



中國恒嘉融資租賃集團有限公司

CHINA EVER GRAND FINANCIAL LEASING GROUP CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號 : 379)

Annual Report

2019

年報

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CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. Wong Lik Ping (*Chairman*)
Mr. Lai Ka Fai
Mr. Tao Ke
Mr. Qiao Weibing

NON-EXECUTIVE DIRECTOR

Ms. Yip Man Yi

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Goh Choo Hwee
Mr. Ho Hin Yip
Mr. U Keng Tin

CHIEF EXECUTIVE OFFICER

Mr. Lai Ka Fai

JOINT COMPANY SECRETARIES

Mr. Li Chak Hung
Mr. Siu Wai Bun

AUTHORISED REPRESENTATIVES

Mr. Wong Lik Ping
Mr. Lai Ka Fai

AUDIT COMMITTEE

Mr. Ho Hin Yip (*Chairman*)
Mr. Goh Choo Hwee
Mr. U Keng Tin

REMUNERATION COMMITTEE

Mr. Ho Hin Yip (*Chairman*)
Mr. Wong Lik Ping
Mr. Goh Choo Hwee

NOMINATION COMMITTEE

Mr. Wong Lik Ping (*Chairman*)
Mr. Goh Choo Hwee
Mr. Ho Hin Yip

AUDITOR

BDO Limited
Certified Public Accountants

執行董事

王力平先生 (*主席*)
黎嘉輝先生
陶可先生
喬衛兵先生

非執行董事

葉敏怡女士

獨立非執行董事

吳慈飛先生
何衍業先生
余擎天先生

行政總裁

黎嘉輝先生

聯席公司秘書

李澤雄先生
蕭偉斌先生

授權代表

王力平先生
黎嘉輝先生

審核委員會

何衍業先生 (*主席*)
吳慈飛先生
余擎天先生

薪酬委員會

何衍業先生 (*主席*)
王力平先生
吳慈飛先生

提名委員會

王力平先生 (*主席*)
吳慈飛先生
何衍業先生

核數師

香港立信德豪會計師事務所有限公司
執業會計師

LEGAL ADVISER

Angela Ho & Associates

法律顧問

何文琪律師事務所

PRINCIPAL BANKERS

In Hong Kong:

The Hongkong and Shanghai Banking Corporation Limited

Fubon Bank (Hong Kong) Limited

Chiyu Banking Corporation Limited

主要往來銀行

香港:

香港上海滙豐銀行有限公司

富邦銀行(香港)有限公司
集友銀行有限公司

In the PRC:

China Citic Bank

China Guangfa Bank

Bank of China

Industrial and Commercial Bank of China

中國:

中信銀行

中國廣發銀行

中國銀行

中國工商銀行

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

註冊辦事處

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

股份過戶登記總處

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited

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香港股份過戶登記分處

卓佳秘書商務有限公司

香港

皇后大道東183號

合和中心54樓

STOCK CODE

379

股份代號

379

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<http://www.egichk.com>

公司網址

<http://www.egichk.com>

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of China Ever Grand Financial Leasing Group Co., Ltd (the "Company"), I hereby present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2019 for your review. The year of 2019 continues to be a difficult one. The slowing China's economy and the stringent regulatory environment in China's financial market impeded the financial leasing business. Its lease volume of new finance lease transactions remained a record low at even lower profitability. The resulting decrease in gross profit and an increase in expected credit loss on financial assets mainly led to an increase in operating loss of the business by HK\$34.0 million in 2019. The underperformance further triggered a non-cash impairment loss of HK\$9.4 million on the goodwill. Investment segment was slightly profitable as a result of increase in interest income and absence of prior year's impairment loss on loan receivables from the money lending business and rental income from leasing out investment properties newly acquired in 2019. Food Additives business was still loss making in 2019 mainly as a result of lower-than-expected productivity of an established production line and expansion of business in 2019.

RESULTS OF OPERATIONS

For the year under review, the financial leasing business has contributed a segment loss of HK\$45.8 million after including the impairment loss on goodwill of HK\$9.4 million (2018: loss of HK\$65.4 million after including an impairment loss on goodwill of HK\$63.0 million). The terminal and logistics service has no longer been part of the Group's segment (2018: profit of HK\$37.6 million) upon the partial disposal in August 2018. It has been accounted for as interest in an associate recording a profit of HK\$29.4 million in 2019 (2018: a profit HK\$10.5 million) since then. The investment division recorded a small profit of HK\$0.7 million in 2019 (2018: a loss of HK\$59.1 million). The food additives business recorded a loss of HK\$12.6 million in 2019 (2018: HK\$4.2 million). After considering the corporate expenses (2019: HK\$35.8 million; 2018: HK\$72.8 million), certain unallocated other income, gains and losses, other expenses, income taxation (2019: credit of HK\$1.8 million; 2018: expense of HK\$13.5 million), the Group recorded a net loss of HK\$51.0 million in 2019 (2018: net loss of HK\$373.1 million). A decrease in net loss from HK\$373.1 million in 2018 to HK\$51.0 million in 2019 was mainly because of absence of prior year's loss on partial disposal on terminal & logistic business of HK\$218.8 million and an decrease in impairment loss on the goodwill of HK\$53.6 million.

致各位股東：

本人謹代表中國恒嘉融資租賃集團有限公司（「本公司」）董事（「董事」）會（「董事會」）提呈本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度之年度報告，敬請各位閱覽。二零一九年依舊艱難。中國經濟增速放緩及中國金融市場嚴格的監管環境阻礙融資租賃業務，新融資租賃交易的租賃量仍處於紀錄低位且盈利能力甚至更低。所造成的毛利減少及金融資產的預期信貸虧損增加主要導致該業務於二零一九年營運虧損增加34,000,000港元。表現欠佳進一步導致商譽之非現金減值虧損9,400,000港元。由於利息收入增加及缺少上一年度的放貸業務應收貸款減值虧損以及出租二零一九年新收購的投資物業租金收入，故投資分部的盈利略微增長。食品添加劑業務於二零一九年仍處虧損狀態，主要因二零一九年既定生產線的產能低於預期及業務擴張所致。

經營業績

於回顧年度，計入商譽減值虧損9,400,000港元後，融資租賃業務錄得分部虧損45,800,000港元（二零一八年：計入商譽減值虧損63,000,000港元後，虧損65,400,000港元）。於二零一八年八月部分出售後，碼頭及物流服務業務已不再屬於本集團的分部（二零一八年：溢利37,600,000港元）。自此，該業務已入賬列為於一家聯營公司的權益，並於二零一九年錄得溢利29,400,000港元（二零一八年：溢利10,500,000港元）。投資分部於二零一九年錄得輕微溢利700,000港元（二零一八年：虧損59,100,000港元）。食品添加劑業務於二零一九年錄得虧損12,600,000港元（二零一八年：4,200,000港元）。經考慮企業支出（二零一九年：35,800,000港元；二零一八年：72,800,000港元）、若干未分配其他收入、收益及虧損、其他開支、所得稅（二零一九年：抵免1,800,000港元；二零一八年：開支13,500,000港元），本集團於二零一九年錄得淨虧損51,000,000港元（二零一八年：淨虧損373,100,000港元）。淨虧損由二零一八年373,100,000港元減少至二零一九年51,000,000港元，主要由於缺少上一年度碼頭及物流業務部分出售虧損218,800,000港元及商譽減值虧損減少53,600,000港元。

FUTURE OUTLOOK

In light of the above-mentioned operating difficulties and enormous challenges posed by the pandemic and the geopolitical tensions, we will have to be prepared for the worst in the future by adhering to the rigorous risk management and improving the operation efficiency. Management continues to leverage the existing resources and capabilities to cautiously and diligently look for new potential growth opportunities in order to diversify the source of income and attain growth in long term.

ACKNOWLEDGEMENT

Here, on behalf of the Board of the Company, I hereby wish to extend my gratitude for the hard work contributed by all the staff and the Directors, as well as the support to the Company from all our customers, creditors, business partners and the shareholders. We will adhere to proven management strategy, grasp market trend and opportunities, and endeavor to bring greater value to our shareholders and make new contribution to the community.

Wong Lik Ping

Chairman

Hong Kong, 25 March 2020

未來展望

鑒於面對上述的全球性大流行病及地緣政治局勢帶來的營運困難及重大挑戰，我們仍將必須透過嚴格風險管理及提高營運效率以為未來最糟情況做好部署。管理層可持續利用現有資源及能力謹慎以及辛勤地物色新的潛在增長機會，以多樣化收入來源並達致長遠發展。

致謝

本人謹此代表本公司董事會向全體員工及董事致以衷心謝意，感謝他們的辛勞付出，同時向我們的客戶、債權人、商業合作夥伴及股東致謝，感謝他們對本公司的支持。我們將秉承有效的管理策略，捕捉市場趨勢和機遇，矢志為股東創造更高價值，為社區作出新貢獻。

主席

王力平

香港，二零二零年三月二十五日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group recorded revenue of HK\$71.2 million in 2019 as compared with HK\$90.5 million in 2018, gross profit of HK\$21.8 million in 2019 against HK\$23.7 million in 2018 and net loss of HK\$51.0 million in 2019 as compared to net loss of HK\$373.1 million in 2018.

For the year under review, the financial leasing business has contributed a segment loss of HK\$45.8 million (including a non-cash impairment loss on goodwill of HK\$9.4 million (2018: HK\$63.0 million), as compared with a segment loss of HK\$65.4 million in 2018 (definition of segment profit or loss and detailed analysis set out in note 6). The decrease in loss is mainly due to the net effect of a decrease in impairment loss on goodwill by HK\$53.6 million, being partially offset by an increase in operating loss by HK\$34.0 million mainly as a result of increase in impairment loss on financial assets and decrease in gross profit amount driven by lower profitability of new finance lease transactions.

Upon completion of the partial disposal on 31 August 2018, the Group has reduced the equity interest in the terminal and logistics services in form of joint controlled enterprise (“JCE”) from 50% to 25% and the profit sharing percentage accordingly. It has no longer formed part of the segment, but classified as share of result of an associate amounting to a profit of HK\$29.4 million under unallocated profit or loss reconciliation items of the segment result in 2019 as compared with total profit of HK\$48.1 million in 2018 (i.e. a segment profit of HK\$37.6 million from terminal and logistics services for the first-eight-month of 2018 plus the corresponding profit from the share of result of an associate of HK\$10.5 million for the remaining period). The decrease in shared profit was mainly due to the lower equity interest of 25% after completion of the disposal in a whole year of 2019 as compared with only four months of the previous year.

業務回顧

本集團於二零一九年錄得收入71,200,000港元，二零一八年則為90,500,000港元，二零一九年毛利為21,800,000港元，二零一八年則為23,700,000港元，而二零一九年淨虧損為51,000,000港元，二零一八年則為淨虧損373,100,000港元。

於回顧年內，融資租賃業務分部錄得虧損45,800,000港元（包括商譽之非現金減值虧損9,400,000港元（二零一八年：63,000,000港元）），而二零一八年分部虧損為65,400,000港元（分部損益之定義及詳細分析載於附註6）。有關虧損減少主要由於商譽減值虧損減少53,600,000港元並部分被經營虧損增加34,000,000港元所抵銷之淨影響所致，而經營虧損增加乃主要由於新融資租賃交易的盈利減少導致金融資產減值虧損增加及毛利減少所致。

於二零一八年八月三十一日完成部分出售後，本集團於碼頭及物流服務業務以合營企業（「合營企業」）方式持有的股權已自50%減少至25%，分攤溢利百分比亦相應減少。其已不再為分部的一部分，但被分類為二零一九年分部業績之未分配損益對賬項目項下分攤一家聯營公司之業績溢利29,400,000港元，而二零一八年的總溢利為48,100,000港元（即二零一八年首八個月來自碼頭及物流服務的分部溢利37,600,000港元，加上餘下期間來自分攤一家聯營公司之業績的相應溢利10,500,000港元）。分攤溢利減少乃主要由於出售完成後導致二零一九年全年均為更低的股權25%，而上一年度僅為四個月。

The food additives business, classified under others in the segment information, carried out manufacturing and sale of solid sorbitol with an established production line, performed research & development of Advantame, highly extreme sweeteners and EPS, clinic diagnostic reagent in 2019. During the year under review, the business obtained a production permit for two new products namely Advantame and various kinds of compound food additives (details refer to an announcement dated 27 November 2019). The production line of back-end processing for the latter product has been established and now it is subject to final tweak to the manufacturing process, while establishment of a new production line of Advantame and the second production line of solid sorbitol is underway. Due to unexpected production defeats holding back the normal production scale for most of the first half 2019, the segment only recorded segment revenue of HK\$2.0 million in 2019 (2018: nil). Due to the diseconomies of scale based on the existing productivity and increase in operation cost as a result of business expansion, the segment loss expanded to HK\$12.6 million in 2019 (2018: HK\$4.2 million).

The investment division recorded revenue of HK\$12.7 million (2018: HK\$4.5 million) comprising of loan interest income of HK\$10.5 million from money lending business and rental income of HK\$2.2 million from property investment in Hong Kong and the PRC in 2019 (2018: HK\$4.5 million and nil respectively).

The segment recorded a net profit of HK\$0.7 million in 2019 as compared with a net loss of HK\$59.1 million in 2018. The slightly improved turnaround result in 2019 was mainly due to reduction in fair value loss on financial asset at fair value through profit or loss by HK\$29.8 million ("FVTPL"), absence of prior year's impairment loss of HK\$25.5 million on loan receivable and increase in loan interest and rental income by HK\$8.2 million.

After considering the corporate expenses (2019: HK\$35.8 million; 2018: HK\$72.8 million), share of result of an associate (2019: HK\$29.4 million; 2018: HK\$10.5 million), certain unallocated other income, gains and losses, other expenses, income taxation (2019: credit of HK\$1.8 million; 2018: expense of HK\$13.5 million), absence of prior year's loss on partial disposal of JCE of HK\$218.8 million and prior year's gain on disposal of subsidiaries of HK\$10.2 million, the Group recorded a net loss of HK\$51.0 million (2018: net loss of HK\$373.1 million) and a net loss attributable to the owners of the Company of HK\$34.1 million in 2019 (2018: net loss of HK\$372.1 million).

於二零一九年，於分部資料中分類為其他的食品添加劑業務利用已建成的生產線製造及銷售固體山梨糖醇，以及展開愛德萬甜（一種高濃度甜味劑）及EPS（一種臨床診斷試劑）之研發。於回顧年內，該業務已取得兩項新產品之生產許可證，即愛德萬甜及多種複配食品添加劑（詳情請參閱日期為二零一九年十一月二十七日之公告）。本集團已就複配食品添加劑建立後期加工生產線，現正對製造流程進行最終調整，而愛德萬甜的新生產線及固體山梨糖醇的第二條生產線均處於在建階段。由於意料之外的生產問題阻礙二零一九年上半年大部分時間的正常生產規模，該分部於二零一九年僅錄得分部收入2,000,000港元（二零一八年：零）。由於基於現有生產力的規模不經濟及業務擴張導致營運成本增加，分部虧損於二零一九年擴增至12,600,000港元（二零一八年：4,200,000港元）。

二零一九年投資分部錄得收入12,700,000港元（二零一八年：4,500,000港元），當中包括來自放貸業務的貸款利息收入10,500,000港元以及於香港及中國的物業投資的租金收入2,200,000港元（二零一八年：分別為4,500,000港元及零）。

該分部於二零一九年錄得純利700,000港元，二零一八年則為淨虧損59,100,000港元。二零一九年略微改善的轉虧為盈乃主要由於按公平值透過損益列賬（「按公平值透過損益列賬」）之金融資產公平值虧損減少29,800,000港元、缺少上一年度應收貨款的減值虧損25,500,000港元以及貸款利息及租金收入增加8,200,000港元。

經考慮企業支出（二零一九年：35,800,000港元；二零一八年：72,800,000港元）、分攤一家聯營公司業績（二零一九年：29,400,000港元；二零一八年：10,500,000港元）、若干未分配其他收入、收益及虧損、其他開支、所得稅（二零一九年：抵免1,800,000港元；二零一八年：開支13,500,000港元）、缺少上一年度部分出售合營企業之虧損218,800,000港元及上一年度出售附屬公司收益10,200,000港元，本集團於二零一九年錄得淨虧損51,000,000港元（二零一八年：淨虧損373,100,000港元）及本公司擁有人應佔淨虧損34,100,000港元（二零一八年：淨虧損372,100,000港元）。

A significant decrease in net loss from HK\$373.1 million in 2018 to HK\$51.0 million in 2019 was primarily due to the above-said absence of prior year's loss on partial disposal of JCE of HK\$218.8 million and decrease in impairment loss on goodwill of HK\$53.6 million.

