms. Lo, Mr. CH Lee and Mr. Pai). Given that the financial institutions are authorised to realise and sell the pledged assets in case of default and guarantee is provided to the transferees, the Group has not transferred the significant risks and rewards relating to the transferred assets to the financial institutions. Accordingly, the transferred assets continue to be recognised in its entirety and the consideration received is recognised as a liability.

The carrying amounts of the transferred assets and their associated liabilities are as follows:

24 銀行借貸(續)

- (iii) 於截至二零一八年十二月三十一日止年度內，本集團已根據保理協議將若干貿易應收賬款的收回權轉讓予金融機構，但有關轉讓未合資格於綜合財務報表終止確認。當本集團轉讓資產及將資產所有權的絕大部份風險及回報轉讓至另一實體，則終止確認已轉讓資產。保理融資以資產抵押及本集團所作公司擔保及白逸霖先生(白先生)所作個人擔保(二零一七年：李先生、盧女士、李澤浩先生及白先生所作個人擔保)為抵押品。鑒於金融機構有權在違約及向承讓人提供擔保的情況下變現及出售已抵押資產，故本集團尚未將已轉讓資產的重大風險及回報轉至金融機構。因此，已轉讓資產繼續全面確認及已收代價確認為負債。

已轉讓資產及其相關負債之賬面值如下：

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		Trade receivables transferred under factoring agreements	Trade receivables transferred under factoring agreements
		根據保理協議轉讓之貿易應收賬款	根據保理協議轉讓之貿易應收賬款
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount of transferred assets	已轉讓資產之賬面值	366,711	407,426
Carrying amount of associated liabilities	相關負債之賬面值	205,953	225,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 BANK BORROWINGS (CONTINUED)

- (iv) At 31 December 2018, the banking facilities of the Group were secured by trade receivables of the Group with an aggregate carrying amount of HK\$367,320,000, the legal charge over the investment property of the Group, leasehold land and buildings of HK\$40,517,000 of the Group, insurance policy executed by a related company, personal guarantees executed by Mr. Pai, and corporate guarantees executed by the Group.

At 31 December 2017, the banking facilities of the Group were secured by trade receivables of the Group with an aggregate carrying amount of HK\$466,805,000, the legal charge over the investment property of the Group, leasehold land and buildings of HK\$41,939,000 of the Group, bank deposit of the Group of HK\$1,956,000, property of Mr. Lee, properties of a son of Mr. Lee, properties, securities and deposits owned by the companies controlled by Mr. Lee, insurance policy executed by a related company, personal guarantees executed by Mr. Lee, Ms. Lo, Mr. CH Lee and Mr. Pai, and corporate guarantee executed by related companies.

- (v) At 31 December 2018 and 2017, the bank instalment loans were due for repayment as follows, which are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause:

24 銀行借貸(續)

- (iv) 於二零一八年十二月三十一日，本集團銀行融資以總賬面值為367,320,000港元之貿易應收賬款、本集團投資物業之法定押記、本集團租賃土地及樓宇40,517,000港元、一間關連公司所簽立的保單、白先生所作個人擔保及本集團所作公司擔保作抵押。

於二零一七年十二月三十一日，本集團銀行融資以總賬面值為466,805,000港元之貿易應收賬款、本集團投資物業之法定押記、本集團租賃土地及樓宇41,939,000港元、本集團之銀行存款1,956,000港元、李先生之物業、李先生兒子之物業、李先生所控制公司所擁有之物業、證券及存款、一間關連公司所簽立的保單、李先生、盧女士、李澤浩先生及白先生所作個人擔保及關連公司所作公司擔保作抵押。

- (v) 於二零一八年及二零一七年十二月三十一日，銀行分期貸款須根據貸款協議所載預定還款日期償還，且並無計入任何按要求償還條款之影響：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	8,191	7,182
After one year but within two years	一年後但於兩年內	2,682	2,620
After two years but within five years	兩年後但五年內	6,374	7,151
After five years	五年後	9,264	11,139
		26,511	28,092

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 DEFERRED TAX LIABILITIES

25 遞延稅項負債

		Accelerated tax depreciation	Tax losses	Total
		加速稅項折舊	稅項虧損	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
The Group	本集團			
Balance at 1 January 2017	於二零一七年一月一日之結餘	315	(9)	306
(Credited)/Charged to profit or loss for the year	(計入)/扣除自年內損益	(25)	9	(16)
Balance 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之結餘	290	-	290
Charged to profit or loss for the year	扣除自年內損益	96	-	96
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	386	-	386

The deferred tax assets for tax losses and deferred tax liabilities for accelerated tax depreciation relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the consolidated statements of financial position.

The following are the major deferred tax assets not recognised in the consolidated statement of financial position:

有關稅項虧損的遞延稅項資產及加速稅項折舊的遞延稅項負債與同一司法權區的所得稅相關，法律允許淨額結算。因此，其已於綜合財務狀況表內抵銷。

以下為未於綜合財務狀況表確認之主要遞延稅項資產：

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Other assets	其他資產	-	42
Tax loss	稅項虧損	983	-
		983	42

No deferred tax asset has been recognised in respect of the above items due to unpredictability of future profit streams. At 31 December 2018, the Group has unused tax losses of approximately HK\$3,934,000 (2017: Nil) available for offset against future profits. The tax losses will expire according to the EIT Law.

由於無法預測日後溢利來源，故概無就上述項目確認遞延稅項資產。於二零一八年十二月三十一日，本集團之未動用稅項虧損約3,934,000港元(二零一七年：無)可供抵銷未來溢利。稅項虧損將根據企業所得稅法到期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 SHARE CAPITAL

Details of the share capital of the Company are as follows:

26 股本

本公司股本的詳情如下：

		Note 附註	Number of shares 股份數目	Amount 金額 HK\$ 港元
The Company	本公司			
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股			
Authorised:	法定：			
As at 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年 十二月三十一日及 二零一八年一月一日		38,000,000	380,000
Increase of authorised share capital	增加法定股本	(a)	1,962,000,000	19,620,000
As at 31 December 2018	於二零一八年十二月三十一日		2,000,000,000	20,000,000
Issued and allotted:	已發行及配發：			
As at 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日 及二零一八年一月一日		1	-
Reorganisation	重組	(b)	99	1
Share capitalisation	股份資本化	(c)	749,999,900	7,499,999
Global offering of shares	股份全球發售	(d)	250,000,000	2,500,000
As at 31 December 2018	於二零一八年十二月三十一日		1,000,000,000	10,000,000

