



SYNERGIS HOLDINGS LIMITED 昇捷控股有限公司

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 02340.HK



2019

ANNUAL REPORT 年報

MISSION 使命

We are committed to creating value for stakeholders by providing comprehensive and innovative solutions that achieve high quality results.

我們致力為持份者創造價值，為他們提供全面及創新的方案，以達至高質素成效。

VALUES 企業價值

- Customer Focus
以客為本
- Integrity
正直誠實
- Teamwork
群策群力
- Innovation
不斷創新
- Pursuit of Excellence
追求卓越



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SIGNIFICANT EVENTS OF THE YEAR

本年大事回顧

JAN
一月

Received the Manpower Development Scheme – Outstanding Award for Employers by the Employees Retraining Board.

獲僱員再培訓局頒發「人才發展計劃 – 優異僱主獎」。



第六屆最佳職安健物業管理大獎分享會
The 6th Best Property Safety Management Award Forum and Award Presentation
18 · 1 · 2019



Won silver and merit awards in the 6th Best Property Safety Management Award.

於第六屆最佳職安健物業管理大獎中榮獲銀獎及優異獎。

MAR
三月

Awarded an A&A project at Kam Tai Shopping Centre in Ma On Shan.

承接馬鞍山錦泰商場的改建及加建工程。



Awarded the 15 years Plus Caring Company Logo by the Hong Kong Council of Social Service for three consecutive years.



連續三年獲香港社會服務聯會頒發「15年PLUS商界展關懷」嘉許標誌。

APR
四月

Provision of facility management services to The Ping Shan Tang Clan Gallery cum Heritage Trail Visitors Centre.

為屏山鄧族文物館暨文物訪客中心提供設施管理服務。



Won two merit awards in the Hong Kong Outstanding OSH Employee Award.

於「全港傑出職安健員工嘉許計劃」中獲得兩個優異獎。



MAY
五月

Awarded a renovation project at Fung Tak Market in Diamond Hill.

承接鑽石山鳳德街市的翻新工程。



SIGNIFICANT EVENTS OF THE YEAR 本年大事回顧

MAY
五月



Set a record high by receiving 261 security, property and training awards from various regions, of which the New Territories North topped others as it alone attained 220 awards.

於各區保安、物業及培訓選舉中囊括261個獎項，創歷年新高，其中在新界北區獲得220個獎項，為各區之冠。

JUN
六月

Awarded the annex works at 25 Man Fuk Road in Homantin for Cognita.

承接何文田文福道25號Cognita的附屬工程。



Won five safety awards in the 20th Construction Safety Forum and Award Presentation.

於第二十屆建造業安全分享會暨頒獎禮中榮獲五項安全獎項。



JUL
七月

Provision of property management services for Boland Court Phase 1 and Phase 2 in Kowloon Tong.

為位於九龍塘寶能閣一期及二期提供物業管理服務。



Awarded a property management services contract of Wisdom Court in Mid-Levels West.

承接位於西半山慧苑的物業管理服務合約。

AUG
八月

Awarded a fitting-out and woodware works contract of Chow Tai Fook's experience store at K11 MUSEA in Tsim Sha Tsui.

承接位於尖沙咀 K11 MUSEA 周大福體驗店的裝飾及木器工程合約。



SIGNIFICANT EVENTS OF THE YEAR 本年大事回顧

AUG
八月

Awarded mats and rugs supply and installation contract for The Silveri Hong Kong – MGallery.

承接香港銀樾美憬閣精選酒店地毯供應及安裝工程。



Provision of car park management services to Wealth Commercial Centre Car Park.

為廣發商業中心停車場提供停車場管理服務。

Provision of asset management services for Jinan Sijian Construction Transportation Business Project.

為濟南四建交運專案項目提供資產管理服務。

SEP
九月



Appointed as the DMC manager of T-Plus in Tuen Mun to provide property management services.

獲委任為屯門菁雋的公契經理人，並提供物業管理服務。

Provision of property management services to Serene Garden in Tsing Yi.

為位於青衣的海悅花園提供物業管理服務。



Awarded a car park management services contract of Ming Yuen Mansions Phase 1 & Phase 2 Car Park.

承接明園一期及二期停車場的停車場管理服務合約。

Received three awards in the Hong Kong Construction Association Construction Safety Awards Presentation Ceremony.

於香港建造商會建造安全大獎頒獎禮中獲頒三個獎項。



Provision of term concierge personnel services for Elements.

為 Elements 圓方提供顧客及禮賓服務員服務。



Awarded of re-layout works for shop units 401-402 & 501-502, Telford Plaza.

承接德福商場商舖401-402及501-502的重新佈局工程。

SIGNIFICANT EVENTS OF THE YEAR 本年大事回顧

SEP
九月

Awarded as Manpower Developer by The Employees Retraining Board for ten consecutive years.



連續十年獲僱員再培訓局「人才企業」嘉許標誌。



Recognised as MPF Good Employer by The Mandatory Provident Fund Schemes Authority.

獲強制性公積金計劃管理局嘉許為「積金好僱主」。

NOV
十一月

Synergis' novel homemade portable flood alarm won the "Best Project Presentation Award" in the Quality Improvement and Experience Sharing Convention (QIESC).

憑藉「新型自製手提式水浸警報器」獲優質改善經驗交流會頒發「最佳題案演繹大獎」。



DEC
十二月

Provision of security and car park management services to Olympic House located at 1 Stadium Path, So Kon Po, Causeway Bay.

為位於銅鑼灣掃桿埔大球場徑1號的奧運大樓提供保安及停車場管理服務。



Awarded ATL Warehouse Floor Lobbies Renovation Package 3 (Phase 2) contract.

承接ATL倉庫地面大堂翻新工程第三組(二期)合約。



Awarded the operations management services contract of Kimberley 26 Carpark in Tsim Sha Tsui.

承接尖沙咀金巴利 26 停車場的營運管理服務合約。

Provision of car park management services to OTB Building Car Park.

為海外信託銀行大廈停車場提供停車場管理服務。

CHAIRMAN'S STATEMENT

主席報告

Chairman, Mr. Kingston Chu Chun Ho
主席·朱俊浩先生



Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Synergis Holdings Limited (the "Company" or "Synergis"), I am pleased to present to you the annual performance of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2019 (the "Reporting Year").

The Group recorded total revenue of approximately HK\$1,569.3 million for the Reporting Year which was very similar to that of last year. Although there was minor decrease of approximately 5.1% of our gross margin in the challenging year with unstable social and economic situation, the Group recorded a profit attributable to Shareholders of approximately HK\$37.6 million for the Reporting Year as compared with a loss attributable to Shareholders of approximately HK\$160.0 million for the year ended 31 December 2018. Such turnaround from loss to profit of the Group was mainly attributable to the non-recurrence of the exceptional items of approximately HK\$187.2 million including impairment loss on goodwill related to our interiors and special projects business (the "ISP Business"), the provision for the receivables and contract assets mainly related to Hsin Chong Group Holdings Limited ("Hsin Chong"), both of which were recognised in 2018 as well as appropriate cost control measures in 2019.

致各位股東：

本人謹代表昇捷控股有限公司(「本公司」或「昇捷」)董事會(「董事會」)向閣下欣然呈報本公司及其附屬公司(統稱「本集團」)截至2019年12月31日止年度(「報告年度」)的年度表現。

本集團於報告年度錄得總收益約港幣1,569,300,000元，接近去年水平。雖然本年度重重困難，社會及經濟狀況不穩，令毛利率輕微下降約5.1%，本集團於報告年度錄得股東應佔溢利約港幣37,600,000元，相比截至2018年12月31日止年度則為股東應佔虧損約港幣160,000,000元。本集團轉虧為盈乃主要歸因於不再重現之特殊項目約港幣187,200,000元，包括室內裝飾及特殊項目業務(「室內裝飾及特殊項目業務」)相關商譽減值虧損，主要與新昌集團控股有限公司(「新昌」)有關的應收賬款及合約資產撥備(兩者均於2018年確認)及2019年的合適成本監控措施。

Property and facility management (the “PFM”) business maintained a stable performance and manages over 82,000 residential units and 7.6 million square metres of residential, commercial and industrial facilities of nearly 330 PFM projects in Hong Kong and China as of 2019. We remain as one of the leading independent PFM service providers in Hong Kong due to our ability to offer one-stop-shop services to customers with our strength to proactively making improvement in our services in property management, facility management and asset management. Our PFM business continued to be the key profit contributor of the Company as in the past. The management teams of PFM business continuously put unremitting efforts in 2019 especially for hitting the new high of contracts awarded and almost doubled the operating profit to HK\$43.6 million from the last year. The Company saw the best result since 2015 in terms of operating profits. Another stream of income was contributed by ISP Business. ISP Business continued to contribute over half of the total revenue of the Group and still contributed operating profit of HK\$10.0 million which similar with that of last year. ISP Business currently has 9 major projects on hand with new contracts replenishment amounting to approximately HK\$300 million for the year. Keen competition in the market and a continued rise in operating costs in latter half of 2019 under unstable environment, have had some impact on our financial results but I am confident Synergis can overcome these challenges with our steadfast commitment to high quality service and professionalism.

PFM business in Hong Kong achieved a satisfactory result on business development last year. We got new contracts with a contract sum of over HK\$300 million including a few significant new contracts with our long-term service partners, Link Asset Management Limited (“The Link”) and MTR Corporation Limited (“MTR”) to provide the Property Management Support Services (“PMSS”) for shopping centres, car parks and cooked-food stalls for Kowloon Central and the New Territories under The Link and term concierge personnel for Elements under MTR. Subsequent to Reporting Year, we got another about HK\$100 million new contracts including several 3-year contracts from The Link for the provision of Fitter Services Term Maintenance for the Kowloon Central, Kowloon West, Tusen Wan and the New Territories. We become one of the largest property and facility services providers of The Link.

物業及設施管理(「物業及設施管理」)業務維持穩定的表現，截至2019年，於香港及中國約330個物業及設施管理項目，當中超過82,000個住宅單位及7,600,000平方米的住宅、商業及工業設施。有賴我們為客戶提供一站式服務的能力以及在物業管理、設施管理及資產管理服務方面積極改進的優勢，本集團依然是香港領先的獨立物業及設施管理服務供應商之一。物業及設施管理業務一直為本公司的主要盈利貢獻來源。物業及設施管理業務的管理團隊於2019年不懈努力，尤其是在獲授合約數目方面錄得新高，與去年相比經營溢利港幣43,600,000元近乎翻倍。本公司錄得2015年以來的最佳經營溢利成績。另一收入來源來自室內裝飾及特殊項目業務。室內裝飾及特殊項目業務繼續為本集團總收益貢獻一半以上，及繼續錄得經營溢利港幣10,000,000元，與去年水平相若。室內裝飾及特殊項目業務手頭現有九個大型項目，年內新合約累積約港幣300,000,000元。2019年下半年，在動盪的環境下，市場競爭激烈及經營成本不斷上漲，對我們的財務業績造成一定影響，然而，本人堅信昇捷能夠憑藉我們對優質服務的堅定承諾及專業地位，克服重重難關。

去年，香港的物業及設施管理業務在業務發展方面取得理想成績。我們所獲新合約的合約金額超過港幣300,000,000元，包括與長期服務夥伴領展資產管理有限公司(「領展」)及香港鐵路有限公司(「港鐵」)的多份重大新合約，內容有關為領展旗下的九龍中及新界的購物中心、停車場及熟食檔提供物業管理支援服務(「物業管理支援服務」)及為港鐵旗下的Elements圓方提供顧客及禮賓服務員。於報告年度後，我們另外獲得數份總值約港幣100,000,000元的新合約，包括來自領展的多份為期三年的合約，內容有關為九龍中、西九龍、荃灣及新界提供裝配服務之定期保養。我們已成為領展的最大物業及設施服務供應商之一。

CHAIRMAN'S STATEMENT

主席報告

Besides, ISP Business also made some progress on business development and awarded over 20 new contracts during the Reporting year with the significant contracts such as a construction project for Cognita Annex Works in Ho Man Tin, renovation works for ATL warehouse in Kwai Chung, renovation works at Fung Tak Market under The Link, re-layout works for shops in Telford Plaza II under MTR. The strength and capability in managing large-scale projects reinforced by our competent and professional teams are widely recognized.

As reported in the past years, the Company made provisions of the amounts including receivables and contract assets with Hsin Chong which substantially affected the financial performance of the Company and we delivered a petition (the "Petition") to the Court of First Instance of High Court of Hong Kong (the "High Court") against Hsin Chong on 18 January 2019 so to recover the outstanding debts. Please be informed that a winding up order has been made against Hsin Chong in January 2020 by the Supreme Court of Bermuda in its place of incorporation in Bermuda. The recoverability of doubtful debts in future seems remote under the Petition.

On the other hand, the Company received a writ of summons issued in the High Court by QBE Hongkong and Shanghai Insurance Limited ("QBE") on 23 January 2020 against the Company for a claim for approximately HK\$34.2 million in aggregate given rise to under the third parties Loss Retention and Indemnification Agreement (the "LRA") signed together with Hsin Chong (in which the Company is not responsible for part involving Hsin Chong), which concerns the employee compensation insurance policy providing coverage to our ISP Business during period from 9 November 2014 to 31 March 2016. In the opinion of the Directors of the Company, it is premature to predict the outcome of the claim against the Company. The Company is seeking legal advice in respect of the proceeding and would defend its position. We would like to share more details of the Group's performance, financial position and key operation issues for the year in the following section "Management Discussion and Analysis".

The Group always implements Total Quality Management which covers all aspects of our operations, and constantly seeks to improve the quality of our services, creating value for stakeholders through comprehensive and innovative solutions as our further mission. The awards we have won over the years attest to the wide recognition we have received for our dedication. With numerous awards received across industry, occupational safety and health, human resources and technological innovation fields, 2019 was a fruitful year for Synergis.

此外，室內裝飾及特殊項目業務亦取得業務進展，於報告年度獲授逾20份新合約，包括何文田 Cognita 附屬工程的建築項目、ATL 葵涌倉庫翻新工程、領展旗下鳳德街市翻新工程、港鐵旗下德福廣場二期商店重新佈局工程等重大合約。在本集團實力強勁且專業的團隊的有力支持下，我們管理大型項目的優勢及能力廣受認可。

誠如過往數年所呈報，本公司就相關款項作出撥備，包括與新昌的應收賬款及合約資產，大幅影響本公司的財務表現，故我們於2019年1月18日針對新昌向香港高等法院（「高等法院」）原訟法庭發出呈請（「呈請」），以收回未償還負債。請知悉於2020年1月，百慕達最高法院針對新昌在其註冊成立地點百慕達發出清盤令。呈請下的壞賬未來收回的機會不大。

另一方面，本公司於2020年1月23日收到昆士蘭聯保保險有限公司（「昆士蘭」）於高等法院所出之傳訊令狀，內容有關就在2014年11月9日至2016年3月31日期間向室內裝飾及特殊項目業務提供僱員補償保險而與新昌簽署之第三方損失保留及賠償協議（「損失保留及賠償協議」）引致的索償，總額約港幣34,200,000元，其中本公司無須涉及新昌的部分支付款項。本公司董事認為，現時預測針對本公司所面臨的申索結果乃言之尚早。本公司現正尋求有關訴訟的法律意見及將為自身抗辯。我們謹此於下文「管理層討論及分析」一節提供有關本集團年內之表現、財務狀況及主要經營事項的更多詳情。

本集團恆常實行涵蓋營運所有方面的全面質素管理，並不斷尋求改進服務質素，透過全面及創新的方案為持份者創造價值為我們的進一步使命。多年來，我們所獲的獎項證明了我們的竭誠努力受到廣泛認可。憑藉在業內、職業安全及健康、人力資源及科技創新領域的眾多獎項，2019年成為昇捷的豐收之年。

CHAIRMAN'S STATEMENT

主席報告

Taking into account of the financial results, the Group's available cash reserves and working capital requirements, the Board resolved not to declare final dividend for the Reporting Year (31 December 2018: Nil).

Stepping into 2020, we expect the local economy remains challenging, with lingering public order events and the coronavirus outbreak. In the midst of economic uncertainties, we would capture the opportunities of our businesses with our strategic focus and strive to maintain a continuous business growth. Both PFM business and ISP Business are well positioned for long term growth. Taking appropriate measures on risk management and continue to monitor the financial position of the Company, trust we can overcome the difficulties arising from the environment with leveraging its solid foundation and committed management team.

Aligning our values of customer-focus, integrity, teamwork, innovation and pursuit of excellence, sustainability is a core focus of our business strategy. We are committed to proactively making improvements in its quality of services with the aim to enhance customer satisfaction. The Group is cautiously optimistic about the outlook of both businesses with continuing challenge and uncertainties in 2020.

On behalf of the Board, I would like to express my most sincere gratitude to our Directors and dedicated team for their unwavering commitment and passion for the business over the past years and have put forth in driving the Group towards sustainable development. I would also like to sincerely thank all our valued service providers, business partners as well as our shareholders for their continuous support.

Kingston Chu Chun Ho
Chairman

Hong Kong, 24 March 2020

經計及財務業績、本集團的可用現金儲備及營運資金需求，董事會議決不會就截至報告年度宣派末期股息（2018年12月31日：無）。

踏入2020年，在公共秩序問題及新冠病毒疫情的陰影下，預期本港經濟將繼續面臨多方挑戰。雖然經濟充滿不確定，惟我們會憑藉策略性聚焦把握商機，努力維持持續業務增長。物業及設施管理及室內裝飾及特殊項目兩個業務分部均已為長期增長奠定基礎。我們採取合適的風險管理措施及持續監控本公司財務狀況，相信將能憑藉夯實的基礎及敬業的團隊，戰勝大環境的困難。

與我們以客為本、正直誠實、群策群力、不斷創新及追求卓越的企業價值相匹配，可持續發展是我們業務策略的核心。我們致力積極提升服務質素，以提高客戶滿意度。2020年仍然充滿挑戰及不確定因素，本集團對各業務的前景抱持審慎樂觀態度。

本人謹代表董事會向董事及盡心盡力的團隊於過去多年來為業務的竭誠付出及敬業樂業以及推動了本集團邁向可持續發展，致以最衷心的感謝。本人亦謹此對所有寶貴的服務供應商、業務夥伴以及股東一直以來的鼎力支持致以誠摯的感謝。

主席
朱俊浩

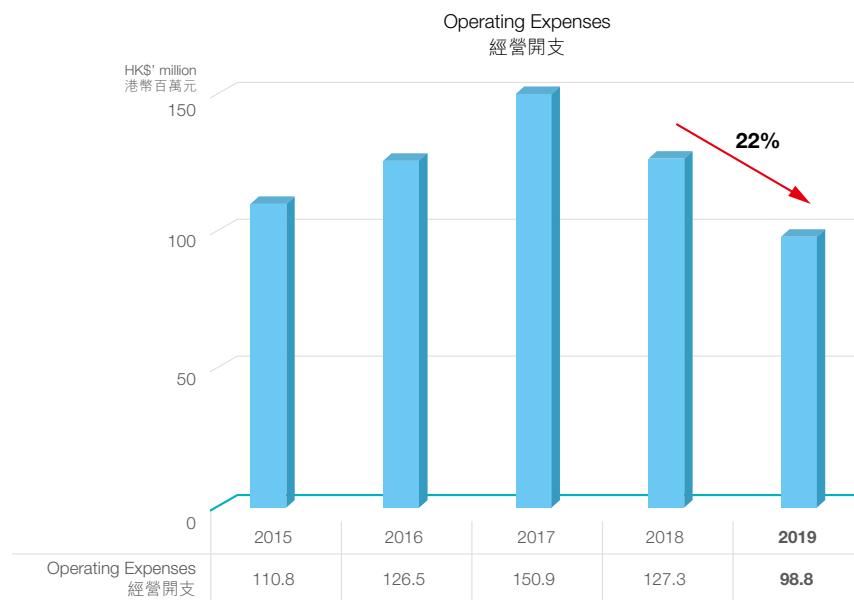
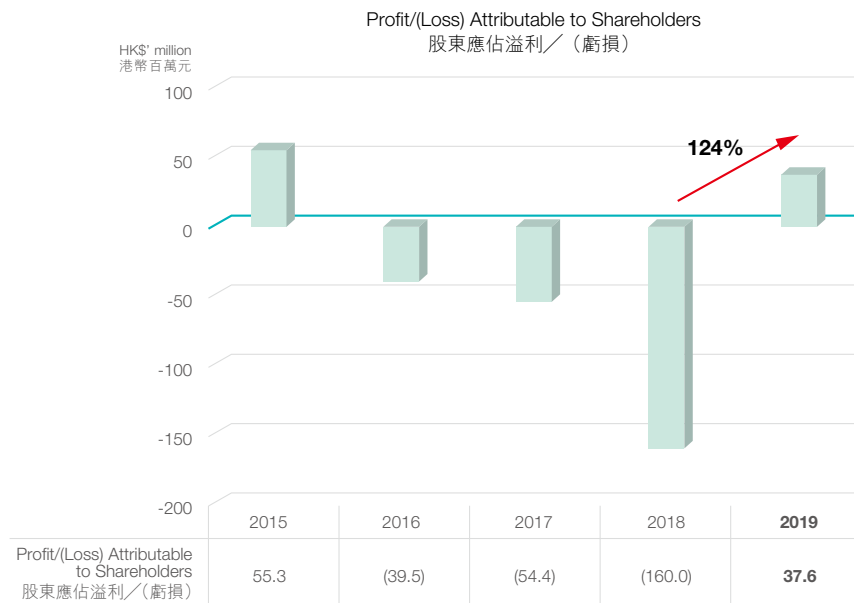
香港，2020年3月24日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL OVERVIEW

財務概覽



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

HK\$'million	港幣百萬元	2019	2018	Change 變動	
				Amount 金額	%
Revenue	收益	1,569.3	1,533.0	36.3	↑ 2.4%
Gross profit	毛利	142.4	150.1	(7.7)	↓ 5.1%
Gross profit margin	毛利率	9.1%	9.8%	-	↓ 0.7%
Operating expenses	經營開支	(98.8)	(127.3)	28.5	↓ 22.4%
Operating profit before exceptional items	除特殊項目前 經營溢利	43.6	22.8	20.8	↑ 91.2%
EBITDA/(LBITDA)	除息稅、折舊及攤銷前 盈利/(除息稅、 折舊及攤銷前虧損)	71.6	(31.4)	103.0	↑ 328.0%
Profit/(loss) attributable to Shareholders	股東應佔溢利/(虧損)	37.6	(160.0)	197.6	↑ 123.5%
Basic earnings/(losses) per share (HK cents)	每股基本盈利/(虧損) (港幣仙)	8.8	(37.7)	46.5	↑ 123.3%

The Group reported consolidated revenue of approximately HK\$1,569.3 million and gross profit of approximately HK\$142.4 million for the Reporting Year, which were very similar to those of 2018. Due to the keen competition and rising costs, the gross profit has been inevitably reduced by 5.1% to approximately HK\$142.4 million with minor drop of 0.7% on the gross profit margin. Following a series of appropriate and successful cost control measures implemented during the Reporting Year, the operating profit before exceptional items has been increased by 91.2% to approximately HK\$43.6 million. Earnings per share was 8.8 HK cents (2018: losses per share was 37.7 HK cents).

The Group recorded a profit attributable to Shareholders of approximately HK\$37.6 million for the Reporting Year as compared with a substantial loss attributable to Shareholders of approximately HK\$160.0 million for the year ended 31 December 2018. Such turnaround from loss to profit of the Group is mainly attributable to the following non-recurrence of impairment loss recognised in 2018 and the appropriate cost control measures taken in 2019:

(a) the impairment loss on goodwill related to the acquisition of ISP Business in late 2012 of approximately HK\$116.8 million;

於報告年度，本集團分別錄得綜合收益約港幣1,569,300,000元及毛利約港幣142,400,000元，與2018年非常接近。由於競爭激烈及成本上升，毛利不可避免地下跌5.1%至約港幣142,400,000元，毛利率輕微下跌0.7%。於報告年度內實施一連串適當及成功的成本監控措施後，除特殊項目前經營溢利增加91.2%至約港幣43,600,000元。每股盈利為港幣8.8仙（2018年：每股虧損港幣37.7仙）。

本集團於報告年度錄得股東應佔溢利約港幣37,600,000元，對比於截至2018年12月31日止年度則錄得重大股東應佔虧損約港幣160,000,000元。本集團轉虧為盈主要由於以下於2018年確認的減值虧損並無重現，以及於2019年採取適當的成本控制措施：

(a) 2012年底有關收購室內裝飾及特殊項目業務的商譽減值虧損約港幣116,800,000元；

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- (b) the provision for the amounts including receivables and contract assets of approximately HK\$70.4 million, the majority of which was related to several ISP contracts with Hsin Chong; and
 - (c) the operating expenses reduced by 22.4% to approximately HK\$98.8 million following the adoption of a more cost conscious approach in monitoring the operating expenditure and the improvement in operating efficiency in 2019, which represented 6.3% of the reported revenue and 2.0% reduction as compared to that of last year.
- (b) 就應收賬款及合約資產計提撥備約港幣70,400,000元，其中大部分涉及與新昌的多個室內裝飾及特殊項目合約；及
 - (c) 經營開支減少22.4%至約港幣98,800,000元，此乃由於在2019年監察經營開支時更具有控制成本意識，及經營效率有所改善，其佔已呈報收益6.3%，較去年減少2.0%。

Reference is made to the interim report of the Company for the period ended 30 June 2019. In view that the financial position of Hsin Chong continued to worsen as reflected by its recent announcements and a winding up order has been made against Hsin Chong in January 2020 by the Supreme Court of Bermuda in its place of incorporation in Bermuda. Accordingly, whatever debts owed to the Group by Hsin Chong may now be claimed only by way of filing proof of debts against Hsin Chong as a non-Hong Kong company in the Hong Kong Special Administrative Region with the Official Receiver's Office, if allowable, or such similar steps in the place of incorporation of Hsin Chong in Bermuda.

Further, in respect of the portion of the debts owed to the Company's subsidiaries by Hsin Chong Construction Company Limited and Hsin Chong Construction (Asia) Limited, the subsidiaries of Hsin Chong, take notice that our Company's subsidiaries have also joined as supporting creditors in other separate winding up proceedings against such subsidiaries of Hsin Chong by other third parties. Meanwhile, the hearing for the petitions have been further adjourned to June 2020 (subject to the actual resumption date of the High Court). The Company is seeking legal advice as to actions it may take to protect its rights, and will make further announcements as and when appropriate.

茲提述本公司截至2019年6月30日止期間的中期報告。由於新昌於其最近的公告反映其財務狀況持續下滑及於2020年1月百慕達最高法院針對新昌在其註冊成立地點百慕達作出的清盤令。因此，就新昌拖欠本集團的債務，現在或只能通過向破產管理署提交針對新昌為香港特別行政區之非香港公司的債權證明表申索，如果允許的話，步驟與在新昌註冊成立地點百慕達相類似。

此外，關於新昌之附屬公司，新昌營造廠有限公司及新昌營造廠(亞洲)有限公司拖欠本公司之附屬公司之部分債務，本公司之附屬公司在由其他第三方提出針對新昌之附屬公司個別的清盤程序中加入成為附和債權人。同時，呈請的聆訊已進一步延後至2020年6月，並視乎高等法院實際恢復辦公的日期而定。本公司現正就其可採取的行動尋求法律意見，以保護其權利，並將於適當時候進一步刊發公告。

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BUSINESS REVIEW AND PROSPECTS

Business Overview

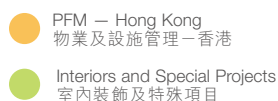
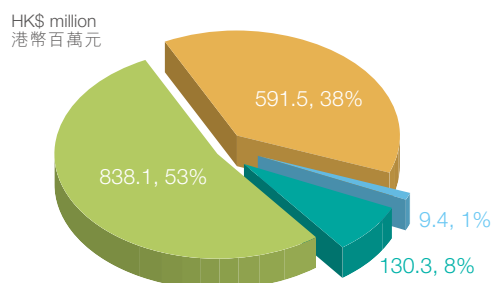
The Group saw the best results since 2016 in terms of profit attributable to Shareholders of approximately HK\$37.6 million this Reporting Year. PFM business and ancillary business (the “Ancillary Business”) (collectively, the “PFM Business”) remained stable in revenue and gross profit, and continued to maintain its solid market position whilst ISP Business has contributed over half of the Group’s revenue.

業務回顧及前景

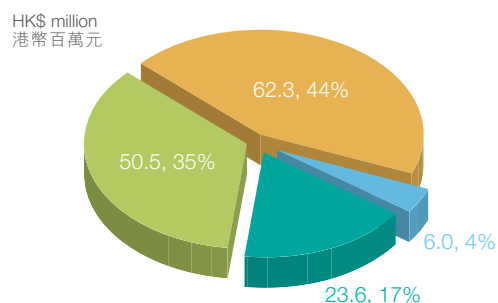
業務概覽

本集團錄得自2016年以來的最佳業績，報告年度股東應佔溢利為約港幣37,600,000元。物業及設施管理業務及輔助業務（「輔助業務」）（統稱為「物業及設施管理業務」）之收益及毛利保持穩固並繼續保持其堅固市場地位，而室內裝飾及特殊項目業務佔本集團收益逾半。

Revenue 收益



Gross Profit 毛利



- Profit attributable to Shareholders attained approximately HK\$20.5 million in the first half year of 2019, mainly due to the improvement in operating efficiency through advanced technology and implementation of successful cost control measures.
- Our business growth in the latter half of 2019 was a bit slowed down, but still achieved profit attributable to Shareholders of approximately HK\$17.1 million, mainly due to ongoing public order events which had led to additional costs to cover overtime payment and the enhancement of staffing for our PFM Business and the completion of significant contract with uplift on margin in the first half of 2019 together with more staffing charged to overheads once completion of projects for our ISP Business.
- 2019上半年股東應佔溢利為約港幣20,500,000元，主要由於透過先進科技及實施成功成本控制措施而改善經營效率。
- 我們於2019下半年的業務增長稍為放緩，但仍取得股東應佔溢利約港幣17,100,000元，主要由於持續的公眾事件，導致物業及設施管理業務人員加班開支和人員配置的增加而產生額外費用，以及2019上半年，室內裝飾及特殊項目業務完成了重大合同，利潤率有所提高，項目完成後更多的人員從經營開支中支出。

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- PFM Business of the Group has successfully increased its operating profit by 81.0% to HK\$42.0 million over last year. This business segment's portfolio leaped into a new milestone with the award of three significant new contracts, covering about 50 shopping centres from The Link and an A-grade MTR shopping mall, with a total contract sum of approximately HK\$250 million.
- China business had successfully turned around in 2019 with the effective resource relocation strategy implemented in the year before.
- Ancillary Business remained strong with an increase of revenue by 11.5% to HK\$130.3 million as compared to that of last year and a huge jump of operating profit from HK\$4.9 million to HK\$9.2 million through effective cost control measures.
- Due to the completion of several key contracts and fewer new contracts under the economic downturn during the Reporting Year, the gross profit of ISP Business reduced by 6.8% from HK\$54.2 million in 2018 to HK\$50.5 million.
- 本集團物業及設施管理業務較去年成功增加81.0%經營溢利至港幣42,000,000元。隨着獲授三份重大新合約，涵蓋領展約50個購物中心及港鐵甲級購物中心，合約總額為約港幣250,000,000元，該業務組合躍至一個新的里程碑。
- 憑藉上一年度實施有效資源重置策略，於2019年中國業務成功地轉虧為盈。
- 輔助業務維持強勁，收益較去年大幅增加11.5%至港幣130,300,000元，而經營溢利也透過有效成本控制措施由港幣4,900,000元大幅增至港幣9,200,000元。
- 由於在報告年度若干主要合約完工及在經濟衰退下新合約減少，室內裝飾及特殊項目業務毛利較2018年的港幣54,200,000元減少6.8%至港幣50,500,000元。

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The operating results for the respective year ended 31 December of PFM and ISP Businesses in the following sections excluded the exceptional items, being the impairment of receivables, credit loss and the recovery of doubtful debts, which were immaterial to the results for the years.

物業及設施管理業務及室內裝飾及特殊項目業務在截至12月31日的各個年度的以下各節的經營業績，並不包括特殊項目，即是應收賬款減值、信貸虧損及收回壞賬等，其於年內均屬不重大。

HK\$' million	港幣百萬元	Revenue 收益				Operating Profit/(Loss) 經營溢利/(虧損)			
		2019	2018	Change 變動		2019	2018	Change 變動	
				Amount 金額	% 百分比			Amount 金額	% 百分比
PFM	物業及設施管理								
— Hong Kong	— 香港	591.5	548.5	43.0	↑ 7.8%	31.9	26.7	5.2	↑ 19.5%
Ancillary Business	輔助業務								
— Hong Kong	— 香港	130.3	116.9	13.4	↑ 11.5%	9.2	4.9	4.3	↑ 87.8%
PFM Business	物業及設施管理業務								
— Hong Kong	— 香港								
Sub-total	小計	721.8	665.4	56.4	↑ 8.5%	41.1	31.6	9.5	↑ 30.1%
PFM	物業及設施管理								
— China	— 中國	9.4	28.1	(18.7)	↓ 66.5%	0.9	(8.4)	9.3	↑ 110.7%
PFM Business	物業及設施管理業務								
Sub-total	小計	731.2	693.5	37.7	↑ 5.4%	42.0	23.2	18.8	↑ 81.0%
ISP Business	室內裝飾及特殊項目業務								
		838.1	839.5	(1.4)	↓ 0.2%	10.0	8.9	1.1	↑ 12.4%
Corporate Overheads	行政費用	—	—	—	—	(8.4)	(9.3)	0.9	↓ 9.7%
Total	總計	1,569.3	1,533.0	36.3	↑ 2.4%	43.6	22.8	20.8	↑ 91.2%

The operating profit saw a remarkable increase from approximately HK\$22.8 million in 2018 to approximately HK\$43.6 million for the Reporting Year, representing 91.2% increment, thanks to our extensive management expertise and quality professional management practice, coupled with extensive application of innovative technologies.

於報告年度，經營溢利由2018年約港幣22,800,000元大幅增加91.2%至約港幣43,600,000元，此乃由於我們豐富的管理知識及優質專業管理模式，再配合創意科技的成果。

Property and Facility Management Business

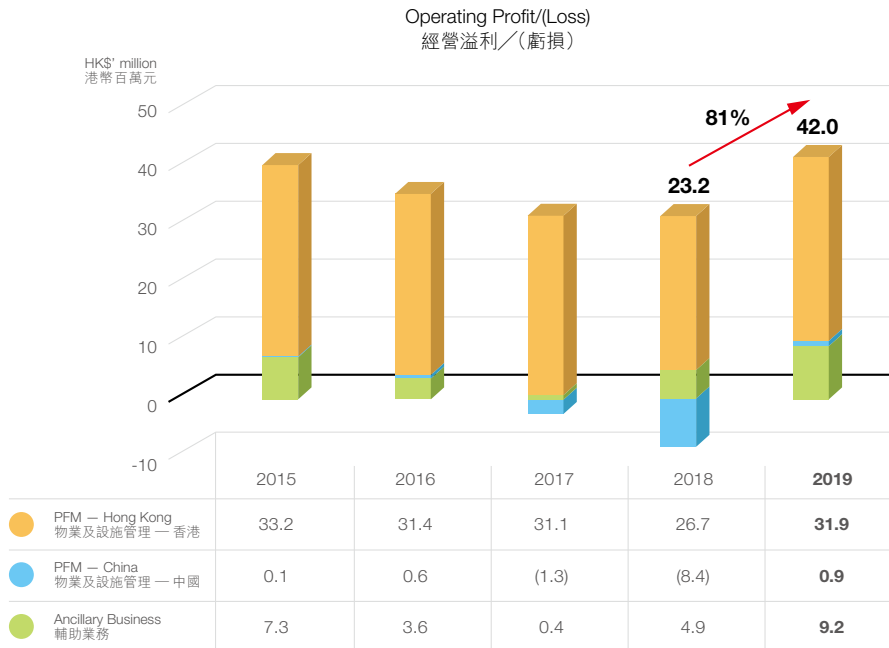
Property and Facility Management

Synergis has successfully sustained the growth of PFM Business in 2019 and remained one of the market leaders with over four decades of extensive experience. The Group maintains a diverse portfolio for a wide spectrum of clients including government, corporate clients, public institutions and private clients. The scope of service includes but not limited to government departments, large-scale public facilities, transportation systems, airport cargo terminals, education institutions, hospitals, commercial and industrial properties, shopping malls, public housing estates, private housing and car parks, etc.

物業及設施管理業務

物業及設施管理

2019年，昇捷成功維持物業及設施管理業務增長，憑藉四十多年的豐富經驗，保持市場領導地位。本集團維持客戶類別豐富的多元化組合，包括政府、企業客戶、公共機構及私人客戶。服務範圍涵蓋包括但不限於政府部門、大規模公共設施、運輸系統、機場貨運站、教育機構、醫院、工商物業、商場、公共房屋、私人房屋及停車場等。



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Hong Kong

Leveraging our rich management experience, exceptional talents and leading-edge innovative technology, we are capable of providing the most appropriate “one-stop-shop” solutions to our clients and earning their trust. During the Reporting Year, we were awarded over 30 new contracts with a total contract sum of over HK\$300 million. Among those, the following three significant new contracts with a total contract sum of approximately HK\$250 million were from our long-term business partners, The Link and the MTR:

- PMSS for Shopping Centres, Car Parks & Cooked-Food Stalls (Tin Shui Wai & Tuen Mun);
- PMSS for Shopping Centres, Car Parks & Cooked-Food Stalls (Kowloon Central, Sham Shui Po, Homantin & Tsz Wan Shan); and
- Provision of Term Concierge Personnel for Elements

The intake of about 50 Link’s shopping centres and an A-grade MTR shopping mall increased our scope and coverage of the market. Our business portfolio also leaped into a new milestone remarkably.

Subsequent to the Reporting Year, we were awarded several 3-year contracts of provision of Fitter Services Term Maintenance for The Link’s shopping centres, car parks, markets and cooked-food stalls. With those newly awarded contracts, we became one of the largest property and facility services providers of The Link’s retail facilities and car park portfolio.

Another significant contract awarded following the Reporting Year was a 3-year contract of provision of property management services to the Independent Commission Against Corruption Building. Together with other minor contracts awarded after year end, our Group have altogether been new contracts with total contract sum of over HK\$100 million.

香港

憑藉豐富管理經驗、優秀人才及領先創新技術，我們能夠為客戶提供最適合的「一站式」解決方案並取得彼等的信任。於報告年度，我們獲授逾30份新合約，總合約額逾港幣300,000,000元。當中，以下三份總合約額約港幣250,000,000元的重大新合約來自長期服務夥伴領展及港鐵：

- 購物中心、停車場及熟食檔物業管理支援服務(天水圍和屯門)；
- 購物中心、停車場及熟食檔物業管理支援服務(九龍中、深水埗、何文田和慈雲山)；及
- 為Elements圓方提供顧客及禮賓服務員

吸納約50個領展購物中心及一個甲級港鐵購物中心擴大我們的市場版圖及覆蓋範圍。我們的業務組合亦躍至一個新的里程碑。

截至報告年度後，我們獲授多份為期3年合約，為領展的購物中心、停車場、市場及熟食檔提供裝配服務之定期保養。獲得該等新合約後，我們成為領展零售設施及停車場組合的最大物業及設施服務供應商之一。

我們於報告年度後又獲授另一份重大合約，向廉政公署大樓提供物業管理服務為期3年合約。連同年結日後獲授的其他小型合約，我們合共獲授新合約總額超過港幣100,000,000元。

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During the Reporting Year, we have deployed our expertise and experience to progressively expand our car park business. We have launched a new brand “Synergis Parking” in late 2019 to increase our brand awareness in the car park industry. We were awarded four new car park contracts resulting in the increase of our managed parking spaces by over 400 in 2019.

Subsequent to the Reporting Year, we were further awarded a 3-year car park management contract for three car parks, namely Western Garden, Mount Verdant and Terrace Concerto of the Hong Kong Housing Society.

At present, we are managing over 20,000 car parking spaces throughout Hong Kong. These include the car park spaces in West Kowloon Station of High Speed Rail’s Hong Kong Section and The Link’s car park projects in New Territories East and New Territories West.

We have gained recognition from the public, proven by the new contracts awarded during the year and achievement of over 90% of contract retention rate with an increase of service fee.

In spite of the economic downturn and ongoing public order events in the latter half of 2019, our revenue has still increased by 7.8% to approximately HK\$591.5 million and the operating profit has increased by 19.5% to approximately HK\$31.9 million for the Reporting Year as compared with last year. With the steady growth in revenue and the effect of cost reduction after improved operating efficiency, the results in 2019 was encouraging. We succeeded in reducing the operating expenses substantially by 18.9% to approximately HK\$30.4 million. The Group is able to maintain its competitiveness in the market with quality services offered to our clients. We strive hard to expand our business under keen competitive environment and exercise appropriate cost control measures to sustain our profit margin. With our stable and unique market position, we will continue to retain our current portfolio whilst exploring opportunities in commercial and operational facilities in the territory. In 2020, the Group will continue to sustain the business and carry on the stringent cost control practice to combat challenges under the uncertain economic situation.

於報告年度，我們善用專長及經驗逐步擴張停車場業務。我們於2019年底推出新品牌「Synergis Parking」以提高於停車場行業的品牌知名度。於2019年，我們獲授四份新停車場合約，使我們所管理的車位增加逾400個。

於報告年度後，我們還獲授三份為期3年之停車場管理合約（即香港房屋協會的西園、翠嶺峰及翠鳴臺）。

現時，我們於全港管理逾20,000個車位，包括高速鐵路香港段西九龍站的停車場及領展於新界東及新界西的停車場項目。

我們獲得公眾肯定，於年內屢獲新合約並在服務費上調後仍錄得逾90%的合約保留率。

於報告年度，儘管2019年下半年經濟衰退及公眾事件持續，惟收益仍然較去年增加7.8%至約港幣591,500,000元，而經營溢利增加19.5%至約港幣31,900,000元。隨著收益穩定增長及經營效率有所改善後令減省成本見效，導致2019年業績非常令人鼓舞。我們成功大幅削減經營開支18.9%至約港幣30,400,000元。本集團能夠於市場上維持競爭力，為客戶提供優質服務。我們致力於激烈競爭中拓展業務並執行成本控制以維持利潤率。憑藉穩固及獨特市場地位，我們將繼續保留現有組合，同時拓展區內商業及營運設施的機會。於2020年本集團將繼續維持業務及執行嚴謹的成本控制常規，以應付經濟狀況不穩的挑戰。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

China

In 2019, our China business had turned around with the effective resource relocation strategy implemented in the year before. The team has successfully obtained a 3-year asset management services contract (including business positioning, technical support consultancy, leasing and operation management) for Jinan Traffic Centre which is a commercial complex developed by Jinan Sijian Construction Group, a famous developer in Shandong Province. Located in the heart of Tianqiao District of Jinan City, Jinan Traffic Centre project is a commercial development with 340,000 square metres comprising top-grade office, residential buildings, shopping centre and deluxe hotel. The project works was commenced in August 2019.

Stepping into 2020, in view of keen competition and market saturation in first-tier cities, the team will further explore opportunities in second-tier cities like Jinan and Chengdu. After initiating consultancy work for Jinan Traffic Centre project, significant future income will be expected to generate in next two years in view of good relationship with clients. Besides, the team has started business in Chengdu following the award of a business positioning contract for a new shopping mall from a famous developer in Chengdu in late February 2020. With strong commitment from the management team, we are confident to improve the profitability of our China PFM business in near future.

Ancillary Business

Synergis has developed the Ancillary Business over the years to offer comprehensive value-added services, including integrated procurement, laundry, cleaning, security, maintenance and technical support services, to our clients. Despite these businesses have always been in a supportive role to our core PFM business, the Ancillary Business have brought themselves to grow with their market potential, proven with the dazzling result this year. Ancillary Business recorded a steady growth with an increase of revenue by 11.5% to approximately HK\$130.3 million and also an increase of gross profit by 8.8% to approximately HK\$23.6 million as compared to that of last year. With the effort putting into improve the operating efficiency in result of 13.8% of overheads saving from last year, a huge jump of operating profit from approximately HK\$4.9 million last year to approximately HK\$9.2 million was achieved. The result was satisfactory and encouraging. All in all, the Ancillary Business has well developed and contributed over 20% of the operating profit of PFM Business this Reporting Year, especially the credit putting to our cleaning business. It revealed the advancement of service provision and active expansion of various business portfolios with strong commitment of the new management team.

中國

於2019年，中國業務透過上一年度實施的有效資源重新分配策略轉虧為盈。團隊成功取得濟南交通中心的3年資產管理服務合約（包括業務定位、技術支援諮詢、租賃及營運管理），其為山東省著名發展商濟南四建集團開發的商業綜合項目。濟南交通中心項目位於濟南市天橋區中心地帶，為包括甲級寫字樓、住宅、購物中心及高級酒店佔地340,000平方米的商業發展項目。項目於2019年8月開始。

踏入2020年，鑑於一線城市的競爭激烈及市場飽和，團隊將進一步於濟南及成都等二線城市發掘機遇。經過濟南交通中心項目的初步諮詢工作後，預期未來兩年將透過良好客戶關係吸納大額未來收入。此外，於2020年2月底自成都的知名發展商獲授新購物中心的業務定位合約後，團隊已開始於成都經營業務。憑著管理團隊矢志承諾，我們有信心不久將來提高中國物業及設施管理業務的利潤。

輔助業務

多年來，昇捷發展輔助業務以提供全面的增值服務予客戶，包括綜合採購、洗衣、清潔、保安、維修及技術支援服務。儘管該等業務一直為核心物業及設施管理業務起支援作用，輔助業務致力因應其市場潛力而增長，從本年度的亮麗業績可見一斑。輔助業務錄得穩定增長，與去年比較，收益增加11.5%至約港幣130,300,000元，毛利亦增加8.8%至約港幣23,600,000元。我們致力改善經營效率以致行政費用較去年減省13.8%，因此經營溢利亦由去年約港幣4,900,000元大幅增加至約港幣9,200,000元，業績令人滿意及鼓舞。總而言之，輔助業務發展理想及報告年度內貢獻本集團物業及設施管理業務的經營溢利逾20%，此業績尤其歸功於清潔業務，亦展現了服務提供的改進及多項業務組合的積極擴充，再加上新管理團隊的堅定承諾。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Being the major revenue contributor to Ancillary Business segment, the cleaning business has obtained around 30 new contracts with a total contract sum of over HK\$30 million in 2019. Our cleaning business has further enlarged its client base in public and private estates, residential, industrial and commercial buildings, education institutions, shopping malls, hotels and service apartments. Major contracts in 2019 include:

- Serviced apartments: Mori Mori and The Unit
- High-end/luxury residential properties: Hong Lok Yuen and Fair Way Garden
- Residential estates: Ching Wah Court and Tsz On Court Block B On Hong Court
- Newly completed residential properties: The Carmel
- Commercial properties: Tower 125 and Tung Che Commercial Centre, both under the Tung Wah Group of Hospitals
- Education institutions: Pentecostal Yu Leung Fat Primary School, Yaumati Kaifong Association School, and Hong Kong Baptist University Senior Staff Quarters

We saw great development potential of the Ancillary Business and will expand the business progressively. The business team will keep on expanding its client base and look forward to offering more comprehensive supporting services to its clients.