To remove the non-cash material gain or loss from impairment on goodwill, loan receivables, finance lease receivables, partial disposal of equity interest in a joint venture & the grant of a call option, disposal of subsidiaries, and fair value gain on financial liability at FVTPL, the adjusted losses from both years can be reconciled as below:

淨虧損由二零一八年的373,100,000港元大幅減少至二零一九年的51,000,000港元，主要由於上述缺少上一年度部分出售合營企業之虧損218,800,000港元及商譽減值虧損減少53,600,000港元。

為剔除有關商譽減值、應收貸款減值、融資租賃應收款減值、部分出售一家合營企業的股權及授出認購期權、出售附屬公司的重大非現金類收益或虧損以及按公平值透過損益列賬之金融負債之公平值收益，兩個年度內的經調整虧損可對賬如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Net loss | 淨虧損 | (50,963) | (373,094) |
| Add: impairment loss on the goodwill | 加：商譽之減值虧損 | 9,373 | 63,000 |
| Less: gain on disposal of subsidiaries | 減：出售附屬公司之收益 | - | (10,194) |
| Add: provision for impairment loss on the loan receivables and finance lease receivables | 加：應收貸款及融資租賃應收款之減值虧損撥備 | 39,467 | 31,501 |
| Add: loss on partial disposal of equity interest in a joint venture and the grant of a call option | 加：部分出售一家合營企業股權及授出認購期權之虧損 | - | 218,793 |
| Less: fair value gain of financial liability at FVTPL | 減：按公平值透過損益列賬之金融負債之公平值收益 | (11,662) | (4,848) |
| | | (13,785) | (74,842) |

Revenue and gross profit

During the year, the financial leasing segment recorded revenue and gross profit of HK\$56.4 million and HK\$10.6 million (2018: HK\$86.0 million and HK\$19.2 million), representing 79% and 49% of the Group's revenue and gross profit respectively (2018: 95% and 81% respectively). The revenue of this segment mainly represents (i) service fee income for financing arrangement and consultancy services and (ii) interest income generated from financial leasing and provision of loan facilities. The cost of sales mainly represents (i) service cost to banks and other non-bank financial institutions on various kinds of factoring and consultancy services and (ii) interest expenses on back-to-back borrowings from banks and other non-bank financial institutions. The main customer base primarily includes large corporations covering industries of energy resources, manufacturing, medical and urban infrastructure, transportation and public utility construction.

收入及毛利

年內，融資租賃分部錄得收入及毛利分別為56,400,000港元及10,600,000港元（二零一八年：86,000,000港元及19,200,000港元），分別佔本集團收入及毛利的79%及49%（二零一八年：分別佔95%及81%）。該分部收入主要為(i)融資安排及諮詢服務之服務費收入及(ii)融資租賃及提供貸款融資產生之利息收入。銷售成本主要為(i)就各種保理及諮詢服務支付予銀行及其他非銀行金融機構之服務成本及(ii)銀行及其他非銀行金融機構之背對背借款之利息開支。主要客戶基礎主要包括涵蓋能源資源、製造、醫療及城市基礎設施、交通及公共設施建設行業的大型企業。

During the year, the segment saw a remarkable decline on revenue and gross profit because of a stagnant lease volume of new finance lease transactions and a significant decrease in their profitability as a result of continued economic turmoil and stringent regulatory environment in the People's Republic of China (the "PRC"). The slowing China's economy impacted the customers' sentiments on long term capital investments and reduced their financing needs. The stringent regulatory oversight of the industry made the segment difficult to obtain credits from banks with terms matching the prospective customers' needs, and hence the business opportunity of finance lease projects fully backed by banks dwindled. The segment diligently completed few short-term self-funded projects on creditworthy customer to diversify the income source from new financial service to make up for the drop in income from the finance lease projects.

The money lending business and property development (both classified under the Investment segment) recorded revenue and gross profit of HK\$12.7 million each in 2019 (2018: HK\$4.5 million each), representing 18% and 58% of the Group's revenue and gross profit respectively (2018: 5% and 19% respectively). The revenue represents loan interest income from the provision of loan facilities carried out by a licensed subsidiary in Hong Kong and rental income from letting out office properties in Hong Kong and Shanghai, the PRC.

The food additives business recorded revenue of HK\$2.0 million (2018: nil) and negative gross profit of HK\$1.5 million in 2019 (2018: nil). The revenue and cost of sales of the business represent the sales income and manufacturing cost of solid sorbitol from the production base in the Liaoning province, the PRC respectively. Due to diseconomies of scale mainly as a result of the lower-than-expected productivity of the established line, the business recorded a negative gross profit in 2019.

The decrease in the Group's gross profit amount was in line with the decrease in the Group's revenue, with higher margin % primarily thanks to the profit contribution from the money lending business.

年內，該分部的收入及毛利顯著減少，乃由於新融資租賃交易的租賃量停滯不前，以及因中華人民共和國（「中國」）持續的經濟動蕩及嚴峻的監管環境，致使其盈利能力顯著下降所致。中國經濟增速放緩影響客戶對長期資本投資的情緒，從而降低了彼等的融資需求。行業嚴格的監管監督令該分部難以從銀行獲得條款滿足潛在客戶需求的信貸，因此由銀行全額擔保的融資租賃項目的商機衰退。該分部盡責完成就信譽良好的客戶的若干短期自籌項目，以使新金融服務的收入來源多元化，從而填補融資租賃項目收入下跌。

放貸業務及物業開發（均分類至投資分部項下）於二零一九年各自錄得收入及毛利12,700,000港元（二零一八年：各自為4,500,000港元），分別佔本集團收入及毛利的18%及58%（二零一八年：分別為5%及19%）。收入為來自一家香港持牌附屬公司開展的提供貸款融資的貸款利息收入以及於香港及中國上海出租辦公室物業的租金收入。

食品添加劑業務於二零一九年錄得收入2,000,000港元（二零一八年：零）及負毛利1,500,000港元（二零一八年：零）。該業務的收入及銷售成本分別指來自於中國遼寧省生產基地的固體山梨糖醇的銷售收入及製造成本。主要由於現有生產線的生產力低於預期導致規模不經濟，故該業務於二零一九年錄得負毛利。

本集團的毛利金額減少與本集團收入減少一致，毛利率百分比上升主要歸因於放貸業務溢利作出的貢獻。

Other income

The other income of the Group in 2019 mainly comprised of bank interest income, interest income from trust products and highly liquid wealth management investments issued by the non-bank financial institutions in the PRC. The decrease of HK\$1.3 million or 11% was primarily due to the absence of the prior year's dividend income from financial assets FVTPL.

Other gains and losses

The other gains and losses in 2019 amounted to loss of HK\$40.1 million, mainly comprising of impairment losses on a finance lease receivable and loan receivables totaling HK\$39.5 million, a fair value loss of approximately HK\$5.2 million on financial assets at FVTPL and a fair value gain of approximately HK\$11.7 million on a financial liability at FVTPL. The decrease in overall loss by HK\$27.6 million in 2019 was mainly due to net effect (i) decrease in loss on financial assets at FVTPL of HK\$41.2 million, and being partially offset by (ii) increase in impairment loss on the financial lease receivables and loan receivables of HK\$8.0 million.

Administrative expenses and other operating expenses

The Group's administrative and other operating expenses for the year mainly included staff costs (including directors and chief executive's emoluments) of HK\$35.5 million (2018: HK\$68.0 million), legal and professional, depreciation of property, plant and equipment and various administrative expenses. The decrease was primarily due to decrease in discretionary management incentive expenses in 2019.

Impairment loss on goodwill

During the year under review, the Group recorded a non-cash impairment loss on goodwill of HK\$9.4 million (2018: HK\$63.0 million) which arose from the acquisition of the financial leasing business in January 2016. Given that finance lease volume of new finance lease transactions maintained a record low and their profitability exacerbated in 2019, management, amongst others, made downward revisions on revenue and gross profit amount in the latest forecast model to reflect the underperformance of the business in 2019 and the enormous challenging operating environment that lies ahead. According to the value-in use ("VIU") calculation based on the approved 5-year period financial budget of the financial leasing business, a shortfall, obtained by comparing the recoverable amount from the VIU with the carrying amount of the financial leasing business as at 31 December 2019, amounts to HK\$9.4 million which is fully allocated to the goodwill as an impairment loss recognised to profit or loss in 2019.

其他收入

於二零一九年，本集團之其他收入主要包括銀行利息收入、中國非銀行金融機構發行的信託產品及高流通性理財投資的利息收入。收入減少1,300,000港元或11%乃主要由於缺少上一年度按公平值透過損益列賬之金融資產之股息收入。

其他收益及虧損

於二零一九年，其他收益及虧損為虧損40,100,000港元，主要包括融資租賃應收款及應收貸款之減值虧損合共39,500,000港元、按公平值透過損益列賬之金融資產公平值虧損約5,200,000港元及按公平值透過損益列賬之金融負債公平值收益約11,700,000港元。於二零一九年，整體虧損減少27,600,000港元，乃主要由於(i)按公平值透過損益列賬之金融資產虧損減少41,200,000港元及部分由(ii)融資租賃應收款及應收貸款之減值虧損增加8,000,000港元所抵銷之淨影響所致。

行政開支及其他經營開支

本年度本集團之行政及其他經營開支主要包括員工成本（包括董事及主要行政人員薪酬）35,500,000港元（二零一八年：68,000,000港元）、法律及專業費用、物業、廠房及設備折舊以及各項行政開支。該減少主要由於二零一九年的酌情管理層激勵開支減少。

商譽之減值虧損

於回顧年度，本集團於二零一六年一月因收購融資租賃業務錄得商譽之非現金減值虧損9,400,000港元（二零一八年：63,000,000港元）。鑒於二零一九年新融資租賃交易的融資租賃投放量維持歷史新低及其盈利能力惡化，管理層（其中包括）於最新預測模型中對收入及毛利進行下調，以反映二零一九年的業務表現欠佳以及未來面臨巨大挑戰的營運環境。根據融資租賃業務核准的五年期財務預算的使用價值（「使用價值」），通過比較於二零一九年十二月三十一日使用價值的可收回金額與融資租賃業務的賬面值所得的不足，全數撥至商譽之金額為9,400,000港元，作為二零一九年於損益確認之減值虧損。

Share of an associate's result/share of result of a joint venture

The share of result of an associate from the terminal and logistics services business in 2019 amounted to a profit of HK\$29.4 million as compared with an aggregate profit of HK\$48.1 million from the same business (including share of result of an associate and a joint venture) in 2018. The decrease in profit contribution from the business in 2019 was mainly due to the reduction in profit sharing percentage by half as a result of the completion of the partial disposal on 31 August 2018 in a whole year of 2019 as compared with only four months of the previous year.

Income taxation

Income tax credit for the year amounted to HK\$1.8 million (2018: income tax expense of HK\$13.5 million), mainly comprising of deferred tax credit of HK\$3.0 million from recognition of tax losses in the PRC subsidiaries and the imputed interest on deposit from customers (2018: deferred tax credit of HK\$9.5 million from imputed interest on deposit from customers and undistributed profits of subsidiaries and an associate), and partially net off with current tax payable of HK\$1.2 million from PRC Enterprise Income Tax (2018: current tax payable of HK\$23.0 million from withholding tax on capital gain from the partial disposal of JCE).

FINANCIAL POSITION

The total asset amount of the Group as at 31 December 2019 amounted to HK\$1,546.7 million, representing a decrease of HK\$332.2 million as compared with HK\$1,878.9 million as at 31 December 2018. The decrease in total asset was mainly due to a shrinking lease volume of the new finance lease transactions on recourse basis in 2019 where a decrease in finance lease receivables of HK\$440.2 million mainly as a result of repayment amount of existing finance lease projects outweighed an additional amount of new finance lease project of HK\$151.1 million conducted in form of sale-leaseback transaction and entered this year being classified as loan receivable, instead of finance lease receivable, upon implementation of a new accounting standard HKFRS16 in 2019. Likewise, due to the business model of the financial leasing business which mostly relies on the source of funds from financial institutions to finance the proceeds for the finance lease with customers on a back-to-back basis, the Group's total liabilities and borrowings as at 31 December 2019 dropped to HK\$685.7 million and HK\$593.3 million by HK\$265.5 million and HK\$256.9 million from HK\$951.2 million and HK\$850.2 million as at 31 December 2018 respectively. The gearing ratios (measured as total liabilities over total asset) slightly reduced from 50.6% as at 31 December 2018 to 44.3% as at 31 December 2019 mainly as a result of shrinking scale of leveraged finance lease projects. The current ratios (measured as total current assets over total current liabilities) decreased from 2.0 as at 31 December 2018 to 1.4 as at 31 December 2019.

分攤一家聯營公司之業績／分攤一家合營企業之業績

二零一九年分攤一家聯營公司來源於碼頭及物流服務業務之業績為溢利29,400,000港元，而二零一八年來源於相同業務（包括分攤一家聯營公司及一家合營企業之業績）的總溢利為48,100,000港元。二零一九年來自該業務溢利貢獻減少主要由於二零一八年八月三十一日完成部分出售導致二零一九年全年度分攤溢利百分比減少一半，而上一年度僅包括四個月。

所得稅

本年度所得稅抵免為1,800,000港元（二零一八年：所得稅開支13,500,000港元），主要包括來自中國附屬公司確認稅項虧損的遞延稅項抵免3,000,000港元及來自客戶存款估算利息（二零一八年：遞延稅項抵免9,500,000港元，來自客戶存款估算利息以及附屬公司及一家聯營公司的未分配溢利），部分扣除來自中國企業所得稅應付即期稅項1,200,000港元（二零一八年：來自部分出售合營企業之資本收益之預扣稅之應付即期稅項23,000,000港元）。

財務狀況

本集團於二零一九年十二月三十一日之資產總額為1,546,700,000港元，較二零一八年十二月三十一日的1,878,900,000港元減少332,200,000港元。資產總額減少主要由於二零一九年追索的新融資租賃交易量減少，其中於二零一九年新會計準則香港財務報告準則第16號落實後，主要因現有融資租賃項目償還金額超出於本年度訂立並以售後回租交易形式進行的新融資租賃項目的額外款項151,100,000港元（獲分類為應收貸款而非融資租賃應收款）而導致融資租賃應收款減少440,200,000港元。同時，由於融資租賃業務之商業模式多仰賴來自金融機構之資金，以按背對背形式為客戶之融資租賃提供所得款項，本集團於二零一九年十二月三十一日之負債及借款總額分別由二零一八年十二月三十一日的951,200,000港元及850,200,000港元下跌265,500,000港元及256,900,000港元至685,700,000港元及593,300,000港元。資本負債比率（按負債總額除以資產總額計量）由二零一八年十二月三十一日之50.6%輕微下跌至二零一九年十二月三十一日之44.3%，主要由於槓桿融資租賃項目規模縮小所致。流動比率（按流動資產總額除以流動負債總額計量）由二零一八年十二月三十一日之2.0減少至二零一九年十二月三十一日之1.4。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group had cash and cash equivalents, restricted bank deposits, deposits placed with non-bank financial institutions and cash of approximately HK\$217.1 million (of which HK\$19.5 million was pledged to the banks to secure bank borrowings granted to the Group for financial leasing business (2018: HK\$19.9 million)) as compared to HK\$364.9 million as at 31 December 2018. As at 31 December 2019, the Group had bank and other borrowings amounting to HK\$523.7 million (2018: HK\$428.6 million), HK\$55.7 million (2018: HK\$208.5 million) and HK\$13.9 million (2018: HK\$213.2 million) which are due within one year, one to two years and two to five years respectively.

For the year under review, the Group has financed its operations with facilities provided by banks and other non-bank financial institutions and internally generated cash flows.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2019 and 2018, the Group had no material foreign currency exposure as material transactions such as revenue and cost of sales were denominated in local currencies in which the relevant entities operated.

CREDIT EXPOSURE

The Group's major credit risk is primarily attributable to finance lease receivables and loan receivables.

Any deterioration in collectability of the finance lease receivables and loan receivable from sale-lease back transaction and the underlying quality of leased assets and collaterals could adversely affect our business and financial conditions. In order to mitigate those credit risk, the management of the Group has delegated a team responsible for evaluation of credit risk stemming from the financial viability of customers and guarantors (if any) and the prospect of the industries in which the customers operate and critical assessment on adequacy of the value of the leased assets, collaterals and any forms of securities provided by customers at the inception of the lease. Throughout the lease term, the Group closely monitored the recoverability and will consider requesting additional collaterals or any form of security from customers in case of any adverse change in credibility.