Note:

- (a) On 15 February 2018, the authorised share capital of the Company was increased to HK\$20,000,000 divided into 2,000,000,000 shares of nominal value of HK\$0.01 by the creation of an additional 1,962,000,000 shares of HK\$0.01 each.
- (b) On 15 February 2018, Ace Power Holdings Limited ("Ace Power") and the Company entered into a share swap agreement pursuant to which the Company acquired from Ace Power one share in Apex Team, representing the entire issued share capital of Apex Team, in consideration and exchange for (a) the allotment and issue of 99 Shares to Best Sheen, all credited as fully paid (under the direction of Ace Power); and (b) the crediting as fully paid at par the one nil paid Share held by Best Sheen.
- (c) On 16 March 2018, the Company issued a total of 749,999,900 shares as fully paid at par to Best Sheen by way of capitalisation of an amount of HK\$7,499,999 standing to the credit of the share premium account of the Company.

附註：

- (a) 於二零一八年二月十五日，本公司之法定股本透過額外增設1,962,000,000股每股0.01港元之股份增加至2,000,000,000股，分為2,000,000,000股每股面值0.01港元的股份。
- (b) 於二零一八年二月十五日，領威控股有限公司（「領威」）與本公司訂立股份互換協議，據此，本公司自領威收購一股Apex Team股份（相當於Apex Team全部已發行股本），以換取(a)向佳澤配發及發行99股入賬列作繳足的股份（按領威指示）；及(b)將佳澤所持有的一股未繳股款股份按面值入賬列作繳足。
- (c) 於二零一八年三月十六日，本公司已透過將本公司股份溢價賬的7,499,999港元進賬部分撥充資本的方式向佳澤發行合共749,999,900股按面值繳足股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 SHARE CAPITAL (CONTINUED)

Note: (continued)

- (d) On 16 March 2018, the Company was listed on the Main Board of the Stock Exchange with the global offering of ordinary shares of HK\$0.01 each of the Company, including, a public offering in Hong Kong of 125,000,000 shares and an international offering of 125,000,000 shares, in each case at a price of HK\$0.50 per share (the "Global Offering").

For the purpose of presenting the share capital of Group prior to the Reorganisation in the consolidated statement of financial position, the balances as at 31 December 2017 represented the consolidated share capital of the Company and Apex Team.

27 RETIREMENT BENEFIT SCHEMES

The Group participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the Group and its employees are each required to make contributions to the scheme at 5% of the employees' monthly relevant income. With effective from 1 June 2014, the cap of monthly relevant income was changed from HK\$25,000 to HK\$30,000. Contributions to the scheme vest immediately. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees.

In accordance with the rules and regulations in the PRC, the company of the Group in the PRC participates in defined contribution retirement schemes organised by the relevant local government authorities for its employees. This subsidiary is required to contribute certain percentage of the employees' basic salaries and wages to the schemes. The local government authorities undertake to assume the retirement benefits obligations of all existing and future retired employees of this subsidiary. The only obligation of this subsidiary with respect to the scheme is to meet the required contributions under the scheme.

Total contributions paid or payable to the retirement benefit schemes by the Group amounted to HK\$2,513,000 for the year ended 31 December 2018 (2017: HK\$1,788,000), which had been recognised as expense and included in staff costs in the consolidated statements of profit or loss and other comprehensive income.

The Group has no other material obligation for payment of retirement benefits beyond the contributions as described above.

26 股本(續)

附註：(續)

- (d) 於二零一八年三月十六日，本公司於聯交所主板上市，全球發售本公司每股面值0.01港元的普通股，包括香港公开发售125,000,000股股份及國際發售125,000,000股股份，價格各自為每股0.50港元（「全球發售」）。

就於綜合財務狀況表呈列於重組前之本集團股本而言，於二零一七年十二月三十一日的結餘指本公司及Apex Team的綜合股本。

27 退休福利計劃

本集團根據香港強制性公積金計劃條例為香港所有合資格僱員參加強制性公積金計劃（「強積金計劃」）。強積金計劃為由獨立受託人管理的定額供款退休計劃。根據強積金計劃，本集團及其僱員均須按僱員每月有關收入的5%向計劃作出供款。自二零一四年六月一日起，每月有關收入上限由25,000港元變更為30,000港元。向計劃作出供款乃即時歸屬。強積金計劃的資產與本集團資產分開持有，資金由受託人控制。

根據中國規則及法規，本集團中國公司為其僱員參加由相關地方政府機關運作的定額供款退休計劃。該附屬公司須就僱員基本薪金及工資之若干百分比向計劃供款。當地政府機關承諾承擔該附屬公司所有現有及日後退休僱員的退休福利責任。該附屬公司就該計劃的唯一責任為根據計劃作出所需供款。

截至二零一八年十二月三十一日止年度，本集團向退休福利計劃已付或應付總供款為2,513,000港元（二零一七年：1,788,000港元），且已確認為開支及計入綜合損益及其他全面收益表的員工成本。

除上述供款外，本集團概無其他重大退休福利支付責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 COMMITMENTS

Capital commitments

A non-legally binding Memorandum of Understanding (MOU) has been entered into between the Group, JV Partner and guarantors on 28 November 2018 for formation of JV Company owned as to 60% by the Group and 40% by JV Partner whereas the JV Partner, shall transfer a range of distributorship rights held by JV partner to the JV Company in consideration of a payment of no more than US\$5 million by the Group to JV Partner.

Earnest deposit of US\$1 million (equivalent to HK\$7.8 million) has been paid to JV Partner by the Group. The earnest deposit shall be utilised as part of the payment of the consideration if a formal joint venture agreement is entered into. At 31 December 2018, the Group has capital commitment (authorised but not contracted for) for this acquisition of not more than US\$4 million (equivalent to HK\$31.2 million).