Interiors and Special Projects Business

As another key business arm of Synergis, ISP Business provides one-stop ISP services including planning, design, consultancy, project management, new build and alteration and addition works, repair and restoration of historic buildings work, curtain wall, sourcing services, etc. to its local and overseas customers.

During the Reporting Year, the total revenue and operating profit of ISP Business recorded approximately HK\$838.1 million and approximately HK\$10.0 million respectively. The revenue was approximate to that of 2018 with 12.4% increment in operating profit. The management of ISP Business took a cautious approach last year to monitor operating expenses and such effective cost control measure has uplifted the operating profit although minor reduction on gross profit was recorded.

清潔業務是輔助業務分部的主要收益來源，其於2019年取得約30份新合約，總合約額逾港幣30,000,000元。清潔業務進一步擴大其於公營及私人屋村、住宅、工廈及商廈、教育機構、購物中心、酒店及服務式公寓的客戶群。2019年的主要合約包括：

- 服務式公寓：Mori Mori及The Unit
- 高尚／豪華住宅物業：康樂園及富威花園
- 住宅屋邨：青華苑及慈安苑(B座)安康閣
- 新落成住宅物業：The Carmel
- 商業物業：東華三院旗下125座及東慈商業中心
- 教育機構：五旬節于良發小學、油麻地街坊會學校及香港浸會大學高級職員宿舍

我們有見輔助業務發展潛力龐大及將逐步拓展業務。業務團隊將不斷開拓其客戶基礎及期望可提供更全面的支援服務予其客戶。

室內裝飾及特殊項目業務

室內裝飾及特殊項目業務乃昇捷另一個核心業務，向本地及海外客戶提供一站式室內裝飾及特殊項目服務，包括規劃、設計、顧問、項目管理、新建及改建及加建工程、歷史建築維修及修復工程、幕牆、採購服務等。

於報告年度，室內裝飾及特殊項目業務的總收益及經營溢利分別為約港幣838,100,000元及約港幣10,000,000元，當中收益與2018年十分接近而經營溢利增長12.4%。室內裝飾及特殊項目業務管理層去年採取審慎態度監察經營開支。藉此有效的成本控制措施，經營溢利有所提升，儘管錄得輕微毛利減幅。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Despite the increasing competitive environment of the industry, the total outstanding workload for contracts on hand as of 31 December 2019 was approximately HK\$680.0 million. During the Reporting Year, we were awarded several new major contracts with a total contract sum of approximately HK\$300 million. The key projects include:

- Cognita Annex Works at 25 Man Fuk Road in Homantin;
- Main Contract for Renovation Works at Fung Tak Market in Diamond Hill;
- Proposed Alteration and Addition Works at Kam Tai Shopping Centre in Ma On Shan;
- ATL Warehouse Floor Lobbies Renovation Package 3 (Phase 2) contract; and
- Re-layout Works at some shops in Telford Plaza II, Kowloon Bay
- 何文田文福道25號Cognita附屬工程；
- 鑽石山鳳德街市翻新工程總合約；
- 馬鞍山錦泰商場建議改建及加建工程；
- ATL倉庫地下大堂翻新工程第3組(第2期)合約；及
- 九龍灣德福廣場二期部分商店的重新佈局工程

Affected by ongoing public order events, Hong Kong's property market has weakened since the latter half of 2019. Construction projects and property sales have slowed down as developers and investors took a more prudent business approach. At the same time, the local operating environment, in particular retail and hotel operations, has weakened. All these have inevitably affected our ISP Business. We continue to strive for the growth of the ISP Business through staying focus on the key development sectors including fitting-out, alteration and addition, renovation, etc. With the team's commitment to excellence, we are looking for an improvement of our overall business performance in the near future.

雖然行業競爭越趨激烈，2019年12月31日的手頭上合約尚未完成工程總額約港幣680,000,000元。於報告年度，我們獲授合約總金額為約港幣300,000,000元的多個新主要合約。主要項目包括：

受持續公眾活動影響，香港物業市場自2019年下半年起一直疲弱。基於發展商及投資者採取更謹慎營商手法，建築項目及物業銷售減慢。同時，本地經營環境(尤其是零售及酒店業務)已被削弱。以上各項不可避免地影響室內裝飾及特殊項目業務。我們會透過集中於裝修、改建及加建、翻新工程等重點發展部份，繼續致力發展室內裝飾及特殊項目業務。憑藉團隊的卓越服務承諾，我們期望整體業務表現於不久將來有所增長。

Outlook of the Group

Looking forward, we expect the local economy remains challenging, with lingering public order events and the coronavirus outbreak. Our business, especially ISP, which is heavily dependent on retail and hospitality market condition, will be inevitably affected. Facing near-term headwinds from economic uncertainties, we shall capture the opportunity of the steady local residential property sector and strive to maintain a continuous business growth.

On a Group-wide overview, we consider that the overall financial performance of the Group remains sound. Aligning our values of customer focus, integrity, teamwork, innovation and pursuit of excellence, sustainability is our core business strategy. We are committed to enhancing customer satisfaction through better communication with clients and improvement to our services. Besides, with the rapid change of business environment, we will continue to manage various operational and financial risks and take appropriate measures to minimise and combat these risks. Leveraging its solid foundation and committed management team, the Group has full confidence in overcoming all the difficulties ahead of us.

Financial Position and Financial Risk Management

As at 31 December 2019, the total outstanding bank loan was HK\$131.0 million, and scheduled to be repaid over the next two years. This included an outstanding balance of HK\$12.0 million related to the banking facility drawn down for acquiring the ISP Business in November 2012. The remaining sum represented the working capital loans for supporting ISP operation and business development. Details of which are disclosed in note 22 to the financial statements in this annual report. During the year, the Group's sources of fund were generated primarily from operating and financing activities (including support by existing banking facilities).

本集團的前景

展望未來，我們預期在持續公眾活動及冠狀病毒爆發下，本地經濟仍然處於困境。我們的業務（特別是室內裝飾及特殊項目，其非常視乎零售及酒店市場狀況）將無可避免受到影響。在經濟不穩的情況下，我們會緊握穩定的本地住宅物業界別機遇及致力保持業務繼續增長。

經考慮整體業務後，我們認為本集團的整體財務表現保持穩健。可持續發展是我們業務策略的核心，與我們以客為本、正直誠實、群策群力、不斷創新及追求卓越的企業價值相匹配。我們致力通過加強和客戶溝通並尋求持續改善服務，提高客戶滿意度。另外，在環境急速轉變下，我們將繼續管理各種營運及財政風險，並採取適當措施減低及迎戰相關風險。憑藉其穩固根基及專心致志的管理團隊，本集團深信眼前一切困難將迎刃而解。

財務狀況及財務風險管理

截至2019年12月31日，計劃於未來兩年償還之尚未償還銀行貸款總額為港幣131,000,000元。其包括未償還餘額港幣12,000,000元乃關於2012年11月為收購室內裝飾及特殊項目業務而提取的銀行融資。餘款為支持室內裝飾及特殊項目運作及業務開發之營運資金貸款。有關詳情在本年報財務報表附註22中披露。年內，本集團的資金來源主要來自經營活動及融資活動（包括現有銀行信貸支援）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 24 October 2019, the Company entered into a placing agreement with Kingston Securities Limited and VMS Securities Limited (the "Placing Agreement") as the placing agents (the "Placing Agent"), pursuant to which the Placing Agents conditionally agreed to procure not less than six placees, being individual and corporate investors, to subscribe for the 7% convertible bonds (the "Convertible Bonds") in an aggregate principal amount of up to HK\$42 million with the initial conversion price of HK\$0.50 (the "Conversion Price") per conversion share (the "Placing"). The Conversion Price represented a premium of approximately 2.04% over the closing price of HK\$0.49 per share as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the Placing Agreement.

The Placing was completed on 18 November 2019 and the Convertible Bonds in an aggregate principal amount of HK\$42 million were issued by the Company. Assuming the Convertible Bonds are fully converted, based on the Conversion Price, a maximum of 84,000,000 conversion shares will be allotted and issued by the Company under the general mandate granted to the Directors by the shareholders at the AGM held on 24 May 2019. The Company received the gross proceeds of approximately HK\$42 million from the Placing while the net proceeds was approximately HK\$41 million, which represents a net issue price of HK\$0.49 per conversion share.

The Directors considered that the Placing represented an opportunity to raise additional funding to provide adequate buffer for the working capital requirement of the Group including operating overheads and the upfront cash outlay (before receipt of payments for certified works carried out) in respect of projects on hand and new projects that may be awarded in the ISP division together with its obligation to repay the indebtedness. As at the date of this annual report, all net Placing proceeds was used for supporting the subcontractor payments and operation of ISP Business. The Directors consider that the terms and conditions of the Convertible Bonds and the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The effects of the Placing on the capital structure of the Company are more particularly depicted in note 25 to the financial statements of this annual report. The full details of the aforesaid transaction can also be referred to in the announcements of the Company dated 24 October 2019 and 18 November 2019.

於2019年10月24日，本公司與金利豐證券有限公司及鼎珮證券有限公司（為配售代理（「配售代理」））訂立配售協議（「配售協議」），據此，有條件同意促使不少於六名承配人，即個人及公司投資者，認購7%可換股債券（「可換股債券」），本金總額最多為港幣42,000,000元，初步兌換價為每股換股股份港幣0.50元（「兌換價」）（「配售事項」）。兌換價較於配售協議日期在香港聯合交易所有限公司（「聯交所」）所報收市價每股港幣0.49元溢價約2.04%。

配售事項於2019年11月18日完成及本公司發行本金總額港幣42,000,000元的可換股債券。假設可換股債券獲完全配售，根據兌換價，本公司將根據股東於2019年5月24日舉行之股東周年大會授予董事之一般授權配發及發行最多84,000,000股換股股份。本公司自配售事項獲得所得款項總額約港幣42,000,000元，而所得款項淨額為約港幣41,000,000元，即淨發行價為每股換股股份港幣0.49元。

董事認為，配售事項為籌集額外資金的良機，以為本集團提供充裕資金滿足營運資金需要，包括室內裝飾及特殊項目分部手頭項目及可能獲批出之新項目之經常性營運開支及前期現金支出（就所進行證可工程收訖付款前）連同償還債務之責任。截至本年報日期，配售事項所得淨額悉數用於支援室內裝飾及特殊項目業務的分包商費用及營運。董事認為可換股債券及配售事項之條款屬公平合理，並符合本公司及股東整體利益。

配售事項對本公司資本架構的影響於本年報財務報表附註25更詳細列述。上述交易的全部詳情亦載於本公司日期為2019年10月24日及2019年11月18日的公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial position (HK\$'000) 財務狀況(港幣千元)		2019	2018
Total assets	資產總值	836,365	838,874
Receivables and other assets	應收賬款及其他資產	673,725	698,105
Cash and cash equivalents and pledged bank deposits/time deposits with original maturities over three months	現金及現金等值及已抵押銀行存款／原到期日超過三個月之定期存款	128,344	113,950
Current assets	流動資產	802,069	812,055
Payables and other liabilities	應付賬款及其他負債	534,383	581,200
Bank loans	銀行貸款	131,000	166,000
Current liabilities	流動負債	665,383	747,200
Other non-current liabilities	其他非流動負債	4,440	2,152
Convertible bonds	可換股債券	35,882	-
Non-current liabilities	非流動負債	40,322	2,152
Net assets	資產淨值	130,660	89,522
Net assets per share (HK cents)	每股資產淨值(港幣仙)	25.9	17.7
Gearing ratios and liquidity	資產負債比率及流動資金		
Net debt to net assets	淨負債與資產淨值之比率	29.5%	58.1%
Total debt to net assets	總負債與資產淨值之比率	127.7%	185.4%
Current ratio	流動比率	1.2	1.1

The liquidity has been improved immediately after completion of Placing. The Group will continue to proactively monitor its financial position and maintain sufficient working capital as well as liquidity in the way that can enable us to capture any good business opportunities and to meet the challenges ahead.

During the Reporting Year, the interest expenses incurred mainly on bank borrowings which are primarily charged based on a spread over HIBOR. The management expects that financial requirements of our current business portfolio for the foreseeable future will be met from a combination of shareholders' equity and banking facilities.

The Group adopts a conservative approach in the management of its financial risks and resources, under the supervision of the Executive Committee.

Interest rate risk arising from bank borrowings is low as interest rates are fixed for short-term periods to take advantage of the lower rates thus available. Interest rates will be subject to fluctuation at the time of renewal.

於配售事項完成後，流動性立即得到改善。本集團將繼續積極監控其財務狀況，並維持充足營運資本及流動資金以把握任何良好商機及迎接未來挑戰。

於報告年度內，利息支出主要來自銀行借貸，並按香港銀行同業拆息加息差計算。就現有業務組合而言，管理層預期將以股東權益及銀行信貸之方式應付可預見的未來財務需求。

本集團於執行委員會之監管下對其財務風險和資源採取審慎方式管理。

我們採用短期固定利率以充分利用當前的低息環境，故銀行借貸之利率風險較低。利率將可能於重續時波動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's business is conducted primarily in Hong Kong, and its majority assets and liabilities are denominated in Hong Kong Dollars. Therefore, the Group has minimal foreign currency exposure. The growth of the Group's business in China has been funded via permanent capital injection, which is for the long-term and as such, foreign currency hedging is considered unnecessary.

It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest its financial resources in financial products, including hedge funds or similar instruments, with significant underlying leverage or derivative exposure.

There were no material investments, capital commitments or contingent liabilities as at 31 December 2019, other than the Company received a writ of summons which disclosed in note 32 to the financial statements of this annual report.

Cash Management

The Group operates a centralised cash management system. Cash balances surplus to meet immediate requirements are mainly placed as short-term bank deposits with licensed banks in Hong Kong.

Human Resources

As at 31 December 2019, the Group employed a total of 4,944 staff (31 December 2018: 5,294) in Hong Kong and China.

In order to sustain our quality services, it is always our long-term goal to retain top talent for the Group. We put a lot of efforts in ensuring our staff members are having competitive remuneration and benefits through market research for regular benchmarking review. Our Human Resources Team always strives their best to keep track of changes in the latest market conditions for attracting more high caliber candidates to join our winning team. In addition, aiming for the mutual growth of the staff and the Group, we do our utmost to invest and share resources with our staff. We have formulated a holistic policy on human capital management with the theme of "We Care We Share 盡展關懷 共享成果". We do believe our staff will reward the Company and customers through providing quality services and thus gain more appreciation and recognition from the customers. Besides, the team manages through enhancing the existing Human Resources system aims to uplift the effectiveness and efficiency of business operations.

本集團的業務主要在香港進行，其大部分資產和負債均以港幣計值，因此本集團的外匯風險甚微。本集團業務在中國之增長透過永久注資長期撥付資金，因此本集團認為並無必要進行外匯對沖。

本集團之一貫政策是不會訂立衍生工具交易作投機炒賣用途，亦不會投資於帶來重大槓桿效應或衍生工具風險之金融產品上，包括對沖基金或類似投資工具。

於2019年12月31日，除本年報財務報表附註32所披露的傳訊令狀外，概無重大投資，資本承擔或或然負債。

現金管理

本集團設有中央現金管理系統。應對即時需求之現金結餘盈餘主要作為短期銀行存款存放於香港多間持牌銀行。

人力資源

於2019年12月31日，本集團於香港及中國僱用合共4,944名員工(2018年12月31日：5,294名)。

為了維持優質服務，我們的恆常長期目標是為本集團留聘最優秀人才。我們透過市場研究以進行定期基準化分析法檢討，竭力確保員工獲得具競爭力的薪酬及福利。人力資源團隊一直盡其所能緊貼最新市況變化，以吸納更多人才加入我們的得獎團隊。此外，為了員工能與本集團共同成長，我們盡最大可能投資及與員工分享資源。我們已制定全面的人力資本管理政策，主題為「We Care We Share 盡展關懷 共享成果」。我們相信員工將以優質服務回饋本公司及顧客，獲得更多顧客的讚賞及認同。另外，團隊有能力透過提升現有人力資源制度，提升業務營運的有效性及效率。

SUBSEQUENT EVENTS AFTER 2019

Writ of Summons

On 23 January 2020, the Company received a writ of summons issued in the High Court by QBE against the Company for a claim for approximately HK\$34.2 million in aggregate given rise to under the third parties LRA signed together with Hsin Chong (in which the Company is not responsible for part involving Hsin Chong), which concerns the employee compensation insurance policy providing coverage to our ISP Business during period from 9 November 2014 to 31 March 2016. In the opinion of the Directors of the Company, it is premature to predict the outcome of the claim against the Company. As at 31 December 2019, the Company has recognised a provision of approximately HK\$9.7 million (2018: HK\$9.7 million), included in other payables and accruals of the Group's consolidated statement of financial position, which reflects the Directors' best estimate of the most likely outcome. It is expected that this matter will be brought to the attention of the High Court in April 2020 (subject to the actual resumption date of the High Court). The Company is seeking legal advice in respect of the proceeding and would defend its position. Save as disclosed above, as at the date of this annual report, no other litigation or claims of material importance is known to the directors to be pending against the Company.

Assessment of 2020 coronavirus impact

There has been an outbreak of the coronavirus in Hong Kong in January 2020. The Group expects the coronavirus outbreak to have no material impact on its business. However, the Directors consider that it is difficult to estimate the full impact in the coming months given the dynamic nature of these circumstances. The Board will continue to assess the impact of the outbreak on the Group's operation and financial performance, closely monitor the Group's exposure to the risks and uncertainties in connection with the outbreak, and maintain close communication with different stakeholders of the Group.

2019年後續事項

傳訊令狀

於2020年1月23日，本公司收到昆士蘭於高等法院所出具之傳訊令狀，內容有關就在2014年11月9日至2016年3月31日期間向室內裝飾及特殊項目業務提供僱員補償保險而與新昌簽署之第三方損失保留及賠償協議引致的索償，總額約港幣34,200,000元，其中本公司無須就涉及新昌的部分支付款項。本公司董事認為，現時預測針對本公司的申索結果乃言之尚早。截止2019年12月31日，本公司已確認撥備約港幣9,700,000元(2018年：港幣9,700,000元)，並計入本集團綜合財務狀況表的其他應付賬款及應計費用，這反映董事對最可能結果的最佳估計。預期該事件將於2020年4月交高等法院審理，並視乎高等法院實際恢復辦公的日期而定。本公司正在諮詢法律意見，並將為自身抗辯。除上文所披露者外，截至本年報日期，據董事所知，並無其他針對本公司的重大待決訴訟或申索。

評估2020年冠狀病毒之影響

新型冠狀病毒於2020年1月在香港爆發，本集團預期疫情對其業務沒有重大影響。然而，由於該等狀況的不斷變化之性質，董事認為很難估計其於未來數月的全面影響。董事會將繼續評估病毒爆發對本集團營運及財務表現的影響、密切監控本集團所面臨有關病毒爆發的風險及不明朗因素，並與本集團的不同持份者保持緊密溝通。

PROFILES OF DIRECTORS

董事之簡介



MR. KINGSTON CHU CHUN HO

(aged 34)

Mr. Kingston Chu Chun Ho (“Mr. Chu”) was appointed as an Executive Director and the Chairman of the Company with effect from 9 March 2017. He is also a member of each of the Executive Committee, the Nomination Committee and the Remuneration Committee.

Mr. Chu is a licensed person under Securities and Futures Ordinance for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for Kingston Securities Limited and Kingston Corporate Finance Limited, respectively. Mr. Chu is a member of Guangxi Committee of The Chinese People’s Political Consultative Conference, a member of General Committee of The Chamber of Hong Kong Listed Companies, vice president of Hong Kong CPPCC Youth Association, vice director of Youth Committee of HKCPPCC (Provincial) Members Association, vice president of Federation of Hong Kong Guangxi Community Organisations, vice chairman of Hong Kong Guangdong Youth Association, honorary chairman of Hong Kong Guangxi Youth Organisations and founder chairman of Youth Committee of Hong Kong Federation of Dongguan Associations. Mr. Chu holds a Bachelor Degree of Science in Business Administration from the University of Southern California in the U.S.A.

Mr. Chu has been an executive director of Kingston Financial Group Limited (stock code: 1031) since 21 August 2015 and an executive director of Sincere Watch (Hong Kong) Limited (stock code: 444) (“Sincere HK”) since 29 May 2012, both of which are listed on the main board (the “Main Board”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Mr. Chu has also been a director of Sincere Watch Limited, a shareholder of Sincere HK since 21 May 2012. He was a non-executive director of New Concepts Holdings Limited (stock code: 2221) from September 2016 to November 2017, a company listed on the Main Board of the Stock Exchange.

Mr. Chu is the son of Mrs. Chu Yuet Wah, the ultimate beneficial owner of Champ Key Holdings Limited, which is the controlling shareholder of the Company.

朱俊浩先生

(34歲)

朱俊浩先生(「朱先生」)自2017年3月9日起獲委任為本公司之執行董事兼主席。彼亦為執行委員會、提名委員會及薪酬委員會之成員。

朱先生分別為金利豐證券有限公司及金利豐財務顧問有限公司於證券及期貨條例項下之第1類(證券交易)及第6類(就機構融資提供意見)受規管活動之持牌人士。朱先生為中國人民政治協商會議廣西壯族自治區政協委員、香港上市公司商會常務委員會委員、香港政協青年聯會副主席、港區省級政協委員聯誼會青年委員會副主任、香港廣西社團總會副會長、香港廣東青年總會副主席、香港廣西青年聯會名譽主席及香港東莞社團總會青年委員會創會主席。朱先生持有美國南加州大學工商管理學士學位。

朱先生自2015年8月21日起出任金利豐金融集團有限公司(股份代號：1031)之執行董事及自2012年5月29日起出任Sincere Watch (Hong Kong) Limited(股份代號：444)(「Sincere HK」)之執行董事，該等公司均於香港聯合交易所有限公司(「聯交所」)主板(「主板」)上市。

朱先生亦自2012年5月21日起出任Sincere HK股東Sincere Watch Limited之董事。彼於2016年9月至2017年11月期間曾出任創業集團(控股)有限公司(股份代號：2221)之非執行董事，該公司於聯交所主板上市。

朱先生為李月華女士(本公司控股股東Champ Key Holdings Limited之最終實益擁有人)之兒子。

PROFILES OF DIRECTORS 董事之簡介



MS. MANDY HUI SUK MAN

MBA, FCCA, FCPA (aged 44)

Ms. Mandy Hui Suk Man (“Ms. Hui”) was appointed as an Executive Director and the Deputy Chairman of the Company with effect from 24 April 2019 and the Managing Director for the property and facility management (the “PFM”)

of the Group with effect from 24 June 2019. She is also a member of the Executive Committee, the Finance Director of the Group and a director of certain subsidiaries of the Company.

Ms. Hui is responsible for strategic planning and implementation, business development, monitoring operation of the PFM and supervising corporate services teams to improve the operational efficiency of the Group. She is also in charge of the finance and accounting operations, budgetary and financial control, and treasury management of the Group. Ms. Hui is responsible for overseeing merger and acquisition projects implemented by the Group. She is a Certified Public Accountant in Hong Kong and has over 20 years of experience in corporate accounting, financing and taxation. Ms. Hui joined the Group in 2006 and prior to that, she got solid experience in both audit and accounting field. She is also responsible for the company secretarial practice of the Group and is the primary corporate contact person of company secretarial function for the Company. Ms. Hui holds a Master’s Degree of Business Administration from Hong Kong Baptist University. She is a fellow member of The Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants.

許淑敏女士

MBA, FCCA, FCPA (44歲)

許淑敏女士(「許女士」)自2019年4月24日起獲委任為本公司之執行董事兼副主席及自2019年6月24日起獲委任為本集團物業及設施管理(「物業及設施管理」)之董事總經理。彼亦為執行委員會之成員、本集團之財務董事及本公司多間附屬公司之董事。

許女士負責戰略規劃及實施、業務發展、監察物業及設施管理營運及監督企業服務團隊以提升集團之營運效率。彼亦負責本集團財務及會計運作、預算及財務監控、以及庫務管理。許女士負責監督本集團實行的任何併購項目。彼為香港註冊會計師，於企業會計、融資及稅務積累超過20年的經驗。許女士在2006年加盟本集團，在此之前彼於核數及會計範疇擁有扎實經驗。彼亦負責本集團公司秘書實務工作，為本公司公司秘書職能的主要企業聯絡人士。許女士持有香港浸會大學工商管理碩士學位。彼亦為特許公認會計師公會及香港會計師公會的資深會員。

PROFILES OF DIRECTORS 董事之簡介



MR. LAU MAN TAK

(aged 50)

Mr. Lau Man Tak ("Mr. Lau") has been appointed as an Independent Non-executive Director since 28 September 2017. He is also the chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee.

Mr. Lau graduated from the Hong Kong Polytechnic University with a bachelor's degree of arts in accountancy in November 1991. Mr. Lau has more than 19 years of experience in finance and accounting. He has been an associate member of the Hong Kong Institute of Certified Public Accountants since September 1997, a fellow member of the Association of Chartered Certified Accountants since July 2002, a fellow member of the Hong Kong Institute of Directors since August 2012 and a member and a fellow member of the Hong Kong Securities and Investment Institute since April 2000 and November 2015, respectively.

Mr. Lau is currently the chairman and an executive director of TEM Holdings Limited (stock code: 8346) and an independent non-executive director of Chinese Food and Beverage Group Limited (stock code: 8272), both of which are listed on the GEM of the Stock Exchange, and an independent non-executive director of Kingston Financial Group Limited (stock code: 1031), a company listed on the Main Board of the Stock Exchange. He is also the chairman and a non-executive director of REF Holdings Limited (stock code: 1631), a company listed on the Main Board of the Stock Exchange. Mr. Lau was an independent non-executive director of Sincere Watch (Hong Kong) Limited (stock code: 444) from June 2012 to December 2016, a company listed on the Main Board of the Stock Exchange.

劉文德先生

(50歲)

劉文德先生(「劉先生」)自2017年9月28日起獲委任為本公司之獨立非執行董事。彼亦為審核委員會主席，以及薪酬委員會及提名委員會之成員。

劉先生於1991年11月在香港理工大學畢業，持有會計學文學士學位。劉先生於金融及會計方面擁有逾19年經驗。彼自1997年9月起為香港會計師公會之會員，自2002年7月起為英國特許公認會計師公會之資深會員，自2012年8月起為香港董事學會之資深會員及分別自2000年4月及2015年11月起為香港證券及投資學會之會員及資深會員。

劉先生現時為TEM Holdings Limited(創新電子控股有限公司*)(股份代號：8346)之主席兼執行董事及華人飲食集團有限公司(股份代號：8272)之獨立非執行董事，該等公司於聯交所GEM上市，亦為金利豐金融集團有限公司(股份代號：1031)之獨立非執行董事，該公司於聯交所主板上市。彼亦為REF Holdings Limited(股份代號：1631)之主席兼非執行董事，該公司於聯交所主板上市。劉先生於2012年6月至2016年12月曾擔任Sincere Watch (Hong Kong) Limited(股份代號：444)之獨立非執行董事，該公司於聯交所主板上市。

* 僅供識別



MR. ERIC LEE HON MAN

(aged 53)

Mr. Eric Lee Hon Man (“Mr. Lee”) has been appointed as an Independent Non-executive Director since 28 September 2017. He is the chairman of the Nomination Committee, and a member of the Audit Committee and the Remuneration Committee.

Mr. Lee is currently an independent non-executive director of REF Holdings Limited (stock code: 1631), a company listed on the Main Board of the Stock Exchange and an independent non-executive director of TEM Holdings Limited (stock code: 8346), a company listed on the GEM of the Stock Exchange. He is also employed by Orient Capital (Hong Kong) Limited as managing director of investment banking department. Mr. Lee graduated from the University of Birmingham, the United Kingdom with a bachelor’s degree of engineering in electronic and electrical engineering in July 1988, and obtained a master’s degree in business administration from the Chinese University of Hong Kong in December 1993.

Mr. Lee has over 20 years of experience in the corporate finance industry. From August 2015 to February 2017, Mr. Lee worked at LY Capital Limited, a company engaging in advising on corporate finance, as a director. From April 2002 to November 2014, Mr. Lee worked at First Shanghai Capital Limited, a company engaging in advising on corporate finance, and his last position was managing director. From July 1997 to March 2002, Mr. Lee worked at DBS Asia Capital Limited, a company engaging in advising on corporate finance, and his last position was vice president.

李翰文先生

(53歲)

李翰文先生(「李先生」)自2017年9月28日起獲委任為本公司之獨立非執行董事。彼為提名委員會主席，以及審核委員會及薪酬委員會之成員。

李先生現為REF Holdings Limited (股份代號：1631)之獨立非執行董事，該公司於聯交所主板上市及為TEM Holdings Limited (創新電子控股有限公司*) (股份代號：8346)之獨立非執行董事，該公司於聯交所GEM上市。彼亦受聘於東方融資(香港)有限公司，擔任投資銀行部董事總經理。李先生於1988年7月畢業於英國伯明翰大學，獲工程學士學位(電子及電機工程)，並於1993年12月取得香港中文大學工商管理碩士學位。

李先生在企業融資行業有逾20年經驗。李先生於2015年8月至2017年2月為絡繹資本有限公司的董事，該公司從事就企業融資提供意見。由2002年4月至2014年11月，李先生任職第一上海融資有限公司，該公司從事就企業融資提供意見，而彼離職前職位為董事總經理。由1997年7月至2002年3月，李先生效力於星展亞洲融資有限公司，該公司從事就企業融資提供意見，而彼離職前職位為副總裁。

* 僅供識別

PROFILES OF DIRECTORS

董事之簡介



DR. WONG YUN KUEN

(aged 62)

Dr. Wong Yun Kuen (“Dr. Wong”) has been appointed as an Independent Non-executive Director since 1 December 2017. He is the chairman of the Remuneration Committee, and a member of the Audit Committee and the Nomination Committee.

Dr. Wong received a Ph.D. Degree from Harvard University, and was “Distinguished Visiting Scholar” at Wharton School of the University of Pennsylvania. He has worked in financial industries in the United States and Hong Kong for many years, and has considerable experience in corporate finance, investment and derivative products. He is a member of Hong Kong Securities and Investment Institute.

Dr. Wong is the chairman and an executive director of UBA Investments Limited and Far East Holdings International Limited, and an independent non-executive director of DeTai New Energy Group Limited (formerly known as Guocang Group Limited), Kaisun Holdings Limited (formerly known as Kaisun Energy Group Limited) and GT Group Holdings Limited (formerly known as China Yunnan Tin Minerals Group Company Limited). Dr. Wong was also an executive director of Boill Healthcare Holdings Limited (formerly known as Ngai Shun Holdings Limited) from July 2016 to December 2018, a non-executive director of China Sandi Holdings Limited from September 2016 to September 2019 and an independent non-executive director of Tech Pro Technology Development Limited from September 2017 to March 2020, Kingston Financial Group Limited from June 2005 to August 2019, Sincere Watch (Hong Kong) Limited from September 2012 to November 2017, Bauhaus International (Holdings) Limited from October 2004 to December 2016, China Sandi Holdings Limited from September 2009 to September 2016 and Far East Holdings International Limited from December 2014 to July 2017. All the companies mentioned above are listed on the Stock Exchange. Dr. Wong was also an independent non-executive director of Asia Coal Limited from September 2018 to June 2019, a company previously listed on the Stock Exchange.

黃潤權博士

(62歲)

黃潤權博士(「黃博士」)自2017年12月1日起獲委任為獨立非執行董事。彼為薪酬委員會主席、審核委員會及提名委員會成員。

黃博士持有哈佛大學博士學位，並曾任賓夕法尼亞大學沃頓商學院之「傑出客席學者」。彼投身美國及香港金融界多年，於企業融資、投資及衍生產品方面擁有豐富經驗。彼為香港證券及投資學會會員。

黃博士為開明投資有限公司及遠東控股國際有限公司之主席兼執行董事及德泰新能源集團有限公司(前稱國藏集團有限公司)、Kaisun Holdings Limited(凱順控股有限公司*) (前稱 Kaisun Energy Group Limited(凱順能源集團有限公司*))及高富集團控股有限公司(前稱中國雲錫礦業集團有限公司)之獨立非執行董事。黃博士亦曾於2016年7月至2018年12月期間出任保集健康控股有限公司(前稱毅信控股有限公司)之執行董事、於2016年9月至2019年9月期間出任中國三迪控股有限公司之非執行董事及曾於2017年9月至2020年3月期間出任德普科技發展有限公司之獨立非執行董事；於2005年6月至2019年8月期間出任金利豐金融集團有限公司之獨立非執行董事；於2012年9月至2017年11月期間出任Sincere Watch (Hong Kong) Limited之獨立非執行董事；於2004年10月至2016年12月期間出任包浩斯國際(控股)有限公司之獨立非執行董事；於2009年9月至2016年9月期間出任中國三迪控股有限公司之獨立非執行董事及於2014年12月至2017年7月期間出任遠東控股國際有限公司之獨立非執行董事。上述公司均於聯交所上市。黃博士亦曾於2018年9月至2019年6月期間出任亞洲煤業有限公司之獨立非執行董事，一間先於於聯交所上市之公司。

* 僅供識別

PROFILES OF THE GROUP'S KEY PERSONNEL

集團要員之簡介

PROPERTY AND FACILITY MANAGEMENT BUSINESS

物業及設施管理



MS. CELINE TAM PUI CHING

譚佩貞女士

MHousMan (HKU), F.PFM, MHKIoD, MCIH, RPHM, MHIREA (aged 59)

MHousMan (HKU) · F.PFM · MHKIoD, MCIH, RPHM, MHIREA (59歲)

Ms. Celine Tam Pui Ching ("Ms. Tam") is the Director — Property Management and a director of certain subsidiaries of the Company. She is responsible for overseeing daily management operations as well as strategic planning and business development of the Group's Hong Kong and Kowloon regions of property management segment.

譚佩貞女士(「譚女士」)為董事 — 物業管理及本公司若干附屬公司的董事。彼負責監督本集團香港及九龍區域的物業管理分部日常管理運作、策略規劃與業務發展。

Ms. Tam began her career for property and facility management at Hong Kong Housing Department. She was later transferred to the then City & New Territories Administration as liaison officer to serve at the deployed District Offices. She left the civil service and gradually gained extensive working experience in the private sector at some well-established property/facility management companies. Prior to her joining to Synergis in May 2017, she worked for a property management subsidiary of a reputable property developer.

譚女士投身於物業及設施管理專業，始於香港房屋署。她後來獲調派當時的民政事務總處轄下政務處出任聯絡主任。其後她離開公務員行列，加盟知名的物業／設施管理公司，逐步掌握私營物業管理市場的運作模式。在2017年5月加入昇捷前，她在一間信譽良好的房地產發展商附屬物業管理公司任職。

Ms. Tam holds a Master's Degree of Housing Management from The University of Hong Kong. She is an expert in property management with rich experience in related industries. Being the Fellow Member of The Hong Kong Institute of Facility Management, she was elected as the President of the Institute for the year term of 2011–2012. She is currently a Registered Professional Housing Manager who holds membership of Chartered Institute of Housing Asian Pacific Branch, Hong Kong Institute of Real Estate Administrators and The Hong Kong Institute of Directors.

譚女士持有香港大學房屋管理碩士學位，是一位物業管理專才，具有相關行業的豐富經驗。作為香港設施管理學會的資深會員，她曾當選為2011–2012年度學會會長。彼現時為註冊專業房屋經理；同時持有英國特許房屋經理學會亞太分會、香港地產行政師學會及香港董事學會會員資格。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MR. IVAN CHEUNG YUK LUNG

BBA, BAHS (Hons), RPHM, FHKIH, MRICS, VBAS Assessor (List 2B) (aged 43)

Mr. Ivan Cheung Yuk Lung (“Mr. Cheung”) is the General Manager – Property Management and a director of certain subsidiaries of the Company. He is responsible

for the strategic planning, business development and management operation of the Group’s New Territories East and West regions of property management segment and car park segment. He is a holder of Estate Agent’s Individual Licence and possesses over 20 years of experience in property management.

Mr. Cheung received a Bachelor’s Degree of Arts in Housing Studies from the City University of Hong Kong and a Bachelor’s Degree of Business Administration in Applied Economics from the Baptist University of Hong Kong. He is a fellow member of the Hong Kong Institute of Housing and has served as a council member since 2017. Also, he is a professional member of The Royal Institution of Chartered Surveyors, a registered professional housing manager of the Housing Managers Registration Board and a national property manager of Human Resources and Social Security Department of Guangdong Province.

Mr. Cheung began his career at Synergis as property officer in 2002. Three years later, he was promoted to assistant property manager and started his managerial career path. After that, he was subsequently promoted to the current position in 2018.

張玉龍先生

BBA, BAHS (Hons) · RPHM, FHKIH, MRICS, VBAS Assessor (List 2B) (43歲)

張玉龍先生(「張先生」)為總經理 — 物業管理及本公司若干附屬公司之董事。彼負責本集團新界東區、新界西區域的物業管理分部和停車場分部的策略規劃、業務發展及管理營運。彼持有地產代理(個人)牌照，在物業管理行業擁有超過20年經驗。

張先生持有香港城市大學房屋學文學學士學位和香港浸會大學工商管理(應用經濟學)學士學位。彼為香港房屋經理學會的資深會員，並自2017年起擔任該會的理事。彼同時為皇家特許測量師學會的專業會員、房屋經理註冊管理局的註冊專業房屋經理，以及廣東省人力資源和社會保障廳的全國物業管理師。

張先生於2002年加入昇捷擔任管業主任一職，三年後晉升為助理管業經理，擔任經理職級。彼之後繼續拾級而上，並於2018年獲晉升至現時的職位。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MR. NELSON HO SIU LEUNG 何少亮先生

MBA, FRICS, F.PFM, FHKIoD, MHKIS, Beam Pro, Green Building Faculty (aged 54)

Mr. Nelson Ho Siu Leung (“Mr. Ho”) joined the Group on 11 May 2016 as a director of Synergis Facility Management Limited and is responsible for the overall strategic planning, business

development and management operation of the facility management business.

Mr. Ho graduated from the Hong Kong Polytechnic University and qualified as a Chartered Building Surveyor and Chartered Project Management Surveyor. He is also a green building expert and appointed as a member of Green Building Faculty of Hong Kong Green Building Council and a nominated director of the Beam Society Limited. He is a founding director and the past president of the Hong Kong Institute of Facility Management; and a founding director and the founding chairman of building SMART Hong Kong. Mr. Ho contributes much of his time to public service and is currently a member (2012–2020) of the Appeal Tribunal Panel (Building) of the Development Bureau, Task Force Member (since 2012) of the Task Force on Energy Management System (EnMS) Certification of the Hong Kong Accreditation Service, Innovation and Technology Commission. He was a member (2011–2017) of the Panel of Advisors on Building Management Disputes, Home Affairs Department.

Mr. Ho possesses over 31 years of experience in the project and facility management industry and had served in various renowned developers, major consulting firms and public organisations in Hong Kong. Prior to joining the Group, Mr. Ho had established recognition from the facility management industry and is an award-winning facility management leader.

MBA, FRICS, F.PFM, FHKIoD, MHKIS, Beam Pro, Green Building Faculty (54 歲)

何少亮先生(「何先生」)於2016年5月11日加盟本集團出任昇捷設施管理有限公司董事，負責設施管理業務的整體策略規劃、業務發展及管理營運。

何先生畢業於香港理工大學，持有特許建築測量師及特許項目管理測量師資格。彼亦為香港綠色建築議會一名綠色建築專家及會員，並獲委任為建築環保評估協會董事。彼為香港設施管理學會的創會董事及前會長亦為「型建香港」的創會董事及創會主席。何先生身兼多項公職，現為發展局上訴審裁小組(建築物)的現任成員(2012–2020年)，創新科技署轄下香港認可處的能源管理系統(EnMS)認證工作小組成員(自2012年起)。彼曾為民政事務總署大廈管理糾紛顧問小組成員(2011–2017年)。

何先生於項目及設施管理行業具有逾31年的經驗，曾在香港多間著名發展商、大型顧問公司及公營機構服務。加入本集團前，何先生已於業界獲得高度認可並且是經常獲獎的設施管理先驅。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MR. LEUNG CHI MING

(aged 46)

Mr. Leung Chi Ming ("Mr. Leung") is the Regional Director (China) and a director of certain subsidiaries of the Company. Mr. Leung holds an Executive Master's Degree of Business Administration in Real Estate. He is also a member of Royal

Institution of Chartered Surveyors.

Mr. Leung joined the Group in 1999 and has over 20 years of extensive experience in real estate consultancy and service in Hong Kong and China. He is responsible for the overall strategic planning, business development and management operations of the real estate business of the Group in China.



MS. LORNA WONG BIG SEE

MSc, MRCIS, MHKIS, MHKIFM
(aged 55)

Ms. Lorna Wong Big See ("Ms. Wong") joined the Group as an Associate Director of Synergis Facility Management Limited on 20 October 2016 and is currently a Deputy Director — Facility Management. She is responsible

for overall strategic planning, business development, management operation and operational policy execution of the facility management business in sustaining added value as well as high quality facility management services delivery to the clientele and investors.

Ms. Wong holds a Master's Degree of Social Science in Counseling from University of South Australia and a Bachelor's Degree of Science in Estate Management from University of Reading in United Kingdom. She is also a member of Royal Institution of Chartered Surveyors and Hong Kong Institute of Surveyors.

Ms. Wong possesses over 25 years of experiences in shopping mall management, project management as well as property and facility management perspectives and had served various renowned developers and major consulting firms in Hong Kong prior to the joining of Synergis.

梁志明先生

(46歲)

梁志明先生(「梁先生」)為區域董事(中國)及本公司之若干附屬公司之董事。梁先生持有房地產專業高級工商管理碩士學位。彼亦為英國皇家特許測量師學會會員。

梁先生於1999年加入本集團，並於香港及中國之房地產顧問及服務擁有超過20年豐富經驗。彼負責本集團於中國房地產業務之整體規劃、發展策略及管理營運。

黃碧詩小姐

MSc, MRCIS, MHKIS, MHKIFM (55歲)

黃碧詩小姐(「黃小姐」)於2016年10月20日加盟本集團出任昇捷設施管理有限公司的聯席董事，現為副董事 — 設施管理。彼負責設施管理業務的整體策略規劃、業務發展、管理營運及政策落實以維持增值並致力向客戶及投資者提供優質設施管理服務。

黃小姐持有南澳大學輔導學理碩士學位及英國雷丁大學房地產管理理學士學位。彼亦為英國皇家特許測量師學會會員及香港測量師學會會員。

在加入昇捷前，黃小姐在商場營運、項目管理以及物業及設施管理方面擁有逾25年的經驗，並曾在香港多間著名發展商及大型顧問公司服務。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MR. MARTIN LEE KA FU

MSc, BEng(Hons), CEng, CEnv, MCIBSE, MIET, MCIPHE, FSOE, FIPlantE, PFM, MHKIE, RPE(BSS), REA, REW (CO, HO) (aged 42)

Mr. Martin Lee Ka Fu ("Mr. Lee") is the Assistant General Manager (Technical) of the property and facility management division and

a director of certain subsidiaries of the Company. He is responsible for all technical issues, business development, budget management of the business as well as the setting up and standardization of relevant technical documentation, systems and procedures.

Mr. Lee graduated with a Bachelor's Degree in Building Service from the University of Central Lancashire and a Master's Degree in Fire and Safety Engineering from the Hong Kong Polytechnic University. He qualified as a Chartered Building Service Engineer, Chartered Environmentalist and Registered Professional Engineer of the Hong Kong Engineers Registration Board. He is also a corporate member of the Hong Kong Institute of Facility Management and a member of Hong Kong Institute of Engineers.

Mr. Lee possesses over 20 years of experience in projects and facilities maintenance, renovation as well as addition and alternation works. He is an expert in commercial, residential and industrial buildings maintenance works especially for the design and consulting services aspects. Prior to his joining to Synergis in November 2017, he worked for various property management company and consulting firms. He has been involved in monitoring several renowned renovation projects for commercial buildings, hotel and museum in Hong Kong.

李家富先生

MSc, BEng(Hons), CEng, CEnv, MCIBSE, MIET, MCIPHE, FSOE, FIPlantE, PFM, MHKIE, RPE(BSS) · REA, REW (CO, HO) (42歲)

李家富先生(「李先生」)為本公司助理總經理(技術)－物業及設施管理部門以及若干附屬公司之董事。彼負責有關業務之所有技術問題、業務發展和預算管理以及相關技術文件、系統和程序的建立及標準化。

李先生畢業於英國中央蘭開夏大學屋宇裝備學士學位及理工大學消防與安全工程學碩士學位。彼持有英國特許工程師、特許環境保護師及香港工程師註冊管理局的註冊專業工程師的資格。彼亦為香港設施管理學會的機構會員及香港工程師學會的會員。

李先生在項目與設施維護、翻新和改建及加建工程具有逾20多年的經驗。彼尤其於設計及諮詢服務方面為商業、住宅及工業大廈的維護工程之專家。李先生在2017年11月加入昇捷前，彼曾在多間物業管理和顧問公司任職。彼曾參與多個於香港著名的商業大廈、酒店及博物館的翻新項目之監督工作。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介

INTERIORS AND SPECIAL PROJECTS BUSINESS



MR. DAVID CHAN TAT WAI

(aged 60)

Mr. David Chan Tat Wai (“Mr. Chan”) was appointed as an Acting Managing Director for the interiors and special projects business (the “ISP Business”) and a member of the Executive Committee with effect from 1 September 2019. He is also a

director of certain subsidiaries of the Company.

Mr. Chan is responsible for the strategic planning, business development and operation of the ISP Business and the business development and project monitoring of certain works including alterations and additions, renovation, fitting-out, facade and special projects. He is a member of the Chartered Institute of Building and Hong Kong Institute of Construction Managers.

Mr. Chan joined interiors and special projects division in 2010 and has over 37 years of experience in project planning and monitoring, building construction and coordination, estimating and budgeting, cost control, procurement, renovation and fitting-out works.



MR. YU CHI WING

(aged 52)

Mr. Yu Chi Wing (“Mr. Yu”) is a director of certain subsidiaries of the Company and responsible for the strategic planning, business development and overall operation of interiors and special projects business.

Mr. Yu is also responsible for the business development, tendering, project monitoring and commercial issues of all alteration and addition works, renovation works, fitting-out works, conservation and revitalization works and special projects. Before joining the Group, Mr. Yu had worked for over 24 years in Hsin Chong Group Holdings Limited, the former holding company of the Group and was its senior staff member. He has over 31 years of experience in building construction and coordination, cost control, renovation and fitting-out works.

室內裝飾及特殊項目業務

陳達偉先生

(60歲)

陳達偉先生(「陳先生」)自2019年9月1日起獲委任為室內裝飾及特殊項目業務(「室內裝飾及特殊項目業務」)的署理董事總經理及執行委員會之成員。彼亦為本公司之若干附屬公司之董事。

陳先生負責室內裝飾及特殊項目業務的策略規劃、業務發展及營運以及多項工程包括改建及加建、翻新、室內裝飾、幕牆以及特殊項目工程之業務發展及項目監控。彼為英國特許建造學會會員及香港營造師學會會員。

陳先生於2010年加入室內裝飾及特殊項目部門，並已積逾37年之項目規劃與監控、樓宇建造及整理、估價及預算、成本控制、採購、翻新與室內裝飾工程經驗。

余志榮先生

(52歲)

余志榮先生(「余先生」)為本公司之若干附屬公司之董事，負責室內裝飾及特殊項目業務的策略規劃、業務發展及整體營運。

余先生亦負責所有改建及加建工程、翻新工程、室內裝飾工程、保育及活化工程，以及特殊項目工程之業務發展、投標事務、項目監控及商務事宜。加入本集團前，余先生曾於本集團前控股公司新昌集團控股有限公司服務逾24年並為其高級人員。彼擁有逾31年之樓宇建造及整理、成本控制、翻新與室內裝飾工程經驗。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MR. GARY TSE CHI CHIU

(aged 42)

Mr. Gary Tse Chi Chiu ("Mr. Tse") is a director of certain subsidiaries of the Company and is responsible for strategic planning, business development and overall operation of interiors and special projects business and in charge of Planning,

Engineering and Plant Department of the Group.