流動資金及財務資源

於二零一九年十二月三十一日，本集團之現金及現金等值物、受限制銀行存款、存放於非銀行金融機構之存款及現金約為217,100,000港元（其中19,500,000港元已質押予銀行作為就融資租賃業務授予本集團之銀行借款之抵押（二零一八年：19,900,000港元）），而二零一八年十二月三十一日為364,900,000港元。於二零一九年十二月三十一日，本集團之銀行及其他借款523,700,000港元（二零一八年：428,600,000港元）、55,700,000港元（二零一八年：208,500,000港元）及13,900,000港元（二零一八年：213,200,000港元）分別於一年內、一至兩年及二至五年內到期。

於回顧年度，本集團以銀行及其他非銀行金融機構提供之融資及內部產生現金流量為其業務營運撥付資金。

外匯風險

於截至二零一九年及二零一八年十二月三十一日止年度，本集團並無重大外匯風險，乃由於重大交易如收入及銷售成本乃以相關實體營運所在之當地貨幣計值。

信貸風險

本集團的主要信貸風險主要因融資租賃應收款及應收貸款而引致。

任何融資租賃應收款及售後回租交易之應收貸款可收回性及租賃資產以及抵押品之相關質素下降均可能對我們的業務及財務狀況產生不利影響。為了減輕該等信貸風險，本集團管理層已委派團隊負責從客戶及其擔保人（如有）的財政可能性及客戶經營行業前景進行信貸風險評估，並在租賃開始時對租賃資產、抵押品及客戶提供的任何形式的擔保的價值的充足性進行嚴格評估。於整個租賃期內，本集團密切監控可收回性，並將考慮要求客戶提供額外的抵押品或任何形式的擔保以防任何信貸不利變動。

As at 31 December 2019, a provision for impairment loss on a finance lease receivable of HK\$32.6 million was related to a finance lease transaction with a principle amount of RMB200.0 million or equivalent to HK\$223.7 million, secured by machineries and equipment initially worth more than the principle amount, and guaranteed by the customer's ultimate holding company which is regarded as one of the largest Chinese state-owned aluminum product manufacturer. The transaction was fully financed by a back-to-back bank borrowing on recourse basis. Given that some interest repayment had been overdue up to the reporting end and recent default history on some USD-denominated bonds issued by the ultimate holding company, the Group assessed the recoverability of all the future's repayment in life time by estimating, amongst others, the possibility of defaults, timing of defaults, possibility and the resulting recoverable amount of enforcement actions such as realisation of the secured assets and legal action against the guarantor, it ended up with the above-mentioned provision.

As at 31 December 2019, a provision for impairment loss on a loan receivable from sale-lease back transaction of HK\$5.7 million was related to a finance lease transaction with a principle amount of RMB135.0 million or equivalent to HK\$151.0 million, secured by aviation facilities initially worth more than the principle amount and guaranteed by its controlling shareholder, the group of which is regarded as one of the leading airline companies in the PRC. Given that the full principle repayment was over due after reporting end and recent default history on some onshore bonds by the controlling shareholder, the Group assessed its recoverability by the similar factors as employed in the above case, it came up with the provision.

Before investing in other loan receivables, the Group also assesses the credit quality of the loan borrowers & guarantors (if any), evaluation of the value & liquidity of the collaterals, and defines the terms of the loans. The Group regularly monitored recoverability to ensure prompt follow up action is taken to recover any overdue debt.

CHARGE OF ASSETS

As at 31 December 2019, the restricted bank deposits of HK\$19.5 million (2018: HK\$19.9 million) and the finance lease receivables of HK\$283.4 million (2018: HK\$511.2 million) were pledged to the banks and other non-bank financial institutions for facilities granted to the Group.

於二零一九年十二月三十一日，與本金額人民幣200,000,000元（或等同於223,700,000港元）之融資租賃交易有關之融資租賃應收款減值虧損撥備32,600,000港元，由初始價值高於本金額之機器及設備抵押並由客戶的最終控股公司（中國最大的鋁產品國有製造商之一）擔保。該交易完全由追索的背對背銀行借款提供資金。鑒於直至報告期末部分利息還款已逾期及最終控股公司發行的部分以美元計值的債券的近期違約歷史，本集團通過估計（其中包括）違約的可能性、違約時間、強制執行的可能性及產生的可回收金額（例如變現抵押資產及針對擔保人提出法律訴訟）評估所有未來還款於年期內的可收回性，從而作出上述撥備。

於二零一九年十二月三十一日，與本金額人民幣135,000,000元（或等同於151,000,000港元）之融資租賃交易有關之售後回租交易之應收貸款減值虧損撥備5,700,000港元，由初始價值高於本金額之航空設施抵押並由其控股股東（所屬集團被視為中國領先航空公司之一）擔保。鑒於所有本金還款於報告期末已逾期及該控股股東部分境內債券的近期違約歷史，本集團通過上述情況採納的相似因素評估可收回性，並作出撥備。

在向其他應收貸款投資前，本集團亦評估貸款借款人及擔保人（如有）的信貸質素、評估抵押品的價值及流動性及界定貸款條款。本集團定期監控可收回性，以確保採取及時跟進措施收回任何逾期債務。

資產抵押

於二零一九年十二月三十一日，受限制銀行存款19,500,000港元（二零一八年：19,900,000港元）及融資租賃應收款283,400,000港元（二零一八年：511,200,000港元）已就授予本集團之融資抵押予銀行及其他非銀行金融機構。

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2019 and 2018.

CAPITAL COMMITMENTS

As at 31 December 2019, the Group had capital commitments of HK\$0.1 million (2018: HK\$0.6 million) for the acquisition of property, plant and equipment.

PROSPECT

Since an outbreak of the novel coronavirus epidemic happened in Mainland China at the beginning of the year, the Group has taken a proactive approach and adopted various anti-epidemic measures to protect the safety and health of the Group's employees as top priority. A series of stringent but essential epidemic containment measures such as postponement resumption of production activities and provincial travel restrictions has wreaked havoc on almost every sector of the China's economy. Following the virus has continued to evolve in certain major economies such as UK, France, Germany and the USA, and the World Health Organisation recently declared the outbreak as pandemic, the global stock markets have plummeted to reflect the anticipated grim outlook of the global economies. Many central banks of major economies have eased their monetary policies to address the potential massive financial risks amid the contracting economies. What's more, their governments have rolled out enormous economic stimulus and relief plans to stay the hard-hit sectors afloat and alleviate the financial burden of people's livelihood being seriously affected. So far it is hard to estimate how much its adverse impact on the real economy and the Group's business will bring about and how long it will last. At the same time, the Group is clouded with the looming threat of global trade tensions and political disruptions in 2020.

或然負債

於二零一九年及二零一八年十二月三十一日，本集團並無重大或然負債。

資本承擔

於二零一九年十二月三十一日，本集團就收購物業、廠房及設備之資本承擔為100,000港元（二零一八年：600,000港元）。

前景

自年初中國大陸爆發新型冠狀病毒疫情以來，本集團積極主動採取各種防疫措施，以保護本集團員工的安全及健康為當務之急。一系列嚴格但必不可少的疫情遏制措施（例如推遲復產活動及省級出行限制）幾乎對中國經濟的各個領域造成破壞。隨著病毒在英國、法國、德國及美國等若干主要經濟體間持續蔓延，世界衛生組織最近宣佈疫情已變為全球性大流行病，全球股市暴跌反映全球經濟預期的嚴峻前景。主要經濟體的眾多中央銀行已放鬆其貨幣政策，以應對緊縮經濟中潛在的巨大金融風險。而且，其政府已推出巨大的經濟刺激及救濟計劃，以使受災嚴重的行業得以維持生計，並減輕嚴重受影響民生的財務負擔。目前，難以評估給實體經濟及本集團業務帶來的負面影響程度以及其持續時長。同時，本集團於二零二零年深陷全球貿易緊張局勢及政治動蕩的威脅之中。

As to the financial leasing segment, the segment has been struggling for a business transformation to mitigate the negative impact of stringent regulatory requirements on the existing business model. With enormous market of consumption-related financing activities, the segment's target clientele is shifting from sizeable state-owned enterprise to SME corporates and individuals to fulfil their financing demands on purchase of various office electronic appliances and household items. The segment is also leveraging the cost and accessibility advantages of online platform as new sale and marketing strategy to promote and gain access to the target customers. In the meantime, the segment will continue to explore new financing varieties, new markets and deepen cooperation with the existing clients. It is also imperative to adhere to the risk management and control policies to critically oversee and timely manage the increasing credit risk of the existing and new finance lease projects affected by the fallout of the epidemic.

As to the Investment segment, the Group will continue to adopt a conservative investment strategy towards the investment portfolio comprising of equity, debt and property. With the rigorous risk management and control policies, we closely assess its performance and optimize its composition in order to generate a stable Income amid volatile financial markets.

As to the food additives business, following the productivity of the production line of solid sorbitol has stabilised, this gains customers' confidence and some of them have indicated interest to purchase predetermined amount of the product on monthly basis subject to their production schedule. The segment has been stepping up establishment of the second production lines of solid sorbitol in order to meet the increasing demand. The production facilities of back-end processing for various kinds of food additives has been in place and obtained the necessary approval of environmental assessment from the authority. It is still subject to, amongst other, final adjustment on the manufacturing process before normal production trial. A brand new production line of Advantame is still being underway. Though the production base is in Liaoning province, the virus containment measures impacted the daily operation and development. Though the workers have been allowed to return to work, it is yet to resume normal productivities until the major local supplies, customers and logistic carriers get back on track. The development of the second line of solid sorbitol and the first line of Advantame are put on hold because the machinery and equipment suppliers have not resumed to work. In the meantime, the segment is preparing for the normal production such as recycling the inferior product to raw materials and enhancing the maintenance of the established line. It is also working on the plant design and preparatory works of those new lines. In addition, we are in close contact with the local government to discuss possibility of any government grant and concession to facilitate the segment development.

融資租賃分部方面，該分部一直在努力進行業務轉型，以緩解嚴格的監管要求對現有業務模式的負面影響。憑藉消費相關融資活動的巨大市場，該分部的目標客戶正在從大型國有企業轉變為中小企業公司及個人，以滿足其購買各種辦公電子設備及家用物品的融資需求。該分部亦憑藉在線平台的成本及可訪問性優勢，作為新銷售及營銷策略以促進及獲得目標客戶的訪問。同時，該分部將繼續探索新融資品種、新市場並加深與現有客戶的合作。本公司亦將堅持風險管理及控制政策，嚴格監督及及時管理現有及新融資租賃項目因受疫情爆發影響而不斷增加的信貸風險。

投資分部方面，本集團將繼續對包括股權、債務及物業在內的投資組合採取保守的投資策略。憑藉嚴格的風險管理及控制政策，我們密切評估其表現並優化其構成，以便在金融市場動蕩的情況下保持穩定的收入。

食品添加劑業務方面，隨著固體山梨糖醇生產線的產能趨於穩定，客戶對此充滿信心，若干客戶表示有意按其生產計劃每月購買預定量的產品。為滿足不斷增長的需求，該分部正在逐步建立固體山梨糖醇第二條生產線。各種食品添加劑的後期加工生產設備已到位，並獲得主管部門對環境評估的必要批准。於正常試生產前，仍需（其中包括）對製造流程進行最終調整。愛德萬甜的全新生產線仍在建設中。儘管生產基地位於遼寧省，但病毒遏制措施影響日常運營及發展。雖然已允許工人重返工作崗位，但在主要的當地供應、客戶及物流運輸商回到正軌前，正常的生產力尚未恢復。因機械及設備供應商尚未恢復工作，固體山梨糖醇第二條生產線及愛德萬甜第一條生產線的開發被暫停。同時，該分部正在為正常生產做準備，例如將殘次品回收為原材料並加強已建立生產線的維護，並為該等新生產線進行廠房設計及準備工作。此外，我們正與當地政府保持緊密聯繫，以討論是否有任何政府補助及減讓措施以促進該分部的發展。

Facing the unprecedented challenging business environment in China and across the globe, the Group must be prepared for the worst by adhering to the rigorous risk management, in particular credit risk management of counterparties and our own liquidity risk, and leveraging on the existing resources and capabilities to cautiously and diligently look for new potential growth opportunities in order to diversify the source of income and attain growth in the long term.

SIGNIFICANT INVESTMENTS AND MATERIAL DISPOSALS

At 31 December 2019, the Group held loan receivables (excluding from a loan receivable from sale-leaseback transaction) of HK\$95.0 million (2018: HK\$167.4 million), equity investments at FVOCI of HK\$55.5 million (2018: HK\$35.2 million) and financial assets at FVTPL of approximately HK\$25.7 million (2018: HK\$58.4 million).

During the year, the Group invested in loan receivables through 1 to 2 years trust products of HK\$83.8 million issued by financial institutions in the PRC. The Group recorded loan interest income from loan receivables amounting to HK\$7.0 million (2018: HK\$9.8 million) and an impairment loss on loan receivables of HK\$1.2 million (2018: HK\$29.8 million). The equity investment at FVOCI of HK\$55.5 million as at 31 December 2019 (2018: HK\$35.2 million) represented unlisted equity securities issued by the PRC established private entities with operations including property development in shopping malls, supplies of natural gas and software development in the PRC. There was no significant fair value change in those investments in 2019 (2018: revaluation surplus of HK\$0.9 million).

The financial assets at FVTPL of HK\$25.7 million as of 31 December 2019 (2018: HK\$58.4 million) mainly represented the listed equity shares, bonds, listed and unlisted equity fund products in the Hong Kong and the Chinese stock exchanges. There was a fair value loss of HK\$5.2 million recognised to profit or loss in 2019 (2018: HK\$46.3 million).

面對中國乃至全球前所未有的充滿挑戰的商業環境，本集團必須為最壞的情況做好準備，堅持嚴格的風險管理，尤其是交易對手的信貸風險管理及我們自身的流動性風險，憑藉現有資源及能力努力謹慎地尋求新潛在增長機會，以實現收入來源的多樣化並實現長期增長。

重大投資及重大出售

於二零一九年十二月三十一日，本集團持有應收貸款（不包括售後回租交易之應收貸款）95,000,000港元（二零一八年：167,400,000港元），按公平值透過其他全面收入列賬之股本投資55,500,000港元（二零一八年：35,200,000港元）及按公平值透過損益列賬之金融資產約25,700,000港元（二零一八年：58,400,000港元）。

年內，本集團透過中國金融機構發行之一至兩年期信託產品83,800,000港元投資於應收貸款。本集團錄得來自應收貸款的貸款利息收入7,000,000港元（二零一八年：9,800,000港元）及應收貸款減值虧損1,200,000港元（二零一八年：29,800,000港元）。於二零一九年十二月三十一日，按公平值透過其他全面收入列賬之股本投資55,500,000港元（二零一八年：35,200,000港元）指於中國成立的私人實體所發行之非上市股本證券，該等實體於中國經營業務，包括購物中心物業開發、天然氣供應及軟件開發。於二零一九年該等投資並無重大公平值變動（二零一八年：重估盈餘900,000港元）。

於二零一九年十二月三十一日，按公平值透過損益列賬之金融資產25,700,000港元（二零一八年：58,400,000港元）主要指於香港及中國證券交易所上市股份、債券、上市及非上市股權基金產品。公平值虧損5,200,000港元於二零一九年的損益確認（二零一八年：46,300,000港元）。

On 30 August 2019, the Group entered into an asset transfer agreement with a vendor, pursuant to which the Group has conditionally agreed to purchase and the vendor has conditionally agreed to sell the land use right of the land situated at Taoci Industrial Zone, Qigong Community, Wan Shou Street, Jianping County, Chaoyang City, Liaoning Province, the PRC and the properties thereon at a consideration of RMB28,600,000 for development of the food additives business. Completion of the agreement took place on 16 October 2019. The land use right of the leasehold land and properties thereon are classified as property, plant and equipment.

On 10 April 2019, the Group entered into an agreement with an vendor, pursuant to which the Group has agreed to purchase the entire equity share of Jumbo Hall International Limited (“Jumbo Hall”) and the full loan owing by Jumbo Hall to the vendor at a consideration of HK\$70 million. Jumbo Hall mainly owned an office property with a saleable area of approximately 3,248 sq. ft., which has been wholly leased out at an annual rental of approximately HK\$2.2 million shortly after the acquisition was completed on 12 April 2019, and therefore has been classified as investment property at fair value model.

On 8 January 2019, the Group entered into the share purchase agreement with a connected vendor and its associates, pursuant to which the Group has conditionally agreed to purchase the sale share, which represent the entire issued share capital of Quantum Power Limited (the “Quantum Power”) as at the date of completion, in the consideration of HK\$90,000,000 from the Vendor. The vendor’s guarantor has agreed to guarantee the due and punctual performance of the vendor with its obligations under the share purchase agreement. On 1 March 2019, the completion of the sale share took place, Quantum Power has become an indirect wholly-owned subsidiary of the Company. Quantum Power and its subsidiaries (the “Quantum Power Group”) carried out the research and studies and design of industrial biotechnology products, the wholesale of food additives and the provision of technology consultation services but have been inactive in the recent years. Quantum Power Group owns the approximately 6,300 square meters property in Shanghai PRC (approximately three quarters of which has been leased out for generating stable rental income for the time-being) and facilities and equipment used for research and studies (“R&D equipments”) of biotechnology. Except for the leased out areas classified as investment property at fair value model, the self-occupied areas of the property and the R&D equipments are classified as property, plant and equipment.