Commitments for the acquisition of property, plant and equipment is as follows:

28 承擔

資本承擔

本集團、合營夥伴與擔保人於二零一八年十一月二十八日訂立無法律約束力諒解備忘錄(諒解備忘錄)，內容有關成立由本集團及合營夥伴分別擁有60%及40%權益的合營公司，其中合營夥伴將向合營公司轉讓合營夥伴所持的一系列分銷權，而本集團將向合營夥伴支付不多於5百萬美元的代價。

本集團已向合營夥伴支付1百萬美元(相等於7.8百萬港元)的誠意金。倘訂立正式合營協議，則誠意金將用作支付代價的一部份。於二零一八年十二月三十一日，本集團就此收購事項的資本承擔(已授權但未訂約)不多於4百萬美元(相等於31.2百萬港元)。

就收購物業、廠房及設備的承擔如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Contracted for but not provided in these consolidated financial statements	已訂約但尚未於該等綜合財務報表計提撥備	820	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 COMMITMENTS (CONTINUED)

Operating lease commitments

The Group as lessee

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of leased properties which fall due as follows:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	930	1,676
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	-	487
		930	2,163

Operating lease payments mainly represent rentals payable by the Group for its office premises and warehouse in Hong Kong and the PRC. Leases are negotiated for an average term of 1–2 years with rentals fixed at the date of signing of lease agreements and do not include contingent rentals.

The Group as lessor

The Group leases its investment property under operating lease arrangements. The lease of the investment property is negotiated for a term of 2 years. The lease agreements include an extension option. As at 31 December 2018 and 2017, the operating lease receivables are as follows:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	1,440	405
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	600	-
		2,040	405

28 承擔(續)

經營租賃承擔

本集團作為承租人

於報告期末，本集團就租用物業承擔以下根據不可撤銷經營租賃的未來最低租賃付款，其到期情況如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	930	1,676
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	-	487
		930	2,163

經營租賃付款主要指本集團就其位於香港及中國的辦公室物業及倉庫應付租金。經磋商，租期平均為期一至兩年，自簽訂租約日期起租金固定且不包括或然租金。

本集團作為出租人

本集團根據經營租約租賃其投資物業。經磋商，投資物業租期為期兩年。租約計及延期權。於二零一八年及二零一七年十二月三十一日，經營租賃應收款項如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	1,440	405
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	600	-
		2,040	405

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 ACQUISITION OF NON-CONTROLLING INTERESTS

On 19 June 2017, the Group acquired additional 21 % interest in Data Star from Mr. CH Lee, a non-controlling shareholder of Data Star at cash consideration of approximately HK\$2,183,000, increasing its interest in Data Star from 51% to 72%. The carrying value of the net assets of Data Star and its subsidiary, Ascent Way International Limited was approximately HK\$23,319,000 at the date of acquisition. The additional interest acquired by the Group is as follows:

	2017 二零一七年 HK\$'000 千港元
Cash consideration paid to non-controlling shareholder 已付非控股股東的現金代價	2,183
Carrying value of the additional interest acquired 已收購額外權益的賬面值	4,897
Gain on acquisition recognised in equity 於權益確認之收購收益	2,714

30 SUBSIDIARIES

Particulars of the subsidiaries are as follows:

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Registered/ issued and fully paid share capital 註冊/已發行及繳足股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務	Place of Operation 經營地點
			2018 二零一八年	2017 二零一七年		
Apex Team Limited	British Virgin Islands 15 June 2009 英屬處女群島 二零零九年六月十五日	US\$1 1美元	100	100	Investment holding 投資控股	Hong Kong 香港
Ascent Way International Limited 振啟國際有限公司	Hong Kong 18 January 2016 香港 二零一六年一月十八日	HK\$1 1港元	72	72	Sales of electronic components 銷售電子元件	Hong Kong 香港
AVT International Limited	Hong Kong 7 May 1992 香港 一九九二年五月七日	HK\$4,999,986 4,999,986港元	100	100	Sales of electronic components, and sales and integration of storage system 銷售電子元件及銷售及集成存儲系統	Hong Kong 香港

29 收購非控股權益

於二零一七年六月十九日，本集團向 Data Star 的一名非控股股東李澤浩先生收購 Data Star 額外 21% 的權益，現金代價約為 2,183,000 港元，此舉將其於 Data Star 的權益由 51% 增至 72%。於收購日期，Data Star 及其附屬公司振啟國際有限公司的淨資產的賬面值約為 23,319,000 港元。本集團收購之額外權益如下：

30 附屬公司

附屬公司詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 SUBSIDIARIES (CONTINUED)

30 附屬公司(續)

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Registered/ issued and fully paid share capital 註冊/已發行及繳足股本	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務	Place of Operation 經營地點
			2018 二零一八年	2017 二零一七年		
Data Star Inc.	British Virgin Islands 5 January 2016 英屬處女群島 二零一六年一月五日	US\$2,200,000 2,200,000美元	72	72	Investment holding 投資控股	Hong Kong 香港
I-Sky Electronic Limited 天科電子有限公司	Hong Kong 12 June 2000 香港 二零零零年六月十二日	HK\$2 2港元	100	100	Properties holding 持有物業	Hong Kong 香港
Jumbo Fame Investments Limited	British Virgin Islands 9 April 2018 英屬處女群島 二零一八年四月九日	US\$1 1美元	100	-	Investment holding 投資控股	Hong Kong 香港
Shenzhen Lisigao Electronics Company Limited * (Note 1) 深圳麗斯高電子有限公司 (附註1)	The PRC 18 July 2008 中國 二零零八年七月十八日	HK\$10,000,000/ HK\$6,000,000 10,000,000港元/ 6,000,000港元	100	100	Sales of electronic components, and sales of storage system and provision of related supporting service 銷售電子元件，及銷售存儲系統及提供相關輔助服務	The PRC 中國
Triumphal Raise Limited	British Virgin Islands 22 August 2018 英屬處女群島 二零一八年八月二十二日	US\$100 100美元	100	-	Inactive 無業務	Hong Kong 香港
Wise King Electronics Limited 智成電子有限公司	Hong Kong 23 November 2017 香港 二零一七年十一月二十三日	HK\$1 1港元	100	-	Sale of electronic components 銷售電子元件	Hong Kong 香港

Note:

1 The subsidiary is registered as wholly-foreign-owned enterprise under the PRC law.

* The English name is translated for identification purpose only.

附註：

1 有關附屬公司為根據中國法律登記之外商獨資企業。

* 英文譯名僅供識別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 SUBSIDIARIES (CONTINUED)

All the subsidiaries of the Company are limited liability companies.