Mr. Tse joined interiors and special projects division in 2011. He has strong background in structural design and consultation knowledge and processes 18 years of experience in the design, construction, supervision and project management. He has also been involved in various building, civil and renovation projects in Hong Kong, Macau, United Kingdom and Middle East.

Mr. Tse is a qualified contractor specialising in construction management in a wide range of construction projects including high rise class residential and commercial development, social facilities, shopping complex, hotel, hospital building; fitting-out works together with alteration and addition works, major demolition and repair works. He also qualified as a combined Chartered Civil and Structural Engineer as well as a Registered Professional Engineer.

謝志超先生

(42歲)

謝志超先生(「謝先生」)為本公司若干附屬公司之董事，負責室內裝飾及特殊項目的整體策略、業務發展和管理營運以及負責本集團規劃工程及工廠部。

謝先生在2011年加入室內裝飾及特殊項目部門。彼於結構設計及諮詢方面擁有深厚的背景並具有18年的設計、建築、監督及項目管理的經驗。彼亦曾參與香港、澳門、英國以及中東的各種建築、土木及翻新項目。

謝先生為合資格的承建商，專門從事各種建築項目的建築管理包括高層住宅及商業發展項目、社區設施、購物中心、酒店、醫院大樓、室內裝飾工程和改建及加建工程以及大型拆卸和修理工程。彼亦持有聯合註冊的土木和結構工程師以及註冊專業工程師的資格。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MR. BENJAMIN LEUNG WAI KIN

(aged 53)

Mr. Benjamin Leung Wai Kin (“Mr. Leung”) is a director of certain subsidiaries of the Company and is responsible for overall operation of M+ management service projects and in charge of Building

Services Department and HSEQ Department of the Group as well.

Mr. Leung joined interiors and special project division in 2017 and possesses over 27 years of experience in building construction, project planning, alteration and additional works, fitting-out works, construction management and management contractor, etc. He has been involved in various residential, commercial building and museum projects in Hong Kong and several mega resort and hotel projects in Macau.

Mr. Leung graduated with a Bachelor’s Degree (Honours) in Construction Management and a Master’s Degree in Construction Law and Dispute Resolution in Hong Kong. He has been qualified as a member of Hong Kong Institute of Construction Manager, the Chartered Institute of Building, the Association for Project Management and associate member of the Chartered Institute of Arbitrators.

梁偉堅先生

(53歲)

梁偉堅先生(「梁先生」)為本公司之若干附屬公司之董事，負責M+管理服務項目的整體營運及本集團屋宇設備部門和健康安全環境質量部門。

梁先生在2017年加入室內裝飾及特殊項目部門及具有超過27年的建築、專案策劃、改建及加建工程、室內裝飾工程、建築管理及承包商管理等的經驗。彼在香港曾參與建造不同的住宅、商業大樓和博物館的經驗，以及參與多個大型澳門渡假村及酒店項目。

梁先生在香港畢業於建築管理(榮譽)學位以及建築法及爭議解決學碩士學位，彼亦取得香港營造師學會、特許建造學會及英國項目管理協會之會員資格和特許仲裁員學會之準會員資格。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company recognises the interests of and its responsibility to one of its most important stakeholders — the shareholders. Synergis is committed to upholding high standards of corporate governance as a means of protecting and enhancing shareholder value and ensuring the integrity of operations of the Group. Synergis's corporate governance standards are built on the principles of independence, accountability, transparency and fairness with an appropriate system of checks and balances.

CORPORATE GOVERNANCE CODE

The Company has applied the principles of the code provisions and certain recommended best practices set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

Throughout the Reporting Year, the Company has fully complied with all code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules (as amended from time to time by the Stock Exchange) as its own code of conduct for regulating securities transactions by Directors. Having made specific enquiry by the Company, all the Directors confirmed they have complied with the required standard set out in the Model Code throughout the Reporting Year.

The Board has further adopted the Model Code as the written guidelines for regulating securities transactions by the senior management (whose names are set out in Profiles of the Group's Key Personnel on pages 33 to 40 of this annual report) and certain employees (collectively, the "Relevant Employees") of the Group. The Board believes that the Relevant Employees may, by virtue of their positions, likely be in possession of unpublished inside information of the Group.

本公司深明股東是最重要之持份者之一，並對股東承擔責任。昇捷致力維持高度企業管治水平，以保障及提升股東價值，同時確保本集團誠實公正運作。昇捷的企業管治標準建基於獨立性、問責性、透明度及公平性原則，並制訂完善檢討及平衡制度。

企業管治守則

本公司應用聯交所證券上市規則（「上市規則」）附錄14所載之《企業管治守則》（「企業管治守則」）所載各項守則條文之原則及若干建議最佳常規。

於報告年度，本公司已全面遵守企業管治守則之所有守則條文。

董事進行證券交易之標準守則

董事會已採納上市規則附錄10所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）（經聯交所不時修訂）作為其規管本公司董事進行證券交易之操守準則。經本公司作出特定查詢後，所有董事均確認彼等於本報告年度一直遵守標準守則所規定之標準。

董事會進一步採納標準守則作為規管本集團高層管理人員（彼等之姓名載於本年報第33至40頁集團要員之簡介）及若干僱員（統稱「有關僱員」）進行證券交易之書面指引。董事會相信有關僱員可憑藉本身職位取得本集團未公開之內幕消息。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

Composition

During the Reporting Year and up to the date of this annual report, the Board comprised five Directors, including two Executive Directors and three Independent Non-executive Directors.

The names of the Directors are set out below:

Executive Directors

Mr. Kingston Chu Chun Ho (*Chairman*)

Ms. Mandy Hui Suk Man

(*Deputy Chairman and Managing Director for PFM Business*)

(appointed as an Executive Director and the Deputy Chairman with effect from 24 April 2019 and the Managing Director for PFM Business with effect from 24 June 2019)

Mr. Terence Leung Siu Cheong

(*former Deputy Chairman and Managing Director for ISP Business*)
(resigned with effect from 24 April 2019)

Independent Non-executive Directors

Mr. Lau Man Tak

Mr. Eric Lee Hon Man

Dr. Wong Yun Kuen

An updated list of Directors identifying their roles and functions is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.synergis.com.hk).

Coming from diverse businesses and professional backgrounds, the Board members possess a balance of skills, expertise and diversity of perspectives appropriate for the requirements of the business of the Group and they are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. Save as disclosed in the Profiles of Directors set out on pages 28 to 32 of this annual report, there is no relationship among the Board members.

The Company currently has three Independent Non-executive Directors representing more than one-third of the total number of Board members and is in compliance with the requirement under Rule 3.10 of the Listing Rules. The views of the Independent Non-executive Directors carry weight in the Board's decisions, and their participation helps the Board exercise judgement, make decisions and act objectively in the interests of the Company and its shareholders as a whole.

董事會

組成

於報告年度及截至本年報日期，董事會由5名董事組成，包括2名執行董事及3名獨立非執行董事。

各董事姓名載列如下：

執行董事

朱俊浩先生(主席)

許淑敏女士

(副主席兼物業及設施管理業務董事總經理)

(於2019年4月24日起獲委任為執行董事及副主席及於2019年6月24日起獲委任為物業及設施管理業務董事總經理)

梁兆昌先生

(前副主席兼室內裝飾及特殊項目業務董事總經理)(自2019年4月24日起辭任)

獨立非執行董事

劉文德先生

李翰文先生

黃潤權博士

董事名單更新版本可於聯交所網站(www.hkexnews.hk)及本公司網站(www.synergis.com.hk)供查閱，當中會列明各董事之職能及責任。

董事會成員來自不同行業及專業背景，具備切合本集團業務需要的全面技能、專業知識及多元化觀點。彼等共同負責領導及監督本公司的事務，以協助本公司成功發展。除於本年報第28頁至第32頁所載董事之簡介所披露者外，董事會成員之間並無任何關係。

本公司現時有3名獨立非執行董事，佔董事會成員總人數三分之一以上，符合上市規則第3.10條之規定。獨立非執行董事之意見於董事會決策中極具影響力，彼等幫助董事會行使判斷、作出決定及採取符合本公司與其股東整體利益之客觀行動。

Each of the Independent Non-executive Directors has given to the Company an annual confirmation of independence in compliance with Rule 3.13 of the Listing Rules. The Company considers that all the Independent Non-executive Directors are and have remained independent. Mr. Lau Man Tak, chairman of the Audit Committee, has the appropriate accounting and financial management expertise required under Rule 3.10(2) of the Listing Rules.

The Board members, including all the Independent Non-executive Directors, are expressly identified in all corporate communications which disclose the names of the Directors of the Company.

Functions

The Board has an ultimate oversight of the Group's activities. Its primary functions are to set and direct the Company's strategy and to monitor and measure the management's performance. The Board is accountable for the overall strategic development of the Group with the objective to enhance shareholder value. Material matters are reserved for the Board's considerations or decisions which include, among other things, overall strategy of the Group, business plans, annual budgets, significant capital expenditure, interim and annual results and reports, dividend policy and payments, material acquisitions, disposals or investment proposals, directors' appointments, re-appointments or removal, and other material transactions.

The Board has delegated certain of its responsibilities to the Audit Committee, Remuneration Committee, Nomination Committee and Executive Committee. It has also delegated the day-to-day operations of the Group's business to the senior management. Delegation of duties to the Board committees and daily business operations to the management are discussed on pages 49 to 57 of this report.

Board Chairman and Managing Director

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

各位獨立非執行董事已遵照上市規則第3.13條之規定就彼等之獨立性向本公司提交年度確認函。本公司認為所有獨立非執行董事現時及一直保持獨立。審核委員會主席劉文德先生具備上市規則第3.10(2)條所規定的合適會計及財務管理專長。

董事會成員(包括各獨立非執行董事)均明確地載列於所有披露本公司董事姓名的企業通訊中。

職能

董事會為本集團業務之最高監督組織，其主要職能為制定本公司之策略並提供指引，亦同時監察及評估管理層之表現。董事會負責本集團之整體策略發展，以致力提升股東價值為目標。所有重大事宜均留待董事會考慮或決定，有關事宜包括(其中包括)本集團整體策略、業務計劃、年度預算、重大資本開支、中期與年度業績及報告、股息政策及分派、重大收購、出售或投資建議、委任、重新委任或罷免董事、及其他重大交易。

董事會已將其若干責任轉授予審核委員會、薪酬委員會、提名委員會以及執行委員會。董事會亦已授權高層管理人員處理本集團業務之日常營運。有關轉授職責予董事會轄下的委員會及授權管理層處理日常營運之詳情，將於本報告第49頁至第57頁討論。

董事會主席及董事總經理

企業管治守則之守則條文第A.2.1條訂明，主席及行政總裁之職能必須分開，且不可由同一人兼任。主席及行政總裁之責任分工應以書面形式清楚列明。

CORPORATE GOVERNANCE REPORT

企業管治報告

Mr. Kingston Chu Chun Ho is the Chairman of the Board. The role of chief executive of the Company is played by two managing directors responsible for our PFM Business and ISP Business respectively. From 16 July 2018 to 23 June 2019, Ms. Mandy Hui Suk Man was the Acting Managing Director for PFM Business and became the Managing Director for PFM Business with effect from 24 June 2019. Mr. Terence Leung Siu Cheong was the Managing Director for ISP Business until 23 April 2019 and Mr. David Chan Tat Wai became the Acting Managing Director for the ISP Business with effect from 1 September 2019.

At all times, the Chairman of the Board and the Managing Directors are not related to each other and there are clear divisions among their responsibilities with a view to achieving a balance of power and authority. The Chairman of the Board provides leadership to the Board in terms of formulating policies and strategies, and discharges those duties set out in code provision A.2 of the CG Code. The Managing Directors have the overall responsibility of implementing the decisions, policies and strategies approved by the Board, and overseeing the Group's business and operations. The duties of the Chairman and the Managing Directors are set out in their respective service agreements entered into with the Company.

With the support from the Executive Director and the Company Secretary, the Chairman of the Board ensures that all Directors are properly briefed on issues arising from Board meetings and receive adequate, complete and reliable information in a timely manner.

Appointment, Re-election and Removal of Directors

The Board has assumed the responsibility to consider the appointment, re-election and removal of the Directors. The Board set up a Nomination Committee in 2011 to recommend the appointment, re-election and removal of the Directors.

All the Independent Non-executive Directors have entered into letters of appointment with the Company for a term of three years subject to the requirements of the Listing Rules and the bye-laws of the Company ("Bye-laws"), including the requirement of retirement by rotation and re-election or standing for re-election at annual general meetings ("AGM(s)") of the Company at least once every three years. The term is renewable upon expiry.

朱俊浩先生為董事會主席。本公司行政總裁之職務由兩名董事總經理擔任，彼等分別負責我們的物業及設施管理業務以及室內裝飾及特殊項目業務。自2018年7月16日至2019年6月23日，許淑敏女士為物業及設施管理業務署理董事總經理及於2019年6月24日起成為物業及設施管理業務之董事總經理。梁兆昌先生為室內裝飾及特殊項目業務董事總經理直至2019年4月23日及陳達偉先生於2019年9月1日起成為室內裝飾及特殊項目業務署理董事總經理。

董事會主席及董事總經理之間一直並無任何關係及彼等之責任有明確區分，以確保權力及職權的平衡。董事會主席領導董事會制訂政策及策略，以及履行企業管治守則守則條文第A.2條所載的職責。董事總經理負責實行董事會通過之所有決定、政策及策略，並監察本集團之業務及營運。主席及董事總經理的職責分別載於彼等各自與本公司訂立之服務協議內。

在執行董事及公司秘書的協助下，董事會主席確保在董事會會議上所有董事均適當知悉當前的事項，並適時收到充份且完備及可靠的資料。

委任、重選及罷免董事

董事會負責考慮委任、重選及罷免董事。董事會於2011年設立提名委員會，就董事之委任、重選及罷免作出建議。

所有獨立非執行董事均與本公司簽訂任期為3年之委任函，惟須遵守上市規則及本公司細則（「細則」）之規定，包括最少每3年一次於本公司股東周年大會（「股東周年大會」）上輪席告退並膺選連任或尋求重選連任之規定。於任期屆滿後可予續期。

Any new Director to be appointed by the Company shall be provided with information on duties and obligations of director, relevant regulatory requirements and the Group's business affairs. All Directors appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following general meeting or next following AGM of the Company respectively and shall then be eligible for re-election at the meeting according to the Bye-laws.

Board Meetings

Regular Board meetings are held at least four times a year at approximately quarterly intervals. Tentative dates of regular Board meetings for next year are scheduled approaching the end of each calendar year in order to facilitate the Directors to plan for attendance of the meetings. Additional Board meetings will be convened, as and when required, to deal with ad hoc issues. Any Director who is not able to present physically may participate at any Board meeting through electronic means of communication, such as conference telephone or other similar communication equipment, in accordance with the Bye-laws.

Board Proceedings

Notice convening each regular Board meeting is sent at least 14 days in advance, and reasonable notice is given for other Board meetings. The Company Secretary assists the Chairman of the Board to prepare the meeting notice and agenda. Each Director may include any item in the agenda. The agenda, accompanied by meeting papers with sufficient and reliable information, are sent to each Director normally not less than three days before the date of a Board meeting to enable the Directors to make informed decisions on the matters to be discussed, except where a Board meeting is convened on a very urgent basis to consider any urgent ad hoc matter.

The Company Secretary is responsible for taking minutes of the Board meetings, drafts and final versions of which will be circulated to Directors for comment and records, respectively, and in both cases, within a reasonable time after each meeting. Minutes shall record in sufficient detail the matters considered by the Board at the meeting and decisions reached, including any concerns raised by the Directors or dissenting view (if any) expressed. Minutes of Board meetings are kept by the Company Secretary and open for inspection to any Director on request.

任何獲本公司委任之新董事，將獲提供有關董事職責及責任、相關監管規則及本集團業務之資料。所有為填補董事會臨時空缺或增加現有董事名額而獲委任之董事任期僅分別至本公司下屆股東大會或下屆股東周年大會為止，並有資格根據細則於該股東大會上重選。

董事會會議

董事會定期會議每年最少舉行4次，約每季一次。翌年董事會定期會議之暫定舉行日期將於每年近年底時編訂，以便董事安排出席有關會議。董事會亦將於有需要時召開額外的董事會會議，以處理突發事務。根據細則之規定，任何未能親身出席董事會會議之董事，可透過電話會議或其他類似通訊設備等電子通訊方式參與董事會會議。

董事會程序

董事會定期會議之通告於會議召開前最少14日發出，而董事會其他會議之通告則於合理時間內發出。公司秘書負責協助董事會主席擬備會議通告及議程。每位董事皆有機會將任何事項納入議程之內。一般在舉行董事會會議前最少3日，送出會議議程及其他具備充足可靠資料之會議文件予每位董事（除非董事會會議於緊急情況下召開以考慮任何緊急突發事項），使董事能夠就提出的事項作出知情決定。

公司秘書須負責撰寫董事會會議記錄，其初稿及最終稿須在每次董事會會議結束後的合理時間內發送予董事評議，而最終稿則予以存檔。會議記錄須對董事會會議上各董事所考慮的事項及達致的決定作出足夠詳細之記錄，其中包括董事提出之任何關注事項或表達之異議（如有）。董事會會議記錄由公司秘書備存，並按要求公開予任何董事查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and all applicable rules and regulations relating to Board process are followed. Directors have full and timely access to all relevant information, including reports from the Board committees and reports from the management. They are also provided with updates on the latest developments of the Listing Rules and other relevant legal and regulatory changes and matters of relevance to the Directors in discharging their duties as and when appropriate.

To assist the Directors to discharge their duties, the Board has adopted written procedures for any Director who wishes to seek independent professional advice at the Company's expenses.

Board approval is also given by circulation of resolution in writing pursuant to the Bye-laws on urgent matter which requires decision in a tight timeframe and hence convening a Board meeting is difficult or not practicable. In the case where a resolution in writing is circulated, sufficient information and explanatory materials will also be provided to the Directors at the same time.

If a substantial shareholder or a Director has a conflict of interest in a matter (including material transaction with connected persons) which the Board determines to be material, the Board will hold a meeting to consider the relevant matter.

Appropriate insurance cover on Directors' and officers' liabilities has been arranged to protect the Directors and officers of the Group.

所有董事均有聯絡公司秘書之途徑，而公司秘書有責任確保董事會程序獲依循及所有關於董事會程序的適用規則及規例均獲遵守。董事均可適時全面取得所有相關資料，包括董事會轄下的委員會之報告及管理層之報告。彼等亦獲適時提供有關上市規則之最新發佈及其他有關法例及監管規例變動之最新信息，以及與董事履行彼等職責有關之事宜。

為協助董事履行彼等之職責，董事會已採納書面程序，以便任何董事尋求獨立專業意見，費用則由本公司支付。

如有緊急事項須於緊迫時限內作出決定，並因此難以或不能召開董事會會議，則根據細則，董事會可透過傳閱書面決議方式批准有關事項。在傳閱書面決議時，充分之資料及說明材料亦將同時提供予董事。

若有主要股東或董事在某一事項（包括與關連人士的重大交易）中存有董事會認為重大的利益衝突時，董事會將舉行會議以考慮有關事項。

本集團已購買適當之董事及高級職員責任保險，為其董事及高級職員提供保障。

Attendances of Meetings

Five Board meetings, two Audit Committee meetings, two Remuneration Committee meetings, one Nomination Committee meeting and two general meetings were held during the year. Attendances of these meetings by Directors are set out below:

會議出席情況

本年內，曾經舉行5次董事會會議、2次審核委員會會議、2次薪酬委員會會議、1次提名委員會會議及2次股東大會。下表載列董事出席該等會議之情況：

Name of Directors	董事姓名	Meetings attended/Eligible to attend				
		Board	Audit	Remuneration	Nomination	General
		董事會	審核委員會	薪酬委員會	提名委員會	股東大會
Chairman	主席					
Kingston Chu Chun Ho	朱俊浩	4/5	n/a	1/2	1/1	2/2
Executive Directors	執行董事					
Mandy Hui Suk Man	許淑敏	4/4	n/a	n/a	n/a	2/2
Terence Leung Siu Cheong	梁兆昌	1/1	n/a	n/a	n/a	n/a
Independent Non-executive Directors	獨立非執行董事					
Lau Man Tak	劉文德	5/5	2/2	2/2	1/1	2/2
Eric Lee Hon Man	李翰文	5/5	2/2	2/2	1/1	2/2
Wong Yun Kuen	黃潤權	5/5	2/2	2/2	1/1	2/2

n/a: not applicable

n/a: 不適用

During the year, the Chairman of the Board also held one meeting with the Independent Non-executive Directors without the other Director present.

本年內，董事會主席亦與獨立非執行董事在沒有其他董事出席下舉行一次會議。

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and gain and develop a balanced understanding of the views of shareholders generally. All Independent Non-executive Directors attended the AGM and the special general meeting of the Company held on 24 May 2019 and 15 July 2019 respectively.

企業管治守則之守則條文第A.6.7條訂明，獨立非執行董事及其他非執行董事應出席股東大會，並對股東的意見有全面公正的了解。全體獨立非執行董事均已出席本公司分別於2019年5月24日及於2019年7月15日舉行之股東周年大會及股東特別大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

Directors' Training and Professional Development

Every Director keeps abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Directors are aware of the requirement under the code provision A.6.5 of CG Code regarding continuous professional development. During the Reporting Year, the Company provided reading materials to the Directors for self-study. In addition, the Directors have attended external courses or conferences organised by various organisations for their own continuous training.

Directors also reviewed the business and financial updates and other reading materials provided to them concerning latest developments in corporate governance practices, and relevant legal and regulatory developments. A record of the Directors' participation in various continuous professional development programme is kept by the company secretarial department. A summary of training received by the Directors for the Reporting Year according to the records provided by the Directors is as follows:

董事培訓及專業發展

每位董事均會時常更新有關本公司董事責任，以及本公司的經營、業務活動及動向的資料。

董事均知曉企業管治守則下守則條文第A.6.5條有關持續專業發展的規定。於報告年度，本公司曾為董事提供閱讀資料供自我進修。此外，董事已參加由不同機構舉辦的外界課程或會議，以接受持續培訓。

董事亦審閱彼等獲提供之業務及財務的更新資料以及其他有關企業管治常規及相關法律及法規演進最新發展的閱覽資料。1份董事參與不同持續專業發展項目的記錄，由公司秘書部保存。董事於截至報告年度所接受培訓的概要（根據董事所提供的記錄編製）如下：

Name of Directors	董事姓名	Giving talks or attending seminars/conferences/forums 舉行講座或出席研討會/會議/論壇	Reading newspapers, journals and updates relating to the economy, general business, accounting, laws, rules and regulations, etc 閱讀關於經濟、一般商業、會計、法律、規則及法規等方面之報章、期刊及最新資訊
Kingston Chu Chun Ho	朱俊浩	√	√
Mandy Hui Suk Man	許淑敏	√	√
Terence Leung Siu Cheong	梁兆昌	√	√
Lau Man Tak	劉文德	√	√
Eric Lee Hon Man	李翰文	√	√
Wong Yun Kuen	黃潤權	√	√

BOARD COMMITTEES

Each of the Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee, is to assist in the execution of the Board's responsibilities and to oversee particular aspect of the Group's affairs. Each Board committee is provided with sufficient resources to discharge its duties properly, and holds meetings in accordance with the Bye-laws, its specific written terms of reference and, where applicable, the proceedings of Board meeting.

Audit Committee

The Audit Committee currently comprises three Independent Non-executive Directors, and Mr. Lau Man Tak acts as the chairman of the Audit Committee. The members of Audit Committee during the year under review were:

Mr. Lau Man Tak (*Chairman*)
Mr. Eric Lee Hon Man
Dr. Wong Yun Kuen

None of the Audit Committee members is or has been a former partner of the Company's existing external auditor for the past two years.

The Audit Committee is primarily responsible for conducting an independent and objective review of the financial reporting process, internal controls and audit function with emphasis on:

- (i) appraise the quality of the audit effort of the Company's internal and external auditors;
- (ii) serve as an independent and objective party to review the financial information presented by management to shareholders, regulators and the general public;
- (iii) ascertain the adequacy of the Company's systems of risk management and internal control which management and the Board have established; and
- (iv) serve as useful channel of communication between the Board and the external and internal auditors on matters relating to and arising out of the external and internal audit.

董事委員會

各董事委員會(即審核委員會、薪酬委員會、提名委員會及執行委員會)均為協助執行董事會之責任,並專責監督本集團事務之某一特定範疇。每個董事委員會均獲提供充足資源,可適當地履行其職責,並根據細則、其特定書面職權範圍及董事會議事程序(如適用)舉行會議。

審核委員會

審核委員會目前由三名獨立非執行董事組成,劉文德先生擔任審核委員會主席。回顧本年內,審核委員會的成員如下:

劉文德先生(主席)
李翰文先生
黃潤權博士

概無審核委員會成員現時或於過去兩年曾經為本公司現任外聘核數師之前合夥人。

審核委員會主要負責就財務申報程序、內部監控及審核職能進行獨立及客觀之檢討,並專注於以下事項:

- (i) 評估本公司內部及外聘核數師之審核工作質素;
- (ii) 以獨立及客觀身份審核管理層向股東、監管機構及公眾呈報之財務資料;
- (iii) 釐定管理層及董事會設立之本公司風險管理及內部監控系統是否充分;及
- (iv) 就關於外部及內部審核及由其產生的事項,擔任董事會與外部及內部核數師之間有效的溝通渠道。

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The authority and duties of the Audit Committee are set out in its specific written terms of reference which was revised in January 2019 to conform with the requirements under the Listing Rules and the CG Code. Full text of the terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The principal duties of the Audit Committee include, among other things, recommending to the Board on the appointment, re-appointment or removal of the Company's external auditor and on its remuneration; reviewing the Company's interim and annual financial statements and other financial reports; and reviewing the Company's financial reporting system, internal control procedures (including monitoring the effectiveness of the internal audit function) and risk management system. The Audit Committee has explicit authority to investigate any activity within its duties and responsibilities and the authority to obtain external legal or other independent professional advice if it considers necessary.

The Audit Committee shall meet at least twice a year. During the Reporting Year, two Audit Committee meetings were held. Attendances of the meetings have been disclosed on page 47 of this report.

During the Reporting Year, the Audit Committee members with the participation of the internal and external auditors and the management, (i) reviewed the risk management and internal control systems of the Group; (ii) reviewed the annual results for the year ended 31 December 2018 and the interim results for the period ended 30 June 2019 and the related financial statements of the Company with a view to ensuring that these financial statements were prepared in accordance with the accounting principles and standards generally accepted in Hong Kong; (iii) reviewed the resignation of PricewaterhouseCoopers ("PwC") as auditor and the terms of engagement of BDO Limited ("BDO") and recommended the appointment of BDO as the new auditor of the Company to fill the casual vacancy following the resignation of PwC; and (iv) reviewed and revised the terms of reference of the Audit Committee. The Audit Committee also considered the reports from the external auditor on the scope and findings of its independent review of the interim financial statements and audit of the annual financial statements.

There is no disagreement between the Board and the Audit Committee's view on re-appointment of external auditor, and they both have agreed to recommend the re-appointment of BDO as the Company's external auditor for the ensuing year at the 2020 AGM.

審核委員會之權限及職責載於其特定書面職權範圍內，並於2019年1月經修訂，以符合上市規則及企業管治守則的規定。審核委員會之職權範圍全文已登載於本公司及聯交所網站內。

審核委員會之主要職責包括(當中包括)就委任、重新委任或罷免本公司外聘核數師及就其酬金向董事會作出建議；審閱本公司中期及年度財務報表以及其他財務報告；並檢討本公司之財務申報制度、內部監控程序(包括監管內部審核職能之成效)及風險管理制度。審核委員會具清晰權限，可在其職責及責任範圍內調查任何活動，並有權於其認為必需時取得外聘法律或其他獨立專業意見。

審核委員會須每年至少舉行兩次會議。於報告年度，審核委員會舉行了2次會議。出席會議之情況已於本報告第47頁披露。

於報告年度，審核委員會成員已連同內部及外聘核數師與管理層(i)審閱本集團之風險管理及內部監控制度；(ii)審閱本公司截至2018年12月31日止年度的年度業績及截至2019年6月30日止期間的中期業績以及相關財務報表，以確保該等財務報表根據香港公認會計原則及準則編製；(iii)審閱羅兵咸永道會計師事務所(「羅兵咸永道」)辭任核數師事宜及委聘立信德豪會計師事務所有限公司(「立信德豪」)之條款及推薦委任立信德豪為本公司新核數師以填補羅兵咸永道辭任後的臨時空缺；及(iv)審閱及修訂審核委員會的職權範圍。審核委員會亦已省覽外聘核數師就其對中期與年度財務報表進行獨立審閱和審核之範圍及就所得結果作出之報告。

董事會及審核委員會就重新委任外聘核數師上並無分歧意見，而彼等均已同意於即將舉行之2020年股東周年大會上，建議重新委任立信德豪為本公司來年之外聘核數師。

Remuneration Committee

The Remuneration Committee currently comprises four Directors, a majority of whom are Independent Non-executive Directors, and Dr. Wong Yun Kuen acts as the chairman of the Remuneration Committee. The members of the Remuneration Committee during the year under review were:

Dr. Wong Yun Kuen (*Chairman*)
Mr. Kingston Chu Chun Ho
Mr. Lau Man Tak
Mr. Eric Lee Hon Man

The authority and duties of the Remuneration Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is primarily responsible for reviewing the remuneration policy of the Group and the remuneration packages of the Directors and senior management of the Company. Its duties are summarised below:

- (i) 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;
- (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management;
- (iv) make recommendations to the Board on the remuneration of Non-executive Directors;
- (v) consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;

薪酬委員會

薪酬委員會目前由四名董事組成，以獨立非執行董事佔多數，黃潤權博士擔任薪酬委員會主席。回顧年內，薪酬委員會的成員如下：

黃潤權博士(主席)
朱俊浩先生
劉文德先生
李翰文先生

薪酬委員會之權限及職責載於其特定書面職權範圍內。薪酬委員會之職權範圍全文已登載於本公司及聯交所網站內。

薪酬委員會主要負責檢討本集團之薪酬政策及本公司董事與高層管理人員之薪酬待遇。其職責概述如下：

- (i) 就本公司所有董事及高層管理人員薪酬之政策及架構，以及就發展薪酬政策而訂立一套正式且具透明度之程序，向董事會作出建議；
- (ii) 經參考董事會之企業目的及目標後，檢討及批准管理層之薪酬建議；
- (iii) 就個別執行董事及高層管理人員之薪酬待遇，向董事會作出建議；
- (iv) 就非執行董事之薪酬，向董事會作出建議；
- (v) 考慮比較公司支付的薪金，須付出的時間及職責，以及本集團內其他職位的僱用條件；

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|---|--|
| <p>(vi) 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;</p> | <p>(vi) 檢討及批准向執行董事及高層管理人員就任何喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；</p> |
| <p>(vii) review and approve compensation arrangements, relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and</p> | <p>(vii) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及</p> |
| <p>(viii) ensure that no Director or any of his associates is involved in deciding his own remuneration.</p> | <p>(viii) 確保任何董事或其任何連繫人不得參與釐定其薪酬。</p> |

The Remuneration Committee shall meet at least once a year. During the Reporting Year, two Remuneration Committee meetings were held. Attendances of the meetings have been disclosed on page 47 of this report.

薪酬委員會須每年至少舉行一次會議。於報告年度，薪酬委員會舉行了2次會議。出席會議之情況已於本報告第47頁披露。

During the Reporting Year, the Remuneration Committee members reviewed (i) the remuneration packages of the newly appointed Executive Director and Managing Director for PFM Business as well as the Acting Managing Director for ISP Business; (ii) the bonus structure of senior management of PFM Business for the Reporting Year and the year ending 31 December 2020; (iii) the salary increment of the general staff as well as the salaries of Executive Directors and senior management for the year ending 31 December 2020; (iv) the directors' fees for the year ending 31 December 2020; and (v) recommended the aforesaid matters to the Board for approval.

於報告年度，薪酬委員會成員已檢討(i)新獲委任的執行董事及物業及設施管理業務董事總經理與室內裝飾及特殊項目業務署理董事總經理之薪酬待遇；(ii)截至報告年度及截至2020年12月31日止年度物業及設施管理業務之高級管理層花紅架構；(iii)截至2020年12月31日止年度之普通員工的加薪以及執行董事及高層管理人員之薪金；(iv)截至2020年12月31日止年度之董事袍金；及(v)就批准上述事宜向董事會作出推薦建議。

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management by band for the Reporting Year is set out below:

根據企業管治守則之守則條文第B.1.5條，以下列出高層管理人員於截至報告年度的薪酬組別：

Within the band of	組別介乎於	Number of individuals 人數
up to HK\$1,000,000	港幣 1,000,000 元或以下	7
HK\$1,000,001 to HK\$2,000,000	港幣 1,000,001 元至港幣 2,000,000 元	9
HK\$2,000,001 to HK\$3,000,000	港幣 2,000,001 元至港幣 3,000,000 元	1

Remuneration Policy of the Group

The Group sets out its remuneration policy by making reference to the prevailing market conditions and benchmark of the industry, and by formulating a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest calibre, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of remuneration package may consist of basic salary, allowances, benefits-in-kind, fringe benefits including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus, participation in a share option scheme or long-term rewards.

The remuneration packages of the Executive Directors and senior management of the Company are determined by the Remuneration Committee and approved by the Board by reference to their respective duties and responsibilities in the Group, individual performance, achievement of the Group's targets and the prevailing market terms in the industry.

The remunerations of the Independent Non-executive Directors are approved by the Board with the recommendation of the Remuneration Committee by reference to their duties and responsibilities in the Group, time involvement and the prevailing market situation.

Nomination Committee

The Nomination Committee currently comprises four Directors, a majority of whom are Independent Non-executive Directors, and Mr. Eric Lee Hon Man acts as the chairman of the Nomination Committee. The members of the Nomination Committee during the year under review were:

Mr. Eric Lee Hon Man (*Chairman*)
Mr. Kingston Chu Chun Ho
Mr. Lau Man Tak
Dr. Wong Yun Kuen

The authority and duties of the Nomination Committee are set out in its specific written terms of reference which was revised in January 2019 to conform with the requirements under the Listing Rules and the CG Code. Full text of the terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

本集團之薪酬政策

本集團在訂定其薪酬政策時會參考當時市況及行業標準，並制定一套與表現掛鈎的獎賞制度，以確保本集團能吸引、挽留及激勵具有卓越才幹、可成功領導及有效管理本集團之人才。在進行表現評核時會考慮財政狀況及行業指標以求在兩者中取得平衡。薪酬待遇之組成部分可包括基本薪金、津貼、實物福利、附加福利(包括醫療保險及退休金供款)及諸如酌情花紅、參與購股權計劃或長期回報等激勵。

本公司執行董事及高層管理人員之薪酬待遇乃由薪酬委員會及董事會經參考彼等各自於本集團之職責及責任、個人表現、本集團目標之達標情況及業內當時之市場條款後釐定及批准。

獨立非執行董事之薪酬乃由董事會根據薪酬委員會之建議，並經參考各董事於本集團之職責及責任、所耗時間及當時市況後批准。

提名委員會

提名委員會目前由四名董事組成，以獨立非執行董事佔多數，李翰文先生擔任提名委員會主席。回顧年內，提名委員會的成員如下：

李翰文先生(主席)
朱俊浩先生
劉文德先生
黃潤權博士

提名委員會之權限及職責載於其特定書面職權範圍內，並於2019年1月經修訂，以符合上市規則及企業管治守則的規定。提名委員會之有關職權範圍全文已登載於本公司及聯交所網站內。

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The Nomination Committee is primarily responsible for formulating nomination policy and leading the process of identifying and nominating suitable candidates. Its duties are summarised below:

- (i) review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, skills, knowledge, professional experience and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy;
- (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships based on the objective criteria with due regard for the benefits of diversity on the Board;
- (iii) taking into account the Group's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future, to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive;
- (iv) assess the independence of Independent Non-executive Directors and review the Independent Non-executive Directors' annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report;
- (v) regularly review the time required from a Director to perform his/her responsibilities and report to the Board of their findings; and
- (vi) review the policies on both the Board Diversity Policy and Nomination Policy, as appropriate; and review the measurable objectives that the Board had set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually.

提名委員會主要負責制定提名政策及主導物色及提名適合候選人的過程。其職責概述如下：

- (i) 至少每年檢討董事會的架構、規模及多元化(包括但不限於性別、年齡、文化及教育背景、種族、技能、知識、專業經驗及服務年期方面)，並就任何擬作出的變動向董事會提出建議以配合執行本集團企業策略；
- (ii) 根據客觀標準及基於董事會多元化的好處，物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提出建議；
- (iii) 經計及本集團的企業策略以及未來所需的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃的有關事宜向董事會提出建議；
- (iv) 評核獨立非執行董事之獨立性及審視獨立非執行董事就其獨立性所作年度確認；並在《企業管治報告》內披露其審視結果；
- (v) 定期檢討董事履行其責任所需付出之時間，並向董事會匯報其檢討結果；及
- (vi) 在適當情況下檢討董事會成員多元化政策及提名政策等政策；及檢討董事會為執行董事會成員多元化政策而制定之可計量目標和達標進度；以及每年在《企業管治報告》內披露其檢討結果。

The Nomination Committee shall meet at least once a year. During the year, one Nomination Committee meeting was held. Attendance of the meeting has been disclosed on page 47 of this report.

The Board has adopted a Board Diversity Policy since 2013. Pursuant to the Board Diversity Policy, the Board shall consider the benefits of diversity when they review the Board composition. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to skills, background, experience, knowledge, expertise, culture, independence, race, gender, and other qualities of Directors. All Board appointments will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee will monitor the implementation of the Board Diversity Policy and review the Board composition under diversified perspectives annually to ensure the Board has a balance of skills, knowledge, experience and diversity of perspectives appropriate to the achievement of the strategic objectives and sustainable development of the Company.

The Board has also adopted the Nomination Policy in January 2019 which sets out the selection criteria and nomination procedures to identify, select and recommend candidates for directorships.

Selection Criteria

When assessing the suitability of the proposed candidate to the Board regarding the appointment or re-appointment of any existing director(s) of the Board, the Nomination Committee should consider the following factors:

1. The candidate should be of good character, integrity and competent to act as director of the Company;
2. The candidate should possess the skills, knowledge, and experience in the commercial and professional fields which are relevant to the principal business of the Group;
3. The candidate should be able to devote sufficient time and attention to the Board; and
4. The candidates should be considered on merit, against objective criteria and with due regard to the diversity perspectives set out in the Board Diversity Policy of the Company.

提名委員會須每年至少舉行一次會議。本年內，提名委員會舉行了1次會議。出席會議之情況已於本報告第47頁披露。

董事會自2013年起採納董事會成員多元化政策。根據董事會多元化政策，董事會於審閱董事會組成時須考慮多元化的裨益。在釐定董事會組成時，董事會多元化應從數個角度考慮，包括但不限於董事的技能、背景、經驗、知識、專業、文化、獨立性、種族、性別及其他資質。所有董事會委任將參考客觀標準並基於董事會多元化的裨益作出。

提名委員會將監控董事會成員多元化政策的落實及每年根據多元化的角度檢討董事會組成，以確保董事會在技能、知識、經驗及觀點多元化方面達到平衡，對於取得本公司策略性目標及可持續發展而言屬合適。

董事會亦自2019年1月起採納提名政策，列載識別、挑選及推薦董事人選的挑選標準及提名程序。

挑選標準

就委任或重新委任任何董事會現有董事而評估董事會候選董事的合適性時，提名委員會應考慮以下因素：

1. 候選人須品格優良、誠信及有能力擔任本公司董事；
2. 候選人應具備與本集團主要業務相關的商業及專業領域的技能、知識及經驗；
3. 候選人應能夠投入足夠的時間及關注予董事會事務；及
4. 應根據客觀標準並充分考慮公司董事會成員多元化政策中規定的多元化觀點來考慮候選人。

Nomination Procedures

1. The Secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration;
2. The Nomination Committee shall undertake adequate due diligence in respect of appointment of any proposed candidate to the Board, prior to making recommendations for the Board's consideration and approval;
3. The Nomination Committee shall make recommendations to the Board for its consideration and recommendation in respect of re-appointment of any existing Director(s) of the Board, for the proposed candidates to stand for re-election at a general meeting;
4. The procedures for shareholders' nomination of any proposed candidate for election as a director should follow the "procedures for shareholders to propose a person for election as a director of the Company" which are available on the Company's website; and
5. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

During the Reporting Year, the Nomination Committee members (i) reviewed and considered the structure, size, diversity and composition of the Board; (ii) assessed the independence of Independent Non-executive Directors; (iii) considered the re-election of directors at the AGM; (iv) reviewed and revised the terms of reference of the Nomination Committee; (v) reviewed the appointments of the Executive Director, the Managing Director for PFM Business, the Acting Managing Director for ISP Business and the member of Executive Committee; (vi) adopted the Nomination Policy and (vii) recommended the aforesaid matters to the Board for approval.

提名程序

1. 提名委員會秘書將召開會議及邀請董事會成員提名之人選(如有)以供提名委員會考慮。提名委員會亦可提名人選以供考慮；
2. 提名委員會將就委任任何候選董事進行足夠的盡職審查，其後方作出推薦，以供董事會考慮及批准；
3. 提名委員會應就重新委任董事會任何現有董事向董事會作出推薦建議，以供其考慮及推薦有關候選人在股東大會上重選連任；
4. 股東提名任何候選人選舉董事的程序應遵從「股東建議人士選舉本公司董事的程序」，該程序已登載於本公司網站內；及
5. 董事會對於有關其推薦人選在股東大會上選舉的所有事宜享有最終決定權。

於報告年度，提名委員會成員已(i)檢討及考慮董事會的架構、規模、多元化及組成；(ii)評估獨立非執行董事的獨立性；(iii)考慮董事於股東周年大會重選；(iv)審閱及修訂提名委員會職權範圍；(v)審閱執行董事、物業及設施管理業務董事總經理、室內裝飾及特殊項目業務署理董事總經理及執行委員會成員的委任；(vi)採納提名政策；及(vii)就前述事宜向董事會作出推薦，供其批准。

Executive Committee

The Executive Committee currently comprises two Executive Directors and one senior management member of the Group. The members of the Executive Committee during the year under review were:

Mr. Kingston Chu Chun Ho (*Chairman of the Board*)

Ms. Mandy Hui Suk Man

Mr. David Chan Tat Wai

(appointed with effect from 1 September 2019)

Mr. Terence Leung Siu Cheong

(resigned with effect from 24 April 2019)

The authority and duties of the Executive Committee are set out in the specific written terms of reference adopted by the Board. Full text of the terms of reference of the Executive Committee is available on the website of the Company. The principal duties of the Executive Committee are, pursuant to the Authorisation Matrix/Limits of Authority of each subsidiary, to approve tender submission and/or payment requisition when the amount of tender or payment exceeds certain limits, to approve banking matters, the issue of guarantees to third party customers, the issue of shares under share option scheme and promotion or appointment of senior management at operation level, and other duties delegated by the Board from time to time.

The Executive Committee shall meet as and when required depending on business and operation needs. Members' attendances would depend on the importance of the matters to be transacted. During the Reporting Year, the Executive Committee held 20 meetings to discharge their duties.

執行委員會

執行委員會目前由兩名執行董事及一名本集團高層管理人員組成。回顧本年內，執行委員會的成員如下：

朱俊浩先生(董事會主席)

許淑敏女士

陳達偉先生

(於2019年9月1日起獲委任)

梁兆昌先生

(於2019年4月24日起辭任)

執行委員會之權限及職責載於經董事會採納之特定書面職權範圍內。執行委員會之有關職權範圍全文已登載於本公司網站內。執行委員會之主要職責為根據各附屬公司之審批權限額度表，倘若投標額或付款額超過若干限制，則需審批入標競投及／或付款請求、批准銀行事務、向第三方客戶出具擔保、按購股權計劃發行股份及晉升或委任業務層的高層管理人員、及不時執行由董事會委任的其他職責。

執行委員會須因應業務及營運需要召開會議。成員可按將予處理事宜之重要性出席會議。於報告年度，執行委員會舉行了20次會議以履行職責。

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CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

- (i) develop and review the Company's policies and practices on corporate governance;
- (ii) review and monitor the training and continuous professional development of Directors and senior management;
- (iii) review and monitor the Company's policies and practices on compliance with all legal and regulatory requirements;
- (iv) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) review the Company's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

The Board has in place the procedures for Directors to seek an independent professional advice if necessary.

DELEGATION TO MANAGEMENT

The monitoring of the day-to-day business operations of the Group and the implementation of the business plans and strategies adopted by the Board are performed by the senior management led primarily by the Managing Directors of the Company.

The Group has also organised a management meeting for senior management and other relevant staff on a monthly basis to review business operations with significant issue, review the financial and business performance against the budget approved by the Board, and review the implementation of the strategies and policies adopted by the Board.

企業管治職能

董事會負責釐定本公司企業管治政策及履行以下企業管治職責：

- (i) 制訂及檢討本公司企業管治政策及常規；
- (ii) 檢討及監察董事及高層管理人員之培訓及持續專業發展；
- (iii) 檢討及監察本公司就遵守所有法律及監管規定所制定之政策及常規；
- (iv) 制訂、檢討及監察適用於僱員及董事之行為守則及合規手冊(如有)；及
- (v) 檢討本公司是否遵守企業管治守則及企業管治報告之披露規定。

董事會已設有董事在有需要情況下可尋求獨立專業意見之程序。

轉授權力予管理層

高層管理人員主要在本公司董事總經理之領導下，監督本集團之日常業務運作及執行經董事會採納之業務計劃與策略。

本集團亦每月為高層管理人員及其他相關員工召開管理人員會議，以檢討有關業務運作之重要事宜，按董事會批准之預算檢討財政及業務表現，以及檢討董事會所採納的策略及政策之實施成效。

Risk Management Committee

With a view to further enhancing risk management at all levels, a Risk Management Committee, as approved by the Audit Committee and the Board, has been established to assume the responsibility for identifying, evaluating, assessing and managing risk areas from company-wide perspective. The Risk Management Committee comprises senior management and corporate managers of the Group. Its findings and recommendations are reported to the Audit Committee.

Risk Management

The Board has the overall responsibility for establishing, maintaining and evaluating the adequacy and effectiveness of the risk management and internal control systems of the Group on an ongoing basis. Such systems are designed to manage rather than eliminate risk of failure to achieve business objective, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Management is responsible for setting the appropriate tone from the top, performing risk assessments, and owning the design, implementation and maintenance of internal controls. The associated policies and procedures for risk management and internal controls, which are properly documented and communicated to staff, are designed to help ensure that the Group's assets are safeguarded against unauthorised use or disposition; relevant rules and regulations are adhered to and complied with; complete, accurate and reliable financial and accounting records are maintained; and key risk factors including business strategic, operational, financial, corporate reputation and regulatory compliance risks which may impact the Group's performance are appropriately identified and managed.

