

computer  technologies

Computer And Technologies Holdings Limited

科聯系統集團有限公司

(Stock Code 股份代號: 00046)



TO BUILD A BETTER WORLD WITH
INFORMATION TECHNOLOGY

2019
ANNUAL REPORT

二零一九年 年報





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CORPORATE PROFILE

公司簡介

As a pioneer in the IT industry, Computer And Technologies ("C&T") Group operates its business on a vision to build a better world with Information Technology. Since our establishment in 1991 and listing in the main board of the Hong Kong Stock Exchange (Stock Code: SEHK00046) in 1998, C&T Group has committed to providing best-of-breed software products from human resources management to enterprise-level information management, procurement management and retail management to enable organisations to run their businesses and operations better. Apart from software products, the Group also has a long-standing track record in delivering effective IT solutions and quality services, including IT solutions design and implementation, software development, online e-Services as well as business processing outsourcing services, to enhance the competitive advantages of our clients.

For more than two decades, C&T's products and services have been widely adopted across multiple industries, from local conglomerates to multinational corporations and government organisations. Leveraging on C&T's products and services, our customers are enhancing their business and operation covering from the basic necessities of our daily life including clothing, food, housing and transportation to the highly-specialised and professional services.

Apart from serving extensively the large commercial organisations, C&T is also an active services provider for government organisations and the public sector in delivering world-class innovative and large-scale mission-critical IT solutions. Our credentials include implementation of the 2nd generation Automated Securities Trading System for Shanghai Stock Exchange, the world-first and award winning electronic tendering system for the Hong Kong SAR Government and the 7x24 mission-critical customer care and billing system supporting over 2 million households in Hong Kong. Our professional services also extend to integration of modern technologies and management best practice into traditional business segments. The award-winning cemetery management system we built for the Board of Management of the Chinese Permanent Cemeteries is one of the many successful examples of ours.

Our staff is the most important factor for our success. We recruit and develop high caliber professionals who are both knowledgeable and skillful in latest technology spectrums including web-based development, cloud services, mobile applications and security networks. Our people are also experienced in large-scale software implementation ranging from project management and technical design to system development and maintenance. Our sustained accomplishment is also a reflection of our committed practice of IT development standards and methods in related to resources and project management, quality control, system implementation and support methodologies.

Together with our extensive business domain knowledge in human resources, information management, procurement handling and retail solutions management, C&T is committed to providing all our clients with best-of-breed software products and high quality system development and related services and, putting all these together, to building a better world with Information Technology for all of us.

作為信息科技行業的先驅，科聯系統（「科聯」）集團抱着堅持以信息科技締造一個更美好世界的願景來營運業務。自一九九一年成立，且自一九九八年起於香港聯交所主板上市（股票編號：SEHK00046）以來，科聯集團一直致力提供出類拔萃的軟件產品，範疇涵蓋人力資源管理至企業層面的資訊管理、採購管理及零售管理，使各機構能更有效地經營其業務及運作。除軟件產品外，本集團亦在交付有效信息科技解決方案及優質服務方面擁有源遠流長的往績記錄，包括信息科技解決方案的設計及執行、軟件開發、網上電子服務以及業務流程外判服務，均旨在提升客戶的競爭優勢。

二十多年來，科聯產品及服務受不同行業的公司所廣泛採用，客戶遍及本地大型企業集團以至跨國公司及政府機關。我們的產品及服務涵蓋範圍亦非常廣泛，由衣食住行等基本生活必需至高端專業服務，全方位滿足客戶群在業務及營運上的不同需求。

除了廣泛服務大型商業機構外，科聯亦屢為政府組織及公營機構提供具頂級創新意念的大規模信息科技解決方案。我們過往取得的成就包括為上海證券交易所實施第二代自動化證券交易系統、為香港特區政府建立全球首個而且獲獎的電子投標系統，及建設一套可支援全香港超過200萬戶家庭的全天候客戶服務及收費系統。我們的專業服務亦延伸至將現代科技及管理最佳實務融合至傳統業務領域。我們為華人永遠墳場管理委員會建立的陵園管理系統亦是我們眾多成功例子之一。

員工是我們致勝的不二法門。我們透過不斷招攬及培育在各嶄新科技範疇（包括網絡發展、雲端服務、流動應用程式及安全網絡）均具備深厚知識及技能的優質專才。我們的人才對於從項目管理及技術設計以至大型軟件系統開發及維護等領域都擁有豐富經驗。我們持續取得的各項成就亦印證了我們致力實踐資源及項目管理、質量控制、系統實施及支援方法的信息科技發展標準及方法等有關工作。

連帶我們在人力資源、資訊管理、採購處理及零售解決方案管理各業務領域的廣博知識，科聯盡心竭力為所有客戶提供不同凡響的軟件產品及優質系統開發與相關服務。綜合以上各項，我們冀望以信息科技為全人締造更美好的世界。

CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Ng Cheung Shing (*Chairman*)
Cheung Wai Lam
Leung King San, Sunny
Ng Kwok Keung

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ha Shu Tong
Lee Kwok On, Matthew
Ting Leung Huel, Stephen

COMPANY SECRETARY

Ng Kwok Keung

AUDITORS

Ernst & Young
Certified Public Accountants
22/F, CITIC TOWER
1 Tim Mei Avenue
Central
Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Central
Hong Kong

REGISTRATION OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

執行董事

吳長勝 (*主席*)
張偉霖
梁景新
吳國強

獨立非執行董事

夏樹棠
李國安
丁良輝

公司秘書

吳國強

核數師

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執業會計師
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中環
皇后大道中1號

註冊辦事處

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2 Church Street
Hamilton HM11
Bermuda

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 10, Cyberport 2
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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Hong Kong

WEBSITE

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總辦事處及主要營業地點

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主要股份過戶登記處

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

股份過戶登記處香港分處

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香港
皇后大道東183號
合和中心54樓

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www.ctil.com

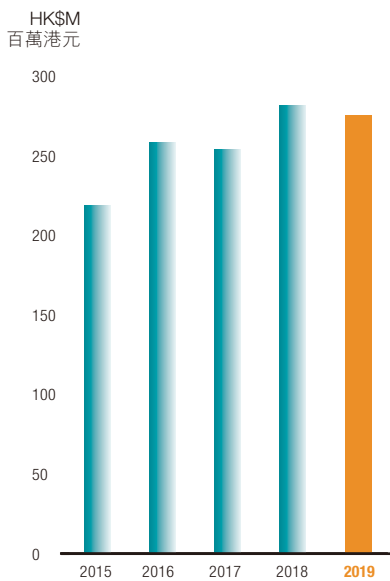
FINANCIAL HIGHLIGHTS

財務概要

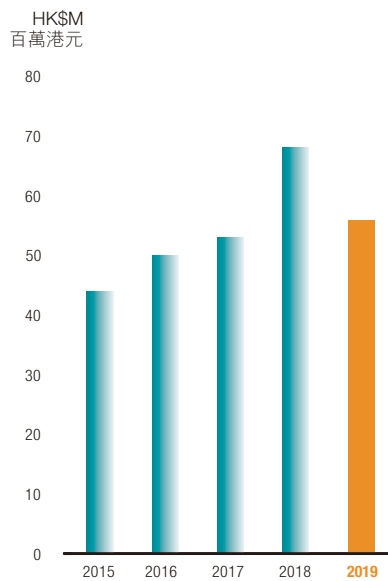
For the year ended 31 December
截至十二月三十一日止年度

| | | 2015 二零一五年 HK\$ Million 百萬港元 | 2016 二零一六年 HK\$ Million 百萬港元 | 2017 二零一七年 HK\$ Million 百萬港元 | 2018 二零一八年 HK\$ Million 百萬港元 | 2019 二零一九年 HK\$ Million 百萬港元 |
|-------------------------------------|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Revenue | 收入 | 219.1 | 258.7 | 253.9 | 281.4 | 275.9 |
| Profit for the year | 本年度溢利 | 44.1 | 50.3 | 54.3 | 68.0 | 55.9 |
| | | HK cents 港仙 | HK cents 港仙 | HK cents 港仙 | HK cents 港仙 | HK cents 港仙 |
| Basic earnings per share ("EPS") | 每股基本盈利 (「每股基本盈利」) | 18.27 | 20.81 | 22.43 | 27.85 | 22.63 |
| Interim dividends | 中期股息 | 7.00 | 7.00 | 7.00 | 9.00 | 9.00 |
| Final dividends | 末期股息 | 7.00 | 7.00 | 7.00 | 12.00 | 8.00 |
| Special dividends | 特別股息 | - | 3.00 | 8.00 | - | - |
| Dividends per share ("DPS") | 每股股息 (「每股股息」) | 14.00 | 17.00 | 22.00 | 21.00 | 17.00 |

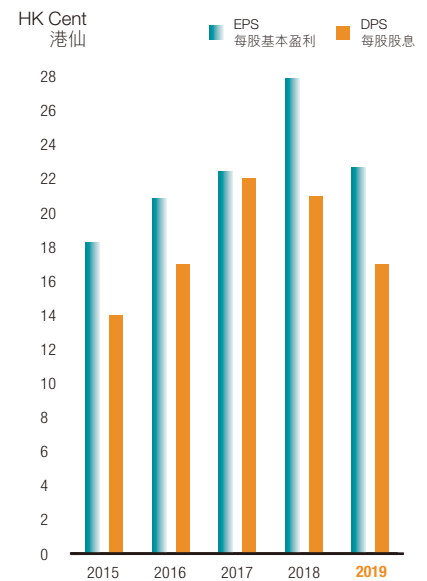
Revenue
收入



Profit for the year
本年度溢利



EPS vs DPS
每股基本盈利與每股股息



CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

OVERVIEW

On behalf of the board of directors (the "Board") of Computer And Technologies Holdings Limited (the "Company"), I am pleased to present the audited annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2019.

The Group's overall revenue reduced slightly by HK\$5.5 million, or 2.0% to HK\$275.9 million (2018: HK\$281.4 million). In line with the revenue drop, the Group's gross profit also saw a mild decrease by HK\$4.7 million, or 2.9% to HK\$155.3 million (2018: HK\$159.9 million) while the gross profit margin maintained at 56.3% (2018: 56.8%).

The total non-operating incomes decreased by HK\$2.3 million, or 15.8% to HK\$12.2 million (2018: HK\$14.4 million), primarily attributed to the decrease in bank interest income and fair value gains from investment properties.

Primarily due to the increase in staff costs attributed to the strengthening of the Group's overall management, business development and research and development ("R&D") team, the Group's overall expenses increased by 8.1% to HK\$107.2 million (2018: HK\$99.2 million) as compared with the same period last year.

With the abovementioned, the Group's consolidated net profit attributable to shareholders reduced moderately by 17.8% to HK\$55.9 million (2018: HK\$68.0 million). The basic earnings per share also dropped to 22.63 HK cents (2018: 27.85 HK cents).

In view of continuous positive cash inflow from operations and a sustained healthy financial position, the Board declared the distribution of a final dividend of 8 HK cents (2018: 12 HK cents) per ordinary share for the year ended 31 December 2019. Counting the interim dividend of 9 HK cents (2018: 9 HK cents) being paid together with this proposed dividend, the Group's full year dividend payout reached 17 HK cents (2018: 21 HK cents).

各位股東：

回顧

本人謹代表科聯系統集團有限公司(「本公司」)董事會(「董事會」)欣然呈報本公司及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度之經審核全年業績。

本集團的整體收入輕微減少550萬港元，或2.0%至2.759億港元(二零一八年：2.814億港元)。隨著收入下降，本集團的毛利亦輕微減少470萬港元，或2.9%至1.553億港元(二零一八年：1.599億港元)，而毛利率則維持於56.3%(二零一八年：56.8%)。

非營業收入總額減少230萬港元，或15.8%至1,220萬港元(二零一八年：1,440萬港元)，主要由於銀行利息收入及投資物業公平值收益有所減少。

主要由於本集團強化整體管理、業務發展及研發(「研發」)團隊而導致員工成本增加，因此本集團的整體開支較去年同期增加8.1%至1.072億港元(二零一八年：9,920萬港元)。

基於上述各項因素，本集團股東應佔綜合溢利適度減少17.8%至5,590萬港元(二零一八年：6,800萬港元)。每股基本盈利亦下降至22.63港仙(二零一八年：27.85港仙)。

鑑於經營活動產生持續正現金流入及財務狀況維持穩健，董事會宣佈分派截至二零一九年十二月三十一日止年度的末期股息每股普通股8港仙(二零一八年：12港仙)。計及已付中期股息9港仙(二零一八年：9港仙)連同該建議股息後，本集團的全年股息派付達17港仙(二零一八年：21港仙)。

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

BUSINESS REVIEW

Application Software

Despite the challenging market environment, the Group's Application Software⁽¹⁾ business managed to maintain growth in both revenue and profit contributions for the reporting year.

Among all the application software owned by the Group, the Human Resources Management Software ("HRMS") business was most adversely affected by both the trade tensions between China and US as well as the civil disturbance in HKSAR. Although the performance of the business in the second half of the year was below last year's level, the overall annual turnover of HRMS business remained at around the same level of last year. The improving progress of new sales conclusion approaching the end of the reporting year was however pull back by the outbreak of COVID-19 in beginning of 2020. With the current backlog orders and recurring maintenance and Software as a Services ("SaaS") contracts on hand, the HRMS business will remain stable in the first half of 2020 and endeavor to restore its momentum when the market is recovered from the current epidemic situation.

During the reporting year, the business continued its pace of expanding the customer base and capturing prestigious customers from diversified industry sectors, including local conglomerates, financial institutions including a virtual bank, global retail brands, leading food and beverage chain stores and a hotel group in the second half of the reporting year. Apart from the demand for HRMS on-premise software, the Group also concluded new customers in SaaS which will provide stable recurring income for the business in the long term.

In addition, the Human Capital Management ("HCM") related modules launched last year had been receiving positive response from the market. Apart from capturing new clients with complicated business requirements, the enhanced features also motivated existing clients to upgrade their software to latest version with such modules.

業務回顧

應用軟件

儘管市場環境充滿挑戰，本集團應用軟件⁽¹⁾業務於報告年度保持收入及溢利貢獻正增長。

在我們所擁有的應用軟件當中，人力資源管理軟件（「人力資源管理軟件」）業務因中美貿易緊張局勢及香港特別行政區的社會動盪所受的不利影響最深。儘管下半年的業務表現不及去年的水平，但人力資源管理軟件業務的整體年度營業額仍與去年相若。然而，即使新銷售額於報告年度接近結束時呈現改善趨勢，但因二零二零年年初爆發新型冠狀病毒疫情而又有所回落。鑑於目前積累的訂單及手頭上的經常性維護及軟件即服務（「軟件即服務」）合約，人力資源管理軟件業務將於二零二零年上半年保持穩定，一旦市場從當前疫情中復甦，業務將可重新振興。

於報告年內，業務於報告年度下半年繼續擴大其客戶群，吸納不同行業的知名客戶，包括本地企業集團、虛擬銀行等財務機構、全球零售品牌、餐飲連鎖店巨頭及酒店集團。除對企業內置的人力資源管理軟件的需求外，本集團亦在軟件即服務方面獲新客戶垂青，長遠而言將可為業務提供穩定的經常性收入。

此外，去年推出的人力資本管理（「人力資本管理」）相關模組獲得市場好評。經優化的功能不僅令本集團發揮競爭力，更重點吸納對精密業務有更高要求的新客戶，同時亦可推動現有客戶使用有關新模組而將其軟件升級至最新版本。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

BUSINESS REVIEW (CONTINUED)

Application Software (continued)

Leveraged on the strong order backlog carried forward, the Group's Enterprise Retail Management Software ("ERMS") business recorded double-digit growth in revenue for two consecutive years. In line with the revenue growth, the profit contributions of the business also recorded double-digit growth during the reporting year. In the second half of the year, the business successfully completed the implementation of a new global fashion brand customer for its expansion in Asia Pacific. Moreover, substantial progress in development of our latest version of ChainStorePlus software in the reporting year had made ourselves ready for deploying more functions and features to our clients such as mobility for improving in-store operations. However, the outbreak of COVID-19 had turned the Mainland China and HKSAR's retail industries into frozen mode and the impact to the Group's ERMS business is yet to be determined.

With ever-increasing demand for the cloud services of the Group's Enterprise Procurement Management Software ("EPMS") business, the business recorded material growth in both the revenue and profit contributions for two consecutive years. Benefiting from the trend in advocacy for betterment in corporate governance practice related to procurement procedures, the Group's EPMS cloud services continued to capture the market demand from both quasi-government and commercial sectors. With the endeavors over the past few years, the business has built up more than HK\$10 million backlog of cloud services revenue to be contributed to the Group in the coming years.

The Group's Enterprise Information Management Software ("EIMS") business also recorded double-digit growth in revenue during the reporting year. The business successfully delivered a major project with a department under the HKSAR Government ("Government") during the reporting year and managed to secure new customers from various government organisations and commercial sectors.

業務回顧(續)

應用軟件(續)

憑藉過往所累積的穩定訂單，本集團的企業零售管理軟件(「企業零售管理軟件」)業務的收入連續兩年錄得雙位數增長。隨著收入增長，業務於報告年度的溢利貢獻亦錄得雙位數增長。於下半年，業務已成功吸納一個環球時尚品牌新客戶，以助其在亞太地區擴展業務。此外，於報告年度，開發ChainStorePlus軟件的最新版本亦有重大進展，為向客戶提供更多功能及特別應用(如提高店內營運的靈活性)奠定重要的基礎。然而，新型冠狀病毒疫情的爆發正嚴重打擊中國內地及香港特別行政區的零售業，而對本集團的企業零售管理軟件業務的影響尚待確定。

隨着市場對本集團企業採購管理軟件(「企業採購管理軟件」)業務雲端服務的需求日漸增加，該業務的收入及溢利貢獻連續兩年錄得大幅增長。受惠於鼓勵改善與採購程序有關的企業管治常規的趨勢，本集團的企業採購管理軟件雲端服務繼續掌握半政府機構及商界的市場需要。建基於過去數年的努力，該業務已累積雲端服務訂單超過1,000萬港元，可於未來數年為本集團貢獻收入。

本集團的企業信息管理軟件(「企業信息管理軟件」)業務，亦於報告年度錄得雙位數的收入增長。該業務於報告年度成功與香港特別行政區政府(「政府」)轄下部門完成一項主要項目，並成功從各政府組織及商界吸納新客戶。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

BUSINESS REVIEW (CONTINUED)

Application Software (continued)

With the open eco-system architecture HCM platform, the Group's R&D team has further enhanced the underlying foundation platform's openness and continued to expand external Application Programming Interface ("API") to integrate with various services and systems seamlessly. The product is now unified with facial recognition for attendance, Natural Language Processing ("NLP") based chatbot services to enhance self-service accessibility and other AI functionalities to improve our HCM platform's employee experience. The API also provides ability to our implementation teams as well as our partners to integrate with other systems easily. This ensure our HCM platform can be continuously upgraded after production on customer sites. With the well-developed open architecture, it allows us to work on integrating our various enterprise software into one suite easily. Apart from HRM software business, our enterprise software lines and solutions service business units are now starting to utilise this common platform for implementing various types of customer needs and solution packaging such as purchase request flow in EPMS, building mobile solutions and revised web portal for EIMS and using workflows engine for building various customised solutions.

Solutions and Integration Services

Despite the turnover had been improved in the second half of the reporting year, the full year's revenue and profit contribution of the Group's Solutions and Integration Services^[2] business dropped by 12.5% and 26.6% respectively.

The Managed Services^[2] under the Group's Solutions Services business continued to generate stable maintenance income from the second 10-year services contract ("Contract") of the Customer Care and Billing System ("CCBS") for the Water Supplies Department under the Government. However, the profit contributions of the Managed Services had been reduced as some of the expected orders were deferred and likely to be reactivated at a smaller scale in the coming year. The schedule of software enhancements on the CCBS had been slightly slipped. In order to catch up the delivery, the management had put on extra resources into the project and the completion date per latest estimate is around mid-2021. During the reporting year, the related development costs of around HK\$12 million were capitalised as deferred development costs.

業務回顧(續)

應用軟件(續)

憑藉開放式生態系統架構人力資本管理平台，本集團的研發團隊進一步改善相關基礎平台的開放性，並繼續擴充外部應用程式介面（「應用程式介面」）組合，務求完美結合各種服務及系統。該產品現已融合出勤用途的面部識別、具自然語言處理（「自然語言處理」）的聊天機器人服務，以增強自助服務的可用性和其他人工智能的應用，從而改善人力資本管理平台的員工體驗。該應用程式介面亦為我們的執行團隊及合作夥伴提供輕易整合其他系統的能力。這確保了人力資本管理平台可為客戶完成設置後持續升級。此開放式架構讓我們能輕易將各種企業軟件整合於同一個應用套件上。除人力資本管理軟件業務外，我們的企業軟件及解決方案服務業務部門現已開始使用該通用平台來執行各類客戶需求及解決方案組合，例如用於企業採購管理軟件的採購申請流程、構建流動解決方案及企業信息管理軟件的網上應用修訂，以及使用工作流程引擎建立各種定制的解決方案。

解決方案及集成服務

儘管報告年度下半年的營業額有所提升，本集團的解決方案及集成服務^[2]業務的全年收入及溢利貢獻分別下降12.5%及26.6%。

本集團解決方案服務業務下的管理服務^[2]繼續從政府轄下的水務署之客戶服務及收費系統（「客戶服務及收費系統」）的第二個為期十年的服務合約（「該合約」）賺取穩定的維護收入。然而，由於部分預期訂單已推遲及有可能於來年以較細的規模重推，故管理服務的溢利貢獻減少。該合約項下客戶服務及收費系統的軟件優化項目進度略有延遲，而管理層已作出更大投入以趕上交付，根據最新工作計劃，該交付有望在二零二一年年中完成。於報告年度，相關開發成本約1,200萬港元已資本化為遞延開發成本。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

BUSINESS REVIEW (CONTINUED)

Solutions and Integration Services (continued)

During the reporting year, the Development Services^[2] business had been experiencing delay in contract awarding processes under a framework agreement with a major customer. Although the situation had been improved in the second half of the year, the amount of new contract awarded as well as the delivery schedules had been adversely affected. In addition, interrupted by the local social unrest, the business had also experienced delays in implementation of some Government related projects during the reporting year. Despite these projects had been resumed approaching the end of the reporting year, the outbreak of COVID-19 has created additional uncertainties to the planned delivery schedules in the coming year.

On the other hand, the business continued to secure new orders from both the Government and commercial enterprises, including Civil Aid Service under the Government and a major property developer in Hong Kong in the second half of the year. The business had also successfully renewed a multi-year outline agreement by one of the largest power businesses in Asia Pacific for the provision of IT professional services during the reporting year. The management foresees that these backlog orders will help the business carry over the difficult time in the first half of 2020.

Both the revenue and profit contributions of the Group's Integration Services^[2] business in PRC was mildly improved during the reporting year.

Hindered by both the Sino-US trade war and local protests, the demand for the Group's BPO^[3] service was weak during the reporting year. The management will redouble effort in searching for new prospects and streamlining the resources in order to enhance the operation efficiency.

業務回顧(續)

解決方案及集成服務(續)

於報告年度，開發服務^[2]業務在根據與一名主要客戶簽訂的框架協議所審批的合約遇到延誤。儘管下半年的情況有所改善，但新審批合約的金額及交付時間表均受到不利影響。此外，受本地社會動盪不安所影響，該業務於報告年度亦因此延遲交付部分政府相關項目。儘管該等項目於報告年度接近結束時經已恢復，但新型冠狀病毒疫情的爆發對來年的計劃交付時間表亦帶來新增的不確定因素。

另一方面，業務於下半年繼續取得政府及企業客戶的新訂單，包括政府轄下的民眾安全服務隊及香港一間主要地產發展商。業務亦於報告年度成功獲亞太區其中一間大型的電力企業續簽一份為期多年的框架協議，以提供專業的資訊科技服務。管理層預計，業務將可繼續受惠於過往累積的服務訂單，以渡過二零二零年上半年的艱難時期及維持業務穩定。

本集團位於中國的集成服務^[2]業務的收入及溢利貢獻於報告年度均有輕微改善。

於報告年度，受中美貿易戰及本地示威活動所牽連，市場對本集團業務流程外判^[3]服務的需求疲弱。管理層將加倍努力尋找新的發展前景，並精簡資源以提高營運效率。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

BUSINESS REVIEW (CONTINUED)

e-Service and related business

The Group's GETS⁽⁴⁾ business recorded growth in both revenue and profit contribution during the reporting year.

The collaboration with Hongkong Post to provide traders with paper-to-electronic trade declaration services since 1 January 2019 had expanded our service coverage and enhanced relevant incomes during the reporting year. However, the uncertainties stemming from Sino-US trade tensions and other external issues continued to dampen production and trading activities in Asia. In view of the uncertainties and the dropping demand in paper submission, the management considered that the profit generated under the existing arrangement with Hongkong Post could not be sustained and therefore decided to terminate the related contract with effect from early 2020. The management considers that the termination would have no material impact to its profit contribution and will not stop finding ways to transform business in order to improve its performance in long term.

Investments

Due to the decrease in fair value gains from investment properties, the Group's Investments segment recorded a decrease in the profit contribution of HK\$0.6 million, or 8.2% to HK\$6.3 million (2018: HK\$6.9 million). During the reporting year, the Group had disposed an investment property in PRC to an independent third party for a consideration of approximately RMB8.4 million.

業務回顧(續)

電子服務及相關業務

本集團GETS⁽⁴⁾業務的收入及溢利貢獻於報告年度均錄得增長。

業務自二零一九年一月一日起與香港郵政合作為貿易商提供紙張轉電子報關服務以擴大其服務範圍，並增加相關收入。然而，中美貿易緊張局勢及其他外在因素所帶來的不確定因素，繼續削弱亞洲的生產及貿易活動。鑑於不確定因素及傳遞紙張文件的需求下降，管理層預測與香港郵政所訂立的現有安排項目下產生的溢利將無法持續，因此決定於二零二零年年初起終止相關合約。管理層認為終止合約將不會對其溢利貢獻造成重大影響，並將研究業務轉型的方法，以改善其長遠業務表現。

投資

由於投資物業的公平值收益減少，本集團的投資分部錄得溢利貢獻減少60萬港元，或8.2%至630萬港元(二零一八年：690萬港元)。於報告年度，本集團以約人民幣840萬元向獨立第三方出售一項位於中國的投資物業。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

PROSPECT

The Hong Kong economy is supposed to be delighted with the Sino-US "Phase One" trade deal concluded in early 2020 but the outbreak of COVID-19 poses the city with a new challenge. Up to the date of this report, the situation shows no signs of slowing and may keep the city in progressive recession. Needless to say, the PRC economy is also expecting a moderate slowdown in 2020. Nevertheless, more accommodative monetary and fiscal policies recently launched by the Mainland China and HKSAR governments may provide cushion against shocks but serious risks and uncertainties remain.

Taking account of the uncertainties in the economy, the Group will stay alert to the risk management and prepare well to respond the rapid changes in the surrounding environments. Leveraging the strong order backlog and recurring revenue streams generating from its core businesses and the robust financial fundamentals, the Group believes that we can overcome the obstacles and will remain vigilance for new opportunities to improve our business, steadfast in our commitment in R&D and focused on new prospects that can equip the Group to cater for the needs of our customers.

Footnotes:

- [1] The Group's Application Services business engages in the provision of application software and e-business services for enterprises including (i) the provision of enterprise application software with implementation and ongoing support services for Human Resource Management, Enterprise Procurement Management, Enterprise Information Management and Enterprise Retail Management (collectively the "Application Software"); and (ii) the Government Electronic Trading Services ("GETS"), cloud services and other related value added services (collectively the "e-Service and related business").
- [2] The Group's Solutions and Integration Services business includes (i) Development Services for the provision of IT solutions implementation and application software development; (ii) Managed Services for the provision of IT and related operation/ infrastructure outsourcing services; (iii) business process outsourcing ("BPO") services; and (iv) Integration Services for the provision of IT systems and network infrastructure with related design, implementation and ongoing support services.
- [3] The Group's BPO business comprises the provision of services for the operations and support of specific business functions or processes of customers.
- [4] Since 2004, the Group has been granted a licence (the "GETS Licence") from the Government for the provision of front-end Government Electronic Trading Services for processing certain official trade-related documents. The Group's GETS Licence was further renewed in early 2018 for operation of additional six years until the end of 2024.

前景

二零二零年年初達成的中美「第一階段」貿易協議理應為香港經濟帶來喜訊，但新型冠狀病毒疫情的爆發卻為香港帶來新挑戰。直至本報告日期，情況並未有緩和跡象，並可能使香港在一段較長的時間內處於衰退之中。顯然，中國經濟亦預期於二零二零年出現溫和放緩。儘管如此，內地及香港特區政府最近推出多項寬鬆貨幣及財務政策或可舒緩衝擊，惟市場風險及不確定因素依然嚴峻。

基於存在不確定因素，本集團將對風險管理保持警惕，並就應對周邊環境的急速變化做好準備。憑藉過往所累積的穩定訂單、核心業務產生的經常性收入來源，以及穩健的財務基礎，本集團相信終可克服困難，並繼續謹慎尋找強化業務的新機會、努力不懈地致力於研發，同時專注於可令本集團滿足客戶需求的新發展前景。

註解：

- [1] 本集團之應用服務業務乃為企業提供應用軟件及電子商務服務，包括(i)提供有關人力資源管理、企業採購管理、企業信息管理及企業零售管理(統稱「應用軟件」)之企業應用軟件之實施及持續支援服務；及(ii)政府電子貿易服務(「GETS」)、雲端服務及其他相關增值服務(統稱「電子服務及相關業務」)。
- [2] 本集團之解決方案及集成服務業務包括(i)提供資訊科技解決方案實施及應用軟件開發之開發服務；(ii)提供資訊科技及相關營運／基礎設施外判服務之管理服務；(iii)業務流程外判(「業務流程外判」)服務；及(iv)提供資訊科技系統與網絡基礎設施，輔以相關設計、實施及持續支援服務之集成服務。
- [3] 本集團之業務流程外判業務包括為客戶提供特定業務性質或流程之運作及支援服務。
- [4] 本集團自二零零四年起獲政府授予一項特許權(「GETS特許權」)，提供處理若干官方貿易相關文件之前端政府電子貿易服務。本集團之GETS特許權已於二零一八年年初再獲續期，可額外營運六年，直至二零二四年年底為止。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

FINANCIAL REVIEW

Revenue and gross profit

The Group's revenue decreased slightly by HK\$5.5 million, or 2.0% to HK\$275.9 million (2018: HK\$281.4 million) during the reporting year. The decrease in overall revenue was primarily due to the decrease in new sales orders and the delay of project completion under the Group's Solutions Services business. The Group's gross profit also decreased by HK\$4.7 million, or 2.9% to HK\$155.3 million (2018: HK\$159.9 million) while the gross profit margin maintained at 56.3% (2018: 56.8%).

Non-operating incomes and gains, net (included other income and gains, net, foreign exchange differences, net and fair value gains/(losses), net)

Non-operating incomes and gains, net (included other income and gains, net, foreign exchange differences, net, and fair value gains/(losses), net) decreased by 15.8% to HK\$12.2 million (2018: HK\$14.4 million). The fall was primarily due to the decrease in bank interest income by HK\$2.0 million, or 27.9% and decrease in fair value gains on investment properties by HK\$0.8 million, or 17.7%.

Expenses

Owing to the expansion of the Group's sales resources for the improvement of market coverage, the Group's selling and distribution expenses increased by HK\$1.3 million, or 3.6% to HK\$36.6 million (2018: HK\$35.4 million).

For strengthening of the management and administrative resources, the Group's general and administrative expenses increased by HK\$5.7 million, or 9.8% to HK\$63.5 million (2018: HK\$57.8 million).

The Group also recognised finance costs for an amount of HK\$1.1 million (2018: Nil) following the adoption of Hong Kong Financial Reporting Standard 16 *Leases* ("HKFRS 16") from 1 January 2019.

財務回顧

收入及毛利

本集團於本報告年度的收入輕微減少550萬港元，或2.0%至2.759億港元（二零一八年：2.814億港元）。整體的收入減少主要由於新簽銷售訂單減少及本集團解決方案服務業務下的項目完成進度延遲所致。本集團的毛利亦減少470萬港元，或2.9%至1.553億港元（二零一八年：1.599億港元），而毛利率則維持於56.3%（二零一八年：56.8%）。

非營運收入及收益淨額（包括其他收入及收益淨額、匯兌差額淨額及公平值收益／（虧損）淨額）

非營運收入及收益淨額（包括其他收入及收益淨額、匯兌差額淨額及公平值收益／（虧損）淨額）減少15.8%至1,220萬港元（二零一八年：1,440萬港元）。該減少乃主要由於銀行利息收入減少200萬港元或27.9%，以及投資物業公平值收益減少80萬港元或17.7%所致。

開支

由於本集團擴充銷售團隊以加強市場覆蓋度，本集團的銷售及分銷開支增加130萬港元，或3.6%至3,660萬港元（二零一八年：3,540萬港元）。

由於壯大管理及支援團隊，本集團的一般及行政開支增加570萬港元，或9.8%至6,350萬港元（二零一八年：5,780萬港元）。

自二零一九年一月一日起採納香港財務報告準則第16號 *租賃*（「香港財務報告準則第16號」）後，本集團亦確認財務費用110萬港元（二零一八年：無）。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

FINANCIAL REVIEW (CONTINUED)

Income tax expense

In line with the decrease in assessable profits generated in Hong Kong and PRC, the income tax expense decreased by HK\$2.9 million, or 39.9% to HK\$4.3 million (2018: HK\$7.2 million).

The Group's overall effective tax rate for the tax charge in 2019 was around 7.2%, whereas in 2018 was 9.5%. The effective tax rate was lower than the Hong Kong statutory profits tax rate because several types of onshore incomes, including dividend and bank interest incomes were not subject to the Hong Kong profits tax. Besides, the R&D activities of certain local subsidiaries of the Group were assessed as qualifying R&D activities and thus entitled enhanced tax deductions under the Hong Kong Inland Revenue Ordinance. The effective tax rate had further been driven down by the recognition of deferred tax credit arising from amortisation of other intangible assets.

Net profit

Profit for the period attributable to shareholders dropped moderately by 17.8% to HK\$55.9 million (2018: HK\$68.0 million) while the net profit margin (profit for the period attributable to shareholders divided by the revenue) also reduced to 20.3% (2018: 24.2%). The change was owing to the decrease in gross profit and the increase in overall expenses.

Non-current assets

The Group's non-current assets as at 31 December 2019 increased by 2.0% to HK\$282.4 million (31 December 2018: HK\$276.9 million). The change was primarily attributed to the mixed effects of (i) the recognition of right-of-use assets following the adoption of HKFRS 16 in 2019, (ii) the capitalisation of deferred development costs for an amount of HK\$12.0 million arising from a project of the Group's Solutions Services business and (iii) the disposal of an investment property in PRC reduced the balance of investment properties by HK\$5.6 million.

財務回顧(續)

所得稅開支

由於香港及內地應課稅溢利有所減少，所得稅開支減少290萬港元，或39.9%至430萬港元(二零一八年：720萬港元)。

本集團於二零一九年之稅項開支之整體實際稅率約為7.2%，而二零一八年則為9.5%。由於若干類別的境內收入(包括股息及銀行利息收入)毋須繳納香港利得稅，故實際稅率低於香港法定利得稅稅率。此外，本集團若干本地附屬公司的研發活動被視為合資格研發活動，因此根據香港《稅務條例》有權獲得進一步稅收減免。確認攤銷其他無形資產所產生之遞延稅項抵免再進一步降低有關實際稅率。

純利

股東應佔期間溢利適度減少17.8%至5,590萬港元(二零一八年：6,800萬港元)，而純利率(股東應佔期間溢利除以收入)亦下降至20.3%(二零一八年：24.2%)。有關減幅是由於毛利減少及整體開支增加所致。

非流動資產

於二零一九年十二月三十一日，本集團非流動資產增加2.0%至2.824億港元(二零一八年十二月三十一日：2.769億港元)。該變動乃主要由於(i)於二零一九年採納香港財務報告準則第16號後確認使用權資產；(ii)將本集團解決方案服務業務項目產生的遞延開發成本1,200萬港元資本化；及(iii)出售一項中國投資物業導致投資物業金額減少560萬港元。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

FINANCIAL REVIEW (CONTINUED)

Current assets

The Group's current assets as at 31 December 2019 dropped slightly by 0.8% to HK\$351.5 million (31 December 2018: HK\$354.4 million). The change was mainly attributed by the mixed effects of the increase in trade receivables as there were increased progress developments billings before the end of the financial year; and the decrease in cash and bank deposits (including the cash and cash equivalents and the money market certificate classified under financial assets at fair value through profit or loss) due to the clearance of various trade payables before the end of the financial year.

Money market certificate is an investment instrument that provides a special interest rate for a specific period of time. The certificate was classified under financial assets at fair value through profit or loss on the face of the consolidated statement of financial position and subject to mark to market valuation. The certificate was disposed subsequent to the year end and a gain of HK\$0.4 million was being recorded.

The Group maintains strict controls over its outstanding trade receivables and considered that the trade receivables (net of loss allowance) were all recoverable in the foreseeable future.

Current and non-current liabilities

The Group's current liabilities and non-current liabilities as at 31 December 2019 dropped slightly by 0.5% to HK\$152.6 million (31 December 2018: HK\$153.3 million). The change was primarily attributed by the mixed effects of the decrease in trade payables, other payables and accruals and the recognition of lease liabilities following to the adoption of HKFRS 16 in 2019.

Segment assets and liabilities

Segment assets and segment liabilities of Applications Services business were comparable to last reporting year without significant changes.

Segment assets of Solutions and Integration Services business increased owing to the increase in deferred development costs and trade receivables while the segment liabilities of the business decrease in line with the decrease in trade payables, other payables and accruals.

Segment assets of Investments business increased because of the purchase of a money market certificate by end of the reporting year.

Equity

Total equity as at 31 December 2019 was slightly increased by HK\$3.3 million, or 0.7% to HK\$481.4 million (31 December 2018: HK\$478.1 million).

財務回顧(續)

流動資產

本集團於二零一九年十二月三十一日之流動資產輕微減少0.8%至3.515億港元(二零一八年十二月三十一日:3.544億港元)。該變動乃主要由於應收貿易賬款增加,原因在於本財政年度結束前已開票的工程進度項目有所增加;及現金及銀行存款(包括現金及等同現金資產及分類為按公平值經損益入賬的財務資產的貨幣市場存單)減少,原因為各貿易款項於本財政年度結束前結付所致。

貨幣市場存單為一種可在特定期間內提供特別利率的投資工具。該存單在綜合財務狀況表中分類為按公平值經損益入賬的財務資產並按市場價格釐定。該存單已於年終後出售,並確認收益40萬港元。

本集團對其未償還應收貿易賬款維持嚴格監控,並認為全部應收貿易賬款(扣除虧損撥備)均可於可見未來收回。

流動及非流動負債

於二零一九年十二月三十一日,本集團流動負債及非流動負債輕微減少0.5%至1.526億港元(二零一八年十二月三十一日:1.533億港元)。該變動乃主要由於應付貿易賬款、其他應付款項及應計款項減少及於二零一九年採納香港財務報告準則第16號後確認租賃負債所致。

分部資產及負債

應用服務業務的分部資產及分部負債與上一報告年度相若,並無重大變動。

解決方案及集成服務業務的分部資產增加,乃由於遞延開發成本及應收貿易賬款增加,而業務的分部負債跌幅則與應付貿易賬款、其他應付款項及應計款項的跌幅一致。

於報告年度末,投資業務之分部資產增加,乃由於購入一項貨幣市場存單所致。

權益

於二零一九年十二月三十一日,總權益輕微增加330萬港元,或0.7%至4.814億港元(二零一八年十二月三十一日:4.781億港元)。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

PLEDGE OF ASSETS

As at 31 December 2019, the Group had pledged an investment property with a fair value of HK\$64.2 million (31 December 2018: HK\$64.2 million), listed debt and equity securities of HK\$12.7 million (31 December 2018: HK\$12.7 million) and bank balances of HK\$2.5 million (31 December 2018: HK\$2.1 million) to secure certain general bank facilities including guarantee/performance bonds facilities granted to the Group/subsidiaries of the Company in aggregate of HK\$112.0 million (31 December 2018: HK\$112.0 million) of which HK\$21.7 million (31 December 2018: HK\$23.2 million) have been utilised as at 31 December 2019.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2019, the Group's cash and cash equivalents was HK\$200.7 million (31 December 2018: HK\$255.5 million).

All of the Group's on hand fundings are in Hong Kong dollars, Renminbi and US dollars. The Group has not adopted any hedging policies, as these currencies carry relatively low exchange fluctuation risks. Nevertheless, the Group had been monitoring the foreign exchange exposures closely and hedging any significant foreign currency exposure in order to minimise the exchange risk should the needs arose.

As at 31 December 2019, the Group had no bank borrowings (31 December 2018: Nil). The Group's current ratio representing current assets divided by current liabilities was 2.6 (31 December 2018: 2.5) and the gearing ratio, representing total liabilities divided by total assets, was 24.1% (31 December 2018: 24.3%).

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故在整個回顧期內維持健康的流動資金狀況。本集團致力透過進行持續的信貸評估及評估其客戶的財務狀況以降低信貸風險。為管理流動資金風險，董事會緊密監察本集團的流動資金狀況，以確保本集團的資產、負債及其他承擔的流動資金結構可應付其不時的資金需求。

資產抵押

於二零一九年十二月三十一日，本集團已抵押公平值為6,420萬港元(二零一八年十二月三十一日：6,420萬港元)之一項投資物業、為數1,270萬港元(二零一八年十二月三十一日：1,270萬港元)之上市債務及股本證券及為數250萬港元(二零一八年十二月三十一日：210萬港元)之銀行結餘，作為本集團／本公司附屬公司獲授若干一般銀行融資，包括擔保／履約保證融資，合共1.120億港元(二零一八年十二月三十一日：1.120億港元)之擔保，其中2,170萬港元(二零一八年十二月三十一日：2,320萬港元)已於二零一九年十二月三十一日被動用。

財政資源及流動資金

於二零一九年十二月三十一日，本集團現金及等同現金資產為2.007億港元(二零一八年十二月三十一日：2.555億港元)。

本集團全部手頭資金以港元、人民幣及美元為單位。由於此等貨幣之匯率波動風險相對甚低，故本集團並無採納任何對沖政策。然而，本集團一向密切監察外匯風險，並在需要時對沖任何重大外幣風險以盡量減低匯兌損失。

於二零一九年十二月三十一日，本集團並無銀行借貸(二零一八年十二月三十一日：無)。本集團之流動比率(即流動資產除以流動負債)為2.6(二零一八年十二月三十一日：2.5)，以及資產負債比率(即負債總值除以資產總值)則為24.1%(二零一八年十二月三十一日：24.3%)。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

REMUNERATION POLICY AND NUMBER OF EMPLOYEES

The Group remunerates its employees based on their performance, working experience and prevailing market conditions. Apart from basic salary, discretionary bonus and other incentives are offered to employees of the Group to reward their performance and contributions.

As at 31 December 2019, the Group employed 407 full time employees and 5 contract-based employees (31 December 2018: 357 full time employees and 5 contract-based employees).

As at 31 December 2019, the Company operates a share option scheme and a share award scheme for the purpose of providing incentives and rewards to the employees who contribute to the success of the Group's operations as well as retain them for the continual development of the Group.

薪酬政策及僱員數目

本集團按僱員表現、工作經驗及現行市況向彼等支付薪酬。除基本薪金外，本集團可酌情向僱員提供花紅及其他獎勵，以獎賞彼等之表現及貢獻。

於二零一九年十二月三十一日，本集團僱用407名全職僱員及5名合約僱員（二零一八年十二月三十一日：357名全職僱員及5名合約僱員）。

於二零一九年十二月三十一日，本公司已設立購股權計劃及股份獎勵計劃，藉此激勵及獎賞為業務成功作出貢獻之僱員以及為本集團之持續發展挽留有關僱員。

SIGNIFICANT INVESTMENTS

重大投資

| | As at 31 December 2019 | | As at 31 December 2018 | | For the year ended 31 December 2019 |
|--|------------------------|---|------------------------|--|-------------------------------------|
| | Fair value | Approximate percentage of financial assets at fair value through profit or loss | Fair value | Approximate percentage to the total assets | Net fair value gain/(loss) |
| | 公平值 HK\$'000 千港元 | 按公平值 經損益入賬之 財務資產 概約百分比 | 公平值 HK\$'000 千港元 | 佔總資產 概約百分比 | 公平值收益/ (虧損)淨額 HK\$'000 千港元 |
| | 於二零一九年十二月三十一日 | | 於二零一八年十二月三十一日 | | 截至二零一九年十二月三十一日止年度 |
| Money market certificate (note a) 貨幣市場存單(附註a) | 43,195 | 74.5% | N/A 不適用 | 6.8% | 366 |
| Others (note b) 其他(附註b) | 14,754 | 25.5% | 14,797 | 2.3% | (43) |
| Total financial assets at fair value through profit or loss 按公平值經損益入賬之財務資產 總計 | 57,949 | 100.0% | 14,797 | 9.1% | 323 |

CHAIRMAN'S STATEMENT (CONTINUED) 主席報告(續)

SIGNIFICANT INVESTMENTS (CONTINUED)

Notes:

- a. Money market certificate was acquired at cost of HK\$42,829,000 in August 2019. The certificate is an investment instrument that provides a specific interest rate for a specific period of time. The issuer of the certificate is UBS AG Hong Kong Branch. UBS AG is one of the leading personal and corporate bank in the world. The principal and the return of the certificate are not guaranteed and the interest rates of the certificate may change from time to time. The interest of the certificate is reflected in its fair value and would be realised upon disposal. The certificate was disposed subsequent to the year end and an additional gain of HK\$71,000 was being recorded in 2020.

The Group considered that the certificate was a liquid investment instrument and the purpose for acquiring the certificate was purely to utilise the surplus cash reserves of the Group for a perceived stable return.

- b. Others comprised of various listed equity investments and debt investments, none of which accounted for more than 5% of the Group's total assets as at the year end date.

Save as disclosed in the report, the Group has no significant investments held as at 31 December 2019.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group did not have any material acquisition or disposal of subsidiaries during the reporting year and up to the date of this report.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2019.

CONTINGENT LIABILITIES

Save as disclosed in the report, the Group has no material contingent liabilities as at 31 December 2019.