於二零一九年八月三十日，本集團與賣方訂立資產轉讓協議，據此，本集團有條件同意購買而賣方有條件同意出售位於中國遼寧省朝陽市建平縣萬壽街道啟工社區（陶瓷工業區內）的一幅地塊的土地使用權及其上物業，代價為人民幣28,600,000元，用以發展食品添加劑業務。協議於二零一九年十月十六日完成。租賃土地的土地使用權及其上物業因此獲分類為物業、廠房及設備。

於二零一九年四月十日，本集團與賣方訂立協議，據此，本集團已同意購買鉅豪國際有限公司（「鉅豪」）的全部股份及鉅豪欠賣方的全部貸款，代價為70,000,000港元。鉅豪主要擁有一個辦公室物業，可出售面積約為3,248平方尺，其於二零一九年四月十二日收購完成後不久以全年租金約2,200,000港元出租，故獲分類為按公平值模式計值的投資物業。

於二零一九年一月八日，本集團與關連賣方及其聯繫人訂立購股協議，據此，本集團已有條件同意向賣方購買銷售股份（相當於完成日期勁力有限公司（「勁力」）之全部已發行股本），代價為90,000,000港元。賣方擔保人已同意就賣方妥善及準時履行其於購股協議項下之義務進行擔保。於二零一九年三月一日，銷售股份事項完成，勁力已成為本公司之間接全資附屬公司。勁力及其附屬公司（「勁力集團」）進行調查研究及設計工業生物科技產品、食品添加劑批發及提供技術顧問服務，惟近年來較不活躍。勁力集團於中國上海擁有約6,300平方米之物業（其中約四分之三已出租，暫時產生穩定的租金收入）及用於研究生物科技之設施和設備（「研發設備」）。除出租面積分類為按公平值模式計值的投資物業，該物業的自用面積及研發設備則分類為物業、廠房及設備。

EMPLOYEE AND REMUNERATION

As at 31 December 2019, the Group had approximately 100 (2018: 83) employees (excluding employees of the Company's joint venture and associate) in Hong Kong and the PRC. The increase was primarily due to the expansion of the food additives business. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance.

A share option scheme was adopted on 29 July 2016. As at 31 December 2018, a total outstanding number of share options were granted to the eligible employees, including directors of the Company, amounted to 59,666,666. With 39,833,332 share options lapsed during the year, the outstanding number of share options as at 31 December 2019 amounted to 19,833,334. Details of the share options granted are set out in the announcement of the Company dated 8 December 2016. There was no share option granted in 2019.

EVENTS AFTER THE REPORTING PERIOD

On 30 December 2019, the Group entered into a placing agreement with a placing agent, pursuant to which the placing agent agrees, as agent of the Company, to procure on a best effort basis not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 2,383,830,000 placing shares at the placing price of HK\$0.014 per placing share. The share placement of 2,383,830,000 placing shares was completed on 22 January 2020. Details of the placing were disclosed in the announcements of the Company on 30 December 2019, 3 January 2020 and 22 January 2020.

On 30 December 2019, the Group entered into a subscription agreement with a target company to subscribe for 8,000,000 subscription shares or approximately 7.46% of the enlarged share capital of the target company at a consideration of HK\$40,000,000. The target company principally engages in money lending business in Hong Kong. Completion of the subscription took place on 24 January 2020. Details of the subscription in the target company were disclosed in the announcements of the Company on 30 December 2019, 23 January 2020 and 24 January 2020.

僱員及酬金

於二零一九年十二月三十一日，本集團於香港及中國約僱用100名（二零一八年：83名）僱員（不包括本公司之合營企業及聯營公司之僱員）。該增加主要由於食品添加劑業務之擴張。僱員之薪酬乃按基本薪金、花紅及其他實物利益（參照行業慣例）以及彼等之個人表現釐定。

本公司於二零一六年七月二十九日採納一項購股權計劃。於二零一八年十二月三十一日，總共59,666,666份餘下購股權已授予合資格僱員（包括本公司董事）。39,833,332份購股權已於年內失效，而於二零一九年十二月三十一日的餘下購股權數目為19,833,334份。已授出購股權詳情載於本公司日期為二零一六年十二月八日之公告。二零一九年並無授出購股權。

報告期後事項

於二零一九年十二月三十日，本集團與配售代理訂立配售協議，據此，配售代理同意（作為本公司代理）按竭誠基準促使不少於六名承配人（彼等及彼等之最終實益擁有人須為獨立第三方）按每股配售股份0.014港元的配售價認購最多2,383,830,000股配售股份。2,383,830,000股配售股份的股份配售於二零二零年一月二十二日完成。有關配售的詳情於本公司日期為二零一九年十二月三十日、二零二零年一月三日及二零二零年一月二十二日的公告披露。

於二零一九年十二月三十日，本集團與目標公司訂立認購協議以認購目標公司8,000,000股認購股份或經擴大股本約7.46%，代價為40,000,000港元。目標公司主要於香港從事放債業務。認購於二零二零年一月二十四日完成。有關目標公司認購的詳情於本公司日期為二零一九年十二月三十日、二零二零年一月二十三日及二零二零年一月二十四日的公告披露。

Since January 2020, the outbreak of Novel Coronavirus (“COVID-19”) has impact on the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of these financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

自二零二零年一月以來，新型冠狀病毒（「COVID-19」）的爆發對全球業務環境造成影響。直至該等財務報表日期，COVID-19並無對本集團造成重大影響。取決於該等財務報表日期後COVID-19的發展及傳播情況，由此引起的本集團經濟狀況的進一步變動或會對本集團之財務業績造成影響，而截至該等財務報表日期尚無法估計其影響程度。本集團將繼續關注COVID-19之形勢並積極應對其對本集團財務狀況及經營業績之影響。

購買、贖回或出售上市證券

本公司或其任何附屬公司年內概無購買、出售或贖回本公司之任何上市證券。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OBJECTIVE OF THE REPORT

China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) is pleased to present its Environmental, Social and Governance (hereinafter called “ESG”) Report of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2019 (the “Year 2019”), with an aim to provide details of the system establishment and performance of the Group in terms of sustainable development to both the internal and external stakeholders.

This report was prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, highlights the environmental and social measures and activities of the Group during the Year 2019. Corporate governance is addressed separately in the Corporate Governance Report.

The Group is principally engaged in the provision of finance lease and related consulting services in the People’s Republic of China, the trading of equity securities, investment in property, investment in terminal and logistics services business, food additives business, investment holding and money lending business. The Group mainly operates in Liaoning, Beijing and Hong Kong. Therefore, the disclosures in this report focus on the policies and performance of factory and offices in Liaoning, Beijing and Hong Kong in the Year 2019 in relation to three environmental aspects and eight social aspects.

本報告的目標

中國恒嘉融資租賃集團有限公司(「本公司」)欣然提呈本公司及其附屬公司(「本集團」)截至二零一九年十二月三十一日止年度(「二零一九年度」)之環境、社會及管治(下稱「環境、社會及管治」)報告，旨在向內部及外部持份者提供本集團於可持續發展方面之制度設立及表現之詳情。

本報告按照香港聯合交易所有限公司證券上市規則附錄二十七所列環境、社會及管治報告指引之規定編製，重點介紹本集團於二零一九年度之環境及社會措施和活動。企業管治於企業管治報告內單獨闡述。

本集團主要業務為在中華人民共和國提供融資租賃及相關諮詢服務、股本證券買賣、物業投資、投資碼頭及物流服務業務、食品添加劑業務、投資控股及放貸業務。本集團主要在遼寧、北京及香港營運。因此，本報告著重披露遼寧、北京及香港工廠以及辦公室於二零一九年度在三個環境方面及八個社會方面的政策及表現。



STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a key success factor in formulating environmental and social strategy, defining the Group's objectives, assessing materiality, and establishing policies. The Group's key stakeholders include government, shareholders, customers, employees, suppliers or service providers, community and the public. The Group has conducted a survey, discussed or communicated with stakeholders to understand their views and respond to their needs and expectations, evaluated and prioritised their inputs to improve the Group's performance, and finally strived to provide value to the stakeholders.

持份者參與

持份者的參與對制定環境及社會策略、界定本集團的目標、評估重要性及制定政策至關重要。本集團的主要持份者包括政府、股東、客戶、僱員、供應商或服務提供商、社區及公眾。本集團已進行調查、與持份者討論或溝通，以瞭解彼等之見解，回應其需要及期望，評估及排列其對於改善本集團表現之意見的優先次序，並最終致力為持份者創造價值。

| Stakeholders 持份者 | Expectations and requirements 期望及要求 | Communication and response 溝通及回應 |
|---------------------|--|--|
| Government 政府 | <ul style="list-style-type: none"> Operate in compliance with the law 依法經營 Tax payment in accordance with the laws 依法納稅 | <ul style="list-style-type: none"> Law-abiding operations 守法經營 Tax payment on time and in full 準時悉數納稅 |
| Shareholders 股東 | <ul style="list-style-type: none"> Implement corporate governance and create value 實行企業管治並創造價值 Information disclosure 信息披露 | <ul style="list-style-type: none"> Optimise internal control and risk management 優化內部控制及風險管理 Release operating data in due course 適時公佈經營數據 |
| Customers 客戶 | <ul style="list-style-type: none"> Demand for funds 對資金的需求 Direct communication 直接溝通 Food safety 食品安全 | <ul style="list-style-type: none"> A wide range of financial leasing products 豐富的融資租賃產品 Direct hotline 致電熱線 Fulfils the requirements of ISO 22000:2005 實施符合ISO 22000 : 2005規定 |

| Stakeholders 持份者 | Expectations and requirements 期望及要求 | Communication and response 溝通及回應 |
|---|---|---|
| Employees 僱員 | <ul style="list-style-type: none"> Career development platform 事業發展平台 Remuneration and benefits 薪酬及福利 Occupational health and safety 職業健康及安全 | <ul style="list-style-type: none"> Transparent promotion channel 透明的晉升渠道 Competitive remuneration package 具競爭力的薪酬方案 Implements health and safety management system 實施健康及安全系統 |
| Suppliers or service providers 供應商或服務提供商 | <ul style="list-style-type: none"> Receive payment on time 及時收取付款 Business ethics and credit standing 商業道德及信譽卓著 | <ul style="list-style-type: none"> Payment schedule 付款計劃 Fulfillment of obligations under any contract in accordance with laws 依法履行任何合約項下的責任 |
| Community and the public 社區及公眾 | <ul style="list-style-type: none"> Open up a financing channel for small and medium-sized enterprises 開放中小企業融資渠道 Protect the nature 保護自然 | <ul style="list-style-type: none"> Provide sale and leaseback 提供售後回租 Adhere to green operations 恪守綠色營運 |

Based on the stakeholder engagement, the Group has identified issues with significant environmental and social impact and issues concerning stakeholders.

基於持份者參與，本集團已識別具有重大環境及社會影響的事項及持份者關注的事項。

MATERIALITY MATRIX

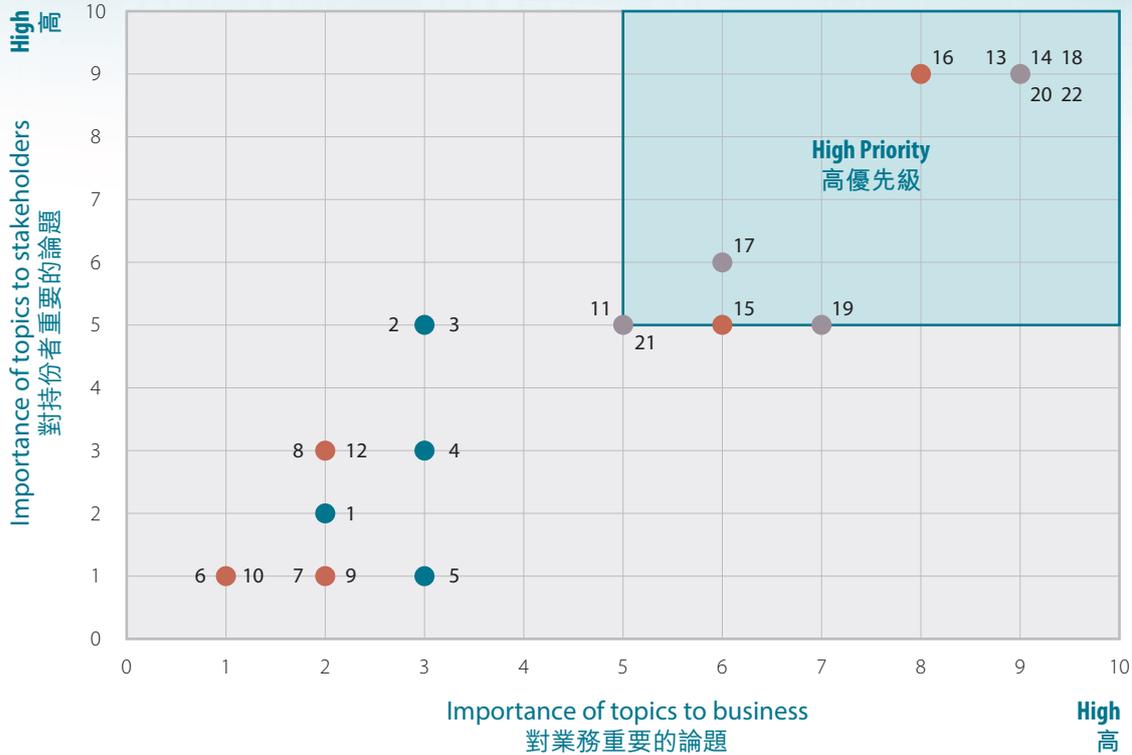
In the Year 2019, the Group carried out materiality assessment on a number of ESG issues in order to identify which issues were crucial to the Group's business and were of the utmost concern to stakeholders. It helps the Group to ensure its business development can meet the expectations and requirements of stakeholders. The Group has identified 22 ESG issues covering environmental, social and operation, and has invited both internal and external stakeholders to assess the materiality of the ESG issues through a scoring tool and interviews. The Group's management has reviewed the ranking of materiality of the ESG issues and then disclosed the results in this report. The results of materiality assessment prioritised stakeholder inputs and made the Group focused on the material aspects for actions, achievements and reporting.

重要性矩陣

於二零一九年度，本集團對多項環境、社會及管治事宜進行重要性評估，以識別對本集團業務最重要及持份者最關注的事宜。該評估有助本集團確保其業務發展能符合持份者的期望及要求。本集團已識別22項涵蓋環境、社會及營運的環境、社會及管治事宜，並邀請內部及外部持份者透過評分工具及面談，評估環境、社會及管治事宜的重要性。本集團管理層已審閱環境、社會及管治事宜的重要性級別，其後於本報告內披露結果。重要性評估的結果優先考慮持份者的意見並使本集團著重行動、成就及報告的重要方面。

The Group's materiality matrix of ESG issues in the Year 2019:

二零一九年度本集團環境、社會及管治事宜的重要性矩陣：



Environmental issues
環境事宜

Social issues
社會事宜

Operation issues
營運事宜

1. Greenhouse gas emissions
溫室氣體排放
2. Energy consumption
能源消耗
3. Water consumption
用水
4. Waste
廢物
5. Environmental impact of construction
施工對環境的影響
6. Green buildings certification
綠色建築認證
7. Customer engagement
in environmental issues
客戶對環境事宜的參與
8. Use of chemicals
使用化學品

9. Local community engagement
當地社區參與
10. Community investment
社區投資
11. Occupational health and safety
職業健康與安全
12. Labour standards in supply chain
供應鏈內的勞工標準
13. Training and development
培訓及發展
14. Employee welfare
僱員福利
15. Inclusion and equal opportunities
包容及平等機會
16. Talent attraction and retention
吸納及挽留人才

17. Economic value generated
所產生的經濟價值
18. Corporate governance
企業管治
19. Anti-corruption
反貪污
20. Supply chain management
供應鏈管理
21. Customer satisfaction
客戶滿意度
22. Customer privacy
客戶私隱

EMISSIONS

Emissions refer to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Combustion of fuels in motor vehicles controlled by the Group is the main sources of nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM) emission. It could likewise generate greenhouse gases (the "GHG") such as carbon dioxide (CO₂), methane and nitrous oxide.

The Group believes that green transportation brings benefits, which include reduction of transportation costs and reduction of energy consumption and pollution. As such, the Group encourages optimising transportation routes, high filling rate or carpooling and proper tire pressure to achieve efficiency.

The Group reminds employees to consider environmental impact in their commuting decisions to reduce air and greenhouse emissions. Employees are encouraged to take public transportation as often as possible and select fuel efficient vehicles. While employees are driving, it is suggested to avoid unnecessary acceleration or deceleration, close windows when the vehicle is travelling at high speed, and only use air-conditioning when it is necessary.

Electricity consumption of the Group is a major part of its greenhouse gas emissions. Various electricity-saving policies have been established to reduce the electricity consumption by the Group. The Group encourages staff members to switch off light during daytime, maintain lamps well to keep clean, use stairs instead of elevators, install energy-efficient lighting, and disable the standby mode for all electrical appliances, including computers, photocopiers and printers when they are not in use. Air conditioning is required to be set no lower than 25°C in summer. It is also required to ensure the windows and doors are closed while air-conditioning is on, and turn off the air-conditioning after office hours or after the usage of the meeting room.

In the Group's Liaoning and Beijing offices, energy saving signs remind staff members to turn off the lights and promote energy conservation. In the Hong Kong office, light-emitting diode ("LED") lamps were installed as much as possible, and multi-purpose devices with printing, scanning and photocopying functions were adopted to achieve electrical efficiency.