To ensure the risk management process is consistent with the best practice, the Directors of the Company review the existing practice, and their suggestions will be incorporated into the Group's risk management framework in due course.

風險管理委員會

為進一步加強各層面的風險管理，經審核委員會與董事會批准，風險管理委員會已成立，其責任是從公司整體層面識別、分析、評估及管理不同的風險範疇。風險管理委員會由本集團高層管理人員及企業部門經理組成。其調查結果及建議向審核委員會呈報。

風險管理

董事會全權負責設立、維持並持續評估本集團之風險管理及內部監控系統之充足性及成效。有關管理系統旨在管理而非消除未能達成業務目標之風險，並僅可就重大錯誤陳述或損失提供合理而非絕對保證。

管理層負責從頂層為監控定調、執行風險評估、並設計、實施及維護內部監控。風險管理及內部監控之相關政策及程序已作妥善書面記錄並傳達予員工，該等政策及程序旨在協助確保本集團資產不會在未經授權下被使用或轉讓；有關規則及規例獲依循及遵守；財務及會計記錄獲完整、準確及可靠地保存；以及可能影響本集團業績的業務策略、營運、財務、公司聲譽及監管合規風險等主要風險因素均獲妥為識別及管理。

為確保風險管理程序與最佳常規一致，本公司董事審閱現時的做法，彼等的建議將於適當時候納入本集團風險管理框架。

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The Group's risk management framework comprises the following key features:

- (i) A distinct organisational structure for different responsible parties with defined authority, responsibilities and risk management roles;
- (ii) The Board sets forth the proper risk management culture and risk appetite for the Group, evaluates and determines the level of risk that the Group should take and monitor regularly;
- (iii) The Risk Management Committee facilitates the risk assessment process and timely communication to the Audit Committee and the Board. Also, it ensures key business and operational risks being properly identified and managed; and
- (iv) A Risk Management Policy has been established to provide a framework for the identification, analysis, evaluation, treatment, monitoring and reporting of key risks at all levels across the Group to support the achievement of the organisation's overall strategic objectives.

Identified potential risks are evaluated using appropriate qualitative and quantitative techniques and risk responses (i.e. accept, reduce, transfer and avoid) are formulated, which are consistent with the Group's risk appetite. Risks are assessed based on a risk assessment matrix that helps to rank the risks into four risk levels (i.e. Extremely High, High, Medium and Low) and to prioritise risk management effort to determine the appropriate risk mitigation plans.

本集團之風險管理框架包含以下主要特徵：

- (i) 就負責各方訂立權責及風險管理角色分明的組織架構；
- (ii) 董事會為本集團設立適當的風險管理文化及風險承受能力，評估及釐定本集團應承擔並進行定期監控的風險水平；
- (iii) 風險管理委員會促進風險評估程序，並及時向審核委員會及董事會溝通。再者，彼確保主要業務及營運風險妥為識別及管理；及
- (iv) 制定風險管理政策以提供一個框架，以識別、分析、評估、處理、監控及匯報本集團的關鍵風險，協助組織實現整體戰略目標。

已識別潛在風險乃以恰當定性及定量方法評估，並制定與本集團風險承受能力一致的風險應對方法(即接受、減低、轉移及避免)。風險乃根據風險評級分為4個風險等級(即極高、高、中等及低)進行評估，該評級亦可協助制定風險管理優先次序，訂立恰當的風險緩解計劃。

Internal Control

The Group has an internal audit (“IA”) function, which plays a major role in monitoring the internal governance of the Group, to conduct independent reviews of the adequacy and effectiveness of its risk management and internal control system and report the review results regularly to the Board through the Audit Committee.

To ensure systematic coverage of all auditable areas and effective deployment of resources, an every 3-year IA plan with reference to the risk assessment results has been formulated and approved by the Audit Committee. During the Reporting Year, the IA plan focused on the examination of the fraud control, business strategy, financial and treasury management, compliance with applicable rules and regulations, management of litigation and claims, payment controls and conflict of interest. Subsequent meetings were conducted to update the IA plan in order to reflect the major changes in the organisational structure and business objectives, review the IA reports and highlight the more significant issues identified from the IA reviews and follow-up actions taken. Meetings between the head of IA function and senior management are conducted monthly to stay current with market developments and changes in the business strategy.

The Group is fully aware of its obligation of handling and dissemination of inside information under the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). The Group has a set of procedures and controls in place to preserve the confidentiality of inside information relating to the Group. All Board members and senior management, who are likely to possess the Group’s inside information because of their offices or employments in the Group, are bound by Model Code. In addition, every employee is required to follow the guidelines of the code of conduct and the staff handbook to keep unpublished inside information strictly confidential.

內部監控

本集團既有內部審核(「內部審核」)職能，主要職責為監察本集團內部管治，對風險管理及內部監控系統的充足性及成效進行獨立審視，並透過審核委員會定期向董事會匯報審視結果。

為確保有系統地覆蓋所有審核範圍及有效分配資源，參考風險評估結果後已制訂三年內部審核計劃並獲得審核委員會批准。於報告年度內，內部審核計劃的焦點為評核欺詐監控、業務策略、財務及庫務管理、遵守適用守則及規定、管理訴訟及索賠、付款監控以及利益沖突。其後亦召開會議，更新內部審核計劃，反映組織架構的主要變動及業務目標、審閱內部審核報告，並重點提及內部審核所識別的較重大問題及已採取的跟進行動。內部審核職能的主管與高層管理人員每月召開會議，以得知市場發展及業務策略的變動。

本集團十分清楚上市規則及香港法例第571章證券及期貨條例(「證券及期貨條例」)下處理及發佈內幕消息的責任。本集團有一系列程序及監控，以保護與本集團有關的內幕消息機密。全體董事會成員及高層管理人員均可能因彼等的職務或受僱於本集團，而擁有本集團內幕消息，彼等均受標準守則約束。再者，各員工須遵守道德守則及員工手冊內的指引，確保未刊發內幕消息絕對保密。

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Review of Risk Management and Internal Control Systems

During the Reporting Year, the Board has conducted a review on the effectiveness of risk management and internal control systems of the Group through discussion with the Audit Committee, which covers the major control procedures in areas of business/strategy, operational, financial, compliance, corporate reputation and regulatory risk, and was satisfied with the effectiveness of the Group's risk management and internal control systems.

The changes in the nature and extent of significant risks faced by the Group and response plans to changes in its business and the external environment have been evaluated. The scope and quality of ongoing monitoring of risks and the internal control systems have been assessed.

The strike and social unrest activities broke out at various places in Hong Kong during the second half of the year 2019 and traffic had been interrupted. Dedicated management team in head office had been closely monitoring the potential impact of these district protests and various operation guidelines on access control and protective measures against tear gas were timely issued to our frontline staff to safeguard their personal healthcare while on work sites. Interrupted and suspended means of transportation during the period also affected our staff's attendance to work sites on time. In order to maintain our daily business operation as usual, special manpower arrangement and extra manpower were deployed to overcome all the disruptions during that social unrest period. No major damages to our projects were reported for the period, given the effectiveness of our countermeasures.

In 2019, no significant areas of concern that may affect the Group to achieve strategic goals have been identified. The Board considered that the risk management and internal control systems are functioning effectively and adequately.

In addition, confirmation from management on the effectiveness of the risk management and internal control systems of the Group was received during the year.

The Board has reviewed and is satisfied with the adequacy of resources, staff qualifications and experiences, training requirements and budgets of the Group's accounting, financial reporting and IA functions.

風險管理及內部監控系統回顧

於報告年度內，董事會已通過與審核委員會就業務／策略、營運、財務、合規、公司聲譽及監管的風險範疇之主要監控程序的討論，對本集團風險管理及內部監控系統的效能進行檢討，並對本集團風險管理及內部監控系統的成效表示滿意。

本集團所面臨重大風險之性質及程度之轉變以及就其業務及外部環境變動所作出之應對計劃已經作出評估。持續監察風險及內部監控系統的工作範疇及素質已作出評估。

2019年下半年香港多地發生罷工及社會不安事件，交通受到阻礙。總部專業的管理團隊一直密切監控該等抗議區域的潛在影響及向我們的前線員工發出有關進出控制及催淚彈防護措施的多項營運指引，以保障彼等在辦公地方的個人健康。期內交通受阻及中斷亦影響員工於辦公地方的按時出勤。為了維持正常的日常業務營運，我們作出特別的人手安排及調配額外人力，以求克服社會動盪期間的所有干擾。由於應對措施有效，期內我們並無項目受到重大損害。

於2019年，概無識別可能影響本集團達成策略目標的重要關注事項。董事會認為風險管理內部監控系統的運作有效充足。

此外，本年內已收到管理層對本集團風險管理及內部監控系統有效性之確認。

董事會已審視及滿意資源充足性、僱員資格及經驗、受訓要求及本集團會計、財務報告及內部審核職能的預算。

The crisis over the coronavirus outbreak emerged since December 2019. Hong Kong is also affected by the outbreak and has seen its economic sectors especially the travel agents and the catering industries badly hit over the past three months. Similarly, our Group experienced certain business disruption as some construction works have been forced to delay for completion due to the outbreak which impacted on the supply of workforce and the ordinary operations of our customers or suppliers. Some of our tender interviews and commencement of new projects were also seriously delayed given a concern over personal healthcare. The evolving situation caused us additional costs to procure extra manpower and personal protective materials and equipment to protect our operation teams. While the duration and severity of the impact of the coronavirus outbreak remain uncertain, our head office has stepped up strategic manpower and resource allocation as well as various hygienic instructions to support the site operations.

Integrity Monitoring Committee

Each of our staff is given clear guidelines and codes of standard in the staff handbook with integrity being put as the first and foremost code of conduct. A whistle-blowing-type channel which is implemented by the Integrity Monitoring Committee is to provide staff and contractors a channel to report issues which might cause a significant financial loss to, or an adverse impact on the image of the Company. The Integrity Monitoring Committee comprises the Senior Quality Assurance Manager as chairman of the Committee, the Senior Finance Manager and the Senior Human Resources Manager as members.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the consolidated financial statements which give a true and fair view of the state of affairs of the Company and the Group on a going concern basis. With the support of the accounting and finance functions led by the Finance Director of the Group, the Directors have ensured that the consolidated financial statements for the Reporting Year have been prepared in accordance with appropriate accounting policies applied, if any, consistently save for those new and amended accounting standards as disclosed in the notes to the consolidated financial statements.

2019年12月起出現冠狀病毒疫情危機。香港亦受疫情影響，且過去三個月本地經濟方面（尤其是旅遊業及餐飲業）受到嚴重打擊。同樣地，本集團的業務亦遭遇若干阻礙，部分建築工程因疫情影響人力供應及客戶或供應商的日常業務，而被迫延遲完工。考慮到對個人健康的憂慮，我們部分新項目的投標面試及施工亦大大延後。由於情況不斷變化，我們為保護營運團隊而採購額外勞力及個人防護材料及設備，產生了額外成本。雖然冠狀病毒疫情影響的持續時間及程度尚未可知，總部經已策略性地加強人力投入及資源分配以及作出多項衛生指引，以支持屋苑營運。

誠信監察委員會

本集團給每位員工的員工手冊中均載有清晰指引及標準守則，其中以誠信為首要操守原則。誠信監察委員會實施之舉報渠道為員工及承建商提供渠道報告或會導致本公司蒙受重大財務損失或有損本公司形象的事項。誠信監察委員會由高級質量監控經理（委員會主席）、高級財務經理及高級人才資源經理（成員）組成。

董事的財務匯報責任

董事明白彼等對編製綜合財務報表的責任，財務報表須真實公平地反映本公司及本集團按持續經營基準的事務狀況。在本集團財務董事統領的會計及財務職能支援下，董事確保截至報告年度之綜合財務報表已根據貫徹應用的適當會計政策（如有）編製，惟綜合財務報表附註所披露的該等新訂及經修訂會計準則除外。

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In preparing the interim and annual financial statements, announcements and other financial disclosures required under the Listing Rules, the Directors aim at presenting a balanced, clear and understandable assessment of the Group's position and prospects. Financial information put before the Board for approval by management is accompanied by sufficient explanation to enable the Directors to make an informed assessment.

The independent auditor's report, which contains the statement of the external auditor about its reporting responsibilities on the Company's financial statements, is set out in pages 93 to 95 of this annual report.

AUDITOR'S REMUNERATION

The fees paid/payable to BDO, the Company's external auditor, for services rendered for the Reporting Year are set out as follows:

在編製中期與年度財務報表、公告及根據上市規則之規定須予披露之其他財務資料時，董事均以中肯、清晰及易於理解之形式評估本集團之情況及前景為目標。管理層提呈予董事會審批的財務資料須連同充足解說，使董事可作出知情評估。

獨立核數師報告(當中載有外聘核數師就本公司財務報表之匯報責任所作聲明)載於本年報第93至第95頁。

核數師酬金

截至報告年度，就本公司外聘核數師立信德豪提供服務而已付／應付費用載列如下：

Services rendered	所提供服務	Fees paid/payable
		已付／應付費用 HK\$'000 港幣千元
Audit services	審核服務	1,220
Non-audit services	非審核服務	158

COMPANY SECRETARY

The Company Secretary is responsible for facilitating the Board process, as well as communications among Board members. The Company Secretary complied with all the qualifications under the Listing Rules. The Company Secretary is Mr. Eric Chan Kwong Leung, who is engaged and appointed by the Company from an external secretarial services provider. The primary corporate contact person at the Company is Ms. Mandy Hui Suk Man, an Executive Director.

公司秘書

公司秘書負責促成董事會的有效運作，以及董事會成員之間的溝通。公司秘書為陳鄭良先生，彼由本公司從外間秘書服務供應商委聘及委任。本公司的主要企業聯絡人為執行董事許淑敏女士。

SHAREHOLDERS' RIGHTS AND COMMUNICATIONS WITH SHAREHOLDERS

In addition to publishing interim and annual reports, announcements, circulars, quarterly business updates and press releases, updates on the Group's developments are also provided on the Company's website which is updated in a timely manner.

股東權利及與股東之溝通

除透過刊發中期報告與年報、公告、通函、季度業務更新及新聞稿外，有關本集團最新發展情況之資料亦會登載於本公司下述網站並及時予以更新。

Procedures for Directing Shareholders' Enquiries to the Board

Enquiries from Shareholders are welcome through the following channels to the Company:

- (i) by post to the Company's Hong Kong principal place of business at 7/F., Linkchart Centre, 2 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong for the attention of the Board of Directors/ Company Secretary
- (ii) by facsimile transmission to (852) 2751 8784
- (iii) by telephone at (852) 3471 2340
- (iv) by email at investor@synergis.com.hk
- (v) on the Company's website at www.synergis.com.hk under "IR Contact" of "Investor Relations"

An AGM is deemed as a forum for Shareholders to communicate directly with the Board members. Notice of 20 clear business days together with detailed agenda is given to Shareholders for the AGM of the Company and 10 clear business days for all special general meetings of the Company. Separate resolution is proposed at the AGM on each substantially separate issue, including the election of each individual director.

Procedures for Convening a Special General Meeting by Shareholders

In accordance with the Bye-laws, any Shareholder holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at a general meeting shall have the right, by written requisition served to the Board or the Company Secretary, to require a special general meeting to be convened by the Board for transaction of any business specified in such requisition. Any vote of Shareholders at a general meeting must be taken by poll. The chairman of meeting will explain the poll voting procedures at the relevant general meeting.

將股東查詢提交董事會的程序

股東如有任何查詢，歡迎透過下列途徑提交予本公司：

- (i) 郵寄至本公司之香港主要營業地點，地址為香港九龍觀塘大業街2號聯卓中心7樓，註明董事會／公司秘書收
- (ii) 傳真至(852) 2751 8784
- (iii) 致電(852) 3471 2340
- (iv) 發送電郵至 investor@synergis.com.hk
- (v) 於本公司網站www.synergis.com.hk之「投資者關係」下「投資界查詢」一欄

股東周年大會被視為股東與董事會成員直接溝通的平台。召開本公司股東周年大會須最少於20個完整營業日前向股東寄發載有詳細會議議程之通告，而本公司所有股東特別大會則須10個完整營業日。個別決議案就各項基本上獨立的事項提呈股東周年大會，包括選舉各個別董事。

股東召開股東特別大會的程序

根據細則之規定，任何持有有權於股東大會上投票之本公司繳足股本不少於十分之一的股東，均有權向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求列明之任何事項。股東於股東大會上必須以投票表決方式進行任何表決。大會主席將於相關股東大會上解釋投票表決的程序。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for Shareholders to Put Forward Proposals at General Meetings

The following Shareholders are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at a general meeting of the Company:

- (i) any number of members representing not less than one-twentieth of the total voting rights of the Company on the date of the requisition; or
- (ii) not less than 100 members holding shares in the Company.

The requisition specifying the proposal, duly signed by the Shareholders concerned, together with a statement of not more than 1,000 words with respect to the matter referred to in the proposal must be deposited at the Company's principal place of business in Hong Kong at 7/F., Linkchart Centre, 2 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong. The Company would take appropriate actions and make necessary arrangements, and the Shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Companies Act of Bermuda once valid documents are received.

CONTINUOUS CORPORATE GOVERNANCE ENHANCEMENT

The Board is committed to continuous corporate governance enhancement including giving closer attention to any regulatory changes with a view to maintaining a corporate culture built on ethics and integrity and increasing Shareholder value as a whole.

INVESTOR RELATIONS

There is no significant change in the Company's constitutional documents during the Reporting Year.

股東於股東大會上提呈建議之程序

以下股東有權於本公司股東大會上提呈建議（可於大會上正式提呈之建議）以供考慮：

- (i) 於請求日期佔本公司總投票權不少於二十分之一之任何股東數目；或
- (ii) 不少於100位持有本公司股份之股東。

經有關股東正式簽署並載列建議之請求書連同不多於1,000字有關建議內所述事宜之聲明，須送交本公司之香港主要營業地點，地址為香港九龍觀塘大業街2號聯卓中心7樓。本公司將採取適當行動及作出必要安排，而有關股東須根據百慕達公司法第79及80條之規定負責支付作出該等行動及安排所產生之開支。

不斷提升企業管治水平

董事會承諾將繼續提升企業管治水平，包括密切留意任何法規變動，務求維持一套建基於道德及誠信的企業文化，及提升股東的整體價值。

投資者關係

截至報告年度，本公司的組織章程文件並無重大變動。

HIGHLIGHTS OF 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2019年環境、社會及管治報告摘要

Through quality services and responsible business practices, caring for and sharing with the communities, as well as committing to environmental protection, we seize to align our sustainable strategies with the expectations of stakeholders. By taking deliberate actions, we uphold the aim to deliver sustained values to stakeholders, as well as markets where we live and operate our business.

透過優質的服務和負責任的營商慣例、關心並與社區共享，以及致力於環境保護，我們把握機會將可持續發展策略與持份者的期望保持一致。通過謹慎地採取行動，我們秉承目標，為持份者以及我們賴以生存和經營的市場提供持續價值。

The Company's standalone 2019 Environmental, Social and Governance (“ESG”) report is prepared to communicate our sustainability-related policies, performances and plans among readers. It adheres to the “comply or explain” and “recommended disclosure” provisions of the ESG Reporting Guide under Appendix 27 of the Listing Rules on the Stock Exchange.

本公司獨立的2019年環境、社會與管治(「環境、社會與管治」)報告旨在向讀者傳達可持續發展相關的政策、表現和計劃。其遵守聯交所上市規則附錄27的環境、社會與管治報告指引「不遵守就解釋」及「建議披露」條文。

Below are some key highlights of the Company's 2019 ESG performance:

下表載列本公司之2019年環境、社會及管治表現的若干主要摘要：

Sustainability at Synergis 昇捷的可持續發展	<ul style="list-style-type: none"> Incorporated and aligned the United Nations Sustainable Development Goals with our sustainability strategy for the first time to demonstrate our commitment in addressing global challenges 首次將聯合國可持續發展目標納入我們的可持續發展策略，展示我們應對全球挑戰的努力
Our Business 我們的業務	<ul style="list-style-type: none"> Upheld integrity and continued to cooperate closely with the Hong Kong Independent Commission Against Corruption to ensure effective governance 恪守誠信並繼續與香港廉政公署緊密合作，以確保有效的管治
Our People 我們的員工	<ul style="list-style-type: none"> Established “We Care We Share 盡展關懷共享成果” in organising workshops and events to improve staff’s physical and mental health and safety, as well as to enhance community cohesiveness 成立了「We Care We Share 盡展關懷共享成果」，舉辦工作坊和活動，以改善員工的身心健康與安全，以及增強社區凝聚力
Our Customers 我們的客戶	<ul style="list-style-type: none"> Prepared for the transition to ISO 45001 in order to deliver quality and professional services and projects in a healthy and safe manner 為過渡至ISO 45001作準備，以便以健康和安全的方式提供優質與專業的服務和項目
Our Partners 我們的合作夥伴	<ul style="list-style-type: none"> Collaborated closely with our supply chain partners to enhance their sustainability performance 與我們的供應鏈合作夥伴緊密合作，以提升其可持續發展表現
Our Community 我們的社區	<ul style="list-style-type: none"> Embraced the theme of “Enjoying Comfortable Homes and Decent Jobs” and invested in the community through various volunteering and fundraising events 秉承「安居樂業」的主題，並通過各種義工服務和籌款活動回饋社會
Our Environment 我們的環境	<ul style="list-style-type: none"> Refined our data collection network and expanded the scope of our environmental KPIs reporting 改良我們的數據收集網絡及擴大我們的環境關鍵績效指標的報告範圍

Please visit the websites of the Company and the Stock Exchange to download the full version of the Company's 2019 ESG report.

如欲下載本公司之2019年環境、社會及管治報告全文，請瀏覽本公司及聯交所網頁。

DIRECTORS' REPORT

董事會報告

The Directors present the report and the consolidated financial statements of the Group for the Reporting Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the provision of PFM Business and ISP Business in Hong Kong, China and Macau. Particulars of the principal subsidiaries of the Company are set out in note 37 to the financial statements.

SEGMENT INFORMATION

Details of segment information are set out in note 7 to the financial statements.

BUSINESS REVIEW

Details of the business review information are set out in the section headed "Management Discussion and Analysis" on pages 11 to 27 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Directors consider that environmental protection is essential to the long-term development of the Group and will constantly improve management practices so as to minimise waste, maximise efficiencies and reduce the Group's negative environmental impact on the environment.

For details, please refer to the Company's standalone "2019 Environmental, Social and Governance Report".

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements. The Group has been allocating system and staff resources to ensure ongoing compliance with relevant rules and regulations.

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong, China and Macau while the Company itself was incorporated in Bermuda and listed on the Stock Exchange in Hong Kong. Our establishment and operations accordingly shall comply with relevant laws and regulations in Hong Kong, Bermuda, China and Macau.

董事會提呈本報告及本集團截至報告年度之綜合財務報表。

主要業務

本公司之主要業務為投資控股。本公司附屬公司之主要業務為於香港、中國及澳門提供物業及設施管理服務業務以及室內裝飾及特殊項目業務。本公司主要附屬公司之詳情載於財務報表附註37。

分部資料

分部資料詳情載於財務報表附註7。

業務回顧

業務回顧資料之詳情載於本年報第11頁至第27頁之「管理層討論及分析」一節。

環境政策及表現

董事認為環境保護對本集團之長遠發展而言屬至關重要，並將持續改善管理常規以盡量減少廢棄物、提升效益及降低本集團的負面環境影響。

有關詳情謹請參閱本公司獨立的「2019年環境、社會及管治報告」。

遵守法律及法規

本集團承認遵守監管規定之重要性及不遵守有關規定之風險。本集團已分配系統及員工資源以確保持續遵守相關規則及法規。

本集團之營運主要由本公司於香港、中國及澳門之附屬公司進行，而其本身於百慕達註冊成立並於香港聯交所上市。我們的成立及營運因此應遵守香港、百慕達、中國及澳門之相關法律及法規。

To ensure compliance with the Competition Ordinance, the Group has conducted trainings for staff. The Group also steps up measures to increase safety awareness amongst the management and staff to prevent accidents in contravention with safety regulations.

RISKS AND UNCERTAINTIES

Various risks that the Company may face have been disclosed in the Corporate Governance Report and the Notes to the Financial Statements on pages 59 to 63 and pages 139 to 146 of this annual report respectively.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group ensures all staff are reasonably remunerated and the Company regularly reviews and improves its policies on remuneration and benefits, training, occupational health and safety.

The Group maintains a good relationship with its customers. A customer complaint handling mechanism is in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality.

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers.

For details, please refer to the Company's standalone "2019 Environmental, Social and Governance Report".

RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 96 to 97; and the state of affairs of the Group and of the Company as at 31 December 2019 are set out in the consolidated statement of financial position on pages 98 to 99; and statement of financial position and change in equity of the Company are set out on note 35 to the financial statements.

The Board did not recommend the payment of interim dividend for the period ended 30 June 2019 (2018: nil). To preserve funds for the operation and business development of the Company, the Board did not recommend the payment of final dividend for the Reporting Year (2018: nil).

為確保遵守競爭條例，本集團已對員工進行培訓。本集團亦加強措施提升管理人員及員工安全意識，以防止違反安全法規之事故發生。

風險及不確定因素

本公司可能面臨的各類風險已分別於本年報第59至第63頁及第139至第146頁之企業管治報告及財務報表附註披露。

與僱員、客戶及供應商之關係

本集團確保全體員工均獲得合理薪酬，同時本公司亦定期檢討及改進我們的薪酬及福利、培訓、職業健康及安全政策。

本集團與客戶保持良好關係。本集團設有客戶投訴處理系統以接收、分析及研究投訴及就補救措施提供建議，進而提升服務質素。

本集團與其供應商保持良好關係並對其供應商進行公平及嚴格之評估。

有關詳情謹請參閱本公司獨立的「2019年環境、社會及管治報告」。

業績及分派

本集團截至報告年度之業績載於第96至第97頁之綜合損益及其他全面收益表；及本集團和本公司截至2019年12月31日之財政狀況載於第98至第99頁之綜合財務狀況表及財務報表附註35之本公司財務狀況表及權益變動表。

董事會不建議就截至2019年6月30日止期間派付中期股息(2018年：零)。為了本公司營運及業務發展之資金所需，董事會不建議就截至報告年度派付末期股息(2018年：零)。

DIRECTORS' REPORT

董事會報告

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy") in January 2019, pursuant to which the Company may declare and distribute dividends to the Shareholders to allow Shareholders to share the Company's profits and for the Company to retain adequate reserves for future growth. In proposing any dividend payout, the Board shall also take into account, among others, the Group's actual and expected financial performance, operating results, cash flow, financial condition and capital requirements, Shareholders' interests, contractual covenants, general business conditions and strategies, possible effects on the Group's creditworthiness, state of economy and other factors that the Board deems appropriate.

Such declaration and recommendation of dividends shall be determined at the sole discretion of the Board and are subject to the restrictions under the Companies Act of Bermuda, the Bye-laws and any other applicable laws, rules and regulations.

The Company will review the Dividend Policy from time to time and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy. The Dividend Policy shall not constitute a legally binding commitment by the Company and there is no assurance that dividends will be paid in any particular amount in any given period.

RESERVES

Details of movements in the reserves of the Group and of the Company during the Reporting Year are set out in the Consolidated Statement of Changes in Equity on page 100 and in note 35 to the financial statements respectively.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the operating results and of the assets and liabilities of the Group for the last four financial years and for the Reporting Year is set out on page 189. This summary does not form a part of the financial statements.

PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Group during the Reporting Year are set out in note 15 and note 16 to the financial statements respectively.

股息政策

本公司已於2019年1月採納一項股息政策(「股息政策」)。據此，本公司可向股東宣派及分派股息，讓股東分佔本公司溢利及為本公司保留足夠儲備作未來增長之用。於提議任何派付股息的金額時，董事會亦將考慮(其中包括)本集團實際及預期財務表現、經營業績、現金流量、財務狀況及資金需求、股東權益、合約契據、整體業務狀況及策略、對本集團信譽的潛在影響、經濟狀況及董事會認為適當的任何因素。

有關股息的宣派及建議將由董事會全權酌情決定，惟受百慕達公司法、細則及任何其他適用法律、規則及法規的限制。

本公司將不時審閱股息政策並保留全權絕對酌情權更新、修訂及／或修改股息政策。股息政策並不構成本公司具法律約束力的承諾，概不保證將於任何指定期間按任何特定金額派付息。

儲備

本集團及本公司於報告年度內之儲備變動詳情分別載於第100頁之綜合權益變動表及財務報表附註35。

五年財務摘要

本集團於過去4個財政年度及截至報告年度經營業績與資產及負債摘要載於第189頁。此摘要並不屬於財務報表之一部份。

物業、機器及設備以及投資物業

於報告年度，本集團物業、機器及設備以及投資物業之變動詳情分別載於財務報表附註15及附註16。

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Year are set out in note 27 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2019, calculated under the Companies Act of Bermuda, amounted to nil (31 December 2018: nil).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws although there is no restriction against such rights under the laws of Bermuda.

DIRECTORS

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

Executive Directors

Mr. Kingston Chu Chun Ho (*Chairman*)
Ms. Mandy Hui Suk Man
(appointed with effect from 24 April 2019)
Mr. Terence Leung Siu Cheong
(resigned with effect from 24 April 2019)

Independent Non-executive Directors

Mr. Lau Man Tak
Mr. Eric Lee Hon Man
Dr. Wong Yun Kuen

The profiles of Directors who are in office as at the date of this report are set out on pages 28 to 32 of this annual report.

In accordance with Bye-laws 87(1) and 87(2), Mr. Eric Lee Hon Man and Dr. Wong Yun Kuen shall retire by rotation at the AGM, and being eligible, have offered themselves for re-election at the AGM. Save for the aforesaid, the other remaining Directors would continue in office.

The Company has received from each of its Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules, and considers that all the Independent Non-executive Directors are independent in accordance with the terms of the independence guidelines set out in Rule 3.13 of the Listing Rules.

股本

報告年度內本公司之股本變動詳情，載於財務報表附註27。

可供分派儲備

本公司於2019年12月31日之可供分派儲備乃根據百慕達公司法計算，金額為港幣零元（2018年12月31日：港幣零元）。

優先購買權

細則並無優先購買權之條文，惟百慕達法例亦無就該等權利設有任何限制。

董事

於報告年度及截至本報告日期止，董事如下：

執行董事

朱俊浩先生(主席)
許淑敏女士
(於2019年4月24日起獲委任)
梁兆昌先生
(於2019年4月24日辭任)

獨立非執行董事

劉文德先生
李翰文先生
黃潤權博士

於本報告日期在職之董事之簡介載於本年報第28至第32頁。

根據細則第87(1)及87(2)條，李翰文先生及黃潤權博士將於股東周年大會上輪值退任並符合資格於股東周年大會膺選連任。除前述者外，其他餘下之董事均將繼續留任。

本公司已接獲其每位獨立非執行董事就其獨立性根據上市規則第3.13條作出之年度確認書，並認為所有獨立非執行董事根據上市規則第3.13條所載之獨立指引條款均為獨立人士。

DIRECTORS' REPORT

董事會報告

The Director who has served on the boards of directors of the subsidiaries of the Company as at the date of this report was Ms. Mandy Hui Suk Man.

DIRECTORS' SERVICE CONTRACTS

None of the Directors offering themselves for re-election at AGM have entered into a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for the agreements disclosed in the section headed "Continuing Connected Transactions" below, there were no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, its holding companies or its fellow subsidiaries was a party and in which any Director and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year.

DIRECTORS' EMOLUMENTS

Details of Directors' emoluments are set out in note 11 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save for disclosed in the sections headed "Share Option Scheme", "Convertible Securities, Options, Warrants or Similar Rights" and "Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company — Convertible Preference Shares" of this report, the Company has not entered into any equity-linked agreements during the Reporting Year.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Bye-law 168, every Director or other officers of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, and no Director or other officers shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his/her office or in relation thereto, provided that this Bye-law shall only have effect in so far as its provisions are not avoided by the Companies Act of Bermuda. The Company has maintained Directors and officers liability insurance during the Reporting Year.

於本報告日期，擔任本公司附屬公司董事的董事為許淑敏女士。

董事之服務合約

於即將舉行之股東周年大會上重選連任之董事概無與本公司或其任何附屬公司簽訂不可於一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

董事於交易、安排或合約之權益

除下文「持續關連交易」一節所披露的協議外，於本年末或本年內之任何時間，本公司之附屬公司、其控股公司或其同系附屬公司概無就本集團之業務訂立董事及董事之關連人士直接或間接擁有重大權益之交易、安排及合約。

董事酬金

董事酬金之詳情載於財務報表附註11。

權益掛鈎協議

除本報告「購股權計劃」、「可換股證券、購股權、認股權證或類似權利」及「主要股東於本公司股份及相關股份中擁有之權益及淡倉 — 可轉換優先股」各節所披露外，本公司概無於報告年度訂立任何權益掛鈎協議。

獲准許彌償條文

根據細則第168條，各董事或本公司其他高級職員有權就履行其職務或在其他有關方面蒙受或產生之所有虧損或負債自本公司之資產中獲得彌償，且概無董事或其他高級職員須就履行職責或與此有關而使本公司蒙受或產生之任何虧損、損失或不幸事件負責，惟該公司細則僅在未被百慕達公司法廢止之情況下有效。本公司於報告年度維持董事及高級職員責任保險。

BANK LOANS AND OTHER BORROWINGS

Analysis of bank loans and other borrowings of the Group as at 31 December 2019 is set out in note 22 and note 25 to the financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2019, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein (the "Register"); or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

Long Positions in the Shares and Underlying Shares of the Company

Name of Chief Executive	Capacity	Number of ordinary shares held 持有之普通股股份數目	Approximate percentage of interests in the total number of issued shares
			佔已發行股份總數之概約權益百分比
重要行政人員名稱	身份		(Note) (附註)
David Chan Tat Wai [#] 陳達偉先生 [#]	Beneficial owner 實益擁有人	100,000	0.02%

Note: There were 424,850,000 ordinary shares of the Company in issue as at 31 December 2019.

[#] Mr. David Chan Tat Wai was appointed as the Acting Managing Director for ISP Business with effect from 1 September 2019.

銀行貸款及其他借貸

本集團於2019年12月31日之銀行貸款及其他借貸分析載於財務報表附註22及附註25。

董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券中擁有之權益及淡倉

截至2019年12月31日，本公司董事或重要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有權益及淡倉而須：(a) 根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所（包括根據證券及期貨條例有關條文彼等被當作或視為擁有之權益及淡倉）；或(b) 根據證券及期貨條例第352條須記錄於該條所指之登記冊（「登記冊」）內；或(c) 根據上市規則附錄10所載之標準守則須知會本公司及聯交所如下：

於本公司股份及相關股份之好倉

附註：本公司截至2019年12月31日之已發行普通股股份為424,850,000股。

[#] 陳達偉先生於2019年9月1日獲委任為室內裝飾及特殊項目業務署理董事總經理。

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange or as recorded in the Register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

At the 2013 AGM, the shareholders approved the adoption of a new share option scheme (the "Share Option Scheme"). Details of the Share Option Scheme as required to be disclosed under Chapter 17 of the Listing Rules are set out below:

Summary of the Share Option Scheme

(a) Purpose of the Share Option Scheme

The Share Option Scheme is set up for the purpose of recognising and motivating the contribution of the Eligible Persons (as defined below) to the Company and/or any of its subsidiaries and/or any Invested Entity (as defined below).

(b) Participants of the Share Option Scheme

Eligible persons entitled to participate in the Share Option Scheme (the "Eligible Persons") include:

- (i) any employee (whether full time or part time) of the Company, any of its subsidiaries, or any entity in which the Company or any of its subsidiaries holds an equity interest (the "Invested Entity"); including any executive director of the Company, any of its subsidiaries or any Invested Entity and any employee employed or to be employed by the Company, any of its subsidiaries or any Invested Entity, whether in Hong Kong or in The People's Republic of China;
- (ii) any non-executive director (including any independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;

除上文披露者外，於2019年12月31日，概無本公司董事及行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債權證中擁有已知會本公司及聯交所或記錄於登記冊或根據標準守則知會本公司及聯交所之任何權益或淡倉。

購股權計劃

在2013年股東周年大會上，股東批准採納新購股權計劃（「購股權計劃」）。根據上市規則第17章規定須予披露有關購股權計劃之詳情載列如下：

購股權計劃之摘要

(a) 購股權計劃之目的

購股權計劃旨在表彰及激勵合資格人士（定義見下文）為本公司及／或其任何附屬公司及／或任何投資實體（定義見下文）作出貢獻。

(b) 購股權計劃之參與人士

可參與購股權計劃之合資格人士（「合資格人士」）包括：

- (i) 本公司、其任何附屬公司、或本公司或其任何附屬公司持有股本權益之任何實體（「投資實體」）之任何僱員（不論全職或兼職），包括本公司、其任何附屬公司或任何投資實體之任何執行董事，及本公司、其任何附屬公司或任何投資實體（不論於香港或中華人民共和國）僱用或將僱用之任何僱員；
- (ii) 本公司、其任何附屬公司或任何投資實體之任何非執行董事（包括任何獨立非執行董事）；

- (iii) any shareholder of the Company, any of its subsidiaries or any Invested Entity or any holder of any securities issued by the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity;
- (iv) any person or entity that provides research, development or other technological support to the Company, any of its subsidiaries or any Invested Entity;
- (v) any supplier of goods and/or services to the Company, any of its subsidiaries or any Invested Entity;
- (vi) any business collaborator, business consultant, joint venture or business partner, or technical, financial, legal and other professional advisers engaged by the Company, any of its subsidiaries or any Invested Entity;
- (vii) any associate (as defined under the Listing Rules) of the directors or the substantial shareholders of the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity; or
- (viii) the trustee of any trust pre-approved by the Board, the beneficiary (or in case of discretionary trust, the discretionary objects) of which includes any of the above-mentioned persons,
- (iii) 本公司、其任何附屬公司或任何投資實體之任何股東或本公司、其任何附屬公司或任何投資實體所發行任何證券之持有人，而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者；
- (iv) 向本公司、其任何附屬公司或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；
- (v) 本公司、其任何附屬公司或任何投資實體的任何貨品及／或服務供應商；
- (vi) 與本公司、其任何附屬公司或任何投資實體已訂約之任何業務合作方、業務顧問、合資公司或業務夥伴、或技術、財務、法律及其他專業顧問；
- (vii) 本公司、其任何附屬公司或任何投資實體之董事或主要股東之任何聯繫人(定義見上市規則)，而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者；或
- (viii) 經董事會預先批准之任何信託之受託人，其受益人(或倘為全權信託，則為受益對象)包括任何上述人士，

and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more of the above Eligible Persons.

及就購股權計劃而言，購股權可授予任何一名或以上之上述合資格人士全資擁有之任何公司。

(c) Maximum Number of shares available for issue under the Share Option Scheme

At 2013 AGM, the scheme mandate limit for the Share Option Scheme to allow the Company to issue a maximum of 33,200,000 options under the Share Option Scheme, representing approximately 7.81% of the total number of issued shares of the Company (i.e. 424,850,000 ordinary shares) as at 24 March 2020.

(c) 根據購股權計劃可發行之股份數目上限

在2013年股東周年大會上，購股權計劃之計劃授權限額允許本公司根據購股權計劃最多發行33,200,000份購股權，佔本公司於2020年3月24日已發行股份總數(即424,850,000股普通股股份)約7.81%。

DIRECTORS' REPORT

董事會報告

As at 31 December 2019, there were no outstanding share options and there were not any share options granted, exercised, cancelled and lapsed under the Share Option Scheme. As at the date of this report, the maximum number of shares available for issue under the Share Option Scheme is 29,600,000, representing approximately 6.97% of the total number of issued shares of the Company (i.e. 424,850,000 ordinary shares) as at 24 March 2020.

(d) Maximum entitlement of each Eligible Person under the Share Option Scheme

No option may be granted to any one Eligible Person in any 12-month period which, if exercised in full, would result in the total number of shares already issued to such Eligible Person under all the options previously granted to him/her which have been exercised and, issuable to him/her under all the options previously granted to him/her which are for the time being subsisting and unexercised, exceeding 1% of the share capital of the Company in issue on the last date of such 12-month period unless being approved by the shareholders of the Company in a general meeting.

Where any proposed grant of option to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates (as defined in the Listing Rules), would result in the shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) and to be granted to such person in the 12-month period up to and including the date of the proposed grant:

- (i) representing in aggregate over 0.1% of the total number of shares in issue for the time being; and
- (ii) the aggregate value of which, based on the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the proposed grant, is in excess of HK\$5.0 million, such proposed grant of option shall be subject to the prior approval of the shareholders of the Company at a general meeting in which all connected persons for the time being of the Company (if any) (except where any connected person intends to vote against the proposed grant of option and his/her intention to do so has been stated in the circular) shall abstain from voting at such general meeting and at which any vote taken shall be taken on a poll.

於2019年12月31日，概無任何購股權未行使及概無任何購股權根據購股權計劃授出、行使、註銷及失效。於本報告日期，根據購股權計劃可發行之股份數目上限為29,600,000股，佔本公司於2020年3月24日已發行股份總數(即424,850,000股普通股股份)約6.97%。

(d) 購股權計劃項下每位合資格人士可獲授購股權之上限

倘於任何12個月期間內向任何一位合資格人士授出之購股權獲悉數行使時，會導致該合資格人士因過往獲授及已行使之所有購股權而獲發行之股份，及過往獲授仍有效且未行使之所有購股權而須予發行之股份，合計總數超過於該12個月期間最後一日之本公司已發行股本之1%，則不可向該合資格人士授出有關購股權，惟經本公司股東於股東大會上批准則除外。

倘向本公司之主要股東或獨立非執行董事或彼等各自之任何聯繫人(定義見上市規則)建議授出購股權，而將會導致於截至(及包括)建議授出日期止12個月期間向該人士已授出(包括已行使、註銷及未行使之購股權)及將授出之所有購股權獲行使而已發行及將予發行之股份：

- (i) 合共超過當時已發行股份總數之0.1%；及
- (ii) 根據於建議授出日期聯交所發出之每日報價表所載股份之收市價計算，總值超過港幣5,000,000元，則授出購股權的建議須事先獲得本公司股東於股東大會上批准，而本公司當時的所有關連人士(如有)不得於該股東大會上投票(惟擬投票反對該項授出購股權建議並已在通函中表明其意向的任何關連人士除外)，及該股東大會須以投票表決方式進行表決。

(e) Period for and payment on acceptance of an option

An offer for grant of an option must be accepted by an Eligible Person (and by no other person) in respect of all the shares for which the offer is made. Acceptance shall be made by such Eligible Person by signing and returning the duplicate of the offer letter together with the payment of a consideration of HK\$1.00 for such grant to the Company within the time period specified in the offer letter.

(f) The basis of determining the subscription price

The subscription price in respect of any option granted under the Share Option Scheme shall be a price determined by the Board and notified to each grantee and shall not be less than the highest of (i) the nominal value of a share; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which an offer for grant of an option (the "New Offer Date") is made to an Eligible Person; and (iii) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the New Offer Date which must be a business day, provided that the subscription price shall be rounded upwards to the nearest whole cent.

(g) Minimum period for holding an option before exercise

There is no minimum holding period for which an option must be held before exercise pursuant to the Share Option Scheme. The commencement date of the period during which an option may be exercised shall be specified by the Board in the relevant offer letter.

(h) Remaining life

The Share Option Scheme shall be valid and effective for a period of ten years commencing on 17 June 2013, the date of adoption of the Share Option Scheme, unless otherwise terminated in accordance with the rules of the Share Option Scheme.

(e) 接納購股權之期限及付款

合資格人士(及並無其他人士)可就其獲授之購股權下全部股份接納有關授出購股權的要約。接納要約須於要約函件指定時限內，由該合資格人士將要約函件副本正式簽妥並連同港幣 1.00 元作為有關授出之代價交回本公司。

(f) 釐定認購價之基準

根據購股權計劃所授出任何購股權的認購價須由董事會釐定及通知各承授人，惟不得低於下列三者中的最高者：(i) 股份之面值；(ii) 於緊接授出購股權要約予合資格人士日期(「新要約日期」)前5個營業日股份在聯交所每日報價表所載之平均收市價；及(iii) 於新要約日期(必須為營業日)股份在聯交所每日報價表所載之收市價，惟認購價不足1仙的金額亦作1仙計算。

(g) 購股權行使前須持有之最短期限

根據購股權計劃，購股權於行使前並無須持有之最短期限。購股權可獲行使之期間的開始日期應由董事會於有關要約函件內訂明。

(h) 餘下期限

除根據購股權計劃之規則予以終止外，購股權計劃由2013年6月17日(即採納購股權計劃之日期)起計十年期間內生效及維持有效。

DIRECTORS' REPORT

董事會報告

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Year, the Company has the Share Option Scheme pursuant to which options may be granted, inter alia, to the Directors.

Save as disclosed in "Share Option Scheme" above, at no time during the Reporting Year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

During the period from 1 January 2019 to 23 April 2019, Mr. Terence Leung Siu Cheong ("Mr. Leung") was a former Executive Director and the Deputy Chairman of the Company and the Managing Director for ISP Business. To the best knowledge, information and belief, Mr. Leung was, during the said period, (i) the legal representative and a director of Hsin Chong Construction Co. Ltd* (新昌營造建築有限公司) ("Hsin Chong CCL"), and person in charge of the branches of Hsin Chong CCL, and (ii) a director of Zhuhai Hengqin New Area HCCG Construction Management Co., Ltd. * (珠海橫琴新區新昌建設管理有限公司), which are wholly foreign owned enterprises established in the PRC and engaged in building construction and civil engineering business activities. Accordingly, Mr. Leung appeared to have interests in business which competed or were likely to be compete with the Group's building construction and civil engineering business by virtue of his common directorship.

However, the Directors considered that such competition, if any, was neither significant nor material to the Group as a whole. Furthermore, there was no evidence to show that Mr. Leung had not fulfilled his fiduciary duties in order to ensure that he had acted in the best interest of the shareholders and the Company as a whole during his term of office. Hence, the Group has been capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

Save as disclosed above, none of the Directors (excluding Independent Non-executive Directors) nor their respective associates had any interest in business which competes or is likely to compete, either directly or indirectly, with the business of the Group for the Reporting Year.