重大投資(續)

附註：

- a. 貨幣市場存單於二零一九年八月以42,829,000港元成本收購。該存單為一種投資工具，可於特定時期內提供特定利率。存單發行者為瑞銀集團香港分行。瑞銀集團為一間世界頂尖的個人及企業銀行。存單的本金及回報並無擔保，且存單利率或會不時變化。存單的利息反映於其公平值，並將於出售時變現。該存單已於本年度年底其後出售，並於二零二零年錄得一項額外收益71,000港元。

本集團認為該存單為流動投資工具，而取得該存單的目的純粹為利用本集團的盈餘現金儲備取得穩定回報。

- b. 其他包括各種上市股票投資及債券投資，於年結日，其均不佔本集團總資產5%以上。

除本報告所披露者外，截至二零一九年十二月三十一日，本集團並無持有任何重大投資。

涉及收購及出售附屬公司之重大交易

本集團於報告年度內及直至本報告日期並無進行任何涉及收購或出售附屬公司之重大交易。

重大投資或資本資產之未來計劃

截至二零一九年十二月三十一日，本集團概無就重大投資或資本資產制定任何特定計劃。

或然負債

除本報告所披露者外，截至二零一九年十二月三十一日，本集團並無重大或然負債。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of 8 HK cents (2018: 12 HK cents) per ordinary share for the year ended 31 December 2019.

CLOSURE OF THE REGISTER OF MEMBERS

The Board has recommended a final dividend of 8 HK cents (2018: 12 HK cents) per ordinary share payable to shareholders whose names appear on the Register of Members of the Company on Friday, 5 June 2020. The Register of Members of the Company will be closed from Monday, 25 May 2020 to Thursday, 28 May 2020 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the annual general meeting ("the AGM"). In order to be eligible to attend and vote at the AGM to be held on Thursday, 28 May 2020, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2020. In addition, the Register of Members of the Company will be closed from Thursday, 4 June 2020 to Friday, 5 June 2020 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, for registration not later than 4:30 p.m. on Wednesday, 3 June 2020. During such periods, no share transfer will be effected. The final dividend will be distributed on or about Thursday, 18 June 2020 to shareholders whose names appear on the Register of Members of the Company on Friday, 5 June 2020.

末期股息

董事會建議就截至二零一九年十二月三十一日止年度派付每股普通股末期股息8港仙(二零一八年:12港仙)。

暫停辦理股份過戶登記手續

董事會建議派付末期股息每股普通股8港仙(二零一八年:12港仙)。末期股息將向於二零二零年六月五日(星期五)名列本公司股東名冊之股東派付。為確定符合資格出席股東週年大會(「股東週年大會」)並於會上投票之股東身份,本公司將由二零二零年五月二十五日(星期一)至二零二零年五月二十八日(星期四)(首尾兩天包括在內)期間暫停辦理股份過戶登記手續。為符合資格出席於二零二零年五月二十八日(星期四)舉行之股東週年大會並於會上投票,所有過戶文件連同有關股票必須於二零二零年五月二十二日(星期五)下午四時三十分前送達本公司之香港股份過戶登記分處卓佳登捷時有限公司辦理過戶登記手續,其地址為香港皇后大道東183號合和中心54樓。此外,為確定符合資格享有擬派末期股息之股東身份,本公司將由二零二零年六月四日(星期四)至二零二零年六月五日(星期五)(首尾兩天包括在內)期間暫停辦理股份過戶登記手續。為符合資格享有上述擬派末期股息,所有過戶文件連同有關股票必須於二零二零年六月三日(星期三)下午四時三十分前送達本公司之香港股份過戶登記分處卓佳登捷時有限公司辦理過戶登記手續。股份過戶登記手續將於上述期間暫停辦理。末期股息將於二零二零年六月十八日(星期四)或前後向於二零二零年六月五日(星期五)名列本公司股東名冊之股東派付。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls. The Audit Committee comprises three independent non-executive directors of the Company. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2019 with the management the accounting principles and practices adopted by the Group and discussed risk management and internal controls and financial reporting matters related to the preparation of the annual results for the year ended 31 December 2019.

APPRECIATIONS

On behalf of the Board and the management, I would like to express our sincere thanks to all employees, shareholders, customers and business partners for their supports to the Group during the reporting year.

By Order of the Board
Computer And Technologies Holdings Limited
Ng Cheung Shing
Chairman

Hong Kong, 12 March 2020

審核委員會

本公司已根據上市規則第3.21條成立審核委員會，旨在審閱及監督本集團之財務申報過程、風險管理及內部監控。審核委員會由本公司三名獨立非執行董事組成。審核委員會已與管理層審閱本集團採納之會計原則及慣例審閱本集團截至二零一九年十二月三十一日止年度之綜合財務報表，並討論編製截至二零一九年十二月三十一日止年度之全年業績之相關風險管理、內部監控、及財務申報事宜。

鳴謝

本人謹代表董事會及管理層，對全體員工、股東、客戶及業務夥伴於報告年度內對本集團之支持致以衷心感謝。

承董事會命
科聯系統集團有限公司
 主席
吳長勝

香港，二零二零年三月十二日

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

EXECUTIVE DIRECTORS

Ir. Ng Cheung Shing, aged 58, the founder and Chairman, is responsible for the corporate strategies and business development of the Group. Ir. Ng graduated with a Bachelor of Science Degree in Computer Science from the University of Manchester in the United Kingdom in 1984 and has over 30 years of experience in IT industry. Before establishing the Company, Ir. Ng held executive positions in companies such as Hewlett-Packard Asia Pacific Limited and Sun Hung Kai (China) Limited. Ir. Ng is the Honorary Fellow of Vocational Training Council and the Professional Validation Council of Hong Kong Industries and a fellow of the Hong Kong Computer Society and the Hong Kong Institution of Engineers. Ir. Ng was also the awardees of "Young Industrialist Awards of Hong Kong", "Ten Outstanding Young Persons Award of Hong Kong" and "Directors of the Year Awards".

Ir. Ng is the brother-in-law of Mr. Leung King San, Sunny.

Mr. Cheung Wai Lam, aged 56, was the Group's Chief Executive Officer and is now responsible for overseas business development. Mr. Cheung has over 30 years of experience in IT and consulting business ranging from software development to enterprise solutions implementation and is one of the founders of Y&A Professional Services Limited (the "Y&A"). Mr. Cheung joined the Group in 2006 when Y&A became a subsidiary of the Group. Before Y&A, he held various consulting positions in IBM in Hong Kong and Australia. Mr. Cheung graduated from the Chinese University of Hong Kong with a Bachelor Degree in Computer Science in 1985 and an Executive Master Degree in Business Administration in 2011.

Mr. Leung King San, Sunny, aged 58, is responsible for finance and administration strategies of the Group. Mr. Leung has 30 years of experience in finance, administration and planning in the IT industry. Before joining the Group, Mr. Leung held senior management positions in IBM and its associated company in Asia Pacific. Mr. Leung graduated from the Simon Fraser University in Canada with a Bachelor's Degree in Business Administration in 1983.

Mr. Leung is the brother-in-law of Ir. Ng Cheung Shing.

Mr. Ng Kwok Keung, aged 46, is the Chief Financial Officer of the Group and the Secretary of the Company. He has over 20 years of experience in accounting, auditing, finance and business advisory. Before joining the Group, he was a financial controller of a Hong Kong listed company and worked as a manager of assurance and advisory business services department of an international accounting firm. Mr. Ng graduated from the Hong Kong Polytechnic University with a Bachelor of Arts Degree in Accountancy and is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

執行董事

吳長勝先生工程師，58歲，創辦人兼主席，負責本集團之企業策略及業務發展。吳先生於一九八四年在英國曼徹斯特大學畢業，為電腦系榮譽理學士，在資訊科技行業具備逾30年經驗。在創辦本公司前，吳先生曾於惠普亞太區有限公司及新鴻基(中國)有限公司等多間公司出任行政職位。吳先生為香港職業訓練局及香港工業專業評審局榮譽院士，並為香港電腦學會及香港工程師學會資深會員。吳先生曾獲「香港青年工業家獎」、香港「十大傑出青年」及「傑出董事獎」等殊榮。

吳先生是梁景新先生的姻兄弟。

張偉霖先生，56歲，之前為本集團行政總裁，現時負責海外業務發展。張先生於資訊科技及顧問業務擁有逾30年經驗，範疇涵蓋軟件開發至實施企業解決方案，並為華揚應用開發及顧問有限公司(「華揚」)創辦人之一。張先生隨華揚於二零零六年成為本集團之附屬公司而加入本集團。於加入華揚前，他於香港及澳洲IBM擔任多個顧問職務。張先生分別於一九八五年及二零一一年畢業於香港中文大學，獲頒授電腦系學士學位及工商管理行政碩士學位。

梁景新先生，58歲，負責制訂本集團之財務及行政策略。梁先生於資訊科技業之財務、管理及策劃方面具備逾30年經驗。於加入本集團前，梁先生曾於IBM及其在亞太區之聯營公司出任高級管理職位。梁先生於一九八三年在加拿大西門菲莎大學畢業，持有工商管理學士學位。

梁先生是吳長勝先生的姻兄弟。

吳國強先生，46歲，為本集團之財務總裁及本公司之秘書。他於會計、審計、財務及企業諮詢方面有逾20年經驗。於加入本集團前，他為香港一間上市公司之財務總監，且於一間國際會計師事務所之審計及企業諮詢服務部門任職經理。吳先生於香港理工大學畢業，獲會計學學士學位，並為香港會計師公會註冊會計師。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理層(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ha Shu Tong, aged 71, joined the Board in 1998. Mr. Ha has involved in the financial industry for over 40 years and has substantial experience in corporate finance and corporate development.

Professor Lee Kwok On, Matthew, aged 59, PhD, joined the Board in 1998. He is Vice President (Development & External Relations) and Chair Professor of Information Systems & E-Commerce at the City University of Hong Kong. Professor Lee is the Chairman of Hong Kong Committee for Pacific Economic Cooperation and a member of the Hong Kong Deposit Protection Board. He has substantial senior management experience and IT related research expertise. Professor Lee is an independent non-executive director of Glory Sun Financial Group Limited (Stock Code: 1282). He holds the following U.K. university degrees: BEng (first-class honours) in electronic engineering & MBA in business studies (University of Sheffield); Msc in computation (University of Oxford); PhD in computer science (University of Manchester); LLB and LLM in commercial & corporate law (University of London). He is a charter engineer of the UK Engineering Council and a professional member of the British Computer Society. Professor Lee has been admitted as a barrister-at-law in Hong Kong and England & Wales.

Mr. Ting Leung Huel, Stephen, MH, FCCA, FCPA (Practising), ACA, CTA(HK), FHKIoD, aged 66, joined the Board in 2004. Mr. Ting is an accountant in public practice as a partner of Messrs. Ting Ho Kwan & Chan, Certified Public Accountants since 1987. He is currently a non-executive director of Chow Sang Sang Holdings International Limited (Stock Code: 116) and holds independent non-executive directorship in six other listed companies namely, China SCE Group Holdings Limited (Stock Code: 1966), Dongyue Group Limited (Stock Code: 189), New Silkroad Culturaltainment Limited (Stock Code: 472), Texhong Textile Group Limited (Stock Code: 2678), Tong Ren Tang Technologies Company Limited (Stock Code: 1666) and Tongda Group Holdings Limited (Stock Code: 698).

獨立非執行董事

夏樹棠先生，71歲，於一九九八年加入董事會。夏先生40多年來一直從事金融工作，於企業融資及業務開拓方面具備豐富經驗。

李國安教授，59歲，博士，於一九九八年加入董事會。李教授為香港城市大學副校長(發展及對外關係)以及資訊系統及電子商務講座教授。李教授為太平洋經濟合作香港委員會主席及香港存款保障委員會成員。他具有豐富的高級管理經驗及資訊科技相關研究的專業知識。李教授為寶新金融集團有限公司(股份代號：1282)之獨立非執行董事。他持有多個英國大學學位，包括電子工程學工程學士(一級榮譽)及工商管理學碩士(雪飛爾大學)；運算學理學碩士(牛津大學)；電腦科學哲學博士(曼徹斯特大學)；法律學士以及商業及公司法法律碩士學位(倫敦大學)。他為英國工程協會特許工程師及英國電腦學會專業會員。李教授已在香港及英格蘭及威爾士獲認許為大律師。

丁良輝先生，MH, FCCA, FCPA (Practising), ACA, CTA (HK), FHKIoD，66歲，於二零零四年加入董事會。丁先生自一九八七年起擔任執業會計師丁何關陳會計師行之合夥人。他現同時為周生生集團國際有限公司(股份代號：116)之非執行董事及六家其他上市公司之獨立非執行董事，分別為中駿集團控股有限公司(股份代號：1966)、東岳集團有限公司(股份代號：189)、新絲路文旅有限公司(股份代號：472)、天虹紡織集團有限公司(股份代號：2678)、北京同仁堂科技發展股份有限公司(股份代號：1666)及通達集團控股有限公司(股份代號：698)。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

SENIOR MANAGEMENT

Mr. Poon Ka Chi, William, aged 54, the Group's Deputy CEO, joined the Group in 2018 and focuses on consolidating the Solutions & Integration Services and driving further development of the business in Hong Kong and the Greater China region. Mr. Poon has over 30 years of experience in the IT industry and has held various leadership roles in renowned businesses of technology solutions and outsourcing services across the region. Graduating from the University of Hong Kong with a Bachelor of Science Degree in Computer Studies in 1988, Mr. Poon received an Executive Master of Business Administration Degree from the Chinese University of Hong Kong in 2001.

Mr. Yeung Sai Cheong, Steve, aged 54, the Group's Senior Vice President, is in charge of the corporate development as well as Application Software business units of the Group. Mr. Yeung joined the Group in 1998 and has over 30 years of IT experience in general management. He graduated from the University of Hong Kong with a Bachelor of Science Degree in Computer Studies in 1988 and received a Master Degree in Business Administration from the Hong Kong University of Science and Technology in 1999.

Mr. Kwok Ka Chun, Erik, aged 41, the Group's Chief Technology Officer, joined the Group in 2018 and is in charge of the Research & Development ("R&D") division focusing on the Group's software products. Before joining the Group, Mr. Kwok had worked in both Canada and Mainland China where he led multiple R&D teams across Canada, China and India working on cross-industry software products and vertical solutions. In addition to building R&D teams and products, he was responsible for sales development activities and project delivery for multinational corporations. Mr. Kwok graduated from the Simon Fraser University in Canada with a Bachelor's Degree in Computing Science.

Ms. Ng Ka Yan, Karen, aged 43, the Group's General Manager of enterprise software, leads the operations and growth of the Group's enterprise software businesses. Joining the Group in 2019, Ms. Ng brought in 20 years of extensive business experience from international software and solution companies. Ms. Ng graduated from the University of Hong Kong with a Bachelor Degree of Arts and a Master Degree of Science.

Mr. Poon Chi Shing, Anthony, aged 47, the Group's Assistant Vice President of Managed Services, joined the Group in 2003 and is in charge of the Managed Services under the Group's Solutions Services. Mr. Poon graduated from the City University of Hong Kong with a Bachelor Degree in Computing Science.

高級管理層

潘家馳先生，54歲，本集團副行政總裁，於二零一八年加入本集團，負責整合提升集團之解決方案及集成服務，進一步加強該業務於香港以至大中華區的發展。潘先生擁有逾30年資訊科技業務經驗，多年來於區內多個知名解決方案及外判服務企業擔當領導角色。潘先生於一九八八年畢業於香港大學，獲頒授電腦科學學士學位，並於二零零一年取得香港中文大學工商管理碩士。

楊世昌先生，54歲，本集團高級副總裁，負責本集團企業發展及應用軟件業務單位。楊先生於一九九八年加入本集團，於資訊科技行業擁有逾30年經驗，歷任管理職位。楊先生於一九八八年畢業於香港大學，持有電腦學士學位，並於一九九九年取得香港科技大學工商管理碩士學位。

郭家駿先生，41歲，本集團首席技術官，二零一八年加入本集團，主管研究與開發（「研發」）部門，並專注研發本集團的軟件產品。加入本集團前，郭先生曾分別於加拿大及中國內地工作，並帶領來自加拿大、中國及印度的多個研發團隊，開發跨行業軟件產品及垂直解決方案。除了強化研發團隊及產品外，郭先生亦負責銷售發展活動以及跨國公司的項目交付。郭先生於加拿大西門菲莎大學畢業，持有電腦科學學士學位。

吳嘉恩女士，43歲，本集團企業軟件部總經理，領導本集團企業軟件業務的營運及發展。吳女士於二零一九年加入本集團，在國際軟件及解決方案公司擁有逾20年的豐富業務經驗。吳女士畢業於香港大學，持有文學學士學位及科學碩士學位。

潘志成先生，47歲，為本集團管理服務部助理副總裁，於二零零三年加入本集團，主管本集團解決方案服務部的管理服務。潘先生畢業於香港城市大學，持有電腦科學學士學位。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance within a sensible framework with an emphasis on the principles of integrity, transparency and accountability. The board of directors of the Company (the "Board") believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders' value.

The Board opined that the Company has complied with the code provision set out in the Corporate Governance Code (the "CG code") as stipulated in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the reporting year.

The CG code provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. As disclosed in the announcement dated 30 December 2019, Mr. Cheung Wai Lam has been re-designated from an executive director of the Company and the CEO of the Group to an executive director effective 1 January 2020.

Mr. Poon Ka Chi, William has been appointed as the deputy CEO of the Group with effect from 1 August 2018. Deputy CEO mainly focuses on certain business operations and administrative functions of the Group, assists the Board to formulate strategies for the Group and to make sure they are implemented successfully. With the present board structure and scope of business, the Board considers that there is no imminent need to appoint CEO. However, the Board will continue to review the effectiveness of the Group's corporate governance structure and will consider whether any changes, including the appointment of CEO, are necessary.

The Company considers that sufficient measures have been taken to ensure that its corporate governance practices are similar to those provided in the CG Code.

企業管治常規

本公司致力於切合實際之範圍內維持高水平企業管治，以強調廉正、高透明度及問責性為原則。本公司董事會（「董事會」）相信優良企業管治對本公司之成功及提升股東價值乃非常重要。

董事會認為，本公司於報告年度一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所列明企業管治守則（「企業管治守則」）所載之守則條文。

企業管治守則之守則條文第A.2.1條列明，主席與行政總裁（「行政總裁」）之角色應有區分，並不應由一人同時兼任。誠如日期為二零一九年十二月三十日的公告所披露，張偉霖先生由本公司執行董事兼本集團行政總裁調任為執行董事，自二零二零年一月一日起生效。

潘家馳先生已獲委任為本集團副行政總裁，自二零一八年八月一日起生效。副行政總裁主要負責本集團若干業務營運及行政職能、協助董事會制定本集團之策略及確保該等策略成功執行。鑒於現時之董事會架構及業務範疇，董事會認為目前並無逼切需要委任行政總裁。然而，董事會將繼續檢討本集團企業管治架構之成效，並將考慮是否需要作出任何變更（包括委任行政總裁）。

本公司認為已採取足夠措施，確保企業管治實務與企業管治守則訂明者相若。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

BOARD OF DIRECTORS

The Board currently comprises four executive directors and three independent non-executive directors ("INEDs"):

Executive Directors:

Mr. Ng Cheung Shing (*Chairman*)
Mr. Cheung Wai Lam
Mr. Leung King San, Sunny
Mr. Ng Kwok Keung

INEDs:

Mr. Ha Shu Tong
Professor Lee Kwok On, Matthew
Mr. Ting Leung Huel, Stephen

INEDs constitute more than one-third of the Board. The Company has received from each INED a confirmation of his independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that all INEDs are independent. One of the three INEDs is a professional accountant, which is in compliance with the requirement of the Listing Rules.

One-third of the directors shall retire from office at every annual general meeting and all directors (including INEDs) are subject to retirement by rotation once every three years in accordance with the bye-laws of the Company ("Bye-Laws") as amended from time to time and the CG Code. Retiring directors are eligible for re-election at the annual general meeting at which they retire. Any director appointed to fill a casual vacancy is subject to re-election at the next annual general meeting of the Company. Separate resolutions have been proposed for the election of each director.

董事會

董事會目前由四名執行董事及三名獨立非執行董事(「獨立非執行董事」)組成：

執行董事：

吳長勝先生(主席)
張偉霖先生
梁景新先生
吳國強先生

獨立非執行董事：

夏樹棠先生
李國安教授
丁良輝先生

董事會三分之一以上由獨立非執行董事組成。本公司已收到各名獨立非執行董事根據上市規則第3.13條所載獨立性指引作出其獨立性之確認函，並認為所有獨立非執行董事均屬獨立。三名獨立非執行董事中其中一位為符合上市規則規定之專業會計師。

按照本公司經不時修改之公司細則(「公司細則」)及企業管治守則，於每屆股東週年大會上三分之一董事須退任，而所有董事(包括獨立非執行董事)須每三年輪值退任一次。即將退任董事符合資格可於彼等退任之股東週年大會上重選。任何獲委任以填補臨時空缺之董事須於本公司下屆股東週年大會上重選。本公司已就選舉各董事提呈獨立決議案。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

Board nomination policy

The Nomination Committee shall endeavour to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of the Company and its shareholders. Candidates will be selected for their ability to exercise good judgement, and to provide practical insights and diverse perspectives. Candidates also will be assessed in the context of the then-current composition in the Board, the operating requirements of the Group. In conducting this assessment, the Nomination Committee will, in connection with its assessment and recommendation of candidates for director, consider diversity (including but not limited to gender, age, ethnicity, cultural and educational background, professional experience, skills, industry knowledge and length of service) and such other factors as it deems appropriate given the then-current and anticipated future needs of the Board and the Company, and to maintain a balance of perspectives, qualifications, qualities and skills on the Board.

The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

Nomination process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilises various methods for identifying director candidates, including recommendations from Board members, management and professional search firms. All director candidates, including incumbents and candidates nominated by the shareholders, are evaluated by the Nomination Committee based upon the director qualifications. While director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks.

The Nomination Committee retains the discretion to establish the relative weighing of such criteria, which may vary based on the composition, gender, age, knowledge, skills and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Group's business.

董事會(續)

董事會提名政策

提名委員會致力於物色誠實守信並在彼等從事之領域擁有紮實成就及相關資格、資質及技能的人士加入本公司的董事會，以有效代表本公司及其股東的最佳權益。提名委員會甄選候選人時，將考慮及評估候選人的判斷力、提供實際及多元角度意見的能力、當時的董事會成員的架構和本集團的業務需求。於進行有關評估時，提名委員會不僅考慮有關董事候選人的評估及推薦建議，亦考慮董事會成員的多樣性(包括但不限於性別、年齡、民族、文化及教育背景、專業經驗、技能及行業知識及服務年期)及其認為符合董事會及本公司當時及預期未來需求的有關其他因素，以保持董事會於觀點、資格、資質及技能的平衡。

本公司應定期或於有需要時審閱及重新評估提名政策及其效用。

提名程序

提名委員會須定期或於需要時評估董事會是否會設立或預期會出現任何職位空缺。

提名委員會採用多種方法確定董事人選，包括來自董事會成員、管理層及專業獵頭公司的建議。全部董事候選人(包括獲股東提名的在位者及候選人)乃由提名委員會根據董事資格進行評估。而董事候選人將按相同標準接受評估，包括通過複審履歷、面試及背景調查。

提名委員會保留自行制定相關準則的權利，當中可能涉及集體董事會(而非基於個別候選人)的組成、性別、年齡、知識、技能及經驗，從不同角度甄別適合本集團業務需求的人選。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

Selection criteria

The Nomination Committee considers the following qualifications at a minimum to be required of any Board members in recommending to the Board the potential new members, or the continued service of existing members:

- broad experience in business and the ability to provide insights and practical wisdom based on their experience and expertise;
- the highest professional and personal ethics and in compliance with legal and regulatory requirements;
- with sufficient time to carry out their duties effectively and to make contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and its shareholders; and
- ability to develop a good working relationship with other Board members and to assist and support management of the Group.

董事會(續)

選擇標準

在向董事會建議潛在新成員或留任現有成員時，提名委員會認為董事成員至少須滿足以下資格：

- 豐富的從業經驗及能夠根據彼等之經驗及專業知識提供意見及實踐智慧；
- 最高的職業及個人道德及遵守法律及法規的規定；
- 具備充足時間有效履行職務及為本公司的成功作出貢獻及被視為乎合本公司及其股東最佳利益的其他因素；及
- 能夠與其他董事會成員建立良好工作關係並協助及支援本集團管理層。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

Board Diversity Policy

The Company noted that that people from different backgrounds and with different professional and life experience are likely to approach problems in different ways and accordingly, members of the Board with diverse backgrounds will bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions when deciding on corporate issues and formulating policies for the Group.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, the Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Board appointments will continue to be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board.

The composition of the Board is reviewed on an annual basis by the Nomination Committee to ensure that the Board has the approximate mix of expertise and experience, and collectively possesses the necessary core competence for informed decision making and effective functioning. The Company adopted its own Board Diversity Policy and recognises the benefits of having diversity in the composition of the Board.

The current board composition was also evaluated by reference to, among other things, gender, age, educational background, professional experience, skills, knowledge and length of service of each director, against the Company's business model and specific needs.

As of the date of this report, the Board comprises seven directors and is characterised by great diversity, whether considered in terms of age, length of service, educational background, professional experience, skills and knowledge.

董事會(續)

董事會多元化政策

本公司明白，具備不同背景、不同專業及生活經驗的人士很可能以不同方式處理問題，故董事會成員具備多元背景，將可於議事時提出不同考慮因素及問題，讓董事會於決定企業事宜及制定本集團政策時可考慮更多選擇及方案。

為達致可持續及平衡發展，本公司認為董事會多元化程度不斷提升為支持本公司實現策略目標及可持續發展之關鍵元素。於設計董事會之組成時，本公司從多方面考慮董事會多元化組合，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。董事會成員之委任將繼續以用人唯才為原則，而候選人將根據客觀因素加以考慮，並審慎關注董事會多元化政策之裨益。

提名委員會每年審查董事會的組成，以確保董事會具備適當的專業知識及經驗，並擁有進行明智決策及有效運作所必需的的核心能力。本公司採用其自身董事會多元化政策並確認董事會組成多元化的益處。

現時，董事會之組成乃經參考(其中包括)各董事之性別、年齡、教育背景、專業經驗、技能、知識及服務年期，以及本公司之業務模式及特定需要後評估。

於本報告日期，董事會由七名董事組成，且具備不同年齡、服務年期、教育背景、專業經驗、技術及知識。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

董事會(續)

Composition of the diversified Board

多元化董事會的組成

| Name of director 董事姓名 | Age group 年齡組別 | | | | Length of service 服務年期 | |
|---------------------------------|-------------------|----------|----------|----------|---------------------------|---------------------|
| | 40 to 49 | 50 to 59 | 60 to 69 | 70 to 79 | Less than 10 Years | 10 years or more |
| | 40至49歲 | 50至59歲 | 60至69歲 | 70至79歲 | 少於10年 | 10年或以上 |
| Ng Cheung Shing 吳長勝 | | ✓ | | | | ✓ |
| Cheung Wai Lam 張偉霖 | | ✓ | | | ✓ | |
| Leung King San, Sunny 梁景新 | | ✓ | | | | ✓ |
| Ng Kwok Keung 吳國強 | ✓ | | | | ✓ | |
| Ha Shu Tong 夏樹棠 | | | | ✓ | | ✓ |
| Lee Kwok On, Matthew 李國安 | | ✓ | | | | ✓ |
| Ting Leung Huel, Stephen 丁良輝 | | | ✓ | | | ✓ |

| Name of director 董事姓名 | Educational background 教育背景 | | | Professional experience 專業經驗 | | |
|---------------------------------|--------------------------------|-----|-------------|---------------------------------|-----|-------------|
| | Accountancy | Law | IT/Others | Accounting and finance | Law | IT/Others |
| | 會計 | 法律 | 資訊科技/ 其他 | 會計 及金融 | 法律 | 資訊科技/ 其他 |
| Ng Cheung Shing 吳長勝 | | | ✓ | | | ✓ |
| Cheung Wai Lam 張偉霖 | | | ✓ | | | ✓ |
| Leung King San, Sunny 梁景新 | | | ✓ | ✓ | | |
| Ng Kwok Keung 吳國強 | ✓ | | | ✓ | | |
| Ha Shu Tong 夏樹棠 | | | ✓ | | | ✓ |
| Lee Kwok On, Matthew 李國安 | | ✓ | ✓ | | ✓ | ✓ |
| Ting Leung Huel, Stephen 丁良輝 | ✓ | | | ✓ | | |

The Company believes diversity is important to enhance the Board's effectiveness by encouraging a diversity of perspectives and to maintain high standards of corporate governance. The Company will continue to monitor and develop new objectives for implementing and achieving improved diversity on the Board as and when it considers appropriate with regard to the specific needs of the Company from time to time.

The directors' biographical information is set out in the "Directors and Senior Management" section on pages 21 to 23. Two executive directors, Mr. Ng Cheung Shing and Mr. Leung King San, Sunny, are brother-in-law. Save as disclosed, there is no relationship between each of the Board members.

本公司相信，多元化政策鼓勵多樣化觀點，對提高董事會之成效及維持高水平之企業管治甚為重要。本公司將繼續監察及發展新目標，於其認為合適並經考慮本公司不時之特定需要後，推行及提升董事會多元化水平。

董事之履歷資料載於第21至23頁「董事及高級管理層」一節。兩名執行董事吳長勝先生及梁景新先生為姻兄弟。除披露者外，各董事會成員之間並無關係。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

BOARD OF DIRECTORS (CONTINUED)

The Board has the ultimate decision on the Group's overall strategy, annual budget, annual and interim results, appointment or retirement of directors, significant contracts and transactions as well as other significant policies and financial matters. The Board has delegated the daily operations and administration to the Group's management.

According to the division of responsibilities between the Chairman and CEO approved by the Board, the Chairman is mainly responsible for long term strategic development of the Group as well as the operation of the Board, to make sure that the Board is run in the best interests of the Group and all the Board meetings are effectively planned and carried out. CEO mainly focuses on the business operations of the Group, assists the Board to formulate strategies for the Group and to make sure they are implemented successfully. CEO is fully responsible to the Board for overall business operations of the Group.

Every director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary. In addition, every director has separate and independent access to the Company's senior management to facilitate them to make informed decisions. All directors, in the discharge of their duties, are allowed to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

The Company has not established any committee responsible for the corporate governance function of the Group and the function has been collectively performed by the Board. The Board acknowledges the overseeing of the corporate governance function by the Board collectively.

During the year, the Board has reviewed and monitored the training and continuous professional development of directors and senior management. The Board has also reviewed and ensured compliance of the relevant legal and regulatory requirements, the code of conducts, the CG Code and the disclosure in the Corporate Governance Report.

董事會(續)

董事會對本集團整體策略、年度預算、年度及中期業績、董事委任或退任、重大合約及交易以及其他重大政策及財務事宜有最終決定權。董事會將本公司日常營運及行政管理交由本集團管理層負責。

根據董事會批准之主席與行政總裁之職責分工，主席主要負責本集團之長遠策略發展及董事會運作，確保董事會以符合本集團最佳利益方式運行，及所有董事會會議有效地規劃及進行。行政總裁主要集中負責本集團業務營運、協助董事會制訂策略與確保該策略能夠於本集團成功實施，行政總裁須就本集團整體業務營運向董事會負全責。

各董事有權索取董事會文件及有關材料，亦可獲公司秘書提供意見及服務。此外，各董事可各自及獨立地接觸本公司高級管理層，以便其作出知情決定。所有董事可在適當情況下就履行彼等職責按合理費用尋求獨立專業意見，有關成本由本公司承擔。

本公司並無就本集團之企業管治職務設立任何委員會，有關職務由董事會共同負責。董事會瞭解其共同監察企業管治職務之責任。

年內，董事會檢討及監察董事及高級管理層之培訓及持續專業發展。董事會亦檢討及確保遵守相關法律及監管規定、行為守則、企業管治守則及企業管治報告之披露。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors should participate in continuous professional development to ensure their contributions to the Board remains informed and relevant. Each newly appointed director is provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under the relevant statutes, laws, rules and regulations.

Directors' training is a continuing process. The Company updates directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. In addition, all directors are provided with monthly updates on the Group's performance, position and prospects to enable the Board as a whole to discharge their duties.

During the year, all directors, namely Mr. Ng Cheung Shing, Mr. Cheung Wai Lam, Mr. Leung King San, Sunny, Mr. Ng Kwok Keung, Mr. Ha Shu Tong, Professor Lee Kwok On, Matthew and Mr. Ting Leung Huel, Stephen, have participated in appropriate continuous professional development, including the training provided by the Company on 26 November 2019, to develop and refresh their knowledge and skills.

持續專業發展

董事須參與持續專業發展，確保對董事會作出獲知悉及相關之貢獻。各新委任董事可獲提供必要之入職培訓及資料，確保其正確理解本公司營運及業務以及其於相關法令、法律、規則及法規下之職責。

董事培訓屬持續過程。本公司不時向董事提供有關上市規則及其他適用監管規定之最新資料，確保董事遵守良好之企業管治常規，並提高其對良好企業管治常規之認識。本公司鼓勵所有董事參與持續專業發展，以提高及更新其知識及技能。此外，所有董事每月獲提供有關本集團表現、狀況及前景之更新資料，以便董事會整體可履行其職務。

年內，全體董事（即吳長勝先生、張偉霖先生、梁景新先生、吳國強先生、夏樹棠先生、李國安教授及丁良輝先生）均有參與於二零一九年十一月二十六日之發展及更新彼等知識及技能之持續專業發展培訓。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

BOARD MEETINGS AND ATTENDANCE

In order to achieve a high standard of corporate governance, the Board held at least four regularly meetings at approximately quarterly interval to discuss the overall strategy as well as the operational matters and financial performance of the Group. Attendance of each director at the Board meetings is set out below:

| | Number of meetings attended/eligible to attend 出席會議次數/ 可出席次數 |
|---|--|
| Executive directors: | |
| Mr. Ng Cheung Shing (<i>Chairman</i>) | 6/6 |
| Mr. Cheung Wai Lam | 6/6 |
| Mr. Leung King San, Sunny | 6/6 |
| Mr. Ng Kwok Keung | 6/6 |
| INEDs: | |
| Mr. Ha Shu Tong | 6/6 |
| Professor Lee Kwok On, Matthew | 6/6 |
| Mr. Ting Leung Huel, Stephen | 6/6 |

The Chairman also met with the INEDs without the presence of other directors on 16 August 2019.

BOARD COMMITTEES

To strengthen the functions of the Board, there are several Board Committees namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Investment Committee and the Risk Management Committee formed under the Board, with each performing different functions.

董事會會議及出席情況

為達致高水準之企業管治，董事會最少舉行四次定期會議，約每季一次，討論本集團整體策略以及經營事項與財務表現。各董事出席董事會會議之情況載列如下：

| | |
|-----------------|-----|
| 執行董事： | |
| 吳長勝先生(主席) | 6/6 |
| 張偉霖先生 | 6/6 |
| 梁景新先生 | 6/6 |
| 吳國強先生 | 6/6 |
| 獨立非執行董事： | |
| 夏樹棠先生 | 6/6 |
| 李國安教授 | 6/6 |
| 丁良輝先生 | 6/6 |

主席亦於二零一九年八月十六日在其他董事不在場下與獨立非執行董事會面。

董事委員會

為加強董事會之職能，於董事會之下設有多個董事委員會，即審核委員會、薪酬委員會、提名委員會、投資委員會及風險管理委員會，各履行不同職能。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

AUDIT COMMITTEE

The Audit Committee was established on 24 April 1999 and during the reporting period, the three INEDs, namely, Mr. Ha Shu Tong, Professor Lee Kwok On, Matthew, Mr. Ting Leung Huel, Stephen are the members of the committee and Mr. Ting was elected as the chairman of the Audit Committee.

The principal duties of the Audit Committee include:

- to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- to develop and implement policy on engaging an external auditor to supply non-audit services;
- to act as the key representative body for overseeing the Company's relations with external auditor;
- to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and to review significant financial reporting judgments contained in them;
- to review the Company's financial controls, risk management and internal control systems;
- to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have an effective risk management and internal control systems;
- to review the financial and accounting policies and practices of the Group; and
- to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's responses.

審核委員會

審核委員會於一九九九年四月二十四日成立，於報告期間，委員會成員包括三名獨立非執行董事，即夏樹棠先生、李國安教授及丁良輝先生及丁先生獲選為審核委員會主席。

審核委員會之主要職責包括：

- 負責就外聘核數師之委任、重新委任及罷免向董事會提供建議，及批准外聘核數師的薪酬及聘用條款，和處理任何有關該核數師辭職或辭退該核數師的問題；
- 根據適用標準檢討及監察外聘核數師之獨立性及客觀性及審核程序的成效；
- 就委任外聘核數師提供非核數服務制訂及執行政策；
- 擔任監察本公司與外聘核數師關係之主要代表；
- 監察本公司財務報表及年度報告及賬目、半年度報告之完整性，並審閱該等報表及報告所載有關財務申報之重大判斷；
- 檢討本公司之財務監控、風險管理及內部監控系統；
- 與管理層討論風險管理及內部監控系統，確保管理層已履行其職責建立有效的風險管理及內部監控系統；
- 檢討本集團財務及會計政策及實務；及
- 審閱外聘核數師給予管理層之《審核情況說明函件》、核數師就會計記錄、財務賬目或監控系統向管理層提出之任何重大疑問及管理層作出之回應。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

AUDIT COMMITTEE (CONTINUED)

The Audit Committee shall meet at least twice every year. Attendance of each director at the meeting is set out below:

| | Number of meetings attended/eligible to attend 出席會議次數/ 可出席次數 |
|--------------------------------|--|
| INEDs: | |
| Mr. Ha Shu Tong | |
| Professor Lee Kwok On, Matthew | |
| Mr. Ting Leung Huel, Stephen | |
| 獨立非執行董事： | |
| 夏樹棠先生 | 2/2 |
| 李國安教授 | 2/2 |
| 丁良輝先生 | 2/2 |

During the year, the Audit Committee, among other matters, reviewed and adopted the revised terms of reference of the Audit Committee, reviewed and provided supervision over the Group's financial reporting processes, risk management and internal control systems, reviewed interim and annual results of the Group and met with the internal and external auditors.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 22 September 2004 and comprises of three INEDs, namely, Mr. Ha Shu Tong, Professor Lee Kwok On, Matthew, and Mr. Ting Leung Huel, Stephen and two executive directors namely, Mr. Ng Cheung Shing and Mr. Leung King San, Sunny. Mr. Ha is currently the chairman of the Remuneration Committee.

The principal duties of the Remuneration Committee include:

- to make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management and the terms of their service contracts;

審核委員會(續)

審核委員會每年須舉行最少兩次會議，各董事出席會議之情況載列如下：

年內，審核委員會(其中包括)檢討及採納審核委員會經修訂職權範圍、檢討及監管本集團財務報告過程、風險管理及內部監控系統、檢討本集團中期及年度業績以及與內部及外聘核數師會面。

薪酬委員會

薪酬委員會於二零零四年九月二十二日成立，由三名獨立非執行董事即夏樹棠先生、李國安教授及丁良輝先生以及兩名執行董事即吳長勝先生及梁景新先生組成。夏先生為薪酬委員會現任主席。

薪酬委員會之主要職責包括：

- 就本公司董事及高級管理人員之全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- 獲董事會轉授責任，釐定個別執行董事及高級管理人員之薪酬待遇以及其服務合同之條款；

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

REMUNERATION COMMITTEE (CONTINUED)

- to make recommendations to the Board on the remuneration of non-executive directors;
- to consider and approve the grant of shares and share options to eligible participants pursuant to the share award scheme and share option scheme of the Company;
- to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; and
- to ensure that no director or any of its associates is involved in deciding his own remunerations.

The Remuneration Committee shall meet at least once every year. Attendance of each director at the meeting is set out below:

| | | Number of meetings attended/eligible to attend 出席會議次數/ 可出席次數 |
|--------------------------------|-------|--|
| Executive directors: | | |
| Mr. Ng Cheung Shing | 吳長勝先生 | 1/1 |
| Mr. Leung King San, Sunny | 梁景新先生 | 1/1 |
| INEDs: | | |
| Mr. Ha Shu Tong | 夏樹棠先生 | 1/1 |
| Professor Lee Kwok On, Matthew | 李國安教授 | 1/1 |
| Mr. Ting Leung Huel, Stephen | 丁良輝先生 | 1/1 |

During the year, the work performed by the Remuneration Committee included the review of the Group's remuneration policy for its executive directors and senior management, determined their levels of remuneration and approved the grant of shares to eligible participants pursuant to the share award scheme.

薪酬委員會(續)

- 就非執行董事之酬金向董事會提出建議；
- 根據本公司股份獎勵計劃及購股權計劃，考慮及批准向合資格僱員授出股份及購股權；
- 檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付之賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦需公平合理，不致過多；及
- 確保任何董事或其任何聯繫人士不得參與釐定其本身之薪酬。

薪酬委員會每年須最少舉行一次會議。各董事出席會議之情況載列如下：

| | | Number of meetings attended/eligible to attend 出席會議次數/ 可出席次數 |
|-----------------|-------|--|
| 執行董事： | | |
| 吳長勝先生 | 梁景新先生 | 1/1 1/1 |
| 獨立非執行董事： | | |
| 夏樹棠先生 | 李國安教授 | 1/1 1/1 |
| 丁良輝先生 | | 1/1 |

年內，薪酬委員會進行之工作包括檢討本集團之執行董事及高級管理層薪酬政策、釐定彼等之薪酬水平以及批准根據股份獎勵計劃向合資格參與者授出股份。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

REMUNERATION COMMITTEE (CONTINUED)

Remuneration of Directors and Senior Management

Pursuant to code provision B.1.5 of the CG code, the remuneration of senior management by band for the year ended 31 December 2019 is set out below:

| | | Number of Individuals 人數 |
|--------------------------------|----------------------------|-----------------------------|
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001 港元至 1,500,000 港元 | 3 |
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001 港元至 2,000,000 港元 | 1 |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001 港元至 2,500,000 港元 | 1 |

Further particulars in relation to directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 8 and 9 to the report.

NOMINATION COMMITTEE

The Nomination Committee was established on 22 September 2004 and comprises of the three INEDs, namely, Mr. Ha Shu Tong, Professor Lee Kwok On, Matthew, and Mr. Ting Leung Huel, Stephen and two executive directors namely, Mr. Ng Cheung Shing and Mr. Leung King San, Sunny. Mr. Ha is currently the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to review the Board Diversity Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and monitor the progress on achieving the objectives, and make disclosure of its review results in the Corporate Governance Report annually;

薪酬委員會(續)

董事及高級管理層之薪酬

根據企業管治守則第B.1.5條守則條文，截至二零一九年十二月三十一日止年度高級管理層成員之薪酬範圍載列如下：

根據上市規則附錄16須予披露之董事薪酬及五名最高薪酬僱員之詳情載於報告附註8及9。

提名委員會

提名委員會於二零零四年九月二十二日成立，由三名獨立非執行董事即夏樹棠先生、李國安教授及丁良輝先生以及兩名執行董事即吳長勝先生及梁景新先生組成。夏先生為提名委員會現任主席。

提名委員會之主要職責包括：

- 至少每年檢討董事會之架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司之企業策略而擬對董事會作出之變動提出建議；
- 物色具備合適資格可擔任董事之人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- 檢討董事會成員多元化政策(如適用)及檢討董事會為董事會成員多元化政策而制定的可計量目標和達標進度以及每年在企業管治報告內披露檢討結果；

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

NOMINATION COMMITTEE (CONTINUED)

- to assess the independence of INEDs and to ensure at least one-third of the Board should be INEDs; in that the Nomination Committee should always have in mind the factors set out in the Listing Rules;
- where the Board proposes a resolution to elect an individual as an INED at the general meeting, the Nomination Committee shall set out in the circular to shareholders of the Company and/or explanatory statement accompanying the notice of the relevant general meeting:
 - i. the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;
 - ii. if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
 - iii. the perspectives, skills and experience that the individual can bring to the Board; and
 - iv. how the individual contributes to diversity of the Board.
- to determine the policy for nomination of directors. The policy for the nomination of directors of the Nomination Committee shall be disclosed in the annual report of the Company; and
- to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the Chairman and the CEO.

提名委員會(續)

- 評核獨立非執行董事之獨立性及確保最少三分之一董事為獨立非執行董事；提名委員會應時常留意上市規則所載因素；
- 當董事會打算在股東大會上提呈一項決議案推選某位人士為獨立非執行董事時，提名委員會須於股東大會通告所隨附的股東通函及／或說明函件中所列明以下事項：
 - i. 提供物色該名人士的流程、董事會認為應選任該名人士的理由以及其認為該名人士屬獨立人士的原因；
 - ii. 如果候任獨立非執行董事將出任第七家(或以上)上市公司的董事，董事會須提供該名人士仍可投入足夠時間投放董事會的原因；
 - iii. 該名人士可為董事會帶來的觀點與角度、技能及經驗；及
 - iv. 該名人士如何促進董事會成員多元化。
- 釐定董事提名政策。提名委員會審批通過的董事提名政策將於本公司年報內披露；及
- 就董事委任或重新委任，以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

NOMINATION COMMITTEE (CONTINUED)

Attendance of each director at the meeting is set out below:

| | Number of meetings attended/eligible to attend 出席會議次數/ 可出席次數 |
|--------------------------------|--|
| Executive directors: | |
| Mr. Ng Cheung Shing | |
| Mr. Leung King San, Sunny | |
| INEDs: | |
| Mr. Ha Shu Tong | |
| Professor Lee Kwok On, Matthew | |
| Mr. Ting Leung Huel, Stephen | |

During the year, the Nomination Committee reviewed and adopted the revised terms of reference of the Nomination Committee, reviewed structure, size and composition of the Board, reviewed the Board Diversity Policy, assessed the independence of INEDs and made recommendations to the Board on reappointment of directors and succession planning for chief executive of the Company.

INVESTMENT COMMITTEE

The Investment Committee was established on 17 May 2012 and comprises of an INED, Mr. Ha Shu Tong, and an executive director, Mr. Ng Cheung Shing. Mr. Ng is currently the chairman of the Investment Committee.

The Committee is responsible for, inter alia, identifying investment opportunities, reviewing investment proposals and making investment decisions; monitoring the performance of investments; reviewing the soundness of existing investment portfolio; devising investment guidelines and strategies for approval of the Board; and executing investment guidelines approved by the Board. The investment strategy of the Company is to exercise prudent treasury investment and management involving diversification of low to moderate risk investments with a view to counter the depreciating value of cash and to generate stable income to support existing business operations.

During the year, the Investment Committee executed the investment guidelines approved by the Board, reported the performance of investments and reviewed the investment strategies with all directors in the Board meeting.