Details of non-wholly owned subsidiary that have material non-controlling interests:

The table below shows details of non-wholly owned subsidiary of the Group that has material non-controlling interests:

30 附屬公司(續)

本公司所有附屬公司均為有限責任公司。

擁有重大非控股權益之非全資附屬公司詳情：

下表列出擁有重大非控股權益之本集團非全資附屬公司之詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立／經營地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有之擁有權權益及投票權比例	
		2018 二零一八年	2017 二零一七年
Ascent Way International Limited ("Ascent Way") 振啟國際有限公司(「振啟」)	Hong Kong 香港	28%	28%

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit allocated to non-controlling interests	分配至非控股權益之溢利	10,673	10,265

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Accumulated non-controlling interests	累計非控股權益	19,005	10,517

Summarised financial information in respect of Ascent Way is set out below. The summarised financial information below represents amounts before intragroup eliminations.

有關振啟之財務資料概要載列如下。下文之財務資料概要乃指集團內對銷前之金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 SUBSIDIARIES (CONTINUED)

Summarised statement of financial position of Ascent Way

30 附屬公司(續)

振啟之財務狀況表概要

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產	15	22
Current assets	流動資產	337,596	367,026
Current liabilities	流動負債	(269,735)	(329,486)
Net current assets	流動資產淨值	67,861	37,540
Total assets less current liabilities	總資產減流動負債	67,876	37,562
Non-current liabilities	非流動負債	(2)	(4)
Total equity	總權益	67,874	37,558
Attributable to	以下應佔		
— the Group	— 本集團	48,869	27,041
— non-controlling interests	— 非控股權益	19,005	10,517
		67,874	37,558

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 SUBSIDIARIES (CONTINUED)

Summarised statement of profit or loss and other comprehensive income of Ascent Way

30 附屬公司(續)

振啟之損益及其他全面收益表概要

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	1,892,350	1,326,716
Gross profit	毛利	65,080	45,285
Other income	其他收入	1,470	448
Expenses	開支	(20,887)	(13,083)
Profit before tax	除稅前溢利	45,663	32,650
Income tax expenses	所得稅開支	(7,547)	(5,505)
Profit for the year	年內溢利	38,116	27,145
Profit and total comprehensive income attributable to:	以下應佔溢利及全面收益總額：		
— the Group	— 本集團	27,443	16,880
— non-controlling interests	— 非控股權益	10,673	10,265
		38,116	27,145
Dividends paid to non-controlling interests	支付予非控股權益之股息	2,184	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 SUBSIDIARIES (CONTINUED)

Summarised statement of cash flows of Ascent Way

30 附屬公司(續)

振啟之現金流量表概要

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net Cash Inflow/(Outflow) From operating activities	經營活動流入/(流出)現金淨額	3,360	(34,862)
Net cash outflow from investing activities	投資活動流出現金淨額	-	-
Net cash inflow from financing activities	融資活動流入現金淨額	22,656	44,982
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	26,016	10,120
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	33,657	23,537
Cash and cash equivalents at end of the year	年末現金及現金等價物	59,673	33,657

Financial support

As at 31 December 2018, the Company and AVT International Limited have issued financial guarantee to banks in respect of banking facilities granted to Ascent Way.

財務支援

於二零一八年十二月三十一日，本公司及AVT International已就振啟獲授之銀行融資向銀行提供財務擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 RELATED PARTY TRANSACTIONS

In addition to the balances with related parties set out in the consolidated statements of financial position and respective notes, the Group had the following material transactions with related parties during the year:

(a) Transactions with related parties

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. Lee Bing Kwong (note i) — Rental paid	李秉光先生(附註i) — 已付租金	825	783
Nicegoal Limited (note ii) — Rental paid	Nicegoal Limited (附註ii) — 已付租金	546	—

Note:

- (i) The rental expenses were based on the tenancy agreement entered by the Group and Mr. Lee.
- (ii) Nicegoal Limited is controlled by Mr. Lee. The rental expenses were based on the tenancy agreement entered by the Group and Nicegoal Limited.

Rental paid to Mr. Lee and Nicegoal Limited were de minimis continuing connected transactions exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

During the year ended 31 December 2017, the Group disposed its interest in Able System Limited to Mr. Lee at US\$2.

Mr. CH Lee, son of Mr. Lee held 29 shares of Data Star or 29% interests in Data Star at 31 December 2016. On 19 June 2017, CH Lee transferred 21 shares of Data Star to Apex Team and 8 shares of Data Star to Mr. Pai, in consideration of approximately HK\$2,183,000 and HK\$832,000 respectively. Profit and total comprehensive income of the Group for the year ended 31 December 2017 attributable to Mr. CH Lee amounted to approximately HK\$3,748,000 and equity attributable to CH Lee at the date of disposal amounted to approximately HK\$6,762,000.

31 關連方交易

除綜合財務狀況表及有關附註所載之關連方結餘外，本集團於年內與關連方進行以下重大交易：

(a) 關連方交易

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Mr. Lee Bing Kwong (note i) — Rental paid	李秉光先生(附註i) — 已付租金	825	783
Nicegoal Limited (note ii) — Rental paid	Nicegoal Limited (附註ii) — 已付租金	546	—

附註：

- (i) 租金開支乃根據本集團與李先生訂立的租約而定。
- (ii) Nicegoal Limited由李先生控制。租金開支乃根據本集團與Nicegoal Limited訂立的租約而定。

支付予李先生及Nicegoal Limited的租金構成最低豁免水平的持續關連交易，並獲豁免遵守上市規則第14A章項下的股東批准、年度審閱及所有披露規定。

截至二零一七年十二月三十一日止年度，本集團以2美元將其於Able System Limited的權益出售予李先生。

李先生之子李澤浩先生於二零一六年十二月三十一日持有Data Star的29股股份或29%權益。於二零一七年六月十九日，李澤浩先生將Data Star的21股股份及八股股份分別轉讓予Apex Team及白先生，代價分別約為2,183,000港元及832,000港元。李澤浩先生應佔本集團於截至二零一七年十二月三十一日止年度的溢利及全面收益總額約為3,748,000港元，而李澤浩先生於出售日期應佔權益則約為6,762,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

At 31 December 2018, the banking facilities of the Group were secured by insurance policy executed by a related company and personal guarantee executed by Mr. Pai. (2017: the banking facilities of the Group were secured by securities and cash deposit in name of a related company, property of Mr. Lee, properties of a son of Mr. Lee, properties of the related companies, insurance policy executed by a related company, personal guarantees executed by Mr. Lee, Ms. Lo, Mr. CH Lee and Mr. Pai and corporate guarantee executed by related companies). Details of which were set out in note 24.