* for identification purposes only

董事認購股份或債券之權利

於報告年度內，本公司擁有購股權計劃，據此，本公司可授出購股權予(其中包括)董事。

除上文「購股權計劃」所披露者外，本公司、其控股公司或其任何附屬公司於報告年度內任何時間概無訂立任何安排，致使董事或彼等的配偶或18歲以下的子女可透過購買本公司或任何其他法人團體之股份或債券而從中獲取利益。

董事於競爭業務之權益

由2019年1月1日至2019年4月23日，梁兆昌先生(「梁先生」)為本公司前執行董事及副主席兼室內裝飾及特殊項目業務董事總經理。據深知、全悉及確信，梁先生於前述期間，擔任：(i)新昌營造建築有限公司(「新昌營造建築」)之法定代表人及董事及新昌營造建築分公司負責人；及(ii)珠海橫琴新區新昌建設管理有限公司之董事，兩者均為於中國成立之中國外商獨資企業，從事樓宇建造及土木工程業務活動。據此，由於梁先生為共同董事，就與本集團樓宇建造及土木工程業務有或可能有競爭之業務而言，梁先生似乎於當中擁有權益。

然而，董事認為有關競爭(如有)整體上對本集團而言並不重要或重大。此外，概無證據顯示梁先生並無履行其受信責任，以確保其於任內以股東及本公司的整體最佳利益行事。因此，本集團能夠獨立於上述公司的業務而公平地經營業務。

除上文披露者外，董事(不包括獨立非執行董事)或其各自的聯繫人於截至報告年度概無擁有與本集團業務直接或間接構成競爭或可能構成競爭的業務之權益。

* 僅供識別

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Convertible Preference Shares

The Company issued and allotted 80,000,000 convertible preference shares ("CPSs"), as part of the consideration for the acquisition of ISP Business in late 2012. The CPSs may be convertible into the ordinary shares at HK\$0.75 per share subject to satisfaction of the minimum public float requirements under the Listing Rules. As at 31 December 2019 and up to the date of this report, none of the CPSs was converted nor redeemed.

Convertible Bonds

The Company placed the convertible bonds in an aggregate principal amount of HK\$42,000,000 (the "Convertible Bonds") on 18 November 2019 pursuant to the placing agreement dated 24 October 2019 (the "Placing") by the placing agents to six placees, being individual, corporate investors who are the independent third parties and are not connected with the Company as well as its connected persons, whereby the Convertible Bonds may be convertible into a maximum of 84,000,000 conversion shares based on the initial conversion price of HK\$0.50 per conversion share upon exercise in full of the conversion rights attaching to the Convertible Bonds. As at 31 December 2019 and up to the date of this report, no conversion share has been issued under the Convertible Bonds which will be due in November 2021.

可換股證券、購股權、認股權證或類似權利

可轉換優先股

本公司發行及配發 80,000,000 股可轉換優先股（「可轉換優先股」）股份，作為於 2012 年年末收購室內裝飾及特殊項目業務之部份代價。可轉換優先股可按每股港幣 0.75 元轉換為普通股，惟須符合上市規則規定之最低公眾持股量。截至 2019 年 12 月 31 日及直至本報告日期，概無轉換或贖回可轉換優先股。

可換股債券

本公司於 2019 年 11 月 18 日根據日期為 2019 年 10 月 24 日的配售協議透過配售代理向六名承配人配售本金總額港幣 42,000,000 元的可換股債券（「可換股債券」）（「配售事項」），承配人為個人及公司投資者（為獨立第三方及與本公司及其關連人士概無關連），據此可換股債券可於可換股債券附帶的轉換權獲悉數行使後按初步兌換價每股換股股份為港幣 0.50 元換為最多 84,000,000 股換股股份。於 2019 年 12 月 31 日及直至本報告日期，概無根據可換股債券發行換股股份，而可換股債券將於 2021 年 11 月到期。

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The gross and net proceeds from the placing amounted to approximately HK\$42,000,000 and HK\$41,000,000 respectively. The net issue price for the Placing is approximately HK\$0.49 per conversion share. The net proceeds from the Placing were fully used as the general working capital of the Group according to the purpose of the Placing. The details of the Placing are set out in the announcements of the Company dated 24 October 2019 and 18 November 2019 as well as note 25 to the financial statements in this annual report.

Save as above and other than the share option scheme described in the paragraph titled "Share Option Scheme" above and in note 33 to the financial statements, the Company had no outstanding convertible securities, options, warrants or similar rights as at 31 December 2019. There was no issue or exercise of any convertible securities, options, warrants or similar rights during the Reporting Year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Year.

RETIREMENT SCHEMES

The Group participated in mandatory provident fund schemes in Hong Kong and in the municipal government contribution scheme in China. Particulars of the retirement schemes are set out in note 4(i)(c) to the financial statements.

配售事項所得款項總額及淨額分別為約港幣42,000,000元及港幣41,000,000元。配售事項淨發行價約為每股換股股份港幣0.49元。配售事項所得款項淨額將按照配售事項的用途悉數用作本集團一般營運資金。配售事項詳情載於本公司日期為2019年10月24日及2019年11月18日的公告，以及本年報之財務報表附註25。

除上文及上述「購股權計劃」一段及財務報表附註33所述之購股權計劃外，於2019年12月31日，本公司概無任何尚未發行之可換股證券、購股權、認股權證或類似權利。本報告年度內，概無任何可換股證券、購股權、認股權證或類似權利獲發行或行使。

管理合約

本報告年度內，概無就本公司全部或任何主要業務部份訂立或訂有任何管理及行政合約。

退休計劃

本集團參與香港強制性公積金計劃及中國市級政府供款計劃。該等退休計劃詳情載於財務報表附註4(i)(c)。

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

As at 31 December 2019, the following person/entity (other than Directors or chief executive of the Company) had or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests and short positions of substantial shareholders (the "Register of Substantial Shareholders") required to be kept by the Company pursuant to section 336 of the SFO:

Long Positions in the Shares and Underlying Shares of the Company

(a) Ordinary Shares

Name of Shareholders 股東名稱	Capacity 身份	Number of ordinary shares held 持有之普通股股份數目	Approximate percentage of interests in the total number of issued shares 佔已發行股份總數之概約權益百分比 (Note (ii)) (附註(ii))
Chu Yuet Wah ("Mrs. Chu") 李月華(「李女士」)	Interests of controlled corporation 受控法團權益	225,518,633 (Note (i)) (附註(i))	53.08%
Champ Key Holdings Limited ("Champ Key")	Beneficial owner 實益擁有人	225,518,633	53.08%

Notes:

- (i) Champ Key being a company wholly-owned by Mrs. Chu is deemed to be a controlled corporation of Mrs. Chu under the SFO.
- (ii) There were 424,850,000 ordinary shares of the Company in issue as at 31 December 2019.

附註：

- (i) 根據證券及期貨條例，Champ Key(李女士全資擁有之公司)被視為李女士之受控法團。
- (ii) 本公司截至2019年12月31日之已發行普通股股份為424,850,000股。

主要股東於本公司股份及相關股份中擁有之權益及淡倉

截至2019年12月31日，根據證券及期貨條例第336條本公司須予存置之主要股東權益及淡倉登記冊(「主要股東登記冊」)所記錄，下列人士／實體(本公司董事或行政總裁除外)於本公司股份及相關股份中擁有或被視為擁有權益或淡倉：

於本公司股份及相關股份之好倉

(a) 普通股股份

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(b) Convertible Preference Shares

(b) 可轉換優先股

Name of Shareholders	Capacity	Number of convertible preference shares held	Approximate percentage of interests in the total number of issued shares
股東名稱	身份	持有之可轉換優先股數目	佔已發行股份總數之概約權益百分比 (Note (ii)) (附註(ii))
Mrs. Chu 李女士	Interests of controlled corporation 受控法團權益	80,000,000 (Note (i)) (附註(i))	100%
Champ Key	Beneficial owner 實益擁有人	80,000,000	100%

Notes:

- (i) The Company issued and allotted 80,000,000 CPSs to Smart Lane Holdings Limited ("Smart Lane"), as part of the consideration for the acquisition of ISP business in late 2012. As disclosed in the joint announcement of Champ Key and the Company dated 30 November 2016, Champ Key (a company wholly-owned by Mrs. Chu) as the offeror entered into the sale and purchase agreement with Smart Lane as the vendor of the sale and purchase of 169,116,777 ordinary shares and 80,000,000 CPSs. Champ Key being a company wholly-owned by Mrs. Chu is deemed to be a controlled corporation of Mrs. Chu under the SFO.
- (ii) There were 80,000,000 CPSs of the Company in issue as at 31 December 2019.

附註：

- (i) 本公司向Smart Lane Holdings Limited(「Smart Lane」)發行及配發80,000,000股可轉換優先股股份，作為於2012年年末收購室內裝飾及特殊項目業務之部份代價。誠如Champ Key及本公司日期為2016年11月30日之聯合公告所披露，由李女士全資擁有之公司Champ Key(作為要約人)與Smart Lane(作為買賣169,116,777股普通股及80,000,000可轉換優先股之賣方)訂立買賣協議。根據證券及期貨條例，Champ Key(李女士全資擁有之公司)被視為李女士之受控制法團。
- (ii) 本公司截至2019年12月31日之已發行可轉換優先股股份為80,000,000股。

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any persons/entities (other than Directors or chief executive of the Company) who/which had or were deemed or taken to have any other interests or short positions in the shares or underlying shares of the Company as recorded in the Register of Substantial Shareholders required to be kept by the Company pursuant to section 336 of the SFO.

除上文所披露者外，於2019年12月31日，董事並無獲悉任何人士／實體(本公司董事或行政總裁除外)於本公司股份及相關股份中擁有或被視為擁有記錄於本公司根據證券及期貨條例第336條須予存置之主要股東登記冊之任何其他權益或淡倉。

CONTINUING CONNECTED TRANSACTIONS

During the Reporting Year, the Company and/or its subsidiaries had entered into the following continuing connected transactions which are subject to annual review and reporting requirements under Chapter 14A of the Listing Rules:

(a) General Business Services Master Agreement

The Company entered into a General Business Services Master Agreement on 8 September 2017 with Mrs. Chu, pursuant to which Mrs. Chu and/or her associates may engage the Group to provide general business services. The annual cap for the General Business Services Master Agreement for the Reporting Year was HK\$10,000,000. Details of the transaction were summarised below and disclosed in the announcement of the Company dated 8 September 2017.

持續關連交易

於報告年度內，本公司及／或其附屬公司已訂立下列須遵守上市規則第14A章之年度審核及申報規定的持續關連交易：

(a) 一般業務服務總協議

於2017年9月8日，本公司與李女士訂立一般業務服務總協議，據此李女士及／或其聯繫人可委聘本集團提供一般業務服務。截至報告年度，一般業務服務總協議的年度上限為港幣10,000,000元。交易詳情於下表總結及本公司日期為2017年9月8日的公告內披露。

Connected person(s) 關連人士	Date of agreement(s) 協議日期	Terms 期限	Particulars 詳情	Annual cap 年度上限 (HK\$'000) (港幣千元)	Annual consideration 年度代價 (HK\$'000) (港幣千元)	Nature and extent of the connected person's interest 關連人士權益性質及範圍
Mrs. Chu	General Business Services Master Agreement dated 8 September 2017	The period from 8 September 2017 to 31 December 2019 (both days inclusive)	Mrs. Chu and/or her associates to engage the Group for providing the general business services, including but not limited to, the property and assets management, real estate advisory services, fitting-out works, renovation works, general consultancy and other ancillary services	10,000	4,364	Mrs. Chu is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules.
李女士	日期為2017年9月8日之一般業務服務總協議	自2017年9月8日起至2019年12月31日止期間(包括首尾兩日)	李女士及／或其聯繫人可委聘本集團提供一般業務服務，包括但不限於物業及資產管理、房地產諮詢服務、裝修工程、翻新工程、一般諮詢及其他輔助服務			李女士為本公司之主要股東及控股股東，因而為上市規則下之關連人士。

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(b) ISP Works Master Agreement

The Company entered into an ISP Works Master Agreement on 29 March 2018 with Mrs. Chu, pursuant to which Mrs. Chu and/or her associates may engage the Group for providing ISP Works on a non-exclusive basis. The annual cap for the ISP Works Master Agreement for the Reporting Year was HK\$150,000,000. Details of the transaction were summarised below and disclosed in the announcement of the Company dated 29 March 2018 and its circular dated 24 April 2018.

Connected person(s) 關連人士	Date of agreement(s) 協議日期	Terms 期限	Particulars 詳情	Annual cap 年度上限 (HK\$'000) (港幣千元)	Annual consideration 年度代價 (HK\$'000) (港幣千元)	Nature and extent of the connected person's interest 關連人士權益性質及範圍
Mrs. Chu	ISP Works Master Agreement on 29 March 2018	The period from 1 June 2018 to 31 December 2019 (both days inclusive)	Mrs. Chu and/or her associates to engage the Group for providing ISP Works	150,000	0	Mrs. Chu is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules.
李女士	日期為2018年3月29日之室內裝飾及特殊項目工程總協議	自2018年6月1日起至2019年12月31日止期間(包括首尾兩日)	李女士及/或其聯繫人委聘本集團提供室內裝飾及特殊項目工程			李女士為本公司之主要股東及控股股東，因而為上市規則下之關連人士。

Given that the term of the above-mentioned two master agreements as well as the annual caps for the continuing connected transaction thereunder expired on 31 December 2019, the Company and Mrs. Chu entered into the General Business Services Master Agreement and the ISP Works Master Agreement for a term of three years from 1 January 2020 to 31 December 2022 (both days inclusive) on 17 December 2019.

The Directors (including the Independent Non-executive Directors) have reviewed and confirmed that all the continuing connected transactions mentioned above conducted in the year were entered into on the following basis:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreements governing these transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

(b) 室內裝飾及特殊項目工程總協議

於2018年3月29日，本公司與李女士訂立室內裝飾及特殊項目工程總協議，據此李女士及/或其聯繫人可委聘本集團按非獨家基準提供室內裝飾及特殊項目工程。截至報告年度，室內裝飾及特殊項目工程總協議的年度上限為港幣150,000,000元。交易詳情於下表總結及本公司日期為2018年3月29日的公告及日期為2018年4月24日的通函內披露。

鑑於上述兩份總協議的期限及其項下持續關連交易的年度上限於2019年12月31日屆滿，故本公司與李女士於2019年12月17日訂立一般業務服務總協議及室內裝飾及特殊項目工程總協議，自2020年1月1日起至2022年12月31日止(包括首尾兩日)為期三年。

董事(包括獨立非執行董事)已審閱並確認上文所述本年度進行的所有持續關連交易乃按照下列原則進行：

- (i) 於本集團日常及一般業務範圍內進行；
- (ii) 按照一般商業條款或更好的條款；及
- (iii) 根據監管該等交易的相關協議按公平合理並符合本公司股東整體利益的條款訂立。

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group as above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

In addition, the auditor of the Company has confirmed to the Board that nothing has come to their attention that causes them to believe that the above continuing connected transactions for the Reporting Year:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group where the transactions involve the provision of services by the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (iv) have not exceeded the relevant annual caps as disclosed in the respective previous announcements of the Company.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the continuing connected transactions mentioned above.

根據香港會計師公會發佈的香港鑒證業務準則 3000 號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明 740 號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。根據上市規則第 14A.56 條，核數師已就本集團披露的上述持續關連交易，發出無保留意見的函件，並載有其發現和結論。本公司已將核數師函件副本向聯交所提供。

此外，本公司之核數師已向董事會確認，彼等並不知悉任何事項使彼等相信上述截至報告年度之持續關連交易：

- (i) 並無獲董事會批准；
- (ii) 於所有重大方面並不符合本集團有關涉及本集團提供服務之交易之定價政策；
- (iii) 於所有重大方面並無根據規管該等交易之相關協議訂立；及
- (iv) 並無超過本公司先前公告所披露之相關年度上限。

本公司就上文所述有關的持續關連交易，已遵守上市規則第 14A 章所載之披露規定。

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MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's five largest customers accounted for approximately 31.9% (31 December 2018: 30.5%) of the Group's total revenue and the revenue attributable to the Group's largest customer accounted for approximately 9.0% (31 December 2018: 8.8%) of the Group's total revenue for the year.

The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases for the year (2018: less than 30%).

None of the Directors, any of their close associates, or 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.

BANK BORROWINGS

The particulars of bank borrowings of the Group as at 31 December 2019 are set out in note 22 to the financial statements.

DONATIONS

The Group donated HK\$53,000 (2018: HK\$22,000) for charitable and other purposes during the year.

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

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

RELATED PARTY TRANSACTIONS

Related party transactions of the Group are set out in note 34 to the financial statements. In relation to those related party transactions that also constituted connected transactions or continuing connected transactions of the Group as defined in the Listing Rules, the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

PUBLIC FLOAT

At the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and to the best of knowledge of its Directors.

主要客戶及供應商

於本年度，本集團最大5位客戶佔本集團總收益約31.9%（2018年12月31日：30.5%），而本集團最大客戶則佔本集團總收益約9.0%（2018年12月31日：8.8%）。

於本年度，本集團最大5位供應商佔本集團之總採購額少於30%（2018年：少於30%）。

董事、任何彼等之緊密聯繫人或股東（據董事所知擁有本公司已發行股本超過5%者）概無在本集團之最大5位客戶中擁有任何實益權益。

銀行貸款

本集團於2019年12月31日的銀行貸款詳情載於財務報表附註22。

捐款

本年內，本集團作出慈善及其他捐款港幣53,000元（2018年：港幣22,000元）。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於本年內概無購買、出售或贖回本公司之任何上市證券。

關連人士交易

本集團之關連人士交易載於財務報表附註34。就該等亦構成本集團關連交易或持續關連交易（定義見上市規則）之關聯方交易而言，本集團已遵守根據上市規則第14A章之相關披露規定。

公眾持股量

於本報告日期，據本公司所獲之公眾資料及董事所知悉，本公司已維持上市規則所指定之公眾持股量。

AUDITOR

PwC resigned as the auditor of the Company with effect from 19 June 2019. BDO has been appointed as the auditor of the Company with effect from 15 July 2019 to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the forthcoming AGM of the Company.

The consolidated financial statements of the Group for the Reporting Year were audited by BDO who has expressed its willingness to offer itself for re-appointment at the forthcoming AGM.

A resolution will be submitted to the forthcoming AGM to re-appoint BDO as the auditor of the Company.

On behalf of the Board

Kingston Chu Chun Ho
Chairman

Hong Kong, 24 March 2020

核數師

羅兵咸永道於2019年6月19日辭任本公司核數師。立信德豪於2019年7月15日獲委任為本公司核數師，以填補羅兵咸永道辭任後的臨時空缺，並任職至本公司屆滿股東周年大會結束為止。

本集團截至報告年度之綜合財務報表已由立信德豪審核，彼已表明願意於應屆股東周年大會上提呈重選連任。

於應屆股東周年大會上將提呈決議案重選立信德豪為本公司之核數師。

代表董事會

主席
朱俊浩

香港，2020年3月24日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF SYNERGIS HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Synergis Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 96 to 188, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“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.

BASIS FOR OPINION

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

致昇捷控股有限公司之股東
(於百慕達註冊成立之有限公司)

意見

我們已審計昇捷控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第96頁至第188頁的綜合財務報表，包括於2019年12月31日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表、綜合現金流量表及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了 貴集團於2019年12月31日的綜合財務狀況及其截至該日止年度的綜合財務報表及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及且適當地為我們的審計意見提供基礎。

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.

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

- Accounting for construction contracts — including profit recognition, and contract assets/liabilities; and
- Impairment assessment on receivables and contract assets.

ACCOUNTING FOR CONSTRUCTION CONTRACTS — INCLUDING PROFIT RECOGNITION, AND CONTRACT ASSETS/LIABILITIES

Refer to note 7 and note 18 to the consolidated financial statements

For the year ended 31 December 2019, the Group recognised revenue from construction contracts relating to the interiors and special projects which totalled approximately HK\$838.1 million. The contract assets and liabilities amounted to approximately HK\$312.9 million and approximately HK\$11.2 million respectively as at 31 December 2019.

The recognition of revenue and cost of sales for the Group's construction contracts is based on the progress towards complete satisfaction of the performance obligation.

Progress towards complete satisfaction of the performance obligation is determined by reference to work performed up to the end of the reporting period. Recognition of profit on contracts requires significant judgement and estimates of the total contract revenue and costs by management.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 建築合約之會計處理 — 包括確認溢利及合約資產／負債；及
- 應收賬款及合約資產之減值評估。

建築合約之會計處理 — 包括確認溢利及合約資產／負債

請參閱綜合財務報表附註7及附註18

截至2019年12月31日止年度，貴集團確認來自室內裝飾及特殊項目建築合約的收益合共約港幣838,100,000元。於2019年12月31日，合約資產及負債分別為約港幣312,900,000元及約港幣11,200,000元。

貴集團建築合約之收益及銷售成本乃根據履約責任完全達成的進度予以確認。

履約責任完全達成的進度乃參考報告期末所執行的工作釐定。確認合約溢利需要管理層就合約收益及成本總額行使重大判斷和估計。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Our response:

We tested the key controls on how management measure the progress towards complete satisfaction of the performance obligation, including controls on estimated total contract revenue and costs, budgeted margins, progress billings and progress payments of contracts.

Our work in relation to management's estimated total contract revenue and costs, and budgeted margins focused on the following procedures in relation to material construction contracts within the Group:

- Discussing with the Group's quantity surveyors and project managers for the status of the projects, identifying any variations, claims and provision on loss-making contracts, and obtaining explanations for fluctuations in margins and the expected recovery of variations.
- Obtaining corroborative evidence, in relation to the above points, by reviewing the project budgets, external architect's instructions, external architect's certificates of work performed and minutes of management's regular internal meetings, on a sample basis.
- Inspecting signed contracts to identify the total contract sum and terms.
- Agreeing the progress towards complete satisfaction of the performance obligation to the surveyors' latest valuation and/or external architects certificates.
- Testing the calculations of contract revenue, costs, and construction contracts assets/liabilities.
- Where applicable, inspecting correspondence with the customers and sub-contractors to obtain audit evidence on variations from customers, claims from customers and sub-contractors.

We found the assumptions made by management in relation to construction contracts (including profit recognition and contract assets and liabilities) are supported by the audit evidence available.

我們的回應：

我們已就管理層如何計量履約責任完全達成的進度的主要監控進行測試，包括就估計合約總收益及成本、預算利潤、合約進度發票及進度付款的監控。

我們對管理層於 貴集團的重大建築合約所估計的合約總收益及成本及預算利潤集中進行以下程序：

- 與 貴集團工料測量師及項目經理討論有關項目之狀況，以識別是否存在任何變更、申索及因虧蝕合約而產生的撥備，並取得有關利潤波動及預期變更回收的解釋。
- 對項目預算、外部建築師指示、外部建築師已進行工程的證書及管理層進行的定期內部會議之會議紀錄進行抽樣審閱，就上述觀點取得證據支持。
- 檢查已簽署合約，以識別合約總金額及條款。
- 核對履約責任完全達成的進度符合測量師之最近估值及／或外部建築師之證書。
- 對合約收益、成本及建築合約資產／負債的計算進行測試。
- 在適當情況下，檢查與客戶及分包商的來往資料，以就對客戶的變更指令、客戶及分包商所提出之索償取得審計證據。

根據可得之證據，我們認為管理層就建築合約作出之假設（包括確認溢利及合約資產及負債）獲可得審核證據支持。

IMPAIRMENT ASSESSMENT ON RECEIVABLES AND CONTRACT ASSETS

Refer to note 18 and note 19 to the consolidated financial statements

The Group had receivables of approximately HK\$336.6 million (after provision for impairment of approximately HK\$94.3 million) and contract assets of approximately HK\$312.9 million (after provision for impairment of approximately HK\$53.3 million) as at 31 December 2019.

Receivables of the Group comprise mainly receivables in relation to the Group's business of (i) property and facility management services, and (ii) interiors and special projects. Contract assets are in relation to the Group's business of interiors and special projects.

The recoverable amount is estimated by management based on their specific recoverability assessment on individual counterparties with reference to the aging profile, historical payment pattern, the past record of default and assessment of their financial position. Management would make specific provision against individual balances with reference to the estimated recoverable amount.

For the purpose of impairment assessment, significant judgements and assumptions include identification of impairment indicators, the credit risks of counterparty, the estimated timing and amount of future cash flows for the determination of the impairment charge.

Our response:

We performed the following procedures in relation to the recoverability of receivables and contract assets:

- Testing the accuracy of aging of trade receivables at year end on a sample basis.
- Obtaining lists of outstanding receivables and contract assets, and identifying any counterparty with potential financial difficulty through discussion with management as well as conducting market research on the industry.

應收賬款及合約資產之減值評估

請參閱綜合財務報表附註18及附註19

貴集團於2019年12月31日的應收賬款為約港幣336,600,000元(已扣除減值撥備約港幣94,300,000元)及合約資產為約港幣312,900,000元(已扣除減值撥備約港幣53,300,000元)。

貴集團之應收賬款則主要包括與 貴集團(i)物業及設施管理服務；及(ii)室內裝飾及特殊項目業務有關。合約資產與 貴集團內裝飾及特殊項目業務有關。

可回收金額乃管理層根據其個別應付方的可回收性評估而估算得出，當中參考賬齡組合、以往付款習慣、以往拖欠紀錄及評估其財務狀況。管理層會參考估算可收回金額，對個別結餘作出特定撥備。

就減值評估而言，重大判斷及假設包括識別減值跡象、應付方之信貸風險、估計時間及未來現金流量金額，以識別減值金額。

我們的回應：

我們已就應收賬款及合約資產之可收回性進行以下程序：

- 對年末貿易應收賬款的賬齡之準確性進行抽樣測試。
- 獲取應收賬款及合約資產的清單，通過與管理層討論從而識別是否存在有潛在財政困難的應付方，並對行業進行市場研究。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Assessing the recoverability of the unsettled receivables and contract assets on a sample basis through our evaluation of management's assessment with reference to the credit profile of the counterparties, historical payment pattern of the counterparties, publicly available information and latest correspondence with the counterparties and to consider if any additional provision should be made.
- Testing subsequent settlement and contract work certification of receivables and contract assets respectively after the balance sheet date on a sample basis.
- 根據管理層對未結清應收賬款及合約資產可回收性的評估，我們參照應付方的信貸組合、應付方以往付款習慣、公開資訊及與應付方的近期通信，以抽樣方式評估應收賬款之可回收性，並考慮應否作出額外撥備。
- 分別對結算日後的應收賬款及合約資產之期後結算及合約工程認證進行抽樣測試。

We found the key judgements and assumptions used by management in the recoverability assessment of receivables and contract assets to be supportable based on the available evidence.

根據可得之憑證，我們認為管理層用於應收賬款及合約資產的可回收評估之關鍵判斷及假設是有理據支持的。

OTHER MATTER

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

其他事項

貴集團截至2018年12月31日止年度的綜合財務報表乃經另一名核數師審核，該核數師於2019年3月26日對該等報表發表無修訂意見。

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

其他信息

董事須對其他信息負責。其他信息包括貴公司2019年年報內的信息，但不包括綜合財務報表及我們的核數師報告。

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

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

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.

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

董事就綜合財務報表須承擔的責任

董事負責根據香港會計師公會頒佈的《香港財務報告準則》以及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

董事負責監督 貴集團之財務申報程序。審核委員會協助董事履行其在此方面的職責。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。此報告僅按照我們的委聘條款向 閣下（作為整體）作出，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- 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.

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

BDO Limited

Certified Public Accountants

Lee Ka Leung, Daniel

Practising Certificate Number P01220

Hong Kong, 24 March 2020

- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與董事溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

香港立信德豪會計師事務所有限公司

執業會計師

李家樑

執業證書編號 P01220

香港，2020年3月24日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2019

截至2019年12月31日止年度

		Note	2019	2018
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
Revenue	收益	7	1,569,280	1,532,986
Cost of sales and service	銷售及服務成本		(1,426,860)	(1,382,846)
Gross profit	毛利		142,420	150,140
Other income	其他收入		3,424	4,952
General and administrative expenses	一般及行政開支		(93,371)	(123,466)
Interest expenses	利息開支	8	(7,338)	(6,235)
Doubtful debts recovery	收回壞賬	19	87	339
Impairment of receivables	應收賬款之減值	19	(816)	(23,271)
Impairment loss on goodwill	商譽之減值虧損	17	–	(116,794)
Impairment of contract assets	合約資產之減值	18	–	(47,162)
Loss on disposal of subsidiaries	出售附屬公司之虧損	30	–	(623)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	31	–	183
Profit/(loss) before taxation	除稅前溢利/(虧損)	9	44,406	(161,937)
Taxation	稅項	12	(6,824)	1,673
Profit/(loss) for the year	年內溢利/(虧損)		37,582	(160,264)
Profit/(loss) attributable to:	應佔溢利/(虧損)：			
Equity holders of the Company	本公司股權持有人		37,582	(160,018)
Non-controlling interests	非控股權益		–	(246)
			37,582	(160,264)
Earnings/(losses) per share	本公司股權持有人			
attributable to the equity holders	應佔每股盈利/(虧損)			
of the Company				
– basic (HK cents)	– 基本(港幣仙)	14	8.8	(37.7)
– diluted (HK cents)	– 攤薄(港幣仙)	14	7.4	(37.7)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2019
截至2019年12月31日止年度

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Profit/(loss) for the year	年內溢利／(虧損)	37,582	(160,264)
Other comprehensive income/(loss):	其他全面收益／(虧損)：		
Items that will not be reclassified to profit or loss:	其後將不會重新分類至損益之項目：		
Actuarial gain/(loss) on long service payment liabilities	長期服務金負債之精算收益／(虧損)	274	(1,055)
Items that may be subsequently reclassified to profit or loss:	可其後重新分類至損益之項目：		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(577)	(1,249)
Realisation of exchange reserve upon disposal of subsidiaries	出售附屬公司時變現匯兌儲備	-	152
Other comprehensive loss for the year	年內其他全面虧損	(303)	(2,152)
Total comprehensive income/(loss) for the year	年內全面收益／(虧損)總額	37,279	(162,416)
Total comprehensive income/(loss) attributable to:	全面應佔收益／(虧損)總額：		
Equity holders of the Company	本公司股權持有人	37,279	(162,170)
Non-controlling interests	非控股權益	-	(246)
		37,279	(162,416)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019

於2019年12月31日

		Note	2019	2018
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	15	20,387	10,960
Investment properties	投資物業	16	7,200	7,000
Deferred tax assets	遞延稅項資產	26	6,294	6,528
Prepayment	預付款項		415	2,331
Total non-current assets	非流動資產總額		34,296	26,819
Current assets	流動資產			
Contract assets	合約資產	18	312,863	293,143
Receivables	應收賬款	19	336,633	379,983
Deposits and prepayments	按金及預付款項		22,819	22,188
Taxation recoverable	可收回稅項		1,410	2,791
Cash and cash equivalents	現金及現金等值	20	116,873	103,084
Pledged bank deposits/time deposits with original maturities over three months	已抵押銀行存款／原到期日超過三個月之定期存款	20	11,471	10,866
Total current assets	流動資產總額		802,069	812,055
Current liabilities	流動負債			
Payables and accruals	應付賬款及應計費用	21	506,619	569,783
Contract liabilities	合約負債	18	15,892	10,953
Bank loans	銀行貸款	22	131,000	166,000
Lease liabilities	租賃負債	23	7,641	–
Taxation payable	應付稅項		4,231	464
Total current liabilities	流動負債總額		665,383	747,200
Net current assets	流動資產淨值		136,686	64,855
Total assets less current liabilities	資產總額減流動負債		170,982	91,674
Non-current liabilities	非流動負債			
Long service payment liabilities	長期服務金負債	24	1,576	1,963
Convertible bonds	可換股債券	25	35,882	–
Lease liabilities	租賃負債	23	2,464	–
Deferred tax liabilities	遞延稅項負債	26	400	189
Total non-current liabilities	非流動負債總額		40,322	2,152
Net assets	資產淨值		130,660	89,522

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019
於2019年12月31日

	<i>Note</i> <i>附註</i>	2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Equity attributable to equity holders of the Company 本公司股權持有人應佔權益			
Share capital 股本	27	50,486	50,486
Reserves 儲備	28	80,174	39,036
Total equity 權益總額		130,660	89,522

The notes on pages 102 to 188 are an integral part of these consolidated financial statements.

第102至第188頁之附註為該等綜合財務報表之組成部分。

The financial statements were approved by the Board of Directors on 24 March 2020 and were signed on its behalf.

財務報表經董事會於2020年3月24日批准，並由以下人士代表簽署。

Kingston Chu Chun Ho

朱俊浩

Chairman

主席

Mandy Hui Suk Man

許淑敏

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019
截至2019年12月31日止年度

		Attributable to equity holders of the Company 歸屬於本公司股權持有人								
		Share capital	Share premium	Merger reserve	Exchange reserve	Equity component of convertible bonds	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total Equity
		股本	股份溢價	合併儲備	匯兌儲備	可換股債券之權益部分	保留溢利/ (累計虧損)	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2019	於 2019年1月1日	50,486	185,420	1,513	(1,947)	-	(145,950)	89,522	-	89,522
Change in accounting policy (note 2(a))	會計政策變動(附註2(a))	-	-	-	-	-	(1,321)	(1,321)	-	(1,321)
Restated total equity at 1 January 2019	於2019年1月1日的經重列權益總額	50,486	185,420	1,513	(1,947)	-	(147,271)	88,201	-	88,201
Profit for the year	年內溢利	-	-	-	-	-	37,582	37,582	-	37,582
Other comprehensive income/(loss):	其他全面收益/(虧損):									
Actuarial gain on long service payment liabilities	長期服務金負債之精算收益	-	-	-	-	-	274	274	-	274
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	-	-	-	(577)	-	-	(577)	-	(577)
Total other comprehensive income/(loss)	其他全面收益/(虧損)總額	-	-	-	(577)	-	274	(303)	-	(303)
Total comprehensive income/(loss)	全面收益/(虧損)總額	-	-	-	(577)	-	37,856	37,279	-	37,279
Issue of convertible bonds	發行可換股債券	-	-	-	-	5,180	-	5,180	-	5,180
At 31 December 2019	於 2019年12月31日	50,486	185,420	1,513	(2,524)	5,180	(109,415)	130,660	-	130,660
At 1 January 2018	於 2018年1月1日	50,486	185,420	1,513	(850)	-	15,416	251,985	(1,158)	250,827
Change in accounting policy	會計政策變動	-	-	-	-	-	(293)	(293)	-	(293)
Restated total equity at 1 January 2018	於2018年1月1日的經重列權益總額	50,486	185,420	1,513	(850)	-	15,123	251,692	(1,158)	250,534
Loss for the year	年內虧損	-	-	-	-	-	(160,018)	(160,018)	(246)	(160,264)
Other comprehensive income/(loss):	其他全面收益/(虧損):									
Actuarial loss on long service payment liabilities	長期服務金負債之精算虧損	-	-	-	-	-	(1,055)	(1,055)	-	(1,055)
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	-	-	-	(1,249)	-	-	(1,249)	-	(1,249)
Realisation of exchange reserve upon disposal of subsidiaries	出售附屬公司時變現匯兌儲備	-	-	-	152	-	-	152	-	152
Total other comprehensive loss	其他全面虧損總額	-	-	-	(1,097)	-	(1,055)	(2,152)	-	(2,152)
Total comprehensive loss	全面虧損總額	-	-	-	(1,097)	-	(161,073)	(162,170)	(246)	(162,416)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	1,404	1,404
At 31 December 2018	於 2018年12月31日	50,486	185,420	1,513	(1,947)	-	(145,950)	89,522	-	89,522

The note on pages 102 to 188 are an integral part of these consolidated financial statements.

第102至第188頁之附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019

截至2019年12月31日止年度

		Note	2019	2018
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
Operating activities	經營業務			
Cash generated from operations	經營業務產生之現金	29(a)	32,597	10,866
Interest received	已收利息		522	243
Interest paid	已付利息		(6,383)	(6,279)
Income taxes paid	已付所得稅		(1,231)	(5,041)
Net cash generated from/(used in) operating activities	經營業務產生/(耗用)之現金淨額		25,505	(211)
Investing activities	投資業務			
Purchase of property, plant and equipment	購買物業、機器及設備		(5,040)	(3,565)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項		413	346
Disposal of subsidiaries, net of cash disposed	出售附屬公司，扣除已出售現金	30 & 31	-	(1,583)
Increase in pledged bank deposits/time deposits with original maturities over three months	增加已抵押銀行存款/原到期日超過三個月之定期存款		(605)	(7,200)
Net cash used in investing activities	投資業務耗用之現金淨額		(5,232)	(12,002)
Financing activities	融資業務			
Drawdown of bank loans	動用銀行貸款	29(b)	35,000	65,000
Repayment of bank loans	償還銀行貸款		(70,000)	(61,402)
Proceeds from issuance of 7% convertible bonds, net of transaction costs	發行7%可換股債券所得款項，扣除交易成本		40,749	-
Repayment of principal portion of the lease liabilities	償還租賃負債之本金部分		(12,297)	-
Net cash (used in)/generated from financing activities	融資業務(耗用)/產生之現金淨額		(6,548)	3,598
Net increase/(decrease) in cash and cash equivalents	現金及現金等值增加/(減少)之淨額		13,725	(8,615)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值		103,084	112,532
Exchange gain/(loss) on cash and cash equivalents	現金及現金等值之匯兌收益/(虧損)		64	(833)
Cash and cash equivalents at the end of the year	年末之現金及現金等值		116,873	103,084

The note on pages 102 to 188 are an integral part of these consolidated financial statements.

第102至第188頁之附註為該等綜合財務報表之組成部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1. GENERAL INFORMATION

The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company on 4 August 2003. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 October 2003.

The principal business of the Group is principally engaged in the provision of PFM Business and ISP Business in Hong Kong, China and Macau.

The consolidated financial statements are presented in thousands of Hong Kong dollars (HK\$), unless otherwise stated, and were approved for issue by the Board on 24 March 2020.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) Adoption of new/revised standards — effective 1 January 2019

The HKICPA has issued a number of new or amended standards, interpretations and amendments to standards that are first effective for the current accounting period of the Group:

HKFRS 16	Lease
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan amendment, curtailment or settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23	Annual Improvements to HKFRSs 2015–2017 Cycle

The impacts of the adoption of HKFRS 16 Leases have been summarised below. The other new or amended standards that are effective from 1 January 2019 did not have any material impact on the Group's accounting policies.

1. 一般資料

本公司於2003年8月4日根據1981年百慕達公司法在百慕達註冊成立為獲豁免公司。註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda。本公司股份於2003年10月9日在香港聯合交易所有限公司(「聯交所」)上市。

本集團之主要業務為於香港、中國及澳門主要從事提供物業及設施管理業務以及室內裝飾及特殊項目業務。

除另有列明者外，本綜合財務報表以港幣千元列示，並已於2020年3月24日經董事會批准刊發。

2. 採納香港財務報告準則

(a) 採納新訂／經修訂準則 — 於2019年1月1日生效

香港會計師公會已頒佈多項於本集團的當前會計期間首次生效的新訂或經修訂、詮釋及準則修訂本：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會) — 詮釋第23號	有關所得稅處理方法之不明朗因素
香港財務報告準則第9號之修訂	具有負補償的提前還款特性
香港會計準則第19號之修訂	計劃修訂、縮減或結算
香港會計準則第28號之修訂	聯營及合營企業之長期權益
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號之修訂	2015年至2017年週期之年度改進

採納香港財務報告準則第16號的影響於下文概述。於2019年1月1日生效的其他新訂或經修訂準則對本集團的會計政策概無任何重大影響。

(i) Impact of the adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases (“HKAS 17”), 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. From a lessee’s perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor’s perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group’s accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (v) of this note.

The Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application. The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

(i) 採納香港財務報告準則第16號之影響

香港財務報告準則第16號對租賃會計的會計處理作出重大更改，主要是承租人的會計處理方面。其取代香港會計準則第17號租賃（「香港會計準則第17號」）、香港（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包括租賃、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交易之內容。從承租人角度來看，絕大部分租賃於財務狀況表確認為使用權資產及租賃負債，惟相關資產價值較低或被釐定為短期租賃的租賃該原則的例外情況除外。從出租人角度來看，會計處理大致與香港會計準則第17號一致。有關香港財務報告準則第16號對租賃的新定義、其對本集團會計政策的影響以及香港財務報告準則第16號項下准許本集團採納的過渡方法的詳情，請參閱本附註第(ii)至(v)條。

本集團已採用累計影響法應用香港財務報告準則第16號，並於初次應用日期確認首次應用香港財務報告準則第16號的所有累計影響為期初保留溢利結餘的調整。2018年呈列的比較資料概無予以重列並繼續根據香港會計準則第17號及香港財務報告準則第16號過渡條文準許的相關詮釋呈報。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The following tables summarised the impact of transition to HKFRS 16 on statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows (increase/(decrease)):

下表概述過渡至香港財務報告準則第16號對截至2018年12月31日至2019年1月1日的財務狀況表的影響如下(增加/(減少)):

HK\$'000
港幣千元

Statement of financial position as at 1 January 2019	2019年1月1日的財務狀況表	
Right-of-use assets presented in property, plant and equipment	於物業、機器及設備呈列的使用權資產	14,946
Payables and accruals	應付賬款及累計費用	2,836
Non-current lease liabilities	非流動租賃負債	2,468
Current lease liabilities	流動租賃負債	10,963
Retained earnings	保留溢利	(1,321)

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

以下對賬闡述於2018年12月31日未應用香港會計準則第17號披露的經營租賃承擔與於2019年1月1日的財務狀況表確認於首次應用日期的租賃負債之對賬情況:

HK\$'000
港幣千元

Reconciliation of operating lease commitment to lease liabilities	經營租賃承擔與租賃負債對賬	
Operating lease commitment as of 31 December 2018	於2018年12月31日的經營租賃承擔	14,283
Future interest expenses	將來利息開支	(852)
Total lease liabilities as of 1 January 2019	於2019年1月1日的租賃負債總額	13,431
Of which are:	其中有:	
Current lease liabilities	流動租賃負債	10,963
Non-current lease liabilities	非流動租賃負債	2,468
		13,431

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position as at 1 January 2019 is 4.7%.

於2019年1月1日的財務狀況表確認的租賃負債適用的加權平均承租人增量借款利率為4.7%。

(ii) The new definition of a lease

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

(iii) Accounting as a lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the commencement date of a lease.

(ii) 租賃的新定義

根據香港財務報告準則第16號，租賃被定義為一項合約或合約的一部分以代價於一段時間內獲得資產(相關資產)的使用權。當客戶於整個使用期間同時：(a)有權獲取使用已識別資產帶來的絕大部分經濟利益及(b)有權指示已識別資產的用途時，合約附帶權利可於一段時間內控制已識別資產的用途。

(iii) 作為承租人的會計處理

根據香港會計準則第17號，承租人須根據租賃資產擁有權隨附風險及回報與出租人或承租人的相關程度將租賃分類為經營租賃或融資租賃。倘租賃釐定為經營租賃，承租人將於租賃期內將經營租賃項下的租賃付款確認為開支。租賃項下的資產將不會於承租人的財務狀況表內確認。

根據香港財務報告準則第16號，所有租賃(不論為經營租賃或融資租賃)須於財務狀況表資本化為使用權資產及租賃負債，惟香港財務報告準則第16號為實體提供會計政策選擇，可選擇不將(i)屬短期租賃的租賃及／或(ii)相關資產為低價值的租賃進行資本化。與該等租賃相關的租賃付款已於租賃期內按直線法攤銷。

本集團於租賃開始日期確認使用權資產及租賃負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Right-of-use asset

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

Lease liability

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

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

使用權資產

使用權資產應按成本確認並將包括：(i) 初步計量租賃負債的金額（見下文有關租賃負債入賬的會計政策）；(ii) 於開始日期或之前作出的任何租賃付款減已收取的任何租賃獎勵；(iii) 承租人產生的任何初步直接成本；及(iv) 承租人將相關資產分解及移除至合約條款及條件規定的狀況將產生的估計成本，除非該等成本乃為生產存貨而產生則除外。根據成本模式，本集團按成本減任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債的任何重新計量作出調整。

租賃負債

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

下列並非於租賃開始日期支付的租賃期內就相關使用權資產支付的款項被視為租賃付款：(i) 固定付款減任何應收租賃獎勵；(ii) 初步按開始日期之指數或利率計量的浮動租賃付款（取決於指數或利率）；(iii) 承租人根據剩餘價值擔保預期應支付的款項；(iv) 倘承租人合理確定行使購買選擇權，該選擇權的行使價；及(v) 倘租賃期反映承租人行使選擇權終止租賃，終止租賃的罰款付款。

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

(iv) Accounting as a lessor

The Group has leased out its investment properties to a number of tenants. As the accounting under HKFRS 16 for a lessor is substantially unchanged from the requirements under HKAS 17, the adoption of HKFRS 16 does not have significant impact on these condensed consolidated financial statements.

(v) Transition

As mentioned above, the Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application (1 January 2019). The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 January 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2019.

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

(iv) 作為出租人的會計處理

本集團出租其投資物業予多名租戶。由於香港財務報告準則第16號項下出租人的會計處理與香港會計準則第17號項下規定大致不變，採納香港財務報告準則第16號對該等簡明綜合財務報表並無重大影響。

(v) 過渡

承如上文所述，本集團已採用累計影響法應用香港財務報告準則第16號及於初次應用日期(2019年1月1日)確認初次應用香港財務報告準則第16號的所有累計影響為期初保留溢利結餘的調整。2018年呈列的比較資料概無予以重列並繼續根據香港會計準則第17號及香港財務報告準則第16號過渡條文准許的相關詮釋呈報。

本集團已於2019年1月1日就先前應用香港會計準則第17號分類為經營租賃的租賃確認租賃負債並採用於2019年1月1日的承租人增量借款利率貼現按餘下租賃付款的現值計量該等租賃負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The Group has elected to recognise all the right-of-use assets at 1 January 2019 for leases previously classified operating leases under HKAS 17 as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. For all these right-of-use assets, the Group has applied HKAS 36 Impairment of Assets at 1 January 2019 to assess if there was any impairment as on that date.

The Group has also applied the follow practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; and (ii) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int4.

(b) New/revised standards that have been issued but are not yet effective

The following new/revised standards, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

本集團已選擇於2019年1月1日就先前根據香港會計準則第17號分類為經營租賃的租賃確認所有使用權資產，猶如香港財務報告準則第16號自開始日期起已經應用，惟採用初步應用日期的承租人增量借款利率進行貼現。就所有該等使用權資產而言，本集團已於2019年1月1日應用香港會計準則第36號資產減值以評估該日是否有任何減值。

本集團亦已應用下列實際權宜方法：(i)就具有合理相似特徵的租賃組合應用單一貼現率；及(ii)倘合約載有延長或終止租賃的選擇權，則於事後釐定租賃期。

此外，本集團亦已應用實際權宜方法以便：(i)將香港財務報告準則第16號應用於本集團先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包括租賃識別為租賃的所有租賃合約及(ii)並無將香港財務報告準則第16號應用於先前並無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號識別為含有租賃的合約。

(b) 已頒佈但尚未生效之新訂／經修訂準則

以下與本集團財務報表潛在相關之新訂／經修訂準則已經頒佈，但尚未生效，且未獲本集團提早採納。本集團目前計劃於該等準則生效日期應用該等變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Amendments to HKFRS 3	Definition of a Business ¹	香港財務報告準則 第3號(修訂)	業務的定義 ¹
Amendments to HKAS 1 and HKAS 8	Definition of Material ¹	香港會計準則第1號 及香港會計準則第8號 (修訂)	重大之定義 ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform 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)	利率基準改革 ¹
HKFRS 17	Insurance Contracts ²	香港財務報告準則 第17號	保險合約 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³	香港財務報告準則第10號 及香港會計準則第28號 (修訂)	投資者與其聯營公司 或合營企業之間的 資產出售或注資 ³
¹	Effective for annual periods beginning on or after 1 January 2020	¹	於2020年1月1日開始或之後開始之 年度期間生效
²	Effective for annual periods beginning on or after 1 January 2021	²	於2021年1月1日開始或之後開始之 年度期間生效
³	Effective for annual periods to be determined	³	生效的年度期間有待確定

Amendments to HKFRS 3 — Definition of a Business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a “substantive process”. Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of “outputs” and a “business” to focus on returns from selling goods and services to customers, rather than on cost reductions. An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to HKAS 1 and HKAS 8 — Definition of Material

The amendments clarify the definition and explanation of “material”, aligning the definition across all HKFRS Standards and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

香港財務報告準則第3號(修訂) — 業務的定義

該等修訂澄清業務必須包括至少一項投入及一個實質性過程，而兩者對創造產出之能力有重大貢獻，並對「實質性過程」之定義提供廣泛指引。此外，該等修訂取消市場參與者是否有能力取代任何缺失之投入或過程及持續產出之評估，同時收窄「產出」及「業務」之定義範圍，重點關注向客戶銷售商品及服務所得之回報而非降低成本。該等修訂亦加入選擇性之集中度測試，允許簡化所收購之一組活動及資產是否並非業務之評估。

香港會計準則第1號及香港會計準則第8號(修訂) — 重大之定義

該等修訂澄清「重大」之定義及解釋，與所有香港財務報告準則及概念框架之定義相同，且將香港會計準則第1號之支持性規定納入定義。

**Amendments to HKFRS 9, HKAS 39 and HKFRS 7
— Interest Rate Benchmark Reform**

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

HKFRS 17 — Insurance Contracts

HKFRS 17 will replace HKFRS 4 as a single principle-based standard for the recognition, measurement, presentation and disclosure of insurance contracts in the financial statements of the issuers of those contracts.