提名委員會(續)

各董事出席會議之情況載列如下：

| | |
|-----------------|-----|
| 執行董事： | |
| 吳長勝先生 | 1/1 |
| 梁景新先生 | 1/1 |
| 獨立非執行董事： | |
| 夏樹棠先生 | 1/1 |
| 李國安教授 | 1/1 |
| 丁良輝先生 | 1/1 |

年內，提名委員會檢討及採納提名委員會的經修訂職權範圍，檢討董事會的架構、人數及組成，檢討董事會多元化政策，評估獨立非執行董事之獨立性，並就本公司董事之重新委任及行政總裁之繼任安排向董事會提供推薦意見。

投資委員會

投資委員會於二零一二年五月十七日成立，由獨立非執行董事夏樹棠先生及執行董事吳長勝先生組成。吳先生為投資委員會現任主席。

該委員會負責(其他包括)物色投資機會、檢討投資計劃及作出投資決定、監察投資表現、檢討現有投資組合的健全性、制定投資指引及策略送呈董事會批准，以及實施獲董事會批准的投資指引。本公司投資策略為實行審慎的資金投資及管理，包括分散投資中低風險項目，藉此應對現金貶值及產生穩定收入以支持現有業務營運。

年內，投資委員會實施獲董事會批准的投資指引，並於董事會會議上向全體董事報告投資表現及檢討投資策略。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established on 17 August 2016 and comprises of one INED, namely, Mr. Ha Shu Tong and three executive directors namely, Mr. Leung King San, Sunny, Mr. Cheung Wai Lam and Mr. Ng Kwok Keung. Mr. Leung is currently the chairman of the Risk Management Committee.

The principal duties of the Risk Management Committee include:

- to review the Group's risk management ("RM") and internal control ("IC") strategies, policies and guidelines and submit them to the Audit Committee for approval;
- to review the Group's risk framework and approved risk policies, standards and limits within the overall appetite and tolerance approved by the Board;
- to review the Group's processes for determining risk appetite tolerance, monitoring compliance with approved risk tolerance levels and policies and the resultant action in respect of policy breaches;
- to review the Group's compliance policies and submit them to the Board and/or Audit Committee for approval;
- to review the Group's key risks and submit to the Audit Committee for approval half-yearly;
- to report to the Audit Committee that, to the best of the Risk Management Committee's belief, the disclosures made in the annual report on its activities, the risk governance and related sections are fair, balanced and understandable;
- to consider issues raised by external auditors, the Audit Committee or any member of the Board who has lodged a request for a meeting; and
- to liaise with the chairman of the Audit Committee to determine on a case by case basis which Risk Management Committee takes responsibility for undertaking deep dive reviews and keeping the Audit Committee updated on any relevant findings from reviews requested.

風險管理委員會

風險管理委員會於二零一六年八月十七日成立，由一名獨立非執行董事即夏樹棠先生以及三名執行董事即梁景新先生、張偉霖先生及吳國強先生組成。梁先生為風險管理委員會現任主席。

風險管理委員會之主要職責包括：

- 審閱本集團之風險管理(「風險管理」)及內部監控(「內部監控」)策略、政策及指引，並提交予審核委員會批准；
- 審閱本集團之風險架構並於董事會批准之整體可承擔範圍內批准風險政策、準則及限額；
- 審閱本集團就釐定可承擔風險、監察遵守已批准風險承擔程度及政策以及就違反政策之跟進行動；
- 審閱本集團之合規政策並提交予董事會及／或審核委員會批准；
- 審閱本集團之主要風險及每半年提交予審核委員會批准；
- 向審核委員會報告，就風險管理委員會所確信，年報內就其活動、風險管治及相關章節所作出之披露均屬公平、公正及清晰；
- 考慮外聘核數師、審核委員會或董事會任何已遞交會議要求之成員所提出之問題；及
- 聯絡審核委員會主席以確定每個需由風險管理委員會跟進檢討之個案，並就已展開之檢討的個案向審核委員會更新任何相關發現。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

RISK MANAGEMENT COMMITTEE (CONTINUED)

Attendance of each director at the meeting is set out below:

| | Number of meetings attended/eligible to attend 出席會議次數/ 可出席次數 |
|-----------------------------|--|
| Executive directors: | |
| Mr. Leung King San, Sunny | 2/2 |
| Mr. Cheung Wai Lam | 2/2 |
| Mr. Ng Kwok Keung | 2/2 |
| INED: | |
| Mr. Ha Shu Tong | 2/2 |

During the year, the Risk Management Committee reviewed the Group's risk framework and key risks, RM and IC strategies, policies and guidelines and submitted them to the Audit Committee for approval.

INEDs

During the year under review, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three INEDs with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each INED of his independence pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company still considers all of the INEDs to be independent.

The INEDs bring a wide range of business and financial expertise, experiences and independent judgment to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board Committees, all INEDs make various contributions to the effective direction of the Company.

風險管理委員會(續)

各董事出席會議之情況載列如下：

| | |
|-----------------|-----|
| 執行董事： | |
| 梁景新先生 | 2/2 |
| 張偉霖先生 | 2/2 |
| 吳國強先生 | 2/2 |
| 獨立非執行董事： | |
| 夏樹棠先生 | 2/2 |

年內，風險管理委員會已審閱本集團之風險架構及主要風險、風險管理及內部監控策略、政策及指引及將其呈交予審核委員會審批。

獨立非執行董事

於回顧年度內，董事會在任何時候都符合上市規則之規定，內容有關委任最少三名獨立非執行董事，而最少一名獨立非執行董事須具備合適專業資格，或會計或相關財務管理之專業知識。

根據上市規則第3.13條，本公司已收到各獨立非執行董事就其獨立性之年度書面確認函。根據此等確認之內容，本公司仍認為所有獨立非執行董事為獨立人士。

獨立非執行董事為董事會帶來廣泛業務及財務專業知識、經驗及獨立判斷。透過積極參與董事會會議、主導涉及潛在利益衝突之管理事宜和服務各董事會轄下委員會，所有獨立非執行董事對本公司之有效方向作出不同貢獻。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

INED WHO HAS SERVED FOR MORE THAN NINE YEARS

Mr. Ha Shu Tong, Professor Lee Kwok On, Matthew and Mr. Ting Leung Huel, Stephen have served as INEDs for more than nine years. The future appointment of these three INEDs without the approval by way of passing a separate resolution of the shareholders is regarded as a deviation from Code Provision A.4.3 of the CG Code.

To comply with this CG Code Provision, all these three INEDs had retired at the previous annual general meeting of the Company and offered themselves for re-election.

The Board is of the opinion that all these three directors remain independent notwithstanding the length of their services and believes that their valuable knowledge and experience in the Group's business and their general business acumen continue to generate significant contribution to the Board, the Company and the shareholders as a whole. The Company's circular to be despatched to shareholders of the Company in April 2020 will contain the biographical information of Professor Lee Kwok On, Matthew and the detailed reasons behind the Board's recommendation of his continuing appointment as an INED.

INED WHO HAS SERVED AS DIRECTORS FOR MORE THAN SEVEN LISTED COMPANIES

The CG code provision A.5.5(2) stipulates that where the Board proposes to elect or re-elect an INED (who will be holding their seventh (or more) directorship, the Board should explain why such individual would still be able to devote sufficient time to the board in the relevant shareholders' circular.

Mr. Ting Leung Huel, Stephen has served as directors for more than seven listed companies. He has maintained his profession in various directorships of listed companies he served, and has actively participated in the Board meetings and various committees held by the Company in the past, and so his time committed for his director's duties is not affected. The Board agreed that he has devote sufficient time to perform his director's duties.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct for dealings in securities of the Company by the directors. Based on a specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code throughout the year.

服務超過九年之獨立非執行董事

夏樹棠先生、李國安教授及丁良輝先生都已擔任獨立非執行董事超過九年。將來未經股東以通過獨立決議案形式批准，委任此三名獨立非執行董事均會被視為偏離企業管治守則之守則條文A.4.3。

為遵守企業管治守則條文，此三名獨立非執行董事均已在本公司以往之股東週年大會上退任，並自願重選連任。

儘管考慮此三名獨立非執行董事之服務年資問題，董事會仍然相信他們可維持其獨立性，並認為他們在本集團業務之寶貴知識及經驗，以及整體商業觸覺會繼續為董事會、本公司及股東帶來整體重大貢獻。本公司通函將於二零二零年四月寄發予本公司股東，當中將載有李國安教授之履歷資料及董事會建議他繼續獲委任為獨立非執行董事之詳盡理由。

於超過七間上市公司擔任董事的獨立非執行董事

企業管治守則之守則條文第A.5.5(2)條列明，當董事會建議選舉或重選獨立非執行董事(其將出任第七家(或以上)公司的董事)時，董事會應於相關股東通函內解釋有關人士何以仍能為董事會投入足夠時間。

丁良輝先生出任多於七家上市公司的董事。他於所服務上市公司的多個董事職位維持專業精神及過往積極參與本公司舉行的董事會會議及各個委員會，因此，其投放於董事職務的時間不受影響。董事會同意他投放足夠時間以履行其董事職責。

證券交易標準守則

本公司已採納上市規則附錄10所載之標準守則作為董事買賣本公司證券之行為守則。根據向本公司各董事作出之特定查詢，各董事於整個年度一直遵守標準守則所載規定標準。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

DIVIDEND POLICY

The Group adopted a dividend policy (the "Dividend Policy") on 31 January 2019 and is disclosed as below.

The Dividend Policy is to allow its shareholders to participate in the Company's profits whilst to retain adequate reserves for future growth. The Company may consider whether to pay dividends, if any, twice a year, which are the interim dividend and final dividend. The Board may declare special dividends in addition to such dividends as it considers appropriate.

Factors for consideration

In determining/recommending the frequency, amount and form of any dividend in any financial year/period, the Board shall consider the following factors:

- the actual and expected financial results of the Company and its subsidiaries (the "Group");
- economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- the Group's business strategies, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;
- the current and future operations, liquidity position and capital requirements of the Group; and
- any other factors that the Board deems appropriate.

The Board may, based on the above criteria, declare interim dividend (as it considers appropriate) and recommend final dividend (subject to the approval by the shareholders in a general meeting). The Company considers that the dividend payout ratio may vary from year to year and there is no assurance that dividends will be paid in any particular amount for any given period.

Subject to the Bye-laws and applicable laws and regulations, dividends may be paid in cash or be satisfied wholly or partly in the form of allotment of shares of the Company. The Board may also consider the issuance of bonus shares on a basis permitted by the applicable laws and regulations.

股息政策

本集團已於二零一九年一月三十一日採納股息政策(「股息政策」)並披露如下。

股息政策旨在允許股東分享本公司之溢利，同時保留足夠儲備以用於未來增長。本公司每年考慮是否派付股息(如有)兩次，即中期股息及末期股息。除該等股息外，董事會可宣派其認為合適之特別股息。

考慮因素

在釐定／建議於財政年度／期間派付股息之次數、金額及形式時，董事會須考慮下列因素：

- 本公司及其附屬公司(「本集團」)之實際及預期財務業績；
- 經濟狀況及其他可能影響本集團業務或財務表現及狀況之內在或外在因素；
- 本集團的業務策略，包括維持業務長期增長方面的未來現金承擔及投資需要；
- 本集團目前及未來營運、流動資金狀況及資金需求；及
- 董事會認為相關之任何其他因素。

董事會會根據上述準則宣派中期股息(如其認為合適)及建議末期股息(須於股東大會獲股東批准)。本公司認為派息率可能每年不同及概不保證將於任何指定期間支付任何指定金額的股息。

根據公司細則及適用法律及法規，股息必須以現金支付或以配發本公司股份形式全部或部分結付。董事會亦會考慮按適用法律及法規允許的基準發行紅股。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

Information of the Company and the Group are delivered to its shareholders through a number of channels, which includes annual report, interim report, announcements and circulars. The latest information of the Company and the Group together with the published documents are also available on the Company's website.

The Company's annual general meeting provides a useful platform for direct communication between the Board and shareholders. Separate resolutions are proposed on each substantially separate issue at the general meetings.

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.

The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that shareholders' needs are best served.

The annual general meeting in 2019 ("the AGM") was held on 29 May 2019. All directors and the Company's external auditor attended the AGM.

According to Section 74 of the Companies Act 1981 of Bermuda (the "Act") and Bye-law 58 of the Bye-laws, shareholders holding in aggregate not less than 10% of the paid-up capital of the Company have the right, by written requisition to the Board or the secretary of the Company, to request a special general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition.

Any number of shareholders representing not less than 5% of the total voting rights of the Company on the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the requirements and procedures as set out in Section 79 of the Act for putting forward such proposal at a general meeting.

In relation to the shareholders communication, the shareholders can contact the Company Secretary or the Senior Vice President of Corporate Development and Communications by email to InvestorRelation@ctil.com or by mail to Level 10, Cyberport 2, 100 Cyberport Road, Hong Kong.

投資者關係及股東權利

本公司及本集團通過多個渠道向股東提供有關本公司及本集團之資料，該等渠道包括年報、中期報告、公佈及通函。本公司網站亦載有本公司及本集團之最新資料以及已刊發文件。

本公司股東週年大會為董事會直接與股東溝通提供一個實用平台。本公司將於股東大會上就每項重大獨立之事宜提呈獨立決議案。

本公司鼓勵股東參與股東大會，或倘其無法出席大會，則委任代表代其出席大會並於會上投票。

本公司股東大會過程將獲定期監察及檢討，以及(如有需要)會作出更改以確保切合股東需要。

二零一九年之股東週年大會(「股東週年大會」)於二零一九年五月二十九日舉行。所有董事及本公司外聘核數師均已出席股東週年大會。

根據一九八一年百慕達公司法(「公司法」)第74條及公司細則第58條，持有本公司實繳股本合共不少於10%之股東有權透過向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明之任何事項，而有關大會須於遞交有關要求後兩個月內舉行。

於提出要求之日期，佔本公司總投票權不少於5%或不少於100名本公司股東之任何人數股東，有權於本公司股東大會上提出建議以供考慮。股東於股東大會上提出有關建議須遵守公司法第79條所載規定及程序。

有關與股東溝通，股東可通過發送電子郵件至 InvestorRelation@ctil.com 或郵寄至於香港數碼港道100號數碼港2座10樓，與公司秘書或企業發展及傳訊部高級副總裁聯絡。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the year of review.

ACCOUNTABILITY AND AUDIT

The directors acknowledge their responsibility for preparing the financial statements of the Group and have adopted the accounting principles generally accepted in Hong Kong and complied with the requirements of Hong Kong Financial Reporting Standards (which include all Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance.

During the reporting year, the management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval. The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The reporting responsibilities of the Company's independent auditors are set out in the Independent Auditors' Report on pages 66 to 73.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining and reviewing the effectiveness of the risk management and internal controls of the Company, including material financial, operational and compliance controls, risk management functions and particularly the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting and financial reporting function. The Board, assisted by the Audit Committee and the Risk Management Committee, is required to assess the effectiveness of the risk management and internal control systems on an ongoing basis. Appropriate policies and control procedures have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. These control procedures are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and such procedures can only provide reasonable, and not absolute, assurance against material misstatement or losses.

組織章程文件

於回顧年內，本公司之組織章程文件並無變動。

問責性及審核

董事確認其有責任編製本集團財務報表，並已採納香港公認會計原則及遵守香港會計師公會頒佈之香港財務報告準則(包括所有香港會計準則及詮釋)之規定及香港公司條例之披露規定。

於報告年度內，管理層於必要時向董事會提供該等解釋及信息以使董事會對提呈董事會批准之本集團財務資料及狀況作出知情評估。董事並不察覺有重大不明朗事件或情況可能會嚴重影響本公司持續經營的能力。

本公司獨立核數師之申報責任載於第66至73頁之獨立核數師報告。

風險管理及內部監控

董事會負責維持本公司之風險管理及內部監控並檢討其成效，包括重要的財務、營運及合規監控以及風險管理功能，尤其考慮在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠。董事會在審核委員會及風險管理委員會協助下須持續評估其風險管理及內部監控系統的成效。適當的政策及監控程序已經訂立及制定，以確保保障資產不會在未經許可下使用或處置，依從及遵守相關規則及規例，根據相關會計標準及監管申報規定保存可靠的財務及會計記錄，以及適當地識別及管理可能影響本集團表現之主要風險。訂立該等監控程序旨在管理而非消除未能達成業務目標之風險，並只合理而非絕對保證可防範重大失實陳述或損失。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Effective risk management is a fundamental part of the Group's business strategy. Recognising and managing risk is central to the business and to protect the shareholders' interests and value. The Company operates within overall guidelines and specific parameters set by the Board. Each transaction is comprehensively analysed to understand the risks involved. Responsibility for managing risks lies initially with the business functions concerned, working within the overall strategy and risk tolerance established by the Board, in conjunction with the Audit Committee and the Risk Management Committee.

The Board meets quarterly, or more often if necessary, to review the Group's operations and financial performance. The Board also reviews the risks to the assets and operations of the Company, and acts upon any comments from the internal and external auditors. The Board considers the economic environment and the industry risk in assessing business risk. The management also meets at least monthly to review the operations of the Group and discuss any identified issues.

Key risks, control measures and management actions are continually identified, reviewed and monitored by the management as part of the Group's enterprise wide risk management framework. The internal auditor assists and guides the management in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks. The management has established a risk identification and management process. The risk profiles are reported to the Risk Management Committee, the Audit Committee and the Board on a regular basis to highlight changes in the risk assessment, quantitative and qualitative factors affecting the inherent risks and effectiveness of respective controls. The ownership of these risks lies with the respective business functions with stewardship residing with the Board. Action plans to manage the risks are continually being monitored and refined by the management and the Board. The internal auditor conducts audits to review the risk management framework and processes and assess the effectiveness of the internal controls of the Group, including material financial, operational and compliance controls. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the Risk Management Committee and the Audit Committee.

In performing its audit of the financial statements, the external auditors perform tests over operating effectiveness of certain controls that they intend to rely on which are relevant to the Group's preparation of its financial statements. The external auditors report any significant deficiencies in such internal controls to the Risk Management Committee and the Audit Committee.

風險管理及內部監控(續)

有效之風險管理是本集團業務策略的基本元素。識別及管理風險是業務營運以及保障股東利益及價值之核心。本公司根據董事會制定之整體指引和具體規限運作。每項交易均須經過全面的分析，以瞭解所涉及之風險。管理風險之職責由有關的業務單位在董事會會同審核委員會及風險管理委員會制定之整體策略及風險容量下執行。

董事會每季召開一次會議或在有需要時更頻密地召開會議，以審閱本集團之經營及財務表現。董事會亦會審閱本公司之資產及營運所涉及之風險，並根據內部及外聘核數師提出之任何意見採取行動。在評估業務風險時，董事會會考慮經濟環境及行業風險。管理層亦會每月最少開會一次，以審閱本集團之營運及討論任何識別到的問題。

作為本集團整體企業風險管理架構之一環，管理層會不斷查找、審閱及監察主要風險、監控措施及管理行動。內部核數師會協助及引導管理層制定風險政策及程序，以有效查找、評估及管理重大風險。管理層已建立一套風險識別及管理程序。風險管理委員會、審核委員會及董事會定期會獲得有關風險評估報告，以作出風險評估轉變、量化及質化潛在風險之影響因素及提出有效控制固有風險之措施。董事會屬下各業務職能的行政主管須負責管理此等風險。管理該等風險的行動計劃由管理層及董事會持續監管及改良。內部核數師進行審核，以檢討本集團之風險管理架構及程序，並評估本集團內部監控制度包括重要財務、營運及合規監控的成效。內部監控之任何重大違規或失效連同改正措施均會向風險管理委員會及審核委員會匯報。

外聘核數師於進行財務報表審核時，會對其擬倚賴並與本集團編製其財務報表相關的若干監控之營運有效性進行測試。外聘核數師向風險管理委員會及審核委員會匯報該等內部監控的任何重大不足之處。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

In addition to the review of risk management and internal controls undertaken within the Company, from time to time, the Board and/or the management will engage professional third parties to assess and comment on the adequacy and effectiveness of the risk management and internal controls and, where appropriate, recommendations will be adopted and enhancements to the risk management and internal controls will be made.

Based on the framework established and the reviews conducted by the internal and external auditors, the Board opines, with the concurrence of the Audit Committee, that there are adequate and effective risk management and internal control systems in place within the Group in addressing material financial, operational, compliance and information technology control risks in its current business environment.

Risk management framework

The Group has established an effective risk governance and management framework in line with the requirements set out by the Hong Kong Listing Rules and other regulations. This framework was built around a structure that enables the Board and the management to discharge their risk management-related responsibilities with appropriate delegation as well as checks and balances. These responsibilities included defining risk appetite in accordance with the Group's business strategies and objectives, formulating risk policies that govern the execution of those strategies, and establishing procedures and limits for the approval, control, monitoring and remedy of risks.

The members of the Risk Management Committee positioned at the highest level of the Group's risk governance structure under the Board. Members included one INED and three executive directors. The Risk Management Committee had direct involvements in formulating the Group's risk appetite, and determined the levels of risk that the Group is willing to undertake with reference to its financial capacity, strategic direction, prevailing market conditions and regulatory requirements.

The Risk Management Committee will continuously ensure the Group's risk appetite is realistically reflected in the policies and procedures that the management adopted in executing its business functions. The Risk Management Committee will regularly review the Group's risk management framework and ensure that all important risk-related tasks are performed according to established policies and with appropriate resources.

風險管理及內部監控(續)

除檢討本公司實施的風險管理及內部監控外，董事會及／或管理層將不時委聘專業第三方對風險管理及內部監控系統是否充足及有效進行評估並提供意見，並於適當情況下，採納有關建議及加強風險管理及內部監控。

根據已建立的架構以及內部及外聘核數師所進行的審閱，董事會同意審核委員會，認為本集團有足夠有效的風險管理及內部監控系統可解決其當前業務環境中存在的重大財務、營運、合規及資訊科技控制風險。

風險管理架構

本集團已按照香港上市規則及其他法規所載之規定，建立有效之風險管治及管理架構。該架構之構造令董事會及管理層能夠獲適當授權及制衡，以履行彼等之風險管理相關職責。該等職責包括根據本集團業務策略及目標釐定風險偏好、制定風險政策以管理上述策略之執行，並設立風險審批、控制、監控及補救之程序及權限。

隸屬董事會之風險管理委員會成員被定為負責本集團風險管理架構之最高架構。委員會成員包括一名獨立非執行董事及三名執行董事。風險管理委員會直接參與制定本集團之風險偏好，並參照其財務能力、策略定位、現行市況及監管要求，決定本集團願意承擔之風險水平。

風險管理委員會將繼續確保本集團之風險偏好能真實反映於管理層執行其業務職能時所採用之政策及程序。風險管理委員會將定期檢討本集團之風險管理架構，並確保已遵照既有政策及運用適當資源執行所有與重大風險相關之任務。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Inside information

Regarding procedures and internal controls for the handling and dissemination of inside information, the Company:

- (i) is aware of its obligations under the SFO and the Listing Rules and the overriding principle that inside information should be announced immediately if it is the subject of a decision;
- (ii) conducts its affairs with close regard to the applicable laws and regulations prevailing in Hong Kong;
- (iii) has included in the Code of Conduct a strict prohibition on the unauthorised use of non-public or inside information;
- (iv) has established a policy and implemented guidelines for monitoring, reporting and disseminating inside information to our shareholders, investors, analysts and media. These policies and guidelines also identify who are the Company's authorised spokespersons and their responsibilities for communications with stakeholders; and
- (v) has communicated to all relevant staff regarding the implementation of the policy and the relevant trainings are also provided.

風險管理及內部監控(續)

內幕消息

有關處理及發佈內幕消息之程序及內部監控，本公司：

- (i) 知悉根據證券及期貨條例、上市規則以及首要原則，其有責任於決議後立即公佈內幕消息；
- (ii) 嚴格遵照香港現行適用法律及法規執行本公司事務；
- (iii) 已將嚴格禁止未經授權使用非公開或內幕消息納入行為守則；
- (iv) 已制定政策，並實施監控、報告及向我們股東、投資者、分析家及傳媒發佈內幕消息的指引。該等政策及指引亦識別本公司授權的發言人及列明其與本公司利益相關者溝通的責任；及
- (v) 已向所有相關人員傳達有關政策的執行情況並提供相關培訓。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

AUDITORS' REMUNERATION

Ernst & Young has been re-appointed as the independent auditors of the Company by shareholders at the last annual general meeting. The remuneration in respect of services provided by Ernst & Young to the Group in 2019 is summarised as follows:

| | HK\$'000 千港元 |
|---|-----------------|
| Auditing services | 1,320 |
| Non-auditing services (which included agreed upon procedures and other professional services) | 200 |
| Total | 1,520 |

COMPANY SECRETARY

Mr. Ng Kwok Keung, was appointed as the Company Secretary of the Company on 18 May 2007 and is a full time employee of the Group. Mr. Ng is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and has confirmed that he has taken no less than 15 hours of relevant professional trainings during the reporting year.

核數師酬金

安永會計師事務所已獲股東於上屆股東週年大會續聘為本公司獨立核數師。於二零一九年，有關安永會計師事務所向本集團提供服務之薪酬概述如下：

公司秘書

吳國強先生於二零零七年五月十八日獲委任為本公司之公司秘書，並為本集團之全職僱員。吳先生為香港會計師公會註冊會計師並確認於報告年度內已接受不少於15個小時之相關專業培訓。

REPORT OF THE DIRECTORS

董事會報告

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

BUSINESS REVIEW

A review of the business of the Group during the year under review and a discussion on the Group's future business development and important events affecting the Company occurred during the year ended 31 December 2019 are provided in the section headed "Chairman's Statement" on pages 6 to 20 of this report.

An analysis of the Group's performance during the year ended 31 December 2019 using financial performance indicators is provided in the section headed "Chairman's Statement" of this report and other key performance indicators are set out below.

董事會呈報董事會報告及本公司與本集團截至二零一九年十二月三十一日止年度之經審核財務報告。

主要業務

本公司之主要業務為投資控股。其主要附屬公司之主要業務詳情載於財務報告附註1。本集團之主要業務性質於年內並無重大變動。

業務回顧

於年內本集團的業務回顧、以及有關本集團未來業務發展及於截至二零一九年十二月三十一日止年度內發生而對本公司構成影響的重要事件的討論，均載於本報告之「主席報告」第6至20頁。

使用財務表現指標對本集團於截至二零一九年十二月三十一日止年度內的表現進行的分析載於本報告之「主席報告」，而其他關鍵績效指標則載於下文。

| Strategies 策略 | Key Performance Indicators ("KPIs") 關鍵績效指標 (「關鍵績效指標」) |
|--|--|
| Maintain the Group's liquidity for future development 保持本集團的資金流動性以作未來發展 | Net cash flows from operating activities in 2019: HK\$48.2 million (2018: HK\$58.4 million) 於二零一九年的經營活動所得現金流量淨額：4,820萬港元 (二零一八年：5,840萬港元) |
| | Cash and cash equivalents as of 31 December 2019: HK\$200.7 million (31 December 2018: HK\$255.5 million) 於二零一九年十二月三十一日的現金及等同現金資產：2.007億港元 (二零一八年十二月三十一日：2.555億港元) |
| Enrich and enhance the Group's product portfolio 豐富及提升本集團的產品組合 | Number of new product/module launched: 6 (2018: 8) 新產品／模組發佈數目：6 (二零一八年：8) |
| Keep the Group's staff turnover rate with no material adverse change 確保本集團員工流失率沒有重大不利變動 | Staff turnover rate, representing number of resigned and terminated staff during the year divided by number of staff of the Group as at the year end date, in 2019: 21% (2018: 26%) 於二零一九年的員工流失率(乃按年內辭職及離職員工人數除以於年結日本集團員工人數計算)：21%(二零一八年：26%) |

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The key risks and uncertainties identified by the Group are discussed in this section. There may be other risks and uncertainties in addition to those shown below, which are not known to the Group or which may not be material now but which could become material in the future. Furthermore, risks can never be eliminated completely due to inherent limitations in measures taken to address them. Also, risks may be accepted for strategic reasons or if it is deemed not cost-effective to mitigate them.

Strategic Risk

The business strategy may require the Group to develop its business both organically and through new business combinations, strategic investments and acquisitions. If market conditions change or for any other reasons, the Group may decide to delay, modify or forgo some aspects of its growth strategies.

Business Risk

The Group constantly faces the challenge of gauging and responding promptly to market changes within the industry it operates in. Any failure to interpret market trends properly and adapt its strategy to such changes accordingly may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group has been looking into different kinds of business and investment opportunities to broaden the revenue sources of the Group in order to manage the associated risk and to create greater value for the shareholders.

The Board meets quarterly, or more often if necessary, to review the Group's operations and financial performance. The Board also considers the economic environment and the industry risk in assessing the strategic risk as well as the business risk. The management meets at least monthly to review the business developments of the Group and keeps the Board informed on any issues identified.

主要風險及不明朗因素

本集團的財務狀況、經營業績、業務及前景可能受不同風險及不明朗因素所影響。本集團所識別的主要風險及不明朗因素於本節中論述。除下文所述之外，或會存在本集團未知或現時並不重大但可能在未來變得重大的其他風險及不明朗因素。此外，基於應對風險措施的固有限制，風險乃無法完全消除。再者，亦可能由於策略理由接受風險，又或倘減輕風險被視為不符合經濟效益，亦可能會接受風險。

策略風險

業務策略將透過內部增長以及業務合併、策略投資和收購以發展本集團的業務增長。如市況變動或由於其他任何原因，本集團或會考慮延緩、修改或放棄若干方面的增長策略。

業務風險

本集團在判斷其經營行業的市場轉變並即時作出應變時持續面對挑戰。未能準確解讀市場趨勢並相應採取應變策略均可能對本集團業務、財務狀況、經營業績及前景構成重大不利影響。

本集團一直尋求不同種類的業務及投資機遇，擴闊本集團之收入來源，以管理相關風險及為股東創造更高價值。

董事會每季召開一次會議或在有需要時更頻密地召開會議，以審閱本集團之經營及財務表現。在評估策略風險及業務風險時，董事會亦會考慮經濟環境及行業風險。管理層亦會每月開會最少一次，以檢討本集團之業務發展及討論任何識別到的問題。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Operational Risk

Operational risk is the risk of financial loss or reputational damage resulting from inadequate or failed internal processes, people and systems. Responsibility for managing operational risks in the Group rests with every function at both divisional and departmental levels.

Key functions in the Group are guided by standard operating procedures, limits of authority and a reporting framework. The Group will continuously identify and assess key operational exposures and report such risk issues to the Board and/or senior management as early as possible so that appropriate risk responses can be taken.

Technology Obsolescence

The Group's operations depend on its ability to innovate and the successful deployment of continuously evolving technologies, particularly its response to technological and industry developments, as well as its ability to foresee and/or rapidly adapt to the emergence of disruptive technologies. The Group cannot be certain that technologies will be developed in time to meet changing market conditions, that they will perform according to expectations or that they will achieve commercial acceptance. The Group has made relentless efforts in producing and delivering premium products and high quality services. Looking forward, the Company will continue with its research and innovation to enrich and enhance its products portfolio.

Manpower and Retention Risk

The Group's success and ability to grow depends largely on its ability to attract, train, retain, and motivate highly skilled and qualified managerial, sales, marketing, administrative, operating, and technical personnel. The loss of key personnel, or the inability to find additional qualified personnel, could materially and adversely affect the Group's prospects and results of operations.

The Group recognises the employees as one of our most valuable assets and will keep on providing competitive remuneration package to motivate the employees and to attract any suitable candidates in the market. The Group also regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

主要風險及不明朗因素(續)

營運風險

營運風險指因內部程序、人事及制度不足或缺失導致的財務損失或聲譽受損的風險。本集團管理營運風險的責任由各個職能的分部及部門共同肩負。

本集團的主要功能由標準營運程序、權限及匯報框架予以指引。本集團將會持續辨識及評估主要營運風險，並儘早將該等風險問題向董事會及／或高級管理人員匯報，以便採取適當風險應對措施。

科技過時

本集團的營運有賴其創新能力及能否對日新月異的科技作出成功部署，特別是其對科技及行業發展的反應以及其預料及／或迅速適應突破性科技出現的能力。本集團無法確定科技發展可及時配合瞬息萬變的市況、其表現一如預期，又或可為市場所接受。本集團在生產和提供優質產品和貼心服務方面一直不遺餘力。展望未來，本公司將繼續研究及創新，以豐富及增強其產品組合。

人力供應及留聘人才之風險

本集團的成功及發展能力主要有賴其能否吸納、培訓、挽留及鼓勵熟練及合資格的管理、銷售、市場推廣、行政、操作及技術人員。流失要員或無法物色到額外的合資格人員可對本集團的前景及營運業績造成重大不利影響。

本集團深明員工是我們最寶貴的資產之一，並將繼續提供具競爭力的薪酬組合，以鼓勵員工及吸引市場內任何適合的人員加入。本集團亦定期檢討僱員的薪酬待遇，並會因應市場標準而作出必要的調整。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Financial Risk

In the course of its business activities, the Group is exposed to various financial risks, including market, liquidity and credit risks. The currency environment and interest rates cycles may significantly affect the Group's financial condition and results of operations.

The Group's earnings and capital or its ability to meet its business objectives may be adversely affected by movements in foreign exchange rates, interest rates and equity prices. In particular, any depreciation in the Group's functional currency may affect its net profit margin. The Group closely monitors the relative foreign exchange positions of its assets and liabilities and allocates its holdings of different currencies accordingly in order to minimise foreign currency risk.

The Group may also be subject to liquidity risk if it is unable to obtain adequate funding to finance its operations. In managing liquidity risk, the Group monitors its cash flows and maintains an adequate level of cash and credit facilities to enable it to finance its operations and reduce the effects of fluctuations in cash flows.

The Group is also subject to exposure to credit risk from its customers. New customers are subject to credit evaluation while the Group continues to monitor its existing customers, especially those with repayment issues. Cash is deposited with creditworthy banks with no recent history of default.

The financial risk management policies and practices of the Group are shown in note 37 to the financial statements.

Hazard Risk

The Group's business has been, to a certain extent, affected by the recent global outbreaks of COVID-19. The global epidemic has resulted in lockdowns and disruptions of transportations in various countries and regions as well as a downward pressure in the global economy. In the event that the outbreak of COVID-19 is not contained in Hong Kong, China or globally in the near future, the economic activity across many industries in the PRC, Hong Kong or worldwide, can be further adversely affected, which could in turn have negative impact on the overall economy in the PRC, Hong Kong and worldwide. Any economic downturn may adversely affect the consumer sentiment, weakening the demands for our products, and in turn may result in the reduction or even cessation of purchase orders for our products, or delay in payment by our customers.

主要風險及不明朗因素(續)

財務風險

於業務活動過程中，本集團受多種財務風險所影響，包括市場、流動資金及信貸風險。貨幣環境及利率週期可能對本集團的財務狀況及經營業績構成重大影響。

本集團盈利及資本或其達成業務目標所需的能力或會因匯率、利率及股本價格變動而受到不利影響，尤其是本集團功能貨幣出現任何貶值均可能對其純利率造成影響。本集團密切監察其資產及負債的相對外匯狀況，並相應調整所持不同貨幣的比例，藉以盡量減低外幣風險。

倘本集團未能取得充足資金以撥付其營運，則可能承受流動資金風險。管理流動資金風險時，本集團會監察其現金流量，並維持充足現金及信貸融資水平，使本集團能撥付其營運及降低現金流量波動的影響。

本集團亦承受來自其客戶的信貸風險。新客戶須接受信貸評估，而本集團亦會持續監察其現有客戶，尤其是有還款問題之客戶。現金乃存放於最近無拖欠記錄的具信譽銀行。

本集團的財務風險管理政策及常規呈列於財務報表附註37。

災害風險

本集團的業務在一定程度上受到最近全球新型冠狀病毒疫情爆發的影響。此全球疫症已導致各國及各地區的運輸被封鎖及中斷，並帶來全球經濟下行壓力。倘在不久的將來未能於香港、中國或全球範圍內控制新型冠狀病毒疫情，則可能進一步為香港、中國或全球各行各業的經濟活動進一步造成不利影響，繼而或會對中國、香港及全球的整體經濟產生負面影響。任何經濟下行均可能對消費者情緒造成不利影響，削弱對本集團產品的需求，受此影響，對本集團產品所下訂單或會減少乃至中斷，而客戶亦可能延後付款。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has established procedures in place to ensure that its operations comply with applicable laws, rules and regulations. The Board is responsible to monitor the Group's policies and practices for achieving compliance with legal and other regulatory requirements, and such policies and practices are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operating units whenever necessary.

As far as the Board is aware, the Group has in all material respects complied with laws and regulations that have a significant impact on the Group's businesses and operations.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees are valuable assets to the Group. The Group provides equal employment opportunity and competitive remuneration packages to attract and retain employees. In addition, the Group subsidises employees to attend job-related training courses to enhance their career progression and provides occupational health and safety information to employees to raise their awareness. The Group prides itself on providing a safe, effective and congenial work environment and it values the health and well-being of its staff. Adequate arrangements, training and guidelines have been implemented to ensure its working environment is healthy and safe. The Group provides communications on health and safety matters and other programmes to employees in order to raise their awareness of such issues and enhance their related behaviour.

To suppliers and customers, the Group values mutually beneficial long standing relationships with them by providing high quality services to customers and developing mutual trust with suppliers.

Details of the Group's trade receivables and trade payables are set out in notes 19 and 24 to the financial statements, respectively.

There was no material dispute between the Group and its business partners.

遵守相關法律及法規

本集團已制訂程序，以確保其營運遵守適用法律、規則及法規。董事會負責監察有關本集團的政策及常規，力求遵守法律及其他監管規定，並對此等政策及常規定期作出審閱。相關僱員及相關經營單位會在有需要時獲知適用法律、規則及法規之任何變動。

據董事會所知，本集團在各重大方面已遵守對本集團業務及營運有重大影響的法律及法規。

與僱員、客戶及供應商之關係

僱員是本集團的寶貴資產。本集團提供平等的聘用機會及具競爭力的薪酬待遇以吸引及挽留員工。此外，本集團資助員工參加與工作有關的培訓課程，以增強彼等的事業發展，並向員工提供職業健康及安全資訊，以提高彼等的意識。本集團一直致力提供一個安全、高效及舒適的工作環境，同時亦重視員工的身心健康及福祉。本集團以適當的安排、培訓及指引，確保工作環境健康而安全。本集團為僱員提供有關健康和 safety 事宜及其他項目的通訊，藉此提高他們的意識並改善有關行為。

對於供應商及客戶，本公司十分重視彼此之間的長遠互惠互利關係，為客戶提供優質服務，同時與供應商建立互信關係。

有關本集團之應收貿易賬款及應付貿易賬款之詳情分別載於財務報表附註 19 及 24。

本集團與其業務夥伴並無發生任何重大爭議。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group does not operate in an environmentally sensitive business and is predominantly service-oriented. However, the Group is committed to the long term sustainability of the environment and communities in which it operates. As a supporter of environmental protection, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. The Group also strives for a greener future by eco-friendly practices in various aspects of our operations. Efficient and effective use of energy and resources are encouraged in the operation and management level of the Group. "Green Guidelines and News" are formulated and launched on a continuous basis via intranet or email to promote the concept of "Reduce, Reuse and Recycle" and to arouse the employee's awareness of the importance of environmental protection.

The Company will issue Environmental, Social and Governance Report in a separate manner and publish the report on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.ctil.com).

DONATIONS

The Group's charitable donations during the year amounted to HK\$14,000.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2019 and the Group's financial position at that date are set out in the financial statements on pages 74 to 202.

An interim dividend of 9 HK cents per ordinary share was paid on 16 September 2019. The directors recommend the payment of a final dividend of 8 HK cents per ordinary share in respect of the year to shareholders on the register of members on 5 June 2020.

環境政策及表現

本集團並無經營環境保護敏感業務，主要業務為服務主導。然而，本集團致力於其經營所處的環境及社區之長期可持續性。本集團一向支持環保，致力遵守有關環保之法律及法規，並採取有效措施達致有效地利用資源、能源節約及廢物減少。本集團竭力於營運各方面為實行環保出一分力，力爭建設綠色未來。本公司在營運及管理層面上均鼓勵員工高效地利用能源及資源。本集團持續制定及啟動「綠色指引及新聞」，並透過內聯網或電子郵件給予各員工以提倡「減少使用、循環再用和循環再造」之概念，並引發僱員對環保重要性之意識。

本公司將分開公佈環境、社會及管治報告，並刊發於聯交所網站(www.hkexnews.hk)及本公司網站(www.ctil.com)。

捐款

年內，本集團之慈善捐款金額為14,000港元。

業績及股息

本集團截至二零一九年十二月三十一日止年度之溢利及本集團於該日之事務狀況載於財務報告第74至202頁。

已於二零一九年九月十六日派付每股普通股中期股息9港仙。董事建議就本年度向於二零二零年六月五日名列股東名冊之股東派付每股普通股末期股息8港仙。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 204. This summary does not form part of the audited financial statements.

SHARE CAPITAL, SHARE OPTIONS AND AWARDED SHARES

Details of movements in the Company's share capital, share options and awarded restricted shares of the Company during the year are set out in notes 27, 28 and 29 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, the trustee of the Company's restricted share award scheme had, pursuant to the terms of the rules and trust deed of such scheme, purchased from the market a total of 192,000 shares of the Company being the awarded restricted shares. The total amount paid to acquire these shares during the year was approximately HK\$623,000.

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

DISTRIBUTABLE RESERVES

At 31 December 2019, the Company's reserves available for distribution, calculated in accordance with the provisions of the Bermuda Companies Act 1981, amounted to HK\$78,568,000, of which HK\$19,760,000 has been proposed as final dividend for the year. In addition, the Company's share premium account, in the amount of HK\$53,104,000, may be distributed in the form of fully paid bonus shares.

財務資料概要

本集團於過去五個財政年度已刊發之業績及資產及負債概要乃摘錄自經審核財務報告，其載於第204頁。此概要並不構成經審核財務報告之一部分。

股本、購股權及獎勵股份

本公司股本、購股權及有限制獎勵股份於年內之變動詳情，分別載於財務報告附註27、28及29。

優先購買權

公司細則或本公司註冊成立之司法權區百慕達法例並無關於優先購買權之規定，致使本公司須按比例向現有股東發售新股。

購買、贖回或出售本公司上市證券

年內，本公司受限制股份獎勵計劃的受託人已根據該計劃規則及信託契據的條款，自市場購買本公司合共192,000股股份，即獎勵受限制股份。年內就購買該等股份已支付的總額約為623,000港元。

除上文披露者外，本公司或其任何附屬公司於年內概無購買、贖回或出售本公司任何上市證券。

可供分派儲備

於二零一九年十二月三十一日，按一九八一年百慕達公司法之規定計算，本公司可供分派儲備為78,568,000港元，並擬以其中19,760,000港元派發年內末期股息。此外，本公司股份溢價賬中53,104,000港元可按繳足紅股方式分派。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 34.4% of the total sales for the year and sales to the largest customer included therein amounted to 24.5%. Purchases from the Group's five largest suppliers accounted for 36.0% of the total value of external supplies purchased and services consumed for the year and purchases from the largest supplier included therein amounted to 15.7%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

DIRECTORS

The directors of the Company during the year were:

Executive directors:

Ng Cheung Shing (*Chairman*)
Cheung Wai Lam
Leung King San, Sunny
Ng Kwok Keung

INEDs:

Ha Shu Tong
Lee Kwok On, Matthew
Ting Leung Huel, Stephen

In accordance with bye-law 87 of the Bye-laws, Cheung Wai Lam, Ng Kwok Keung and Lee Kwok On, Matthew will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

All INEDs of the Company renewed their appointments with the Company for specific terms of three years but are subject to retirement by rotation in accordance with the provisions of the Bye-laws.

The Company has received annual confirmations of independence from Ha Shu Tong, Lee Kwok On, Matthew, and Ting Leung Huel, Stephen, and as at the date of this report still considers them to be independent.

主要客戶及供應商

於回顧年度，向本集團五大客戶供貨之銷售額佔全年銷售總值34.4%，當中向最大客戶供貨之銷售額佔24.5%。自本集團五大供應商購貨之採購額佔全年外部採購貨品及消費服務總值36.0%，當中自最大供應商購貨之採購額佔15.7%。

本公司各董事、彼等各自任何聯繫人士或據董事所深知擁有本公司5%以上已發行股本之任何股東，概無於本集團五大客戶及供應商中擁有任何實際權益。

董事

年內，本公司董事包括：

執行董事：

吳長勝 (*主席*)
張偉霖
梁景新
吳國強

獨立非執行董事：

夏樹棠
李國安
丁良輝

根據公司細則第87條，張偉霖、吳國強及李國安將於應屆股東週年大會上輪值告退，且彼等合資格並願意重選連任。

本公司全體獨立非執行董事均與本公司更新特定委任期為三年，惟仍須根據公司細則條文輪值告退。

本公司已接獲夏樹棠、李國安及丁良輝之年度獨立身分確認函，並於本報告日期仍視彼等為獨立人士。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 21 to 23 of the report.

DIRECTORS' SERVICE CONTRACTS

No directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group. In addition, the directors' remuneration is reviewed by the Remuneration Committee annually.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, every director shall be entitled to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur in or sustain or about the execution of the duties of their office or otherwise in relation thereto.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group throughout the year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No director nor a connected entity of a director had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, or any of the Company's subsidiaries was a party during the year.

董事及高級管理層履歷

本公司董事及本集團高級管理層之履歷詳情載於本報告第21至23頁。

董事之服務合約

擬於應屆股東週年大會重選連任之董事，概無與本公司訂立不可於一年內在毋須補償下(法定補償除外)終止之服務合約。

董事薪酬

董事袍金須於股東大會上經股東批准。其他酬金則由本公司董事會依據董事之職務、責任及表現以及本集團之業績釐定。此外，董事薪酬由薪酬委員會每年檢討。

獲批准的彌償保證條文

根據公司細則，各董事或任何董事因執行職務或因就此而可能承擔或蒙受之所有訴訟、成本、押記、損失、損害及開支，可獲得以本公司之資產及溢利作出之彌償保證。

年內本公司已就本集團董事及高級人員安排合適的董事及高級人員責任保險。

董事於交易、安排或合約之權益

年內，各董事或董事之關連方概無於本公司或本公司任何附屬公司所訂立任何對本集團業務而言屬重大之交易、安排或合約中直接或間接擁有重大權益。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year and up to the date of this report.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the interests of the directors in the share capital and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions in ordinary shares of the Company:

| Name of director | 董事姓名 | Note | Number of shares held, capacity and nature of interest 所持股份數目、身分及權益性質 | | | Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比 |
|-----------------------|------|------|---|---|-------------|---|
| | | | Directly beneficially owned 直接 實益擁有 | Through controlled corporation 透過 受控制公司 | Total 總數 | |
| Ng Cheung Shing | 吳長勝 | (a) | 4,684,000 | 114,614,000 | 119,298,000 | 47.82 |
| Cheung Wai Lam | 張偉霖 | | 1,000,000 | – | 1,000,000 | 0.40 |
| Leung King San, Sunny | 梁景新 | | 1,030,000 | – | 1,030,000 | 0.41 |
| Ng Kwok Keung | 吳國強 | | 520,000 | – | 520,000 | 0.21 |
| | | | 7,234,000 | 114,614,000 | 121,848,000 | 48.84 |

管理合約

於年內及直至本報告日期止，概無訂立或存在任何有關本公司全部或任何重大部分業務的管理及行政合約。

董事於股份及相關股份之權益及淡倉

於二零一九年十二月三十一日，各董事於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股本及相關股份中擁有本公司須根據證券及期貨條例第352條規定存置之登記冊中所記錄或根據上市發行人董事進行證券交易的標準守則另行知會本公司及聯交所之權益如下：

本公司普通股之好倉：

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

董事於股份及相關股份之權益及淡倉(續)

Long positions in shares of an associated corporation:

於一間相聯法團股份之好倉：

| Name of director 董事姓名 | Name of associated corporation 相聯法團名稱 | Relationship with the Company 與本公司之關係 | Class of shares 股份類別 | Number of shares 股份數目 | | Percentage of the associated corporation's issued share capital 佔該相聯法團已發行股本百分比 |
|--------------------------|---|--|-------------------------------|---------------------------------------|---|---|
| | | | | Directly beneficially owned 直接實益擁有 | Through controlled corporation 透過受控制公司 | |
| Ng Cheung Shing 吳長勝 | Computer And Technologies International Limited 科聯系統有限公司 | Company's subsidiary 本公司之附屬公司 | Non-voting deferred 無投票權遞延 | 1,750,000 | 3,250,000 (note附註(b)) | N/A 不適用 |

Notes:

- (a) The 114,614,000 shares were held by Chao Lien Technologies Limited ("Chao Lien"), a wholly-owned subsidiary of C.S. (BVI) Limited. Mr. Ng Cheung Shing was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of C.S. (BVI) Limited, which in turn was entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Chao Lien. Accordingly, Mr. Ng Cheung Shing was deemed, under the SFO, to be interested in all shares held by Chao Lien.
- (b) The 3,250,000 non-voting deferred shares were held by Chao Lien.