In order to address indirect emissions relating to paper waste deposited at landfills, the Group encourages employees to apply computer technology such as emails, electronic backup devices and storage devices to reduce paper consumption, print on both sides of a sheet of paper, avoid unnecessary printing or copying on paper, adjust documents and use space efficiency formats to optimise use of paper, and put recycling boxes near the photocopiers to collect single-sided paper for reuse and used double-sided paper for recycling.

排放物

排放物指廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物之產生。

本集團控制的汽車燃燒的燃料是氮氧化物(NO_x)、硫氧化物(SO_x)及懸浮粒子(PM)排放物的主要來源。其同樣可能會產生二氧化碳(CO₂)、甲烷及一氧化氮等溫室氣體(「溫室氣體」)。

本集團深信綠色運輸的神益，包括減省運輸成本、降低能耗及減少污染。因此，本集團鼓勵採用最佳運輸路線、高運量或拼車率及適當胎壓以提高效率。

本集團提醒僱員在通勤時考慮環境影響，減少廢氣及溫室氣體排放，例如鼓勵僱員盡可能利用公共交通系統，並選擇燃料效率高的交通工具。本集團鼓勵僱員駕駛時避免不必要加速或減速、在高速行駛下關窗及僅於必要時方使用空調。

本集團之電力消耗是其溫室氣體排放的主要部分。本集團已制定多項節電政策，以減少用電。本集團鼓勵僱員白天關閉電燈、保養燈具並保持其清潔、使用樓梯而非電梯、安裝能源效益高的照明系統及在所有電器(包括電腦、影印機及打印機)不使用時關閉備用模式。夏季須將空調設定在不低於25°C之溫度。亦須確保空調開啟期間門窗均已關閉，以及下班後或使用會議室後須關閉空調。

在本集團遼寧及北京的辦公室，節能標誌提醒僱員及時關燈和促進節能。在香港辦公室，盡可能多地安裝發光二極管(「LED」)燈，並採用具有打印、掃描及影印功能的多功能設備來實現用電效率。

為了處理與堆填廢紙有關之間接排放，本集團鼓勵僱員使用電郵、電子備份設備及儲存裝置等電腦科技，減少用紙，採用雙面打印，避免不必要打印或複印，並調整文件、使用空間效率高的格式以善用紙張，以及於影印機旁放置回收箱，收集單面紙重用及回收已使用雙面紙張。

In the Group's Beijing office, saving paper signs remind staff members to optimise use of paper and reduce paper waste. The Group constantly reminds employees to consider environmental impact in their commuting decisions to reduce air and greenhouse gas emissions. Employees are encouraged to take public transportation as often as possible and select fuel-efficient vehicles. While employees are driving, it is recommended to avoid unnecessary acceleration or deceleration, keep windows closed when the vehicle is travelling at high speed, and only use air-conditioning when it is necessary.

The Group recognises the severity of indirect greenhouse gas emissions from business travel by employees, and requires employees to utilise teleconference instead of overseas meetings and choose railway rather than airway for short distance travel to reduce the carbon footprint of business travel.

The Group requires that discharges, if any, into waterways and land must comply with relevant laws and regulations.

The Environmental Policy established by the Group encourages employees to handle office waste generated in a proper and environmentally friendly manner.

Hazardous wastes are those defined by national regulations. There was no significant hazardous waste generated in view of the Group's business nature.

The Group promotes waste reduction practices including waste reduction at source, reuse, clean recycling, recover and reduction of disposal at landfills. Employees are encouraged to purchase supplies or equipment with longer life-span, to install recycling bins to collect recyclables, such as waste paper, glass or aluminium bottles, metal, and plastics, and to have recyclers to collect recyclables.

The Group strictly regulates the operation of its business to ensure the compliance with national and local laws and regulations relating to environmental protection and pollutant emissions. In the Year 2019, there was no case of material non-compliance with the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法) and other relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on environment. In addition, there was no report of significant fines or sanctions as a result of non-compliance with the relevant laws and regulations in the Year 2019.

在本集團北京的辦公室，節省紙張標誌提醒僱員優化紙張使用並減少紙張浪費。本集團時常提醒僱員在通勤時考慮環境影響，減少廢氣及溫室氣體排放，例如鼓勵僱員盡可能利用公共交通系統，並選擇燃料效率高的交通工具。本集團建議僱員駕駛時避免不必要加速或減速，在高速行駛下關窗及僅於必要時方使用空調。

本集團明白僱員外出公幹產生大量間接溫室氣體排放，並要求僱員使用電話會議而非海外會議，短途行程使用鐵路而非飛機，以減少外出公幹之碳足跡。

本集團要求向水道及土地排放之污染物（如有）必須符合相關法律及法規。

本集團制定的環保政策鼓勵僱員以適當及環保的方式處理所產生之辦公廢棄物。

有害廢棄物指國家規例所界定者。鑒於本集團之業務性質，並無產生大量有害廢棄物。

本集團提倡減廢常規，包括於源頭減廢、再利用、清潔循環利用、回收及減少填埋處理。本集團鼓勵僱員購買壽命較長之供應品或設備，安裝回收桶收集可循環物料（如廢紙、玻璃瓶或鋁瓶、金屬及塑料），並安排回收商收集可循環物料。

本集團嚴格規管其業務的營運，確保遵守與環保及污染物排放有關的國家及地方法律及法規。於二零一九年度，概無嚴重違反《中華人民共和國環境保護法》及有關廢氣及溫室氣體排放、向水資源及土地排放污物以及產生對環境造成重大影響的有害及無害廢物的其他相關法律及法規的行為。此外，於二零一九年度內，並無因違反相關法律及法規而招致重大罰款或制裁的報告。

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

The key environmental performance indicators of the Group's emissions in the Year 2019 are shown in the table below:

於二零一九年度，本集團排放物的關鍵環境績效指標載列於下表：

| Environmental indicators | 環境指標 | Unit 單位 | Year 2019 二零一九年度 | Year 2018 二零一八年度 |
|---|---------------------------|---|---------------------|---------------------|
| Air emissions (Note 4) | 廢氣排放 (附註4) | | | |
| Nitrogen oxides (NO _x) emissions | 氮氧化物(NO _x)排放物 | g 克 | 7,028 | 5,364 |
| Sulphur oxides (SO _x) emissions | 硫氧化物(SO _x)排放物 | g 克 | 323 | 176 |
| Particulate matter (PM) emission | 懸浮粒子(PM)排放物 | g 克 | 525 | 414 |
| GHG emissions | 溫室氣體排放 | | | |
| Total GHG emissions (Note 5) (Note 7) | 溫室氣體排放總量 (附註5) (附註7) | kg CO ₂ e 千克 | 664,437 | 74,064 |
| GHG emissions intensity | 溫室氣體排放密度 | kg CO ₂ e (per employee) 千克 (每名僱員) | 6,644 | 3,086 |
| GHG emissions intensity (Note 1) | 溫室氣體排放密度 (附註1) | kg CO ₂ e (per unit produced) 千克 (每生產單位) | 34 | N/A 不適用 |
| Direct emissions (Scope 1) | 直接排放 (範圍1) | kg CO ₂ e 千克 | 71,142 | 30,600 |
| Indirect emissions (Scope 2) (Note 2) | 間接排放 (範圍2) (附註2) | kg CO ₂ e 千克 | 578,053 | 12,902 |
| Other indirect emissions (Scope 3) (Note 3) | 其他間接排放 (範圍3) (附註3) | kg CO ₂ e 千克 | 15,493 | 30,562 |
| Waste | 廢物 | | | |
| Total non-hazardous waste produced | 所產生無害廢棄物總量 | tonnes 噸 | 0.62 | 0.20 |
| Non-hazardous waste produced intensity | 所產生無害廢棄物密度 | tonnes (per employee) 噸 (每名僱員) | 0.006 | 0.008 |
| Non-hazardous waste produced intensity (Note 1) | 所產生無害廢棄物密度 (附註1) | tonnes (per unit produced) 噸 (每生產單位) | 0.000001 | N/A 不適用 |
| Total hazardous waste produced (Note 6) | 所產生有害廢棄物總量 (附註6) | tonnes 噸 | N/A 不適用 | N/A 不適用 |
| Hazardous waste produced intensity | 所產生有害廢棄物密度 | tonnes (per employee) 噸 (每名僱員) | N/A 不適用 | N/A 不適用 |
| Hazardous waste produced intensity (Note 1) | 所產生有害廢棄物密度 (附註1) | tonnes (per unit produced) 噸 (每生產單位) | N/A 不適用 | N/A 不適用 |

- Note 1:* As major emission of the Group have been changed from Beijing's office to Liaoning's factory, using unit of production as a denominator of the intensity would be more appropriate for the Year 2019.
- 附註1:* 由於本集團主要排放已從北京辦公室改為遼寧工廠，因此二零一九年度的數據以生產單位作為密度的分母計算更合宜。
- Note 2:* The power supply discharge coefficient of Liaoning and Beijing is set at 0.968 kg/kWh.
- 附註2:* 遼寧及北京的供電排放係數設為0.968千克／千瓦時。
- Note 3:* The electricity consumption per unit for treatment of drinking water and sewage in PRC are set at 0.6 and 0.28328 kWh respectively.
- 附註3:* 在中國的處理食水及污水每單位耗電量分別設為0.6及0.28328千瓦時。
- Note 4:* Air emissions include emissions data from gaseous fuel consumption and motor vehicles.
- 附註4:* 廢廢氣排放包括來自自然消耗及汽車的數據。
- Note 5:* GHG emissions (direct and indirect) and its removal can be divided into the following three separate areas:
- 附註5:* 溫室氣體排放(直接及間接)及其減除可分為以下三個獨立範圍:
- Scope 1: Direct GHG emissions from operations that are owned or controlled by the Group including: (i) combustion of fuels in boiler to generate heat and steam; and (ii) combustion of fuels in motor vehicles controlled by the Group.
- 範圍1: 由本集團所擁有或控制的業務直接產生的溫室氣體排放，包括: (i)鍋爐中燃燒的燃料產生熱能及蒸汽; 及(ii)本集團控制的汽車燃燒的燃料。
- Scope 2: Energy indirect emissions resulting from generation of purchased electricity that is consumed by the Group's including: (i) controlled equipment or its operations within the physical building boundary including electricity purchased from power companies.
- 範圍2: 本集團控制的設備或其於實體建築物界限範圍內運營所消耗的購買電力產生的能源間接排放，包括: (i)自發電公司購買的電力。
- Scope 3: All other indirect greenhouse gas emissions that occurred outside the Group, including both upstream and downstream emissions including: (i) GHG emissions due to electricity used for fresh water/sewage processing by the Water Services Department/Drainage Services Department respectively; and (ii) business travel by employees.
- 範圍3: 本集團以外發生的所有其他間接溫室氣體排放，包括上游及下游的排放(包括: (i)水務署／渠務署分別使用電力處理食水／污水所產生的溫室氣體排放量; 及(ii)僱員的出差。
- Note 6:* No hazardous waste is produced by the Group. Therefore, such disclosure is not applicable to the Group. In the event when any hazardous waste is to be disposed of, the Group would engage professional companies to handle it.
- 附註6:* 本集團並無產生有害廢物。因此，該披露不適用於本集團。倘若需棄置任何有害廢物，本集團會聘請專業公司處理。
- Note 7:* The significant increase of total GHG emission is due to the commencement of manufacturing operation of Liaoning's factory in 2019.
- 附註7:* 溫室氣體排放總量的大幅增加乃由於遼寧工廠於二零一九年開展生產業務。

In accordance with policies stated above for the reduction of air and greenhouse gas emissions from vehicles, the Group adopts the following measures: (i) control the numbers of vehicles owned by the Group; (ii) control the frequency of employees not to take public transportation for local business commuting; and (iii) control the volume of business travel by employees. The Group considers such measures had been achieved for the Year 2019.

據上述政策，為減少車輛廢氣及溫室氣體排放，本集團採取以下措施: (i)控制本集團擁有的車輛數量; (ii)控制僱員不乘坐公共交通工具上班的頻率; 及(iii)控制僱員的出差量。本集團認為該等措施已於二零一九年度落實。

Non-hazardous wastes are preferred to be recycled, otherwise, they are sent for landfill or incineration. In accordance with policies stated above for the reduction of non-hazardous wastes, the Group adopts the following measures: (i) control the commercial wastes generated by employees; (ii) control the waste of papers; and (iii) control the volume of non-hazardous waste going direct to landfill or incineration without recycling. The Group considers such measures had been achieved for the Year 2019.

USE OF RESOURCES

The Group recognises that efficient use of resources, including energy, water and other raw materials, in production, storage, transportation, buildings, electronic equipment, etc., is one of the significant aspects to protect environment.

The Group established policies and procedures to reduce energy consumption in the facility, to assess the energy efficiency, to increase the use of clean energy, if possible, to set targets to monitor energy consumption, to ensure power is turned off when electrical appliances are not in use, and to admit natural daylight into workplace during the day.

The Group requires employees to reduce water consumption in the offices. For example, employees are encouraged to fully empty any containers before washing, to turn off water taps promptly, to check faucets and pipes for leaks, and to adopt water saving appliances.

無害廢棄物優先回收利用，否則將被送往堆填或焚化。根據上述政策，為減少無害廢棄物，本集團採取以下措施：(i)控制僱員產生的商業廢棄物；(ii)控制紙張浪費；及(iii)控制直接送往堆填或焚燒而不進行回收的無害廢棄物數量。本集團認為該等措施已於二零一九年度落實。

資源使用

本集團深知於生產、儲存、運輸、樓宇、電子設備等方面有效使用資源（包括能源、水及其他原材料）對於保護環境至關重要。

本集團已制定政策及程序減少設施能耗，評估能源效益，盡可能增加使用清潔能源，訂立目標監察能源消耗，確保關閉不再使用中之電器，並在白天於工作場所採用自然光。

本集團要求僱員在辦公室減少用水。例如，本集團鼓勵僱員於清潔前清除容器積水，及時關閉水龍頭，檢查水龍頭及管道洩漏，並採用節水設備。

The total units of purchased electricity and water consumed by the Group and the amount of total packaging material used for finished products in the Year 2019 are shown in the table below:

於二零一九年度，本集團排放物所耗用購買的電力及水總量以及製成品所用包裝材料的總量載列於下表：

| Total use of resources | 資源使用總量 | Unit 單位 | Year 2019 二零一九年度 | Year 2018 二零一八年度 |
|---|---------------------------|--|---------------------|---------------------|
| Total energy consumed | 能源總耗量 | kWh 千瓦時 | 599,241 | 126,937 |
| Electricity consumption intensity | 耗電密度 | kWh (per employee) 千瓦時 (每名僱員) | 5,992 | 5,289 |
| Electricity consumption intensity (Note 1) | 耗電密度 (附註1) | kWh (per unit produced) 千瓦時 (每生產單位) | 31 | N/A 不適用 |
| Amount of water consumption (Note 2) | 耗水量 (附註2) | m ³ 立方米 | 915 | N/A 不適用 |
| Water consumption intensity | 耗水密度 | m ³ (per employee) 立方米 (每名僱員) | 9 | N/A 不適用 |
| Water consumption intensity (Note 1) | 耗水密度 (附註1) | m ³ (per unit produced) 立方米 (每生產單位) | 0.047 | N/A 不適用 |
| Total packaging material (paper) used for finished products (Note 2) | 製成品所用包裝材料 (紙)總量 (附註2) | kg 千克 | 4,717 | N/A 不適用 |
| Total packaging material (plastic) used for finished products (Note 2) | 製成品所用包裝材料 (塑料)總量 (附註2) | kg 千克 | 3,036 | N/A 不適用 |
| Amount of packaging material (paper) per unit produced | 每件產品的包裝材料 (紙)數量 | kg 千克 | 0.2419 | N/A 不適用 |
| Amount of packaging material (plastic) per unit produced | 每件產品的包裝材料 (塑料)數量 | kg 千克 | 0.1557 | N/A 不適用 |

Note 1: As major consumption of the Group has been changed from Beijing's office to Liaoning's factory, using unit of production as a denominator of the intensity would be more appropriate for the Year 2019.

附註1：由於本集團主要能耗已從北京辦公室改為遼寧工廠，因此二零一九年度的數據以生產單位作為密度的分母計算更合宜。

Note 2: As the Group commenced its manufacturing operation in Liaoning since 2019, the corresponding figures of Year 2018 are not available.

附註2：由於本集團自二零一九年於遼寧開展生產業務，因此無法獲得二零一八年度的相應數據。

The Group's ability to use energy efficiently can be revealed by its intention and measures for the reductions in energy consumption. Energy consumption has a direct effect on the environmental footprint of the Group, its operational costs, and exposure to certain risks (e.g. fluctuations in energy supply and prices). The Group's policies and measures specific to managing energy use have been stated above. The Group considers such policies had been adopted and measures had been achieved for the Year 2019.

The Group's ability to use water efficiently can be revealed by its intention and measures for the reductions in water consumption. Water consumption has a direct effect on the environmental footprint of the Group, its operational costs, and exposure to certain risks (e.g. reliance on sources of water that may be considered sensitive due to their relative size or function; or status as a possibly rare, threatened, or endangered system; or to their possible support of a particular endangered species of plant or animal).