As at 31 December 2017, the Group executed guarantees to a bank to secure general banking facilities granted to related companies. Details of such guarantees are set out in note 34.

(b) Compensation of key management personnel and related party

Remuneration for key management personnel of the Group, including the amounts paid to the Director as disclosed in note 10(a) is as follows:

31 關連方交易(續)

(a) 關連方交易(續)

於二零一八年十二月三十一日，本集團銀行融資以一間關連公司所簽立的保單以及白先生所作個人擔保作抵押(二零一七年：本集團銀行融資以關連公司證券及保證金、李先生的物業、李先生兒子的物業、關連公司物業、一間關連公司所簽立的保單、李先生、盧女士、李澤浩先生及白先生所作個人擔保及關連公司所作公司擔保作抵押)。有關詳情載於附註24。

於二零一七年十二月三十一日，本集團就關連公司所獲授的銀行融資向銀行作出擔保。該等擔保詳情載於附註34。

(b) 主要管理人員及關連方報酬

本集團主要管理人員薪酬(包括附註10(a)披露之支付予董事款項)如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	10,125	5,581
Contributions to defined contribution retirement benefits scheme	定額供款退休福利計劃供款	118	161
		10,243	5,742

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of key management personnel and related party (Continued)

During the year, short-term benefits and post-employment benefits for close family members of Mr. Lee paid and contributed by the Group are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	2,326	435
Contributions to defined contribution retirement benefits scheme	定額供款退休福利計劃供款	35	41
		2,361	476

32 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balances. The overall strategy remains unchanged during the year ended 31 December 2018.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure periodically. The Group considers the cost of capital and risk associated with each class of capital, and will balance its overall capital structure through payment of dividends and raising of new capital.

31 關連方交易(續)

(b) 主要管理人員及關連方報酬(續)

年內，本集團已向李先生緊密家族成員支付之短期福利及退休福利及所作供款如下：

32 資本風險管理

本集團管理其資本，以確保本集團旗下實體可持續經營業務，同時透過優化債務及股本結餘，為股東帶來最大回報。於截至二零一八年十二月三十一日止年度內，本集團的整體策略維持不變。

本集團的資本架構包括本公司擁有人應佔權益，包括已發行股本及儲備。

本集團管理層定期檢討資本架構。本集團考慮資金成本及各類資本有關的風險，並將透過支付股息及籌集新資本平衡其整體資本架構。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The carrying amounts of the financial assets and liabilities as at the end of reporting period are as follows:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets:	金融資產：		
Amortised cost/Loans and receivables:	攤銷成本／貸款及應收款項：		
Trade receivables	貿易應收賬款	508,953	642,336
Financial assets included in other receivables, deposits and prepayments	計入其他應收款項、按金及預付款項之金融資產	2,277	164
Bank balances and cash	銀行結餘及現金	182,639	66,302
		693,869	708,802
Financial liabilities	金融負債		
Amortised cost:	攤銷成本：		
Trade payables	貿易應付賬款	205,889	360,857
Financial liabilities included in other payables, accruals and deposits received	計入其他應付款項、應計費用及已收按金之金融負債	22,922	17,237
Amount due to a Director	應付一名董事款項	-	8,247
Amounts due to related parties	應付關連方款項	-	1,560
Bank borrowings	銀行借貸	391,268	479,486
		620,079	867,387

(b) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are described below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

33 金融工具

(a) 金融工具的分類

於各報告期末的金融資產及金融負債的賬面值載列如下：

(b) 金融風險管理目標及政策

本集團活動面對多種財務風險：市場風險（包括貨幣風險及利率風險）、信貸風險及流動資金風險。如何減輕該等風險的政策載於下文。管理層管理及監察該等風險，以確保按及時及有效的方式實施適當的措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(i) Currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is United States dollars ("USD"). The Group currently does not have a foreign currency hedging policy with respect to its foreign exchange exposure. However, management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arises.

The following table details the Group's exposure at the end of reporting period to currency risk arising from recognised assets or liabilities denominated in USD. For presentation purpose, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of reporting period.

33 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) 貨幣風險

本集團主要因以相關業務的功能貨幣以外的貨幣計值的銷售及採購而面臨外幣風險。導致此風險的貨幣為美元(「美元」)。本集團現時並無制定外匯風險有關的外幣對沖政策。然而，管理層會監控外匯風險，並將於需要時考慮對沖重大外匯風險。

下表詳列本集團於各報告期末所面臨因以美元計值的已確認資產或負債而產生的外匯風險。為呈列目的，風險金額乃以港元列示，使用報告期末的匯率換算。

As at 31 December

於十二月三十一日

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收賬款	488,703	616,103
Bank balances and cash	銀行結餘及現金	169,048	57,968
Financial assets included in other receivables, deposits and prepayments	計入其他應收款項、按金及預付款項之金融資產	-	164
Trade payables	貿易應付賬款	(188,019)	(352,008)
Financial liabilities included in other payables, accruals and deposits received	計入其他應付款項、應計費用及已收按金之金融負債	(14,971)	(8,351)
Bank borrowings	銀行借貸	(364,757)	(442,246)
Net exposure arising from recognised assets and liabilities	已確認資產及負債產生之風險淨額	90,004	(128,370)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(i) Currency risk (Continued)

Foreign currency sensitivity analysis

The Group mainly exposes to foreign exchange fluctuation of the currency of USD against the currency of Hong Kong dollar ("HKD"). The Directors consider that the Group's exposure to USD does not give rise to significant foreign currency risk on the ground that HKD is pegged to USD. Therefore, no sensitivity analysis of USD against the functional currency of the respective group entity is disclosed.

(ii) Interest rate risk

The Group's exposure to cash flow interest rate risk arises primarily from its variable-rate bank deposits and bank borrowings.

The Group currently does not have any interest rate hedging policy. However, the management monitors the Group's exposure to interest rate risk on an ongoing basis and will consider hedging interest rate risk should the need arises.