Save as disclosed above, as at 31 December 2019, none of the directors had registered an interest or a short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

附註：

- (a) C.S. (BVI) Limited之全資附屬公司僑聯科技有限公司(「僑聯」)持有114,614,000股股份。吳長勝先生有權於C.S. (BVI) Limited之股東大會上行使或控制行使三分之一或以上之投票權，而C.S. (BVI) Limited則有權於僑聯股東大會上行使或控制行使三分之一或以上投票權。因此，根據證券及期貨條例，吳長勝先生被視為於僑聯所持有之所有股份中擁有權益。
- (b) 該3,250,000股無投票權遞延股份由僑聯持有。

除上文披露者外，於二零一九年十二月三十一日，概無董事於本公司或其任何相聯法團之股份或相關股份中，擁有根據證券及期貨條例第352條須予記錄，或根據上市發行人董事進行證券交易的標準守則另行知會本公司及聯交所之權益或淡倉。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections "Share option scheme" and "Restricted share award scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the primary purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details of the Scheme are disclosed in note 28 to the financial statements.

No share option of the Company was granted, exercised, cancelled or lapsed during the year.

RESTRICTED SHARE AWARD SCHEME

The Company adopted a restricted share award scheme (the "Award Scheme") on 22 May 2008 and renewed the Award Scheme on 31 May 2017 (the "Renewed Date"). Pursuant to the Award Scheme, shares of the Company (the "Awarded Shares") are granted to eligible employees (including directors) of the Group until the 10th anniversary from the Renewed Date. The Company shall also pay cash to the appointed trustee company for its acquisition and holding upon trust of the Awarded Shares for the benefit of these employees and directors. The Awarded Shares will then be transferred to these employees and directors upon vesting. The aggregate number of shares to be awarded under the Award Scheme throughout its duration shall not exceed 10% of the issued share capital of the Company from time to time or such other percentage as notified to them by the Board (provided that the overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under any other incentive or share option schemes and under the Award Scheme must not exceed 30% of the shares of the Company in issue from time to time).

Details of the Award Scheme and the shares awarded thereunder are set out in note 29 to the financial statements.

董事購買股份或債券之權利

除下文「購股權計劃」及「有限制股份獎勵計劃」兩節披露者外，於年內任何時間，概無授予任何董事或彼等各自之配偶或未成年子女可藉購入本公司股份或債券而獲益之權利，或概無任何該等權利已獲彼等行使；本公司或其任何附屬公司概無訂立任何安排，可使董事藉購入任何其他法人團體之權利而受惠。

購股權計劃

本公司推行之購股權計劃（「該計劃」）主要為本集團業務成功作出貢獻之合資格參與者提供獎勵及回報而設。該計劃之進一步詳情於財務報告附註28披露。

概無本公司購股權於年內授出、行使、註銷或失效。

有限制股份獎勵計劃

本公司於二零零八年五月二十二日採納有限制股份獎勵計劃（「獎勵計劃」）及於二零一七年五月三十一日（「重續日期」）重續該獎勵計劃。根據獎勵計劃，本公司股份（「獎勵股份」）自重續日期起至十週年止授予本集團合資格僱員（包括董事）。本公司亦將就指定受託人公司購入及為該等僱員及董事之利益以信託形式持有獎勵股份及向其支付現金。獎勵股份其後將於歸屬時轉移至該等有關僱員及董事。該獎勵計劃期間內將予授出之股份總數，不得多於本公司不時已發行股本10%或董事會知會彼等之有關其他百分比（前提是根據任何其他獎勵或購股權計劃及獎勵計劃已授出但未行使的所有購股權獲行使後可予發行之股份數目之整體限額不得超逾本公司不時已發行股份之30%）。

有關該獎勵計劃及據此授出之股份詳情載於財務報告附註29。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

RESTRICTED SHARE AWARD SCHEME (CONTINUED)

The following table illustrates the number of and movements of the Awarded Shares under the Award Scheme for the year ended 31 December 2019.

有限制股份獎勵計劃(續)

下表載列截至二零一九年十二月三十一日止年度內該獎勵計劃項下獎勵股份之數目及其變動。

| Name of category of participant 參與者姓名 所屬類別 | Number of Unvested Awarded Shares 未歸屬獎勵股份數目 | | | | | Award date 授出獎勵日期 | Vesting period of Awarded Shares 獎勵股份歸屬期 | Weighted average fair value per share 每股加權平均公平值 HK\$ 港元 |
|--|--|----------------------------------|---------------------------------|------------------------------------|--------------------------------------|-------------------------------|---|--|
| | At 1 January 2019 於二零一九年一月一日 | Awarded during the year 年內已獎勵 | Vested during the year 年內已歸屬 | Forfeited during the year 年內已沒收 | At 31 December 2019 於二零一九年十二月三十一日 | | | |
| Directors 董事 | | | | | | | | |
| Ng Cheung Shing 吳長勝 | 250,000 | - | (50,000) | - | 200,000 | 14 May 2018 二零一八年五月十四日 | 30 April 2019 to 30 April 2023 二零一九年四月三十日至二零二三年四月三十日 | 2.43 |
| Cheung Wai Lam 張偉霖 | 150,000 | - | (50,000) | - | 100,000 | 14 October 2016 二零一六年十月十四日 | 30 September 2017 to 30 September 2021 二零一七年九月三十日至二零二一年九月三十日 | 2.43 |
| Cheung Wai Lam 張偉霖 | 250,000 | - | (50,000) | - | 200,000 | 14 May 2018 二零一八年五月十四日 | 30 April 2019 to 30 April 2023 二零一九年四月三十日至二零二三年四月三十日 | 2.43 |
| Ng Kwok Keung 吳國強 | 48,000 | - | (24,000) | - | 24,000 | 4 May 2015 二零一五年五月四日 | 30 April 2016 to 30 April 2020 二零一六年四月三十日至二零二零年四月三十日 | 2.62 |
| Ng Kwok Keung 吳國強 | 250,000 | - | (50,000) | - | 200,000 | 14 May 2018 二零一八年五月十四日 | 30 April 2019 to 30 April 2023 二零一九年四月三十日至二零二三年四月三十日 | 2.43 |
| Sub-total 小計 | 948,000 | - | (224,000) | - | 724,000 | | | |

REPORT OF THE DIRECTORS (CONTINUED)
董事會報告(續)

RESTRICTED SHARE AWARD SCHEME
(CONTINUED)

有限制股份獎勵計劃(續)

| Name of category of participant 參與者姓名 所屬類別 | Number of Unvested Awarded Shares 未歸屬獎勵股份數目 | | | | | Award date 授出獎勵日期 | Vesting period of Awarded Shares 獎勵股份歸屬期 | Weighted average fair value per share 每股加權平均公平值 HK\$ 港元 |
|--|--|----------------------------------|---------------------------------|------------------------------------|--------------------------------------|-------------------------------|---|--|
| | At 1 January 2019 於二零一九年一月一日 | Awarded during the year 年內已獎勵 | Vested during the year 年內已歸屬 | Forfeited during the year 年內已沒收 | At 31 December 2019 於二零一九年十二月三十一日 | | | |
| Other employees 其他僱員 | | | | | | | | |
| In aggregate 合計 | 48,000 | - | (24,000) | - | 24,000 | 4 May 2015 二零一五年五月四日 | 30 April 2016 to 30 April 2020 二零一六年四月三十日至二零二零年四月三十日 | 2.62 |
| In aggregate 合計 | 72,000 | - | (24,000) | - | 48,000 | 14 October 2016 二零一六年十月十四日 | 30 September 2017 to 30 September 2021 二零一七年九月三十日至二零二一年九月三十日 | 2.43 |
| In aggregate 合計 | 1,325,000 | - | (265,000) | - | 1,060,000 | 14 May 2018 二零一八年五月十四日 | 30 April 2019 to 30 April 2023 二零一九年四月三十日至二零二三年四月三十日 | 2.43 |
| In aggregate 合計 | - | 420,000 | - | - | 420,000 | 4 July 2019 二零一九年七月四日 | 30 June 2020 to 30 June 2024 二零二零年六月三十日至二零二四年六月三十日 | 3.11 |
| Sub-total 小計 | 1,445,000 | 420,000 | (313,000) | - | 1,552,000 | | | |
| Total 總計 | 2,393,000 | 420,000 | (537,000) | - | 2,276,000 | | | |

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' (NOT BEING A DIRECTOR OR CHIEF EXECUTIVE OF THE COMPANY) INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the following interests of more than 5% of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions:

| Name of shareholder of the Company | Notes | Capacity and nature of interest | Number of ordinary shares held | Percentage of the Company's issued share capital | Number of share options held |
|--|-------|---|--------------------------------|--|------------------------------|
| 本公司股東姓名／名稱 | 附註 | 身分及權益性質 | 所持普通股數目 | 佔本公司已發行股本百分比 | 所持購股權數目 |
| Chao Lien Technologies Limited 僑聯科技有限公司 | (a) | Directly beneficially owned 直接實益擁有 | 114,614,000 | 45.94 | - |
| C.S. (BVI) Limited | (a) | Through a controlled corporation 透過受控制公司 | 114,614,000 | 45.94 | - |
| Puttny Investments Limited ("PIL") | (b) | Directly beneficially owned 直接實益擁有 | 29,148,938 | 11.68 | - |
| Hutchison International Limited ("HIL") | (b) | Through a controlled corporation 透過受控制公司 | 29,148,938 | 11.68 | - |
| Hutchison Whampoa Limited ("HWL") 和記黃埔有限公司(「和黃」) | (b) | Through a controlled corporation 透過受控制公司 | 29,148,938 | 11.68 | - |
| Cheung Kong (Holdings) Limited ("CKH") 長江實業(集團)有限公司(「長實」) | (b) | Through a controlled corporation 透過受控制公司 | 29,148,938 | 11.68 | - |
| CK Hutchison Holdings Limited ("CKHH") 長江和記實業有限公司(「長和」) | (b) | Through a controlled corporation 透過受控制公司 | 29,148,938 | 11.68 | - |
| Hui Yau Man 許幼文 | | Directly beneficially owned 直接實益擁有 | 26,782,000 | 10.73 | - |
| Webb David Michael | | Directly beneficially owned 直接實益擁有 | 5,564,665 | 2.23 | - |
| | (c) | Through a controlled corporation 透過受控制公司 | 9,397,335 | 3.77 | - |

主要股東及其他人士(並非本公司董事或主要行政人員)於股份及相關股份之權益

於二零一九年十二月三十一日，以下為本公司須記錄於其根據證券及期貨條例第336條規定存置之權益登記冊內佔本公司已發行股本及購股權5%以上之權益：

好倉：

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' (NOT BEING A DIRECTOR OR CHIEF EXECUTIVE OF THE COMPANY) INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Long positions: (continued)

Notes:

- (a) The interest was also disclosed as an interest of Mr. Ng Cheung Shing in the section "Directors' interests and short positions in shares and underlying shares" of this report.
- (b) PIL is a wholly-owned subsidiary of HIL, which in turn is a wholly-owned subsidiary of HWL. CKH is a wholly-owned subsidiary of CKHH and subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL. By virtue of the SFO, CKHH, CKH, HWL and HIL were deemed to be interested in the 29,148,938 shares of the Company held by PIL.
- (c) The 9,397,335 shares were held by Preferable Situation Assets Limited ("PSAL"). PSAL was 100% directly owned by Mr. Webb David Michael and accordingly, Mr. Webb David Michael is deemed to be interested in the said shares held by PSAL.

Save as disclosed above, as at 31 December 2019, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or a short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, there was no connected transaction nor continuing connected transactions which need to be disclosed pursuant to Chapter 14A of the Listing Rules.

CONTINGENT LIABILITIES

Details of the contingent liabilities of the Company and the Group are set out in note 33 to the financial statements.

主要股東及其他人士(並非本公司董事或主要行政人員)於股份及相關股份之權益(續)

好倉：(續)

附註：

- (a) 該權益亦於本報告「董事於股份及相關股份之權益及淡倉」一節內披露為吳長勝先生之權益。
- (b) PIL為HIL之全資附屬公司，HIL則為和黃之全資附屬公司。長實為長和之全資附屬公司，而長實之附屬公司有權於和黃之股東大會上擁有行使或控制超過三分之一的投票權。按照證券及期貨條例，長和、長實、和黃及HIL被視作於PIL所持29,148,938股本公司股份中擁有權益。
- (c) 9,397,335股股份由Preferable Situation Assets Limited (「PSAL」)持有。PSAL由Webb David Michael先生直接擁有全部權益，因此，Webb David Michael先生被視為於PSAL持有之上述股份中擁有權益。

除上文披露者外，於二零一九年十二月三十一日，除其權益載於上文「董事於股份及相關股份之權益及淡倉」一節之本公司董事外，概無任何人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予記錄之權益或淡倉。

關連交易及持續關連交易

年內，概無根據上市規則第14A章須予披露之關連交易或持續關連交易。

或然負債

本公司及本集團之或然負債詳情載於財務報告附註33。

REPORT OF THE DIRECTORS (CONTINUED) 董事會報告(續)

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in the report, at present, the Group expects the COVID-19 outbreak to have limited impact on its business. However, it is difficult to estimate the full impact in the coming months given the dynamic nature of these circumstances. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts.

CORPORATE GOVERNANCE

Details of the corporate governance of the Group are set out in the section headed "Corporate Governance Report" in this report.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Ng Cheung Shing
Chairman

Hong Kong, 12 March 2020

足夠公眾持股量

根據本公司公開可得之資料並就董事所知，於本報告日期，本公司已發行股本總數最少有25%由公眾人士持有。

報告期後之事項

除本報告所披露者外，本集團目前預期爆發新型冠狀病毒疫情對其業務的影響有限。然而，鑑於疫情變幻莫測，故難以估計未來數月的全面影響。本集團將繼續留意新型冠狀病毒疫情發展、評估其影響並積極作出應對措施。

企業管治

有關本集團的企業管治的詳情載於本年報「企業管治報告」一節。

核數師

安永會計師事務所將告退，而本公司將於應屆股東週年大會上提呈一項決議案，續聘其為本公司核數師。

代表董事會

主席
吳長勝

香港，二零二零年三月十二日

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告



TO THE SHAREHOLDERS OF COMPUTER AND TECHNOLOGIES HOLDINGS LTD

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Computer And Technologies Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 74 to 202, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

致科聯系統集團有限公司全體股東

(於百慕達註冊成立之有限公司)

意見

本核數師已完成審核第74至202頁所載科聯系統集團有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，其中包括於二零一九年十二月三十一日之綜合財務狀況表，以及截至該日止年度之綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

本核數師認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公平地反映貴集團於二零一九年十二月三十一日之綜合財務狀況以及其截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥善編製。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

意見基準

本核數師乃按照香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核工作。本核數師根據該等準則承擔的責任已於本報告核數師就審核綜合財務報表承擔之責任一節中作進一步闡述。根據香港會計師公會之專業會計師道德守則(「守則」)，本核數師獨立於貴集團，並已履行守則規定之其他道德責任。本核數師相信，本核數師所獲取審核證明屬充份及合適，為本核數師之意見提供基準。

關鍵審核事項

關鍵審核事項乃根據本核數師之專業判斷，認為對本期間綜合財務報表之審核最為重要之事項。該等事項乃於本核數師審核整體綜合財務報表及就此出具意見時處理，及本核數師不會對該等事項提供單獨意見。就下文各項事項而言，本核數師將提供審核處理有關事項方式之描述。

本核數師已履行本報告核數師就審核綜合財務報表承擔之責任一節中所描述之責任，包括與該等事項有關之責任。因此，本核數師之審核包括進行為評估綜合財務報表之重大錯誤陳述風險而設之程序。本核數師之審核過程結果(包括為處理下文事項而進行之程序)為本核數師就所載綜合財務報表之審核意見提供基準。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審核事項(續)

Key audit matter 關鍵審核事項

How our audit addressed the key audit matter 本核數師之審計如何處理關鍵審核事項

Revenue from contracts with customers

The Group recognised certain contract revenue from solutions and integration services and application services by reference to the progress towards complete satisfaction of the contracts. The determination of the progress towards complete satisfaction of the contracts involved significant management judgements and estimates including total contract costs, remaining costs to completion and contract risks. Revenue, costs and gross profit realised on such contracts can vary from management's original estimates because of changes in conditions.

Relevant disclosures for the significant judgements and estimates are included in note 3 to the financial statements.

We have performed testing on the Group's controls over its processes to record contract costs and contract revenue, the calculation of the Group's inputs to the satisfaction of the contracts relative to the total expected inputs to the satisfaction of those contracts and the identification of onerous contracts. We have selected material contracts entered into during the year to understand the contract terms such as the contract revenue and the scope of deliverables and services. We have checked to the project status reports and related supporting documents showing costs incurred to date and compared to the total budgeted costs to evaluate the measure of progress used by management for revenue recognition and management's assessment on provision for onerous contract. We have also checked the project revenue calculations prepared by management.

Apart from the above, we have assessed the significant judgements made by management, through the examination of project documentation, including the total budgeted contract costs, by checking to the invoices or quotations provided by suppliers and comparing to the work hours used by similar projects in the past, and discussion of the status of those projects in progress with management, finance, and technical personnel of the Group. We have also compared the budgeted contract costs with the actual costs incurred to assess if there were any material differences.

來自客戶合約的收入

貴集團參照完成履行合約的進度，確認解決方案及集成服務以及應用服務若干合約收入。釐定完成履行合約的進度，涉及重大管理層判斷及估計，包括總合約成本、完成之餘下成本及合約風險。有關合約變現之收入、成本及毛利會因情況轉變而與管理層原本之估計有所不同。

有關重大判斷及估計之相關披露載於財務報表附註3。

本核數師已就貴集團對其記錄合約成本及合約收入之過程、計算貴集團履行合約的投入數據，相對於履行該等合約而預期的投入數據總額及確認有償合約之控制進行測試。本核數師已選取於本年度訂立之重大合約，以了解合約收入以及交付成果及服務之範圍等合約條款。本核數師已檢查項目狀況報告及顯示迄今已產生成本之相關證明文件，並以管理層就收入確認用來估算計量進度之總預算成本與管理層就有償合約撥備評估進行比較。本核數師亦已檢查管理層編製之項目收入計算。

除以上所述者外，本核數師已透過對照供應商提供之發票或報價及與過往類似項目所用之工作時數比較，審閱項目文件(包括總預算合約成本)，並與貴集團管理層、財務及技術人員討論該等進行中項目之狀況，從而評估管理層所作出之重大判斷。本核數師亦已將預算合約成本與已產生之實際成本進行比較，以評估是否出現任何重大差異。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審核事項(續)

Key audit matter 關鍵審核事項

How our audit addressed the key audit matter 本核數師之審計如何處理關鍵審核事項

Goodwill impairment assessment

The carrying amount of goodwill of the Group as at 31 December 2019 was HK\$134 million (representing 21% of the total assets), which was allocated to two cash-generating units ("CGUs"), application services CGU and solutions and integration services CGU. Significant management's judgements and estimates were involved in the impairment assessment of goodwill. The determination of the net recoverable amount was based on management's estimates of variables such as budgeted revenue, gross margins and the discount rates.

The significant judgements and estimates and disclosures for the goodwill impairment testing are included in notes 3 and 16 to the financial statements.

商譽減值評估

貴集團於二零一九年十二月三十一日之商譽之賬面值為1.34億港元(佔資產總值之21%)，並分配至兩個現金產生單位(「現金產生單位」)，即應用服務現金產生單位以及解決方案及集成服務現金產生單位。商譽減值評估涉及重大管理層判斷及估計。可收回淨額乃根據管理層對可變因素之估計釐定，例如預算收入、毛利率及折現率。

重大判斷及估計以及商譽減值測試之披露載於財務報表附註3及16。

We have involved our internal valuation specialists to assist us in evaluating and testing the assumptions and methodologies used by management in their impairment assessment. We have assessed the budgeted revenue growth and profit margins of the cash-generating units by making reference to the historical trend analyses. For the discount rates applied to the cash flow projections, we have assessed the inputs used to determine the rates, which included referencing to market data and benchmarking to comparable companies in the same industry. We have also performed sensitivity analysis on management estimates and assumptions used in evaluating whether a reasonably possible change in assumptions would cause the carrying amount of goodwill to exceed its recoverable amount.

We have also evaluated the adequacy of the related disclosures.

本核數師之內部估值專家已參與協助估算及測試管理層於減值評估中所用之假設及方法。本核數師已參考過往趨勢分析評估現金產生單位之預算收入增長及溢利率。就用於現金流量預測之折現率而言，本核數師已評估用於釐定有關比率之輸入數據，其中包括參考市場數據及同業可資比較公司之指標。本核數師亦已對管理層於評估假設之合理可能變動會否導致商譽賬面值超過其可收回金額所用之估計及假設，進行敏感度分析。

本核數師亦已評估相關披露之充足性。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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 of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年報所載之其他資料

貴公司董事對其他資料負責。其他資料包括年報所載之資料，惟不包括綜合財務報表及當中所載本核數師報告。

本核數師對綜合財務報表之意見並不涵蓋其他資料，而本核數師並不就此發表任何形式之核證結論。

就本核數師對綜合財務報表之審核而言，本核數師之責任是閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或本核數師在審核過程中所知悉者存有重大抵觸或於其他方面出現重大錯誤陳述。基於本核數師已進行之工作，倘本核數師認為此其他資料出現重大錯誤陳述，則須報告該事。本核數師在此方面毋須報告。

董事對綜合財務報表承擔之責任

貴公司董事須負責按照香港會計師公會所頒佈之香港財務報告準則及香港公司條例之披露規定編製真實公平之綜合財務報表，並負責董事認為必要之內部監控，確保編製綜合財務報表時並無任何基於欺詐或錯誤而出現之重大錯誤陳述。

於編製綜合財務報表時，貴公司董事須負責評估貴集團持續經營之能力，於適用情況下披露與持續經營有關之事宜，並使用持續經營會計基準，除非貴公司董事有意令貴集團清盤或停止經營，或別無其他實際方案而為之則另作別論。

貴公司董事由審核委員會協助履行其監察貴集團財務報告程序之責任。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism throughout the audit. We also:

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

核數師就審核綜合財務報表承擔之 責任

本核數師之目標，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之重大錯誤陳述取得合理保證，並根據百慕達公司法(一九八一年)第90條僅向全體股東出具包括本核數師意見之核數師報告，除此之外別無其他目的。本核數師概不就本報告內容向任何其他人士負責或承擔責任。

合理保證乃高水平之保證，惟不能保證按照香港審計準則進行之審核總能識別某一已出現之重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘能合理預期個別或共同影響使用者依據該等綜合財務報表所作出之經濟決定，則有關錯誤陳述可被視作重大。

作為根據香港審計準則進行審核之一部分，本核數師在審核過程中運用專業判斷並保持專業懷疑態度。本核數師亦：

- 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之風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當之審核憑證，作為本核數師意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致重大錯誤陳述之風險。
- 了解與審核相關之內部控制，以設計於有關情況下適當之審核程序，但目的並非對貴集團內部控制之有效性發表意見。
- 評定董事所採用會計政策之恰當性及作出會計估計及相關披露之合理性。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

AUDITOR'S RESPONSIBILITIES 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 matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

核數師就審核綜合財務報表承擔之 責任(續)

- 對董事採用持續經營會計基準之恰當性作出結論。根據所獲取之審核憑證，確定是否存在與事件或情況有關之重大不確定性，從而可能導致對貴集團之持續經營能力產生重大疑慮。倘本核數師認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中之相關披露，或倘有關披露不足，則應當修訂本核數師之意見。本核數師之結論乃基於截至核數師報告日期所取得之審核憑證。然而，未來事件或情況可能導致貴集團不能持續經營。
- 評定綜合財務報表之整體呈列方式、結構和內容(包括披露)，以及綜合財務報表是否以中肯之方式呈列相關交易及事件。
- 就貴集團旗下實體或業務活動之財務資料獲取充足、適當之審核憑證，以便對綜合財務報表發表意見。本核數師負責集團審計之方向、監督與執行。本核數師為審計意見負全責。

本核數師向審核委員會傳達(其中包括)審核之計劃範圍及時間安排以及重大審核結果(包括本核數師在審核中所識別內部控制之任何重大缺陷)進行溝通。

本核數師亦向審核委員會提交聲明，說明本核數師已符合有關獨立性之相關道德要求，並向彼等傳達或會可能合理地認為對本核數師之獨立性產生影響之所有關係及其他事項，以及在適用情況下之相關防範措施。

INDEPENDENT AUDITOR'S REPORT (CONTINUED) 獨立核數師報告(續)

AUDITOR'S RESPONSIBILITIES 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 Wong Yat Kin.

Ernst & Young
Certified Public Accountants

22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

12 March 2020

核數師就審核綜合財務報表承擔之 責任(續)

從向審核委員會傳達之事宜中，本核數師確定對本期間綜合財務報表之審核最為重要之事項，因而構成關鍵審核事項。本核數師在核數師報告中描述該等事項，除非法律或法規不允許公開披露有關事項，或在極端罕見之情況下，因合理預期在本核數師之報告中傳達某事項所造成負面後果超過所產生之公眾利益，則本核數師決定不應在報告中傳達該事項。

出具獨立核數師報告之審核項目合夥人為王一建。

安永會計師事務所
執業會計師

香港中環
添美道1號
中信大廈22樓

二零二零年三月十二日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

| | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | |
|---|-----------------------|----------------------------------|----------------------------------|-----------|
| REVENUE | 收入 | 5 | 275,893 | 281,427 |
| Cost of sales and services | 銷售及服務成本 | | (120,639) | (121,492) |
| Gross profit | 毛利 | | 155,254 | 159,935 |
| Other income and gains, net | 其他收入及收益淨額 | 5 | 7,875 | 10,084 |
| Foreign exchange differences, net | 匯兌差額淨額 | | 335 | 329 |
| Fair value gains/(losses), net: | 公平值收益/(虧損)淨額： | | | |
| Financial assets at fair value through profit or loss | 按公平值經損益入賬之財務資產 | | 323 | (384) |
| Investment properties | 投資物業 | | 3,626 | 4,406 |
| Selling and distribution expenses | 銷售及分銷開支 | | (36,631) | (35,358) |
| General and administrative expenses, net | 一般及行政開支淨額 | | (63,455) | (57,788) |
| Finance costs | 財務費用 | 7 | (1,102) | - |
| Other expenses | 其他開支 | | (6,024) | (6,024) |
| PROFIT BEFORE TAX | 除稅前溢利 | 6 | 60,201 | 75,200 |
| Income tax expense | 所得稅開支 | 10 | (4,308) | (7,172) |
| PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT | 母公司擁有人應佔本年度溢利 | | 55,893 | 68,028 |
| | | | 2019 | 2018 |
| | | | 二零一九年 | 二零一八年 |
| | | | HK cents | HK cents |
| | | | 港仙 | 港仙 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 母公司普通股股東應佔每股盈利 | 12 | | |
| Basic | 基本 | | 22.63 | 27.85 |
| Diluted | 攤薄 | | 22.49 | 27.78 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| PROFIT FOR THE YEAR | 本年度溢利 | 55,893 | 68,028 |
| OTHER COMPREHENSIVE LOSS | 其他全面虧損 | | |
| Other comprehensive loss that may be reclassified to profit or loss in subsequent periods: | 於往後期間，其他全面虧損可能重新分類至損益表： | | |
| Exchange differences on translation of foreign operations | 換算海外業務時產生之匯兌差額 | (2,169) | (4,293) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT | 母公司擁有人應佔本年度全面收入總額 | 53,724 | 63,735 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 DECEMBER 2019 二零一九年十二月三十一日

| | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 13 | 3,183 | 3,120 |
| Investment properties | 14 | 70,091 | 75,661 |
| Right-of-use assets | 15(a) | 8,486 | – |
| Goodwill | 16 | 134,485 | 134,485 |
| Other intangible assets | 17 | 59,999 | 54,062 |
| Financial assets at fair value through profit or loss – debt investments | 22 | 2,100 | 4,633 |
| Deposits | 20 | 1,812 | 2,260 |
| Deferred tax assets | 26 | 2,288 | 2,713 |
| Total non-current assets | | 282,444 | 276,934 |
| CURRENT ASSETS | | | |
| Inventories | 18 | 597 | 723 |
| Trade receivables | 19 | 50,159 | 43,572 |
| Prepayments, deposits and other receivables | 20 | 14,745 | 14,999 |
| Contract assets | 21 | 20,226 | 20,627 |
| Financial assets at fair value through profit or loss – listed equity investments | 22 | 10,121 | 10,164 |
| Tax recoverable | | 6,674 | 6,681 |
| Pledged bank deposits | 23 | 2,541 | 2,100 |
| Financial assets at fair value through profit or loss – money market certificate and debt investments | 22 | 45,728 | – |
| Cash and cash equivalents | 23 | 200,730 | 255,545 |
| Total current assets | | 351,521 | 354,411 |
| CURRENT LIABILITIES | | | |
| Trade payables, other payables and accruals | 24 | 65,023 | 74,096 |
| Contract liabilities | 25 | 55,712 | 56,954 |
| Lease liabilities | 15(b) | 5,886 | – |
| Tax payable | | 9,662 | 9,501 |
| Total current liabilities | | 136,283 | 140,551 |
| NET CURRENT ASSETS | | 215,238 | 213,860 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 497,682 | 490,794 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

31 DECEMBER 2019 二零一九年十二月三十一日

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT LIABILITIES | | | | |
| | 非流動負債 | | | |
| Lease liabilities | 租賃負債 | 15(b) | 3,788 | – |
| Deferred tax liabilities | 遞延稅項負債 | 26 | 12,515 | 12,730 |
| Total non-current liabilities | 非流動負債總值 | | 16,303 | 12,730 |
| Net assets | 資產淨值 | | 481,379 | 478,064 |
| EQUITY | | | | |
| Equity attributable to owners of the parent | | | | |
| | 權益 | | | |
| | 母公司擁有人應佔權益 | | | |
| Issued capital | 已發行股本 | 27 | 24,949 | 24,949 |
| Share premium account | 股份溢價賬 | 27 | 53,104 | 53,104 |
| Shares held under the restricted share award scheme | 根據有限制股份獎勵計劃持有之股份 | 27 | (5,462) | (5,809) |
| Other reserves | 其他儲備 | | 389,028 | 376,221 |
| Proposed final dividend | 擬派末期股息 | 11 | 19,760 | 29,599 |
| Total equity | 總權益 | | 481,379 | 478,064 |

Ng Cheung Shing 吳長勝
Director 董事

Leung King San, Sunny 梁景新
Director 董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | | | Proposed final and special dividends | Total equity |
|--|----------------------|--|-----------------------------|---|-----------------------------------|---------------------|---------------------------------|---|------------------|------------------------------------|---------------------|------------------------|---|-----------------|
| | | Issued capital | Share premium account | Shares held under the restricted share award scheme | Share-based payment reserve | Goodwill reserve | Asset revaluation reserve | Available- for-sale investment reserve | Reserve funds | Exchange fluctuation reserve | Retained profits | Other reserves 其他儲備 | | |
| | | 已發行股本 | 股份溢價賬 | 根據有限 股份獎勵 計劃持有 之股份 | 股份付款 儲備 | 商譽儲備 | 資產重估 儲備 | 可供出售 投資重估 儲備 | 儲備基金 | 匯兌波動 儲備 | 保留溢利 | 可派末期 及特別 股息 | 權益總額 | |
| Notes | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| 附註 | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| At 1 January 2018 | 於二零一八年一月一日 | 24,419 | 38,493 | (1,919) | 2,908 | (7,227) | 1,972 | 621 | 746 | 3,271 | 360,588 | 29,096 | 452,968 | |
| Effect of adoption of HKFRS 9 | 採用香港財務報告準則 第9號之影響 | - | - | - | - | - | - | (621) | - | - | 621 | - | - | |
| At 1 January 2018 (restated) | 於二零一八年一月一日 (重新編列) | 24,419 | 38,493 | (1,919) | 2,908 | (7,227) | 1,972 | - | 746 | 3,271 | 361,209 | 29,096 | 452,968 | |
| Profit for the year | 本年度溢利 | - | - | - | - | - | - | - | - | - | 68,028 | - | 68,028 | |
| Other comprehensive loss for the year: | 本年度其他全面虧損: | | | | | | | | | | | | | |
| Exchange differences on translation of foreign operations | 換算海外業務時產生 之匯兌差額 | - | - | - | - | - | - | - | - | (4,293) | - | - | (4,293) | |
| Total comprehensive income for the year | 本年度全面收入總額 | - | - | - | - | - | - | - | - | (4,293) | 68,028 | - | 63,735 | |
| Purchase of shares held under the restricted share award scheme | 購買有限股份獎勵 計劃項下股份 | 29 | - | (4,410) | - | - | - | - | - | - | - | - | (4,410) | |
| Vesting of shares held under the restricted share award scheme | 有限股份獎勵計劃 項下股份歸屬 | 29 | - | 520 | (520) | - | - | - | - | - | - | - | - | |
| Shares issued in lieu of dividend | 以股代息發行之股份 | | 530 | 14,611 | - | - | - | - | - | - | - | - | 15,141 | |
| Share award arrangements | 股份獎勵安排 | 29 | - | - | 1,858 | - | - | - | - | - | - | - | 1,858 | |
| Final and special 2017 dividends declared | 宣派二零一七年末期及 特別股息 | | - | - | - | - | - | - | - | - | 90 | (29,096) | (29,006) | |
| Interim 2018 dividend | 二零一八年中 期股息 | 11 | - | - | - | - | - | - | - | - | (22,222) | - | (22,222) | |
| Proposed final 2018 dividend | 擬派二零一八年 末期股息 | 11 | - | - | - | - | - | - | - | - | (29,599) | 29,599 | - | |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 24,949 | 53,104 | (5,809) | 4,246 | (7,227) | 1,972 | - | 746 | (1,022) | 377,506 | 29,599 | 478,064 | |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | | |
|---|-------------------|--|--------------------------------|---|---------------------------------------|--------------------------|-------------------------------------|-----------------------|--|--------------------------|-----------------------------------|----------------------|
| | | Other reserves 其他儲備 | | | | | | | | | | Total equity 權益總額 |
| | | Issued capital 已發行股本 | Share premium account 股份溢價賬 | Shares held under the restricted share award scheme 根據有限制股份獎勵計劃持有之股份 | Share-based payment reserve 股份付款儲備 | Goodwill reserve 商譽儲備 | Asset revaluation reserve 資產重估儲備 | Reserve funds 儲備基金 | Exchange fluctuation reserve 匯兌波動儲備 | Retained profits 保留溢利 | Proposed final dividend 擬派末期股息 | |
| Notes 附註 | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 January 2019 | 於二零一九年一月一日 | 24,949 | 53,104 | (5,809) | 4,246 | (7,227) | 1,972 | 746 | (1,022) | 377,506 | 29,599 | 478,064 |
| Profit for the year | 本年度溢利 | - | - | - | - | - | - | - | - | 55,893 | - | 55,893 |
| Other comprehensive loss for the year: | 本年度其他全面虧損: | | | | | | | | | | | |
| Exchange differences on translation of foreign operations | 換算海外業務時產生之匯兌差額 | - | - | - | - | - | - | - | (2,169) | - | - | (2,169) |
| Total comprehensive income for the year | 本年度全面收入總額 | - | - | - | - | - | - | - | (2,169) | 55,893 | - | 53,724 |
| Purchase of shares held under the restricted share award scheme | 購買有限制股份獎勵計劃項下股份 | 29 | - | (623) | - | - | - | - | - | - | - | (623) |
| Vesting of shares held under the restricted share award scheme | 有限制股份獎勵計劃項下股份歸屬 | 29 | - | 970 | (970) | - | - | - | - | - | - | - |
| Share award arrangements | 股份獎勵安排 | 29 | - | - | 2,110 | - | - | - | - | - | - | 2,110 |
| Transfer of asset revaluation reserve upon the disposal of an investment property | 出售一項投資物業後轉撥資產重估儲備 | - | - | - | - | - | (1,972) | - | - | 1,972 | - | - |
| Final 2018 dividend declared | 宣派二零一八年末期股息 | - | - | - | - | - | - | - | - | (56) | (29,599) | (29,655) |
| Interim 2019 dividend | 二零一九年中期股息 | 11 | - | - | - | - | - | - | - | (22,241) | - | (22,241) |
| Proposed final 2019 dividend | 擬派二零一九年末期股息 | 11 | - | - | - | - | - | - | - | (19,760) | 19,760 | - |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 24,949 | 53,104 | (5,462) | 5,386 | (7,227) | - | 746 | (3,191) | 393,314 | 19,760 | 481,379 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

| | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 經營活動之現金流量 | | | |
| Profit before tax | | 60,201 | 75,200 |
| 除稅前溢利 | | | |
| Adjustments for: | | | |
| 經調整: | | | |
| Finance costs | 7 | 1,102 | - |
| 財務費用 | | | |
| Bank interest income | 5 | (5,245) | (7,274) |
| 銀行利息收入 | | | |
| Dividend income from listed investments at fair value through profit or loss | 5 | (698) | (675) |
| 按公平值經損益入賬之上市投資股息收入 | | | |
| Gain on disposal of items of property, plant and equipment, net | 6 | - | (1) |
| 出售物業、廠房及設備項目之收益淨額 | | | |
| Fair value losses/(gains), net: | | | |
| 公平值虧損/(收益)淨額: | | | |
| Financial assets at fair value through profit or loss | 6 | (323) | 384 |
| 按公平值經損益入賬之財務資產 | | | |
| Investment properties | 6 | (3,626) | (4,406) |
| 投資物業 | | | |
| Depreciation of property, plant and equipment | 6 | 1,388 | 2,051 |
| 物業、廠房及設備之折舊 | | | |
| Depreciation of right-of-use assets | 6 | 6,885 | - |
| 使用權資產之折舊 | | | |
| Impairment/(reversal of impairment) of trade receivables, net | 6 | (108) | 1,201 |
| 應收貿易賬款減值/(撥回減值)淨額 | | | |
| Impairment/(reversal of impairment) of contract assets, net | 6 | (68) | 68 |
| 合約資產減值/(撥回減值)淨額 | | | |
| Amortisation of other intangible assets | 6 | 6,024 | 6,024 |
| 其他無形資產攤銷 | | | |
| Equity-settled share-based payment expense | 29 | 2,110 | 1,858 |
| 股權結算以股份支付開支 | | | |
| | | 67,642 | 74,430 |
| Decrease in inventories | | 126 | 710 |
| 存貨減少 | | | |
| Increase in trade receivables | | (6,479) | (3,410) |
| 應收貿易賬款增加 | | | |
| Decrease/(increase) in prepayments, deposits and other receivables | | 702 | (1,793) |
| 預付款項、按金及其他應收款項減少/(增加) | | | |
| Decrease/(increase) in contract assets/amounts due from contract customers | | 469 | (4,419) |
| 合約資產/應收合約客戶款項減少/(增加) | | | |
| Decrease in trade payables, other payables and accruals | | (9,073) | (178) |
| 應付貿易賬款、其他應付款項及應計款項減少 | | | |
| Increase/(decrease) in contract liabilities/amounts due to contract customers | | (1,242) | 2,824 |
| 合約負債/應付合約客戶款項增加/(減少) | | | |
| Decrease in contract liabilities/deferred revenue | | - | (2,246) |
| 合約負債/遞延收入減少 | | | |
| Cash generated from operations | | 52,145 | 65,918 |
| 經營業務所得現金 | | | |
| Hong Kong profits tax paid | | (124) | (4,865) |
| 已繳香港利得稅 | | | |
| Overseas taxes paid | | (3,852) | (2,628) |
| 已繳海外稅項 | | | |
| Net cash flows from operating activities | | 48,169 | 58,425 |
| 經營活動所得現金流量淨額 | | | |

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

| | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Net cash flows from operating activities | | 48,169 | 58,425 |
| CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES | | | |
| Bank interest received | | 5,245 | 7,274 |
| Dividends received from listed investments at fair value through profit or loss | | 698 | 675 |
| Purchases of items of property, plant and equipment | | (1,460) | (1,242) |
| Purchase of financial assets at fair value through profit or loss – money market certificate | | (42,829) | – |
| Additions to other intangible assets | | (11,961) | (10,380) |
| Proceeds from disposal of items of property, plant and equipment | | – | 7 |
| Proceeds from disposal of an investment property | | 9,196 | – |
| Increase in pledged bank deposits | | (441) | (1,029) |
| Decrease/(increase) in non-pledged bank deposits with original maturity of more than three months when acquired | | (52,872) | 47,159 |
| Net cash flows from/(used in) investing activities | | (94,424) | 42,464 |
| CASH FLOWS USED IN FINANCING ACTIVITIES | | | |
| Purchases of shares under the restricted share award scheme | | (623) | (4,410) |
| Principal portion of lease payments | 31(b) | (5,697) | – |
| Dividends paid | | (51,896) | (36,087) |
| Interest paid | 31(b) | (1,102) | – |
| Net cash flows used in financing activities | | (59,318) | (40,497) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | (105,573) | 60,392 |
| Cash and cash equivalents at beginning of year | | 254,857 | 198,700 |
| Effect of foreign exchange rate changes, net | | (2,114) | (4,235) |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | 147,170 | 254,857 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents as stated in the consolidated statement of financial position | | 200,730 | 255,545 |
| Non-pledged time deposits with original maturity of more than three months when acquired | | (53,560) | (688) |
| Cash and cash equivalents as stated in the consolidated statement of cash flows | | 147,170 | 254,857 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 DECEMBER 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Computer And Technologies Holdings Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at Level 10, Cyberport 2, 100 Cyberport Road, Hong Kong.

During the year, the Group was involved in the following principal activities:

- provision of enterprise applications software and e-business services for enterprises including the provision of enterprise application software with implementation and ongoing support services; and the Government Electronic Trading Services (“GETS”), cloud services and other related value added services;
- provision of information technology (“IT”) solutions implementation and application software development; provision of IT and related operation/infrastructure outsourcing services; business process outsourcing (“BPO”) services; and provision of IT systems and network infrastructure with related design, implementation and ongoing support services; and
- property and treasury investments.