The Group's policies and measures regarding to use of water have been stated above. The Group considers such policies had been adopted and measures had been achieved for the Year 2019.

本集團有效利用能源的能力可以透過其降低能源消耗的意圖和措施來體現。能源消耗直接影響本集團的環境足跡、運營成本及面臨若干風險（例如能源供應及價格的波動）。本集團針對能源使用管理的政策和措施已在上文闡述。本集團認為於二零一九年度已採納該等政策並已採取措施。

本集團有效利用水的能力可以透過其減少用水量的意圖和措施來體現。耗水量直接影響本集團的環境足跡、運營成本及面臨若干風險（例如，依靠可能因其相對規模或功能而被認為敏感的水源；或者可能為罕見的、受到威脅的或瀕危的系統的狀態；或者其可能支持某一特定瀕危植物或動物）。

本集團有關用水的政策及措施已在上文闡述。本集團認為於二零一九年度已採納該等政策並已採取措施。

Energy saving measure
節能措施

Description and the result of measures
措施描述及結果

Water saving
節約用水

Open recirculating system is installed in Liaoning's factory in order to absorb process heat from machineries. This system uses the same water over and over again, it can reduce electricity consumption for water processing.

遼寧工廠設置開放式循環系統用以吸收機械產生的熱能。該系統反覆使用相同的水，可減少水處理過程中的電力消耗。

Electricity saving
節約用電

Variable-frequency drives are installed on some of the machineries that do not need to be run at full speed, such installation can reduce energy consumption and energy costs.

變頻器安裝於若干無需全速運作的機器上，其可減少能源消耗及能源成本。

THE ENVIRONMENT AND NATURAL RESOURCES

The Group is committed to reducing the operation impacts on environment and natural resources. Policies are established to consider the actual impacts on environment and natural resources and to reduce such impacts. The Group encourages environmental education and advocacy among employees to motivate environmentally responsible behaviour which helps fulfil the Group's commitment to minimising its adverse impacts on the environment.

The Group understands that its performance in respect of emissions, waste production and disposal, and use of resources impacts the environment, the Group endeavours to minimise such impacts, and communicate the Group's environmental policies, measures, performance, and achievements to the stakeholders. No significant impacts on the environment and natural resources was caused in view of the Group's business nature. Policies and/or measures adopted specific to managing potential impacts of activities on the environment and natural resources are mentioned above.

EMPLOYMENT AND LABOUR PRACTICES

The Group established Staff Handbook covering topics such as: (i) compensation and dismissal; (ii) recruitment and promotion; (iii) working hours; (iv) rest periods; (v) equal opportunity; (vi) diversity; (vii) anti-discrimination; and (viii) other benefits and welfare.

The Group offers competitive remuneration to attract and retain talented staff members. Remuneration packages are reviewed periodically to ensure consistency with employment market. Laws and regulations on minimum wage and statutory social benefits are required to be followed. Dismissal is required to comply with employment laws and regulations, and to follow the internal policies and procedures, including policy on prevention of dismissal purely on employees' gender, marital status, disability, or family status.

The Group attracts talent through fair, flexible and transparent recruitment strategy. Recruitment process includes application for recruitment, description of position, collection of job applications, interview, selection, approval, and job offering. Promotion is required to be based on performance and suitability.

環境及自然資源

本集團致力減少營運對環境及自然資源之影響，已制定政策考慮對環境及自然資源之實際影響及如何減輕影響。本集團提倡對僱員進行環境教育及宣傳，以鼓勵彼等採取對環境負責之行為，這有助於履行本集團盡量減少其對環境造成的不利影響之承諾。

本集團明白，其在排放、廢物生產和處置以及資源使用方面的表現會對環境造成影響，本集團盡力使這些影響最小化，並向持份者傳達本集團的環境政策、措施、表現及成就。鑒於本集團的業務性質，並無造成對環境及自然資源的重大影響。採取的針對管理活動對環境和自然資源的潛在影響之政策及／或措施已於上文提述。

僱傭及勞工常規

本集團已制定員工手冊，涵蓋：(i)薪酬及解僱；(ii)招聘及晉升；(iii)工作時數；(iv)假期；(v)平等機會；(vi)多元化；(vii)反歧視；及(viii)其他待遇及福利等議題。

本集團提供具競爭力之薪酬以吸引及挽留優秀員工，定期檢討薪酬待遇，確保與僱傭市場一致，要求遵守有關最低工資及法定社會福利之法律及法規，並按照僱傭法律及法規以及內部政策及程序解僱員工，包括防止純粹因僱員性別、婚姻狀況、殘疾、或家庭狀況解僱員工之政策。

本集團以公平、靈活及透明之招聘策略吸引人才。招聘程序包括申請招聘、描述職位、收集應徵申請、面試、甄選、批准及聘用。晉升須取決於表現及是否稱職。

Employees' working hours, rest periods, benefits and welfare, including social security benefits and mandatory provident fund, are required to be in compliance with employment or labour laws and regulations. Selected benefit programs, including medical coverage, are also provided.

僱員之工作時數、假期、待遇及福利（包括社會保障福利、強制性公積金）須符合僱傭或勞工法律及法規。本集團亦提供包括醫療保險在內的選定福利計劃。

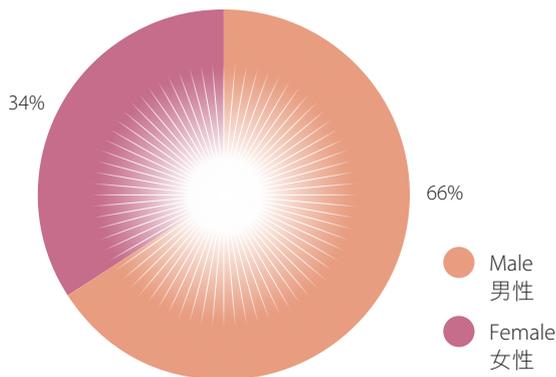
The Group is an equal opportunity employer. The Group endeavours to provide a fair workplace for employees and follow the principles of equality and non-discrimination. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity and non-discrimination regardless of gender, race, or other measures of diversity.

本集團向僱員提供同等的工作機會。本集團努力為僱員提供公平之工作環境，恪守公平及反歧視原則。招聘、薪酬、晉升及福利必須建基於客觀評估、平等機會及不涉歧視，包括性別、種族或其他多元性指標。

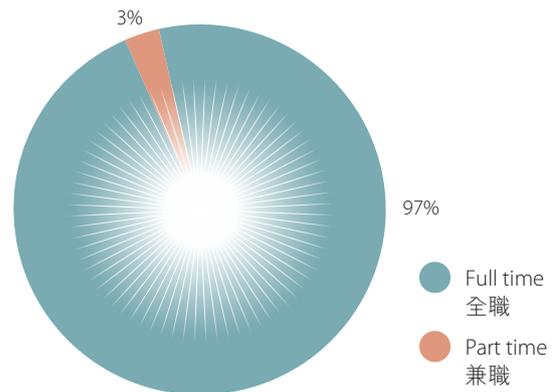
The composition of the Group's workforce by gender, employment type, age group and geographical region as of 31 December 2019 is stated as follows:

截至二零一九年十二月三十一日，本集團按性別、僱傭類型、年齡組別及地區劃分的勞動力構成情況如下：

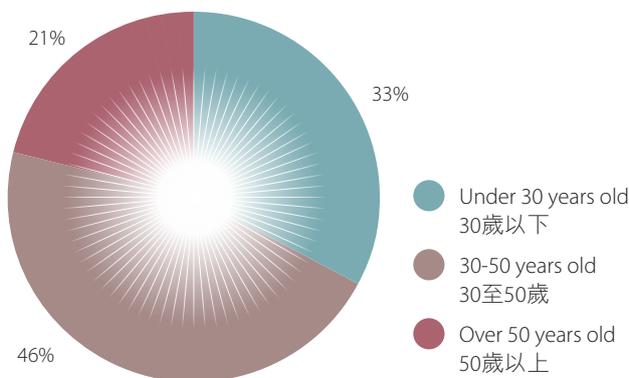
Workforce by gender
按性別劃分



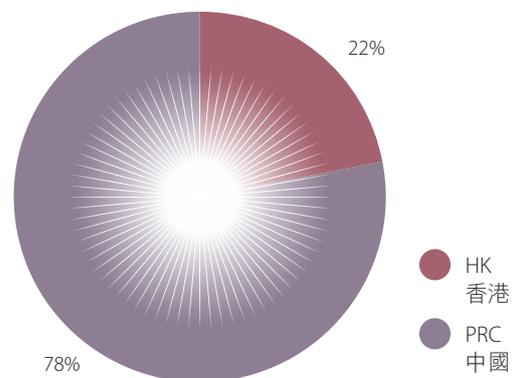
Workforce by employment type
按僱傭類型劃分



Workforce by age group
按年齡組別劃分



Workforce by region
按地區劃分



The Group strictly regulates the operation of its business to ensure the compliance with national and local laws and regulations relating to employment during the course of operation. In the Year 2019, there was no case of material non-compliance with the Labour Law of the People's Republic of China (中華人民共和國勞動法), the Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法), the Employment Ordinance (僱傭條例) and the relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare on the Group. In addition, there was no report of significant fines or sanctions as a result of non-compliance with the relevant laws and regulations in the Year 2019.

HEALTH AND SAFETY

The Group has established Health and Safety Policies covering topics such as: (i) providing safe working environment; (ii) protecting employees from occupational hazards; and (iii) work-life balance. The Group is committed to maintaining a healthy and safe workplace for employees, and to preventing workplace injuries and illnesses.

The Group requires entities to establish and document policies and procedures on safety for employees to follow, set targets for the safety of employees, monitor the safety performance against the targets periodically and report any safety incidents to management.

One of the key factors for successfully protecting employees from occupational hazards is to train employees to protect themselves from psychological and physical hazards. The Group encourages such training to be delivered to employees.

The Group supports employees to enjoy leisure and sports activities outside of workplace.

The Group strictly regulates the operation of its business to ensure the compliance with national and local laws and regulations relating to health and safety during the course of operation. In the Year 2019, there was no case of material non-compliance with the Regulations on Work-Related Injury Insurance of the People's Republic of China (中華人民共和國工傷保險條例), the Occupational Safety and Health Ordinance (職業安全及健康條例) and the relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have a significant impact. In addition, there was no report of significant fines or sanctions as a result of non-compliance with the relevant laws and regulations in the Year 2019.

本集團嚴格規管其業務的營運，以確保於營運過程中遵守與僱傭相關的國家及地方法律及法規。於二零一九年度，概無嚴重違反《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《僱傭條例》及與本集團的補償及解僱、招聘及晉升、工作時數、休假、平等機會、多元化、反歧視及其他待遇和福利有關的相關法律及法規的行為。此外，於二零一九年度內，並無因違反相關法律及法規而招致重大罰款或制裁的報告。

健康與安全

本集團已制定健康及安全政策，涵蓋：(i)提供安全工作環境；(ii)保障僱員避免職業性危害；及(iii)作息平衡等議題。本集團致力為僱員提供健康及安全的工作環境及保障僱員避免職業性傷害與疾病。

本集團要求各實體制定及列明僱員應遵守之安全政策及程序，訂立僱員安全目標，定期對照安全表現及目標，並向管理層匯報任何安全事故。

保障僱員避免職業性危害之其中一項成功要素為訓練僱員保護自己免受心理及身體傷害。本集團鼓勵為僱員提供有關培訓。

本集團支持僱員在工餘進行休閒及體育活動。

本集團嚴格規管其業務的營運，以確保於營運過程中遵守與健康及安全相關的國家及地方法律及法規。於二零一九年度，概無嚴重違反《中華人民共和國工傷保險條例》、《職業安全及健康條例》及與提供安全工作環境及保障僱員免受職業危害有關的相關法律及法規並有重大影響的行為。此外，於二零一九年度內，並無因違反相關法律及法規而招致重大罰款或制裁的報告。

DEVELOPMENT AND TRAINING

The Group has established Development and Training Policies covering topics such as: (i) vocational training; and (ii) training and resources for the directors and senior management. The Group is committed to providing adequate training to the employees to improve their knowledge and skills for discharging duties at work. Training includes vocational training courses provided internally or externally.

The Group requires employees to attend internal and external training courses including employee continuing education to improve employees' knowledge and skills for their job positions.

Training and development courses are offered throughout the Group to upgrade employee skills and knowledge. During the year, all directors participated in continuous professional development activities by reading regulatory updates, and/or attending seminars or workshops relevant to the business or directors' duties.

LABOUR STANDARDS

The Group has established Labour Standards Policies covering topics such as: (i) preventing child and forced labour; and (ii) preventing workplace bullying. The Group is committed to avoiding child and forced labour in the workplace. Besides, all employees are strongly encouraged to report any bullying conduct they experience through the complaint channel provided by the Group.

The Group prohibits child labour. It requires human resource department and user departments work together to prevent or identify child labour, and to ensure child labour is not in the workforce. The Group is committed to protecting human rights, to prohibiting forced labours, and to creating a workplace with respect, fairness, and free will for the employees.

The Group strictly regulates the operation of its business to ensure the compliance with national and local laws and regulations relating to labour standards during the course of operation. In the Year 2019, there was no case of material non-compliance with the Labour Law of the People's Republic of China (中華人民共和國勞動法), the Provisions on the Prohibition of Using Child Labour (禁止使用童工規定), the Employment Ordinance (僱傭條例) and the relevant laws and regulations relating to preventing child or forced labour that have a significant impact. In addition, there was no report of significant fines or sanctions as a result of non-compliance with the relevant laws and regulations in the Year 2019.

發展及培訓

本集團已制定發展及培訓政策，涵蓋：(i)職業培訓；及(ii)董事及高級管理層的培訓及資源等議題。本集團致力為僱員提供足夠培訓，提升僱員履行工作職責的知識及技能。該等培訓包括內外部職業培訓課程。

本集團要求僱員參加內外部培訓課程，包括僱員持續教育，以提升僱員的工作職位知識及技能。

本集團於內部提供培訓及發展課程，以提升僱員之技能及知識。年內，全體董事通過閱讀法規更新資料及／或參加與業務或董事職責相關的研討會或討論會參與持續職業發展活動。

勞工準則

本集團已制定勞工準則政策，涵蓋：(i)防止童工及強制勞工；及(ii)防止職場欺凌等議題。本集團致力於工作場所防止使用童工及強制勞工。同時，大力支持全體僱員通過本集團提供的投訴渠道報告彼等經歷的任何欺凌行為。

本集團禁止使用童工。其規定人力資源部及招工部門合作防止或識別童工，並確保工作場所並無童工。本集團致力保障人權，禁止強制勞工，為僱員締造互相尊重、公平與自願的工作環境。

本集團嚴格規管其業務的營運，以確保於營運過程中遵守有關勞工準則的國家及當地法律及法規。於二零一九年度，並無嚴重違反《中華人民共和國勞動法》、《禁止使用童工規定》、《僱傭條例》以及與防止童工或強制勞工相關的有關法律及法規並有重大影響之行為。此外，於二零一九年度，並無發生違反相關法律及法規的行為而招致重大罰款或制裁的報告。

SUPPLY CHAIN MANAGEMENT

Supply chain management is a key area of the Group's business, which includes managing environmental and social risks of the supply chain. The Group requires suppliers to provide products and services for the Group with up-to-standard quality, health and safety to ensure compliance with environmental laws and regulations, and labour standards. The contracting for procurement of products and services is required to be based solely upon specification, quality, service, price, tendering, and applicable environmental and social considerations.

The Group requires impartial selection of suppliers and service providers, maximisation of competition in tendering process, approval of contract terms, compliance with laws and regulations, prevention and detection of bribery or fraud in the tendering and procurement process, and accomplishment of efficiency and cost saving in procurement.

The Group established Supply Chain Management Policies, including (i) assessment; (ii) selection; (iii) approval; (iv) procurement; and (v) performance evaluation. Performance evaluation is based on quality, service, cost, environmental protection, and social responsibilities.

During the Year 2019, the Group was not aware that any key suppliers had any significant actual and potential negative impact on business ethics, environmental protection, human rights and labour practices, nor any of them had any non-compliance incident in respect of human rights issues.

PRODUCT RESPONSIBILITY

Product responsibility refers to health and safety, advertising, labelling and privacy matters relating to services provided. The Group has established Product Responsibility Policies to study the overall and actual implementation of the Group's sustainable procurement activities and report directly to the director and company secretary.

The Group is fully responsible for its services and products. The Group ensures health and safety relating to the services provided and products produced.