**Amendments to HKFRS 10 and HKAS 28 — Sale or
Contribution of Assets between an Investor and its
Associate or Joint Venture**

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

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) — 利率基準改革

該等修訂修改若干特定對沖會計規定，以就利率基準改革導致不確定因素之潛在影響給予寬限。此外，該等修訂要求公司向投資者提供額外有關彼等直接受該等不確定因素影響之對沖關係的資料。

香港財務報告準則第17號 — 保險合約

香港財務報告準則第17號將取代香港財務報告準則第4號，作為於保險合約發行人的財務報表確認、計量、呈列及披露該等合約的單一原則性準則。

香港財務報告準則第10號及香港會計準則第28號之修訂 — 投資者與其聯營公司或合營企業之間的資產出售或注資

該等修訂澄清實體向其聯營公司或合營企業出售或出資資產時應確認之收益或虧損之程度。當交易涉及業務時，收益或虧損獲悉數確認，相反，當交易涉及不構成業務之資產時，收益或虧損僅在無關投資者在合營企業或聯營公司中之權益範圍內確認。

本集團尚未能確定該等新公佈是否對本集團之會計政策及財務報表造成重大變動。

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values, at the end of each reporting period, as explained in the accounting policies set out below.

(c) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

(d) Functional and presentation currency

The financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

3. 編製基準

(a) 合規聲明

綜合財務報表乃根據所有適用香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（下文統稱為「香港財務報告準則」）及香港公司條例之披露規定編製。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）規定的適用披露事項。

(b) 計量基準

誠如下文所載的會計政策所說明，除投資物業及若干金融工具按公允值計量外，各報告期末之綜合財務報表乃根據歷史成本基準編製。

(c) 使用估計及判斷

在遵照香港財務報告準則編製財務報表時，須採用若干關鍵會計估算，管理層亦須在應用本集團會計政策之過程中作出判斷。涉及高程度判斷或複雜性，或相關假設及估計對簡明財務報表屬重大的有關領域披露於附註6。

(d) 功能及呈列貨幣

財務報表乃以港幣（「港幣」）呈列，其與本公司功能貨幣相同。除另有指明者外，所有價值會取捨至最接近的千位數。

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree, if any, is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

4. 重大會計政策

(a) 業務合併及綜合基準

綜合財務報表包括本集團的財務報表。公司間的交易、集團內公司間結餘及未變現溢利於編製綜合財務報表時悉數對銷。未變現虧損的交易亦予以對銷，除非交易有證據顯示所轉讓資產出現減值，並在損益中確認虧損。

於年內收購或出售附屬公司的業績乃自收購生效日期起至出售生效日期止（視適用情況而定）於綜合損益及其他全面收益表入賬。如有需要，本集團會調整附屬公司的財務報表，使其會計政策與本集團其他成員一致。

收購附屬公司或業務採用收購法列賬。一項收購的成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行的股權於收購當日的公允值總額計量。所收購可識別資產及所承擔負債則假設主要按收購當日公允值計量。本集團先前所持被收購方的股權（如有）以收購當日公允值重新計量，而所產生的收益或虧損則於損益賬內確認。本集團可按逐筆交易基準選擇以被收購方的識別資產淨值公允值或應佔比例計算相當於目前於附屬公司擁有權的非控股權益。所有其他非控股權益均按公允值計量，惟香港財務報告準則另行規定則作別論。所產生的收購相關成本列作開支，除非有關成本乃因發行股本工具而產生，在此情況下，有關成本從權益中扣除。

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Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

收購方將予轉讓的任何或然代價均按收購日期的公允值計量。倘其後代價調整僅於計量期間(最長為收購日期起計十二個月)內所取得有關於收購日期的公允值的新資料時，會於商譽確認。分類為資產或負債的或然代價所有其他其後調整均於損益確認。

倘本集團失去附屬公司的控制權，出售收益或虧損乃按下列兩者的差額計算：(i)所收取代價的公允值與任何保留權益的公允值總額，與(ii)該附屬公司的資產(包括商譽)及負債與任何非控股權益過往的賬面值。先前就該附屬公司於其他全面收入確認的款額按出售相關資產或負債時所規定的相同方式列賬。

收購後，相當於目前於附屬公司擁有權的非控股權益的賬面款額為該等權益於初步確認時的款額加非控股權益應佔權益其後變動的部分。即使會導致非控股權益出現虧絀結餘，全面收益總額仍歸屬於非控股權益。

(b) 附屬公司

附屬公司指本公司能對其行使控制權之實體。倘下列三項因素全部出現時，本公司可控制被投資方：被投資方、風險承擔的權力，或有權更改被投資方的回報及有能力利用權力影響該等可變回報。當事實及情況顯示該等控制權的任何因素可能發生變動，控制權將會進行重新評估。

在本公司之財務狀況表中，於附屬公司之投資按成本扣除減值虧損(如有)列賬。附屬公司之業績由本公司按已收或應收股息基準列賬。

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(c) Joint arrangements

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests joint operations by recognizing its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

(c) 共同安排

當有合約安排賦予本集團及至少一名其他訂約方對安排之相關活動之共同控制權時，則本集團為共同安排之訂約方。共同控制權乃根據與附屬公司控制權之相同原則予以評估。

本集團將其於共同安排之權益分類為：

- 合營企業：本集團僅對共同安排的資產淨值擁有權利；或
- 合營業務：本集團對共同安排的資產擁有權利並有責任承擔共同安排之負債。

評估於共同安排之權益之分類時，本集團會考慮：

- 共同安排之架構；
- 透過獨立工具組織之共同安排之法定形式；
- 共同安排協議之合約條款；及
- 任何其他事實及情況(包括任何其他合約安排)。

本集團對其於聯合營運中的權益進行列賬，方法為按照其合約所賦予權力及責任將其分估資產、負債、收益及開支予以確認。

(d) Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and making strategic decisions.

(d) 商譽

倘可識別資產及負債之公平值超過已付代價之公平值、於被收購方之任何非控股權益之金額及收購方先前於被收購方所持股權於收購日期之公平值之總額，則超出部分於重新評估後於收購日期在損益中確認。

商譽按成本減減值虧損計量。就減值測試而言，收購產生之商譽乃分配至預期自該收購之協同效應中受益之各相關現金產生單位。現金產生單位為最小可識別一組資產，該組資產產生現金流入，而該等現金流入在頗大程度上獨立於來自其他資產或資產組別之現金流入。獲分配商譽之現金產生單位每年及於存在單位可能出現減值的跡象時進行減值測試，方法為將其賬面值與其可收回金額比較。

就某一財政年度內之收購產生之商譽而言，獲分配商譽之現金產生單位乃於該財政年度末之前進行減值測試。當現金產生單位之可收回金額少於單位之賬面值時，減值虧損予以分配，以削減首先分配至該單位之任何商譽之賬面值，然後以單位內各資產賬面值為基準按比例分配至該單位其他資產。然而，各資產獲分配之虧損將不會把個別資產之賬面值削減至低於其公平值減出售成本（倘可計量）或其使用價值（倘不可釐定）（以較高者為準）。商譽之任何減值虧損乃於損益中確認，且其後期間不會撥回。

(e) 分部報告

營運分部之報告形式與向主要營運決策者提供之內部報告形式一致。主要營運決策者負責資源調配、為各營運分部評估表現及作策略性決定。

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(f) Investment properties

Investment property is held for long-term rental yields or for capital appreciation or both, and is not occupied by the companies in the Group.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is revaluated bi-annually based on active market prices, adjusted for any necessary difference in the nature, location or condition of the specific asset.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Changes in fair values are recognised in profit or loss.

(g) Property, plant and equipment

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

Subsequent costs are included in each asset's carrying amount only when it is probable that there is future economic benefit to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method based on estimated useful lives, as follows:

Leasehold improvements	Over the lease period
Motor vehicles	25%–33% per annum
Furniture and equipment	10%–50% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 6(a)).

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(f) 投資物業

投資物業為獲得長期租金收益或資本增值或兩者兼備而持有，且並非由集團旗下公司佔用。

投資物業初步按成本(包括有關交易成本)計量。在首次確認後，投資物業按公允值列賬。公允值每年進行兩次重估，並根據活躍市場價格計算，如有需要會按個別資產的性質、地點或狀況之差異作出調整。

投資物業之公允值反映(其中包括)來自現有租賃之租金收入以及在現時市況下未來租賃之租金收入假設。公允值變動在損益確認。

(g) 物業、機器及設備

物業、機器及設備按歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

其後成本僅在對本集團很可能有未來經濟利益，而該項目之成本能可靠計量時，方計入各項資產的賬面值。已更換項目部份的賬面值已被取消確認。所有其他維修及保養在所涉財政期間內於損益支銷。

物業、機器及設備的折舊以直線法於預計可使用年內計算如下：

租賃物業裝修	按租約年期
汽車	每年25%–33%
傢俱及設備	每年10%–50%

資產餘值及可使用年期於各報告期末檢討並按需要作出調整。倘資產的賬面值高於其估計可收回金額，則資產賬面值即時撇減至其可收回金額(附註6(a))。

出售物業、廠房及設備項目的收益或虧損為銷售所得款項淨額及其賬面值的差額，於出售之損益確認。

(h) Financial Instruments

(i) Financial assets

A financial asset (unless it is an account receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

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 market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

(h) 金融工具

(i) 金融資產

金融資產(除非其為並無重大融資部分之應收賬款)按公平值加(倘項目並非按公平值計入損益)其收購或發行直接應佔之交易成本初步計量。並無重大融資部分之應收賬款按交易價格初步計量。

所有按常規方式購買及出售之金融資產於交易日(即本集團承諾購買或出售該資產之日期)確認。按常規方式購買或出售指須於市場規例或慣例一般設定之期間內交付資產之金融資產購買或出售。

具有嵌入式衍生工具之金融資產於釐定其現金流量是否僅為本金及利息付款時予以整體考慮。

債務工具

債務工具之其後計量視乎本集團管理該資產之業務模式及該資產之現金流量特徵而定。本集團將其債務工具分類為三個計量類別：

攤銷成本：就持作收回合約現金流量之資產而言，倘該等資產之現金流量僅指本金及利息付款，則按攤銷成本計量。按攤銷成本列賬之金融資產其後採用實際利率法計量。利息收入、外匯收益及虧損以及減值於損益中確認。終止確認之任何收益於損益中確認。

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Fair value through other comprehensive income (“FVOCI”): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through OCI. Debt investments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Fair value through profit or loss (“FVTPL”): Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

按公平值計入其他全面收益：持作收回合約現金流量及出售金融資產之資產，倘該等資產現金流量僅指支付本金及利息，則按公平值計入其他全面收益計量。按公平值計入其他全面收益的債務投資其後按公平值計量。採用實際利率法計算的利息收入、匯兌收益及虧損以及減值於損益確認。其他收益及虧損淨額於其他全面收益確認。於其他全面收益累計的收益及虧損在終止確認時重新分類至損益。

按公平值計入損益：按公平值計入損益之金融資產包括持作買賣之金融資產、於初步確認時指定按公平值計入損益之金融資產，或強制要求按公平值計量之金融資產。倘金融資產為於近期作出售或購回目的而收購，則其分類為持作買賣。衍生工具（包括個別嵌入式衍生工具）亦分類為持作買賣，除非其指定為實際對沖工具則作別論。現金流量並非僅為本金及利息付款之金融資產，不論其業務模式如何，均按公平值計入損益分類及計量。儘管上文概述有關債務工具可按攤銷成本或按公平值計入其他全面收益分類之標準，惟倘能消除或顯著減少會計錯配，則債務工具可於初步確認時指定為按公平值計入損益。

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on account receivables, contract assets, and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

股本工具

於初次確認並非持作買賣用途的股本投資時，本集團可不撤回地選擇於其他全面收益中呈列投資公平值的後續變動。該選擇乃按投資逐項作出。按公平值計入其他全面收益的股本投資按公平值計量。股息收入於損益內確認，除非股息收入明確表示收回部分投資成本。其他收益及虧損淨額於其他全面收益確認且不會重新分類至損益。所有其他股本工具分類為按公平值計入損益，而公平值變動、股息及利息收入則於損益確認。

(ii) 金融資產之減值虧損

本集團就應收賬款、合約資產及按攤銷成本計量之金融資產之預期信貸虧損確認虧損撥備。預期信貸虧損按以下其中一項基準計量：(1)12個月預期信貸虧損：其為於報告日期後12個月內發生之可能違約事件所導致之預期信貸虧損；及(2)全期預期信貸虧損：其為於金融工具預計年期內發生之所有可能違約事件所導致之預期信貸虧損。估計預期信貸虧損時考慮之最長期間為本集團面臨信貸風險之最長合約期間。

預期信貸虧損為信貸虧損之概率加權估計。信貸虧損乃基於根據合約應付本集團之合約現金流量與本集團預期收取之所有現金流量之間之差額計量。該差額其後按資產原有實際利率之近似值貼現。

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The Group has elected to measure loss allowances for account receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increase significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

本集團已選擇採用香港財務報告準則第9號之簡化方法計量應收賬款及合約資產之虧損撥備，並已根據全期預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算之撥備矩陣，並按債務人之特定前瞻性因素及經濟環境作出調整。

就其他債務金融資產而言，預期信貸虧損以12個月預期信貸虧損為基準。然而，於信貸風險自產生以來已顯著增加時，撥備將以全期預期信貸虧損為基準。

信貸風險大幅增加

當釐定金融資產信貸風險自初步確認以來是否大幅增加及於估計預期信貸虧損時，本集團考慮相關且無需付出過多成本或努力便可取得的合理及有根據資料。此包括根據本集團過往經驗及已知信貸評估作出的定量及定性資料分析，並包括前瞻性資料。

本集團假設，倘金融資產逾期超過30日，則信貸風險已大幅增加，除非本集團有合理及可靠資料證明可予收回則當別論。

儘管有前述規定，若於報告日期債務工具乃釐定為具有低信貸風險，本集團會假設債務工具的信貸風險自初步確認以來並未顯著增加。在以下情況，債務工具會乃釐定為具有低信貸風險：(i) 其有低違約風險；(ii) 借款人具有充份履行近期的合約現金流量責任的能力；及(iii) 經濟及商業環境的較長期不利變動有可能但未必會降低借款人履行合約現金流量責任的能力。

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The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Credit-impaired financial assets

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

本集團定期監察用以釐定信貸風險有否顯著增加的準則的成效，並於適當時作出修訂，從而確保有關準則能夠於款項逾期前識別出信貸風險已顯著增加。

信貸減值金融資產

本集團認為金融資產於下列情況屬信貸減值：(1)在本集團並無追索權採取如變現抵押品(如持有)等行動之情況下，借款人則不大可能向本集團悉數支付其信貸債務；或(2)金融資產逾期超過90日，除非本集團有合理及可靠資料證明可予收回則當別論。

信貸減值金融資產的利息收入乃根據金融資產之攤銷成本(即賬面總值減虧損撥備)計算。對於非信貸減值金融資產而言，利息收入乃根據賬面總額計算。

違約定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回：

- 債務人違反財務契約；或
- 內部產生或獲取自外部來源的資料表明，債務人不大可能向其債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)。

本集團認為倘工具逾期超過90日，違約已發生，除非本集團有合理及可靠資料顯示較寬鬆的違約準則更為合適。

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Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

撤銷政策

當有資料顯示債務人陷入嚴重財政困難，且並無實際收回款項的可能時（例如對手方被清盤或進入破產程序），本集團會撤銷金融資產。經計及在適當情況下的法律意見後，已撤銷的金融資產可能仍可於本集團收回程序下被強制執行。收回的任何款項於損益內確認。

計量及確認預期信貸虧損

預期信貸虧損的計量乃違約概率、違約虧損率（即違約造成虧損的幅度）及違約風險的函數。違約概率及違約虧損率乃根據經上文所述前瞻性資料調整的歷史數據進行評估。金融資產之違約風險乃按資產於報告日期之賬面總值呈列。

就金融資產而言，預期信貸虧損按根據合約應付本集團的所有合約現金流與本集團將收取的所有現金流量之間的差額估計，並按原先實際利率貼現。

倘本集團於上一個報告期間以相等於全期預期信貸虧損的金額計量一項金融工具的虧損撥備，但於本報告日期釐定該全期預期信貸虧損的條件不再符合，則本集團於本報告日期按相等於12個月預期信貸虧損的金額計量虧損撥備，惟採用簡化方法計量的資產除外。

本集團於損益確認所有金融工具的減值收益或虧損，並透過虧損撥備賬目對其賬面值作出相應調整。

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

(iii) 金融負債

本集團視乎負債產生之目的將其金融負債分類。按公平值計入損益的金融負債初步按公平值計量，而按攤銷成本列賬的金融負債初步按公平值減所產生的直接應佔成本計量。

按公平值計入損益的金融負債

按公平值計入損益的金融負債包括持作買賣的金融負債及於初步確認時指定為按公平值計入損益的金融負債。

倘為於近期出售而收購金融負債，則該等金融負債分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。持作買賣之負債所產生的收益或虧損於損益確認。

倘合約包含一項或多項嵌入式衍生工具，則整項混合式合約可指定為按公平值計入損益之金融負債，惟嵌入式衍生工具對現金流量並無重大影響或明確禁止將嵌入式衍生工具單獨入賬則除外。

倘符合(i)有關指定消除或大幅減低按照不同基準計量負債或就負債所確認收益或虧損所產生的不一致處理情況；(ii)負債構成一組金融負債的一部份，其管理及表現評估均根據既定風險管理策略按公平值基準進行時；或(iii)金融負債包含須單獨入賬的嵌入式衍生工具，金融負債於初步確認時指定按公平值計入損益。

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Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including account and other payables, borrowings, and the debt element of convertible bonds issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

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

(iv) Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan bonds into equity, is included in equity reserve.

初步確認後，按公平值計入損益的金融負債按公平值計量，公平值變動於變動發生期間於損益確認，惟本集團自身的信貸風險所產生的收益及虧損除外，該等收益及虧損於其他全面收益呈列，其後概不重新分類至損益表。於損益表確認的公平值損益淨額不包括就該等金融負債收取之任何利息。

按攤銷成本計量的金融負債

按攤銷成本計量的金融負債包括應付賬款及其他應付款項、借款及本集團所發行可換股債券的債務成分，其後使用實際利率法按攤銷成本計量。相關利息開支於損益確認。

終止確認負債時以及於攤銷過程中於損益確認收益或虧損。

(iv) 可換股債券

本集團所發行包括負債及兌換權兩部分之可換股債券，於初步確認時分別歸類至各自項目。如兌換權將透過以固定金額現金款額或以其他財務資產兌換固定數目之本公司股本工具之方式結算，即分類為股本工具。

於初步確認時，負債部分之公平值按同類不可換股債務之現行市場利率釐定。發行可換股債券之所得款項與撥入負債部分之公平值差額（即持有人將貸款債券兌換為權益之換股權）計入權益儲備。

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised in which case the balance stated in convertible bonds equity reserve will be transferred to share capital and share premium. Where the option remains unexercised at the expiry dates, the balance stated in convertible bonds equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

(v) Effective interest method

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

於往後期間，可換股債券之負債部分使用實際利率法按攤銷成本列賬。權益部分(即將負債部分兌換為本公司普通股之選擇權)保留於可換股債券權益儲備，直至內含換股權獲行使為止，在此情況下，可換股債券權益儲備餘額將轉撥入股本及股份溢價。倘換股權於到期日仍未行使，可換股債券權益儲備之結餘將轉撥入保留盈利。換股權獲兌換或到期時不會確認任何收益或虧損。

發行可換股債券之相關交易成本按所得款項之分配比例分配至負債及權益部分。有關權益部分之交易成本直接自權益支銷。有關負債部分之交易成本乃計入負債部分之賬面值，並使用實際利率法於可換股債券之年內攤銷。

(v) 實際利率法

實際利率法乃計算金融資產或金融負債的攤銷成本及於相關期間分配利息收入或利息開支的方法。實際利率乃於金融資產或負債的預計年期或(倘適用)較短期間實際貼現估計未來現金收入或付款的比率。

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(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

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

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

(i) Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. It is the Group's policy to forfeit any untaken annual leave with a specific time period. Subject to regular assessment of staff turnover rate, a provision will be made or reversed. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. A provision is made for the estimated liability up to the balance sheet date.

(vi) 終止確認

當與該金融資產有關的未來現金流量的合約權利到期時，或當該金融資產已轉移且轉移符合香港財務報告準則第9號的終止確認標準時，目標集團終止確認該金融資產。

當相關合約中訂明的義務獲解除、取消或到期時，終止確認金融負債。

倘本集團因重新磋商負債條款而向債權人發行本身之股本工具以償付全部或部分財務負債，所發行之股本工具即所付代價，乃初步按有關財務負債(或當中部分)註銷當日之公平值確認及計量。倘已發行股本工具之公平值無法可靠計量，則股本工具按已註銷財務負債之公平值計量。已註銷財務負債(或當中部分)之賬面值與所付代價間之差額乃於年內在損益表內確認。

(i) 僱員福利

(a) 僱員享有假期權益

僱員享有年假及長期服務假的權益於僱員應該享有時予以確認。根據本集團政策，於指定時間內未曾動用之年假將被註銷。本集團定期評估員工的流失率，將計提或撥回撥備。僱員之病假及產假在僱員正式休假時確認。按僱員截至結算日止估計之負債作出撥備。

(b) Profit sharing and bonus plans

Provisions for profit sharing and bonus are made for the estimated liability for incentive bonus as a result of services rendered by employees up to the balance sheet date, where there is a contractual obligation or past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

(c) Retirement benefit

The Group participates in mandatory provident fund schemes in Hong Kong which are defined contribution plan generally funded through payments to trustee — administered funds. The assets of the schemes is held separately from those of the Group in independently administered funds.

Pursuant to the relevant regulations of the government in the People's Republic of China ("PRC"), the subsidiaries in PRC participates in the municipal government contribution scheme whereby the subsidiaries are required to contribute to the scheme for the retirement benefit of eligible employees. The municipal government of the PRC is responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the scheme is to pay the ongoing contributions required by the scheme. The Group's contributions to the scheme are expensed as incurred.

(d) Long service payment liabilities

The Group's net obligation in respect of long service accounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine the present value and reduced by entitlements accrued under the Group's retirement plans. The obligation is calculated using the projected unit credit method by a qualified actuary. Actuarial gains or losses was charged/credited to the other comprehensive income.

(b) 攤分溢利及花紅計劃

按僱員於截至結算日止所提供的服務，提供獎勵性花紅，並在有合約責任或因過往慣例而產生推定責任的情況下，及可就有關責任作出合理估計時按預計的有關負債，對攤分溢利及花紅作出撥備。

(c) 退休福利

本集團在香港參與強制性公積金計劃，該計劃為定額供款計劃，一般藉付款予受託人管理的基金以提供資金。該等計劃之資產由獨立管理的基金持有，並與本集團之資產分隔。

根據中華人民共和國（「中國」）政府之有關規例，中國國內的附屬公司須參與市政府的供款計劃，據此，附屬公司須為合資格僱員向該項計劃提供退休福利供款。中國市政府負責支付予退休僱員的所有福利承擔，本集團就該項計劃所承擔之唯一責任是根據該計劃規定持續作出供款。本集團對計劃之供款於產生時作開支支銷。

(d) 長期服務金負債

本集團根據香港《僱傭條例》須在若干情況下於終止僱用時支付之長期服務賬款負債淨額，為僱員於本期間及以往期間因提供服務所賺取之未來利益金額，在釐定現值時，該項利益須予以貼現計算，並扣減根據本集團之退休計劃累計之權益。有關責任由合資格精算師採用預計單位信貸法計算。精算收益或虧損於其他全面收益扣除／計入。

(e) Share option scheme

Where share options are awarded to employees and others providing similar services, the fair value of the services received is measured by reference to the fair value of the options at the date of grant. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all non-market vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

The Group also operates a phantom share option scheme which is determined to be a cash-settled share-based payment transaction with employees. An option pricing model is used to measure the Group's liability at grant date and subsequently at the end of each reporting period, taking into account the terms and conditions on which the bonus is awarded and the extent to which employees have rendered service. Movements in the liability (other than cash payments) are recognised in profit or loss.

(e) 購股權計劃

倘向僱員及提供類似服務的其他人士授出購股權，已提供服務的公平值經參考購股權於授出當日的公平值計量。該公平值於歸屬期間在損益確認，而權益內購股權儲備則會相應增加。本集團透過調整預期於各報告期末歸屬的股本工具數目，將非市場歸屬條件納入考慮，最終致使於歸屬期內確認的累計金額按最終歸屬的購股權數目計算。市場歸屬條件因素已計入所授出購股權的公平值。不論是否達成市場歸屬條件，只要達成所有非市場歸屬條件，均會作出扣除。倘未能達成市場歸屬條件，則概不會調整累計開支。

倘購股權的條款及條件於其歸屬前被修改，則於緊接該修改前後所計量的購股權公平值增加亦會於餘下歸屬期內在損益確認。

本集團亦設有虛擬購股權計劃，其釐定為與僱員進行以現金結算以股份為基礎的付款交易。購股權定價模式乃用於計量本集團於授出日期及其後於各報告期末的負債，並經考慮批授紅利的條款及條件以及僱員提供服務的程度。負債的變動(不包括現金付款)於損益確認。

(j) Foreign currency

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange reserve. Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

(j) 外幣

集團實體以其經營業務所在主要經濟環境貨幣（「功能貨幣」）以外的貨幣進行的交易，按交易發生時的適用匯率入賬。外幣貨幣資產及負債則以報告期末的適用匯率換算。以外幣計值並按公平值入賬之非貨幣項目按釐定公平值當日適用之匯率重新換算。以外幣按歷史成本計量的非貨幣項目不會重新換算。

結算及換算貨幣項目所產生之匯兌差額於產生期間在損益確認。重新換算按公平值列賬之非貨幣項目所產生之匯兌差額計入期間之損益，惟重新換算有關盈虧在其他全面收益確認之非貨幣項目所產生之匯兌差額除外，在此情況下，有關匯兌差額亦在其他全面收益確認。

合併時，海外業務的收入和支出項目按本年度的平均匯率換算為本集團的列報貨幣，除非匯率在此期間大幅波動，在這種情況下，匯率接近於在交易發生時的那些裁決被使用。海外業務的所有資產和負債均按報告期末的匯率換算。產生的匯兌差額（如有）於其他全面收益確認，並於權益中累計為匯兌儲備。在構成本集團有關海外業務淨投資的一部分的長期貨幣項目的轉換中，在集團實體的單獨財務報表損益中確認的匯兌差額，重新分類為其他全面收益，並作為匯兌波動準備在權益中累計。

於出售海外業務時，直至出售日期與該業務有關的匯兌波動儲備確認的累計匯兌差額將重新分類至損益，作為出售損益的一部分。

(k) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment; and
- investments in subsidiaries.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, 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 or cash generating unit.

(k) 資產(金融資產除外)減值

於各報告期末，本集團審閱下列資產之賬面值，以判定該等資產是否有任何減值虧損跡象或之前確認的減值虧損不再存在或可能減少。

- 物業、廠房及設備；及
- 於附屬公司之投資

倘估計某項資產之可收回金額低於其賬面值，則該資產賬面值會被減低至其可收回金額。而減值虧損隨即確認為開支，惟相關資產按另一香港財務報告準則以重估金額列賬除外；在此情況下，根據該香港財務報告準則，減值虧損被視為重估減少。

倘減值虧損隨後轉回，則該資產之賬面值會增加至其經修訂估計可收回金額，然而增加之賬面值亦因此不會超過可能已經釐定之賬面值（假設於過往年度未就該資產確認減值虧損）。減值虧損轉回即時確認為收入，惟相關資產按另一香港財務報告準則以重估金額列賬除外；在此情況下，根據該香港財務報告準則，減值虧損轉回被視為重估增加。

使用價值乃基於預期資產或現金產生單位產生之估計未來現金流量，使用反映當前市場對金錢時間價值評估及相關資產或現金產生單位特定風險之除稅前折現率，折現至其現值。

(l) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's entities operate and generate taxable income. Management periodically evaluates tax related situations and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(l) 撥備及或然負債

當本集團因過往事件須承擔法定責任或推定責任，而可能需要流出經濟利益，且有關數額能可靠估計時，須就未確定時間或金額不確定之負債確認撥備。

若當不大可能需要付出流出經濟利益，或其數額不未能可靠地估計，否則該項責任須披露該責任為或然負債，惟流出經濟利益之可能性極低則除外。其存在僅能以一宗或數宗未來事項之發生或不發生予以確認來證實之潛在義務責任，除非其付出流出經濟利益之可能性極低，否則亦需須披露為或然負債。

(m) 當期及遞延所得稅

當期所得稅支出根據本集團營運所在及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅法計算。管理層就與稅項有關的情況作定期評估，並在適用情況下根據預期須向稅務機關支付的稅款計提撥備。

遞延所得稅按資產及負債之稅基與其在綜合財務報表之賬面值兩者間之暫時差額以負債法全數撥備。然而，若遞延所得稅來自在交易（不包括業務合併）中初步確認資產或負債，而在交易時不會影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前已頒佈或實質頒佈並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期適用之稅率及法例釐定。

遞延所得稅資產於有可能出現未來應課稅溢利以抵銷暫時差額時方予以確認。

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Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(n)(i) Leasing (accounting policies applied from 1 January 2019)

The policy of lease recognition under HKFRS 16 is set out in Note 2(a).

(n)(ii) Leasing (accounting policies applied until 31 December 2018)

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

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

遞延所得稅按於附屬公司之投資所產生之暫時差額作出撥備，惟倘本集團可以控制暫時差額之回撥時間，且暫時差額在可見未來將不會回撥之情況則除外。

當有法定可執行權利將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體所徵所得稅但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

即期及遞延稅項於損益確認，除非其涉及於其他全面收益或直接於權益確認的項目。於此情況下，稅項亦分別於其他全面收益或直接於權益確認。

(n)(i) 租賃(2019年1月1日起應用的會計政策)

香港財務報告準則第16號項下的租賃確認政策載於附註2(a)。

(n)(ii) 租賃(應用至2018年12月31日的會計政策)

在租賃條款下絕大部分擁有權之風險及回報讓予承租人之租約分類為融資租賃。所有其他租約均分類為經營租賃。

本集團作為出租人

根據融資租賃應收承租人之款項乃入賬列作應收款項，款額為本集團於租賃之淨投資。融資租賃收入乃分配至會計期間，以反映在租約上本集團尚餘之淨投資之固定定期回報率。

經營租賃之租金收入於有關租約期間按直線法於損益確認。因磋商及安排一項經營租賃而引致之初步直接成本乃加至租賃資產之賬面值，並於租約年期內以直線法確認作開支。

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

(o) Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns and discounts and after eliminating sales within the Group.

Revenue are recognised when or as the control of the services or goods is transferred to the purchaser. Depending on the terms of the contract and the laws that apply to the contract, control of the services or goods may transfer over time or at a point in time. Control of the services or goods is transferred over time if the Group's performance:

- provides all the benefits received and consumed simultaneously by the purchaser; or
- creates and enhances an asset that the purchaser controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the services or goods transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the purchaser obtains control of the asset.

本集團作為承租人

按融資租賃持有的資產按公平值或最低租賃付款額的現值(以較低數額為準)初始確認為資產。相應租賃承擔呈列為負債。租賃付款於資本及利息之間作出分析。利息部分於租期內於損益扣除，並計算以反映其於租賃負債中應佔的固定比例。資本部分則可用作扣減結欠出租人的餘額。

(o) 收益及收入確認

收益包括於本集團活動的一般過程中銷售貨品及服務的已收或應收代價公平值。收益按扣除退貨及折扣和撇銷本集團內銷售後列示。

收益於或隨著服務或貨品控制權轉移予買方而確認。視乎合約條款及適用於合約的法律、服務或貨品的控制權可能於一段時間或某一時間點轉移。倘本集團的履約屬以下所述，則服務或貨品的控制於一段時間內轉移：

- 提供客戶同時收到且消耗所有利益；或
- 在本集團履約時創建和增強資產並由客戶控制該資產；或
- 並未產生讓本集團有替代用途之資產，且本集團對至今已完成履約之付款具有可強制執行之權利。

如果服務或貨品之控制權在一段時間內轉移，即參考完成履約責任之進度在整個合約期間內確認收益。否則，收益於買方獲得資產控制權之時間點確認。

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The progress towards complete satisfaction of the performance obligation is measured based on output method that best depict the Group's performance in satisfying the performance obligation. The output method is made reference to the gross value of contracting work to date as compared to the total contract sum receivable under the contracts.

An entity is a principal if it controls the promised good or service before transferring it to the customer. An entity is an agent if its role is to arrange for another entity to provide the good or service.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Provision of services of property and facility management

Property and facility management fees and other supporting service fees are recognised when the services are rendered and in accordance with the terms of agreements. There are two types of agreement, namely management remuneration contracts ("MR Contracts") and lump sum contracts ("LS Contracts"). Under a MR Contract, the Group is remunerated based on a fixed percentage of the costs involved in the management of the property or facility, and only such fee is recognised as the Group's revenue. Under a LS Contract, the Group is paid a lump sum fee which normally covers the costs involved, thus the whole of lump sum fee is recognised as the Group's revenue.

Provision of construction services

Under HKFRS 15, revenue from construction contracts is recognised when or as the construction projects are transferred to the customer. Depending on the terms of the contracts and the laws that are applicable to the contracts, control of the construction projects may transfer over time or at a point in time. If construction projects create or enhance an asset that the customer controls as the asset is created or enhanced, the Group satisfies the performance obligation over time and therefore, recognises revenue over time in accordance with the output method for measuring progress.

完成履約責任之進度乃按最貼切描述本集團完成履約責任之表現之輸出方法計量。輸出方法乃參考迄今合約工程總價值對比根據合約應收總合約金額。

倘實體於轉移予客戶前控制貨品或服務，則其為主事人。倘實體的責任為安排另一實體提供貨品或服務，則其為代理。

釐定交易價時，倘融資部份重大，本集團將根據合約之融資部份調整合約之承諾代價。

提供物業及設施管理服務

物業及設施管理費及其他支援服務費於根據協議條款提供服務時確認。協議分為經理人酬金合約（「經理人酬金合約」）及全包賬式合約（「全包賬式合約」）兩種。根據經理人酬金合約，本集團將按於管理物業或設施所涉成本之固定百分比收取費用，只有該等費用會確認為本集團之收益。根據全包賬式合約，本集團獲付一筆款項，該等款項一般足以支付所涉成本，故此整筆款項會確認為本集團之收益。

提供建築服務

根據香港財務報告準則第15號，建築合約收入於建築項目轉讓予客戶時確認。根據合同條款和適用於合同的法律，建築項目的控制權可能會隨著時間或在某一時點轉移。倘建築項目創造或改良於資產被創造或改良時由客戶所控制的資產，本集團將根據滿足在一段時間內履行責任的條件，按照輸出法確認收入。

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Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by applying the stage-of-completion method of individual contract with reference to the certificates issued by the customers, measured based on the value of work performed to date to the contract value. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

The excess of cumulative revenue recognised in consolidated statement of profit or loss over the cumulative billings to customers is recognised as contract assets. The excess of cumulative billings to customers over the cumulative revenue recognised in consolidated statement of profit or loss is recognised as contract liabilities.

Variable consideration

For the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group will be entitled in exchange for transferring the promised services to a customer.

The Group estimates an amount of variable consideration by using either the expected value method or the most likely amount method, depending on which method the Group expects to better predict the amount of consideration to which it will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances during the reporting period.

倘建築合約之成果能夠可靠地估計，收益及成本則會參考客戶所出具的證書使用完成階段法予以確認，乃基於至今已施工工程的價值佔合約價值之比例計量。合約工程的變更、申索及獎金只在金額能夠可靠地計量及認為很大可能收取該等金額的情況下方會入賬。

計入綜合損益表的累計確認收入超過累計客戶開單的款項的差額確認為合約資產。累計客戶開單的款項超過計入綜合損益表的累計確認收入的差額確認為合約負債。

可變代價

就包括可變金額之合約中所承諾之代價而言，本集團估計本集團將有權就向客戶轉移所承諾服務換取之代價金額。

本集團透過使用預期價值法或最可能金額法估計可變代價之金額，視乎本集團預期將更好預測其有權收取之代價金額之方法而定。

可變代價的估計金額將納入交易價格，惟前提為隨後解決與可變代價相關的不確定性時，有關納入不會導致日後的重收入撥回。

於各報告期末，本集團更新估計交易價格（包括更新其對可變代價估計是否受限的評估），以真實呈報於報告期內的情況。

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Sale of goods

Revenue from the sale of goods is recognised when control of the goods has transferred, being when the products are delivered to the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Operating lease rental income

Operating lease rental income is recognised on a straight-line basis over the term of the lease.

Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts or refundable deposits outstanding and the effective interest rates applicable.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract asset is recognised when (i) the Group completes the construction works under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as a contract asset is reclassified to account receivables at the point at which it is invoiced to the customer. If the considerations (including advanced received from customers) exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference.

貨品銷售

銷售貨品的收益於貨品之控制權轉移(即當產品交付至客戶)時予以確認。應收賬款於交付貨品時確認，原因為此時乃代價成為無條件的時間點，僅須隨時間流逝即可收取付款。

經營租賃租金收入

經營租賃租金收入以直線法於租賃期間確認。

利息收入

利息收入按未償還本金或可退回按金及適用實際利率根據時間比例基準確認。

合約資產及負債

合約資產指本集團就向客戶換取本集團已轉讓的服務收取代價的權利(尚未成為無條件)。相反，應收款項指本集團收取代價的無條件權利，即代價只需待時間過去而到期支付。

合約負債指本集團就已自客戶收取代價(或應付代價金額)而須向客戶轉讓服務的責任。

合約資產於(i)本集團根據該等服務合約完成建設工程但尚未由客戶委聘的建築師、測量師或其他代表認證，或(ii)客戶保留保固金以確保合約依期獲履行。先前確認為合約資產的任何金額在向客戶出具發票時重新分類為應收賬款。如有關代價(包括向客戶收取的預付款項)超出迄今根據輸出方法確認的收益，則本集團會就有關差額確認合約負債。

(p) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).

(p) 關連人士

- (a) 倘適用下列情況，該名人士或該名人士的近親家屬成員被視為與本集團有關連：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本公司母公司主要管理人員。
- (b) 僅在以下任何情況適用下，實體與本集團有關連：
- (i) 實體與本集團為同一集團之成員（即各母公司、附屬公司及同系附屬公司均互相有關連）。
 - (ii) 一實體為另一實體之聯營公司或合營公司（或另一實體為成員之集團成員公司之聯營公司或合營公司）。
 - (iii) 兩實體均為同一第三方之合營公司。
 - (iv) 一實體為第三方實體之合營公司，而另一實體為該第三方實體之聯營公司。
 - (v) 該實體為本集團或與本集團有關連實體的僱員福利而設的離職後福利計劃。
 - (vi) 該實體受(a)所識別人士控制或共同控制。或

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(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

(q) Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(vii) 於(a)(i)所識別對實體有重大影響的人士，或是實體(或實體的母公司)主要管理層人員。

(viii) 實體，或其構成部分的集團的任何成員公司，對集團或集團母公司提供主要管理層人員服務。

某一人士的近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該人士影響的有關家屬成員並包括：

- (i) 該名人士子女及配偶或家庭夥伴；
- (ii) 該名人士的配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或家庭夥伴的受養人。

(q) 股息分派

就於報告期末或之前已宣派但於報告期末並未分派之任何股息金額(已經適當授權及再不由實體酌情決定)作出撥備。

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

Risk management seeks to minimise any potential material effects on the Group's financial performance from the following factors.

(a) Market risk

- (i) *Foreign currency exchange risk*
The Group mainly operated in Hong Kong with most of the transactions settled in Hong Kong dollar and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.
- (ii) *Interest rate risk*
The Group's interest rate risk arises primarily from Hong Kong dollar denominated borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk respectively. The Group's interest rate profile as monitored by management is set out below.

The following table details the interest rate profile of the Group's borrowings at the end of the Reporting Year.

		2019		2018	
		Effective interest rate	HK\$'000	Effective interest rate	HK\$'000
		實際利率	港幣千元	實際利率	港幣千元
Fixed rate borrowings	固定利率借款				
Convertible bonds	可換股債券	17.1%	35,882	-	-
Lease liabilities	租賃負債	4.7%	10,105	-	-
			45,987		-
Floating rate borrowings	浮動利率借款				
Bank loans	銀行貸款	4.2%	131,000	3.7%	166,000
Total net borrowings	淨借款總額		176,987		166,000

5. 財務風險管理

5.1 財務風險因素

風險管理旨在減低對本集團財務表現潛在之重大影響，當中包括以下風險。

(a) 市場風險

- (i) *外匯風險*
本集團主要於香港經營，大部分交易以港幣結算，故並無因外幣匯率變動而面臨重大風險。
- (ii) *利率風險*
本集團之利率風險主要來自以港幣計值借款。以可變動利率及以固定利率批出之貸款令本集團分別承受現金流量利率風險及公平值利率風險。管理層監察之本集團利率情況載於下文。

下表詳述於報告年度末本集團借款的利率組合。

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Sensitivity analysis

At 31 December 2019, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's profits for the year and accumulated losses by approximately HK\$713,000 (2018: HK\$852,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

(b) Credit risk

The Group's credit risk mainly arises from deposits, cash and bank balances, contract assets and receivables. Current policies ensure that sales and services are made to customers with an appropriate credit history and subject to periodic credit evaluations. Collection of outstanding receivables is closely monitored on an ongoing basis.

As at 31 December 2019, a provision of approximately HK\$94,302,000 (2018: HK\$94,812,000) and HK\$53,273,000 (2018: HK\$53,273,000) against receivables and contract assets respectively based on the impairment assessment.

In order to minimise the credit risk, the directors of the Company are responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Certain customers have exceeded their respective credit terms during the reporting. However, management does not expect any significant losses from non-performance by these counterparties because of their satisfactory repayment history.

敏感度分析

於2019年12月31日，估計利率普遍上升／下降50個基準點，如果所有其他變量保持不變，本集年內溢利及累計虧損將減少／增加約港幣713,000元（2018年：港幣852,000元）。

上述敏感度分析的釐定已假設利率變動在報告期末已經發生，並且應用在該日已存在的借款利率風險。該50個基準點的升幅或降幅是代表管理層對直至下一個年度報告日止的期間內，利率可能出現的合理變動所作出的評估。

(b) 信貸風險

本集團的信貸風險主要來自按金、現金及銀行結餘、合約資產及應收賬款。目前，本集團已安排政策以確保服務及銷售乃售予具有合適信貸記錄的客戶，並會定期評估的信貸狀況。未收回應收賬款催繳持續受到緊密監控。

於2019年12月31日，已根據減值評估分別就應收賬款及合約資產作出撥備約港幣94,302,000元（2018年：港幣94,812,000元）及港幣53,273,000元（2018年：港幣53,273,000元）。

為了減少信貸風險，本公司董事負責釐定信貸限額、信貸審批及其他監察程序，以確保採取後續措施償還預期負債。若干客戶於呈報期間已超逾彼等各自的信貸期。然而，由於該等交易對手有良好還款記錄，管理層預計不會因該等交易對手拖欠付款而引致任何重大損失。

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Starting from 1 January 2018, for trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For other non-trade related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The credit risk associated with deposits and cash and bank balances is limited because the counterparties are bank with high credit rating.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal and external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

自2018年1月1日起，就貿易應收款項及合約資產而言，本集團應用香港財務報告準則第9號所訂明的簡化方法計量全期預期信貸虧損之虧損撥備。本集團利用撥備矩陣集體釐定預期信貸虧損，乃按債務人過往之信貸虧損經驗以及所經營行業之整體經濟狀況進行估計。就此，本公司董事認為，本集團之信貸風險顯著下降。

對於其他非貿易相關應收款項，本集團已評估信貸風險自初步確認以來是否顯著上升。倘信貸風險顯著上升，本集團將按全期而非12個月預期信貸虧損計量虧損撥備。

與存款及現金及銀行結餘有關之信貸風險有限，因為交易對手方為具有高信貸評級之銀行。

本集團在資產之初始確認時考慮違約之可能性，亦評估在整個報告期間信貸風險是否持續顯著增加。在評估信貸風險是否顯著增加時本集團將於報告日期資產發生違約之可能性與於初始確認日期發生違約之可能性進行比較，同時亦考慮公開且合理及支持性之前瞻性資料。以下指標需要重點考慮：

- 內部及外部信貸評級
- 實際或預期的營業、財務或經濟狀況中的重大不利變化預期導致借款人按期償還到期債務的能力產生重大變化
- 借款人的經營業績實際或預期發生重大變化
- 借款人預期表現及行為發生重大變化，包括本集團借款人付款情況的變化和借款人經營業績的變化

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The Group's exposure to credit risk

The tables below detail the credit quality of the Group's financial assets and contract assets as well as the Group's maximum exposure to credit risk.

本集團之信貸風險

下表詳述本集團之金融資產及合約資產的信貸質素以及本集團所面臨的最大信貸風險。

(In HK\$'000) (港幣千元)	Notes 附註	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總值	Loss allowance 虧損撥備	Net carrying amount 賬面淨值
Account receivables 應收賬款	(a)	Lifetime ECL (Simplified approach) 全期預期信貸虧損(簡化方法)	285,483	(73,696)	211,787
Retention receivables 應收保固金	(b)	Lifetime ECL (Simplified approach) 全期預期信貸虧損(簡化方法)	105,414	(17,069)	88,345
Other receivables 其他應收款項	(c)	12-month ECL 12個月預期信貸虧損	40,038	(3,537)	36,501
			430,935	(94,302)	336,633
Contract assets 合約資產	(b)	Lifetime ECL (Simplified approach) 全期預期信貸虧損(簡化方法)	366,136	(53,273)	312,863
Deposits 按金	(c)	12-month ECL 12個月預期信貸虧損	11,450	-	11,450

Notes:

- (a) For account receivables, the Group has applied the simplified approach to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses by using a provision matrix, grouped based on share credit risk characteristics and the days past due.