Interest rate sensitivity analysis

The sensitivity analysis below has been prepared based on the exposure to interest rates for the Group's variable-rate bank deposits and bank borrowings at the end of reporting period. The analysis is prepared assuming the amount of these assets and liabilities outstanding at the end of reporting period were outstanding for the whole period. A 100 basis points increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The analysis has been performed on the same basis for 2017.

At the end of the reporting period, if interest rates had been 100 basis points (2017: 100 basis points) higher/lower in respect of the Group's variable rate bank deposits and bank borrowings, with all other variables held constant, there would decrease/increase the Group's post-tax profit and equity in 2018 by approximately HK\$3,099,000 (2017: HK\$3,946,000).

33 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) 貨幣風險(續)

外幣敏感度分析

本集團主要面臨美元兌港元(「港元」)的外匯波動風險。董事認為，鑒於港元與美元掛鈎，本集團面臨之美元風險不會造成重大外匯風險。因此，概無披露美元兌各集團實體功能貨幣之敏感度分析。

(ii) 利率風險

本集團承受之現金流量利率風險主要來自其浮息銀行存款及銀行借貸。

本集團現時概無任何利率對沖政策。然而，管理層會持續監控本集團利率風險，並將於需要時考慮對沖利率風險。

利率敏感度分析

以下敏感度分析乃根據報告期末本集團之浮息銀行存款及銀行借貸所帶來的利率風險編製。於編製分析時假設於報告期末結欠的該等資產及負債金額於整段期間內結欠。利率上調或下調100個基點於向主要管理層成員內部報告利率風險時使用，亦為管理層對利率合理可能變動的評估。於二零一七年的分析亦以相同基準編製。

於報告期末，倘本集團利率可變的銀行存款及銀行借貸的利率上調/下調100個基點(二零一七年：100個基點)，而其他變量維持不變，本集團於二零一八年的稅後溢利及權益將分別減少/增加約3,099,000港元(二零一七年：3,946,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iii) Credit risk

The Group's credit risk is primarily attributable to trade receivables, other receivables and bank deposits. As at 31 December 2018 and 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statements of financial position without taking account of any factoring that do not qualify for derecognition in the consolidated financial statements. As at 31 December 2018, trade receivables amounting to HK\$366,711,000 (2017: HK\$407,426,000) has been transferred to financial institutions under factoring agreements.

In respect of trade receivables, the Group has a credit policy in place and will perform credit evaluations on all customers requiring credit over a certain amount. Certain trade receivable balances on open account terms are covered by customers' letters of credit or are factored to external financial institutions.

In order to minimise the credit risk, the Group reviews the recoverable amount of each individual trade debt regularly to ensure that adequate allowance for impairment losses are made for irrecoverable amounts. In addition, the Group performs impairment assessment under expected credit loss model upon application of HKFRS 9 (2017: incurred loss model) on trade receivables. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

33 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iii) 信貸風險

本集團信貸風險主要來自貿易應收賬款、其他應收款項及銀行存款。於二零一八年及二零一七年十二月三十一日，因對手方未能履行責任而將對本集團造成財務損失之最高信貸風險為綜合財務狀況表內呈列的有關已確認金融資產，未計及任何不合資格於綜合財務報表終止確認之任何保理。於二零一八年十二月三十一日，金額為366,711,000港元(二零一七年：407,426,000港元)的貿易應收賬款乃根據保理協議轉讓予金融機構。

就貿易應收賬款而言，本集團已制定適當的信貸政策並將對所有要求獲得超過某一數額信貸的客戶進行信貸評估。以掛賬方式進行的若干貿易應收賬款結餘均附有客戶信用證或保理至外部金融機構。

為盡量減低信貸風險，本集團定期審閱各個別貿易債務的可收回金額，以確保為不可收回金額作出充足減值虧損撥備。此外，本集團於應用香港財務報告準則第9號後按預期信貸虧損模式(二零一七年：已產生虧損模式)就貿易應收賬款進行減值評估。就此而言，本集團管理層認為本集團信貸風險已大幅降低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

The Group measures loss allowances for trade receivables based on lifetime expected credit losses, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments the loss allowance based on past due status is not further distinguished between the Group's different customer bases. For the year ended 31 December 2018, the expected credit losses rate for trade receivables is minimal, given there is no history of significant defaults from customers and insignificant impact from forward-looking estimates. The Group assesses that there is no significant loss allowance recognised in accordance with HKFRS 9 as at 31 December 2018.

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Prior to 1 January 2018, an impairment loss was recognised only when there was objective evidence of impairment. As at 31 December 2017, trade receivable of approximately HK\$2,119,000 were determined to be impaired.

The Group has concentration of credit risk as the Group's largest trade debtor accounted for 11% of its total trade receivables as at 31 December 2018 (2017: 18%). In addition, the Group's top five major customers accounted for 34% of its total trade receivables as at 31 December 2018 (2017: 52%).

33 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iii) 信貸風險(續)

本集團根據全期預期信貸虧損計量貿易應收賬款的虧損撥備，並以撥備矩陣計算。由於本集團的過往信貸虧損經驗並未表明不同客戶分部的虧損模式存在顯著差異，故按過期狀況計算的虧損撥備不會將本集團的不同客戶群作進一步區分。截至二零一八年十二月三十一日止年度，鑒於客戶並無重大拖欠記錄，且前瞻性估計的影響並不重大，故貿易應收賬款的預期信貸虧損率屬低。本集團評估於二零一八年十二月三十一日並無根據香港財務報告準則第9號確認重大虧損撥備。

預期虧損率乃基於過去3年的實際虧損經驗。本公司已對該等利率進行調整，以反映收集歷史數據期間經濟狀況、目前狀況與本集團對應收款項預計年期的經濟狀況的意見之間的差異。

在二零一八年一月一日前，僅當有客觀證據表明存在減值時，方確認減值虧損。於二零一七年十二月三十一日，貿易應收賬款約2,119,000港元已釐定為減值。

於二零一八年十二月三十一日，本集團最大貿易債務人佔其貿易應收賬款總額11%（二零一七年：18%），故本集團信貸風險集中。此外，於二零一八年十二月三十一日，本集團五大主要客戶佔其貿易應收賬款總額34%（二零一七年：52%）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

The credit risks of financial assets included in other receivables are low as the Group has not had any significant loss arising from non-performance by the counterparties in the past and management does not expect so in the future. The management assessed that the expected credit losses for other receivable is not significant.