供應鏈管理

供應鏈管理是本集團業務的一個重要範疇，涵蓋管理供應鏈之環境及社會風險。本集團要求供應商向本集團提供產品及服務之最新質量、健康及安全標準，確保符合環境法律及法規及勞工準則。訂約採購產品及服務必須純粹建基於規格、品質、服務、定價、招標及適用的環境和社會考慮因素。

本集團規定挑選供應商及服務提供商時必須公正，最大限度發揮招標程序的競爭性，審批合約條款，遵守法律及法規，防止及檢測招標及採購程序中的賄賂或欺詐行為，同時提升採購效率及減省成本。

本集團已制定供應鏈管理政策，涵蓋：(i)評審；(ii)挑選；(iii)批准；(iv)採購；及(v)表現評估。表現評估建基於品質、服務、成本、環保及社會責任。

於二零一九年度，本集團概不知悉任何主要供應商對商業道德、環保、人權及勞工常規造成任何重大實際及潛在不利影響，亦不知悉任何彼等有任何有關人權事宜的不合規事件。

產品責任

產品責任涉及所提供相關服務的健康與安全、廣告、標籤及私隱事宜。本集團已制定產品責任政策，研究整體及實際實施本集團可持續發展採購活動並直接向董事及公司秘書報告。

本集團對其服務及產品負全責。本集團確保所提供相關服務及所生產產品的健康及安全。

The Group respects its customers' rights and is committed to providing accurate service and products information for customers in connection with their purchase decision. The Group requires careful review of advertising material to protect customers' interest.

The Group is committed to protecting customer data and privacy information and keeping business information confidential. Training to employees in this regard and proper information system security are required.

Although the Group ensures the quality of its services and products, at the same time, the Group requires that services and products with quality, safety, or health issues should be compensated in accordance with terms of service and products contracts. Compensation is required to be offered to all customers who are affected with consistent treatment and procedures.

The Group was not aware of any material non-compliance with the Personal Data (Privacy) Ordinance (個人資料(私隱)條例) and other applicable laws and regulations that have a significant impact relating to privacy matters in regard to products and services provided by the Group in the Year 2019.

ANTI-CORRUPTION

The Group established Anti-Corruption Policies to prohibit employees from receiving any advantages offered by customers, suppliers, colleagues, or other parties, while they are performing employee duties, and prohibit any activities involving conflicts of interest, bribery, extortion, fraud, and money laundering. Staff Handbook lays out the Group's expectation and certain guiding provisions on code of conduct. The Group encourages employees, customers, suppliers, or other parties to report incidents relating to any conflicts of interest, bribery, extortion, fraud and money laundering.

The Group strictly regulates the operation of its business to ensure the compliance with national and local laws and regulations relating to anti-corruption during the course of operation. In the Year 2019, there was no case of any material non-compliance with the Anti-Unfair Competition Law of the People's Republic of China (中華人民共和國反不正當競爭法), the Prevention of Bribery Ordinance (防止賄賂條例) and the relevant laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact. In addition, there was no report of significant fines or sanctions as a result of non-compliance with the relevant laws and regulations in the Year 2019.

本集團尊重客戶權利，矢志為客戶提供準確服務及產品資料，供其於購買時參考。本集團要求仔細審查廣告材料，保障客戶權益。

本集團致力保障客戶數據及私隱資料，並對商業機密保密。本集團規定提供此方面之僱員培訓及恰當資訊系統保障。

儘管本集團確保其服務及產品品質，本集團同時要求按照服務及產品合約條款補償存在質量、安全或健康問題的服務及產品。本集團規定以一致的方式及程序向所有受影響客戶進行賠償。

於二零一九年度，本集團概不知悉與本集團所提供產品及服務的私隱事宜有關並構成重大影響的任何嚴重違反《個人資料(私隱)條例》以及其他適用法律及法規的情況。

反貪污

本集團已制定反貪污政策禁止僱員於履行其職務時收受客戶、供應商、同事或其他人士提供的利益，並禁止任何涉及利益衝突、賄賂、勒索、欺詐及洗黑錢的活動。員工手冊列明本集團在行為守則方面的預期及若干指引條文。本集團鼓勵僱員、客戶、供應商或其他人士舉報涉及利益衝突、賄賂、勒索、欺詐及洗黑錢的活動。

本集團嚴格規管其業務的營運，以確保於營運過程中遵守有關反貪污的國家及當地法律及法規。於二零一九年度，並無嚴重違反《中華人民共和國反不正當競爭法》、《防止賄賂條例》及賄賂、勒索、欺詐和洗黑錢有關的相關法律及法規並有重大影響之行為。此外，於二零一九年度，本集團並無發生違反相關法律及法規的行為而招致重大罰款或制裁的報告。

COMMUNITY INVESTMENT

The Group endeavours to support the communities in which the Group operates including community engagement to understand the needs of communities, and to ensure the Group's activities take into consideration of the communities' interest.

The Group strives to enlarge the business operation so that the Group can hire more workers to utilize communities' available labour resources.

The Group encourages its employees to participate in community activities, such as community health initiatives, sports, cultural activities, volunteer work, and education donation. All employees of the Group are encouraged to participate in environmental protection activities and raise the environmental awareness of people in the communities.

社區投資

本集團矢志支持本集團經營所在社區，包括社區參與，以瞭解社區需要，確保本集團的活動計及社區利益。

本集團致力擴充業務營運，以便本集團可僱用更多工人，利用社區可用勞工資源。

本集團鼓勵僱員參與社區活動，如社區健康行動、體育、文化活動、志願工作及教育捐助。本集團鼓勵全體僱員參加環保活動，提升社區各界環保意識。

CORPORATE GOVERNANCE PRACTICES

The Company had complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix 14 of the Listing Rules of the Stock Exchange throughout the year ended 31 December 2019, except the following deviations:-

1. Code Provision B.1.2

The terms of reference of the Remuneration Committee exclude review of and making recommendations to the Board in relation to senior management remuneration as in the Board’s opinion, it was more appropriate for the executive directors to perform these duties.

2. Code Provision E.1.2

Under Code Provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting. Mr. Wong Lik Ping, Chairman of the Board was unable to attend the annual general meeting of the Company held on 5 June 2019 due to his other important commitment. However, Mr. Lai Ka Fai, executive director chaired the 2019 AGM and opened to be questioned from the shareholders of the Company.

企業管治常規

於截至二零一九年十二月三十一日止年度期間，本公司已一直遵從聯合交易所上市規則附錄十四所載的《企業管治守則》及《企業管治報告》（「企業管治守則」）的所有守則條文，惟下文所概述的若干偏離除外：

1. 守則條文B.1.2

薪酬委員會職權範圍並不包括就高級管理人員之薪酬待遇作出檢討及向董事會提供建議，因董事會認為執行董事更適合執行相關職務。

2. 守則條文E.1.2

根據企業管治守則的守則條文E.1.2，董事會主席應出席股東週年大會。董事會主席王力平先生由於有其他重要事務在身而未能出席本公司於二零一九年六月五日舉行之股東週年大會。然而，二零一九年股東週年大會由執行董事黎嘉輝先生主持並公開答覆本公司股東的問題。

THE BOARD OF DIRECTORS

The Board currently comprises four Executive Directors, one non-Executive Director and three Independent Non-Executive Directors (“INEDs”). The brief biographic details of and the relationship among Board members is set out in the Directors Profiles section on pages 51 to 53. The Board has established three Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee. Attendance of the Board Meetings, the meetings of the Board Committees and the General Meetings for the year ended 31 December 2019 is given below. The respective responsibilities of the Board and Board Committees are discussed later in this report.

董事會

董事會現由四名執行董事、一名非執行董事及三名獨立非執行董事（「獨立非執行董事」）組成。董事會成員之簡歷及其關係已載於第51頁至第53頁之董事簡介內。董事會已設立三個董事委員會，即審核委員會、提名委員會及薪酬委員會。截至二零一九年十二月三十一日止年度，各董事出席董事會會議、董事委員會會議及股東大會的次數載列如下。董事會及董事委員會各自的職責將於本報告的稍後篇幅作出說明。

| | | Number of meetings attended/eligible to attend 出席／合資格出席會議的次數 | | | | |
|--|----------------|---|--------------------------|-------------------------------|---------------------------------|-------------------------|
| | | Board Meeting 董事會會議 | Audit Committee 審核委員會 | Nomination Committee 提名委員會 | Remuneration Committee 薪酬委員會 | General Meeting 股東大會 |
| Executive Directors | 執行董事 | | | | | |
| Mr. Wong Lik Ping | 王力平先生 | 2/9 | | 1/1 | 2/3 | 0/2 |
| Mr. Lai Ka Fai | 黎嘉輝先生 | 9/9 | | | | 2/2 |
| Mr. Tao Ke | 陶可先生 | 7/9 | | | | 0/2 |
| Mr. Qiao Weibing | 喬衛兵先生 | 7/9 | | | | 0/2 |
| Non-executive Director | 非執行董事 | | | | | |
| Ms. Yip Man Yi (note 1) | 葉敏怡女士 (附註1) | 0/1 | | | | 0/0 |
| Independent non-executive Directors | 獨立非執行董事 | | | | | |
| Mr. Goh Choo Hwee | 吳慈飛先生 | 9/9 | 2/2 | 1/1 | 3/3 | 2/2 |
| Mr. Ho Hin Yip | 何衍業先生 | 9/9 | 2/2 | 1/1 | 3/3 | 2/2 |
| Mr. U Keng Tin | 余擎天先生 | 9/9 | 2/2 | | | 2/2 |

Note:

1. Appointed on 17 October 2019

All Directors are regularly updated on governance and regulatory matters. There is an established procedure for Directors to obtain independent professional advice at the expense of the Company in discharge of their duties.

附註：

1. 於二零一九年十月十七日獲委任

全體董事均定期獲得有關管治及監管事宜的更新資訊。董事亦可按照既定程序，尋求獨立專業意見以協助履行其責任，有關費用由本公司支付。

The Board held meetings from time to time whenever necessary. Notice of at least 14 days has been given to all Directors for all regular board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time before the meeting. Draft minutes of all board meetings are circulated to Directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of Board Committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer (“CEO”) should be separate and should not be performed by the same individual. During 2019, Mr. Wong Lik Ping served as the Chairman whereas Mr. Lai Ka Fai served as the CEO of the Group. The Chairman provides leadership to management in respect of operational issues. The CEO has overall chief executive responsibility for the Group’s business development and day-to-day management generally. The segregation ensures a clear distinction between the Chairman’s responsibility to manage the Board and the CEO’s responsibility to manage the Group’s business on behalf of the Board in the operational management of the Company. With the support of Executive Directors and Company Secretaries, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at board meetings and receive adequate and reliable information in a timely manner.

NON-EXECUTIVE DIRECTOR

The Board has an non-executive Director, Ms. Yip Man Yi, appointed on 17 October 2019 who mainly oversees the Company and its business issues in a broad perspective.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board currently has three INEDs, one of the INEDs hold appropriate professional qualifications, or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. All INEDs of the Company have been appointed for a specific term and are subject to retirement by rotation and re-election in accordance with the Company’s Articles of Association.

董事會於有需要時不時舉行會議。就董事會所有定期會議，全體董事均獲給予最少十四天通知，如有需要，董事可將討論事項納入有關議程。董事會定期會議的議程及隨附之董事會文件將於開會前一段合理時間內派發予所有董事。所有董事會會議記錄草稿將於合理時間內交董事傳閱，讓董事在確定會議記錄前提出意見。

董事會及董事委員會會議的會議記錄由各會議經正式委任的秘書保存，全體董事均有權查閱董事會的文件及有關資料，並會及時獲得充分資料，使董事會可就提呈會議的事項作出知情決定。

主席及行政總裁

根據企業管治守則的守則條文A.2.1，主席及行政總裁（「行政總裁」）的角色應分別設立，不應由同一人擔任。於二零一九年，王力平先生出任主席而黎嘉輝先生出任本集團行政總裁。主席就各項營運事宜領導管理層。行政總裁對本集團的業務發展和日常管理有整體行政責任。就本公司營運管理而言，此分工確保將主席管理董事會之責任與行政總裁代表董事會管理本集團業務之責任清楚區分。在執行董事及公司秘書的支持下，主席致力確保所有董事對董事會會議提出的事項得到適當的簡介，並及時收到足夠可靠的信息。

非執行董事

董事會有一名非執行董事葉敏怡女士，其於二零一九年十月十七日獲委任並主要負責從廣闊角度審查公司及業務事宜。

獨立非執行董事

董事會現有三名獨立非執行董事，其中一名獨立非執行董事具備上市規則第3.10條所列的適當專業資格、會計或相關的財務管理專長。本公司所有獨立非執行董事均有指定任期，並會根據本公司的組織章程細則輪值退選及重選。

Each of the INEDs has given the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all INEDs are independent and meet the independence guidelines set out in Rule 3.13 of the Listing Rules and has provided to the Company the requisite annual confirmation to his independence.

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant.

The Directors are committed to complying with the code provision A.6.5 on Directors' training. All Directors have participated in continuous professional development activities by reading regulatory updates, and/or attending seminars/workshops relevant to the business/Directors' duties.

A record of training they received for the year ended 31 December 2019 was provided to the Company. The individual training record of each Director received for the year ended 31 December 2019 is set out below:

各獨立非執行董事已根據上市規則第3.13條之規定提交年度獨立性確認書予本公司。本公司認為，所有獨立非執行董事均屬獨立人士，並符合上市規則第3.13條所載之獨立性指引及已向本公司提供有關其獨立性所需的年度確認書。

董事之持續培訓和發展

董事須參與持續專業發展，發展和更新其知識和技能，以確保其繼續在具備全面資訊及切合所需之情況下向董事會作出貢獻。

董事均致力遵守有關董事培訓之守則條文A.6.5。所有董事均透過閱讀監管規定之更新資料，及/或出席與業務/董事職責有關之講座/研討會之方式參與持續專業發展活動。

董事已提供截至二零一九年十二月三十一日止年度曾接受的培訓記錄予本公司。下表載列每名董事截至二零一九年十二月三十一日止年度參與培訓的記錄：

| | | Reading Regulatory updates 閱讀監管規定之 更新資料 | Attending seminars/ workshops relevant to the business/ directors' duties 出席與業務/ 董事職責有關之 講座/研討會 |
|---|-----------------------|---|---|
| Executive Directors | 執行董事 | | |
| Mr. Wong Lik Ping | 王力平先生 | ✓ | ✓ |
| Mr. Lai Ka Fai | 黎嘉輝先生 | ✓ | ✓ |
| Mr. Tao Ke | 陶可先生 | ✓ | |
| Mr. Qiao Weibing | 喬衛兵先生 | ✓ | ✓ |
| Non-Executive Director | 非執行董事 | | |
| Ms. Yip Man Yi (appointed on 17 October 2019) | 葉敏怡女士（於二零一九年十月十七日獲委任） | ✓ | |
| Independent non-executive Directors | 獨立非執行董事 | | |
| Mr. Goh Choo Hwee | 吳慈飛先生 | ✓ | ✓ |
| Mr. Ho Hin Yip | 何衍業先生 | ✓ | ✓ |
| Mr. U Keng Tin | 余擎天先生 | ✓ | |

DELEGATION BY THE BOARD

The Board sets the Group's objectives and strategies and monitors its performance. The Board also decides on matters such as annual and interim results, major transactions, director appointments, and dividend and accounting policies and monitors the internal controls of the Group's business operation. The Board has delegated the authority and responsibility of overseeing the Group's day to day operations to management executives.

When the Board delegates aspect of its management and administration functions to management, clear directions would be given as to the power of management, in particular, the circumstances where management should report back to the Board before making decision or entering into any commitments on behalf of the Group.

Principal functions that are specifically delegated by the Board to the management include (i) implementation of corporate strategy and policy initiatives; (ii) provision of management reports to the Board in respect of Group's performance, financial position and prospects; and (iii) day-to-day management of the Group.

BOARD DIVERSITY POLICY

The Board has adopted a Diversity of Board Members Policy (the "Board Diversity Policy") and discussed all measurable objectives set for implementing the policy.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will be based on merit and the candidates will be considered against measurable objectives, taking into account the Company's business and needs. Selection of candidates will be based on a range of diversity criteria, including but not limited to gender, age, cultural and educational background, knowledge, professional experience and skills. The ultimate decision will be based on merit and the contribution that the selected candidates may bring to the Board.

The Nomination Committee will review the Board Diversity Policy as appropriate from time to time in light of experience, evolving standards of corporate governance and recommend any proposed changes to the Board for approval.

董事會授權

董事會訂立本集團目標及策略並監察其表現。董事會亦會就年度及中期業績、主要交易、董事委任及股息和會計政策等項目作出決定，並會監察本集團業務營運的內部監控。董事會已將監督本集團日常運作的權力和責任下放給管理人員。

當董事會將其管理及行政職能方面之權力轉授予管理層時，已同時就管理層之權力給予清晰規定，尤其是管理層須向董事會匯報後方可作出決定或代表本集團作出任何承諾之情況。

董事會特定授權予管理層之主要職責包括(i)實施企業策略及政策措​​施；(ii)向董事會提交有關本集團之表現、財務狀況及前景之管理報告；及(iii)本集團之日常管理。

董事會多元化政策

董事會已採納董事會成員多元化政策（「董事會多元化政策」），並就政策實施討論了所有重要目標。

本公司認同及相信董事會成員多元化所帶來的裨益。其致力確保董事會擁有適合本公司業務所需的技能、經驗及多元化的意見。所有董事會成員的委任將以甄選優秀人才為基準，並根據可計量目標及本公司的業務和需要考慮候選人。甄選候選人將按多方面作考慮，包括但不限於性別、年齡、文化及教育背景、知識、專業經驗及技能。最終決定乃按照獲甄選候選人將會為董事會帶來的價值及貢獻而作出。

提名委員會將根據經驗及企業管治發展標準不時檢討董事會多元化政策（如適用）和向董事會就建議變動作出提議，以便董事會審批。

DIRECTOR NOMINATION POLICY

The Company adopted a director nomination policy (the “Director Nomination Policy”) on 14 December 2018 which set out the criteria and process in the appointment and nomination of directors, in order to ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and ensure the Board continuity and appropriate leadership.