The loss allowance for account receivables as at 31 December 2019 was determined as follows:

附註：

- (a) 就應收賬款而言，本集團應用簡化方法計量全期預期信貸虧損模型下的虧損撥備。本集團使用撥備矩陣釐定預期信貸虧損，根據共同信貸風險特徵及逾期日數進行分組。

於2019年12月31日，應收賬款的虧損撥備釐定如下：

(In HK\$'000) (港幣千元)	Not yet due 尚未逾期	1 to 30 days 1至30日	31 to 60 days 31至60日	61 to 90 days 61至90日	91 to 180 days 91至180日	Over 180 days 180日以上	Total 總計
Gross carrying amount 賬面總值	116,262	47,303	12,989	7,507	8,072	93,350	285,483
Less: Individually assessed 減：個別評估	-	-	-	-	(416)	(72,496)	(72,912)
Carrying amount under collective measurement 共同計量下之賬面值	116,262	47,303	12,989	7,507	7,656	20,854	212,571
Expected credit loss rate (%) 預期信貸虧損率(%)	-	0.10%	0.26%	0.43%	1.54%	2.65%	
ECL allowance for collectively measurement 共同計量之預期信貸虧損撥備	-	47	34	32	118	553	784
Individually assessed loss allowance 個別評估虧損撥備	-	-	-	-	416	72,496	72,912
Total loss allowance 虧損撥備總額	-	47	34	32	534	73,049	73,696

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財務報表附註

The loss allowances further increased by HK\$816,000 (31 December 2018: HK\$23,271,000) for the Reporting Year, including impairment on individual assessment of HK\$424,000 (31 December 2018: HK\$22,879,000) and allowance for ECL of HK\$392,000 by using provision matrix (31 December 2018: HK\$392,000).

(b) For retention receivables and contract assets, the Group has applied the simplified approach permitted by HKFRS 9 to measure the allowance for credit losses at lifetime ECL. The retention receivables and contract assets are assessed for ECL by using the provision matrix. Other than impairment on individual assessment of HK\$17,069,000 and HK\$53,273,000 of retention receivables and contract assets, respectively, as at 31 December 2018, the directors of the Company consider that the allowance for ECL for the year ended 31 December 2019 on retention receivables and contract assets are insignificant to the Group by using the provision matrix.

(c) For other receivables and deposits, the Group has assessed these balances using 12-month ECL basis as there was no significant increase in credit risk for these balances since initial recognition. The loss allowance at 31 December 2019 was close to zero. Other than impairment on individual assessment of HK\$3,537,000 as at 31 December 2018, the directors of the Company consider that the allowance for ECL for the Reporting Year on other receivables and deposits are insignificant to the Group by using the provision matrix.

於報告年度，虧損撥備進一步增加至港幣816,000元(2018年12月31日：港幣23,271,000元)，包括個別評估減值港幣424,000元(2018年12月31日：港幣22,879,000元)及以撥備矩陣釐定之預期信貸虧損撥備港幣392,000元(2018年12月31日：港幣392,000元)。

(b) 就應收保固金及合約資產而言，本集團已應用香港財務報告準則第9號所准許的簡化方法計量全期預期信貸虧損模型下之信貸虧損撥備。應收保固金及合約資產之預期信貸虧損乃使用撥備矩陣評估。於2018年12月31日，除分別為數港幣17,069,000元的個別評估減值以及為數總港幣53,273,000元的應收保固金與合約資產外，本公司董事認為2019年12月31日以撥備矩陣釐定的應收保固金與合約資產的預期信貸虧損撥備對本集團而言並不重大。

(c) 就其他應收款項及按金而言，本集團已使用12個月預期信貸虧損基準評估該等結餘，因該等結餘自初步確認起信貸風險並無大幅增加。於2019年12月31日，虧損撥備接近為零。於2018年12月31日，除為數港幣3,537,000元的個別評估減值外，董事認為於報告年度以撥備矩陣釐定的其他應收款項與按金的預期信貸虧損撥備對本集團而言並不重大。

(c) Liquidity risk

The Group adopts prudent liquidity risk management which includes maintaining sufficient bank balances and cash, and having available funding through an adequate amount of committed credit facilities.

For bank loans containing a repayment on demand clause, if the lenders were to invoke their unconditional rights to call the loans with immediate effect, including term loans of HK\$96,000,000 (2018: HK\$36,000,000), which are subject to a floating charge over the assets of the Company with scheduled repayment dates, will be on demand for repayment immediately. As at 31 December 2019, bank deposits of HK\$10,160,000 (2018: HK\$10,000,000) is pledged as security for the Group's bank loan of HK\$35,000,000 (2018: HK\$40,000,000). During the year, no revolving loan is subject to a floating charge over the assets of the Company and its subsidiaries as at 31 December 2019 (2018: HK\$90,000,000).

Since the year end, there have been no changes in the risk management department or in any risk management policies.

The following tables show the remaining contractual maturities at the end of the reporting year of the Company's non-derivative financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Company can be required to pay.

Specifically, for bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for lease liabilities, convertible bonds and payables and accruals is prepared based on the scheduled repayment dates.

(c) 流動資金風險

本集團採取審慎流動資金風險管理，包括維持充足之銀行結餘及現金，並擁有可供動用之充足金額已承諾信貸融資。

就包含按要求償還條款的銀行貸款而言，倘貸款人援用其無條件權利即時收回貸款，包括原定償還日期的定期貸款港幣96,000,000元（2018年：港幣36,000,000元）的資產作出浮動押記，將即時按要求償還。於2019年12月31日，銀行存貨港幣10,160,000元（2018年：港幣10,000,000元）用作本集團銀行貸款港幣35,000,000元（2018年：港幣40,000,000元）之抵押。年內，概無循環貸款要求對本公司及其附屬公司於2019年12月31日的資產作出浮動押記（2018年：港幣90,000,000元）。

自年末起，風險管理部或任何風險管理政策並無任何變動。

下表展示本集團非衍生金融負債於報告年度末按未折現現金流量（包括以合約利率計算的利息支付，倘其為浮動利率，則以報告日期的現行利率計算）計算的餘下合約期限以及本公司可被要求作出支付的最早日期。

特別是就銀行貸款而言，倘該貸款附有按要求償還條款，且銀行可全權酌情行使有關條款，則本分析可展示根據有關實體可被要求支付的最早日期（即貸款人援用其無條件權利即時收回貸款之情況）計算的外流資金。就租賃負債、可換股債券以及應付賬款與應計費用的期限分析乃根據預定還款日期編制。

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Financial risk factors
Liquidity risk (in HK\$'000)

財務風險因素
流動資金風險(港幣千元)

		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total contractual undiscounted cash flow 未折現合約 現金流量總額	Carrying amount 賬面值
At 31 December 2019	於2019年12月31日	少於一年	介乎一至兩年	介乎兩至五年		
Term loans subject to a repayment on demand clause	附帶按要求償還條款 之定期貸款	137,781	-	-	137,781	131,000
Lease liabilities	租賃負債	7,921	2,300	217	10,438	10,105
Convertible bonds	可換股債券	2,940	44,586	-	47,526	35,882
Payables and accruals	應付賬款及應計費用	459,915	18,896	27,808	506,619	506,619
Total	總計	608,557	65,782	28,025	702,364	683,606

		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total contractual undiscounted cash flow 未折現合約 現金流量總額	Carrying amount 賬面值
At 31 December 2018	於2018年12月31日	少於一年	介乎一至兩年	介乎兩至五年		
Term loans subject to a repayment on demand clause	附帶按要求償還條款 之定期貸款	79,795	-	-	79,795	76,000
Revolving loans	循環貸款	90,217	-	-	90,217	90,000
Payables and accruals	應付賬款及應計費用	531,283	13,516	24,984	569,783	569,783
Total	總計	701,295	13,516	24,984	739,795	735,783

5.2 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank loans disclosed in note 22, net of bank balances and cash disclosed in note 20, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure periodically. As part of the review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues, issue of new debts or the redemption of existing debt.

5.3 Fair value estimation

The carrying amounts of the Group's current assets and liabilities approximate their fair values due to their short term maturities as at end of 2018 and 2019. The fair value of convertible bonds is classified as level 3 in the fair value hierarchy has been determined in accordance with general accepted pricing models based on a discounted cash flow analysis with the most significant inputs being the discount rate that reflects the credit risk of counterparties as at 31 December 2019.

5.2 資本風險管理

本集團管理其資本，以確保本集團內實體均可持續經營，同時透過優化債務及權益結餘為股東謀求最大回報。本集團之整體策略與上個年度維持不變。

本集團之資本架構由附註22所披露之銀行貸款(已扣除附註20所披露之銀行結餘及現金)及本公司擁有人應佔權益(包括已發行股本及儲備)組成。

本公司董事定期檢討資本架構。作為此檢討工作一部分，本公司董事考慮資本成本及各類資本相關之風險。按照本公司董事建議，本集團將透過派發股息、發行新股份、發行新債務或贖回現有債務之方式平衡其整體資本架構。

5.3 公平值估計

鑒於本集團流動資產及負債於短期內到期，於2018年及2019年末其賬面值與其公平值相若。於2019年12月31日可換股債券的公平值分類為公平值層級的第三層，乃根據公認定價模型使用最重大輸入數字(即反映對手方信貸風險的貼現率)的貼現現金流分析釐定。

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Useful lives of property, plant and equipment

Management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. Such estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

(b) Impairment of receivables, deposits and contract assets

Management determines the specific provision for impairment of receivables, deposits and contract assets based on assessment of the recoverability of the balances. The assessment is based on the specific recoverability assessment and ageing profile of the balances, which requires the use of judgements and estimates. A considerable amount of judgement is required in assessing the ultimate realisation of the balance, including the financial position and the historical payment pattern of each counterparty. The Group has set out policies to ensure follow-up action is taken to recover overdue receivables and deposits. As at 31 December 2019, the Group has made impairment provision of receivables approximately HK\$94,302,000 and impairment provision of contract assets of approximately HK\$53,273,000 mainly of balance with Hsin Chong Group, based on the impairment assessment. The Group has been negotiating with the counterparties for the payment of settlement. The determination of the provision involved significant management estimation.

6. 關鍵會計判斷及估計不確定性之主要來源

應用本集團會計政策時，董事須就未能即時輕易從其他來源得知的資產及負債賬面值作出判斷、估計及假設。有關估計及相關假設乃根據過往經驗及被視為有關的其他因素作出。實際結果有別於該等估計。

有關估計及相關假設將持續進行審閱。倘修訂僅影響修訂估計的期間，則於該期間確認會計估計的修訂，或倘修訂同時影響現時及未來期間，則於修訂期間及未來期間確認會計估計的修訂。

(a) 物業、廠房及設備之可使用年期

管理層釐定其物業、廠房及設備的估計可使用年期及相關折舊及攤銷費用。有關估計乃基於類似性質及性能的物業、廠房及設備的實際可使用年期過往經驗得出。

(b) 應收賬款、按金及合約資產減值

管理層根據結餘可收回性的評估釐定應收賬款、按金及合約資產的具體減值撥備。該評估乃基於結餘的具體可收回性評估及賬齡組合，須作出判斷及估計。評估結餘最終變現須作出大量判斷，包括各對手方的財務狀況及過往支付模式。本集團已制定政策，確保採取後續措施收回逾期應收賬款及按金。於2019年12月31日，本集團已根據減值評估作出應收賬款減值撥備約港幣94,302,000元及合約資產減值撥備約港幣53,273,000元（主要與新昌集團之結餘有關）。本集團一直就結付款項與對手方進行磋商。撥備之釐定涉及大量管理層估計。

(c) Construction contracts

The Group recognises the revenue from design, supply and installation service over time based on output method by directly measuring the value of construction work transferred to the customer to date relative to the remaining construction works promised to be completed under the construction contract. Most construction works take 1 to 3 years to complete and the scope of work may change during the construction period. The Group reviews and revises the estimates of contract revenue, contract costs, variation orders as well as the financial impact of claims, disputes and liquidation damages prepared for each construction contract as the contract progresses.

The management's estimate of revenue and the completion status of construction works requires significant judgement and has a significant impact on the amount and timing of revenue recognised.

The construction works performed by the Group would be certified by the quantity surveyors of the customers or payment applications from the in-house surveyors periodically according to the construction contracts. The Group regularly reviews and revises the estimation of contract revenue prepared for each construction contract as the contract progresses based on the construction progress and the certification issued by the customers.

As at 31 December 2019, the Group had certain claims over its contract assets and receivables in respect of disputes or prolonged negotiation between the Group and the employers in certain building construction contracts. The Group is closely monitoring the development of these contracts and has been negotiating with the employer. The directors of the Company are of the view that the carrying value of the balances as at 31 December 2019 would be fully recoverable. The determination of the recoverability involved significant management estimation.

(c) 建築合約

本集團根據輸出方法透過直接計量截至目前已轉讓予客戶之建設工程相對根據建設合約承諾將完成之餘下建設工程之價值隨時間確認設計、供應及安裝服務之收益。大多數建設工程需1至3年方可完成且工程範圍可能於建設期作出變更。管理層在合約過程中檢討及修訂各建築合約的合約收益、合約成本、變更指令之估計以及索償、爭議及違約賠償金之財務影響。

管理層估計收益及建設工程之完成狀態需作出重大判斷及對所確認收益之金額及時間有重大影響。

本集團執行的建築工程會由客戶工料測量師或內部測量師的付款申請根據建築合約定期核證。本集團按合約進展定期根據建築進度及客戶發出的證明書，審閱及修訂就各建築合約而編製的合約收益估計。

於2019年12月31日，本集團就合約資產及應收款項就本集團與僱主在某些建築施工合約中的糾紛或長期談判提出若干索償。本集團正密切監察這些合約的發展，並一直與僱主磋商。本公司董事認為，截至2019年12月31日的結餘賬面值可全數收回。可收回性的確定涉及重大的管理估算。

(d) Income tax

The Group is subject to income taxes in Hong Kong, Macau and the PRC. Significant judgement is required in determining the provision for PRC income taxes. There are a number of transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

(e) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

(d) 所得稅

本集團須繳納香港、澳門及中國之所得稅。於釐定中國所得稅撥備時須作出重大判斷。在日常業務中有大量交易及計算的最終稅項釐定不能確定。本集團根據是否須繳納附加稅項之估計而確認潛在稅項風險之負債。倘若最終評稅結果與初步列賬之數額不同，則有關差額會影響釐定期間所得稅及遞延稅項之撥備。

(e) 公平值計量

計入本集團財務報表之多項資產及負債須按公允價值計量及／或作出公允價值披露。

本集團金融及非金融資產及負債之公允價值計量盡可能使用市場可觀察輸入數據及數值。釐定公允價值計量所使用輸入數據乃基於估值技術中所使用輸入數據之可觀察程度分為不同等級（「公允價值層級」）：

- 第一級：相同項目於活躍市場所報價格（未經調整）；
- 第二級：第一級輸入數據以外直接或間接可觀察輸入數據；
- 第三級：不可觀察輸入數據（即無法自市場數據衍生）。

分類為上述等級之項目乃基於所使用對該項目公允價值計量產生重大影響之最低等級輸入數據確定。等級之間項目轉撥於其產生期間確認。

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The Group measures a number of items at fair value:

- Investment properties (note 16); and
- Convertible bonds (note 25).

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

7. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting provided to the chief operating decision maker, identified as the Executive Committee, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments and their results are as below:

- property and facility management services in Hong Kong;
- property and facility management services in China;
- ancillary business including integrated procurement, laundry, cleaning, security, maintenance and technical support services; and
- interiors and special projects.

The Group's customer base is diversified and none of the customers (2018: none) with whom transactions have exceeded 10% of the Group's revenue during the Reporting Year.

本集團按公平值計量若干項目：

- 投資物業(附註16)；及
- 可換股債券(附註25)。

有關上述項目的公平值計量之更多詳情，請參閱適用附註。

7. 分部資料

根據提呈予本集團主要業務決策者即本公司執行委員會(其負責調配資源、為各營運分部評估表現及作策略性決定)之內部財務報告，本集團須予呈報之營運分部及其業績如下：

- 香港之物業及設施管理服務；
- 中國之物業及設施管理服務；
- 輔助業務包括綜合採購、洗衣、清潔、保安、維修及技術支援服務；及
- 室內裝飾及特殊項目。

本集團的客戶群多元化，於報告年度概無客戶(2018年：無)之交易超逾本集團收入的10%。

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財務報表附註

Segment Results (in HK\$'000)

分部業績(港幣千元)

		PFM 物業及設施管理		Ancillary Business	PFM Business	ISP Business	Corporate Overhead (Note 1)	Total
		Hong Kong	China				(附註1)	
		香港	中國	輔助業務	物業及設施 管理業務	室內裝飾及 特殊項目業務	行政費用 (附註1)	總計
2019	2019年							
Revenue	收益							
— At a point in time	— 於某一時間點	-	-	16,599	16,599	-	-	16,599
— Over time	— 一段時間	591,538	9,427	113,611	714,576	838,105	-	1,552,681
		591,538	9,427	130,210	731,175	838,105	-	1,569,280
Gross profit	毛利	62,310	6,006	23,602	91,918	50,502	-	142,420
Gross profit margin	毛利率	10.5%	63.7%	18.1%	12.6%	6.0%	-	9.1%
General and administrative expenses	一般及行政開支	(30,371)	(5,101)	(14,371)	(49,843)	(35,074)	(8,454)	(93,371)
Interest expenses for operation	經營利息開支	-	-	-	-	(5,408)	-	(5,408)
Operating profit before exceptional items	除特殊項目前之經營溢利	31,939	905	9,231	42,075	10,020	(8,454)	43,641
Operating profit margin	經營利潤率	5.4%	9.6%	7.1%	5.8%	1.2%	-	2.8%
Doubtful debt recovery	收回壞賬	-	87	-	87	-	-	87
Impairment of receivables	應收款項之減值	(200)	(422)	(194)	(816)	-	-	(816)
Operating profit	經營溢利	31,739	570	9,037	41,346	10,020	(8,454)	42,912
Interest expenses for acquisition loan	收購貸款利息開支				-	-	(1,320)	(1,320)
Interest expenses for lease	租賃利息開支				(402)	(208)	-	(610)
Other income	其他收益				2,847	577	-	3,424
Profit before taxation	除稅前溢利				43,791	10,389	(9,774)	44,406
Taxation	稅項				(6,068)	(756)	-	(6,824)
Profit for the year	年內溢利				37,723	9,633	(9,774)	37,582

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財務報表附註

		PFM 物業及設施管理					Corporate Overhead (Note 1) 行政費用 (附註1)	Total 總計
		Hong Kong	China	Ancillary Business	PFM Business	ISP Business		
		香港	中國	輔助業務	物業及設施 管理業務	室內裝飾及 特殊項目業務		
2018	2018年							
Revenue	收益							
– At a point in time	– 於某一時間點	–	–	20,268	20,268	–	20,268	
– Over time	– 一段時間	548,454	28,135	96,618	673,207	839,511	1,512,718	
		548,454	28,135	116,886	693,475	839,511	1,532,986	
Gross profit	毛利	64,181	10,100	21,682	95,963	54,177	150,140	
Gross profit margin	毛利率	11.7%	35.9%	18.5%	13.8%	6.5%	9.8%	
General and administrative expenses	一般及行政開支	(37,505)	(18,532)	(16,691)	(72,728)	(41,443)	(123,466)	
Interest expenses for operation	經營利息開支	–	–	–	–	(3,875)	(3,875)	
Operating profit/(loss) before exceptional items	除特殊項目前之經營溢利/(虧損)	26,676	(8,432)	4,991	23,235	8,859	22,799	
Operating profit/(loss) margin	經營利潤/(虧損)率	4.9%	-30.0%	4.3%	3.4%	1.1%	1.5%	
Doubtful debt recovery	收回壞賬	–	–	339	339	–	339	
Impairment of contract assets and receivables	合約資產及應收款項之減值	(26)	(3,206)	(853)	(4,085)	(66,348)	(70,433)	
Operating profit/(loss)	經營溢利/(虧損)	26,650	(11,638)	4,477	19,489	(57,489)	(47,295)	
Impairment loss on goodwill	商譽減值之虧損	–	–	–	–	–	(116,794)	
Interest expenses for acquisition loan	收購貸款利息開支	–	–	–	–	–	(2,360)	
Gain on disposal of a subsidiary	出售一間附屬公司之收益	–	–	–	–	183	183	
Loss on disposal of subsidiaries	出售附屬公司之虧損	–	–	–	–	(623)	(623)	
Other income	其他收益	–	–	–	4,840	112	4,952	
Profit/(loss) before taxation	除稅前溢利/(虧損)	–	–	–	24,329	(57,817)	(128,449)	
Taxation	稅項	–	–	–	(4,271)	5,944	1,673	
Profit/(loss) for the year	年內溢利/(虧損)	–	–	–	20,058	(51,873)	(160,264)	

Note 1: Corporate overhead mainly represents corporate and administrative activities, and shared services.

附註1: 行政費用主要為公司及行政活動，以及共享服務。

8. INTEREST EXPENSES

8. 利息開支

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Interest expenses on bank loans	銀行貸款利息開支	6,061	6,235
Interest expenses on lease liabilities	租賃負債利息開支	610	–
Interest expenses on convertible bonds	可換股債券利息開支	667	–
		7,338	6,235

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

9. PROFIT/(LOSS) BEFORE TAXATION

9. 除稅前溢利/(虧損)

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Profit/(loss) before taxation is arrived after charging/(crediting):	除稅前溢利/(虧損)已扣除/(計入)下列各項：		
Staff costs, including directors' emoluments (note 10)	員工成本(包括董事酬金)(附註10)	645,459	672,963
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,520	7,303
Depreciation of right-of-use assets	使用權資產折舊	13,286	-
Operating lease rental on land, buildings and office equipment	土地、樓宇及辦公室設備之經營租賃租金	-	12,515
Auditor's remuneration	核數師薪酬		
— Audit	— 審核	1,220	1,856
— Non-audit	— 非審核	158	232
Short-term lease expenses	短期租賃開支	468	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	7	38
Exchange loss/(gain)	匯兌虧損/(收益)	31	(392)
Rental income from investment properties	投資物業所得租金收入	(399)	(390)
Fair value gain on investment properties	投資物業之公平值收益	(200)	(1,400)
Bank interest income	銀行利息收入	(672)	(238)

10. STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

10. 員工成本(包括董事酬金)

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Wages and salaries	工資及薪金		
— included in cost of sales	— 計入銷售成本	565,133	568,462
— included in general and administrative expenses	— 計入一般及行政開支	57,864	82,364
Pension — defined contribution scheme	退休金 — 界定供款計劃		
— included in cost of sales	— 計入銷售成本	20,211	19,707
— included in general and administrative expenses	— 計入一般及行政開支	2,251	2,430
		645,459	672,963

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11. BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' Emoluments (in HK\$'000)

The remuneration of every director is set out below:

For the year ended 31 December 2019

Name of Directors	董事姓名	Fees	Salaries, allowances and bonuses*	Employer's contribution to a retirement benefit scheme*	Total
		袍金	薪金、津貼及花紅*	僱主對退休福利計劃之供款*	總計
Executive Directors					
Kingston Chu Chun Ho	朱俊浩	150	1,200	60	1,410
Mandy Hui Suk Man ¹	許淑敏 ¹	104	1,502	58	1,664
Terence Leung Siu Cheong ²	梁兆昌 ²	46	675	6	727
Independent Non-executive Directors					
Ronald Lau Man Tak	劉文德	240	-	-	240
Eric Lee Hon Man	李翰文	240	-	-	240
Edward Wong Yun Kuen	黃潤權	240	-	-	240
		1,020	3,377	124	4,521

11. 董事福利及權益

(a) 董事酬金(港幣千元)

各董事之薪酬載列如下：

截至2019年12月31日止年度

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財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

Name of Director	董事姓名	Fees	Salaries, allowances and bonuses*	Employer's contribution to a retirement benefit scheme*	Total
		袍金	薪金、津貼及花紅*	僱主對退休福利計劃之供款*	總計
Executive Directors		執行董事			
Kingston Chu Chun Ho	朱俊浩	150	1,200	60	1,410
Terence Leung Siu Cheong	梁兆昌	150	2,239	18	2,407
Independent Non-executive Directors		獨立非執行董事			
Ronald Lau Man Tak	劉文德	240	-	-	240
Eric Lee Hon Man	李翰文	240	-	-	240
Edward Wong Yun Kuen	黃潤權	240	-	-	240
Kan Fook Yee ³	簡福飴 ³	91	-	-	91
		1,111	3,439	78	4,628

* Except for the independent non-executive directors, the amounts represented emoluments in respect of services provided in connection with the management of the affairs of the Company or its subsidiaries undertaking.

* 除獨立非執行董事外，該等金額指就提供有關管理本公司或其附屬公司所進行之事務之服務收取之酬金。

¹ Appointed as an Executive Director with effect from 24 April 2019.

¹ 由2019年4月24日起獲委任為執行董事。

² Retired as an Executive Director with effect from 24 April 2019.

² 由2019年4月24日起退任執行董事。

³ Retired as an Independent Non-Executive Director with effect from 18 May 2018.

³ 由2018年5月18日起退任獨立非執行董事。

(b) Interest of Directors

- (i) During the year, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2018: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2018: Nil).
- (ii) There are no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities (2018: Nil).

(b) 董事權益

- (i) 於本年度，並無向董事直接或間接支付或作出退休福利、有關終止董事服務之付款或福利，亦無任何就此應付之款項(2018年：無)。並無就獲得董事服務而撥備或第三方就此應收之代價(2018年：無)。
- (ii) 並無貸款、準貸款或其他以董事、彼等之控權實體法團及關連實體為受益人之交易(2018年：無)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(iii) No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: Nil).

(iii) 於本年度末或於本年度任何時間並無存續本公司訂立之有關本公司業務之重大交易、安排及合約，而本公司董事直接或間接於其中擁有重大權益(2018年：無)。

(c) Five highest paid individuals

During the year, the five individuals whose emoluments were the highest in the Group include one director (2018: one) whose emoluments are included in note 11(a). The emoluments payable to the other four (2018: four) highest paid individuals during the year are as follows:

(c) 五位最高薪人士

本年內，本集團五位最高薪人士包括一名(2018年：一名)董事，彼等之酬金已載於附註11(a)。本年內，應付予其他四名(2018年：四名)最高薪人士之酬金詳情如下：

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	6,000	5,838
Pension — defined contribution scheme	退休金 — 界定供款計劃	197	278
		6,197	6,116

The emoluments of the above individuals fell within the following bands:

上述人士的酬金介乎以下範圍：

		Number of individuals 人數	
		2019	2018
Emolument band HK\$1,000,001 to HK\$2,000,000	酬金範圍 港幣 1,000,001 元至 港幣 2,000,000 元	4	4

During the year, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

本年內，本集團並無向任何五位最高薪人士支付任何酬金，作為促使加入或加入本集團時的酬金或作為離職補償。

12. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit/(loss) for the year after application of available tax loss brought forward for both years. Taxation on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of tax charged/(credited) to the consolidated profit or loss represents:

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Current taxation	當期稅項		
Hong Kong profits tax	香港利得稅		
— provision for the year	— 年內撥備	6,456	4,975
— over provision in prior years	— 過往年度超額撥備	(77)	(102)
Deferred taxation (note 26)	遞延稅項(附註26)	445	(6,546)
		6,824	(1,673)

The taxation on the Group's profit/(loss) before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Profit/(loss) before taxation	除稅前溢利/(虧損)	44,406	(161,937)
Calculated at a taxation rate of 16.5% (2018: 16.5%)	按稅率 16.5% 計算 (2018年: 16.5%)	7,327	(26,719)
Effect of different taxation rates in other tax jurisdictions	其他稅務司法權區不同稅率 之影響	348	(134)
Over provision in prior years	過往年度超額撥備	(77)	(131)
Income not subject to taxation	毋須課稅收入	(49)	(1,217)
Expenses not deductible for taxation purposes	不可扣稅開支	591	19,714
(Utilisation of previously unrecognised tax loss)/Unrecognised tax loss	(動用過往未獲確認之稅項 虧損)/未獲確認之稅項虧損	(1,316)	6,814
		6,824	(1,673)

12. 稅項

兩個年度的香港利得稅乃按有關年度之估計應課稅溢利/(虧損)扣除自往年結轉之可動用稅損後以稅率 16.5% 撥備。本集團之海外溢利稅項乃按本年度估計應課稅溢利以其經營所在國家之現行稅率計算。

綜合損益表扣除/(計入)之稅項金額如下：

	2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Current taxation		
Hong Kong profits tax		
— provision for the year	6,456	4,975
— over provision in prior years	(77)	(102)
Deferred taxation (note 26)	445	(6,546)
	6,824	(1,673)

本集團除稅前溢利/(虧損)之稅項與按本公司所在國家之稅率應產生之理論稅款之差額如下：

	2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Profit/(loss) before taxation	44,406	(161,937)
Calculated at a taxation rate of 16.5% (2018: 16.5%)	7,327	(26,719)
Effect of different taxation rates in other tax jurisdictions	348	(134)
Over provision in prior years	(77)	(131)
Income not subject to taxation	(49)	(1,217)
Expenses not deductible for taxation purposes	591	19,714
(Utilisation of previously unrecognised tax loss)/Unrecognised tax loss	(1,316)	6,814
	6,824	(1,673)

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13. DIVIDEND

At a meeting held on 24 March 2020, the Board resolved not to declare final dividend for the Reporting Year (2018: Nil).

14. EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share is calculated by dividing the Group's profit/(loss) attributable to the equity holders less dividends (if any) to convertible preference shareholders by the weighted average number of ordinary shares in issue during the year.

13. 股息

於2020年3月24日舉行之會議上，董事會議決不就報告年度宣派末期股息(2018年：無)。

14. 每股盈利／(虧損)

(a) 每股基本盈利／(虧損)乃根據股權持有人應佔本集團溢利／(虧損)減可轉換優先股股權持有人之股息(如有)除以期內已發行普通股加權平均數計算。

		2019	2018
Profit/(loss) attributable to equity holders (HK\$'000)	股權持有人應佔溢利／(虧損) (港幣千元)	37,582	(160,018)
Weighted-average ordinary shares issued ('000)	已發行普通股加權平均數 (千股)	424,850	424,850
Basic earnings/(losses) per share (HK cents)	每股基本盈利／(虧損) (港幣仙)	8.8	(37.7)

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(b) Diluted earnings per share for the Reporting Year is calculated by dividing the Group's profit attributable to the equity holders by the weighted-average ordinary shares outstanding after adjusting for the potential ordinary shares to be issued on convertible preference shares and convertible bonds. The calculation of the basic and diluted earnings/(losses) per share attributable to the ordinary equity holders of the Company is based on the following data:

(b) 於報告年度之每股攤薄盈利乃按本集團之權益持有人應佔溢利除以就可轉換優先股及可換股債券將予發行之潛在普通股作出調整後之已發行普通股加權平均股數計算。本公司普通權益持有人應佔每股基本及攤薄盈利/(虧損)之計算乃基於以下數據：

		2019	2018
Earnings/(losses)	盈利/(虧損)		
Earnings/(losses) for the purposes of basic earnings/(losses) per share (HK\$'000)	就計算每股基本盈利/(虧損)之盈利/(虧損)(港幣千元)	37,582	(160,018)
Effect of dilutive potential ordinary shares:	攤薄潛在普通股之影響：		
— Interest on convertible bonds (net of tax) (HK\$'000)	— 可換股債券利息(扣除稅項)(港幣千元)	667	—
Earnings/(losses) for the purposes of diluted earnings/(losses) per share (HK\$'000)	就計算每股攤薄盈利/(虧損)之盈利/(虧損)(港幣千元)	38,249	(160,018)
Number of share	股份數目		
Weighted-average ordinary shares issued ('000)	已發行加權平均普通股(千股)	424,850	424,850
Effect of dilutive potential ordinary shares:	攤薄潛在普通股之影響：		
— Convertible preference shares ('000) (Note)	— 可轉換優先股(千股)(附註)	80,000	—
— Convertible bonds ('000)	— 可換股債券(千股)	10,126	—
		90,126	—
Weighted-average ordinary shares for calculating diluted earnings per share ('000)	計算每股攤薄盈利所用之加權平均普通股(千股)	514,976	424,850
Diluted earnings/(losses) per share (HK cents)	每股攤薄盈利/(虧損)(港幣仙)	7.4	(37.7)

Note: The effect of any potential exercise of convertible preference shares is excluded from the calculation of diluted loss per share in 2018 where the effect would be anti-dilutive.

附註：任何可能行使的可轉換優先股的影響均不包括在2018年攤薄每股收益的計算中，其影響是反攤薄的。

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財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、機器及設備

		Right-of-use assets 使用權資產 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Furniture and equipment 傢俱及設備 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost	成本					
At 1 January 2018	於2018年1月1日	-	13,563	4,921	59,138	77,622
Exchange differences	匯兌差額	-	(12)	(77)	(136)	(225)
Additions	添置	-	1,072	58	2,435	3,565
Disposals	出售	-	(827)	(231)	(1,598)	(2,656)
Disposal of subsidiaries	出售附屬公司	-	-	-	(177)	(177)
At 31 December 2018 originally presented	於2018年12月31日(原列)	-	13,796	4,671	59,662	78,129
Initial application of HKFRS 16	首次應用香港財務報告準則 第16號	30,572	-	-	-	30,572
Restated balance as at 1 January 2019	於2019年1月1日之 經重列結餘	30,572	13,796	4,671	59,662	108,701
Exchange differences	匯兌差額	(69)	(7)	(35)	(59)	(170)
Additions	添置	9,727	403	1,335	3,302	14,767
Disposals	出售	(191)	(11)	(870)	(813)	(1,885)
At 31 December 2019	於2019年12月31日	40,039	14,181	5,101	62,092	121,413
Accumulated depreciation	累計折舊					
At 1 January 2018	於2018年1月1日	-	(8,465)	(3,167)	(50,727)	(62,359)
Exchange differences	匯兌差額	-	13	51	125	189
Depreciation for the year	年內折舊	-	(2,683)	(624)	(3,996)	(7,303)
Disposals	出售	-	826	182	1,283	2,291
Disposal of subsidiaries	出售附屬公司	-	-	-	13	13
At 31 December 2018 originally presented	於2018年12月31日(原列)	-	(10,309)	(3,558)	(53,302)	(67,169)
Initial application of HKFRS 16	首次應用香港財務報告準則 第16號	(15,626)	-	-	-	(15,626)
Restated balance as at 1 January 2019	於2019年1月1日之 經重列結餘	(15,626)	(10,309)	(3,558)	(53,302)	(82,795)
Exchange differences	匯兌差額	58	7	29	56	150
Depreciation for the year	年內折舊	(13,286)	(2,211)	(682)	(3,627)	(19,806)
Disposals	出售	151	3	520	751	1,425
At 31 December 2019	於2019年12月31日	(28,703)	(12,510)	(3,691)	(56,122)	(101,026)
Closing net book value	年終賬面淨值					
At 31 December 2019	於2019年12月31日	11,336	1,671	1,410	5,970	20,387
At 1 January 2019	於2019年1月1日	14,946	3,487	1,113	6,360	25,906
At 31 December 2018	於2018年12月31日	-	3,487	1,113	6,360	10,960

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財務報表附註

Right-of-use assets

使用權資產

		Leasehold land and buildings	Furniture and equipment	Total
		租賃土地及樓宇	傢俱及設備	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 1 January 2019	於2019年1月1日	14,020	926	14,946
Additions	添置	9,361	366	9,727
Disposals	出售	(34)	(6)	(40)
Depreciation	折舊	(12,889)	(397)	(13,286)
Exchange differences	匯兌差額	(11)	-	(11)
At 31 December 2019	於2019年12月31日	10,447	889	11,336

16. INVESTMENT PROPERTIES

16. 投資物業

		2019	2018
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At 1 January	於1月1日	7,000	5,600
Unrealised gain arising from change in fair value	公平值變動產生之未變現收益	200	1,400
At 31 December	於12月31日	7,200	7,000

Note:

The investment properties were valued as of year-end date on the basis of their open market value by an independent professional property valuer, Savills Valuation and Professional Services Limited.

附註：

投資物業於年末由獨立專業物業估值師第一太平戴維斯估值及專業顧問有限公司按公開市值基準估計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(a) Valuation processes of the Group

The Group measures its investment properties at fair value. The fair value of the Group's investment properties at 31 December 2019 has been determined on the basis of valuations carried out by independent valuers. Discussion of valuation processes and results are held between the Group's senior management and valuers at least once every six months, in line with the Group's interim and annual reporting dates. At each reporting date the Group's senior management:

- verifies all major inputs to the independent valuation report;
- assess property valuations movement when compared to the prior period valuation report; and
- holds discussions with the independent valuers.

Change in Levels 2 and 3 fair values are also analysed at each reporting date during the semi-annual valuations discussions date between the Group's senior management.

(a) 本集團之估值程序

本集團按公平值計量其投資物業。本集團之投資物業於2019年12月31日之公平值乃按獨立估值師進行之估值釐定。本集團高層管理人員與估值師至少每六個月(與本集團之中期及年度報告日期一致)進行一次估值程序及結果討論。於各報告日期，本集團高層管理人員：

- 查核獨立估值報告內的所有重要輸入數據；
- 與上一期間的估值報告進行比較時評估物業估值變動；及
- 與獨立估值師進行討論。

本集團高層管理人員亦對第二級及第三級公平值之變動於各報告日期進行半年度之估值討論時進行分析。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Fair value hierarchy

The following tables analyses the fair value of investment properties at different levels defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(b) 公平值層級

下表載列不同層級之投資物業公平值分析，有關層級之定義如下：

- 同類資產或負債於活躍市場上之報價（未經調整）（第一級）。
- 計入第一級內之報價以外之資產或負債之可觀察輸入數據，不論直接（即價格）或間接（衍生自價格）（第二級）。
- 並非基於可觀察市場數據之資產或負債輸入數據（不可觀察輸入數據）（第三級）。

		Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		同類 資產於活躍 市場上之報價 (第一級) HK\$'000 港幣千元	重大 其他可觀察 輸入數據 (第二級) HK\$'000 港幣千元	重大 不可觀察 輸入數據 (第三級) HK\$'000 港幣千元
As at 31 December 2019	於2019年12月31日			
Recurring fair value measurements	經常性公平值計量			
Investment properties	投資物業	-	7,200	-
As at 31 December 2018	於2018年12月31日			
Recurring fair value measurements	經常性公平值計量			
Investment properties	投資物業	-	7,000	-

There were no transfers between Levels 1, 2 and 3 during the year.

Fair value measurements using significant other observable inputs (Level 2)

Fair value of the investment properties are derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of the properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

本年內，第一級、第二級及第三級之間並無轉撥。

使用重大其他可觀察輸入數據之公平值計量(第二級)

投資物業之公平值使用直接比較法得出。此估值法乃以將予估值之物業與近期交易之其他可資比較物業進行之直接比較為基礎。然而，由於各物業之性質互不相同，通常須作出適當調整，而允許存在可能影響標的物業可能達致之價格之任何質化差異。

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財務報表附註

17. GOODWILL

17. 商譽

HK\$'000
港幣千元

Cost	成本	
At 1 January 2018, 31 December 2018 and 31 December 2019	於2018年1月1日、2018年12月31日 及2019年12月31日	171,794
Accumulated impairment	累計減值	
At 1 January 2018	於2018年1月1日	(55,000)
Impairment charge	減值金額	(116,794)
At 31 December 2018 and 31 December 2019	於2018年12月31日及2019年12月31日	(171,794)
Net Book Value	賬面淨值	
At 31 December 2019	於2019年12月31日	–
At 31 December 2018	於2018年12月31日	–

18. CONTRACT ASSETS AND LIABILITIES

18. 合約資產及負債

		Notes 附註	2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Contract assets	合約資產			
– contract work of ISP business	– 室內裝飾及特殊項目業務 的合約工程	(i)	366,136	346,416
Impairment	減值	(iv)	(53,273)	(53,273)
Total contract assets	合約資產總額		312,863	293,143
Contract liabilities	合約負債			
– contract work of ISP business	– 室內裝飾及特殊項目業務 的合約工程	(ii)	(11,230)	(6,804)
– property and facility service	– 物業和設施服務	(ii)	(4,662)	(4,149)
Total contract liabilities	合約負債總額		(15,892)	(10,953)

Notes:

附註：

- (i) Significant changes in contract assets and liabilities
Contract assets have increased as the Group has more outstanding workload as at 31 December 2019 together with the impact of the progress of contract works and timing of work certification as at year end.

- (i) 合約資產及負債的重大變動
合約資產增加，因為本集團於2019年12月31日的未完成工程較多，連同年底合約工程進度及工程認證時機的影響所致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

- (ii) Revenue recognised in relation to contract liabilities
The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.
- (ii) 就合約負債確認的收益
下表列載與結轉自前期合約負債有關的於本年確認收益金額及與於過往年度履行的履約責任有關的金額。

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Revenue recognised that was included in the contract liability balance at the beginning of the period	於期初計入合約負債結餘的已確認收益		
Contract work of ISP business	室內裝飾及特殊項目業務的合約工程	6,804	14,142
Property and facility services	物業及設施服務	4,149	10,955

- (iii) Unsatisfied long-term contract work of ISP business
The following table shows unsatisfied performance obligations resulting from long-term contract work of ISP business.
- (iii) 室內裝飾及特殊項目業務的未完成長期合約工程
下表列載源於室內裝飾及特殊項目業務的長期合約工程的未完成履約責任。

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Aggregate amount of the transaction price allocated to long-term contract work of ISP business that are partially or fully unsatisfied as at 31 December	分配至於12月31日部分或全部未完成室內裝飾及特殊項目業務的長期合約的交易價總額	679,900	1,068,400

Management expects approximately that HK\$599,800,000 (2018:HK\$756,100,000) to the unsatisfied contracts as of 31 December 2019 will be recognised as revenue during the next reporting period. The remaining HK\$80,100,000 (2018: HK\$ 312,300,000) will be recognised in the 2021 (2018: 2020) financial year. The amount disclosed above does not include variable consideration which is constrained.

管理層概約預計於2019年12月31日未完成合約的港幣599,800,000元(2018年：港幣756,100,000元)將重新確認為下一報告期間的收益。餘下港幣80,100,000元(2018年：港幣312,300,000元)將於2021財政年度(2018年：2020年)重新確認。上文所披露的金額並未計入受限制可變代價。

- (iv) Movements in the provision for impairment of contract assets that are assessed for impairment collectively are as follows:
- (iv) 合約資產(集體評估減值)之減值撥備變動如下：

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Contract Assets	合約資產		
At 1 January	於1月1日	53,273	7,324
Provision for impairment transferred to receivables	已轉入應收賬款之減值撥備	-	(1,213)
Provision for impairment recognised during the year	年內已確認之減值撥備	-	47,162
At 31 December	於12月31日	53,273	53,273

For contract assets, the Group has applied the simplified approach permitted by HKFRS 9 to measure the allowance for credit losses at lifetime ECL. The contract assets are assessed for ECL by using the provision matrix similar with the approach of trade receivables. After the assessment by the directors of the Company, the allowance for ECL on contract assets are insignificant to the Group as at 31 December 2018 and 2019.

就合約資產而言，本集團已採用香港財務報告準則第9號所准許的簡化方法計量全期預期信貸虧損模型下之信貸虧損撥備。合約資產的預期信貸虧損使用貿易應收款項方法類似的撥備矩陣作出評估。經本公司董事評估，於2018年及2019年12月31日，合約資產的預期信貸虧損撥備對本集團而言並不重大。

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財務報表附註

19. RECEIVABLES

The credit period of the Group's accounts receivable generally ranges from 30 to 60 days (2018: 30 to 60 days) and the majority of the Group's accounts receivable are denominated in Hong Kong dollars. The ageing analysis of accounts receivable by invoice date is as follows:

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Accounts receivable	應收賬款		
0 to 30 days	0至30日	118,025	145,452
31 to 60 days	31至60日	37,013	41,098
61 to 90 days	61至90日	17,489	14,516
Over 90 days	90日以上	112,956	117,934
		285,483	319,000
Retention receivables and other receivables (note I)	應收保固金及其他應收款項 (附註I)	145,452	155,795
Receivables	應收賬款	430,935	474,795
Impairment of accounts receivable, retention receivables and other receivables (note II)	應收賬款、應收保固金及其他應收款項之減值 (附註II)	(94,302)	(94,812)
		336,633	379,983

Note I:

Retention receivables in respect of the contracting business are settled in accordance with the terms of the respective contracts. At 31 December 2019, retention receivables held by customers for contract works amounting to approximately HK\$9,907,000 (2018: HK\$19,028,000) are expected to be recovered or settled in more than 12 months from the end of the reporting period, all of the remaining balances are expected to be recovered or settled within one year. Retention receivables are included in current assets as the Group expects to realise these within its normal operating cycle.

The retention receivables are classified as contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

For retention receivables, the Group has applied the simplified approach permitted by HKFRS 9 to measure the allowance for credit losses at lifetime ECL. The retention receivables are assessed for ECL by using the provision matrix similar with the approach of trade receivables. After the assessment by the directors of the Company, the allowance for ECL on retention receivables are insignificant to the Group as at 31 December 2018 and 2019.

19. 應收賬款

本集團應收賬款之信貸期一般介乎30至60日(2018年:30至60日)。本集團之大部分應收賬款乃按港幣計值。按發票日期分類之應收賬款之賬齡分析如下:

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Accounts receivable	應收賬款		
0 to 30 days	0至30日	118,025	145,452
31 to 60 days	31至60日	37,013	41,098
61 to 90 days	61至90日	17,489	14,516
Over 90 days	90日以上	112,956	117,934
		285,483	319,000
Retention receivables and other receivables (note I)	應收保固金及其他應收款項 (附註I)	145,452	155,795
Receivables	應收賬款	430,935	474,795
Impairment of accounts receivable, retention receivables and other receivables (note II)	應收賬款、應收保固金及其他應收款項之減值 (附註II)	(94,302)	(94,812)
		336,633	379,983

附註I:

承建業務之應收保固金乃根據相關合約條款結付。於2019年12月31日，約港幣9,907,000元(2018年:港幣19,028,000元)之客戶就訂約工程持有的應收保固金預期於報告期末起計12個月後收回或結付，全部餘額預期將於一年內收回或結付。應收保固金計入流動資產，因為本集團預期於正常經營週期變現此等款項。

應收保固金分類為合約資產，直至保固期完結為止，因本集團收取該末期款項為本集團之工程完滿通過檢測的條件之一。

就應收保固金而言，本集團已應用香港財務報告準則第9號所准許的簡化方法計量全期預期信貸虧損模型下之信貸虧損撥備。應收保固金之預期信貸虧損乃使用與貿易應收款項方法類似的撥備矩陣評估。經本公司董事評估，於2018年及2019年12月31日，應收保固金預期信貸虧損撥備對本集團而言並不重大。

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財務報表附註

Note II:

As of 31 December 2019, accounts receivable of HK\$95,524,000 (2018: HK\$94,663,000) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default. Accounts receivable of HK\$73,696,000 (2018: HK\$71,517,000) were past due and impaired which mainly related to Hsin Chong.