1. 公司及集團資料

科聯系統集團有限公司乃於百慕達註冊成立之有限公司，其註冊辦事處位於 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司主要營業地點位於香港數碼港道100號數碼港2座10樓。

年內，本集團從事以下主要業務：

- 為企業提供企業應用軟件及電子商務服務，包括提供帶有實施及持續支援服務的企業應用軟件；及政府電子貿易服務（「GETS」）、雲端服務及其他相關增值服務；
- 提供資訊科技（「資訊科技」）解決方案實施及應用軟件發展；提供資訊科技及相關營運／基礎設施外判服務；業務流程外判（「業務流程外判」）服務；及提供資訊科技系統及網絡基礎設施，輔以相關設計、實施及持續支援服務；及
- 物業及庫務投資。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 註冊及營運地點 | Issued ordinary/ registered capital 已發行普通/ 註冊資本 | Percentage of equity attributable to the Company 本公司應佔股本 權益百分比 | | Principal activities 主要業務 |
|--|---|---|--|---------------|---|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Computer And Technologies (BVI) Limited | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | Ordinary US\$1,000 普通股1,000美元 | 100 | 100 | Investment holding 投資控股 |
| Computer And Technologies International Limited 科聯系統有限公司 | Hong Kong 香港 | Ordinary HK\$2 Non-voting deferred** HK\$5,000,000 普通股2港元 無投票權遞延** 5,000,000港元 | 100 | 100 | Provision of IT solutions development and implementation services, investment holding and treasury investments 提供資訊科技解決方案發展 及實施服務、投資控股及 庫務投資 |
| Computer And Technologies Integration Limited 科聯集成有限公司 | Hong Kong 香港 | Ordinary HK\$2 普通股2港元 | 100 | 100 | Provision of system and network integration services 提供系統及網絡集成服務 |
| Computer And Technologies International Trading (Shanghai) Company Limited* 科聯系統集成國際貿易(上海)有限公司* | PRC/Mainland China 中國/中國內地 | US\$200,000 200,000美元 | 100 | 100 | Sales of computer networks and system platforms 銷售電腦網絡及系統平台 |
| Computer And Technologies (Shanghai) Company Limited** 上海科聯信息系統有限公司** | PRC/Mainland China 中國/中國內地 | US\$3,500,000 3,500,000美元 | 100 | 100 | Provision of system and network integration services 提供系統及網絡集成服務 |

1. 公司及集團資料(續)

附屬公司之資料

本公司主要附屬公司之詳情如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 註冊及營運地點 | Issued ordinary/ registered capital 已發行普通/ 註冊資本 | Percentage of equity attributable to the Company 本公司應佔股本 權益百分比 | | Principal activities 主要業務 |
|--|---|--|--|---------------|--|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Computer And Technologies Investment Limited | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | Ordinary US\$1 普通股 1 美元 | 100 | 100 | Investment holding and treasury investments 投資控股及庫務投資 |
| C&T (Guangzhou) Investment Limited 科聯(廣州)投資有限公司 | Hong Kong 香港 | Ordinary HK\$2 普通股 2 港元 | 100 | 100 | Property holding 持有物業 |
| C&T (Hong Kong) Investment Limited 科聯(香港)投資有限公司 | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | Ordinary US\$1 普通股 1 美元 | 100 | 100 | Property holding 持有物業 |
| C&T (Nanjing) Investment Limited 科聯(南京)投資有限公司 | Hong Kong 香港 | Ordinary HK\$2 普通股 2 港元 | 100 | 100 | Property holding 持有物業 |
| C&T (Shanghai) Investment Limited 科聯(上海)投資有限公司 | Hong Kong 香港 | Ordinary HK\$2 普通股 2 港元 | 100 | 100 | Property holding 持有物業 |
| Computer And Technologies Solutions Limited 科聯軟件有限公司 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 | 100 | 100 | Provision of IT solutions development and implementation services 提供資訊科技解決方案發展 及實施服務 |
| Computer And Technologies Solutions (Shenzhen) Company Limited** 科聯軟件(深圳)有限公司** | PRC/Mainland China 中國/中國內地 | US\$1,128,000 1,128,000 美元 | 100 | 100 | Provision of IT solutions development and implementation services 提供資訊科技解決方案發展 及實施服務 |

1. 公司及集團資料(續)

附屬公司之資料(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 註冊及營運地點 | Issued ordinary/ registered capital 已發行普通/ 註冊資本 | Percentage of equity attributable to the Company 本公司應佔股本 權益百分比 | | Principal activities 主要業務 |
|--|---|--|--|---------------|---|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Computer And Technologies Resources Limited 科聯資源管理有限公司 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 | 100 | 100 | Provision of human resources management 提供人力資源管理 |
| Computer And Technologies Software (Hong Kong) Limited 科聯系統軟件(香港)有限公司 | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 | 100 | 100 | Provision of enterprise applications software and related operation 提供企業軟件應用及相關營運 |
| Global e-Business Services (BVI) Limited | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | Class A US\$1,600 Class B US\$400 A類 1,600 美元 B類 400 美元 | 100 | 100 | Investment holding 投資控股 |
| Global e-Business Services Limited 智網電子商貿服務有限公司 | Hong Kong 香港 | Ordinary HK\$1,010,000 普通股 1,010,000 港元 | 100 | 100 | Provision of enterprise applications software services 提供企業軟件應用服務 |
| Global e-Trading Services Limited 商貿易服務有限公司 | Hong Kong 香港 | Ordinary HK\$2,501,000 普通股 2,501,000 港元 | 100 | 100 | Provision of e-business related services, including government electronic trading services 提供電子貿易相關服務，包括政府電子貿易服務 |

1. 公司及集團資料(續)

附屬公司之資料(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 註冊及營運地點 | Issued ordinary/ registered capital 已發行普通/ 註冊資本 | Percentage of equity attributable to the Company 本公司應佔股本 權益百分比 | | Principal activities 主要業務 |
|--|---|--|--|---------------|---|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| IPL Research Limited | Hong Kong 香港 | Ordinary HK\$3,000,000 Non-voting deferred** HK\$300,000 普通股 3,000,000 港元 無投票權遞延** 300,000 港元 | 100 | 100 | Provision of enterprise applications software and related operation outsourcing services and investment holding 提供企業軟件應用及相關營運外判服務以及投資控股 |
| Platinum China Limited | Hong Kong 香港 | Ordinary HK\$10,000 普通股 10,000 港元 | 100 | 100 | Trading of computer software licences, provision of training, implementation and maintenance of software services, and investment holding 買賣電腦軟件特許權、提供軟件培訓、實施及維護服務以及投資控股 |
| Platinum Software Systems (Shanghai) Company Limited** 白金軟件系統(上海)有限公司** | PRC/Mainland China 中國/中國內地 | Ordinary US\$200,000 普通股 200,000 美元 | 100 | 100 | Trading of computer software licences, provision of training and implementation, maintenance and support services 買賣電腦軟件特許權、提供培訓及實施以及維護及支援服務 |

1. 公司及集團資料(續)

附屬公司之資料(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

| Name 名稱 | Place of incorporation/ registration and business 註冊成立/ 註冊及營運地點 | Issued ordinary/ registered capital 已發行普通/ 註冊資本 | Percentage of equity attributable to the Company 本公司應佔股本 權益百分比 | | Principal activities 主要業務 |
|--|---|--|--|---------------|---|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Sanyo Extended System Services Limited 三洋拓展系統有限公司 | Hong Kong 香港 | Ordinary HK\$1,000,000 普通股 1,000,000 港元 | 100 | 100 | Provision of computer support and programming services, and investment holding 提供電腦支援及程序設計服務以及投資控股 |
| Sanyo Extended Data Systems Limited 三洋拓展電腦有限公司 | Hong Kong 香港 | Ordinary HK\$180,000 普通股 180,000 港元 | 100 | 100 | Provision of computer support and programming services 提供電腦支援及程序設計服務 |
| 上海商絡軟件有限公司 ^{**} | PRC/Mainland China 中國/中國內地 | Ordinary US\$450,000 普通股 450,000 美元 | 100 | 100 | Provision of enterprise applications software and related operation outsourcing services 提供企業應用軟件及相關營運外判服務 |
| 科聯軟件(澳門)有限公司 ^{***} | Macau 澳門 | Ordinary MOP25,000 普通股 25,000 澳門元 | 100 | 100 | Provision of enterprise applications software and related operation 提供企業應用軟件及相關營運 |

1. 公司及集團資料(續)

附屬公司之資料(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION
(CONTINUED)

Information about subsidiaries (continued)

- # The subsidiary is registered as a Sino-foreign equity joint venture under PRC law.
- ** The subsidiaries are registered as wholly-foreign-owned enterprises under PRC law.
- ### Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.
- ** The non-voting deferred shares, which are not held by the Group, carry no rights to dividends or to receive notice of or to attend or vote at any general meeting. In the winding-up of the subsidiaries, the holders of the deferred shares carry the rights to receive a return of capital after the holders of the ordinary shares have received a sum of HK\$1,000,000,000 per ordinary share.

Except for Computer And Technologies (BVI) Limited, all of the above subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group or of particular importance to the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

1. 公司及集團資料(續)

附屬公司之資料(續)

- # 該附屬公司乃根據中國法律註冊為中外合資企業。
- ** 該等附屬公司乃根據中國法律註冊為外商獨資企業。
- ### 未經香港安永會計師事務所或安永會計師事務所全球網絡其他成員公司審核。
- ** 該等並非由本集團持有之無投票權遞延股份概無享有獲派股息之權利，亦無權享有收取任何股東大會通告或出席有關大會或於會上投票之權利。倘附屬公司清盤，遞延股份持有人有權於普通股持有人就每股普通股收取合共1,000,000,000港元後，始獲退還資本。

除 Computer And Technologies (BVI) Limited 外，上述所有附屬公司均由本公司間接持有。

上表僅列出董事認為會對本集團年內業績構成主要影響、構成本集團資產淨值重要部分或對本集團構成特定意義之本公司附屬公司。董事認為詳列其他附屬公司之資料會令篇幅過於冗長。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

2.1 編製基準

此等財務報表乃根據由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(當中包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港普遍接納之會計原則及依照香港公司條例之披露規定所編製。該等財務報表依據歷史成本慣例編製，惟按公平值計算之投資物業及按公平值經損益入賬之財務資產除外。此等財務報表乃以港元(「港元」)呈列，除另有所指外，所有數值均四捨五入至最接近千位。

綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度之財務報表。附屬公司為本公司可直接或間接控制的實體(包括結構性實體)。當本集團透過參與投資對象業務而承擔或享有來自投資對象之可變回報，且能透過對投資對象之權力(即本集團獲賦予現有能以主導投資對象相關活動之現有權利)影響該等回報，則本集團擁有該實體之控制權。

倘本公司直接或間接擁有投資對象少於大多數之投票權或類似權利，則評估本集團對投資對象是否擁有權力時，會考慮一切相關事實及情況，包括：

- (a) 與該投資對象其他投票權擁有人之合約安排；
- (b) 根據其他合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. 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.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill and other intangible assets) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準(續)

綜合基準(續)

附屬公司之財務報表與本公司之申報期間相同，並使用貫徹一致之會計政策編製。附屬公司之業績自本集團獲得控制權日期起綜合入賬，並一直綜合入賬直至有關控制權終止日期為止。

損益及其他全面收入項下各部分乃計入本集團母公司擁有人以及非控制性權益，即使此舉會導致非控制性權益出現虧絀結餘。有關本集團公司成員間之交易而產生之集團內部資產與負債、權益、收入、開支及現金流量於綜合入賬時全數撇除。

倘事實及情況顯示以上有關附屬公司會計政策所述三項控制權元素其中一項或以上出現變動，則本集團會重新評估是否仍然控制其投資對象。若並無失去控制權之附屬公司出現權益變動，將入賬並列作權益交易。

倘本集團失去附屬公司之控制權，須取消確認(i)附屬公司資產(包括商譽及其他無形資產)及負債；(ii)任何非控制性權益之賬面值；及(iii)權益錄得之累計匯兌差額；並確認入賬(i)已收取代價之公平值；(ii)任何保留投資之公平值；及(iii)由此所產生於損益入賬之盈利或虧損。過往於其他全面收入確認之本集團應佔部分，按猶如本集團已直接出售相關資產或負債所需之基準被重新分類至損益或保留溢利(視適用情況而定)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

| | |
|--|---|
| Amendments to HKFRS 9 | <i>Prepayment Features with Negative Compensation</i> |
| HKFRS 16 | <i>Leases</i> |
| Amendments to HKAS 19 | <i>Plan Amendment, Curtailment or Settlement</i> |
| Amendments to HKAS 28 | <i>Long-term Interests in Associates and Joint Ventures</i> |
| HK(IFRIC)-Int 23 | <i>Uncertainty over Income Tax Treatments</i> |
| <i>Annual Improvements to HKFRSs 2015–2017 Cycle</i> | Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 |

Except for the amendments to HKFRS 9, HKAS 19, HKAS 28 and *Annual Improvements to HKFRSs 2015–2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

- (a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

2.2 會計政策及披露之變動

本集團已於本年度之財務報表首次採納以下新訂及經修訂之香港財務報告準則。

| | |
|----------------------------|--|
| 香港財務報告準則第9號(修訂本) | 具負補償之提前還款特性 |
| 香港財務報告準則第16號 | 租賃 |
| 香港會計準則第19號(修訂本) | 計劃修訂、縮減或結付 |
| 香港會計準則第28號(修訂本) | 於聯營公司及合營企業的長期權益 |
| 香港(國際財務報告詮釋委員會)–詮釋第23號 | 就所得稅處理的不確定因素 |
| 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 | 對香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號作出之修訂 |

除香港財務報告準則第9號(修訂本)、香港會計準則第19號(修訂本)、香港會計準則第28號(修訂本)及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外(與本集團財務報表的編製無關),新訂及經修訂之香港財務報告準則的性質及影響載述如下:

- (a) 香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)–詮釋第4號釐定一項安排是否包括租賃、香港(準則詮釋委員會)–詮釋第15號經營租賃–優惠以及香港(準則詮釋委員會)–詮釋第27號評估涉及租賃法律形式的交易實質。該準則載列確認、計量、呈列及披露租賃的原則,並要求承租人在單一資產負債表模式中計算所有租賃,以確認及計量使用權資產及租賃負債,惟若干確認豁免除外。香港財務報告準則第16號下的出租人會計處理大致沿用香港會計準則第17號下的會計處理方式。出租人將繼續使用香港會計準則第17號所載的相若分類原則將租賃分類為經營租賃或融資租賃。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (continued)

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

2.2 會計政策及披露之變動(續)

(a) (續)

本集團已採用經修訂追溯法採納香港財務報告準則第16號，首次應用日期為二零一九年一月一日。根據該方法，該準則已獲追溯應用，而首次採納該準則的累計影響確認為對二零一九年一月一日保留溢利期初結餘的調整，而二零一八年比較資料並未重列，且繼續根據香港會計準則第17號予以呈報。

租賃的新定義

根據香港財務報告準則第16號，倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約是租賃或包含租賃。當客戶有權從使用可識別資產獲得絕大部分經濟利益以及擁有指示使用可識別資產的權利時，即有控制權。本集團選擇應用過渡性的實際權宜方法以允許該準則僅適用於先前於首次應用日期已根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號確定為租賃之合約。根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號未確定為租賃的合約不會重新評估。因此，香港財務報告準則第16號項下的租賃定義僅適用於在二零一九年一月一日或之後訂立或變更的合約。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (continued)

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for properties. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and separately presented in the statement of financial position. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

2.2 會計政策及披露之變動(續)

(a) (續)

作為承租人－先前分類為經營租賃的租賃

採納香港財務報告準則第16號的影響性質

本集團擁有多個物業的租賃合約。作為承租人，本集團先前根據評估租賃是否將資產所有權的絕大部分回報及風險轉移至本集團，將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團對所有租賃採用單一方法確認及計量使用權資產及租賃負債，惟低價值資產租賃(按個別租賃基準選擇)及租賃期為12個月或以下的租賃(「短期租賃」)(按相關資產類別選擇)的兩項選擇性豁免除外。本集團確認使用權資產折舊(及減值(如有))及未償還租賃負債產生的利息(為財務費用)，而並非於二零一九年一月一日開始於租期內按直線基準確認經營租賃項下租賃開支。

過渡影響

於二零一九年一月一日的租賃負債按餘下租賃付款的現值確認，使用二零一九年一月一日的增量借款利率貼現，並獨立呈列於財務狀況表。租賃使用權資產按租賃負債金額計量，並就任何與緊接二零一九年一月一日前於財務狀況表確認與租賃相關的預付或應計租賃付款金額作出調整。

所有該等資產於該日期均已根據香港會計準則第36號作出減值評估。本集團選擇於財務狀況表中獨立呈列使用權資產。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (continued)

As a lessee – Leases previously classified as operating leases (continued)**Impact on transition (continued)**

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics when measuring the lease liabilities at 1 January 2019

2.2 會計政策及披露之變動(續)

(a) (續)

作為承租人 – 先前分類為經營租賃的租賃(續)**過渡影響(續)**

就先前計入投資物業並按公平值計量的租賃土地及樓宇(為持作賺取租金收入及/或資本增值)而言,本集團已於二零一九年一月一日繼續將其計入投資物業。其仍繼續應用香港會計準則第40號按公平值計量。

本集團於二零一九年一月一日應用香港財務報告準則第16號時,已使用以下有選擇性實際權宜方法:

- 對租賃期自首次應用日期起12個月內終止的租賃應用短期租賃豁免
- 倘合約包含延期/終止租賃的選擇權,則於事後釐定租賃期限
- 於計量二零一九年一月一日的租賃負債時對具有合理類似特質的租賃組合採用單一折現比率

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (continued)

As a lessee – Leases previously classified as operating leases (continued)**Financial impact at 1 January 2019**

The impact arising from the adoption of HKFRS 16 at 1 January 2019 was as follows:

| | | HK\$'000 千港元 |
|---------------------------------|---------------|-----------------|
| Assets | | |
| Increase in right-of-use assets | 資產 使用權資產增加 | 15,715 |
| Liabilities | | |
| Increase in lease liabilities | 負債 租賃負債增加 | 15,715 |

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

| | | HK\$'000 千港元 |
|--|-------------------------------|-----------------|
| Operating lease commitments as at 31 December 2018 | 於二零一八年十二月三十一日的 經營租賃承擔 | 17,337 |
| Weighted average incremental borrowing rate as at 1 January 2019 | 於二零一九年一月一日的 加權平均增量借款率 | 3.9% |
| Discounted operating lease commitments and lease liabilities as at 1 January 2019 | 於二零一九年一月一日的已貼現 經營租賃承擔及租賃負債 | 15,715 |

2.2 會計政策及披露之變動(續)

(a) (續)

作為承租人 – 先前分類為經營租賃的租賃(續)

於二零一九年一月一日的財務影響
於二零一九年一月一日採納香港財務報告準則第16號所產生的影響如下：

於二零一九年一月一日的租賃負債與於二零一八年十二月三十一日的經營租賃承擔之對賬如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (b) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. The Group determined that the interpretation did not have any impact on the financial position or performance of the Group.

2.2 會計政策及披露之變動(續)

- (b) 香港(國際財務報告詮釋委員會)一詮釋第23號存在當稅項處理涉及影響香港會計準則第12號的應用的不確定性(通常指「不確定稅務狀況」)時的所得稅(即期及遞延)會計處理。該詮釋並不適用於香港會計準則第12號範圍外的稅項或徵稅,且尤其不包括不確定稅項處理相關的利息及處罰相關規定。該詮釋旨在明確(i)實體是否考慮單獨處理不確定稅項;(ii)實體對稅務機關的稅項處理檢查所作的假設;(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率;及(iv)實體如何考慮事實及情況變動。於採納該詮釋時,本集團考慮於其集團內銷售的轉移定價是否會產生任何不確定稅務情況。本集團認為該詮釋對本集團財務狀況或表現並無任何影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

| | |
|--|---|
| Amendments to HKFRS 3 | <i>Definition of a Business</i> ¹ |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | <i>Interest Rate Benchmark Reform</i> ¹ |
| Amendments to HKFRS 10 and HKAS 28 (2011) | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³ |
| HKFRS 17 | <i>Insurance Contracts</i> ² |
| Amendments to HKAS 1 and HKAS 8 | <i>Definition of Material</i> ¹ |

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

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並無於此等財務報表應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

| | |
|---|-------------------------------------|
| 香港財務報告準則第3號(修訂本) | 業務之定義 ¹ |
| 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本) | 利率基準改革 ¹ |
| 香港財務報告準則第10號及香港會計準則第28號(二零一一年)(修訂本) | 投資者與其聯營或合營企業之間的資產出售或注資 ³ |
| 香港財務報告準則第17號 | 保險合約 ² |
| 香港會計準則第1號及香港會計準則第8號(修訂本) | 重大性之定義 ¹ |

¹ 於二零二零年一月一日或之後開始之年度期間生效

² 於二零二一年一月一日或之後開始之年度期間生效

³ 尚未釐定強制生效日期，惟可供採納

預期將適用於本集團之該等香港財務報告準則之進一步資料於下文闡述。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第3號(修訂本)澄清業務的定義，並提供額外指引。該修訂本訂明可視為業務的一組整合活動和資產，必須至少包括一項投入和一項重要過程，而兩者必須對形成收益的能力有重大貢獻。業務毋須包括形成產出所需的所有投入或過程。該修訂取消了評估市場參與者是否有能力收購業務並能持續獲得收益的規定，轉為重點關注所取得的投入和重要過程共同對形成收益的能力有否重大貢獻。該修訂亦已收窄收益的定義範圍，重點關注為客戶提供的商品或服務、投資收益或日常活動產生的其他收入。此外，修訂本亦提供有關評估所取得過程是否重大的指引，並新增公平值集中度測試選項，允許對所取得的一組活動和資產是否不屬於業務進行簡化評估。本集團預期自二零二零年一月一日起採用該等修訂。由於該等修訂預期適用於首次應用日期或之後發生之交易或其他事件，故本集團於過渡日期將不受該等修訂影響。

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)旨在解決銀行同業拆息改革對財務申報之影響。該等修訂提供可在替換現有利率基準前之不確定期間內繼續進行對沖會計處理之暫時性補救措施。此外，該等修訂規訂公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。修訂於二零二零年一月一日或之後開始的年度期間生效。可准許提早應用。預期該等修訂將不會對本集團財務報表造成任何重大影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號(二零一一年)(修訂本)針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營企業之間資產出售或注資兩者規定之不一致情況。該等修訂規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及的資產不構成一項業務時，由該交易產生之收益或虧損於該投資者之損益內確認，惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂本已前瞻應用。香港會計師公會已於二零一六年一月剔除香港財務報告準則第10號及香港會計準則第28號(二零一一年)(修訂本)的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營企業的會計處理更廣泛的檢討完成後釐定。然而，該等修訂現時可供採納。

香港會計準則第1號及香港會計準則第8號(修訂本)重新界定重大性。根據新定義，倘漏報、錯報或掩蓋個別信息將可合理預期影響作一般目的的財務報表主要使用者作基於相關財務報表作出的決定，則該信息為重大。修訂本指明，重大性取決於信息的性質或牽涉範圍。倘可合理預期信息錯報會影響主要使用者的決定，則視為重大錯誤陳述。本集團預期自二零二零年一月一日起採用該等修訂。該等修訂預期不會對本集團財務報表有任何重大影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要**業務合併及商譽**

業務合併乃以收購法入賬。所轉讓代價乃以收購日期之公平值計量，該公平值為本集團轉讓之資產、本集團對被收購方前擁有人承擔之負債及本集團為換取被收購方控制權所發行股本權益於收購日期之公平值之總和。於各業務合併中，本集團選擇按公平值或按分佔被收購方可識別資產淨值之比例，計量被收購方之非控制性權益（現時為擁有權權益，及賦予持有人於清盤時分享資產淨值之比例）。所有其他非控制性權益部分乃按公平值計量。收購相關成本於產生時支銷。

當本集團收購一項業務時，會根據合約條款、於收購日期之經濟環境及相關狀況，評估將承接之財務資產及負債，以作出適合之分類及標示，包括分開被收購方所訂主合約中之內含衍生工具。

倘業務合併分階段進行，先前持有之股本權益按收購日期之公平值重新計量，及所引致的損益確認於損益表中。

收購方將予轉讓之任何或然代價按於收購日期之公平值確認。倘分類為一項資產或負債之或然代價按公平值計量，公平值變動於損益中確認。分類為權益之或然代價不會重新計量，其後結算則於權益內列賬。

商譽初步按成本計量，即已轉讓代價、已確認為非控制性權益之金額及本集團以往持有之被收購方股本權益之公平值總值，超出所收購可識別資產淨值及所承擔負債之差額。如該代價及其他項目之總和低於所收購資產淨值之公平值，差額於重新評估後於損益表內確認為議價收購收益。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill previously eliminated against consolidated reserves

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 *Business Combinations* ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against consolidated reserves in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated reserves and is not recognised in the statement of profit or loss when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽須每年進行減值測試，或當有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽之年度減值測試。為進行減值測試，於業務合併中購入之商譽自收購當日被分配至預期可從合併產生之協同效益中獲益之本集團各現金產生單位或現金產生單位組別，而不論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關之現金產生單位(或現金產生單位組別)之可收回金額釐定。當現金產生單位(或現金產生單位組別)之可收回金額低於賬面金額時，將確認減值虧損。已就商譽確認之減值虧損不得於未來期間撥回。

倘商譽分配至現金產生單位(或現金產生單位組別)而隸屬該單位之部分業務已被出售，則在釐定出售有關業務所得之盈虧時，與所出售業務相關之商譽會計入該業務之賬面值。在該情況下出售之商譽，乃根據所出售業務及所保留現金產生單位部分之相對價值進行計量。

以往與綜合儲備對銷之商譽

於二零零一年採納由香港會計師公會頒佈之會計實務準則第30號*業務合併*(「會計實務準則第30號」)前，收購產生之商譽於收購年度與綜合儲備對銷。採納香港財務報告準則第3號後，該等商譽仍與綜合儲備對銷，且當所有或部分與商譽有關之業務出售或與商譽有關之現金產生單位減值時不會於損益表確認。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its investment properties, debt investment, equity investments and money market certificate at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset and liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 主要會計政策概要(續)

公平值計量

本集團於各報告期間結算日按公平值計量其投資物業、債務投資、股本投資及貨幣市場存單。公平值指市場參與者於計量日期於有秩序交易中因出售資產而收取或轉讓負債而支付之價格。公平值計量乃根據出售資產或轉讓負債之交易於該資產或負債之主要市場或(如無主要市場)對該資產及負債為最有利之市場進行之假設進行。主要或最有利之市場須為本集團可接達者。資產或負債之公平值乃採用市場參與者在替該資產或負債進行定價時將會採用之假設而計量，當中假設市場參與者乃按其最佳經濟利益而行事。

非財務資產之公平值計量考慮市場參與者透過以最高及最佳用途使用該資產或透過將其出售予將以最高及最佳用途使用該資產之另一市場參與者而賺取經濟利益之能力。

本集團採用於各情況均屬合適及可取得足夠數據以計量公平值之估值技巧，從而將相關可觀察輸入數據之用途盡量擴大及將不可觀察輸入數據之用途盡量減少。

計量公平值或於財務報表披露之所有資產及負債乃如下文所述根據對整體公平值計量屬重大影響之最低級別輸入數據於公平值等級架構內分類：

- 第1層 – 按相同資產或負債於活躍市場之未經調整報價計算
- 第2層 – 以對所錄得公平值計量有重要影響之最低級別輸入數據均可直接或間接觀察之估值方法計算
- 第3層 – 以對所錄得公平值計量有重要影響之最低級別輸入數據均非市場觀察可得數據之估值方法計算

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

公平值計量(續)

對於按經常性基準於財務報表確認之資產及負債而言，本集團將於各報告期間結算日透過重新評估分類(根據對整體公平值計量屬重大影響之最低級別輸入數據)決定轉讓是否於等級架構內各層之間發生。

非財務資產減值

當出現減值跡象，或當資產(惟存貨、合約資產、遞延稅項資產、財務資產及投資物業除外)需要進行年度減值測試時，需估計資產之可收回金額。一項資產之可收回金額以資產或現金產生單位之使用價值與其公平值減出售成本兩者之較高者計算，按個別資產釐定，除非資產不會產生很大程度獨立於其他資產或資產組合之現金流入，在此情況下，可收回金額以資產所屬之現金產生單位釐定。

減值虧損僅於資產賬面值超逾其可收回金額時方予確認。在評估使用價值時，會使用足以反映市場當時就該特定資產之金錢時間值及風險所作評估之稅前貼現率將估計未來現金流量貼現至現值。減值虧損於產生期間自損益表內扣除。

於每個報告期間結算日均須評估是否有跡象顯示過往已確認之減值虧損可能不再存在或有所減少。如出現任何該等跡象，則須估計可收回金額。先前已確認之一項資產減值虧損(商譽除外)僅於釐定該資產可收回金額所用之估計出現變動時撥回，惟撥回後之賬面值不得超逾假設過往年度並無就該資產確認減值虧損所釐定之賬面值之數額(扣除任何折舊/攤銷)。減值虧損之撥回於產生期間計入損益表。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要(續)

關連人士

在下列情況下，有關人士將被視為本集團之關連人士：

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；

或

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一實體之聯營公司或合營企業（或為另一實體之母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團均為同一第三方之合營企業；
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃；
 - (vi) 實體受(a)所識別人士控制或受共同控制；
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體之母公司）主要管理層成員；及
 - (viii) 實體或一間集團之任何成員公司（為集團之一部分）向本集團或本集團之母公司提供主要管理人員服務。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any 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 the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| | |
|--|--|
| Ownership interests in properties held for own use and buildings | Over the shorter of the lease terms and 2% to 4% |
| Leasehold improvements | Over the shorter of the lease terms and 20% |
| Computer equipment and software | 20% to 33 $\frac{1}{3}$ % |
| Furniture, fixtures and other equipment | 18% to 25% |
| Motor vehicles | 20% |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

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

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊

物業、廠房及設備乃以成本值減累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本值包括其購買價及任何使資產達到可使用狀態及地點作擬定用途之直接應計成本。

物業、廠房及設備項目投入運作後產生之開支，例如維修及維護開支，一般於產生期間自損益表扣除。倘達到確認標準，則重大檢查之開支會於資產賬面值中資本化作為替換。倘須定期替換大部分物業、廠房及設備，則本集團會將該等部分確認為有特定可使用年期之個別資產並予以折舊。

折舊乃於每項物業、廠房及設備之估計可使用年期內以直線法將其成本撇銷至其剩餘價值計算。就此所用主要年率如下：

| | |
|-------------|------------------------|
| 自用物業所有權益及樓宇 | 按租期及2%至4% (以較短者為準) |
| 租賃物業裝修 | 按租期及20% (以較短者為準) |
| 電腦設備及軟件 | 20%至33 $\frac{1}{3}$ % |
| 傢俬、裝置及其他設備 | 18%至25% |
| 汽車 | 20% |

倘一項物業、廠房及設備之各部分具備不同可使用年期，其成本以合理基準分配至各部分，而各部分獨立計提折舊。剩餘價值、可使用年期及折舊方法至少於每個財政年度年結日檢討及調整(如適用)。

經初步確認之物業、廠房及設備項目(包括任何重大部分)於出售或預期不會透過使用或出售獲得未來經濟利益時終止確認。於終止確認該項資產年度在損益表確認之出售或報廢所產生任何收益或虧損，乃銷售所得款項淨額與有關資產賬面值兩者間之差額。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset (2018: leasehold property under an operating lease) which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 主要會計政策概要(續)

投資物業

投資物業乃持作賺取租金收入及／或用作資本增值之土地及樓宇之權益(包括於其他方面符合投資物業定義之持作使用權資產的租賃物業(二零一八年：經營租賃項下之租賃物業))，而非用作生產或提供貨品或服務或行政用途，亦非用作於日常業務中出售。該等物業初步按成本計量，包括交易成本。於初步確認後，投資物業按公平值列賬，以反映報告期間結算日之市場狀況。

投資物業公平值變動所產生收益或虧損於其產生年度計入損益表。

報廢或出售投資物業之任何收益或虧損在報廢或出售年度於損益表確認。

無形資產(商譽除外)

個別收購之無形資產於初步確認時按成本計量。業務合併中所收購無形資產之成本乃其於收購日期之公平值。無形資產之可使用年期乃評估為有限或無限。具有有限年期之無形資產其後按可使用經濟年期攤銷，並於該無形資產出現減值跡象時評估減值。具有有限可使用年期之無形資產之攤銷年期及攤銷方法須至少於各財政年度年結日作檢討。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (continued)

Customer relationships

Purchased customer relationships are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful life of 8 to 10 years.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 10 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products/services not exceeding five years, commencing from the date when the intangible assets are available for use.

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

客戶關係

購入客戶關係乃以成本減任何減值虧損呈列，並於估計可使用年期為八年至十年以直線法攤銷。

軟件

購入軟件乃以成本減任何減值虧損呈列，並於估計可使用年期為十年以直線法攤銷。

研究與開發成本

所有研究成本於產生時自損益表扣除。

僅當本集團可顯示完成無形資產所涉及項目在技術上可行以供使用或銷售，且公司有意完成及能夠使用或出售資產、資產可產生未來經濟利益、具有足夠資源完成項目及能可靠計量開發開支時，開發新產品之項目所產生開支方會撥充資本及作遞延處理。不符合此等標準之產品開發開支於產生時支銷。

遞延開發成本乃以成本值減任何減值虧損列賬，並按相關產品／服務之商業年限（不超過五年），由無形資產可供作用途當日起以直線法攤銷。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Leases (applicable from 1 January 2019)**

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease terms.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要(續)**租賃(自二零一九年一月一日起應用)**

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。

(a) 使用權資產

使用權資產於租賃開始日期(即相關資產可供使用日期)確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債之任何重新計量作出調整。使用權資產之成本包括已確認租賃負債金額、已發生初始直接成本及於開始日期或之前支付之租賃付款減已收取之任何租賃優惠。使用權資產於租賃期內以直線法折舊。

倘於租賃年期結束時租賃資產的擁有權轉移至本集團，或成本反映已行使購買權，則折舊以資產的估計可使用年期計算。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起應用)(續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期按於租賃期內作出之租賃付款現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、取決於某一指數或比率之可變租賃付款及預期根據在剩餘價值擔保中將支付之金額。租賃付款亦包括本集團合理確定行使購買選擇權之行使價，並倘租賃期反映了本集團行使終止選擇權，則須就終止租賃支付罰款。並非取決於某一指數或比率之可變租賃付款於觸發付款之事件或狀況出現期間確認為開支。

於計算租賃付款現值時，由於租賃內含利率不易釐定，本集團則於租賃開始日期使用增量借貸利率。於開始日期後，租賃負債金額增加，以反映利息增加及就所付之租賃付款減少。此外，倘出現修訂、租賃期有所變更、租賃付款出現變動(例如，指數或利率出現變動導致未來租賃付款出現變動)或購買相關資產的選擇權的評估出現變動，則重新計量租賃負債的賬面值。

(c) 短期租賃及低值資產租賃

本集團對其機器及設備的短期租賃(即該等於開始日期的租期為12個月或以下且不包含購買權的租賃)應用短期租賃確認豁免。其亦對視作低值的辦公設備及筆記本電腦租賃應用低值資產租賃確認豁免。短期租賃及低值資產租賃的租賃付款按租期以直線法確認為開支。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Leases (applicable from 1 January 2019) (continued)****Group as a lessor**

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 主要會計政策概要(續)**租賃(自二零一九年一月一日起應用)(續)****本集團作為出租人**

當本集團擔任出租人時，本集團於租賃開始時(或當有租賃修訂時)將其各項租賃分類為經營租賃或融資租賃。

所有本集團並未轉讓資產所有權所附帶的絕大部分風險及回報的租賃歸類為經營租賃。當合約包含租賃和非租賃組成部分時，本集團按相對獨立售價將合約中的代價分配予各組成部分。租金收入於租期內按直線法列賬並計入損益表的收入內，原因為其經營性質。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值，並於租期內按相同方法確認為租金收入。或然租金乃於所賺取的期間內確認為收入。

相關資產所有權的絕大部分風險及回報轉移至承租人的租賃作為融資租賃入賬。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (applicable before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms. Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2.4 主要會計政策概要(續)

租賃(於二零一九年一月一日前應用)

除法定所有權外，將資產所有權的絕大部分回報及風險轉移至本集團的租賃作為融資租賃入賬。於融資租賃初期，租賃資產的成本按最低租賃付款的現值資本化，並與責任(不包括利息要素)一併記錄，以反映購買及融資。資本化融資租賃項下持有的資產(包括融資租賃項下的預付土地租賃付款)計入物業、廠房及設備中，並按租賃期間及資產估計使用年期的較短者折舊。相關租賃的財務費用計入損益表中，以在租賃期內提供固定的定期收費率。通過融資性質之租購合約收購之資產作為融資租賃入賬，但按其估計使用年限折舊。

凡將資產擁有權之絕大部分回報及風險保留於出租人之租賃，列為經營租賃。當本集團為出租人時，本集團於經營租賃下租出之資產計入非流動資產，於經營租賃下之應收租金以直線法按租期計入損益表。當本集團為承租人時，於經營租賃下之應付租金(扣除出租人提供之租賃優惠)以直線法按租期於損益表扣除。

經營租賃之預付土地租賃付款初步按成本列賬，其後以直線法在租期確認。當租賃付款無法可靠地分配為土地及樓宇部分，全部租賃付款乃計入土地及樓宇成本，列作物業、廠房及設備之融資租賃。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 主要會計政策概要(續)

投資及其他財務資產

初步確認及計量

財務資產於初步確認時分類為其後按攤銷成本計量及按公平值經損益入賬的財務資產。

於初步確認時，財務資產分類取決於財務資產的合約現金流量特點及本集團管理該等財務資產的業務模式。除並無重大融資成分或本集團已應用可行權宜方法並無調整重大融資成分影響的應收貿易賬款外，本集團按公平值加上(倘財務資產並非按公平值經損益入賬)交易成本計量財務資產。並無重大融資成分或本集團已應用可行權宜方法的應收貿易賬款根據下文「收入確認」所載的政策按香港財務報告準則第15號所釐定的交易價格計量。

分類為按攤銷成本或按公平值經其他全面收入計量的財務資產產生的現金流量應純粹為支付本金及未償還的本金產生的利息(純粹為支付本金及利息)。現金流量不純粹為支付本金及利息的財務資產，其按公平值經損益入賬分類及計量，不論其業務模式如何。

本集團管理財務資產的業務模式指其如何管理其財務資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售財務資產，或兩者兼有。按攤銷成本分類及計量的財務資產在目的是持有財務資產以收取合約現金流的商業模式中持有，而透過其他全面收入分類及按公平值計量的財務資產則在目的是持有以收取合約現金流及銷售的商業模式中持有。不在上述業務模式範圍內持有的財務資產按公平值經損益入賬分類及計量。

所有循正常途徑買入及出售的財務資產於交易日(即本集團承諾買入或出售資產之日)確認。循正常途徑買入或出售，乃指須於法規或市場慣例一般設定的期間內交付資產的財務資產買入或出售。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

其後計量

財務資產的其後計量視乎其如下分類而定：

按攤銷成本計量的財務資產(債務工具)

按攤銷成本計量的財務資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、變更或減值時，收益及虧損於損益表中確認。

按公平值計入其他全面收入之財務資產(債務工具)

就按公平值計入其他全面收入之債務投資而言，利息收入、外匯重估及減值虧損或撥回於損益表確認並按與按攤銷成本計量之財務資產相同之方式計算。其餘公平值變動於其他全面收入確認。終止確認後，於其他全面收入內確認之累計公平值變動結轉至損益表。

指定為按公平值計入其他全面收入之財務資產(股本投資)

於初步確認後，倘股本投資符合香港會計準則第32號金融工具：呈列項下股權之定義且並非持作買賣，本集團可選擇將其股本投資不可撤回地分類為按公平值計入其他全面收入之股本投資。分類按個別工具基準釐定。

該等財務資產的收益及虧損不會結轉至損益表。股息將於支付權利確立、與股息相關之經濟利益很可能流入本集團及股息金額可以可靠計量時於損益表內確認為其他收入，惟倘本集團因收回部份財務資產成本而自該等所得款項中受益，於此情況下，有關收益於其他全面收入內入賬。指定為按公平值計入其他全面收入之股本投資毋須進行減值評估。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)**Subsequent measurement (continued)***Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)**其後計量(續)***按公平值經損益入賬的財務資產*

按公平值經損益入賬的財務資產按公平值於財務狀況表列賬，而公平值變動淨額於損益表確認。

此類別包括本集團並無不可撤回地選擇按公平值計入其他全面收入分類之衍生工具及股本投資。當付款權利已確立，與股息有關的經濟利益可能流入本集團且股息金額能夠可靠地計量時，分類為按公平值經損益入賬的財務資產的股本投資的股息亦於損益表確認為其他收入。

倘嵌入混合合約(包括財務負債或非財務主體)之衍生工具具備與主體不緊密相關之經濟特徵及風險；具備與嵌入式衍生工具相同條款之單獨工具符合衍生工具之定義；及混合合約並非按公平值經損益入賬計量，該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量，而公平值變動於損益表中確認。僅當合約條款出現變動而大幅改變其他情況下所需現金流量時，或將財務資產從按公平值經損益入賬重新分類時，方會進行重新評估。

嵌入混合合約(包含財務資產主體)之衍生工具並不單獨入賬。財務資產主體連同嵌入式衍生工具須整體分類為按公平值經損益入賬之財務資產。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要(續)

終止確認財務資產

財務資產(或如適用,財務資產其中一部分或一組類似之財務資產其中一部分)主要在下列情況下終止確認(即從本集團之綜合財務狀況表中刪除):

- 自該資產收取現金流量之權利已屆滿;或
- 本集團已轉讓收取來自該資產現金流量之權利,或已根據「轉遞」安排就承擔責任在並無重大延誤情況下向第三方全數支付已收取現金流量的責任;及(a)本集團已轉讓該資產絕大部分風險及回報,或(b)本集團並無轉讓或保留該資產之絕大部分風險及回報,惟已轉讓該資產之控制權。

倘若本集團已轉讓其自資產收取現金流量之權利或已訂立轉遞安排,則評估是否在何程度上保留資產擁有權之風險及回報。當其不轉讓或不保留資產之絕大部分風險及回報,亦無轉讓資產之控制權,則本集團按其繼續參與該轉讓資產之程度確認該資產。於該情況下,本集團亦將確認相關負債。已轉讓資產及相關負債乃以反映本集團所保留權利及責任為基準計量。

持續參與指本集團就已轉讓資產作出之保證,已轉讓資產乃以該項資產之原賬面值與本集團或須償還之代價數額上限之比較低者計算。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 主要會計政策概要(續)

財務資產減值

本集團就並非按公平值經損益持有的所有債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約應收的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押品的現金流量或組成合約條款的其他信貸提升措施的現金流量。

一般方式

預期信貸虧損分兩個階段確認。對於自初步確認概無重大增加的信貸風險，預期信貸虧損為未來12個月內可能來自違約事件的預期信貸虧損(12個月預期信貸虧損)而提計。對於該等自初步確認後顯著增加的信貸風險，必須為預期於剩餘年期產生的信貸虧損作出虧損撥備，無須考慮違約事件發生的時間(全期預期信貸虧損)。

於各報告日期，本集團評估信貸風險自初步確認以來是否顯著上升。於評估時，本集團會比較財務工具於報告日期發生違約的風險與財務工具於初步確認日期發生違約的風險。作出評估時，本集團會考慮合理及具支持性的資料，包括過往經驗及無須花費不必要成本或努力獲取的前瞻性資料。

本集團認為，當合約繳款逾期90天，該財務資產屬違約。然而，於若干情況，當內部或外來資料顯示本集團不大可能於考慮本集團所持的任何信貸提升措施前全數收到尚未償還合約款項時，本集團亦可能認為一項財務資產已屬違約。當概無合理預期可回收合約現金流量時，一項財務資產即被撇銷。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

2.4 主要會計政策概要(續)

財務資產減值(續)

一般方式(續)

按公平值計入其他全面收入的債務投資及按攤銷成本計量的財務資產應以一般方法減值及根據以下預期信貸虧損的計量階段分類，惟應收貿易賬款及合約資產須應用以下詳述之簡化方法除外。

第一階段 – 自初步確認以來信貸風險未有顯著上升的財務工具及該等按相當於12個月預期信貸虧損之金額計量虧損減值的財務工具

第二階段 – 自初步確認以來信貸風險顯著上升惟不屬於未作信貸減值的財務資產之財務工具及該等按相等於全期預期信貸虧損之金額計量虧損減值的財務工具

第三階段 – 於報告日期已作信貸減值的財務資產(惟不是已購買或源頭信貸減值)及該等按相等於全期預期信貸虧損之金額計量虧損減值的財務資產

簡化方法

就並無重大融資成分或本集團應用可行權宜方法未調整重大融資成分影響的應收貿易賬款及合約資產而言，本集團於計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追溯信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣，並按債務人特定的前瞻性因素及經濟環境作出調整。

就包含重大融資成分的應收貿易賬款及合約資產及租賃應收款項，本集團選擇按上述政策採用簡化方法計算預期信貸虧損為其會計政策。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group are classified, at initial recognition, as loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and financial liabilities included in accruals.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and 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. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the statement of profit or loss.

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. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 主要會計政策概要(續)

財務負債

初步確認及計量

本集團內之財務負債於初步確認時分類為貸款、借貸及應付款項。

所有財務負債初步按公平值確認，並扣除直接應佔交易成本。

本集團的財務負債包括貿易及其他應付款項及計入應計款項之財務負債。

其後計量

財務負債之其後計量根據其下列分類進行：

按攤銷成本計量的財務負債(貸款及借貸)

於初步確認後，附息貸款及借貸其後以實際利率法按攤銷成本計量，但如折現之影響甚微，則按成本列賬。盈虧乃於負債終止確認時及於按實際利率攤銷之過程中於損益表確認。

計算攤銷成本時會計及收購所產生之任何折讓或溢價，亦包括作為實際利率不可或缺部分之費用或成本。實際利率攤銷乃計入損益表中。

財務擔保合約

本集團發出之財務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根據債務工具之條款償還到期款項而招致損失之合約。財務擔保合約初步按公平值確認為一項負債，並就發出擔保直接產生之交易成本作出調整。於初步確認後，本集團按以下兩項之較高者計量財務擔保合約：(i) 預期信貸虧損撥備根據「財務資產減值」所載政策釐定；及(ii) 初步確認金額減(如適用) 累計確認收入金額。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Shares held under the restricted share award scheme

Where shares of the Company are purchased from the market for a restricted share award scheme, the consideration paid, including any directly attributable incremental costs, is presented as "Shares held under the restricted share award scheme" and deducted from equity.

2.4 主要會計政策概要(續)

終止確認財務負債

財務負債於負債項下責任解除、註銷或屆滿時終止確認。

當同一貸款人按存有重大差別之條款以另一項財務負債取代現有財務負債時，或現有負債之條款有重大修改時，有關交換或修改則被視為終止確認原有負債及確認一項新負債，而有關賬面值之差額乃於損益表確認。

抵銷財務工具

只有於現時存在可依法強制執行之權利抵銷已確認金額，且有意以淨額結算或同時變現資產及清償債務時，方可抵銷財務資產及財務負債，並於財務狀況表呈列淨金額。

庫存股份

購回本身由本公司或本集團持有之股權工具(庫存股份)乃按成本直接於權益中確認。因購買、出售、發行或註銷本集團本身的股權工具所產生的收益或虧損不會在損益表中確認。

根據有限制股份獎勵計劃持有之股份

當就有限制股份獎勵計劃於市場購買本公司股份，所付代價(包括任何直接應佔增加成本)乃列作「根據有限制股份獎勵計劃持有之股份」，並自權益中扣除。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of finished goods and work in progress, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in the statement of profit or loss.

2.4 主要會計政策概要(續)

存貨

存貨乃按成本與可變現淨值兩者中之較低者列賬。成本乃以加權平均基準釐定，就製成品及在製品而言，成本包括直接原料、直接工資及適當比例之開支。可變現淨值是根據估計售價扣除直至完成及出售所需之估計成本。

現金及等同現金資產

就綜合現金流量表而言，現金及等同現金資產包括手頭現金及活期存款，及於購入後一般於三個月內較短期間到期可隨時轉換為已知金額現金，但價值改變風險不大之短期高流通性投資，扣除需按要求償還及屬於本集團現金管理組成部分之銀行透支。

就綜合財務狀況表而言，現金及等同現金資產包括用途均不受限制之手頭現金及銀行存款(包括定期存款及性質與現金類似之資產)。

撥備

當因過往事件導致現有法律或推定責任，而日後可能須動用資源履行有關責任，且有關責任所涉數額能可靠估計，則須確認撥備。

倘折現影響重大，則按預期履行責任所需日後開支在報告期間結算日之現值確認撥備金額。經折現之現值數額隨時間過去之增加列入損益表。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries/jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。有關並非於損益確認之項目之所得稅，在其他全面收入或直接於權益確認。

即期稅項資產及負債，乃按預期可自稅務機關收回或向稅務機關繳付之金額，根據於報告期間結算日已頒佈或實質頒佈之稅率(及稅法)計算，當中已計及本集團經營所在國家／司法權區之現行詮釋及慣例。

就財務申報目的而言，於報告期間結算日之資產及負債之稅基與其賬面值間所有暫時性差異，須按負債法計提遞延稅項撥備。

除下述者外，所有應課稅暫時性差異均確認為遞延稅項負債：

- 遞延稅項負債因初步確認一項交易(並非業務合併，且於進行交易時對會計溢利或應課稅盈虧並無影響)所涉及商譽或一項資產或負債而出現；及
- 與於附屬公司之投資有關之應課稅暫時性差異，倘能控制有關暫時性差異之撥回時間，於可見將來應不會撥回。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 主要會計政策概要(續)

所得稅(續)

確認為遞延稅項資產乃所有可於稅務上可扣除之暫時性差異、和承前未用稅項抵免及未用稅項虧損。除下述者外，如日後有可能出現應課稅溢利，可用作抵銷該等可扣除暫時性差異、承前未用稅項抵免及未用稅項虧損，均確認為遞延稅項資產：

- 與可抵扣暫時性差異有關之遞延稅項資產因初步確認一項交易(並非業務合併，且於進行交易時對會計溢利或應課稅盈虧並無影響)所涉及資產或負債而出現；及
- 就與附屬公司之投資有關之可抵扣暫時性差異而言，僅在有關暫時性差異可能於可見將來撥回，並有應課稅溢利可供用作抵銷暫時性差異之情況下，方會確認遞延稅項資產。

遞延稅項資產之賬面值於每個報告期間結算日予以審閱，倘不再可能有足夠應課稅溢利可供用作抵銷全部或部分遞延稅項資產，則減少遞延稅項資產賬面值。於可能有足夠應課稅溢利可供用作收回全部或部分遞延稅項資產時，則於每個報告期間結算日重新審閱未確認之遞延稅項資產，並加以確認。

遞延稅項資產及負債乃根據於報告期間結算日已頒佈或實質頒佈之稅率(及稅法)，按預期變現有相關資產或清償有關負債期間適用之稅率計量。

遞延稅項資產及遞延稅項負債當且僅當本集團依法有強制執行權可以將當期稅項資產與當期稅項負債對銷及遞延稅項資產與遞延稅項負債是關於同一稅務機關就同一應課稅實體或計劃於各段未來期間(而預期在有關期間內將結清或收回大額的遞延稅項負債或資產)以淨額基準結算當期稅項負債與資產或同時變現資產及結清負債的不同應課稅實體所徵收的所得稅時，方會予以抵銷。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from the sale of goods and provision of software, GETS and BPO services is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods and services.