The credit risk for liquid funds is limited because such amounts are placed with various banks with good credit ratings.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 17.

(iv) Liquidity risk

The Group's liquidity position is monitored closely by the management of the Group. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to meet its liquidity requirements in the short and longer term.

During the reporting period, the Group financed its working capital requirements principally by funds generated from operations and bank borrowings.

33 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iii) 信貸風險(續)

計入其他應收款項的金融資產的信貸風險為低，原因為本集團過往並無由於交易對手不履約而產生任何重大損失，而管理層預期未來亦不會發生此情況。管理層將其他應收款項的預期信貸虧損評為不重大。

流動資金之信貸風險有限，原因為該等款項存置於多個信譽評級較高的銀行。

有關本集團因貿易應收賬款而面臨信貸風險的進一步量化披露載於附註17。

(iv) 流動資金風險

本集團之管理層會密切監察本集團之流動資金狀況。在管理流動資金風險方面，本集團監控及維持管理層視為充足之現金及現金等價物水平，以為本集團之營運撥資及滿足其短期及較長期的流動資金需求。

於報告期內，本集團主要透過營運產生的資金及銀行借貸滿足其營運資金需求。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iv) Liquidity risk (Continued)

The following table details the Group's contractual maturities at the end of reporting period for its financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

33 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iv) 流動資金風險(續)

下表詳述本集團於報告期末金融負債之合約到期分析。下表乃根據金融負債之未貼現現金流量，並以本集團須付款的最早日期為基準編製。表內包括利息及主要現金流量。

		Repayable on demand or within 1 year 須按要求或 於一年內償還 HK\$'000 千港元	More than 1 year 超過一年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 31 December 2018	於二零一八年十二月三十一日				
Trade payables	貿易應付賬款	205,889	-	205,889	205,889
Financial liabilities included in other payables, accruals and deposits received	計入其他應付款項、應計費用及已收按金之金融負債	22,922	-	22,922	22,922
Bank borrowings (note 1)	銀行借貸(附註1)	391,268	-	391,268	391,268
		620,079	-	620,079	620,079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iv) Liquidity risk (Continued)

33 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iv) 流動資金風險(續)

		Repayable on demand or within 1 year 須按要求或 於一年內償還 HK\$'000 千港元	More than 1 year 超過一年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
As at 31 December 2017	於二零一七年十二月三十一日				
Trade payables	貿易應付賬款	360,857	–	360,857	360,857
Financial liabilities included in other payables, accruals and deposit received	計入其他應付款項、應計費用 及已收按金之金融負債	17,237	–	17,237	17,237
Amount due to a Director	應付一名董事款項	8,247	–	8,247	8,247
Amount due to related parties	應付關連方款項	1,560	–	1,560	1,560
Bank borrowings (note 1)	銀行借貸(附註1)	479,486	–	479,486	479,486
		867,387	–	867,387	867,387
Guarantees issued: Maximum amount guaranteed (note 2)	已發出擔保: 最高擔保額(附註2)	30,070	–	30,070	30,070

Note 1:

Borrowings with a repayment on demand clause are included in the "Repayable on demand or within 1 year" time band in the above maturity analysis. As at 31 December 2018, the aggregate undiscounted principal amount of these borrowings amounted to HK\$185,315,000 (2017: HK\$254,486,000). Taking into account the Group's financial position, the Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

附註1:

於上述到期日分析內附有按要求償還條款的借貸計入「按要求或於一年內償還」時段。於二零一八年十二月三十一日，該等借貸的未貼現本金總額為185,315,000港元(二零一七年: 254,486,000港元)。經計及本集團的財務狀況，董事認為，銀行不大可能行使其酌情權要求即時還款。董事認為，該等銀行貸款將根據貸款協議所載預定還款日期償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

(iv) Liquidity risk (Continued)

Note 1: (Continued)

In accordance with the terms of the loans which contain a repayment on demand clause, the maturity profile of these loans as at the end of reporting period, based on the contractual undiscounted payment according to the scheduled repayment dates, is as follows:

		Within 1 year 一年內 HK\$'000 千港元	1 to 5 years 一至五年 HK\$'000 千港元	Over 5 years 超過五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2018	於二零一八年十二月三十一日	168,103	10,403	10,098	188,604
As at 31 December 2017	於二零一七年十二月三十一日	234,844	11,219	12,142	258,205

Note 2:

The amounts included above for guarantees issued at 31 December 2017 were the maximum amounts the Group could have to pay if that amount is claimed by the bank. The Group did not consider it probable that a claim would be made against the Group under the guarantees. These guarantees have been released during the year ended 31 December 2018.

(c) Fair value of financial instruments

The management of the Group considers that the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statements of financial position approximate their respective fair values.

33 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iv) 流動資金風險(續)

附註1:(續)

根據附有按要求償還條款的貸款條款，該等貸款於報告期末的到期情況(按合約未貼現付款及根據預定還款日期)如下：

附註2：

上表所載於二零一七年十二月三十一日所作擔保的金額乃本集團須支付的最高金額(倘銀行申索該金額)。本集團認為不大可能就該等擔保向本集團提出申索。該等擔保已於截至二零一八年十二月三十一日止年度解除。

(c) 金融工具公平值

本集團管理層認為，於綜合財務狀況表內列賬的本集團金融資產及金融負債的賬面值與各自公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any material contingent liabilities.

As at 31 December 2017, the Group had executed the following guarantees in respect of banking facilities granted to related companies in which Mr. Lee has beneficial interests.

- guarantee limited to HK\$86,000,000 plus default interest and other costs and expenses among the Group and related companies; and
- guarantee with unlimited amount between the Group and a related company

Such banking facilities utilised by the related companies as at 31 December 2017 amounted to HK\$30,070,000. The Directors did not consider it probable that a claim will be made against the Group under any of the aforesaid guarantees. These guarantees have been released during the year ended 31 December 2018.