附註II:

於2019年12月31日，港幣95,524,000元(2018年：港幣94,663,000元)之應收賬款已逾期但未減值。該等款項與多名近期並無違約記錄的獨立客戶有關。已逾期及減值之港幣73,696,000元(2018年：港幣71,517,000元)之應收賬款主要與新昌有關。

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Impairment of receivables	應收款項減值		
At 1 January	於1月1日	94,812	70,870
Provision for impairment recognised	已確認減值撥備	816	23,271
Written-off	撇銷	(1,111)	-
Doubtful debts recovery	收回壞賬	(87)	(339)
Exchange differences	匯兌差額	(128)	(203)
Provision for impairment transferred from contract assets	轉自合約資產之減值撥備	-	1,213
At 31 December	於12月31日	94,302	94,812

At 31 December 2019, over 95% of the impairment of receivables was related to Hsin Chong (2018: 95%). The management considered that there no material balances with Hsin Chong is maintained in the accounts.

於2019年12月31日，超過95%應收款項減值與新昌有關(2018年：95%)。管理層認為賬目中並無與新昌的重大結餘。

The maximum exposure to credit risk at the reporting date is the carrying value of the accounts receivable mentioned above. The Group does not hold any collateral as security.

於報告日期所面臨之最高信貸風險為上述應收賬款之賬面值。本集團並無持有任何抵押品作抵押。

20. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS/TIME DEPOSITS

20. 現金及現金等值及已抵押銀行存款／定期存款

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Cash and bank balance	現金及銀行結餘	60,597	89,871
Time deposits with original maturities less than three months	原到期日為三個月以下的定期銀行存款	56,276	13,213
Cash and cash equivalents	現金及現金等值	116,873	103,084
Pledged bank deposits/time deposits with original maturities over three months	已抵押銀行存款／原到期日超過三個月的定期銀行存款	11,471	10,866
		128,344	113,950

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The majority of the Group's deposits, cash and cash equivalents is denominated in Hong Kong dollars.

The cash and cash equivalents and time deposits disclosed above and in the consolidated statement of cash flows include HK\$16,692,000 (2018: HK\$17,934,000) which are held in the PRC. These deposits are subject to regulatory restrictions and are therefore not available for general use by the other entities within the Group.

Bank deposits of HK\$10,160,000 (2018: HK\$10,000,000) is pledged as security for the Group's bank loan of HK\$35,000,000 (2018: HK\$40,000,000).

本集團之存款、現金及現金等值大部份以港幣為單位。

上文披露的現金及現金等值及定期存款和計入綜合現金流量表港幣16,692,000元(2018年：港幣17,934,000元)均在中國存置。該等存款受監管限制，因此集團內其他實體不可將其用作為一般用途。

銀行存款港幣10,160,000元(2018年：港幣10,000,000元)用作本集團銀行貸款港幣35,000,000元之抵押(2018年：港幣40,000,000元)。

21. PAYABLES AND ACCRUALS

The credit period of the Group's accounts payable generally ranges from 30 to 60 days (2018: 30 to 60 days). The ageing analysis of accounts payable by invoice date is as follows:

21. 應付賬款及應計費用

本集團應付賬款之信貸期一般介乎30至60日(2018年：30至60日)。按發票日期分類之應付賬款之賬齡分析如下：

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Accounts payable	應付賬款		
0 to 30 days	0至30日	286,450	323,386
31 to 60 days	31至60日	12,245	17,822
61 to 90 days	61至90日	7,663	5,727
Over 90 days	90日以上	32,230	34,011
		338,588	380,946
Retention payables, other payables and accruals	應付保固金、其他應付賬款及應計費用	168,031	188,837
		506,619	569,783

Retention payables in respect of the contracting business are settled in accordance with the terms of the respective contracts. At 31 December 2019, retention payables held by the Group amounting to approximately HK\$5,093,000 (2018: HK\$22,250,000) are expected to be settled in more than 12 months from the end of the 31 December 2019.

承建業務之應收保固金乃根據相關合約條款結付。於2019年12月31日，本集團所持約港幣5,093,000元(2018年：港幣22,250,000元)之應付保固金預期於2019年12月31日末起計12個月後結付。

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財務報表附註

22. BANK LOANS

22. 銀行貸款

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Bank loans contains a clause of repayment on demand	銀行貸款附帶按要求償還條款		
— Portion due for repayment within one year	— 一年內到期償還部份	80,000	144,000
— Portion due for repayment in the second year	— 於第兩年償還部份	51,000	22,000
		131,000	166,000

Notes:

- (a) The Group had bank loans of HK\$131,000,000 (2018: HK\$166,000,000) denominated in Hong Kong dollars.
- (b) The bank loans of the Group carried weighted average interest rates of 5.4% (2018: 4.5%) per annum.
- (c) The Group's term loan of HK\$96,000,000 (2018: HK\$36,000,000) is subject to a floating charge over the assets of the Company and its subsidiaries.
- (d) No revolving loan is subject to a floating charge over the assets of the Company and its subsidiaries (2018: HK\$90,000,000).
- (e) The Group's bank loan of HK\$96,000,000 (2018: HK\$126,000,000) is personally guaranteed by an indirect controlling shareholder.
- (f) Bank deposits of HK\$10,160,000 (2018: HK\$10,000,000) is pledged as security for the Group's bank loan of HK\$35,000,000 (2018: HK\$40,000,000).
- (g) The carrying amounts of loans approximate their fair values.

附註：

- (a) 本集團有銀行貸款港幣131,000,000元(2018年：港幣166,000,000元)以港幣計值。
- (b) 本集團之銀行貸款之加權平均年利率為5.4%(2018年：4.5%)。
- (c) 本集團之有期貸款為港幣96,000,000元(2018年：港幣36,000,000元)，其乃將本公司及其附屬公司之資產作浮動押記。
- (d) 概無循環貸款須將本公司及其附屬公司之資產作浮動押記(2018年：港幣90,000,000元)。
- (e) 本集團之銀行貸款為港幣96,000,000元(2018年：港幣126,000,000元)，其乃由間接的控股股東個人作出擔保。
- (f) 銀行存款港幣10,160,000元(2018年：港幣10,000,000元)用作本集團銀行貸款港幣35,000,000元(2018年：港幣40,000,000元)之抵押。
- (g) 貸款的賬面值與其公允值相若。

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財務報表附註

23. LEASES LIABILITIES

23. 租賃負債

		Leasehold land and buildings	Furniture and equipment	Total
		租賃土地及樓宇	傢俱及設備	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At 1 January 2019	於2019年1月1日	12,439	992	13,431
Additions	添置	8,007	366	8,373
Termination	終止	(34)	(6)	(40)
Interest expenses	利息開支	555	55	610
Lease payments	租賃付款	(11,851)	(446)	(12,297)
Exchange differences	匯兌差額	28	-	28
At 31 December 2019	於2019年12月31日	9,144	961	10,105

Future lease payments are due as follows:

未來租賃付款之到期情況如下：

		Minimum lease payments	Interest	Present value
		最低租賃付款	利息	現值
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Not later than one year	一年內	7,921	(280)	7,641
Later than one year and not later than two years	一年後但兩年內	2,300	(44)	2,256
Later than two years and not later than five years	兩年後但五年內	217	(9)	208
At 31 December 2019	於2019年12月31日	10,438	(333)	10,105

24. LONG SERVICE PAYMENT LIABILITIES

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employee's final salary and years of service, and is reduced by entitlements accrued under the Group's defined contribution retirement scheme that is attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

The liability recognised in the consolidated balance sheet is present value of unfunded obligation and its movements are as follows:

24. 長期服務金負債

根據香港《僱傭條例》，本集團有責任向於本集團服務年資達五年或以上而在若干情況下停止受僱的僱員付出一筆過的金額。所支付的金額乃根據僱員的最終薪金及服務年數而釐定，並扣除僱員在本集團界定供款退休計劃下應計權益中本集團所供之款項。本集團並無撥出任何資產以為任何剩餘的責任提供資金。

於綜合資產負債表內確認之負債乃為未撥付責任之現值及其變動如下：

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
At 1 January	於1月1日	1,963	1,380
Net charge to profit or loss	於損益中扣除淨額		
Current service cost	即期服務成本	114	115
Interest cost	利息成本	31	16
		145	131
Net credit to other comprehensive income	於其他全面收益中計入淨額		
Remeasurements:	重新計量：		
Actuarial loss/(gain) arising from:	自以下各項產生之精算 虧損／(收益)：		
Liability experience	經驗調整	(277)	1,076
Financial assumptions	財務假設	5	(19)
Demographic assumptions	人口分佈假設	(2)	(2)
		(274)	1,055
Other	其他		
Benefits paid	已付福利	(258)	(603)
At 31 December	於12月31日	1,576	1,963

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The principal actuarial assumptions used for accounting purposes are as follows:

就會計目的採用之主要精算假設如下：

		2019 %	2018 %
Discount rate	貼現率	1.7	1.8
Long-term salary increase rate	長期薪金增長率	4.0	4.0
Long term average expected return on mandatory provident fund scheme assets	強制性公積金計劃資產之長期平均預期回報	3.5	3.5

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions are as follows:

界定福利責任對重大主要假設變動的敏感度載列如下：

		Impact on defined benefit obligation 界定福利責任之影響		
		Change in assumption 假設變動	Increase in assumption 假設增加	Decrease in assumption 假設減少
Discount rate	貼現率	0.25%	Decrease by 減少 0.6%	Increase by 增加 0.6%
Long-term salary increase rate	長期薪金增長率	0.25%	Increase by 增加 2.6%	Decrease by 減少 2.6%
Long-term average expected return on mandatory provident fund scheme assets	強制性公積金計劃資產之長期平均預期回報	0.25%	Decrease by 減少 2.2%	Increase by 增加 2.2%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

以上敏感度分析是基於只有一個假設的改變，而其他假設則沒有變動。實際上，這是不太可能發生的，及某些假設之變動可能是互相關連的。當計算就重要的精算假設對該等界定福利責任的敏感度時，應用了相同方法（於報告期末以預計單位計入法計算該等界定福利責任的現值）。

The weighted average duration of the defined benefit obligation is 2.4 years as at 31 December 2019 (2018: 2.2 years).

於2019年12月31日界定福利責任的加權平均期限為2.4年（2018年：2.2年）。

25. CONVERTIBLE BONDS

The Company issued 84,000,000, 7% convertible bonds with a principal amount of HK\$42,000,000 on 18 November 2019. The convertible bonds are denominated in Hong Kong dollars. The bonds will mature by two years from the issue date with repayment of principal amount or can be converted into ordinary shares of the Company at the holder's option at the fixed rate of one share per HK\$0.5 of the outstanding principal.

The fair values of the liability component and the equity conversion component were valued by independent professional valuer, Pretium Advisory Services Limited, at the issuance of the convertible bonds and not subject to annual revaluation. The fair value of the liability component, included in non-current financial liabilities, was calculated using a market interest rate for an equivalent non-convertible bonds. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity net of deferred income taxes.

The convertible bonds recognised in the statement of financial position is calculated as follows:

		HK\$'000 港幣千元
Equity component on initial recognition at 18 November 2019 and year ended 31 December 2019	於2019年11月18日及2019年12月31日初步確認之權益部分	5,180
Liability component on initial recognition at 18 November 2019	於2019年11月18日初步確認之負債部分	35,569
Interest expenses (note 8)	利息開支(附註8)	667
Interest paid	已付利息	(354)
Liability component at 31 December 2019	於2019年12月31日之負債部分	35,882

Interest expenses on the convertible bonds are calculated using the effective interest method by applying the effective interest rate of 17.1% to the liability component. None of the convertible bonds were redeemed or converted during the year.

25. 可換股債券

本公司於2019年11月18日發行84,000,000股7%可換股債券，本金總額為港幣42,000,000元。可換股債券按港幣計值。債券將由發行日計2年內到期，持有人可選擇償還本金額或按未償還本金每港幣0.5元兌一股股份之固定兌換率兌換為本公司普通股。

負債部分及權益轉換部分之公允值乃由獨立專業估值師(Pretium Advisory Services Limited)於發行可換股債券時估值及無需每年重估。負債部分(包括非流動金融負債)之公允值乃使用等額非可換股債券之市場利率計算。餘值(指權益轉換部分之價值)計入股東權益扣除遞延所得稅。

於財務狀況表確認之可換股債券計算如下：

可換股債券之利息開支乃使用實際利率法以負債部分之實際利率17.1%計算。於年度內，概無可換股債券獲贖回或兌換。

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26. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using tax rates substantively enacted as at the date of statement of financial position. The movement on the net deferred tax (assets)/liabilities account is as follows:

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Beginning of the year	年初	(6,339)	207
Deferred taxation recognised in profit or loss (note 12)	於損益確認之遞延稅項 (附註12)	445	(6,546)
End of the year	年末	(5,894)	(6,339)

The movement on the deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

		Deferred tax liabilities 遞延稅項負債		Deferred tax assets 遞延稅項資產	
		Accelerated tax depreciation 加速稅項折舊	Accounting tax depreciation 會計稅項折舊	Tax loss 稅項虧損	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2018	於2018年1月1日	248	(41)	-	(41)
Credited to profit or loss	於損益計入	(59)	(443)	(6,044)	(6,487)
At 31 December 2018	於2018年12月31日	189	(484)	(6,044)	(6,528)
Charged/(credited) to profit or loss	於損益扣除/ (計入)	211	(456)	690	234
At 31 December 2019	於2019年12月31日	400	(940)	(5,354)	(6,294)

Deferred tax assets are recognised for tax losses carried forward to the extent that recognised of the related tax benefit through future taxable profits is probable. The Group has recognised tax losses of HK\$93,113,000 (2018: HK\$117,160,000) to carry forward against future taxable income. Tax losses amounting to HK\$58,022,000 will expire at various dates up to and including 2024 (2018 up to and including 2023: HK\$60,808,000). The remaining tax loss do not have expiry dates.

26. 遞延稅項

遞延稅項採用於財務狀況表之日期實質頒佈之稅率按負債法就暫時差額悉數計算。遞延稅項(資產)/負債賬目淨額之變動如下:

遞延稅項資產及負債(於相同徵稅司法權區抵銷結餘前)於本年內之變動如下:

就結轉的稅項虧損而確認的遞延稅項資產僅限於有關之稅務利益很有可能透過未來應課稅溢利確認的部份。本集團之已確認稅項虧損，為數港幣93,113,000元(2018年：港幣117,160,000元)，可結轉以抵銷未來之應課稅收入。為數港幣58,022,000元之稅項虧損將於直至及包括2024年(2018年直至及包括2023年：港幣60,808,000元)的不同日期屆滿。餘下的稅項虧損並無屆滿日期。

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position.

當有法定可執行權利可將當期稅項資產與當期稅項負債抵銷，而遞延稅項涉及同一財政機關，則可將遞延稅項資產與遞延稅項負債互相抵銷。在計入適當抵銷後，下列金額在綜合財務狀況表內列賬。

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	(6,294)	(6,528)
Deferred tax liabilities	遞延稅項負債	400	189
		(5,894)	(6,339)

27. SHARE CAPITAL

27. 股本

		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 港幣千元
Ordinary shares:	普通股：		
At 31 December 2018, 1 January 2019 and 31 December 2019	於2018年12月31日、2019年1月1日及2019年12月31日	424,850	42,486
Convertible preference shares (note)	可轉換優先股(附註)		
At 31 December 2018, 1 January 2019 and 31 December 2019	於2018年12月31日、2019年1月1日及2019年12月31日	80,000	8,000
Ordinary shares and convertible preference shares issued and fully paid	已發行及繳足之普通股及可轉換優先股		
At 31 December 2019	於2019年12月31日	504,850	50,486
At 31 December 2018	於2018年12月31日	504,850	50,486

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Note: 80,000,000 CPSs of HK\$0.75 each were issued as part of the consideration paid for the acquisition of ISP business in late 2012. The rights, privileges and restrictions of the CPS are set out below:

- (i) Dividend
Holder of each CPS shall have the same entitlement to dividend and other income distribution as the holder of each ordinary share of the Company and shall rank pari passu with ordinary shares of the Company as to dividend payments.
- (ii) Return on capital
On winding up of the Company, the holder of the CPSs shall be entitled to the return of capital on the basis of the issue price of the CPSs and in priority to ordinary shares of the Company.
- (iii) Conversion rights
The CPSs is convertible at the option of the holder at any time after the issue date. Conversion of the CPSs shall be subject to, among others, the minimum public float requirements stipulated under the Listing Rules or as required by the Stock Exchange being satisfied.
- (iv) Conversion price
The conversion price is HK\$0.75, subject to adjustment in accordance with the terms of the CPSs. The adjustment event includes consolidation, sub-division, right issue, issue of the Company's shares for cash and grant of options or warrants to subscribe for new shares of the Company at a discount of more than 20% of the market price.
- (v) Redemption
The Company shall have the sole right to redeem the CPSs at any time after the issue at the issue price of the CPSs, i.e. HK\$0.75 per share.

附註：於2012年底發行80,000,000股每股港幣0.75元的可換股優先股作為購買室內及特殊裝飾業務的代價的一部分。可換股優先股之權利、特權和限制如下：

- (i) 股息
每股可換股優先股之持有人與每股本公司普通股之持有人於股息及其他收入分派方面享有同等權利，且於派息方面與本公司普通股享有同等地位。
- (ii) 資本退還
可換股優先股之持有人有權利於本公司清盤時優先於本公司普通股按可換股優先股之發行價基準獲資本退還。
- (iii) 換股權
持有人可選擇於發行日期後任何時間轉換可換股優先股。轉換可換股優先股須待達到(其中包括)上市規則所規定或聯交所要求之最低公眾持股量後，方可進行。
- (iv) 兌換價
兌換價港幣0.75元，可根據可換股優先股之條款予以調整。該等調整事件包括合併、拆細、供股及發行本公司股份以獲取現金，以及授出購股權或認股權證以按市價逾20%之折讓認購本公司新股份。
- (v) 贖回
本公司擁有獨有權利，可於發行日期後任何時間按發行價(即每股港幣0.75元)贖回可換股優先股。

28. RESERVES

Details of movement in the reserves of the Group are set out on page 100.

The following describes the nature and purpose of each reserve within owners' equity:

Reserve 儲備	Description and purpose 描述及目的
---------------	----------------------------------

Share premium 股份溢價	Prior to 3 March 2018, the application of the share premium account was governed by s.48B of the Hong Kong Companies Ordinance, Cap. 32. In accordance with the transitional provisions set out in s.37 of Schedule 11 to the Hong Kong Companies Ordinance, Cap. 622 (the Ordinance) any amount standing to the credit of the share premium account at the beginning of 3 March 2018 became part of the Company's share capital. The use of this share premium balance is governed by s.38 of Schedule 11 to the Ordinance. 於2018年3月3日前，股份溢價賬之應用受香港公司條例(第32章)第48B條規管。按照香港公司條例(第622章)(該條例)附表11第37條所載之過渡條文，於2018年3月3日開始在股份溢價賬之任何進賬額已成為本公司股本一部分。動用此等股份溢價結餘受該條例附表11第38條規管。
Merger reserve 合併儲備	Amount of proceeds on merger accounting relating to the difference between the cost of investment and the nominal value of the share capital acquired. 與投資成本及已收購股本公平值之間差額有關的合併會計處理產生之所得款項金額。
Exchange reserve 匯兌儲備	Gains/losses arising on retranslating the net assets of foreign operations into presentation currency. 重新換算海外營運資產淨值為呈報貨幣產生的收益／虧損。
Equity component of convertible bonds 可換股債券之權益部分	Equity component was equal to the difference between the net proceeds received and the fair value of the liability component on issue of convertible bonds (i.e. option to convert the debt into share capital). 權益部分等於發行可換股債券之已收所得款項淨額與負債部分公平值之間的差額(即將債務轉換為股本的期權)。
Retained earnings 保留盈利	Cumulative net gains and losses recognized in profit or loss. 累計收益及虧損淨額於損益確認。

28. 儲備

本集團儲備的變動詳情載於第100頁。

下文描述擁有人股權內各儲備的性質及目的：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of profit/(loss) before taxation to cash generated from operations:

29. 現金流量表附註

(a) 除稅前溢利／(虧損)與經營業務產生之現金對賬表：

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Profit/(loss) before taxation	除稅前溢利／(虧損)	44,406	(161,937)
Depreciation	折舊	19,806	7,303
Impairment of receivables	應收賬款之減值	816	23,271
Interest income	利息收入	(672)	(238)
Interest expenses	利息開支	7,338	6,235
Fair value gain on investment properties	投資物業公允值收益	(200)	(1,400)
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	7	38
Impairment loss on goodwill	商譽之減值虧損	-	116,794
Impairment of contract assets	合約資產減值	-	47,162
Loss on disposal of subsidiaries	出售附屬公司之虧損	-	623
Gain on disposal of a subsidiary	出售一間附屬公司之收益	-	(183)
Operating profit before working capital changes	營運資金變動前之經營溢利	71,501	37,668
(Increase)/decrease in contract assets	合約資產(增加)／減少	(19,720)	8,989
Decrease in receivables	應收賬款減少	42,684	87,012
Decrease/(increase) in deposits and prepayments	按金及預付款項減少／(增加)	1,285	(4,187)
Decrease in payables and accruals and long service payment liabilities	應付賬款、應計費用及長期服務金負債減少	(63,153)	(118,448)
Decrease in amounts due to other partner of joint operations	應付其他共同經營夥伴款項減少	-	(15)
Decrease in amount due to non-controlling interest	應付非控股權益款項減少	-	(153)
Cash generated from operations	經營業務產生之現金	32,597	10,866

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

(b) Reconciliation of liabilities arising from financing activities

(In HK\$'000)

(b) 融資業務產生之負債對賬表

(港幣千元)

		Bank loans 銀行貸款 (note 22) (附註22)	Interest payable 應付利息	Lease liabilities 租賃負債 (note 23) (附註23)	Convertible bonds 可換股債券 (note 25) (附註25)
At 1 January 2018	於2018年1月1日	162,402	96	-	-
Drawdown of bank loans	動用銀行貸款	65,000	-	-	-
Repayment of bank loans	償還銀行貸款	(61,402)	-	-	-
Bank loans interest paid	已付銀行貸款利息	-	(6,279)	-	-
Total changes from financing cash flow	融資現金流量之變動總額	3,598	(6,279)	-	-
Interest expenses	利息開支	-	6,235	-	-
Total other changes	其他開支總額	-	6,235	-	-
At 31 December 2018	於2018年12月31日	166,000	52	-	-
At 1 January 2019	於2019年1月1日	166,000	52	13,431	-
Drawdown of bank loans	動用銀行貸款	35,000	-	-	-
Repayment of bank loans	償還銀行貸款	(70,000)	-	-	-
Bank loans interest paid	已付銀行貸款利息	-	(6,029)	-	-
Placing of convertible bonds	配售可換股債券	-	-	-	40,749
Interest paid on convertible bonds	就可換股債券已付利息	-	-	-	(354)
Lease payments	租賃付款	-	-	(12,297)	-
Total changes from financing cash flow	融資現金流量之變動總額	(35,000)	(6,029)	(12,297)	40,395
Convertible bonds adjustment	可換股債券調整	-	-	-	(5,180)
Lease adjustments	租賃調整	-	-	8,333	-
Foreign exchange adjustments	外匯調整	-	-	28	-
Interest expenses	利息開支	-	6,061	610	667
Total other changes	其他開支總額	-	6,061	8,971	(4,513)
At 31 December 2019	於2019年12月31日	131,000	84	10,105	35,882

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30. LOSS ON DISPOSAL OF SUBSIDIARIES

Hsin Shun Metal Fabrication Company Limited and Hsin Shun (Dongguan) Metal Fabrication Company Limited*, which are 60% owned subsidiaries of the Company and engaged in provision of direct metal work and curtain wall fabrication, were disposed in June 2018.

30. 出售附屬公司的虧損

新順金屬製品有限公司和新順(東莞)金屬製品有限公司為從事提供直接五金製品及幕牆製造且本公司擁有60%的附屬公司，於2018年6月被出售。

HK\$'000
港幣千元

Net assets disposed	已出售資產淨值	
Property, plant & equipment	物業、機器及設備	164
Receivables	應收賬款	1,490
Deposits and prepayments	按金及預付款項	4,177
Cash and cash equivalents	現金及現金等值	1,513
Payables and accruals	應付賬款及應計費用	(5,394)
Amount due to non-controlling interests	應付非控股權益款項	(1,153)
Taxation payable	應付稅項	(130)
		667
Non-controlling interests	非控股權益	1,404
Release of exchange reserve upon disposal	出售時變現匯兌儲備	152
Net assets disposed	已出售資產淨值	2,223
Consideration	代價	1,600
Net assets disposed	已出售資產淨值	(2,223)
Loss on disposal of subsidiaries	出售附屬公司之虧損	(623)
Net cash inflow in respect of the disposal	出售之現金流入淨額	
Cash received (Note)	已收現金(附註)	-
Cash and cash equivalents disposed	出售現金及現金等值	(1,513)
		(1,513)

Note: The cash consideration was not yet received as at 31 December 2019, which was recognised as other receivables in the consolidated statement of financial position.

附註：於2019年12月31日尚未收到的現金代價於綜合財務狀況表確認為其他應收款項。

* For identification purposes only

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31. GAIN ON DISPOSAL OF A SUBSIDIARY

ISP Project Services (Vietnam) Company Limited, a wholly owned subsidiary engaged in fitting out work and construction services in Vietnam, was disposed in December 2018.

31. 出售一間附屬公司之收益

於越南從事裝修工程及建築服務的全資附屬公司·ISP Project Services (Vietnam) Company Limited，於2018年12月出售。

		HK\$'000 港幣千元
Net assets disposed	已出售資產淨值	
Cash and cash equivalents	現金及現金等值	70
Payables and accruals	應付賬款及應計費用	(3)
Net assets disposed	已出售資產淨值	67
Consideration	代價	250
Net assets disposed	已出售資產淨值	(67)
Gain on disposal of subsidiary	出售一間附屬公司之收益	183
Net cash inflow in respect of the disposal	出售之現金流入淨額	
Cash received (Note)	已收現金(附註)	-
Cash and cash equivalents disposed	已出售現金及現金等值	(70)
		(70)

Note: The cash consideration was not yet received as at 31 December 2019, which was recognised as other receivables in the consolidated statement of financial position.

附註：於2019年12月31日尚未收到的現金代價於綜合財務狀況表確認為其他應收款項。

32. LITIGATION

On 23 January 2020, the Company received a writ of summons issued in the High Court by QBE against the Company for a claim for approximately HK\$34.2 million in aggregate given rise to under the third parties LRA signed together with Hsin Chong (in which the Company is not responsible for part involving Hsin Chong), which concerns the employee compensation insurance policy providing coverage to our ISP Business during period from 9 November 2014 to 31 March 2016.

32. 訴訟

於2020年1月23日，本公司收到昆士蘭於高等法院所出具之傳訊令狀，內容就有關在2014年11月9日至2016年3月31日期間向室內裝飾及特殊項目業務提供僱員補償保險而與新昌簽署之第三方損失保留及賠償協議引致的索償，總額約港幣34,200,000元，其中本公司無須就涉及新昌的部分支付款項。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

In the opinion of the Directors of the Company, it is premature to predict the outcome of the claim against the Company. As at 31 December 2019, the Company has recognised a provision of approximately HK\$9.7 million (2018: HK\$9.7 million), included in other payables and accruals of the Group's consolidated statement of financial position, which reflects the Directors' best estimate of the most likely outcome. It is expected that this matter will be brought to the attention of the High Court in April 2020 (subject to the actual resumption date of the High Court). The Company is seeking legal advice in respect of the proceeding and would defend its position.

Save as disclosed above, as at the date of this annual report, no other litigation or claims of material importance is known to the directors to be pending against the Company.

33. SHARE OPTION SCHEME

The Company had the Share Option Scheme (details of which have been set out on pages 74 to 77 of this report). Under the option schemes, the directors may at their absolute discretion grant options to eligible persons who are employee or directors of the Company or its subsidiaries. No share options were granted, exercised and lapsed for the Reporting Year and no share options were outstanding as at end of 2019.

34. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	19,924	33,725
Pension — defined contribution scheme	退休金 — 界定供款計劃	690	1,140
		20,614	34,865

本公司董事認為，現時預測針對本公司的申索結果乃言之尚早。截止2019年12月31日，本公司已確認撥備約港幣9,700,000元(2018年：港幣9,700,000元)，並計入本集團綜合財務狀況表的其他應付賬款及應計費用，這反映董事對最可能結果的最佳估計。預期該事件將於2020年4月交高等法院審理，並視乎高等法院實際恢復辦公的日期而定。本公司正在諮詢法律意見，並將為自身抗辯。

除上文所披露者外，截至本年報日期，據董事所知，並無其他針對本公司的重大待決訴訟或申索。

33. 購股權計劃

本公司設有購股權計劃(詳情已載於本報告第74至第77頁)。根據此等購股權計劃，董事可全權酌情將購股權授予本公司或其附屬公司的職員或董事中的合資格人士。於報告年度，概無購股權獲授予、行使或失效，且於2019年末，概無購股尚未行使。

34. 關連人士交易

(a) 主要管理人員薪酬

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Significant related party transactions

Summary of the significant related party transactions carried out by the Group during the year are follows:

(b) 重大關連人士交易

於年內本集團進行之重大關連人士交易概要如下：

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
	Note 附註		
Service charges paid to	向下列公司支付服務費		
— Company with common controlling shareholder	— 有一間共同控股股東之公司	(726)	—
— Company controlled by a director	— 由一名董事控制之公司	(224)	(202)
Services income from	來自下列公司之服務收入		
— Company with common controlling shareholder	— 有一間共同控股股東之公司	2,692	2,874
Maintenance and technical support service income from	來自下列公司之維修及技術支援服務收入		
— Company with common controlling shareholder	— 有一間共同控股股東之公司	1,672	4,637
Contracting work's income from	來自下列公司之合約工程收入		
— Company with common controlling shareholder	— 有一間共同控股股東之公司	73,886	2,053

Notes:

- (i) Service charges paid in respect of commission and documentation fee for placing of convertible bonds were mutually agreed by both parties.
- (ii) Service charges paid in respect of typesetting, translation and printing services were mutually agreed by both parties.
- (iii) Services income earned on services including property management, asset management, consultancy fee, security, laundry, cleaning, etc. rendered was mutually agreed by both parties.
- (iv) Maintenance and technical support service income represents fees earned on repair and maintenance works. The prices and terms were mutually agreed by both parties.
- (v) Contracting work's earned from fitting out projects, were mutually agreed by both parties.

附註：

- (i) 就配售可換股債券事項之佣金及文件費支付之服務費，乃按雙方協定而收取。
- (ii) 就排版、翻譯及印刷服務支付的服務開支金額乃由雙方互相協定。
- (iii) 就提供服務(包括物業管理、資產管理、顧問費、保安、洗衣及清潔等服務)賺取之服務收入，乃按雙方協定而收取。
- (iv) 維修及技術支援服務收入指就維修及保養工程賺取之費用。價格及條款由雙方協定。
- (v) 就裝修項目賺取之合約工程費乃按雙方協定而收取。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35. STATEMENT OF FINANCIAL POSITION AND CHANGE IN EQUITY OF THE COMPANY

Statement of financial position of the Company

As at 31 December 2019

35. 本公司財務狀況表及權益變動表

本公司財務狀況表

於2019年12月31日

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、機器及設備	9	36
Subsidiaries	附屬公司	89,204	89,204
Total non-current assets	非流動資產總額	89,213	89,240
Current assets	流動資產		
Other receivables	其他應收款項	143	-
Deposits and prepayments	按金及預付款項	333	312
Amount due from subsidiaries	應收附屬公司款項	6,058	8,608
Deposit, cash and cash equivalents	按金、現金及現金等值	46,826	29,264
Total current assets	流動資產總額	53,360	38,184
Current liabilities	流動負債		
Payables and accruals	應付賬款及應計費用	1,362	1,914
Bank loan	銀行貸款	12,000	36,000
Total current liabilities	流動負債總額	13,362	37,914
Net current assets	流動資產淨值	39,998	270
Total assets less current liabilities	資產總額減流動負債	129,211	89,510
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債	1	6
Convertible bonds	可換股債券	35,882	-
Total non-current liabilities	非流動負債總額	35,883	6
Net assets	資產淨值	93,328	89,504
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益		
Share capital	股本	50,486	50,486
Reserves	儲備	42,842	39,018
Total equity	權益總額	93,328	89,504

The statement of financial position of the Company was approved by the Board of Directors on 24 March 2020 and was signed on its behalf.

本公司財務狀況表經董事會於2020年3月24日批准，並由以下人士代表簽署。

Kingston Chu Chun Ho 朱俊浩
Chairman 主席

Mandy Hui Suk Man 許淑敏
Director 董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Change in equity of the Company

本公司權益變動表

		Share capital	Share premium	Contributed surplus	Equity component of convertible bonds	Accumulated losses	Total equity
		股本	股份溢價	繳入盈餘	可換股債券之權益部分	累計虧損	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2018	於2018年1月1日	50,486	185,420	82,601	-	(74,654)	243,853
Loss attributable to equity holders of the Company	本公司股權持有人應佔虧損	-	-	-	-	(154,349)	(154,349)
At 31 December 2018	於2018年12月31日	50,486	185,420	82,601	-	(229,003)	89,504
Issue of convertible bonds	發行可換股債券	-	-	-	5,180	-	5,180
Loss attributable to equity holders of the Company	本公司股權持有人應佔虧損	-	-	-	-	(1,356)	(1,356)
At 31 December 2019	於2019年12月31日	50,486	185,420	82,601	5,180	(230,359)	93,328

36. HOLDING COMPANY

The directors regarded Champ Key Holding Limited, a company incorporated in British Virgin Islands, as its ultimate holding company.

36. 控股公司

董事視Champ Key Holdings Limited(於英屬處女群島註冊成立的公司)為其最終控股公司。

37. PRINCIPAL SUBSIDIARIES

Name	Place of incorporation and operation	Principal activities	Issued and paid up/ registered capital	Effective percentage of interest held	
				所持實際權益	百分比
名稱	註冊成立及經營地點	主要業務	已發行及繳足/註冊股本	2019	2018
Interest held directly:					
直接持有權益:					
Synergis Holdings (BVI) Limited	British Virgin Islands ¹	Investment holding	100,000 ordinary shares of HK\$0.1 each	100%	100%
	英屬處女群島 ¹	投資控股	100,000股每股面值港幣0.1元之普通股		
Driven Power Management Limited	British Virgin Islands ¹	Investment holding	100 ordinary shares of US\$1 each	100%	100%
	英屬處女群島 ¹	投資控股	100股每股面值1美元之普通股		

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Name 名稱	Place of incorporation and operation 註冊成立及經營地點	Principal activities 主要業務	Issued and paid up/ registered capital 已發行及繳足/ 註冊股本	Effective percentage of interest held 所持實際權益百分比	
				2019	2018
Interest held indirectly: 間接持有權益：					
Synergis Management Services Limited 昇捷管理服務有限公司	Hong Kong 香港	Provision of property management services and investment holding 提供物業管理服務及投資控股	206,837 ordinary shares of HK\$1 each 206,837 股每股面值港幣 1 元之普通股	100%	100%
Synergis Facility Management Limited 昇捷設施管理有限公司	Hong Kong 香港	Provision of facility management services 提供設施管理服務	2 ordinary shares of HK\$1 each 2 股每股面值港幣 1 元之普通股	100%	100%
Service Pro Limited 諾迅服務有限公司	Hong Kong 香港	Provision of maintenance and technical support services 提供維修及技術支援服務	2 ordinary shares of HK\$1 each 2 股每股面值港幣 1 元之普通股	100%	100%
SecurExpert Solutions Limited 新盛保安服務有限公司	Hong Kong 香港	Provision of security and consultancy services 提供保安及顧問服務	2 ordinary shares of HK\$1 each 2 股每股面值港幣 1 元之普通股	100%	100%
Laundrimate Service Limited 洗衣樂服務有限公司	Hong Kong 香港	Provision of laundry services 提供洗衣服務	2 ordinary shares of HK\$1 each 2 股每股面值港幣 1 元之普通股	100%	100%
Master Clean Service Limited 宏潔服務有限公司	Hong Kong 香港	Provision of cleaning services 提供清潔服務	200,000 ordinary shares of HK\$1 each 200,000 股每股面值港幣 1 元之普通股	100%	100%
SynWave Services Limited 新浪潮服務有限公司	Hong Kong 香港	Provision of procurement and trading business 提供採購及貿易業務	1 ordinary share of HK\$1 1 股面值港幣 1 元之普通股	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Name 名稱	Place of incorporation and operation 註冊成立及 經營地點	Principal activities 主要業務	Issued and paid up/ registered capital 已發行及繳足/ 註冊股本	Effective percentage of interest held 所持實際權益 百分比	
				2019	2018
ISP Interiors Limited 昇柏室內裝飾有限公司	Hong Kong 香港	Provision of fitting-out, renovation and addition and alteration works 提供室內裝修、翻新與加建 及改建工程	5,000,000 ordinary share of HK\$1 each 5,000,000 股每股面值 港幣 1 元之普通股	100%	100%
ISP Construction (Engineering) Limited 昇柏營造廠(工程)有限公司	Hong Kong 香港	Provision of demolition work, addition and alteration works and special construction projects 提供拆建工程與加建及 改建工程及特殊建造項目	22,000,000 ordinary share of HK\$1 each 22,000,000 股每股面值 港幣 1 元之普通股	100%	100%
ISP Curtain Wall and Aluminum Products Limited 昇柏幕牆及鋁質制品有限公司	Hong Kong 香港	Provision of curtain walling, cladding & related products 提供幕牆、圍蔽及相關產品	100,000 ordinary shares of HK\$1 100,000 股每股面值 港幣 1 元之普通股	100%	100%
ISP Sourcing Services Limited 昇柏採購服務有限公司	Hong Kong 香港	Provision of procurement and supply chain services and trading business 提供採購及供應鏈服務 及貿易業務	2 ordinary shares of HK\$1 2 股每股面值 港幣 1 元之普通股	100%	100%
Synergis Property Management (Shenzhen) Co., Ltd. ² 昇捷物業管理(深圳)有限公司	PRC (wholly owned foreign enterprise) 中國(外資獨資企業)	Provision of property management, repair and maintenance of sophisticated equipment and indoor cleaning services, and property management consultancy services 提供物業管理、維修保養 先進設備及室內清潔服務， 以及物業管理顧問服務	RMB31,000,000 人民幣 31,000,000 元	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Name 名稱	Place of incorporation and operation 註冊成立及經營地點	Principal activities 主要業務	Issued and paid up/ registered capital 已發行及繳足/ 註冊股本	Effective percentage of interest held 所持實際權益百分比	
				2019	2018
Synergis Property Services (Beijing) Co. Ltd. ²	PRC (wholly owned foreign enterprise)	Provision of property and facility management services, property agent and property consultancy services	RMB32,000,000	100%	100%
昇捷物業服務(北京)有限公司	中國(外資獨資企業)	提供物業及設施管理服務、房地產經紀及房地產顧問服務	人民幣 32,000,000 元		

¹ This is an investment holding company with no specific place of operation.

¹ 該公司為一間投資控股公司，並無具體經營地點。

² These are not registered company names but merely for identification purposes only.

² 該等並非註冊公司名稱，僅供識別。

38. JOINT OPERATIONS

38. 共同經營

Name 名稱	Place of operation 經營地點	Principal activities 主要業務	Participating shares 參股	
			2019	2018
Hsin Chong-Wah Cheong Joint Venture (02)	Hong Kong 香港	Construction 建造	50%	50%

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		2019 HK\$'000 港幣千元	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元
Operating Results		經營業績				
Revenue	收益	1,569,280	1,532,986	2,083,300	2,433,471	2,447,379
Operating profit before exception items	除經營項目之經營溢利	43,641	22,799	20,418	63,718	81,593
Other income/(expenses)	其他收益/(支出)	1,494	2,152	803	(5,157)	(14,069)
Intangible asset write off	撇銷無形資產	-	-	(33,907)	(1,755)	-
Doubtful debt recovery	收回壞賬	87	339	19,818	-	-
Impairment of contract assets and receivables	合約資產及應收賬款之減值	(816)	(70,433)	(5,883)	(91,752)	-
Impairment loss on goodwill	商譽之減值虧損	-	(116,794)	(55,000)	-	-
Profit/(loss) before taxation	除稅前溢利/(虧損)	44,406	(161,937)	(53,751)	(34,946)	67,524
Taxation	稅項	(6,824)	1,673	(1,770)	(4,766)	(12,243)
Profit/(loss) for the year	年內溢利/(虧損)	37,582	(160,264)	(55,521)	(39,712)	55,281
Non-controlling interests	非控股權益	-	246	1,144	229	-
Profit/(loss) attributable to equity holders of the Company	溢利/(虧損)歸屬於本公司股權持有人	37,582	(160,018)	(54,377)	(39,483)	55,281
Assets and Liabilities		資產及負債				
Assets		資產				
Property, plant and equipment	物業、機器及設備	20,387	10,960	15,263	13,435	6,883
Investment properties	投資物業	7,200	7,000	5,600	3,600	3,040
Intangible assets	無形資產	-	-	-	35,535	40,691
Goodwill	商譽	-	-	116,794	171,794	171,794
Deferred tax assets	遞延稅項資產	6,294	6,528	41	78	91
Prepayment	預付款項	415	2,331	2,080	1,840	-
Current assets	流動資產	802,069	812,055	981,119	971,280	1,007,076
Total assets	資產總額	836,365	838,874	1,120,897	1,197,562	1,229,575
Liabilities		負債				
Current liabilities	流動負債	665,383	747,200	868,442	963,278	938,974
Long service payment liabilities	長期服務金負債	1,576	1,963	1,380	2,378	3,977
Convertible bonds	可換股債券	35,882	-	-	-	-
Lease liabilities	租賃負債	2,464	-	-	-	-
Deferred tax liabilities	遞延稅項負債	400	189	248	6,356	7,232
Total liabilities	負債總額	705,705	749,352	870,070	972,012	950,183
Non-controlling interests	非控股權益	-	-	(1,158)	(14)	(1,211)
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益	130,660	89,522	251,985	225,564	280,603

MAJOR PROJECTS

主要工程項目

MAJOR PROJECTS IN-PROGRESS

現時進行之主要工程項目

Description 詳情	Group's Interest 本集團所佔權益	Commencement Date 開工日期	Anticipated Completion Date 預期竣工日期	Client/Ultimate Employer 客戶／最終僱主
INTERIORS AND SPECIAL PROJECTS				
室內裝修與特殊項目				
Builder Works for Automation of Arrival Bags Delivery at Hong Kong International Airport 香港國際機場入境行李提取處自動化的建築工程	100%	September 2017 2017年9月	April 2020 2020年4月	ATAL Engineering Limited 安樂工程有限公司
The Proposed Residential Development at No. 2 Headland Road, Replus Bay, Hong Kong, R.B.L. 676 Superstructure Works 香港淺水灣赫蘭道2號的建議住宅發展項目 市郊建築物地段676號上蓋工程	100%	November 2018 2018年11月	May 2020 2020年5月	Design Corporation Limited
Architectural Builders Works and Finishes Management Services Trade Contract for M+ Museum Project at West Kowloon Cultural District 香港西九文化區之M+博物館項目的建築工程及裝修管理服務貿易合約	100%	October 2018 2018年10月	June 2020 2020年6月	Blue Poles Limited
Subcontract for Cognita-Annex Works at 25 Man Fuk Road, Ho Man Tin, Kowloon, Hong Kong 香港九龍何文田文福道25號Cognita附屬工程分判合約	100%	June 2019 2019年6月	December 2020 2020年12月	Wah Cheong Construction Co., Ltd 華昌建築有限公司
Reprovision of an Indoor All-Weather Swimming Pool at Po Leung Kok Camoes Tan Siu Lin Primary School at 6 Hoi Ting Road, Tau Ma Tei, Kowloon 重置九龍油麻地海庭道6號的保良局陳守仁小學的室內全天候游泳池	100%	August 2017 2017年8月	February 2021 2021年2月	The Incorporated Management Committee of Po Leung Kok Camoes Tan Siu Lin Primary School 保良局陳守仁小學法團校董會

MAJOR PROPERTIES 主要物業

PROPERTIES HELD FOR INVESTMENT AT 31 DECEMBER 2019 於2019年12月31日持作投資之物業

Description 詳情	Use 用途	Status 狀況	Lease Term 租賃年期	Percentage of Group's Interest 本集團所佔 權益百分比
Car Park Nos. P250, P251, P252, P253, P254, P255, P256 and P257, Sun Hing Garden, No. 2 On Po Lane, Tai Po, New Territories. 24/64,299th shares of and in Tai Po Town Lot No. 26 新界大埔安埔里2號新興花園P250、P251、P252、P253、P254、P255、P256及P257號車位大埔市地段26號第64,299份之24份	Carpark 泊車位	Rental 出租	Medium 中期	100%

CORPORATE INFORMATION

公司資料

Board of Directors 董事會

Kingston Chu Chun Ho (*Chairman*)
朱俊浩 (主席)
Mandy Hui Suk Man
許淑敏
(*Deputy Chairman and Managing Director
for PFM Business*)
(副主席兼物業及設施
管理業務董事總經理)
Lau Man Tak*
劉文德*
Eric Lee Hon Man*
李翰文*
Wong Yun Kuen*
黃潤權*

* *Independent Non-executive Director*
* 獨立非執行董事

Audit Committee 審核委員會

Lau Man Tak (*Chairman*)
劉文德 (主席)
Eric Lee Hon Man
李翰文
Wong Yun Kuen
黃潤權

Nomination Committee 提名委員會

Eric Lee Hon Man (*Chairman*)
李翰文 (主席)
Kingston Chu Chun Ho
朱俊浩
Lau Man Tak
劉文德
Wong Yun Kuen
黃潤權

Remuneration Committee 薪酬委員會

Wong Yun Kuen (*Chairman*)
黃潤權 (主席)
Kingston Chu Chun Ho
朱俊浩
Lau Man Tak
劉文德
Eric Lee Hon Man
李翰文

Executive Committee 執行委員會

Kingston Chu Chun Ho
朱俊浩
Mandy Hui Suk Man
許淑敏
David Chan Tat Wai
陳達偉

Company Secretary 公司秘書

Eric Chan Kwong Leung
陳鄭良

Auditor 核數師

BDO Limited
香港立信德豪會計師事務所有限公司

Principal Bankers 主要往來銀行

The Hongkong and Shanghai
Banking Corporation Limited
香港上海滙豐銀行有限公司
Chong Hing Bank Limited
創興銀行有限公司
O-Bank Co., Ltd
王道商業銀行股份有限公司

Registered Office 註冊辦事處

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Head office and Principal Place of Business in Hong Kong 總辦事處及香港 主要營業地點

7/F., Linkchart Centre
2 Tai Yip Street
Kwun Tong, Kowloon
Hong Kong
香港九龍觀塘
大業街2號
聯卓中心7樓

Principal Share Registrar and Transfer Agent 主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Hong Kong Branch Share Registrar and Transfer Office 香港股份過戶登記分處

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong
香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716號舖

Stock Code 股份代號

02340

Board Lot 每手買賣單位

4,000 shares
4,000股

Website 網站

www.synergis.com.hk

E-mail Address 電郵地址

info@synergis.com.hk

Financial Calendar

Announcement of interim results 27 August 2019
Announcement of annual results 24 March 2020
Annual General Meeting for 2020 22 May 2020

財務日誌

公佈中期業績 2019年8月27日
公佈全年業績 2020年3月24日
2020年股東周年大會 2020年5月22日

SYNERGIS HOLDINGS LIMITED
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