Revenue from the rendering of solutions and integration services and application services (other than sale of goods or the provision of maintenance services) is recognised over time, using an input method to measure progress towards complete satisfaction of the services, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

Revenue from the provision of maintenance services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要(續)

收入確認

來自客戶合約的收入

來自客戶合約的收入於貨品或服務的控制轉讓予客戶時確認，而其金額反映本集團預期有權就交換該等貨品或服務有權取得的代價。

銷售貨品及提供軟件，政府電子貿易服務及業務流程外判服務的收入於資產控制轉讓予客戶的時間點(通常為交付貨品及服務時)確認。

來自提供解決方案及集成服務以及應用服務(銷售貨品或提供維護服務除外)之收入於一定時間內使用輸入法計量直至完成履行服務進度而確認，因為本集團履約會創造或加強客戶隨著創造或加強資產而控制的資產。輸入法根據已產生實際成本對完成服務估計總成本的比例確認收入。

提供維護服務的收入於預定期間內按直線基準確認，原因為客戶同時獲得及消耗本集團提供的利益。

來自其他來源的收入

租金收入於租期內按時間比例確認。

其他收入

利息收入採用實際利率法之應計基準確認，以有關利率在財務工具之預計年期或較短期間內(如適用)實際折現估計未來可收取現金至財務資產之賬面淨值。

股息收入在股東收取股息之權利確立，股息相關經濟利益很可能流向本集團及股息金額能可靠計量時確認。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

2.4 主要會計政策概要(續)**合約資產**

合約資產是就向客戶轉移貨品或服務而換取代價的權利。倘本集團在客戶支付代價前或付款到期前，透過向客戶轉移貨品或服務履約，則合約資產就已賺取的有條件代價而予以確認。合約資產須進行減值評估，詳情載於財務資產減值的會計政策。

合約負債

合約負債於本集團轉讓相關貨品或服務前收到客戶付款或付款到期支付時(以較早者為準)確認。合同負債於本集團履行合同時(即相關貨品或服務的控制權轉予該客戶)確認為收入。

合約成本

除資本化為存貨、物業、廠房及設備及無形資產的成本外，倘符合以下全部準則，為向客戶履行合約而產生的成本資本化為資產：

- (a) 成本與實體可明確識別之合約或預期合約有直接關係。
- (b) 成本令實體將用於履行(或持續履行)日後履約責任之資源得以產生或有所提高。
- (c) 成本預期可收回。

資本化合約成本於損益表按有系統基準(與確認相關資產的收入模式一致)攤銷及扣除。其他合約成本於產生時支銷。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments

The Company operates two equity-settled, share-based compensation schemes including a share option scheme and a restricted share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees of the Group (including directors of the entities comprising the Group) receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要(續)

股份付款交易

本公司設有兩項股權結算股份補償計劃，包括一項購股權計劃及一項有限制股份獎勵計劃，藉以為對本集團營運之成功作出貢獻之合資格參與者提供獎勵及回報。本集團僱員（包括本集團旗下各實體之董事）會收取以股份支付之酬金，而僱員會提供服務作為股權工具之代價（「股權結算交易」）。

自二零零二年十一月七日起，就所授出獎勵與僱員進行之股權結算交易之成本乃按授出當日之公平值計算。

股權結算交易之成本連同股本之相應升幅會於達到其表現及／或服務條件之期間於僱員福利開支確認。由每個報告期間結算日直至歸屬日就股權結算交易確認之累計開支反映歸屬期已屆滿部分，以及本集團就有關最終將會歸屬之股本工具數目之最佳估計。各期間損益表之扣減或計入，指該期間開始和結束時已確認累計開支之變動。

釐定獎勵於授出日期的公平值時，並不會考慮服務及非市場績效條件，但會評估達成該等條件的可能性作為本集團對最終將歸屬的股權工具數量的最佳估計。市場績效條件反映於授出日期公平值內。獎勵所附帶但並無相關服務要求的任何其他條件視為非歸屬條件。除非有另外的服務及／或績效條件，否則非歸屬條件反映於獎勵的公平值內，並將即時支銷獎勵。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Share-based payments (continued)**

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification, that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options and shares held under the restricted share award scheme is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested by 1 January 2005 and to those granted on or after 1 January 2005.

2.4 主要會計政策概要(續)**股份付款交易(續)**

就因未達成非市場績效及／或服務條件導致最終並未歸屬的獎勵而言，不會確認任何開支。當獎勵包括市場或非歸屬條件，只要所有其他績效及／或服務條件已經達成，不論市場或非歸屬條件是否已達成，該等交易均會被視為已歸屬。

當股權結算獎勵的條款被修訂時，假設原有獎勵條款已獲達成，則會確認最低開支，猶如有關條款並無修訂。此外，倘若按修訂日期的計量，任何修訂導致以股份付款之公平值總值有所增加，或對僱員帶來其他利益，則應該等修訂確認開支。

當股權結算獎勵註銷時，會視作獎勵已於註銷當日歸屬，而尚未確認獎勵之任何支出會即時確認，當中包括任何尚未達成成本集團或僱員可控制非歸屬條件之任何獎勵。然而，倘註銷的獎勵被任何新獎勵取代，並指定為授出當日的替代獎勵，則該項註銷及新獎勵會如上段所述被視為原有獎勵的修訂處理。

尚未行使購股權及根據有限制股份獎勵計劃所持股份之攤薄影響會入賬列為計算每股盈利時的額外股份攤薄。

本集團已採納香港財務報告準則第2號有關股權結算獎勵的過渡條文，並僅就二零零二年十一月七日之後授出但於二零零五年一月一日前尚未歸屬之股權結算獎勵，以及於二零零五年一月一日或之後授出之股權結算獎勵應用香港財務報告準則第2號。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of each reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of each reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Retirement benefit schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central retirement benefit scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central retirement benefit scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central retirement benefit scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

2.4 主要會計政策概要(續)

其他僱員福利

結轉有薪假期

本集團根據僱員僱傭合約按曆年基準向其僱員提供有薪年假。在若干情況下，各僱員於報告期間結算日尚未享用之假期准予結轉至下個年度使用。於各報告期間結算日，按僱員於年內所賺取有薪假期之預計未來成本已當作一項應計費用並予以結轉。

退休福利計劃

本集團根據香港強制性公積金計劃條例為其合資格參與有關計劃之僱員實施定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃按僱員基本薪酬之百分比計算，在按強積金計劃之規則應予支付時於損益表中扣除。強積金計劃之資產由獨立管理之基金與本集團資產分開持有。本集團之僱主供款於支付予強積金計劃後即全數歸屬於僱員，惟本集團之僱主自願性質供款，在僱員未能享有全數歸屬供款前離職的情況下，可按強積金計劃之規則退回本集團。

本集團於中國內地經營之附屬公司僱員須參與由相關中國地方市政府營辦之中央退休福利計劃。該等附屬公司須根據員工薪金之一定百分比向中央退休福利計劃供款。供款乃於根據中央退休福利計劃之規則規定應付時在損益表中支銷。

終止福利

終止福利於本集團不再撤銷提供該等利益時或當本集團確認涉及支付終止福利之重組成本(以較早發生者為準)確認。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds, and they are expensed in the period in which they are incurred.

Dividends

Final dividends proposed by the directors, excluding those relating to the Company's own shares held under the Company's restricted share award scheme, are classified as a separate allocation of retained profits and/or other distributable reserves within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

2.4 主要會計政策概要(續)

借貸成本

借貸成本包括本集團借取資金時產生之利息及其他成本，該等金額於產生期間支銷。

股息

董事建議之末期股息(與根據本公司有限制股份獎勵計劃持有之本公司股份有關者除外)，乃於財務狀況表之權益部分內分類為保留溢利及／或其他可分配儲備之一項獨立分配項目，直至經股東於股東大會批准為止。當該等股息經股東批准並宣派後，則確認為負債。建議末期股息於財務報表附註披露。

本公司同時建議並宣派中期股息，原因為公司細則賦予董事權力宣派中期股息。因此，中期股息於建議並宣派之時即時確認為負債。

外幣

此等財務報表乃以本公司之功能貨幣港元呈列。本集團旗下各實體均自行決定其本身之功能貨幣，而各實體之財務報表所包含項目均採用該功能貨幣計量。本集團旗下實體所記錄外幣結算交易初步以交易當日其各自之功能貨幣匯率記錄。以外幣計值之貨幣資產及負債按報告期間結算日之功能貨幣匯率換算。由結算或換算貨幣項目引致之差額均會被計入損益表。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

以外幣按歷史成本計量之非貨幣項目按首次交易當日之匯率換算。以外幣公平值計量之非貨幣項目按計量公平值當日之匯率換算。換算以公平值計量之非貨幣項目之收益或虧損乃按與確認該項目公平值變動收益或虧損一致之方式處理，即公平值收益或虧損在其他全面收入或損益內確認之項目之換算差額亦分別於其他全面收入或損益內確認。

終止確認與墊付代價有關的非貨幣資產或非貨幣負債時，就釐定初步確認相關資產、開支或收入所用匯率而言，初步交易日期為本集團初步確認墊付代價產生的非貨幣資產或非貨幣負債當日。倘若涉及多筆付款或預收款項，則本集團必須釐定每次付款或收取墊付代價的交易日期。

若干海外附屬公司之功能貨幣為港元以外貨幣。於報告期間結算日，該等實體之資產與負債按報告期間結算日之現行匯率換算為港元，而有關損益表則按年度之加權平均匯率換算為港元。換算產生之匯率差額於其他全面收入確認，並於匯兌波動儲備累計。出售海外業務時，有關該特定海外業務之其他全面收入項目於損益表確認。

就綜合現金流量表而言，海外附屬公司之現金流量乃按計算現金流量當日之匯率換算為港元。年內海外附屬公司日常產生之現金流量乃按年內加權平均匯率換算為港元。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied judgement on determining the timing of satisfaction of services for certain contract revenue from solutions and integration services and application services, which significantly affect the determination of the timing of revenue from contracts with customers.

The Group concluded that certain contract revenue from solutions and integration services and application services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group determined that the input method is the best method in measuring the progress of the services for certain contract revenue from solutions and integration services and application services because there is a direct relationship between the Group's effort (i.e., labour hours incurred) and the transfer of services to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the services.

3. 主要會計判斷及估計

管理層在編製本集團財務報表時須作出判斷、估計及假設，而有關判斷、估計及假設會對收入、開支、資產及負債，及其有關之披露，以及或然負債之披露所申報金額造成影響。該等假設及估計之不確定性或引致須對在未來遭受影響之資產及負債賬面值作出重大調整。

判斷

應用本集團之會計政策時，除以下涉及估計之判斷外，管理層作出下列對財務報表已確認金額具重大影響之判斷：

來自客戶合約的收入

本集團已作出判斷以釐定若干來自解決方案及集成服務及應用服務的合約收入履行服務的時間，這對釐定來自客戶合約收入的時間有重大影響。

本集團的結論為，若干來自解決方案及集成服務及應用服務的合約收入隨時間予以確認，原因為客戶同時獲取及消耗本集團提供的利益。另一實體毋須重新履行本集團迄今所提供的服務，證明客戶同時獲取及消耗本集團履約所達表現的利益。

本集團認定輸入法為就若干來自解決方案及集成服務及應用服務的合約收入計量服務進度的最佳方法，原因為本集團的工作（即已產生的勞動時數）及向客戶轉移服務之間有直接關係。本集團基於所用勞動時數相較預期完成服務的總勞動時數來確認收入。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Income taxes

Significant judgement is involved in determining the provision for income taxes. Determining income tax provision requires management to make estimates and assumptions and involves judgement on the tax treatment of certain transactions, assessment of the probability of tax uncertainties and interpretation of applicable tax rules. These estimates, assumptions, judgements and assessments affect the amounts that are reported in these financial statements and accompanying disclosures. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to taken into account any changes in tax legislation and/or underlying assumptions.

3. 主要會計判斷及估計(續)

判斷(續)

物業租賃分類—本集團作為出租人

本集團已就其投資物業組合訂立商用物業租約。基於對有關安排條款及條件之評估，例如租期並不構成商業物業經濟週期主要部分及最低租賃付款現值並非為商業物業公平值之絕大部分，本集團已決定保留該等以經營租賃出租及入賬物業之擁有權之所有重大風險及相關回報。

投資物業與自用物業之分類

本集團會釐定一項物業是否合資格作為一項投資物業，並已制定作出該判斷之準則。投資物業為就賺取租金或資本增值或同時就該兩個目的而持有之物業。因此，本集團考慮物業所賺取之現金流量，是否很大程度獨立於本集團持有之其他資產。若干物業一部分持作收取租金或資本增值，另一部分則持有用作生產或供應貨品或提供服務或作行政用途。倘該等部分可獨立出售或根據融資租賃方式分開出租，本集團將該等部分個別入賬。倘該等部分不可獨立出售，當持有用作生產或供應貨品或提供服務或作行政用途之部分並非重大，有關物業方可列作投資物業。管理層已就個別物業作出判斷，以釐定有關配套設施是否重大至足以導致該物業不合資格列作投資物業。

所得稅

釐定所得稅撥備時涉及重大判斷。釐定所得稅撥備時需要管理層作出估計及假設，並涉及對若干交易之稅項處理作出判斷、評估稅項未明朗化之可能性及對適用稅務條例作出詮釋。此等估計、假設、判斷及評估均影響將於此等財務報表及隨附披露事項所呈報之金額。本集團審慎評估交易之稅務涵義，並相應計提稅項撥備。該等交易之稅項處理將定期重新考慮，以計及稅務條例及／或相關假設之任何變動。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

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 financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2019 was HK\$134,485,000 (2018: HK\$134,485,000). Further details are given in note 16 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with finite useful lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices 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. The carrying amount of related non-financial assets at 31 December 2019 was HK\$71,668,000 (2018: HK\$57,182,000).

3. 主要會計判斷及估計(續)

估計不明朗因素

於報告期間結算日就未來及其他主要估計不明朗因素所作之主要假設，可能引致須於下一個財政年度就資產及負債賬面值作出大幅調整之重大風險論述如下。

商譽減值

本集團至少每年一次釐定其商譽有否出現減值。此舉須就商譽被分配至現金產生單位之使用價值作出推算。在估算使用價值時，本集團須估計預期來自現金產生單位之未來現金流量，並選擇合適折現率，以計算相關現金流量之現值。於二零一九年十二月三十一日，商譽賬面值為134,485,000港元(二零一八年：134,485,000港元)。進一步詳情見財務報表附註16。

除商譽外之非財務資產減值

於各報告期間結算日，本集團評估所有非財務資產是否有任何減值跡象。倘有跡象顯示賬面值未必能收回，則會對可使用年期有限之非財務資產進行減值測試。當資產或現金產生單位之賬面值超出其可收回金額(即其公平值減出售成本與其使用價值之較高者)時即存在減值。公平值減出售成本乃按類似資產公平交易中具約束力之銷售交易所得數據或可觀察市場價格減出售資產之增加成本計算。當計算使用價值時，管理層必須估計該項資產或現金產生單位之預期未來現金流量，並選擇合適折現率以計算該等現金流量之現值。於二零一九年十二月三十一日，有關非財務資產之賬面值為71,668,000港元(二零一八年：57,182,000港元)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Estimation of fair value of investment properties

Investment properties are stated at their fair values. The fair value at the end of each reporting period was based on a valuation on these properties conducted by an independent firm of professionally qualified valuers using property valuation techniques which involve making assumptions on certain market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and the corresponding adjustments to the gain or loss are recognised in the statement of profit or loss.

Further details, including the key assumptions used for fair value measurement, are given in note 14 to the financial statements.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in notes 19 and 21 to the financial statements.

3. 主要會計判斷及估計(續)

估計不明朗因素(續)

投資物業公平值之估算

投資物業按其公平值列賬。於各報告期間結算日之公平值乃根據獨立專業合資格估值師行以涉及對若干市況作出假設之物業估值方法對該等物業進行之估值計算。此等假設之有利及不利變動將導致本集團投資物業公平值產生變動，而收益或虧損之相應調整於損益確認。

進一步詳情(包括公平值計量所用之主要假設)載於財務報表附註14。

應收貿易賬款及合約資產的預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款及合約資產的預期信貸虧損。撥備率乃基於逾期日數釐定。

撥備矩陣初步基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言，倘預測經濟環境(即本地生產總值)預期將於未來一年惡化，導致該分部違約事件增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率將予更新，並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間的關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟環境相當敏感。本集團過往信貸虧損經驗及預測經濟環境亦未必能代表客戶日後的實際違約情況。有關本集團應收貿易賬款項及合約資產預期信貸虧損的資料已於財務報表附註19及21披露。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)**Revenue from contracts with customers**

The Group recognises certain contract revenue on the rendering of services by reference to the progress towards complete satisfaction of the contracts at the end of the reporting period, when the outcome of a contract can be estimated reliably. The progress towards complete satisfaction of the contracts is measured by reference to the labour hours expended relative to the total expected labour hours to complete the services. Significant assumptions such as the duration of the projects, are required to estimate the total expected labour hours. The estimates are made based on past experience and knowledge of management.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

3. 主要會計判斷及估計(續)

估計不明朗因素(續)**來自客戶合約的收入**

當合約結果能可靠地估算時，本集團參考報告期末完全履行合約進度就提供服務確認若干合約收入。完全履行合約進度乃參考所用勞動時數相較預期完成服務的總勞動時數計量。項目期間等重大假設須估計預期總勞動時數。估算乃根據管理層過往經驗及知識作出。

租賃－估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，本集團使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時（如就並無訂立融資交易之附屬公司而言）或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以附屬公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the application services segment that primarily engages in the provision of enterprise applications software and e-business services for enterprises including the provision of enterprise application software with implementation and ongoing support services; and the GETS, cloud services and other related value added services;
- (b) the solutions and integration services segment that primarily engages in the provision of IT solutions implementation and application software development; provision of IT and related operation/infrastructure outsourcing services; BPO services; and provision of IT systems and network infrastructure with related design, implementation and ongoing support services; and
- (c) the investments segment that primarily engages in various types of investing activities including, inter alia, property investment for rental income and/or for capital appreciation and treasury investment in securities for dividend income and interest income and/or for capital appreciation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that unallocated interest income, unallocated foreign exchange differences, net, corporate and other unallocated depreciation, corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, pledged bank deposits, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

There were no material intersegment sales and transfers during the current and prior years.

4. 經營分部資料

為方便管理，本集團根據其產品及服務劃分業務單位，並得出以下三個可報告的經營分部：

- (a) 應用服務分部乃主要從事為企業提供企業應用軟件及電子商務服務，包括提供帶有實施及持續支援服務的企業應用軟件；及政府電子貿易服務、雲端服務及其他相關增值服務；
- (b) 解決方案及集成服務分部乃主要從事提供資訊科技解決方案實施及應用軟件發展；提供資訊科技及相關營運／基礎設施外判服務；業務流程外判服務；及提供資訊科技系統及網絡基礎設施，輔以相關設計、實施及持續支援服務；及
- (c) 投資分部乃主要從事不同種類之投資活動，其中包括賺取租金收入及／或資本增值之物業投資，以及於證券庫務投資以賺取股息收入及利息收入及／或資本增值。

管理層獨立監察本集團各經營分部之業績，以就資源分配及表現評估作出決定。分部表現乃根據可報告分部溢利進行評估，而此乃經調整除稅前溢利計算方法。經調整除稅前溢利與本集團除稅前溢利之計量基準一致，當中並無計及未分配利息收入、未分配匯兌差額淨額、企業及其他未分配折舊以及企業及其他未分配開支。

分部資產不包括遞延稅項資產、可返還稅項、已抵押銀行存款、現金及等同現金資產，以及其他未分配總部及企業資產，原因為此等資產乃集團統一管理。

分部負債不包括應繳稅項、遞延稅項負債及其他未分配總部及企業負債，原因為此等負債乃集團統一管理。

於目前及過往年度並無重大分部間之銷售及轉讓。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION
(CONTINUED)

(a) Operating segments

4. 經營分部資料(續)

(a) 經營分部

| | | Application Services | | Solutions and Integration Services | | Investments | | Total | |
|---|--------------|----------------------|----------------|------------------------------------|---------------|----------------|---------------|----------------|----------------|
| | | 應用服務 | | 解決方案及集成服務 | | 投資 | | 總額 | |
| | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Segment revenue: | 分部收入: | | | | | | | | |
| Sales to external customers (note 5) | 銷售予外界客戶(附註5) | 164,372 | 153,853 | 109,151 | 124,745 | 2,370 | 2,829 | 275,893* | 281,427* |
| Other income and gains, net | 其他收入及收益淨額 | 1,931 | 2,134 | - | 1 | 699 | 675 | 2,630^ | 2,810^ |
| Total | 總計 | 166,303 | 155,987 | 109,151 | 124,746 | 3,069 | 3,504 | 278,523 | 284,237 |
| Segment results | 分部業績 | 57,971 | 56,720 | 25,434 | 34,671 | 6,306 | 6,872 | 89,711 | 98,263 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | | | | |
| Unallocated interest income | 未分配利息收入 | | | | | | | 5,245^ | 7,274^ |
| Unallocated foreign exchange differences, net | 未分配匯兌差額淨額 | | | | | | | 335 | 329 |
| Corporate and other unallocated depreciation | 企業及其他未分配折舊 | | | | | | | (502) | (1,170) |
| Corporate and other unallocated expenses | 企業及其他未分配開支 | | | | | | | (34,588) | (29,496) |
| Profit before tax | 除稅前溢利 | | | | | | | 60,201 | 75,200 |
| Segment assets | 分部資產 | 213,743 | 214,518 | 70,463 | 55,780 | 128,760 | 91,331 | 412,966 | 361,629 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | | | | |
| Corporate and other unallocated assets | 企業及其他未分配資產 | | | | | | | 220,999 | 269,716 |
| Total assets | 資產總值 | | | | | | | 633,965 | 631,345 |
| Segment liabilities | 分部負債 | 91,920 | 93,533 | 25,727 | 30,438 | 47 | 930 | 117,694 | 124,901 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | | | | |
| Corporate and other unallocated liabilities | 企業及其他未分配負債 | | | | | | | 34,892 | 28,380 |
| Total liabilities | 負債總額 | | | | | | | 152,586 | 153,281 |

* This represents the consolidated revenue of HK\$275,893,000 (2018: HK\$281,427,000) in the consolidated statement of profit or loss.

^ These comprise the consolidated other income and gains, net, of HK\$7,875,000 (2018: HK\$10,084,000) in the consolidated statement of profit or loss.

* 指於綜合損益表之綜合收入 275,893,000 港元(二零一八年: 281,427,000 港元)。

^ 包括在綜合損益表內之其他收入及收益淨額為 7,875,000 港元(二零一八年: 10,084,000 港元)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION
(CONTINUED)

(a) Operating segments (continued)

| | Application Services | | Solutions and Integration Services | | Investments | | Total | |
|---|----------------------------------|----------------------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 應用服務 | | 解決方案及集成服務 | | 投資 | | 總額 | |
| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Other segment information: | 其他分部資料: | | | | | | | |
| Net fair value gains on investment properties | - | - | - | - | 3,626 | 4,406 | 3,626 | 4,406 |
| Net fair value gains/(losses) on financial assets at fair value through profit or loss | - | - | - | - | 323 | (384) | 323 | (384) |
| Amortisation of other intangible assets | 6,024 | 6,024 | - | - | - | - | 6,024 | 6,024 |
| Depreciation | 2,668 | 567 | 663 | 280 | 34 | 34 | 3,365 | 881 |
| Corporate and other unallocated depreciation | | | | | | | 4,908 | 1,170 |
| | | | | | | | 8,273 | 2,051 |
| Impairment losses recognised/(reversed) in the consolidated statement of profit or loss, net* | (175) | 1,201 | (1) | 68 | - | - | (176) | 1,269 |
| Capital expenditure** | 481 | 938 | 12,252 | 10,414 | - | - | 12,733 | 11,352 |
| Corporate and other unallocated capital expenditure | | | | | | | 688 | 270 |
| | | | | | | | 13,421 | 11,622 |

* Including impairment losses recognised in the consolidated statement of profit or loss, net attributable to the application services segment of Nil (2018: HK\$1,201,000) and the solutions and integration services segment of Nil (2018: HK\$68,000), respectively and impairment losses reversed in the consolidated statement of profit or loss, net attributable to the application services segment of HK\$175,000 (2018: Nil) and the solutions and integration services segment of HK\$1,000 (2018: Nil), respectively.

** Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

4. 經營分部資料(續)

(a) 經營分部(續)

* 包括於綜合損益表所確認來自應用服務分部及解決方案及集成服務分部之減值虧損淨額分別為無(二零一八年: 1,201,000港元)及無(二零一八年: 68,000港元), 以及於綜合損益表所撥回來自應用服務分部及解決方案及集成服務分部之減值虧損淨額分別為175,000港元(二零一八年: 無)及1,000港元(二零一八年: 無)。

** 資本開支包括物業、廠房及設備添置以及其他無形資產。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

(i) Revenue from external customers

| | Hong Kong and other countries/regions 香港及其他國家/地區 | | Mainland China 中國內地 | | Total 總額 | |
|-----------------------------|---|-----------------|------------------------|-----------------|-----------------|-----------------|
| | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 |
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Segment revenue: | 分部收入: | | | | | |
| Sales to external customers | 銷售予外界客戶 | | | | | |
| | 207,346 | 212,630 | 68,547 | 68,797 | 275,893 | 281,427 |

The revenue information is based on the locations of the customers.

收入資料乃以客戶所在地為基準。

(ii) Non-current assets

| | 2019 二零一九年 | 2018 二零一八年 |
|----------------|-----------------|-----------------|
| | HK\$'000 千港元 | HK\$'000 千港元 |
| Hong Kong | 146,486 | 128,721 |
| Mainland China | 129,758 | 138,607 |
| | 276,244 | 267,328 |

The non-current assets information is based on the locations of the assets and excludes financial instruments and deferred tax assets.

非流動資產資料乃按資產所在地呈列，當中並未計及財務工具及遞延稅項資產。

4. 經營分部資料(續)

(b) 地區資料

(i) 來自外界客戶之收入

(ii) 非流動資產

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Information about a major customer

Revenue from an external customer individually amounting to 10% or more of the Group's total revenue:

For the year ended 31 December 2019, revenue from a major customer of HK\$67,672,000 was derived from the application services segment and the solutions and integration services segment.

For the year ended 31 December 2018, revenue from a major customer of HK\$80,520,000 was derived from the application services segment and the solutions and integration services segment.

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| Revenue from contracts with customers | 來自客戶合約的收入 | 273,523 | 278,598 |
| Revenue from other sources | 來自其他來源的收入 | | |
| Gross rental income from investment properties and interest income from treasury investments | 投資物業之租金收入總額及庫務投資之利息收入 | 2,370 | 2,829 |
| | | 275,893 | 281,427 |

4. 經營分部資料(續)

(c) 一名主要客戶之資料

來自一名外界客戶之收入個別佔本集團總收入10%或以上：

截至二零一九年十二月三十一日止年度，來自一名主要客戶之收入為67,672,000港元，有關金額乃來自應用服務分部和解決方案及集成服務分部。

截至二零一八年十二月三十一日止年度，來自一名主要客戶之收入為80,520,000港元，有關金額乃來自應用服務分部和解決方案及集成服務分部。

5. 收入、其他收入及收益淨額

收入分析如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

Revenue from contracts with customers

(i) Disaggregated revenue information

5. 收入、其他收入及收益淨額(續)

來自客戶合約的收入

(i) 分拆收入資料

| | Application Services | Solutions and Integration Services | Total |
|---|-----------------------------|------------------------------------|----------|
| | 應用服務 | 解決方案及集成服務 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 |
| For the year ended | 截至二零一九年十二月 | | |
| 31 December 2019 | 三十一日止年度 | | |
| <i>Segments</i> | <i>分部</i> | | |
| Types of goods or services | 貨品或服務類別 | | |
| Sales of goods and provision of software, GETS and BPO services | 銷售貨品及提供軟件、政府電子貿易服務及業務流程外判服務 | | |
| | 49,489 | 18,103 | 67,592 |
| Provision of software implementation and related services, IT solutions implementation and related services | 提供軟件實施及相關服務、資訊科技解決方案實施及相關服務 | | |
| | 57,169 | 43,625 | 100,794 |
| Maintenance services | 維護服務 | | |
| | 57,714 | 47,423 | 105,137 |
| Total revenue from contracts with customers | 來自客戶合約的總收入 | | |
| | 164,372 | 109,151 | 273,523 |
| Geographical markets | 地區市場 | | |
| Hong Kong and others | 香港及其他 | | |
| | 109,768 | 95,804 | 205,572 |
| Mainland China | 中國內地 | | |
| | 54,604 | 13,347 | 67,951 |
| Total revenue from contracts with customers | 來自客戶合約的總收入 | | |
| | 164,372 | 109,151 | 273,523 |
| Timing of revenue recognition | 確認收入時間 | | |
| Goods and services transferred at a point in time | 於某一時間轉讓貨品及服務 | | |
| | 49,489 | 18,103 | 67,592 |
| Services transferred over time | 於一段時間內轉讓服務 | | |
| | 114,883 | 91,048 | 205,931 |
| Total revenue from contracts with customers | 來自客戶合約的總收入 | | |
| | 164,372 | 109,151 | 273,523 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

| | | Application Services | Solutions and Integration Services | Total |
|---|-----------------------------|----------------------|------------------------------------|----------|
| | | 應用服務 | 解決方案及集成服務 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| For the year ended | 截至二零一八年十二月 | | | |
| 31 December 2018 | 三十一日止年度 | | | |
| <i>Segments</i> | <i>分部</i> | | | |
| Types of goods or services | 貨品或服務類別 | | | |
| Sales of goods and provision of software, GETS and BPO services | 銷售貨品及提供軟件、政府電子貿易服務及業務流程外判服務 | 43,770 | 18,523 | 62,293 |
| Provision of software implementation and related services, IT solutions implementation and related services | 提供軟件實施及相關服務、資訊科技解決方案實施及相關服務 | 54,954 | 53,544 | 108,498 |
| Maintenance services | 維護服務 | 55,129 | 52,678 | 107,807 |
| Total revenue from contracts with customers | 來自客戶合約的總收入 | 153,853 | 124,745 | 278,598 |
| Geographical markets | 地區市場 | | | |
| Hong Kong and others | 香港及其他 | 97,313 | 113,204 | 210,517 |
| Mainland China | 中國內地 | 56,540 | 11,541 | 68,081 |
| Total revenue from contracts with customers | 來自客戶合約的總收入 | 153,853 | 124,745 | 278,598 |
| Timing of revenue recognition | 確認收入時間 | | | |
| Goods and services transferred at a point in time | 於某一時間轉讓貨品及服務 | 43,770 | 18,523 | 62,293 |
| Services transferred over time | 於一段時間內轉讓服務 | 110,083 | 106,222 | 216,305 |
| Total revenue from contracts with customers | 來自客戶合約的總收入 | 153,853 | 124,745 | 278,598 |

5. 收入、其他收入及收益淨額(續)

來自客戶合約的收入(續)

(i) 分拆收入資料(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-----------------------------|----------------------------------|----------------------------------|
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: | 計入報告期初合約負債的已確認收入： | | |
| Sales of goods and provision of software, GETS and BPO services | 銷售貨品及提供軟件、政府電子貿易服務及業務流程外判服務 | 4,875 | 2,725 |
| Provision of software implementation and related services, IT solutions implementation and related services | 提供軟件實施及相關服務、資訊科技解決方案實施及相關服務 | 18,356 | 17,682 |
| Maintenance services | 維護服務 | 33,723 | 35,969 |
| | | 56,954 | 56,376 |

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of goods and provision software, GETS and BPO services

The performance obligation is satisfied upon product/services delivery and payment is generally due within 30 to 60 days from delivery, where payment in advance is normally required.

5. 收入、其他收入及收益淨額(續)

來自客戶合約的收入(續)

(i) 分拆收入資料(續)

下表顯示計入報告期初的合約負債及就於過往期間所達成的履約責任確認於本報告期間已確認的收入金額：

(ii) 履約責任

有關本集團履約責任的資料概述如下：

銷售貨品及提供軟件、政府電子貿易服務及業務流程外判服務履約責任於貨品／服務交付後達成，而付款一般自交付起計30至60日內到期，一般需要預先付款。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

Provision of software implementation and related services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 60 days from the date of billing.

IT solutions implementation and related services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. A certain percentage of payment is retained by customers until the end of the nursing period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Maintenance services

The performance obligation is satisfied over time as services are rendered and payment in advances are normally required before rendering the services. Maintenance service contracts are for periods of one year, and are billed based on the time incurred.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Amounts expected to be recognised as revenue: 金額預期確認為收入： | | |
| Within one year 一年內 | 55,712 | 56,954 |

5. 收入、其他收入及收益淨額(續)

來自客戶合約的收入(續)

(ii) 履約責任(續)

提供軟件實施及相關服務

履約責任隨提供服務的時間達成，而付款一般自開出賬單日期起計30至60日內到期。

資訊科技解決方案實施及相關服務

履約責任隨提供服務的時間達成，而付款一般自出賬單日期起計30日內到期。客戶會保留款項的若干百分比直至維護期完結，因本集團取得最終付款的權利取決於客戶於合約訂明的若干期間內對服務質素的滿意程度。

維護服務

履約責任隨提供服務的時間達成，而預付款項一般須於提供服務前支付。維護服務合約為期一年或根據產生的時間開出賬單。

於十二月三十一日分配至餘下履約責任(未履行或部分未履行)的交易價格金額如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

5. 收入、其他收入及收益淨額(續)

來自客戶合約的收入(續)

(ii) 履約責任(續)

所有已分配至餘下履約責任的交易價格金額預期將於一年內確認為收益。上述披露的金額並不包括受限制可變代價。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Other income and gains, net | 其他收入及收益淨額 | | |
| Bank interest income | 銀行利息收入 | 5,245 | 7,274 |
| Tax refund received | 所收回退稅 | 1,242 | 1,741 |
| Dividend income from listed investments at fair value through profit or loss | 按公平值經損益入賬之上市投資股息收入 | 698 | 675 |
| Gain on disposal of items of property, plant and equipment, net | 出售物業、廠房及設備項目之收益淨額 | - | 1 |
| Others | 其他 | 690 | 393 |
| | | 7,875 | 10,084 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

6. 除稅前溢利

本集團之除稅前溢利經扣除／(計入)下列各項：

| | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------------|----------------------------------|----------------------------------|
| Cost of inventories sold | 已出售存貨成本 | 55,946 | 62,533 |
| Cost of services provided | 已提供服務成本 | 64,570 | 58,899 |
| Depreciation of property, plant and equipment* | 物業、廠房及設備之折舊* | 13 1,388 | 2,051 |
| Depreciation of right-of-use assets | 使用權資產之折舊 | 15 6,885 | – |
| Amortisation of other intangible assets** | 其他無形資產攤銷** | 17 6,024 | 6,024 |
| Gain on disposal of items of property, plant and equipment, net | 出售物業、廠房及設備項目之收益淨額 | – | (1) |
| Minimum lease payments under operating leases | 根據經營租賃之最低租金付款 | – | 7,021 |
| Auditor's remuneration | 核數師酬金 | 1,320 | 1,320 |
| Employee benefit expense (excluding directors' remuneration – note 8)^#: | 僱員福利開支(不包括董事薪酬—附註8)^#: | | |
| Wages, salaries and allowances | 工資、薪金及津貼 | 131,655 | 116,136 |
| Equity-settled share-based payment expense | 股權結算以股份支付開支 | 1,410 | 1,091 |
| Retirement benefit scheme contributions (defined contribution schemes) | 退休福利計劃供款(定額供款計劃) | 6,799 | 5,799 |
| Less: Amount capitalised in other intangible assets | 減：於其他無形資產資本化之金額 | (8,997) | (7,221) |
| | | 130,867 | 115,805 |
| Impairment of financial and contract assets, net: | 財務及合約資產減值淨額： | | |
| Impairment/(reversal of impairment) of trade receivables, net | 應收貿易賬款減值／(撥回減值)淨額 | 19 (108) | 1,201 |
| Impairment/(reversal of impairment) of contract assets, net | 合約資產減值／(撥回減值)淨額 | 21 (68) | 68 |
| Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties | 可賺取租金之投資物業直接經營開支(包括維修及維護) | 74 | 94 |
| Fair value losses/(gains), net: | 公平值虧損／(收益)淨額： | | |
| Financial assets at fair value through profit or loss | 按公平值經損益入賬之財務資產 | (323) | 384 |
| Investment properties | 投資物業 | 14 (3,626) | (4,406) |
| Interest income from treasury investments | 庫務投資之利息收入 | (79) | (79) |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

6. PROFIT BEFORE TAX (CONTINUED)

- * Depreciation for the year of HK\$123,000 (2018: HK\$60,000) is included in "Cost of sales and services" on the face of the consolidated statement of profit or loss.
- ** Amortisation of other intangible assets for the year of HK\$6,024,000 (2018: HK\$6,024,000) is included in "Other expenses" on the face of the consolidated statement of profit or loss.
- ^ Inclusive of research and development cost for application software products of HK\$17,860,000 (2018: HK\$13,512,000).
- # Inclusive of an amount of HK\$64,570,000 (2018: HK\$58,899,000) classified under "Cost of services provided" above.

7. FINANCE COSTS

Interest expense arising from discounted lease liabilities at an amount of HK\$1,102,000 (2018: Nil) has been recognised and classified under finance costs in the consolidated statement of profit or loss for the year ended 31 December 2019.

6. 除稅前溢利(續)

- * 本年度內折舊123,000港元(二零一八年: 60,000港元)納入綜合損益表之「銷售及服務成本」內。
- ** 本年度內其他無形資產攤銷6,024,000港元(二零一八年: 6,024,000港元)納入綜合損益表之「其他開支」內。
- ^ 包括有關應用軟件產品研究及開發成本17,860,000港元(二零一八年: 13,512,000港元)。
- # 包括分類為上述「已提供服務成本」之數額64,570,000港元(二零一八年: 58,899,000港元)。

7. 財務費用

貼現租賃負債產生之利息開支1,102,000港元(二零一八年: 無)已於截至二零一九年十二月三十一日止年度之綜合損益表內確認及分類為財務費用。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefit of Directors) Regulation, is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Fees: | 袍金： | | |
| Executive directors | 執行董事 | - | - |
| Independent non-executive directors ("INEDs") | 獨立非執行董事 (「獨立非執行董事」) | 780 | 478 |
| | | 780 | 478 |
| Other emoluments: | 其他酬金： | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益 | 6,498 | 6,903 |
| Bonuses* | 花紅* | 2,549 | 1,914 |
| Equity-settled share-based payment expense [#] | 股權結算以股份支付開支 [#] | 700 | 767 |
| Retirement benefit scheme contributions (defined contribution schemes) | 退休福利計劃供款 (定額供款計劃) | 69 | 69 |
| | | 9,816 | 9,653 |
| | | 10,596 | 10,131 |

* Certain directors of the Company are entitled to bonus payments which are determined on a discretionary basis.

[#] In prior years, certain directors were awarded restricted shares of the Company, subject to certain vesting conditions, in respect of their services to the Group, under the restricted share award scheme of the Company, further details of which are set out in note 29 to the financial statements. The fair value of such restricted shares, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

8. 董事薪酬

年內董事薪酬根據香港聯合交易所有限公司證券上市規則(「上市規則」)、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露如下：

* 本公司若干董事有權獲取酌情釐定之花紅付款。

[#] 於過往年度，根據本公司之有限制股份獎勵計劃，於若干歸屬條件之規限下，若干董事已就彼等向本集團所提供服務獲授本公司有限制股份，有關進一步詳情載於財務報表附註29。該等有限制股份之公平值乃於授出日期釐定，並已於歸屬期內在損益表確認，而計入本年度財務報表之金額亦已包括於上文董事薪酬披露內。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

8. DIRECTORS' REMUNERATION (CONTINUED)

(a) INEDs

The fees paid to INEDs during the year were as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------|----------|----------------------------------|----------------------------------|
| INEDs: | 獨立非執行董事： | | |
| Ha Shu Tong | 夏樹棠 | 240 | 158 |
| Lee Kwok On, Matthew | 李國安 | 240 | 158 |
| Ting Leung Huel, Stephen | 丁良輝 | 300 | 162 |
| | | 780 | 478 |

Save as disclosed above, there were no other emoluments payable to the INEDs during the current and prior years.

8. 董事薪酬(續)

(a) 獨立非執行董事

年內，支付予獨立非執行董事之袍金如下：

除上文披露者外，於本年度及過往年度並無其他應付予獨立非執行董事之酬金。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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8. DIRECTORS' REMUNERATION (CONTINUED)

(b) Executive directors

The fees and other emoluments paid to executive directors during the year were as follows:

| | Salaries, allowances and benefits in kind 薪金、津貼及實物利益 HK\$'000 千港元 | Bonuses 花紅 HK\$'000 千港元 | Equity-settled share-based payment expense 股權結算以股份支付開支 HK\$'000 千港元 | Retirement benefit scheme contributions 退休福利計劃供款 HK\$'000 千港元 | Total remuneration 酬金總額 HK\$'000 千港元 |
|-----------------------|--|----------------------------------|--|--|---|
| 2019 | 二零一九年 | | | | |
| Executive directors: | 執行董事： | | | | |
| Ng Cheung Shing | 2,751 | 1,128 | 199 | 18 | 4,096 |
| Leung King San, Sunny | 360 | - | - | 18 | 378 |
| Cheung Wai Lam | 1,707 | 861 | 284 | 15 | 2,867 |
| Ng Kwok Keung | 1,680 | 560 | 217 | 18 | 2,475 |
| | 6,498 | 2,549 | 700 | 69 | 9,816 |
| 2018 | 二零一八年 | | | | |
| Executive directors: | 執行董事： | | | | |
| Ng Cheung Shing | 2,751 | 913 | 183 | 18 | 3,865 |
| Leung King San, Sunny | 305 | - | - | 15 | 320 |
| Cheung Wai Lam | 2,197 | 501 | 361 | 18 | 3,077 |
| Ng Kwok Keung | 1,650 | 500 | 223 | 18 | 2,391 |
| | 6,903 | 1,914 | 767 | 69 | 9,653 |

The directors' emoluments paid to Mr. Ng Cheung Shing ("Mr. Ng") included a housing allowance of HK\$2,471,000 (2018: HK\$2,471,000) which was remunerated by way of rental reimbursement. The rentals of the related property were paid directly by Mr. Ng to the landlord, which is a company jointly controlled by Mr. Ng and one of his family members.

There was no arrangement under which a director waived or agreed to waive any remuneration during the current and prior years.

8. 董事薪酬(續)

(b) 執行董事

年內，支付予執行董事之袍金及其他酬金如下：

支付予吳長勝先生(「吳先生」)之董事酬金包括為數2,471,000港元(二零一八年：2,471,000港元)之住房津貼，以租金發還之方式支付。有關物業之租金由吳先生直接支付予業主，而該業主則是由吳先生及彼其中一名家族成員共同控制之公司。

於本年度及過往年度，董事並無放棄或同意放棄收取任何薪酬之安排。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2018: three) directors, details of whose remuneration are set out in note 8 to the financial statements. Details of the remuneration for the year of the remaining two (2018: two) non-director highest paid employees for the year are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Salaries and allowances | 薪金及津貼 | 3,360 | 1,832 |
| Equity-settled share-based payment expense | 股權結算以股份支付開支 | 318 | 181 |
| Bonuses | 花紅 | 630 | 1,128 |
| Retirement benefit scheme contributions (defined contribution schemes) | 退休福利計劃供款 (定額供款計劃) | 36 | 18 |
| | | 4,344 | 3,159 |

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

| | | Number of employees 僱員人數 | |
|--------------------------------|----------------------------|-----------------------------|---------------|
| | | 2019 二零一九年 | 2018 二零一八年 |
| 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 | 1 | 1 |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001 港元至 2,500,000 港元 | 1 | - |
| | | 2 | 2 |

During the year and in the prior year, restricted shares of the Company, subject to certain vesting conditions, were awarded to one non-director highest paid employee in respect of his services to the Group, under the restricted share award scheme of the Company, further details of which are set out in note 29 to the financial statements. The fair value of such restricted shares, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director highest paid employee's remuneration disclosures.