34 或然負債

於二零一八年十二月三十一日，本集團並無任何重大或然負債。

於二零一七年十二月三十一日，本集團就為李先生擁有實益權益的關連公司獲授銀行融資簽立以下擔保。

- 就本集團與關連公司之間作出上限為86,000,000港元另加違約利息以及其他費用及開支的擔保；及
- 就本集團與一間關連公司之間作出無限額的擔保

於二零一七年十二月三十一日，關連公司動用的該等銀行融資30,070,000港元。董事認為不大可能將會就任何上述擔保向本集團提出申索。該等擔保已於截至二零一八年十二月三十一日止年度內解除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

35 綜合現金流量表附註

(a) 融資活動所產生負債的對賬

		Amounts due to related parties	Bank borrowings	Total
		應付 關連方款項 HK\$'000 千港元	銀行借貸 HK\$'000 千港元	總計 HK\$'000 千港元
Balance at 1 January 2017	於二零一七年一月一日的結餘	4,929	262,434	267,363
<i>Changes from financing activities:</i>	<i>融資活動的變動：</i>			
New bank instalment loans raised	新籌集的銀行分期貸款	–	7,923	7,923
Repayment of bank instalment loans	償還銀行分期貸款	–	(5,838)	(5,838)
Net increase in factoring loans	保理貸款增加淨額	–	78,009	78,009
Net increase in other bank borrowings	其他銀行借貸增加淨額	–	136,810	136,810
Interests on bank borrowings paid	已付銀行借貸利息	–	(11,368)	(11,368)
Advance from related parties	關連方墊款	1,560	–	1,560
Total changes from financing activities	融資活動的變動總額	1,560	205,536	207,096
<i>Other changes:</i>	<i>其他變動：</i>			
Exchange adjustments	匯兌調整	(249)	–	(249)
Finance costs charged to Profit or loss (note 8)	於損益扣除的融資成本 (附註8)	–	11,368	11,368
Amount capitalised for share allotment of a subsidiary	就一間附屬公司的股份配發資本化的金額	(4,680)	–	(4,680)
Total other changes	其他變動總額	(4,929)	11,368	6,439
Bank overdrafts included	已計入的銀行透支	–	148	148
Balance 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的結餘	1,560	479,486	481,046
<i>Changes from financing activities:</i>	<i>融資活動的變動：</i>			
New bank instalment loans raised	新籌集的銀行分期貸款	–	12,800	12,800
Repayment of bank instalment loans	償還銀行分期貸款	–	(14,381)	(14,381)
Net decrease in factoring loans	保理貸款減少淨額	–	(19,047)	(19,047)
Net decrease in other bank borrowings	其他銀行借貸減少淨額	–	(67,442)	(67,442)
Interests on bank borrowings paid	已付銀行借貸利息	–	(18,293)	(18,293)
Repayment to related parties	向關連方還款	(1,560)	–	(1,560)
Total changes from financing activities	融資活動的變動總額	(1,560)	(106,363)	(107,923)
<i>Other changes:</i>	<i>其他變動：</i>			
Finance costs charged to Profit or loss (note 8)	於損益扣除的融資成本 (附註8)	–	18,293	18,293
Total other changes	其他變動總額	–	18,293	18,293
Bank overdrafts excluded	已除外的銀行透支	–	(148)	(148)
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	–	391,268	391,268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Major non-cash transaction

For year ended 31 December 2017, amount of US\$600,000 (equivalent to HK\$4,680,000) due to Mr. Pai was capitalised for share allotment of Data Star.

36 STATEMENTS OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

35 綜合現金流量表附註(續)

(b) 主要非現金交易

截至二零一七年十二月三十一日止年度，就Data Star的股份配發而資本化應付白先生的金額為600,000美元(相等於4,680,000港元)。

36 本公司的財務狀況表及儲備

		As at 31 December 於十二月三十一日	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產		
Investment in subsidiaries	於附屬公司的投資	4,012	–
Total non-current assets	非流動資產總值	4,012	–
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	130,307	–
Prepayments	預付款項	255	–
Bank balances	銀行結餘	300	48
Total current assets	流動資產總值	130,862	48
Current liabilities	流動負債		
Other payables, accruals	其他應付款項、應計費用	4,539	288
Amounts due to subsidiaries	應付附屬公司款項	2,953	454
Total current liabilities	流動負債總額	7,492	742
Net current assets/(liabilities)	流動資產/(負債)淨額	123,370	(694)
NET ASSETS/(LIABILITIES)	資產/(負債)淨額	127,382	(694)
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	10,000	–
Reserves	儲備	117,382	(694)
Total equity/(Deficiency in assets)	總權益/(資產短欠)	127,382	(694)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 STATEMENTS OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in the Company's issued capital and reserve

36 本公司的財務狀況表及儲備(續)

本公司的已發行股本及儲備變動

		Share capital	Share Premium	(Accumulated losses)/ Retained earnings	Total
		股本	股份溢價	(累計虧損)/ 保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	-	-	(307)	(307)
Loss for the year	年內虧損	-	-	(387)	(387)
At 31 December 2017	於二零一七年十二月三十一日	-	-	(694)	(694)
At 1 January 2018	於二零一八年一月一日	-	-	(694)	(694)
Profit for the year	年內溢利	-	-	14,132	14,132
Issue of new shares	發行新股份	2,500	122,500	-	125,000
Share issue expenses	股份發行開支	-	(11,056)	-	(11,056)
Capitalisation issue	資本化發行	7,500	(7,500)	-	-
At 31 December 2018	於二零一八年十二月三十一日	10,000	103,944	13,438	127,382

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out below.

於過去五個財政年度的本集團業績以及資產、負債及非控股權益的概要載列如下。

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Revenue	收益	3,717,611	2,840,308	1,702,322	1,121,206	780,387
Profit before tax	除稅前溢利	42,380	58,009	53,817	29,314	14,283
Tax	稅項	(9,098)	(12,642)	(8,982)	(4,861)	(2,985)
Profit for the year	年內溢利	33,282	45,367	44,835	24,453	11,298
Attributable to:	以下人士應佔：					
— Owners of the Company	— 本公司擁有人	22,614	34,986	39,741	24,453	11,298
— Non-controlling interests	— 非控股權益	10,668	10,381	5,094	—	—
		33,282	45,367	44,835	24,453	11,298

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

		As at 31 December 於十二月三十一日				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Total assets	資產總值	962,408	1,081,440	600,026	311,256	216,350
Total liabilities	負債總額	(632,676)	(881,106)	(447,859)	(203,945)	(128,418)
Non-controlling interests	非控股權益	(23,866)	(15,382)	(5,094)	—	—
Equity attributable to the owners of the Company	本公司擁有人應佔權益	305,866	184,952	147,073	107,311	87,932