9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名(二零一八年：三名)董事，彼等之薪酬詳情載於財務報表附註8。其餘兩名(二零一八年：兩名)最高薪酬非董事僱員之年內薪酬詳情如下：

薪酬介乎以下組別之最高薪酬非董事僱員之人數如下：

於本年度及於過往年度，根據本公司之有限制股份獎勵計劃，於若干歸屬條件之規限下，一名最高薪酬非董事僱員已就彼向本集團所提供服務獲授本公司有限制股份，進一步詳情載於財務報表附註29。該等有限制股份之公平值乃於授出日期釐定，並已於歸屬期內在損益表確認，而計入本年度財務報表之金額亦已包括於上文最高薪酬非董事僱員薪酬披露內。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 (2018: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

10. 所得稅

香港利得稅乃根據本年度內於香港產生之估計應課稅溢利稅率16.5% (二零一八年：16.5%) 作出撥備，惟自二零一八／二零一九課稅年度起，本集團一間附屬公司成為符合利得稅兩級制的實體。該附屬公司的首筆2,000,000港元 (二零一八年：2,000,000港元) 應課稅溢利將按8.25%徵稅，而其餘應課稅溢利則按16.5%徵稅。其他地區應課稅溢利之稅項乃根據本集團經營業務所在國家／司法權區按適用稅率計算。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------------|-----------|----------------------------------|----------------------------------|
| Current – Hong Kong | 即期 – 香港 | | |
| Charge for the year | 年內支出 | 3,660 | 7,663 |
| Overprovision in prior years | 往年度多提撥備 | (2,344) | (1,171) |
| Current – Elsewhere | 即期 – 其他地區 | | |
| Charge for the year | 年內支出 | 482 | 1,366 |
| Deferred (note 26) | 遞延 (附註26) | 2,510 | (686) |
| Total tax charge for the year | 年內稅項支出總額 | 4,308 | 7,172 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

10. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory profits tax rate for Hong Kong in which the Company and the majority of its subsidiaries operate/are domiciled to the tax charge at the effective tax rate is as follows:

10. 所得稅(續)

適用於按本公司及其大部分附屬公司經營／註冊地香港之法定利得稅率計算所得除稅前溢利之稅項支出，與按實際稅率計算之稅項支出對賬如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--|----------------------------------|----------------------------------|
| Profit before tax | 除稅前溢利 | 60,201 | 75,200 |
| Tax at the Hong Kong statutory tax rate of 16.5% (2018: 16.5%) | 按香港法定稅率 16.5% (二零一八年：16.5%) 計算之稅項 | 9,933 | 12,408 |
| Effect of withholding tax of 5% (2018: 5%) on the distributable profits of the Group's PRC subsidiaries | 就本集團中國附屬公司之可分派溢利之 5% (二零一八年：5%) 預扣稅之影響 | 411 | 570 |
| Lower tax rates for overseas subsidiaries | 海外附屬公司較低稅率 | (269) | (405) |
| Adjustments in respect of current tax of previous periods | 就過往期間之即期稅項作出調整 | (2,344) | (1,171) |
| Income not subject to tax | 毋須課稅收入 | (1,708) | (2,543) |
| Expenses not deductible for tax | 不可扣稅開支 | 686 | 603 |
| Effect of additional tax deduction enacted tax authority | 稅務部門頒佈額外稅項減免的影響 | (2,838) | - |
| Tax losses not recognised | 未確認稅項虧損 | 119 | 38 |
| Others | 其他 | 318 | (2,328) |
| Tax charge at the Group's effective tax rate | 本集團按實際稅率計算之稅項支出 | 4,308 | 7,172 |

Under the income tax laws of the PRC, enterprises are subject to corporate income tax ("CIT") generally at a rate of 25% (2018: 25%). In the current and prior years, certain of the Group's PRC subsidiaries operating in specific development zones of the PRC were granted preferential CIT rates of 10% to 15% by the relevant tax authorities.

根據中國所得稅法，企業一般須按 25% (二零一八年：25%) 之稅率繳納企業所得稅 (「企業所得稅」)。於本年度及過往年度，本集團若干設於中國特定開發區的中國附屬公司獲相關稅務機構給予 10% 至 15% 優惠企業所得稅稅率的寬減。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

11. DIVIDENDS

11. 股息

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------------------------|----------------------------------|----------------------------------|
| Interim – HK\$0.09 (2018: HK\$0.09) per ordinary share | 中期股息 – 每股普通股0.09港元 (二零一八年：0.09港元) | 22,454 | 22,454 |
| Less: Dividend for shares held under the Company's restricted share award scheme | 減：根據本公司有限制股份獎勵計劃持有之股份所得股息 | (213) | (232) |
| | | 22,241 | 22,222 |
| Proposed final – HK\$0.08 (2018: HK\$0.12) per ordinary share | 擬派末期 – 每股普通股0.08港元 (二零一八年：0.12港元) | 19,959 | 29,939 |
| Less: Dividend for shares held under the Company's restricted share award scheme | 減：根據本公司有限制股份獎勵計劃持有之股份所得股息 | (199) | (340) |
| | | 19,760 | 29,599 |
| | | 42,001 | 51,821 |

The proposed final dividend for the year will be payable in cash and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度之擬派末期股息將以現金支付，及須經本公司股東於應屆股東週年大會批准後，方可作實。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 246,947,310 (2018: 244,272,947) in issue during the year, as adjusted to exclude the shares held under the restricted share award scheme of the Company.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares granted under the share option schemes of the Company into ordinary shares and the deemed vesting of all dilutive restricted shares of the Company awarded under the restricted share award scheme of the Company.

The calculations of basic and diluted earnings per share are based on:

Earnings

The calculations of basic and diluted earnings per share are based on profit attributable to ordinary equity holders of the parent.

Shares**12. 母公司普通股股東應佔每股盈利**

每股基本盈利金額乃根據母公司普通股股東應佔年內溢利及年內已發行普通股加權平均數246,947,310股(二零一八年: 244,272,947股)計算, 並就剔除本公司有限制股份獎勵計劃項下所持股份作出調整。

每股攤薄盈利金額乃根據母公司普通股股東應佔年內溢利計算。計算所用之普通股加權平均數為計算每股基本盈利所用之年內已發行普通股數目, 以及假設於所有根據本公司購股權計劃授出之潛在攤薄普通股被視為已行使或兌換時, 以及根據本公司有限制股份獎勵計劃授出之所有具攤薄作用有限制股份被視作歸屬時, 本公司已按無償方式發行之普通股加權平均數計算。

計算每股基本及攤薄盈利所用數據如下:

盈利

每股基本及攤薄盈利乃按母公司普通股股東應佔溢利計算。

股份

| | | Number of shares 股份數目 | |
|--|-------------------------|--------------------------|---------------|
| | | 2019 二零一九年 | 2018 二零一八年 |
| Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation | 計算每股基本盈利所用年內已發行普通股加權平均數 | 246,947,310 | 244,272,947 |
| Effect of dilution – weighted average number of ordinary shares: | 攤薄影響 – 普通股加權平均數: | | |
| Restricted shares awarded under the Company's restricted share award scheme | 根據本公司有限制股份獎勵計劃授出之有限制股份 | 1,609,589 | 566,154 |
| | | 248,556,899 | 244,839,101 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

| | | Ownership interests in properties held for own use and buildings 自用物業所有權益及樓宇 HK\$'000 千港元 | Leasehold improvements 租賃物業裝修 HK\$'000 千港元 | Computer equipment and software 電腦設備及軟件 HK\$'000 千港元 | Furniture, fixtures and other equipment 傢俬、裝置及其他設備 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|---------------------------|--|---|---|--|---|--------------------------------|
| 31 December 2019 | 二零一九年十二月三十一日 | | | | | | |
| At 31 December 2018 and at 1 January 2019: | 於二零一八年十二月三十一日及於二零一九年一月一日： | | | | | | |
| Cost | 成本 | 1,213 | 6,808 | 5,873 | 2,197 | 647 | 16,738 |
| Accumulated depreciation | 累計折舊 | (518) | (6,466) | (4,246) | (1,879) | (509) | (13,618) |
| Net carrying amount | 賬面淨值 | 695 | 342 | 1,627 | 318 | 138 | 3,120 |
| At 1 January 2019, net of accumulated depreciation | 於二零一九年一月一日，扣除累計折舊 | 695 | 342 | 1,627 | 318 | 138 | 3,120 |
| Additions | 添置 | - | 15 | 1,231 | 214 | - | 1,460 |
| Depreciation provided during the year | 年內折舊撥備 | (33) | (122) | (884) | (211) | (138) | (1,388) |
| Exchange realignment | 匯兌調整 | - | (9) | 1 | (1) | - | (9) |
| At 31 December 2019, net of accumulated depreciation | 於二零一九年十二月三十一日，扣除累計折舊 | 662 | 226 | 1,975 | 320 | - | 3,183 |
| At 31 December 2019: | 於二零一九年十二月三十一日： | | | | | | |
| Cost | 成本 | 1,213 | 6,781 | 5,776 | 2,312 | 647 | 16,729 |
| Accumulated depreciation | 累計折舊 | (551) | (6,555) | (3,801) | (1,992) | (647) | (13,546) |
| Net carrying amount | 賬面淨值 | 662 | 226 | 1,975 | 320 | - | 3,183 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT
(CONTINUED)

13. 物業、廠房及設備(續)

| | | Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元 | Leasehold improvements 租賃物業 裝修 HK\$'000 千港元 | Computer equipment and software 電腦設備及 軟件 HK\$'000 千港元 | Furniture, fixtures and other equipment 傢俬、裝置及 其他設備 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|------------------------------|--|--|---|---|--|--------------------------------|
| 31 December 2018 | 二零一八年十二月 三十一日 | | | | | | |
| At 1 January 2018: | 於二零一八年一月一日: | | | | | | |
| Cost | 成本 | 1,213 | 6,856 | 5,037 | 2,156 | 647 | 15,909 |
| Accumulated depreciation | 累計折舊 | (484) | (5,651) | (3,847) | (1,631) | (346) | (11,959) |
| Net carrying amount | 賬面淨值 | 729 | 1,205 | 1,190 | 525 | 301 | 3,950 |
| At 1 January 2018, net of accumulated depreciation | 於二零一八年 一月一日， 扣除累計折舊 | 729 | 1,205 | 1,190 | 525 | 301 | 3,950 |
| Additions | 添置 | - | 14 | 1,124 | 104 | - | 1,242 |
| Disposals | 出售 | - | - | (7) | (1) | - | (8) |
| Depreciation provided during the year | 年內折舊撥備 | (34) | (858) | (679) | (317) | (163) | (2,051) |
| Exchange realignment | 匯兌調整 | - | (19) | (1) | 7 | - | (13) |
| At 31 December 2018, net of accumulated depreciation | 於二零一八年 十二月三十一日， 扣除累計折舊 | 695 | 342 | 1,627 | 318 | 138 | 3,120 |
| At 31 December 2018: | 於二零一八年十二月 三十一日: | | | | | | |
| Cost | 成本 | 1,213 | 6,808 | 5,873 | 2,197 | 647 | 16,738 |
| Accumulated depreciation | 累計折舊 | (518) | (6,466) | (4,246) | (1,879) | (509) | (13,618) |
| Net carrying amount | 賬面淨值 | 695 | 342 | 1,627 | 318 | 138 | 3,120 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

14. INVESTMENT PROPERTIES

| | | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------------------|------------|--------------|----------------------------------|----------------------------------|
| | Note 附註 | | | |
| Carrying amount at 1 January | | 於一月一日之賬面值 | 75,661 | 71,255 |
| Disposals | | 出售 | (9,196) | - |
| Net gain from fair value adjustments | 6 | 公平值調整之收益淨額 | 3,626 | 4,406 |
| Carrying amount at 31 December | | 於十二月三十一日之賬面值 | 70,091 | 75,661 |

The Group's investment properties consist of two (2018: three) commercial properties in Mainland China and one (2018: one) industrial property in Hong Kong. The directors of the Company have determined that the investment properties consist of two classes of asset, i.e., commercial and industrial, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2019 based on valuations performed by Landscope Surveyors Limited, independent professionally qualified valuers, at HK\$70,091,000. Each year, the Group's Chief Financial Officer decides, after proper approval, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's Chief Financial Officer has discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 15 to the financial statements.

At 31 December 2019, one of the Group's investment properties situated in Hong Kong with a carrying value of approximately HK\$64,200,000 (2018: HK\$64,200,000) was pledged to secure general banking facilities granted to the Group.

Further particulars of the Group's investment properties are included on page 203.

14. 投資物業

本集團之投資物業包括兩項(二零一八年:三項)位於中國內地之商業物業及一項(二零一八年:一項)位於香港之工業物業。本公司董事已根據各項物業之性質、特徵及風險釐定投資物業為兩種類別(即商業及工業)資產。於二零一九年十二月三十一日,本集團之投資物業由獨立專業合資格估值師領域測量師行有限公司進行之估值重估為70,091,000港元。本集團財務總裁決定,於取得適當批准後,每年委任外聘估值師負責本集團物業之外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業水準。本集團財務總裁與估值師每年就中期及年度財務報告中執行之估值所採用之估值假設及估值結果進行兩次討論。

投資物業已根據經營租賃出租予第三方,進一步詳情概要載於財務報表附註15。

於二零一九年十二月三十一日,本集團位於香港之其中一項賬面值約為64,200,000港元之投資物業(二零一八年:64,200,000港元)已為取得授予本集團之一般銀行融資作抵押。

本集團投資物業之進一步詳情載於第203頁。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

| Fair value measurement as at 31 December 2019 using 於二零一九年十二月三十一日之公平值採用以下各項計量 | | | | |
|--|---|--|--------------------------------|--------|
| Quoted prices in active markets (Level 1) 活躍市場 報價 (第1層) HK\$'000 千港元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第2層) HK\$'000 千港元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第3層) HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | |
| Recurring fair value measurement for: | 經常性公平值計量： | | | |
| Commercial properties | 商業物業 | - | 5,891 | 5,891 |
| Industrial property | 工業物業 | - | 64,200 | 64,200 |
| | | - | 70,091 | 70,091 |

| Fair value measurement as at 31 December 2018 using 於二零一八年十二月三十一日之公平值採用以下各項計量 | | | | |
|--|---|--|--------------------------------|--------|
| Quoted prices in active markets (Level 1) 活躍市場 報價 (第1層) HK\$'000 千港元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第2層) HK\$'000 千港元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第3層) HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | |
| Recurring fair value measurement for: | 經常性公平值計量： | | | |
| Commercial properties | 商業物業 | - | 11,461 | 11,461 |
| Industrial property | 工業物業 | - | 64,200 | 64,200 |
| | | - | 75,661 | 75,661 |

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

於本年度，第1層與第2層之間並無公平值計量轉移及並無公平值計量轉入或轉出第3層(二零一八年：無)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

| | | Commercial properties 商業物業 HK\$'000 千港元 | Industrial property 工業物業 HK\$'000 千港元 |
|--|---------------------------------|--|--|
| Carrying amount at 1 January 2018 | 於二零一八年一月一日之賬面值 | 11,255 | 60,000 |
| Net gain from a fair value adjustment recognised in profit or loss | 於損益中確認之公平值調整 收益淨額 | 206 | 4,200 |
| Carrying amount at 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及 二零一九年一月一日之賬面值 | 11,461 | 64,200 |
| Disposals | 出售 | (9,196) | - |
| Net gain from fair value adjustments recognised in profit or loss | 於損益中確認之公平值調整 收益淨額 | 3,626 | - |
| Carrying amount at 31 December 2019 | 於二零一九年十二月三十一日之 賬面值 | 5,891 | 64,200 |

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

下表為對投資物業估值採用之估值方法及主要輸入數據概要：

| | Fair value hierarchy 公平值等級 架構 | Valuation technique 估值方法 | Significant unobservable inputs 重大不可觀察 輸入數據 | Range 範圍 | |
|-------------------------------|-------------------------------------|-----------------------------------|---|--|--|
| | | | | 2019 二零一九年 | 2018 二零一八年 |
| Commercial properties 商業物業 | Level 3 第3層 | Market comparable method 市場比較法 | Prevailing price per square foot 每平方米之現行價格 | RMB1,231 to RMB1,858 人民幣1,231元至 人民幣1,858元 | RMB1,121 to RMB2,583 人民幣1,121元至 人民幣2,583元 |
| Industrial property 工業物業 | Level 3 第3層 | Market comparable method 市場比較法 | Prevailing price per square foot 每平方米之現行價格 | HK\$10,033 to HK\$13,930 10,033港元至 13,930港元 | HK\$11,049 to HK\$14,159 11,049港元至 14,159港元 |

Under the market comparable method (or market comparable approach), a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square foot.

根據市場可比較法(或市場可比較方針)，物業公平值乃以可比較交易為基準估計。市場可比較方針以替換原則為基礎，據此，潛在買家將不會就物業支付較購買該物業之可比較替代物業為多之金額。本集團採用之比較單位為每平方米之價格。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

15. LEASES

The Group as a lessee

The Group has lease contracts for various properties used in its operations. Leases of properties generally have lease terms between 2 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

| | | Properties 物業 HK\$'000 千港元 |
|------------------------|---------------|-------------------------------------|
| As at 1 January 2019 | 於二零一九年一月一日 | 15,715 |
| Additions | 添置 | 1,225 |
| Remeasurement | 重新計量 | (1,510) |
| Depreciation charge | 折舊 | (6,885) |
| Exchange realignment | 匯兌調整 | (59) |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | <u>8,486</u> |

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

| | | HK\$'000 千港元 |
|--|-------------------|-----------------|
| Carrying amount at 1 January 2019 | 於二零一九年一月一日之賬面值 | 15,715 |
| New leases | 新租賃 | 1,225 |
| Remeasurement | 重新計量 | (1,510) |
| Accretion of interest recognised during the year | 年內確認利息增長 | 1,102 |
| Payments | 付款 | (6,799) |
| Exchange realignment | 匯兌調整 | (59) |
| Carrying amount at 31 December 2019 | 於二零一九年十二月三十一日之賬面值 | <u>9,674</u> |
| Analysed into: | 分析如下： | |
| Current portion | 流動部分 | 5,886 |
| Non-current portion | 非流動部分 | <u>3,788</u> |

The maturity analysis of lease liabilities is disclosed in note 37 to the financial statements.

15. 租賃

本集團作為承租人

本集團擁有於營運中使用的各種物業的租賃合約。物業租賃一般的租期為二至三年。一般而言，本集團被禁止將租賃資產轉讓及分租予本集團以外的人士。

(a) 使用權資產

年內本集團使用權資產的賬面值及變動如下：

(b) 租賃負債

年內本集團租賃負債的賬面值及變動如下：

租賃負債的到期分析披露於財務報表附註37。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

15. LEASES (CONTINUED)

The Group as a lessee (continued)

- (c) The amounts recognised in profit or loss in relation to leases are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------|----------------------------------|
| Interest on lease liabilities | 租賃負債之利息 | 1,102 |
| Depreciation charge of right-of-use assets | 使用權資產之折舊 | 6,885 |
| Total amount recognised in profit or loss | 於損益確認的總金額 | <u>7,987</u> |

The Group as a lessor

The Group leases its investment properties (note 14) consisting of two commercial properties in PRC and one industrial property in Hong Kong under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK\$2,290,000 (2018: HK\$2,750,000), details of which are included in note 5 to the financial statements.

At 31 December 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------------------|----------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 35 | 2,060 |
| After one year but within two years | 一年後但於兩年內 | - | 37 |
| | | <u>35</u> | <u>2,097</u> |

15. 租賃(續)

本集團作為承租人(續)

- (c) 有關租賃而於損益確認的金額如下：

本集團作為出租人

本集團根據經營租賃安排，將其投資物業(附註14)出租，包括位於中國的兩項商用物業及位於香港的一項工業用物業。租賃的條款一般要求租戶支付抵押按金及根據其時適用市況而作出定期租金調整。本集團於年內確認的租金收入為2,290,000港元(二零一八年：2,750,000港元)，詳情載於財務報表附註5。

於二零一九年十二月三十一日，本集團根據與其租戶訂立之不可取消的經營租賃於未來期間應收之未貼現最低租賃付款如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

16. GOODWILL

16. 商譽

| | | HK\$'000 千港元 |
|---|-------------------------------|-------------------------|
| 31 December 2018 | 二零一八年十二月三十一日 | |
| Cost and carrying amount at 1 January 2018 and 31 December 2018 | 於二零一八年一月一日及二零一八年十二月三十一日成本及賬面值 | 134,485 |
| | | HK\$'000 千港元 |
| 31 December 2019 | 二零一九年十二月三十一日 | |
| Cost and carrying amount at 1 January 2019 and 31 December 2019 | 於二零一九年一月一日及二零一九年十二月三十一日成本及賬面值 | 134,485 |

As further detailed in note 2.4 to the financial statements, the Group applied the transitional provisions of HKFRS 3 that permitted goodwill in respect of business combinations which occurred prior to 2001 to remain eliminated against consolidated reserves.

The amount of goodwill remaining in consolidated reserves, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, was HK\$7,227,000 as at 31 December 2018 and 2019.

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Application services cash-generating unit; and
- Solutions and Integration services cash-generating unit.

The carrying amounts of goodwill allocated to each of the cash-generating units are as follows:

誠如財務報表附註2.4所詳述，本集團已採用香港財務報告準則第3號之過渡性條文，容許於二零零一年前所產生有關業務合併之商譽繼續與綜合儲備對銷。

於二零零一年採納會計實務準則第30號前收購附屬公司所產生並保留於綜合儲備之商譽金額，於二零一八年及二零一九年十二月三十一日為7,227,000港元。

商譽減值測試

就減值測試而言，透過業務合併收購之商譽已分配至下列現金產生單位：

- 應用服務現金產生單位；及
- 解決方案及集成服務現金產生單位。

分配至各現金產生單位之商譽賬面值如下：

| | Application Services | | Solutions and Integration Services | | Total | |
|-----------------------------------|----------------------------------|----------------------------------|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 應用服務 | | 解決方案及集成服務 | | 總額 | |
| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Carrying amount of goodwill 商譽賬面值 | 132,462 | 132,462 | 2,023 | 2,023 | 134,485 | 134,485 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

16. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

Application services cash-generating unit

The recoverable amount of the application services cash-generating unit has been determined based on a value in use calculation using cash flow projections approved by senior management covering a five-year period and beyond that extrapolated with a zero (2018: zero) percentage growth rate. The discount rate applied to the cash flow projections is 16% (2018: 18%) and the cash flow projections are determined based on past performance and management's expectations for the market development.

Solutions and integration services cash-generating unit

The recoverable amount of the solutions and integration services cash-generating unit has also been determined based on a value in use calculation using cash flow projections approved by senior management covering a five-year period and beyond that extrapolated with a zero (2018: zero) percentage growth rate. The discount rate applied to the cash flow projections is 16% (2018: 18%) and the cash flow projections are determined based on past performance and management's expectations for the market development.

Assumptions were used in the value in use calculation of the application services and the solutions and integration services cash-generating units for 31 December 2019 and 31 December 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue

The basis used to determine the value assigned to the budgeted revenue is the revenue achieved in the year immediately before the budget year, adjusted for management's expected change in market demand and customer base.

Budgeted gross margins

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates

The discount rates used are before tax and reflect specific risks relating to the relevant cash-generating units.

16. 商譽(續)

商譽減值測試(續)

應用服務現金產生單位

應用服務現金產生單位之可收回金額已根據使用價值而釐定，該使用價值則利用高級管理層所批准之五年期現金流量預測及往後零(二零一八年：零)百分比增長率推算而計算。現金流量預測所用折現率為16%(二零一八年：18%)，而現金流量預測乃根據過往表現及管理層對市場發展之預期而釐定。

解決方案及集成服務現金產生單位

解決方案及集成服務現金產生單位之可收回金額亦已根據使用價值釐定，該使用價值則利用高級管理層批准之五年期現金流量預測及往後零(二零一八年：零)百分比增長率推算而計算。現金流量預測所應用折現率為16%(二零一八年：18%)，而現金流量預測乃根據過往表現及管理層對市場發展之預期而釐定。

於二零一九年十二月三十一日及二零一八年十二月三十一日，計算應用服務以及解決方案及集成服務之現金產生單位之使用價值時已使用之若干假設。管理層就其現金流量預測進行商譽減值測試所依據之每項主要假設概述如下：

預算收入

預算收入之價值乃根據緊接預算年度前之年度內已達到之收入釐定，並就管理層預期市場需求及客戶基礎之變動作出調整。

預算毛利率

預算毛利率之價值乃根據緊接預算年度前之年度內已達到之平均毛利率釐定，並就預算成效改善及預算市場發展作出增加。

折現率

所使用的折現率為除稅前折現率，該折現率反映相關現金產生單位之特定風險。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

| | | Deferred development costs* 遞延開發成本* | Customer relationships 客戶關係 | Software 軟件 | Total 總計 |
|--|---------------------------------|--|-----------------------------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| 31 December 2019 | 二零一九年 十二月三十一日 | | | | |
| Cost at 1 January 2019, net of accumulated amortisation and impairment | 於二零一九年一月一日之 成本，扣除累計攤銷及 減值 | 14,507 | 8,978 | 30,577 | 54,062 |
| Additions | 添置 | 11,961 | - | - | 11,961 |
| Amortisation provided during the year | 本年度攤銷撥備 | - | (1,656) | (4,368) | (6,024) |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 26,468 | 7,322 | 26,209 | 59,999 |
| At 31 December 2019: | 於二零一九年 十二月三十一日： | | | | |
| Cost | 成本 | 39,494 | 14,767 | 43,681 | 97,942 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | (13,026) | (7,445) | (17,472) | (37,943) |
| Net carrying amount | 賬面淨值 | 26,468 | 7,322 | 26,209 | 59,999 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

17. OTHER INTANGIBLE ASSETS (CONTINUED)

17. 其他無形資產(續)

| | | Deferred development costs* 遞延開發成本* | Customer relationships 客戶關係 | Software 軟件 | Total 總計 |
|--|---------------------------------|--|-----------------------------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| 31 December 2018 | 二零一八年 十二月三十一日 | | | | |
| Cost at 1 January 2018, net of accumulated amortisation and impairment | 於二零一八年一月一日之 成本，扣除累計攤銷及 減值 | 4,127 | 10,634 | 34,945 | 49,706 |
| Additions | 添置 | 10,380 | - | - | 10,380 |
| Amortisation provided during the year | 本年度攤銷撥備 | - | (1,656) | (4,368) | (6,024) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 14,507 | 8,978 | 30,577 | 54,062 |
| At 31 December 2018: | 於二零一八年 十二月三十一日： | | | | |
| Cost | 成本 | 27,533 | 14,767 | 43,681 | 85,981 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | (13,026) | (5,789) | (13,104) | (31,919) |
| Net carrying amount | 賬面淨值 | 14,507 | 8,978 | 30,577 | 54,062 |

* During the year, additions of other intangible assets of HK\$11,961,000 (2018: HK\$10,380,000) were developed internally.

* 年內，其他無形資產添置 11,961,000 港元（二零一八年：10,380,000 港元）乃由內部開發。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

18. INVENTORIES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------|-----|----------------------------------|----------------------------------|
| Work in progress | 在製品 | 597 | 723 |

18. 存貨

19. TRADE RECEIVABLES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------|--------|----------------------------------|----------------------------------|
| Trade receivables | 應收貿易賬款 | 53,554 | 47,104 |
| Impairment | 減值 | (3,395) | (3,532) |
| | | 50,159 | 43,572 |

19. 應收貿易賬款

For system integration projects and the provision of maintenance services and software development services, the Group's trading terms with its customers vary from contract to contract or depending on the specific arrangements with individual customers, and may include cash on delivery, advance payment and on credit. For those customers who trade on credit, the overall credit period is generally within 90 days, except for certain projects with longer implementation schedules where the period may extend beyond 90 days, or may be extended for major or specific customers. The Group seeks to maintain strict control over its outstanding trade receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

就系統集成項目以及提供維護服務及軟件開發服務而言，本集團之交易條款因應個別合約或視乎與個別客戶之特別安排而異，可能包括貨到付款、預先付款及賒賬。就該等以賒賬形式進行交易之客戶而言，整段信貸期一般不多於90天，惟倘若干項目施工期較長，則信貸期可延長至超過90天，或可就主要或特定客戶延長信貸期。本集團一直嚴格控制其未償還之應收貿易賬款，高級管理層亦定期審閱逾期款項結餘。本集團並無就此等結餘持有任何抵押品或作出其他信貸改進事宜。應收貿易賬款並不計利息。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

19. TRADE RECEIVABLES (CONTINUED)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Within 1 month | 一個月內 | 25,945 | 24,440 |
| 1 to 3 months | 一至三個月 | 15,065 | 12,973 |
| 4 to 6 months | 四至六個月 | 7,976 | 3,780 |
| 7 to 12 months | 七至十二個月 | 1,173 | 2,379 |
| | | 50,159 | 43,572 |

The movements in the loss allowance for impairment of trade receivables are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| At beginning of year | 於年初 | 3,532 | 2,361 |
| Impairment/(reversal of impairment) losses, net (note 6) | 減值/(撥回減值)虧損淨額 (附註6) | (108) | 1,201 |
| Exchange realignment | 匯兌調整 | (29) | (30) |
| At end of year | 於年終 | 3,395 | 3,532 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

19. 應收貿易賬款(續)

於報告期間結算日，應收貿易賬款按發票日期並經扣除撥備之賬齡分析如下：

應收貿易賬款之減值虧損撥備變動如下：

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於逾期日數釐定。該計算反映或然率加權結果、金錢時間值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。一般而言，應收貿易賬款如逾期超過一年及毋須受限於強制執行活動則予以撇銷。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

19. TRADE RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

19. 應收貿易賬款(續)

下表載列本集團使用撥備矩陣計算的應收貿易賬款的信貸風險資料：

| | Credit-impaired receivables 信貸減值應收款項 | Current 即期 | Past due 逾期 | | | Total 總計 | |
|--------------------------------------|---|---------------|---------------------------|------------------------|------------------------|-------------|--------|
| | | | Less than 1 month 一個月內 | 1 to 3 months 一至三個月 | Over 3 months 三個月以上 | | |
| At 31 December 2019 | | | | | | | |
| | 於二零一九年十二月三十一日 | | | | | | |
| Expected credit loss rate | 預期信貸虧損率 | 100% | 0.10% | 0.30% | 0.30% | 11.44% | 6.34% |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 3,224 | 27,597 | 10,196 | 11,846 | 691 | 53,554 |
| Expected credit losses (HK\$'000) | 預期信貸虧損 (千港元) | 3,224 | 27 | 30 | 35 | 79 | 3,395 |

| | Credit-impaired receivables 信貸減值應收款項 | Current 即期 | Past due 逾期 | | | Total 總計 | |
|--------------------------------------|---|---------------|---------------------------|------------------------|------------------------|-------------|--------|
| | | | Less than 1 month 一個月內 | 1 to 3 months 一至三個月 | Over 3 months 三個月以上 | | |
| At 31 December 2018 | | | | | | | |
| | 於二零一八年十二月三十一日 | | | | | | |
| Expected credit loss rate | 預期信貸虧損率 | 100% | 0.10% | 0.42% | 0.50% | 15.55% | 7.50% |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 3,200 | 26,316 | 8,863 | 7,229 | 1,496 | 47,104 |
| Expected credit losses (HK\$'000) | 預期信貸虧損 (千港元) | 3,200 | 26 | 37 | 36 | 233 | 3,532 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------|----------------------------------|----------------------------------|
| Prepayments | 預付款項 | 12,245 | 10,493 |
| Deposits and other receivables | 按金及其他應收款項 | 4,312 | 6,766 |
| | | 16,557 | 17,259 |
| Portion classified as current assets | 分類為流動資產部分 | (14,745) | (14,999) |
| Portion classified as non-current assets | 分類為非流動資產部分 | 1,812 | 2,260 |

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2019 and 2018, the loss allowance was assessed to be minimal.

20. 預付款項、按金及其他應收款項

包括於上述結餘內之財務資產與近期並無拖欠記錄之應收款項及逾期金額有關。於二零一九年及二零一八年十二月三十一日，虧損撥備評估為極低。

21. CONTRACT ASSETS

| | | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 1 January 2018 二零一八年 一月一日 HK\$'000 千港元 |
|---|-----------------------------|--|--|---|
| Contract assets arising from: | 合約資產來自以下各項： | | | |
| Sales of goods and provision of software, GETS and BPO services | 銷售貨品及提供軟件、政府電子貿易服務及業務流程外判服務 | 3,130 | 898 | 636 |
| Provision of software implementation and related services, IT solutions implementation and related services | 提供軟件實施及相關服務、資訊科技解決方案實施及相關服務 | 16,645 | 18,097 | 14,787 |
| Maintenance services | 維護服務 | 451 | 1,632 | 853 |
| | | 20,226 | 20,627 | 16,276 |

21. 合約資產

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

21. CONTRACT ASSETS (CONTINUED)

Contract assets are initially recognised for revenue earned from the provision of software and related services as the receipt of consideration is based on the billing process. Included in contract assets for provision of software and related services are unbilled amounts of revenue. Upon completion of the billing of the revenue from contract customers, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets as at 31 December 2019 was the result of the decrease in the provision of IT solutions implementation and related services at the end of the year. The increase in contract assets as at 31 December 2018 was the result of the increase in the ongoing provision of software and related services at the end of the prior year.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------|-----|----------------------------------|----------------------------------|
| Within one year | 一年內 | 20,226 | 20,627 |

The movements in the loss allowance for impairment of contract assets are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| At beginning of year | 於年初 | 68 | - |
| Impairment/(reversal of impairment) losses, net (note 6) | 減值/(撥回減值)虧損淨額 (附註6) | (68) | 68 |
| At end of year | 於年終 | - | 68 |

21. 合約資產(續)

由於代價的收取乃基於開出賬單的進度，提供軟件及相關服務所得收入初步確認為合約資產。就提供軟件及相關服務計入合約資產乃未開賬單收入金額。完成合約客戶收入開出賬單後，該等已確認為合約資產的金額會重新分類至應收貿易賬款。於二零一九年十二月三十一日的合約資產減少乃由於年末提供資訊科技解決方案實施及相關服務減少所致。於二零一八年十二月三十一日的合約資產增加乃由於往年年末持續提供軟件及相關服務增加所致。

於十二月三十一日，合約資產的預期收回或結算時間如下：

合約資產之減值虧損撥備變動如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

21. CONTRACT ASSETS (CONTINUED)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

None of the above assets is either past due or impaired. There was no recent history of default for the contract assets. Since the contract assets are related to receivables which are still in current and the payment is not due, the expected credit loss rates of contract assets are assessed to be minimal.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Debt investments, at fair value | 按公平值計算之債務投資 | 4,633 | 4,633 |
| Listed equity investments, at fair value | 按公平值計算之上市股本投資 | 10,121 | 10,164 |
| Money market certificate, at fair value | 按公平值計算之貨幣市場存單 | 43,195 | - |
| | | 57,949 | 14,797 |
| Portion classified as current assets | 分類為流動資產部分 | (55,849) | (10,164) |
| Portion classified as non-current assets | 分類為非流動資產部分 | 2,100 | 4,633 |

The listed equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

The debt investments and money market certificate were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

As at 31 December 2019, the Group's debt and listed equity investments with a carrying value of approximately HK\$12,654,000 (2018: HK\$12,697,000) was pledged to secure general banking facilities granted to the Group.

21. 合約資產(續)

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。計量合約資產預期信貸虧損的撥備率乃基於應收貿易賬款預期信貸虧損撥備率之計量而得出，原因為合約資產及應收貿易賬款來自相同客戶基礎。合約資產的撥備率乃基於應收貿易賬款逾期日數，就具有類似虧損模式的不同客戶分部之組別而釐定。該計算方法反映於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。

上述資產概無逾期或減值。合約資產近期並無違約記錄。由於合約資產與仍在流動但尚未到期的應收賬款有關，故合約資產的預期信貸虧損率經評估為極低。

22. 按公平值經損益入賬之財務資產

上市股票投資因屬持作買賣而獲分類為按公平值經損益入賬的財務資產。

債務投資及貨幣市場存單因其合約現金流量並非本金及利息的唯一支付而獲強制分類為按公平值經損益入賬的財務資產。

於二零一九年十二月三十一日，本集團賬面值約為12,654,000港元(二零一八年：12,697,000港元)之債務及上市股本投資已為取得授予本集團之一般銀行融資作抵押。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

23. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

23. 現金及等同現金資產以及已抵押銀行存款

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Cash and bank balances | 現金及銀行結餘 | 68,870 | 135,329 |
| Time deposits | 定期存款 | 134,401 | 122,316 |
| | | 203,271 | 257,645 |
| Less: Pledged time deposits for performance bonds/guarantees issued by banks | 減：就銀行發出之履約保證／擔保已抵押定期存款 | (532) | (826) |
| Pledged deposit for banking facility granted by a bank* | 就銀行授出之銀行融資所抵押存款* | (2,009) | (1,274) |
| Cash and cash equivalents as stated in the consolidated statement of financial position | 計入綜合財務狀況表之現金及等同現金資產 | 200,730 | 255,545 |

* The bank facility has not been utilised as at the end of the reporting period.

* 於報告期間結算日，並沒有動用該銀行融資。

At the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$47,063,000 (2018: HK\$103,001,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於報告期間結算日，本集團以人民幣（「人民幣」）計值之現金及銀行結餘及定期存款約為47,063,000港元（二零一八年：103,001,000港元）。人民幣不可自由兌換為其他貨幣，但根據中國內地外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過特許進行外匯業務之銀行將人民幣兌換為其他外幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one and six months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

銀行現金根據每日銀行存款利率按浮動利率計息。短期定期存款的存款期介乎一至六個月不等，視乎本集團即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘及定期存款均存置於信譽良好且近期並無拖欠記錄之銀行。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

24. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Trade payables | 應付貿易賬款 | 15,561 | 24,533 |
| Other payables | 其他應付款項 | 29,355 | 27,936 |
| Accruals | 應計款項 | 20,107 | 21,627 |
| | | 65,023 | 74,096 |

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------|-------|----------------------------------|----------------------------------|
| Within 1 month | 一個月內 | 11,411 | 18,045 |
| 1 to 3 months | 一至三個月 | 3,070 | 4,749 |
| 4 to 6 months | 四至六個月 | 385 | 1,331 |
| Over 6 months | 六個月以上 | 695 | 408 |
| | | 15,561 | 24,533 |

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

24. 應付貿易賬款、其他應付款項及應計款項

於報告期間結算日，應付貿易賬款按發票日之賬齡分析如下：

應付貿易賬款並不計息，一般按30天期限結清。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

25. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

25. 合約負債

合約負債詳情如下：

| | 31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元 | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 1 January 2018 二零一八年 一月一日 HK\$'000 千港元 |
|---|--|--|---|
| <i>Short-term advances received from customers</i> | | | |
| Sales of goods and provision of software, GETS and BPO services | 2,801 | 4,875 | 2,725 |
| Provision of software implementation and related services, IT solutions implementation and related services | 18,430 | 18,356 | 17,682 |
| Maintenance services | 34,481 | 33,723 | 35,969 |
| Total contract liabilities | 55,712 | 56,954 | 56,376 |

Contract liabilities include short-term advances received to deliver goods and software licence and render software implementation and related services, IT solutions implementation and related services, and maintenance services. The decrease in contract liabilities as at 31 December 2019 was mainly due to the decrease in short-term advances received from customers in relation to the sales of goods and provision of software and related services at the end of the year. The increase in contract liabilities as at 31 December 2018 was mainly due to the increase in short-term advances received from customers in relation to the sales of goods and provision of software at the end of the prior year.

合約負債包括就交付貨品及軟件特許權及提供軟件實施及相關服務、資訊科技解決方案實施及相關服務以及維護服務所收取的短期墊款。於二零一九年十二月三十一日的合約負債減少主要由於年末有關銷售貨品、提供軟件及相關服務之已收客戶的短期墊款減少。於二零一八年十二月三十一日的合約負債增加主要由於往年年末有關貨品銷售及提供軟件之已收客戶的短期墊款增加。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

26. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

| | | 2019 二零一九年 | | Total |
|---|-----------------------|---|--|-----------------------|
| | | Losses available for offsetting against future taxable profits 可供抵銷 未來應課稅 溢利的虧損 HK\$'000 千港元 | Temporary differences of contract liabilities 合約負債之 暫時差額 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 January 2019 | 於二零一九年一月一日 | - | 2,713 | 2,713 |
| Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year | 年內計入/(扣除)綜合損益表之遞延稅項 | 1,434 | (330) | 1,104 |
| Exchange realignment | 匯兌調整 | - | (95) | (95) |
| Gross deferred tax assets at 31 December 2019 | 於二零一九年十二月三十一日遞延稅項資產毛額 | 1,434 | 2,288 | 3,722 |

Deferred tax liabilities

| | | 2019 二零一九年 | | | | Total |
|---|-----------------------|---|---|--|--|-----------------------|
| | | Revaluation of properties 物業重估 HK\$'000 千港元 | Deferred development costs 遞延 開發成本 HK\$'000 千港元 | Fair value adjustments arising from acquisition of subsidiaries 收購 附屬公司之 公平值調整 HK\$'000 千港元 | Withholding taxes 預扣稅 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 January 2019 | 於二零一九年一月一日 | 1,578 | - | 9,578 | 1,574 | 12,730 |
| Deferred tax charged/(credited) to the consolidated statement of profit or loss during the year | 年內扣除/(計入)綜合損益表之遞延稅項 | 266 | 4,367 | (1,430) | 411 | 3,614 |
| Exchange realignment | 匯兌調整 | - | - | - | (2) | (2) |
| Tax paid | 已付稅項 | (1,018) | - | - | (1,375) | (2,393) |
| Gross deferred tax liabilities at 31 December 2019 | 於二零一九年十二月三十一日遞延稅項負債毛額 | 826 | 4,367 | 8,148 | 608 | 13,949 |

26. 遞延稅項

年內，遞延稅項資產及負債之變動如下：

遞延稅項資產

| | | 2019 二零一九年 | | Total |
|---|-----------------------|---|--|-----------------------|
| | | Losses available for offsetting against future taxable profits 可供抵銷 未來應課稅 溢利的虧損 HK\$'000 千港元 | Temporary differences of contract liabilities 合約負債之 暫時差額 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 January 2019 | 於二零一九年一月一日 | - | 2,713 | 2,713 |
| Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year | 年內計入/(扣除)綜合損益表之遞延稅項 | 1,434 | (330) | 1,104 |
| Exchange realignment | 匯兌調整 | - | (95) | (95) |
| Gross deferred tax assets at 31 December 2019 | 於二零一九年十二月三十一日遞延稅項資產毛額 | 1,434 | 2,288 | 3,722 |

遞延稅項負債

| | | 2019 二零一九年 | | | | Total |
|---|-----------------------|---|---|--|--|-----------------------|
| | | Revaluation of properties 物業重估 HK\$'000 千港元 | Deferred development costs 遞延 開發成本 HK\$'000 千港元 | Fair value adjustments arising from acquisition of subsidiaries 收購 附屬公司之 公平值調整 HK\$'000 千港元 | Withholding taxes 預扣稅 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 January 2019 | 於二零一九年一月一日 | 1,578 | - | 9,578 | 1,574 | 12,730 |
| Deferred tax charged/(credited) to the consolidated statement of profit or loss during the year | 年內扣除/(計入)綜合損益表之遞延稅項 | 266 | 4,367 | (1,430) | 411 | 3,614 |
| Exchange realignment | 匯兌調整 | - | - | - | (2) | (2) |
| Tax paid | 已付稅項 | (1,018) | - | - | (1,375) | (2,393) |
| Gross deferred tax liabilities at 31 December 2019 | 於二零一九年十二月三十一日遞延稅項負債毛額 | 826 | 4,367 | 8,148 | 608 | 13,949 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

26. DEFERRED TAX (CONTINUED)

Deferred tax assets

| | | 2018 二零一八年 Temporary differences of contract liabilities 合約負債之 暫時差額 HK\$'000 千港元 |
|--|-----------------------|---|
| At 1 January 2018 | 於二零一八年一月一日 | 2,984 |
| Deferred tax charged to the consolidated statement of profit or loss during the year | 年內扣除綜合損益表之遞延稅項 | (122) |
| Exchange realignment | 匯兌調整 | (149) |
| Gross deferred tax assets at 31 December 2018 | 於二零一八年十二月三十一日遞延稅項資產毛額 | <u>2,713</u> |

26. 遞延稅項(續)

遞延稅項資產

Deferred tax liabilities

| | | 2018 二零一八年 | | | |
|---|-----------------------|------------------------------|---|------------------------|-----------------------|
| | | Revaluation of properties | Fair value adjustments arising from acquisition of subsidiaries | Withholding taxes | Total |
| | | 物業重估 HK\$'000 千港元 | 收購 附屬公司之 公平值調整 HK\$'000 千港元 | 預扣稅 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 1,526 | 11,008 | 2,713 | 15,247 |
| Deferred tax charged/(credited) to the consolidated statement of profit or loss during the year | 年內扣除/(計入)綜合損益表之遞延稅項 | 52 | (1,430) | 570 | (808) |
| Tax paid | 已付稅項 | - | - | (1,709) | (1,709) |
| Gross deferred tax liabilities at 31 December 2018 | 於二零一八年十二月三十一日遞延稅項負債毛額 | <u>1,578</u> | <u>9,578</u> | <u>1,574</u> | <u>12,730</u> |

遞延稅項負債

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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26. DEFERRED TAX (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Net deferred tax assets recognised in the consolidated statement of financial position | 於綜合財務狀況表確認之遞延稅項資產淨額 | 2,288 | 2,713 |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | 於綜合財務狀況表確認之遞延稅項負債淨額 | (12,515) | (12,730) |
| Net deferred tax liabilities | 遞延稅項負債淨額 | (10,227) | (10,017) |

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group's subsidiaries established in Mainland China, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At the end of the reporting period, in respect of certain subsidiaries of the Group established in Mainland China, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes. In the opinion of the directors of the Company, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$2,438,000 at 31 December 2019 (2018: HK\$2,452,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

26. 遞延稅項(續)

因應呈列目的，若干遞延稅項資產及負債已於財務狀況表內抵銷。以下為本集團因應財務申報目的之遞延稅項結餘分析：

根據中國企業所得稅法，於中國內地成立之外資企業向海外投資者宣派股息應按10%預扣稅率繳稅。有關規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日之後所產生盈利。倘中國內地與海外投資者所在司法權區已達成稅務條款，則可採用較低之預扣稅率。本集團於中國內地成立之附屬公司適用稅率為5%或10%。因此，自二零零八年一月一日起，本集團須就該等於中國內地成立之附屬公司所產生盈利獲分派之股息繳付預扣稅。

於報告期間結算日，本集團並無就其於中國內地成立之若干附屬公司未匯出須繳納預扣稅盈利應繳之預扣稅確認遞延稅項。本公司董事認為，於可見未來，此等附屬公司不大可能分派該等盈利。於二零一九年十二月三十一日，與在中國內地之附屬公司投資相關之暫時差額總額合共約2,438,000港元(二零一八年：2,452,000港元)，惟並無確認遞延稅項負債。

本公司不會因向其股東派付股息而產生所得稅。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

26. DEFERRED TAX (CONTINUED)

Tax losses not recognised

At the end of the reporting period, the Group had unrecognised tax losses arising in Hong Kong of approximately HK\$2,953,000 (2018: HK\$2,234,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits arising in Hong Kong of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and/or due to the unpredictability of future taxable profit streams of the companies in which the losses arose, and it is currently not considered probable that taxable profits will be available against which the tax losses can be utilised.

27. SHARE CAPITAL

Shares

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Authorised: | | |
| 1,000,000,000 (2018: 1,000,000,000) ordinary shares of HK\$0.10 each | | |
| 法定股本： | | |
| 1,000,000,000 股 (二零一八年： 1,000,000,000 股) 每股面值 0.10 港元之普通股 | 100,000 | 100,000 |
| Issued and fully paid: | | |
| 249,488,384 (2018: 249,488,384) ordinary shares of HK\$0.10 each | | |
| 已發行及繳足股本： | | |
| 249,488,384 股 (二零一八年： 249,488,384 股) 每股面值 0.10 港元之普通股 | 24,949 | 24,949 |

26. 遞延稅項(續)

未確認的稅項虧損

於報告期間結算日，本集團於香港產生未確認稅項虧損約2,953,000港元(二零一八年：2,234,000港元)，可無限期抵銷源自香港產生虧損公司之未來應課稅溢利，惟尚待香港稅務局認可。由於該等虧損來自已有一段日子錄得虧損之附屬公司及／或是由於該等附屬公司未來應課稅溢利來源屬不可預測以及現時認為不大可能有應課稅溢利可用作抵銷稅項虧損，故並未就該等虧損確認遞延稅項資產。

27. 股本

股份

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

27. SHARE CAPITAL (CONTINUED)

Shares (continued)

A summary of movements in the Company's issued ordinary share capital, share premium account and shares held under the restricted share award scheme is as follows:

| Ordinary shares | | Number of shares in issue | Issued capital | Share premium account | Shares held under the restricted share award scheme | Total |
|---|---------|---------------------------|--------------------------|--------------------------|---|-----------------------|
| 普通股 | Note 附註 | 已發行股份數目 | 已發行股本 HK\$'000 千港元 | 股份溢價賬 HK\$'000 千港元 | 根據有限制股份獎勵計劃持有之股份 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 January 2018 | | 244,194,198 | 24,419 | 38,493 | (1,919) | 60,993 |
| Purchase of shares held under the restricted share award scheme | 29 | - | - | - | (4,410) | (4,410) |
| Vesting of shares held under the restricted share award scheme | 29 | - | - | - | 520 | 520 |
| Shares issued in lieu of dividends | | 5,294,186 | 530 | 14,611 | - | 15,141 |
| At 31 December 2018 and at 1 January 2019 | | 249,488,384 | 24,949 | 53,104 | (5,809) | 72,244 |
| Purchase of shares held under the restricted share award scheme | 29 | - | - | - | (623) | (623) |
| Vesting of shares held under the restricted share award scheme | 29 | - | - | - | 970 | 970 |
| At 31 December 2019 | | 249,488,384 | 24,949 | 53,104 | (5,462) | 72,591 |

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 28 to the financial statements.

Restricted shares

Details of the Company's restricted share award scheme and the restricted shares held under the scheme are included in note 29 to the financial statements.

27. 股本(續)

股份(續)

本公司已發行普通股本、股份溢價賬及根據有限制股份獎勵計劃持有之股份變動概要如下：

購股權

有關本公司購股權計劃及根據該計劃發行購股權之詳情載於財務報表附註28。

有限制股份

本公司有限制股份獎勵計劃及根據該計劃持有之有限制股份詳情載於財務報表附註29。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

28. SHARE OPTION SCHEME

The Company operates a share option scheme for the primary purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The share option scheme entitles the holders of share options granted under the scheme to subscribe for ordinary shares of the Company at any time during the exercisable periods of the options. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The Company adopted a share option scheme (the "2012 Scheme"). Eligible participants of the 2012 Scheme include the Company's directors (whether executive or non-executive and whether independent or not), other employees of the Group, consultants or advisers of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any other person, at the sole discretion of the directors. The 2012 Scheme became effective on 19 November 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the 2012 Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2012 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the INEDs. In addition, any share options granted to a substantial shareholder or an INED of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

28. 購股權計劃

本公司經營一項購股權計劃，主要目的為對本集團業務成就作出貢獻之合資格參與者提供激勵及獎賞。該等購股權計劃賦予持有根據該計劃所授予購股權之人士權利，於購股權的行使期內，隨時認購本公司之普通股。購股權並無授權持有人收取股息或於股東大會上投票。

本公司過往採納一項購股權計劃（「二零一二年計劃」）。二零一二年計劃之合資格參與者包括本公司董事（不論執行或非執行及不論獨立與否）、本集團其他僱員、本集團顧問或諮詢人士、向本集團供應產品或服務之供應商、本集團客戶、本公司股東及任何其他人士（由董事全權酌情決定）。二零一二年計劃於二零一二年十一月十九日生效，此外，除非另行註銷或修訂，否則計劃將於該日起計十年內仍然有效。

根據二零一二年計劃，現時獲批准授出之尚未行使購股權數目最多可相等其獲行使時佔本公司任何時間已發行股份之10%。於任何十二個月期間，根據二零一二年計劃向各合資格參與者授出之購股權可發行之股份數目最多佔本公司任何時間已發行股份之1%。任何進一步授出超逾限額之購股權須待股東於股東大會批准，方可作實。

授予本公司之董事或主要股東，或彼等任何聯繫人士之購股權須事先取得獨立非執行董事批准。此外，如於任何十二個月期間授予本公司主要股東或獨立非執行董事或彼等任何聯繫人士之任何購股權超逾本公司於任何時間之已發行股份0.1%，或有關購股權之總值（根據本公司股份於購股權授出日期之價格計算）超逾500萬港元，則須事先在股東大會上取得股東批准。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

28. SHARE OPTION SCHEME (CONTINUED)

The offer of a grant of share options may be accepted within 10 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after certain vesting period and ends on a date which is not later than 10 years from the date of offer of the share options or the expiry date of the 2012 Scheme, whichever is earlier.

The exercise price of share options is determinable by the directors, but may be at least the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

No share option of the Company was outstanding, granted, exercised, cancelled or lapsed during the current and prior years and subsequent to the end of the reporting period under the 2012 Scheme.

29. RESTRICTED SHARE AWARD SCHEME

The Company adopted a restricted share award scheme (the "Award Scheme") on 22 May 2008 and renewed the Award Scheme on 31 May 2017 (the "Renewed Date") under which shares of the Company (the "Awarded Shares") may be awarded to selected employees (including directors) of any members of the Group (the "Selected Employees") in accordance with the provisions of the Award Scheme and an irrevocable trust (the "Trust") was also established by the Company for the purpose of the Award Scheme. The Award Scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for 10 years from the Renewed Date. Further details of the Award Scheme are also set out in circulars of the Company dated 29 April 2008 and 26 April 2017.

28. 購股權計劃(續)

提呈授出之購股權可於提呈日期起計10日內接納，而獲授人須支付合共1港元之象徵式代價。所授出購股權之行使期由董事釐定，並由若干歸屬期後開始，而屆滿日期不得遲於提呈購股權日期起計十年或二零一二年計劃之到期日(以較早者為準)。

購股權之行使價由董事釐定，但不可低於下列三者中之較高者：(i)本公司股份於提呈購股權日期在聯交所之收市價；(ii)本公司股份於緊接提呈日期前五個交易日在聯交所之平均收市價；及(iii)本公司股份之面值。

本公司於本年度及過往年度以及報告期間結算日後概無任何尚未行使、已授出、已行使、已註銷或已失效之二零一二年計劃項下購股權。

29. 有限制股份獎勵計劃

本公司於二零零八年五月二十二日採納一項有限制股份獎勵計劃(「獎勵計劃」)及於二零一七年五月三十一日(「重續日期」)重續獎勵計劃。據此，本公司可根據獎勵計劃之條文向本集團任何經甄選僱員(包括董事)(「經甄選僱員」)獎授本公司股份(「獎勵股份」)，本公司亦就獎勵計劃成立一項不可撤回信託(「信託」)。獎勵計劃已於採納日期生效，除非被終止或修訂，將自重續日期起計十年內生效。獎勵計劃進一步詳情亦載於本公司日期為二零零八年四月二十九日及二零一七年四月二十六日之通函。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

29. RESTRICTED SHARE AWARD SCHEME (CONTINUED)

The aggregate number of the Awarded Shares currently permitted to be awarded under the Award Scheme throughout the duration of the Award Scheme is limited to 10% of the issued share capital of the Company from time to time or such other percentage as notified to them by the Board (provided that the overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under any other incentive or share option schemes and under the Award Scheme must not exceed 30% of the shares of the Company in issue from time to time). Subject to the aforesaid limit, the maximum number of the Awarded Shares which may be awarded under the Award Scheme shall not exceed 2% of the issued share capital of the Company as at the year end date of the preceding financial year of the Company for any 12-month period up to and including the date of the relevant grant. The maximum number of the Awarded Shares which may be awarded to a Selected Employee under the Award Scheme shall not exceed 1% of the issued share capital of the Company as at the year end date of the preceding financial year of the Company.

Pursuant to the rules governing the operation of the Award Scheme (the "Scheme Rules"), the board of directors of the Company (the "Board") shall select the Selected Employees and determine the number of the Awarded Shares to be awarded. The Board shall cause to pay the trustee of the Trust (the "Trustee") the purchase price and the related expenses from the Company's resources for the shares of the Company to be purchased by the Trustee. The Trustee is a third party appointed by the Board for the administration of the Award Scheme. The Trustee shall purchase from the market such number of shares of the Company awarded as specified by the Board and shall hold such shares until they are vested in accordance with the Scheme Rules.

When a Selected Employee has satisfied all vesting conditions, which might include service and/or performance conditions, specified by the Board at the time of making the award and becomes entitled to the shares of the Company forming the subject of the award, the Trustee shall transfer the relevant vested Awarded Shares to that employee at no cost. The Selected Employee however is not entitled to receive any income or distribution, such as dividend derived from the unvested Awarded Shares allocated to him/her. The said income or distributions shall be used by the Trustee for payment of the Trustee's fees or expenses or for purchase of further shares of the Company for the Award Scheme.

29. 有限制股份獎勵計劃(續)

現時根據獎勵計劃於獎勵計劃期間可授出之獎勵股份總數限額為本公司不時已發行股本之10%或董事會通知彼等之該其他百分比(前提是根據任何其他獎勵或購股權計劃及獎勵計劃已授出但未行使的所有購股權獲行使後可予發行之股份數目之整體限額不得超逾本公司不時已發行股份之30%)。基於上述限額，截至相關授出日期(包括該日)之任何十二個月期間，根據獎勵計劃可授出之獎勵股份最高數目，不得超過本公司上一個財政年度年結日之已發行股本2%。根據獎勵計劃可向個別經甄選僱員授出之獎勵股份最高數目不得超過本公司上一個財政年度年結日之已發行股本1%。

根據監管獎勵計劃之實施規則(「計劃規則」)，本公司董事會(「董事會」)須挑選經甄選僱員，並釐定將授出之獎勵股份數目。董事會須就信託受託人(「受託人」)即將購入之本公司股份，以本公司之資源向受託人支付購入價及相關費用。受託人為董事會委任管理獎勵計劃之第三方。受託人須於市場內購入董事會所指定之本公司授出有關數目股份，並須持有股份，直至該等股份按計劃規則予以歸屬為止。

待經甄選僱員達成董事會於作出獎勵時指定之一切歸屬條件(或會包括服務及/或表現條件)，並有權獲得就構成獎勵主體之本公司股份後，受託人須將相關歸屬獎勵股份免費轉讓予該僱員。然而，該經甄選僱員不得收取任何收入或分派，例如向彼配發未歸屬獎勵股份產生之股息。上述收入或分派須由受託人用於支付受託人費用或開支或購入該計劃之其他本公司股份。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

29. RESTRICTED SHARE AWARD SCHEME (CONTINUED)

The Trustee shall not exercise the voting rights in respect of any shares of the Company held under the Trust, including, inter alia, the Awarded Shares and further shares of the Company acquired out of the income derived therefrom.

The fair value of the Awarded Shares awarded was based on the market value of the Company's shares at the grant date and the Group recognised an equity-settled share-based payment expense of HK\$2,110,000 for the year ended 31 December 2019 (2018: HK\$1,858,000).

During the year ended 31 December 2019, 537,000 Awarded Shares (2018: 387,000 Awarded Shares) were vested and transferred to certain executive directors of the Company and certain employees of the Group. During the year ended 31 December 2019, upon the vesting of certain Awards Shares, the carrying value of the shares held under the restricted share award scheme account of the Company was reduced by HK\$970,000 (2018: HK\$520,000) and such amount was transferred to the share-based payment reserve of the Company.

During the year ended 31 December 2019, the Trustee acquired for the Award Scheme 192,000 ordinary shares (2018: 1,486,000 ordinary shares) of the Company through purchases on the open market at a total cost (including related transaction costs) of approximately HK\$623,000 (2018: HK\$4,410,000).

During the year ended 31 December 2019, 420,000 Awarded Shares were awarded to certain employees of the Group, which will be transferred to the employees at nil consideration, subject to the satisfaction of certain service conditions, upon vesting in various tranches, with the last tranches ending on 30 June 2024.

29. 有限制股份獎勵計劃(續)

受託人不得根據信託持有之本公司任何股份(其中包括獎勵股份及以因而產生之有關收入購買之其他本公司股份)行使投票權。

截至二零一九年十二月三十一日止年度,已授出獎勵股份之公平值按本公司股份於授出獎勵日期之市值以及本集團所確認股權結算以股份支付開支2,110,000港元(二零一八年:1,858,000港元)計算。

於截至二零一九年十二月三十一日止年度,本公司若干執行董事及本集團若干僱員獲歸屬及轉讓537,000股獎勵股份(二零一八年:387,000股獎勵股份)。於截至二零一九年十二月三十一日止年度,若干獎勵股份獲歸屬後,於本公司有限制股份獎勵計劃賬目下持有之股份賬面值減少970,000港元(二零一八年:520,000港元),該金額已轉撥至本公司股份付款儲備。

於截至二零一九年十二月三十一日止年度,受託人根據獎勵計劃在公開市場以約623,000港元(二零一八年:4,410,000港元)之總成本(包括相關交易成本)購入192,000股本公司普通股(二零一八年:1,486,000股普通股)。

於截至二零一九年十二月三十一日止年度,本集團向若干僱員授出420,000股獎勵股份,該等股份將於若干服務條件達成及分批歸屬後無償轉讓予僱員,最後批次將於二零二四年六月三十日結束。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

29. RESTRICTED SHARE AWARD SCHEME (CONTINUED)

The following Awarded Shares were awarded and outstanding under the Award Scheme during the year:

| | | 2019 二零一九年 | | 2018 二零一八年 | |
|---------------------------|----------|---|---|---|---|
| | | Weighted average fair value at grant date per share 於授出日期 每股加權 平均公平值 HK\$ 港元 | Number of unvested Awarded Shares 未歸屬獎勵 股份數目 | Weighted average fair value at grant date per share 於授出日期 每股加權 平均公平值 HK\$ 港元 | Number of unvested Awarded Shares 未歸屬獎勵 股份數目 |
| At 1 January | 於一月一日 | 2.44 | 2,393,000 | 2.21 | 735,000 |
| Awarded during the year | 年內授予 | 3.11 | 420,000 | 2.43 | 2,075,000 |
| Vested during the year | 年內歸屬 | 2.45 | (537,000) | 1.95 | (387,000) |
| Forfeited during the year | 年內沒收 | - | - | 2.62 | (30,000) |
| At 31 December | 於十二月三十一日 | 2.56 | 2,276,000 | 2.44 | 2,393,000 |

Out of the total of 12,465,000 Award Shares awarded, 4,250,000 Awarded Shares were awarded to the executive directors of the Company.

At the date of approval of these financial statements, the Company had 2,276,000 Awarded Shares unvested under the Award Scheme, which represented approximately 0.9% of the Company's ordinary shares in issue at that date.

29. 有限制股份獎勵計劃(續)

年內，根據獎勵計劃已授出及尚未行使之獎勵股份如下：

在授出之合共12,465,000股獎勵股份中，已向本公司執行董事授出4,250,000股獎勵股份。

於批准此等財務報表當日，本公司根據獎勵計劃尚未歸屬之獎勵股份數目為2,276,000股，佔本公司於該日之已發行普通股約0.9%。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)**

31 DECEMBER 2019 二零一九年十二月三十一日

30. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 78 to 79 of the financial statements.

The Group's contributed surplus originally represented the excess of the aggregate net asset value of the subsidiaries acquired at the date of their acquisition pursuant to the Group reorganisation on 29 April 1998, over the nominal value of the Company's shares issued in exchange therefor.

Pursuant to the relevant PRC laws and regulations for wholly-foreign-owned enterprises, a portion of the profits of the Group's subsidiaries, which are established in the PRC, has been transferred to reserve funds which are restricted as to use. The subsidiaries are not required to effect any further transfer when the amount of the reserve funds reaches 50% of their registered capital.

The Group's goodwill reserve represents goodwill which arose on the acquisition of certain subsidiaries in prior years and remains eliminated against consolidated reserves, as further explained in note 16 to the financial statements.

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**(a) Major non-cash transactions**

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$1,225,000 and HK\$1,225,000, respectively, in respect of lease arrangements for buildings (2018: Nil).

30. 儲備

本集團於當前及過往年度之儲備金額及其變動乃呈列於財務報表第78至79頁之綜合權益變動表。

本集團之繳入盈餘原指根據於一九九八年四月二十九日之集團重組，在收購各附屬公司之日期，該等附屬公司之總資產淨值超出本公司用作交換用途而發行股份之面值。

根據外商獨資企業適用之相關中國法律及法規，於中國成立之本集團附屬公司之部分利潤已轉撥至儲備基金，並限制使用。當該等附屬公司之儲備基金達到其註冊資本之50%後，該等附屬公司毋須作進一步轉撥。

誠如財務報表附註16進一步闡述，本集團之商譽儲備指於過往年度收購若干附屬公司產生之商譽，將繼續與綜合儲備對銷。

31. 綜合現金流量表附註**(a) 主要非現金交易**

年內，本集團有關樓宇租賃安排的使用權資產及租賃負債的非現金添置分別為1,225,000港元及1,225,000港元(二零一八年：無)。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities

| | | Lease liabilities 租賃負債 |
|-----------------------------------|-------------------|---------------------------|
| | | 2019 二零一九年 |
| | | HK\$000 千港元 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | - |
| Effect of adoption of HKFRS 16 | 採納香港財務報告準則第16號的影響 | 15,715 |
| At 1 January 2019 (restated) | 於二零一九年一月一日(經重列) | 15,715 |
| Changes from financing cash flows | 融資現金流量變動 | (6,799) |
| New leases | 新租賃 | 1,225 |
| Remeasurement | 重新計量 | (1,510) |
| Interest expenses | 利息開支 | 1,102 |
| Exchange realignment | 匯兌調整 | (59) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 9,674 |

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

| | | 2019 二零一九年 |
|-----------------------------|-------|----------------|
| | | HK\$000 千港元 |
| Within financing activities | 融資活動內 | 6,799 |

31. 綜合現金流量表附註(續)

(b) 融資活動所產生之負債變動

(c) 租賃總現金流出

計入現金流量表的租賃總現金流出如下：

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

32. COMMITMENTS

Operating lease commitments as at 31 December 2018

The Group leased certain of its office properties under operating lease arrangements. Leases for properties were negotiated for terms ranging from one to three years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------|----------------------------------|
| Within one year | 一年內 | 7,646 |
| In the second to fifth years, inclusive | 第二至第五年(包括首尾兩年) | 9,691 |
| | | 17,337 |

33. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

Guarantees have been given to certain banks by the Company for performance bonds/guarantees issued by the banks in relation to certain contracts undertaken by the Group amounting to HK\$31,700,000 (31 December 2018: HK\$31,700,000), of which HK\$21,237,000 (31 December 2018: HK\$22,930,000) was utilised as at 31 December 2019.

34. RELATED PARTY TRANSACTIONS

In addition to the transactions, arrangements and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

Compensation of key management personnel of the Group:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Short term employee benefits | 短期僱員福利 | 16,526 | 12,253 |
| Equity-settled share-based payment expense | 股權結算以股份支付開支 | 1,308 | 1,058 |
| Post-employment benefits | 離職後福利 | 159 | 113 |
| Total compensation paid to key management personnel | 支付主要管理人員之酬金總值 | 17,993 | 13,424 |

Further details of directors' emoluments are included in note 8 to the financial statements.

32. 承擔

於二零一八年十二月三十一日的經營租賃承擔

本集團根據經營租賃安排租賃其若干辦公室物業。該等物業所議定之租期介乎一至三年。

於二零一八年十二月三十一日，本集團根據於下列期限屆滿之不可撤銷經營租賃而於日後應付之最低租賃付款總值如下：

33. 或然負債

於報告期間結算日，並未於財務報表內作出撥備之或然負債如下：

本公司已就本集團承接之若干合約而由各間銀行發出之履約保證／擔保向若干銀行提供為數31,700,000港元(二零一八年十二月三十一日：31,700,000港元)之擔保，其中21,237,000港元(二零一八年十二月三十一日：22,930,000港元)已於二零一九年十二月三十一日動用。

34. 關連人士交易

除此等財務報表其他章節詳述之交易、安排及結餘外，本集團於年內曾進行下列關連人士交易：

本集團主要管理人員之酬金如下：

董事酬金之進一步詳情載於財務報表附註8。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2019

Financial assets

| | | Financial assets at fair value through profit or loss 按公平值經損益入賬之財務資產 | Mandatorily designated as such 強制如此指定 | Financial assets at amortised cost 按攤銷成本入賬之財務資產 | Total 總計 |
|---|----------------|---|--|--|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade receivables | 應收貿易賬款 | - | 50,159 | 50,159 | |
| Deposits and other receivables | 按金及其他應收款項 | - | 4,312 | 4,312 | |
| Financial assets at fair value through profit or loss | 按公平值經損益入賬之財務資產 | 57,949 | - | 57,949 | |
| Pledged bank deposits | 已抵押銀行存款 | - | 2,541 | 2,541 | |
| Cash and cash equivalents | 現金及等同現金資產 | - | 200,730 | 200,730 | |
| | | 57,949 | 257,742 | 315,691 | |

Financial liabilities

| | | Financial liabilities at amortised cost 按攤銷成本入賬之財務負債 |
|--|-------------|---|
| | | HK\$'000 千港元 |
| Trade payables | 應付貿易賬款 | 15,561 |
| Other payables | 其他應付款項 | 29,355 |
| Financial liabilities included in accruals | 計入應計款項之財務負債 | 5,533 |
| Lease liabilities | 租賃負債 | 9,674 |
| | | 60,123 |

35. 財務工具之分類

各類別財務工具於報告期間結算日之賬面值如下：

二零一九年

財務資產

財務負債

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

35. FINANCIAL INSTRUMENTS BY CATEGORY
(CONTINUED)

2018

Financial assets

| | | Financial assets at fair value through profit or loss 按公平值 經損益入賬 之財務資產 | Mandatorily designated as such 強制 如此指定 | Financial assets at amortised cost 按攤銷成本 入賬之財務資產 | Total 總計 |
|--|--------------------|--|--|--|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade receivables | 應收貿易賬款 | - | 43,572 | 43,572 | 43,572 |
| Deposits and other receivables | 按金及其他應收款項 | - | 6,766 | 6,766 | 6,766 |
| Financial assets at fair value through profit or loss | 按公平值經損益入賬之 財務資產 | 14,797 | - | 14,797 | 14,797 |
| Pledged bank deposits | 已抵押銀行存款 | - | 2,100 | 2,100 | 2,100 |
| Cash and cash equivalents | 現金及等同現金資產 | - | 255,545 | 255,545 | 255,545 |
| | | 14,797 | 307,983 | 322,780 | 322,780 |

Financial liabilities

財務負債

| | | Financial liabilities at amortised cost 按攤銷成本 入賬之財務負債 |
|--|-------------|---|
| | | HK\$'000 千港元 |
| Trade payables | 應付貿易賬款 | 24,533 |
| Other payables | 其他應付款項 | 27,936 |
| Financial liabilities included in accruals | 計入應計款項之財務負債 | 5,570 |
| | | 58,039 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

At the end of the reporting period, the carrying amounts of the Group's financial assets and liabilities reasonably approximated to their fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposits, trade receivables, deposits and other receivables, trade payables, other payables and financial liabilities included in accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of listed equity and debt investments are based on quoted market prices.

The fair value of a club membership debenture included in debt investments and money market certificate are based on available market prices.

36. 財務工具公平值及公平值等級架構

於報告期間結算日，本集團財務資產及負債之賬面值與其公平值合理地相若。

管理層已評估現金及等同現金資產、已抵押銀行存款、應收貿易賬款、按金及其他應收款項、應付貿易賬款、其他應付款項及計入應計款項之財務負債之公平值與其賬面值相若，主要由於該等工具之到期日較短。

財務資產及負債之公平值乃按自願交易方之間於當前交易之可交易工具金額入賬，惟強制或清盤出售則另作別論。下列方法及假設已用於估計公平值：

上市股權及債務投資之公平值乃按市場報價得出。

計入債務投資之會所會籍債券及貨幣市場存單之公平值乃按市場價格得出。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2019

| | | Fair value measurement using 公平值計量採用以下各項 | | | Total 總計 HK\$'000 千港元 |
|---|---------------------|--|---|--|--------------------------------|
| | | Quoted prices in active markets (Level 1) 活躍 市場報價 (第1層) HK\$'000 千港元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第2層) HK\$'000 千港元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第3層) HK\$'000 千港元 | |
| Financial assets at fair value through profit or loss: | 按公平值經損益入賬之 財務資產： | | | | |
| Listed equity investments | 上市股本投資 | 10,121 | - | - | 10,121 |
| Debt investments | 債務投資 | 2,533 | 2,100 | - | 4,633 |
| Money market certificate | 貨幣市場存單 | - | 43,195 | - | 43,195 |
| | | 12,654 | 45,295 | - | 57,949 |

As at 31 December 2018

於二零一八年十二月三十一日

| | | Fair value measurement using 公平值計量採用以下各項 | | | Total 總計 HK\$'000 千港元 |
|---|---------------------|--|---|--|--------------------------------|
| | | Quoted prices in active markets (Level 1) 活躍 市場報價 (第1層) HK\$'000 千港元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第2層) HK\$'000 千港元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第3層) HK\$'000 千港元 | |
| Financial assets at fair value through profit or loss: | 按公平值經損益入賬之 財務資產： | | | | |
| Listed equity investments | 上市股本投資 | 10,164 | - | - | 10,164 |
| Debt investments | 債務投資 | 2,533 | 2,100 | - | 4,633 |
| | | 12,697 | 2,100 | - | 14,797 |

36. 財務工具公平值及公平值等級架構(續)

公平值等級架構

下表顯示本集團財務工具之公平值計量等級架構：

按公平值計量之資產：

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)**Fair value hierarchy (continued)****Liabilities measured at fair value:**

The Group did not have any financial liabilities measured at fair value as at 31 December 2019 and 2018.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil).

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include pledged bank deposits and cash and cash equivalents. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, deposits and other receivables, trade and other payables, financial liabilities included in accruals and financial assets at fair value through profit or loss, which mainly arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, equity price risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

36. 財務工具公平值及公平值等級架構(續)**公平值等級架構(續)****按公平值計量之負債：**

本集團於二零一九年及二零一八年十二月三十一日並無任何按公平值計量之財務負債。

年內，就財務資產及財務負債而言，第1層與第2層之間概無公平值計量轉移，亦無公平值計量轉入或轉出第3層(二零一八年：無)。

37. 財務風險管理目標及政策

本集團之主要財務工具包括已抵押銀行存款以及現金及等同現金資產。此等財務工具之主要用途乃為本集團之業務融資。本集團有其他各種財務資產及負債，如應收貿易賬款、按金及其他應收款項、應付貿易賬款及其他應付款項、計入應計款項之財務負債及按公平值經損益入賬之財務資產，此等財務資產及負債主要自業務營運直接產生。

本集團財務工具產生之主要風險為利率風險、外幣風險、信貸風險、股本價格風險及流動資金風險。董事會審閱並同意下文所概述管理各項此等風險之政策。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash at banks and bank deposits with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate bank balances and bank deposits).

| | | Increase/ (decrease) in basis points 基點增加/ (減少) | Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元 |
|----------------------|-----|---|---|
| 2019 | | 二零一九年 | |
| Hong Kong dollar | 港元 | (25) | (106) |
| United States dollar | 美元 | (25) | (293) |
| RMB | 人民幣 | (25) | (168) |
| Hong Kong dollar | 港元 | 25 | 106 |
| United States dollar | 美元 | 25 | 293 |
| RMB | 人民幣 | 25 | 168 |
| 2018 | | 二零一八年 | |
| Hong Kong dollar | 港元 | (25) | (129) |
| United States dollar | 美元 | (25) | (265) |
| RMB | 人民幣 | (25) | (232) |
| Hong Kong dollar | 港元 | 25 | 129 |
| United States dollar | 美元 | 25 | 265 |
| RMB | 人民幣 | 25 | 232 |

There is no impact on the Group's equity except on the retained profits.

37. 財務風險管理目標及政策(續)

利率風險

本集團因應市場利率變動而承受之風險主要與本集團存放於銀行按照浮動利率計息之現金及銀行存款有關。

下表載列在所有其他變數維持不變之情況下，本集團之除稅前溢利(透過浮動利率銀行結餘及銀行存款所受影響)對利率合理可能出現變動之敏感程度。

除保留溢利外，對本集團權益概無任何影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

The Group has transactional currency exposures. Such exposures mainly arise from revenue generated and/or costs and expenses incurred by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

| | | Increase/ (decrease) in exchange rate 匯率上升/ (下降) % | Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) HK\$'000 千港元 |
|---|--------------|---|---|
| 2019 | 二零一九年 | | |
| If the Hong Kong dollar weakens against RMB | 倘港元兌人民幣貶值 | 5 | (697) |
| If the Hong Kong dollar strengthens against RMB | 倘港元兌人民幣升值 | (5) | 697 |
| 2018 | 二零一八年 | | |
| If the Hong Kong dollar weakens against RMB | 倘港元兌人民幣貶值 | 5 | 897 |
| If the Hong Kong dollar strengthens against RMB | 倘港元兌人民幣升值 | (5) | (897) |

There is no impact on the Group's equity except on the retained profits.

37. 財務風險管理目標及政策(續)

外幣風險

本集團面對交易貨幣風險。此風險主要源自於營運單位使用該單位功能貨幣以外貨幣賺取之收入及／或產生之成本及開支。

下表載列在所有其他變數維持不變之情況下，本集團於報告期間結算日之除稅前溢利(因貨幣資產及負債公平值有變)對人民幣匯率可能合理變動之敏感程度。

除保留溢利外，對本集團權益概無任何影響。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group primarily trades on credit terms with recognised and creditworthy third parties. It is the Group's policy that most customers who wish to trade on credit terms are to a certain extent subject to certain credit verification procedures. In addition, receivable balances are monitored by the Group's management on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2019

| | | 12-month ECLs | Lifetime ECLs | | | |
|---|----------------|---------------|---------------|----------|---------------------|----------|
| | | 12個月預期信貸虧損 | 全期預期信貸虧損 | | | |
| | | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| | | 第一階段 | 第二階段 | 第三階段 | 簡化方法 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Trade receivables* | 應收貿易賬款* | - | - | - | 53,554 | 53,554 |
| Contract assets* | 合約資產* | - | - | - | 20,226 | 20,226 |
| Deposits and other receivables | 按金及其他應收款項 | | | | | |
| - Normal** | - 正常** | 4,312 | - | - | - | 4,312 |
| Financial assets at fair value through profit or loss | 按公平值經損益入賬之財務資產 | 57,949 | - | - | - | 57,949 |
| Pledged bank deposits | 已抵押銀行存款 | | | | | |
| - Not yet past due | - 尚未逾期 | 2,541 | - | - | - | 2,541 |
| Cash and cash equivalents | 現金及等同現金資產 | | | | | |
| - Not yet past due | - 尚未逾期 | 200,730 | - | - | - | 200,730 |
| | | 265,532 | - | - | 73,780 | 339,312 |

37. 財務風險管理目標及政策(續)

信貸風險

本集團主要與認可及信譽良好之第三方按信貸條款進行交易。按照本集團之政策，大部分擬按信貸條款進行交易之客戶，在某程度上必須通過若干信貸審核程序。此外，應收結餘之狀況受本集團管理層持續監察。

最高風險及於年結日所處階段

下表呈示基於本集團信貸政策的信貸質素及最高信貸風險，主要以逾期資料為基準(除非可在不耗費過多成本或努力的情況下取得其他資料)，及於十二月三十一日年結日所處階段。所呈列的金額為財務資產的賬面總值。

於二零一九年十二月三十一日

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2018

37. 財務風險管理目標及政策(續)

信貸風險(續)

最高風險及於年結日所處階段(續)

於二零一八年十二月三十一日

| | | 12-month | Lifetime ECLs | | | Total | |
|---|----------------|----------|---------------|----------|----------|----------|----------|
| | | ECLs | Simplified | | | | |
| | | 12個月 | Stage 1 | Stage 2 | Stage 3 | approach | Total |
| | | 預期信貸 | 第一階段 | 第二階段 | 第三階段 | 簡化方法 | 總計 |
| | | 虧損 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Trade receivables* | 應收貿易賬款* | - | - | - | - | 47,104 | 47,104 |
| Contract assets* | 合約資產* | - | - | - | - | 20,695 | 20,695 |
| Deposits and other receivables | 按金及其他應收款項 | | | | | | |
| - Normal** | - 正常** | 6,766 | - | - | - | - | 6,766 |
| Financial assets at fair value through profit or loss | 按公平值經損益入賬之財務資產 | 14,797 | - | - | - | - | 14,797 |
| Pledged bank deposits | 已抵押銀行存款 | | | | | | |
| - Not yet past due | - 尚未逾期 | 2,100 | - | - | - | - | 2,100 |
| Cash and cash equivalents | 現金及等同現金資產 | | | | | | |
| - Not yet past due | - 尚未逾期 | 255,545 | - | - | - | - | 255,545 |
| | | 279,208 | - | - | - | 67,799 | 347,007 |

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 19 and 21 to the financial statements, respectively.

** The credit quality of the deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

* 就本集團應用簡化方法計算減值的應收貿易賬款及合約資產，基於撥備矩陣的資料分別披露於財務報表附註19及21。

** 倘按金及其他應收款項未逾期及並無資料表示財務資產自初步確認後信貸風險大幅增加，則視作按金及其他應收款項的信貸質素為「正常」。否則，則視財務資產的信貸質素為「呆賬」。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through profit or loss – listed equity investments in Hong Kong (note 22) as at 31 December 2019 and 2018. The Group's listed equity investments are listed on the Stock Exchange of Hong Kong Limited and are valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to every 10% change in the fair values of the Group's listed equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

37. 財務風險管理目標及政策(續)

股本價格風險

股本價格風險是指由於股票指數和個別證券價值之變化導致股本證券之公平值降低之風險。本集團之股本價格風險源於在二零一九年及二零一八年十二月三十一日持有按公平值經損益入賬之財務資產—香港上市股本投資(附註22)之個別股本投資。本集團之上市股本投資於香港聯合交易所有限公司上市，於報告期間結算日按市場報價評值。

下表載列在所有其他變數維持不變之情況下及未計任何稅務影響前，以其賬面值為基準，本集團上市股本投資於報告期間結算日之公平值每變動10%時，相關項目之敏感程度。

| | | Carrying amount of equity investments 股本投資之賬面值 HK\$'000 千港元 | Change in profit before tax 除稅前溢利改變 HK\$'000 千港元 |
|--|---------------------------------|--|---|
| 2019 | 二零一九年 | | |
| Equity investments listed in Hong Kong: – financial assets at fair value through profit or loss | 在香港上市之股本投資： – 按公平值經損益入賬之財務資產 | 10,121 | 1,012 |
| 2018 | 二零一八年 | | |
| Equity investments listed in Hong Kong: – Held-for-trading | 在香港上市之股本投資： – 持作買賣 | 10,164 | 1,016 |
| There is no impact on the Group's equity except on the retained profits. | | | 除保留溢利外，對本集團權益概無任何影響。 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Liquidity risk**

The Group's objective is to ensure there are adequate funds to meet its contractual payments for financial liabilities in the short and long term. In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances, and time deposits deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Cash flows of the Group are closely monitored by senior management on an ongoing basis.

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

37. 財務風險管理目標及政策(續)**流動資金風險**

本集團之目標為確保維持足夠資金以應付其短期及長期之財務負債合約付款。管理流動資金風險時，本集團監察及維持管理層視為足夠提供本集團營運所需現金及銀行結餘水平以及定期存款，並減緩因現金流量波動造成之影響。高級管理層持續密切監察本集團之現金流量。

於報告期間結算日，本集團根據合約未折現付款所計算之財務負債到期情況如下：

| | | 2019 二零一九年 | | | | |
|---|---|---------------|-----------------------|-----------------------------|------------------|---------------|
| | | On demand | Less than 3 months | 3 to less than 12 months | 1 to 5 years | Total |
| | | 按 要求 償還 | 少 於 三 個 月 | 十 二 個 月 內 | 一 至 五 年 | 總 計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千 港 元 | 千 港 元 | 千 港 元 | 千 港 元 | 千 港 元 |
| Trade payables | 應付貿易賬款 | 13,713 | 1,153 | 695 | - | 15,561 |
| Other payables | 其他應付款項 | - | 29,355 | - | - | 29,355 |
| Lease liabilities | 租賃負債 | - | 1,108 | 5,355 | 3,947 | 10,410 |
| Financial liabilities included in accruals | 計入應計款項之 財務負債 | - | 5,533 | - | - | 5,533 |
| Guarantees given to banks for performance bonds/guarantees issued in relation to certain contracts undertaken by the Group | 就本集團承接之若干 合約發出履約保證/ 擔保而向銀行提供 之擔保 | 21,237 | - | - | - | 21,237 |
| | | 34,950 | 37,149 | 6,050 | 3,947 | 82,096 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

| | | 2018 | | | Total |
|--|-------------------------------|---------------|-----------------------|--------------------------|-------------|
| | | On demand | Less than 3 months | 3 to less than 12 months | |
| | | 按 要求 償還 | 少 於 三 個 月 | 十 二 個 月 內 | 總 計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千 港 元 | 千 港 元 | 千 港 元 | 千 港 元 |
| Trade payables | 應付貿易賬款 | 21,292 | 2,098 | 1,143 | 24,533 |
| Other payables | 其他應付款項 | - | 27,936 | - | 27,936 |
| Financial liabilities included in accruals | 計入應計款項之財務負債 | - | 5,570 | - | 5,570 |
| Guarantees given to banks for performance bonds/guarantees issued in relation to certain contracts undertaken by the Group | 就本集團承接之若干合約發出履約保證/擔保而向銀行提供之擔保 | 22,930 | - | - | 22,930 |
| | | 44,222 | 35,604 | 1,143 | 80,969 |

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group regularly reviews and manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

Capital of the Group comprises all components of shareholders' equity.

37. 財務風險管理目標及政策(續)

流動資金風險(續)

資本管理

本集團資本管理之主要目的是為保障本集團持續經營之能力並維持穩健資本比率，以支持其業務及為股東帶來最大價值。

本集團根據經濟狀況之轉變及相關資產之風險特性，定期審閱及管理資本結構及作出調整。本集團可以通過調整對股東派發之股息、向股東發還資本或發行新股，保持或調整資本結構。本集團毋須遵守任何外部施加之資本規定。截至二零一九年及二零一八年十二月三十一日止年度內，本集團之資本管理目標、政策或程序並無轉變。

本集團之資本由所有股東權益部分組成。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

38. 本公司財務狀況表

於報告期間結算日本公司財務狀況表之資料如下：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | | |
| Investments in subsidiaries | 155,532 | 146,268 |
| CURRENT ASSETS | | |
| Prepayments and other receivables | 322 | 255 |
| Cash and cash equivalents | 1,120 | 1,506 |
| Total current assets | 1,442 | 1,761 |
| CURRENT LIABILITIES | | |
| Accruals | 429 | 417 |
| NET CURRENT ASSETS | 1,013 | 1,344 |
| Net assets | 156,545 | 147,612 |
| EQUITY | | |
| Issued capital | 24,949 | 24,949 |
| Share premium account | 53,104 | 53,104 |
| Shares held under the restricted share award scheme | (5,462) | (5,809) |
| Share-based payment reserve (note) | 5,386 | 4,246 |
| Retained profits (note) | 58,808 | 41,523 |
| Proposed final dividend (note) | 19,760 | 29,599 |
| Total equity | 156,545 | 147,612 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31 DECEMBER 2019 二零一九年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

| | | Contributed surplus | Share-based payment reserve | Retained profits | Proposed final and special dividends | Total |
|--|--------------------------|---------------------|-----------------------------|------------------|--------------------------------------|-----------------|
| | | 繳入盈餘 | 股份付款儲備 | 保留溢利 | 擬派末期及特別股息 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | - | 2,908 | 93,253 | 29,096 | 125,257 |
| Profit for the year | 本年度溢利 | - | - | 1 | - | 1 |
| Vesting of shares held under the restricted share award scheme | 根據有限制股份獎勵計劃持有股份之歸屬 | - | (520) | - | - | (520) |
| Share award arrangements | 股份獎勵安排 | - | 1,858 | - | - | 1,858 |
| Final and special 2017 dividends declared | 宣派二零一七年末期及特別股息 | - | - | 90 | (29,096) | (29,006) |
| Interim 2018 dividend | 二零一八年中期股息 | - | - | (22,222) | - | (22,222) |
| Proposed final 2018 dividend | 擬派二零一八年末期股息 | - | - | (29,599) | 29,599 | - |
| At 31 December 2018 and at 1 January 2019 | 於二零一八年十二月三十一日及於二零一九年一月一日 | - | 4,246 | 41,523 | 29,599 | 75,368 |
| Profit for the year | 本年度溢利 | - | - | 59,342 | - | 59,342 |
| Vesting of shares held under the restricted share award scheme | 根據有限制股份獎勵計劃持有股份之歸屬 | - | (970) | - | - | (970) |
| Share award arrangements | 股份獎勵安排 | - | 2,110 | - | - | 2,110 |
| Final dividend declared | 宣派末期股息 | - | - | (56) | (29,599) | (29,655) |
| Interim 2019 dividend | 二零一九年中期股息 | - | - | (22,241) | - | (22,241) |
| Proposed final 2019 dividend | 擬派二零一九年末期股息 | - | - | (19,760) | 19,760 | - |
| At 31 December 2019 | 於二零一九年十二月三十一日 | - | 5,386 | 58,808 | 19,760 | 83,954 |

The Company's contributed surplus originally represented the excess of the aggregate net asset value of the subsidiaries acquired at the date of their acquisition pursuant to the Group reorganisation on 29 April 1998, over the nominal value of the Company's shares issued in exchange therefor.

Under the Bermuda Companies Act 1981, a company may make distributions to its members out of the contributed surplus in certain circumstances.

附註：

本公司儲備概要如下：

38. 本公司財務狀況表(續)

本公司之繳入盈餘原指根據於一九九八年四月二十九日之集團重組，在收購各附屬公司之日期，該等附屬公司之總資產淨值超出本公司用作交換用途而發行股份之面值。

按一九八一年百慕達公司法，公司於若干情況下可以繳入盈餘向股東作出分派。

NOTES TO FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)**

31 DECEMBER 2019 二零一九年十二月三十一日

39. EVENTS AFTER THE REPORTING PERIOD

At present, the Group expects the COVID-19 outbreak to have limited impact on its business. However, it is difficult to estimate the full impact in the coming months given the dynamic nature of these circumstances. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 12 March 2020.

39. 報告期後之事項

目前，本集團預期爆發新型冠狀病毒疫情對其業務影響有限。然而，鑑於疫情變幻無測，故難以估計未來數月的全面影響。本集團將繼續留意新型冠狀病毒疫情發展、評估其影響並積極作出應對措施。

40. 批准財務報表

董事會於二零二零年三月十二日批准及授權刊發財務報表。

PARTICULARS OF PROPERTIES

物業附表

31 DECEMBER 2019 二零一九年十二月三十一日

INVESTMENT PROPERTIES

投資物業

| | Location | 地點 | Use | Tenure | Attributable interest of the Group 本集團應佔權益百分比 |
|----|--|---|-------------------|------------------------------|--|
| 1. | Units 1, 2 and 3 on 11 th Floor Westlands Centre No. 20 Westlands Road Quarry Bay Hong Kong | 香港 鰂魚涌 華蘭路20號 華蘭中心 11樓1、2及3室 | Industrial 工業用 | Long term lease 長期租賃 | 100% |
| 2. | Unit No. A1 on Level 21 Golden Eagle International Plaza No. 89 Hanzhong Road Jianye District Nanjing Jiangsu Province PRC | 中國 江蘇省 南京市 建鄴區漢中路89號 金鷹國際商城 21樓A1室 | Commercial 商業用 | Long term lease 長期租賃 | 100% |
| 3. | Unit No. 2601 on Level 26 South Tower Guangzhou World Trade Centre Complex Nos. 371-375 Huanshi East Road Dongshan District Guangzhou Guangdong Province PRC | 中國 廣東省 廣州市 東山區 環市東路371至375號 廣州世界貿易中心大廈 南座 26樓2601室 | Commercial 商業用 | Medium term lease 中期租賃 | 100% |

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

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

以下為本集團過去五個財政年度之業績以及資產及負債之概要，乃摘錄自己刊發之經審核財務報表，並已適當地重新分類。此概要並不構成經審核財務報表其中任何部分。

RESULTS

業績

| | | Year ended 31 December 截至十二月三十一日止年度 | | | | |
|---|----------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 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 |
| REVENUE | 收入 | 275,893 | 281,427 | 253,915 | 258,699 | 219,087 |
| Cost of sales and services | 銷售及服務成本 | (120,639) | (121,492) | (110,424) | (112,578) | (100,430) |
| Gross profit | 毛利 | 155,254 | 159,935 | 143,491 | 146,121 | 118,657 |
| Other income and gains, net | 其他收入及收益淨額 | 7,875 | 10,084 | 9,264 | 5,194 | 9,383 |
| Foreign exchange differences, net | 匯兌差額淨額 | 335 | 329 | (905) | (109) | (9,073) |
| Fair value gains/(losses), net: | 公平值收益/(虧損)淨額： | | | | | |
| Financial assets at fair value through profit or loss | 按公平值經損益入賬之財務資產 | 323 | (384) | 1,380 | 235 | (58) |
| Investment properties | 投資物業 | 3,626 | 4,406 | 3,590 | 1,000 | 3,200 |
| Selling and distribution expenses | 銷售及分銷開支 | (36,631) | (35,358) | (34,497) | (33,823) | (22,980) |
| General and administrative expenses, net | 一般及行政開支淨額 | (63,455) | (57,788) | (55,453) | (55,799) | (48,231) |
| Finance costs | 財務費用 | (1,102) | - | - | - | - |
| Other expenses | 其他開支 | (6,024) | (6,024) | (6,024) | (6,024) | (821) |
| PROFIT BEFORE TAX | 除稅前溢利 | 60,201 | 75,200 | 60,846 | 56,795 | 50,077 |
| Income tax expense | 所得稅開支 | (4,308) | (7,172) | (6,517) | (6,451) | (5,974) |
| PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT | 母公司擁有人應佔本年度溢利 | 55,893 | 68,028 | 54,329 | 50,344 | 44,103 |

ASSETS AND LIABILITIES

資產及負債

| | | As at 31 December 於十二月三十一日 | | | | |
|--------------------------|------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 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 |
| TOTAL ASSETS | 資產總值 | 633,965 | 631,345 | 608,150 | 604,172 | 539,702 |
| TOTAL LIABILITIES | 負債總值 | (152,586) | (153,281) | (155,182) | (162,690) | (111,084) |
| | | 481,379 | 478,064 | 452,968 | 441,482 | 428,618 |

computer  technologies

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