According to the Director Nomination Policy, the Nomination Committee will carry out evaluation on candidates by considering their skills, professional qualification, experience, independence (for independent non-executive directors), gender, time commitment and make recommendation to the Board based on the nomination procedure. The Director Nomination Policy will also be reviewed from time to time in order to satisfy the business needs and ensure compliance with the regularity requirements as well as maintain good corporate governance practice.

REMUNERATION COMMITTEE

The Company has set up a Remuneration Committee to ensure that there are formal and transparent procedures for setting policies on the remuneration of Directors. For the year ended 31 December 2019, the Remuneration Committee comprises the Board’s Chairman, Mr. Wong Lik Ping, and two INEDs, namely Mr. Goh Choo Hwee and Mr. Ho Hin Yip. The Remuneration Committee is chaired by Mr. Ho Hin Yip.

During the year, three Remuneration Committee meetings were held to review the remuneration packages of the Directors. The Remuneration Committee ensures that no Director is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee, a copy of which is posted on the Company’s website, are consistent with the terms set out in the relevant section of the CG Code and Report.

董事提名政策

本公司已於二零一八年十二月十四日採納董事提名政策（「董事提名政策」），其載列任命及提名董事的準則及程序，以確保董事會成員具備切合本公司業務所需的技能、經驗及多元化觀點及確保董事會的持續性及維持其領導角色。

根據董事提名政策，提名委員會將透過考慮候選人的技能、專業資格、經驗、獨立性（就獨立非執行董事而言）、性別、所付出的時間對其進行評估並根據提名程序向董事會作出推薦意見。董事提名政策亦將不時予以檢討以滿足其業務需要、確保遵守監管規定以及維持良好的企業管治常規。

薪酬委員會

本公司已成立薪酬委員會，以確保在制定董事薪酬之政策上有正式及透明之程序。截至二零一九年十二月三十一日止年度，薪酬委員會成員包括董事會主席王力平先生，及兩名獨立非執行董事吳慈飛先生及何衍業先生。何衍業先生為薪酬委員會之主席。

本年度內曾召開了三次薪酬委員會會議，就董事之薪酬福利作出檢討。薪酬委員會確保無董事參與釐定其本身的薪酬。薪酬委員會的職權範圍與企業管治守則及報告有關部分所載之條款一致。薪酬委員會的職權範圍已刊登在本公司的網站內。

NOMINATION COMMITTEE

The Company has set up a Nomination Committee to ensure fair and transparent procedures for the appointment, re-election and removal of Directors to the Board. For the year ended 31 December 2019, the Nomination Committee comprises the Board's Chairman, Mr. Wong Lik Ping, and two INEDs, namely Mr. Goh Choo Hwee and Mr. Ho Hin Yip. The Nomination Committee is chaired by Mr. Wong Lik Ping.

During the year, one Nomination Committee meeting was held to discuss appointment of a director. In selecting and recommending candidates for directorship, the Committee will consider the experience, qualification and suitability of the candidates as well as the Board Diversity Policy and the Director Nomination Policy. The Board will approve the recommendations based on the same criteria. The terms of reference of the Nomination Committee, a copy of which is posted on the Company's website, are consistent with the terms set out in the relevant section of the CG Code and Report.

AUDIT COMMITTEE

For the year ended 31 December 2019, the Audit Committee comprises three INEDs, namely Mr. Ho Hin Yip, Mr. Goh Choo Hwee and Mr. U Keng Tin. The Audit Committee is chaired by Mr. Ho Hin Yip.

The principal duties of the Audit Committee are to review and provide supervision over the financial reporting process, risk management and internal control system of the Group, and perform the corporate governance duties. During the year, two Audit Committee meetings were held to review the financial reporting matters, risk management and internal control procedures of the Group. The terms of reference of the Audit Committee, a copy of which is posted on the Company's website, are consistent with the terms set out in the relevant section of the CG Code and Report.

提名委員會

本公司已設立提名委員會，以確保在董事會委任、重選及罷免董事之事宜有公平及透明的程序。截至二零一九年十二月三十一日止年度，提名委員會成員包括董事會主席王力平先生，及兩名獨立非執行董事吳慈飛先生及何衍業先生。王力平先生為提名委員會之主席。

本年度內曾召開了一次提名委員會會議，討論董事委任事宜。挑選及推薦董事候選人時，委員會會考慮候選人的經驗、資歷、適合程度及董事會多元化政策以及董事提名政策。董事會將根據相同準則批准委任。提名委員會的職權範圍與企業管治守則及報告有關部分所載之條款一致。提名委員會的職權範圍已刊登在本公司網站內。

審核委員會

截至二零一九年十二月三十一日止年度，審核委員會由三名獨立非執行董事組成（即何衍業先生、吳慈飛先生及余擎天先生）。何衍業先生為審核委員會之主席。

審核委員會之主要職責包括審閱及監察本集團之財務申報程序、風險管理及內部監控系統，以及履行企業管治職責。本年度內共召開了兩次審核委員會會議，審閱了本集團的財務申報事宜、風險管理及內部監控程序。審核委員會的職權範圍與企業管治守則及報告有關部分所載之條款一致。審核委員會的職權範圍已刊登在本公司網站內。

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company 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 its code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiries, all directors confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2019.

To comply with the code provision A.6.4 of the CG Code and Report, the Company has also adopted the Model Code as the code of conduct for securities transactions by Relevant Employees to regulate the dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of unpublished price sensitive information of the Company.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Group’s performance, position and prospects.

Management shall provide sufficient explanation and information to the Board as will enable the Board to make an informed assessment of the financial and other information presented before board meeting for approval.

The Directors acknowledge their responsibility for preparing the Group’s consolidated financial statements and ensuring that the preparation of the Group’s consolidated financial statements is in accordance with the relevant requirements and applicable standards.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor’s Report on pages 63 to 70 of this annual report.

The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

董事及有關僱員的證券交易守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為其董事買賣本公司證券的操守守則。經作出特定查詢，全體董事確認彼等於截至二零一九年十二月三十一日止年度一直遵守標準守則之規定標準。

為遵守企業管治守則及報告之守則條文A.6.4，本公司亦已採納標準守則為有關僱員進行證券交易的操守守則，以規管本集團若干被認為可能會擁有本公司未公開之股價敏感資料的僱員買賣本公司之證券。

問責及審核

財務報告

董事會應負責對本集團的表現、狀況及前景呈列平衡、清晰及全面的評估。

管理層將向董事會作出充分解釋並提供充足資料，讓董事會可就呈交董事會會議以供批准的財務及其他資料，作出知情評估。

董事承認彼等負有責任編製本集團綜合財務報表及確保本集團綜合財務報表按有關規定及適用標準編製。

核數師關於其匯報責任的聲明載於本年報第63頁至第70頁之獨立核數師報告。

董事會將呈列平衡、清晰及易明的年度及中期報告評估、其他股價敏感公告及上市規則規定的其他財務披露資料，向監督機構的報告以及根據監管規定須予披露的資料。

Risk Management and Internal Controls

The main features of the risk management and internal control systems of the Group are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations. The Group has established a risk management framework, which consists of the Board, the Audit Committee and the functional responsible management of the Group (“Senior Management”).

The Board determines the nature and extent of risks that shall be taken in achieving the Group’s strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems. The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Its improvement is an ongoing process and the Board maintains a continuing commitment to strengthen the Company’s control environment and processes.

The Board, through the Audit Committee, conducts reviews of the effectiveness of such systems once annually, covering all material controls including financial, operational and compliance controls. The Group has formulated and adopted risk management policy in providing directions in identifying, evaluating and managing significant risks. At least on an annual basis, the Senior Management identifies risks that would adversely affect the achievement of the Group’s objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant. In addition, the Group has engaged Zhonghui Anda Risk Services Limited (“Zhonghui”) to assist the Board and the Audit Committee in ongoing monitoring of risk management and internal control systems of the Group and in performing the internal audit functions for the Group. The annual review plan of the Group covers major activities and material controls including operational, financial and compliance of the Group’s business units. It also covers the changes, since the last annual review, in the nature and extent of significant risks, and the Group’s ability to respond to changes in its business and the external environment.

風險管理及內部監控

本集團風險管理及內部監控系統的主要特徵是提供清晰的管治架構、政策及程序以及匯報機制以協助本集團管理其各類業務營運的風險。本集團已建立由董事會、審核委員會及本集團的職能責任管理層（「高級管理層」）組成的風險管理框架。

董事會釐定在達致本集團策略目標過程中將承擔的風險性質及程度，並整體負責監察風險管理及內部監控系統的設計、實施及整體有效性。設立本集團的風險管理及內部監控系統旨在管理而非消除未能達致業務目標的風險，且僅可對重大失實陳述或損失提供合理而非絕對保證。其改進乃為持續過程，而董事會將繼續致力於加強本公司的監控環境及程序。

董事會透過審核委員會每年一次檢討有關系統的有效性，範圍涵蓋所有重大控制措施，包括財務、營運及合規控制措施。本集團亦已制定及採納風險管理政策，提供識別、評估及管理重大風險的指示。高級管理層至少每年一次識別對實現本集團目標造成不利影響的風險，並根據一套標準準則評估及排列所識別風險的優先次序。屆時對認為屬重大的該等風險制定風險緩解計劃及指定風險負責人。此外，本集團已委聘中匯安達風險管理有限公司（「中匯」）協助董事會及審核委員會持續監督本集團的風險管理及內部監控系統以及為本集團履行內部審計職能。本集團的年度審閱計劃涵蓋了主要業務及重大監控（包括本集團業務單位的營運、財務及合規），其亦涵蓋了自上次年度審閱以來重大風險的性質及程度的變化以及本集團應對其業務和外部環境變化的能力。

A report on the result of risk management and internal control review from Zhonghui was provided to the Audit Committee and the Board in March 2020. The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to (i) the general compliances with the appendix 14 of the Listing Rules and the disclosure requirements of the corporate governance report, (ii) corporate level controls (such as the code of conduct as well as authority and responsibility of different level of staff delegated by the Board), (iii) certain operational level controls, and (iv) financial reporting functions.

The Board concluded that there are no material irregularities nor areas of concern that would have significant adverse impact on the Group's state of affair, and that the Group's risk management and internal control systems were effective and adequate (including the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions) and have complied with the CG code provisions on risk management and internal control during the year.

The Group has adopted policy and procedure on disclosure of insider information and there was no material breach of procedures and internal controls for the handling and dissemination of inside information during the year. The Company regularly reminds the directors and the relevant staff about due compliance and latest regulatory updates with the insider information and other relevant regulations.

AUDITOR'S REMUNERATION

For the year ended 31 December 2019, the auditors of the Company provided audit and non-audit services to the Company and the Group.

The auditor's remuneration payable to BDO Limited in relation to audit and non-audit services for the year ended 31 December 2019 amounted to HK\$1,588,000 and HK\$150,000 respectively.

The statement of the auditor of the Company regarding their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 63 to 70.

中匯於二零二零年三月向審核委員會及董事會提交了有關風險管理及內部監控審閱報告結果的報告。董事會透過審核委員會已就本集團的風險管理及內部監控系統之有效性進行年度審閱，包括但不限於(i)全面遵守上市規則附錄十四及企業管治報告的披露要求，(ii)企業層面監控（董事會委派的各級別員工的行為準則連同職權及職責），(iii)若干營運層面監控及(iv)財務匯報職能。

董事會得出結論認為，並無任何嚴重違規或任何存在疑慮的範疇將對本集團的事務狀況構成重大不利影響，並認為風險管理及內部監控系統於年內屬有效及足夠（包括本公司會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗、培訓課程及預算）並已遵守風險管理及內部監控的企業管治守則條文。

本集團已採納內幕消息披露的政策及程序，年內並無處理及發佈內幕消息程序及內部監控的重大違反。本公司定期提醒董事及相關員工內幕消息及其他相關規定的適當合規性及最新監管更新。

核數師酬金

截至二零一九年十二月三十一日止年度，本公司核數師向本公司及本集團提供核數及非核數服務。

截至二零一九年十二月三十一日止年度，就核數及非核數服務應付香港立信德豪會計師事務所有限公司之核數師酬金分別為1,588,000港元及150,000港元。

本公司核數師就財務報表之申報責任所作聲明載於第63頁至第70頁之獨立核數師報告內。

JOINT COMPANY SECRETARIES

All directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible for ensuring the Board policies and procedures are followed and for facilitating information flows and communications among Directors and its committees as well as with shareholders and management, and between management and the non-executive directors.

Mr. Li Chak Hung and Mr. Siu Wai Bun, are the joint company secretaries of the Company. Both of Mr. Li and Mr. Siu report to Mr. Wong Lik Ping, the Chairman of the Board.

Mr. Li Chak Hung was appointed as company secretary of the Company on 13 March 2002. He is a member of the Hong Kong Institute of Certified Public Accountants. He undertook over 15 hours of relevant professional training to update his skills and knowledge during the year.

Mr. Siu Wai Bun was appointed as joint company secretary of the Company on 6 November 2017. Mr. Siu is a member of Hong Kong Institute of Certified Public Accountants. During the year, Mr. Siu undertook more than 15 hours of relevant professional training to update his skills and knowledge.

SHAREHOLDERS' RIGHTS

Convening an extraordinary General Meeting by shareholders

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

聯席公司秘書

所有董事均有權獲得公司秘書提供的意見及服務。公司秘書須負責確保遵循董事會的政策及程序以及促進董事及其委員會、股東及管理層之間以及管理層及非執行董事之間的信息流通及溝通。

李澤雄先生及蕭偉斌先生為本公司的聯席公司秘書。李先生及蕭先生均向董事會主席王力平先生匯報。

李澤雄先生於二零零二年三月十三日獲委任為本公司之公司秘書。彼為香港會計師公會會員。彼於本年度內參與超過15小時之相關專業培訓以更新技能及知識。

蕭偉斌先生於二零一七年十一月六日獲委任為本公司聯席公司秘書。蕭先生為香港會計師公會會員。蕭先生於本年度內參與超過15小時之相關專業培訓以更新技能及知識。

股東權利

由股東召開股東特別大會

根據本公司的組織章程細則第58條，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本（附有於本公司股東大會上投票權）十分之一的股東於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而合理產生的所有開支應由本公司向要求人作出償付。

Putting Forward Proposals at General Meetings

A shareholder shall make a written requisition to the Board or the company secretary at the Company's office in Hong Kong at Room 2203, 22/F., Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

As regards proposing a person for election as a Director, please refer to the procedures available on the websites of the Company and the Stock Exchange.

Making enquiry to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing to the company secretary at the Company's office in Hong Kong at Room 2203, 22/F., Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong.

DIVIDEND POLICY

The Company adopted a dividend policy for striking a right balance between rewarding its shareholders by sharing a portion of the profits and meeting adequate cash reserves for its working capital requirements and future prospects of the Company. With reasonable but not pre-determined dividend distribution ratio, the proposed amount of dividends will be made at the discretion of the Board and will depend on the Company's operational results, cash flow situation, financial conditions, capital expenditure requirements, general business conditions and strategies, future economic environment, statutory and regulatory restrictions and any other factors that the Board may deem relevant. The policy will be reviewed from time to time so as to keep in line with the change of market conditions and other factors as the Board may deem relevant.

於股東大會上提呈建議

股東須向本公司之董事會或公司秘書提出書面要求，致函本公司香港辦事處，地址為香港灣仔杜老誌道6號群策大廈22樓2203室，當中須列明該股東的股權資料、其詳細聯絡資料，以及擬就任何具體的交易／事宜而於股東大會上提呈的建議及其有關文件。

關於建議任何人士膺選董事之事項，請參閱刊載於本公司及聯交所網站之程序。

向董事會提出查詢

股東可以隨時以書面形式將向董事會提出之查詢及關注之事項郵寄至本公司香港辦事處，地址為香港灣仔杜老誌道6號群策大廈22樓2203室，請註明收件人為公司秘書。

股息政策

本公司採納一項股息政策，透過攤分部分溢利以回報股東，同時保留充足現金儲備以符合其營運資金要求及供本公司未來發展所需，在兩者之間保持平衡。股息率為合理但非預定，故建議股息金額將由董事會酌情決定，並根據本公司經營業績、現金流量情況、財務狀況、資本開支需求、一般業務條件及策略、未來經濟環境、法規及監管限制及其他董事會認為相關的因素釐定。該政策將時不時予以審閱以符合市場情況及其他因素的變化，只要董事會認為可能有其相關性。

INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company has established a range of communication channels between itself, its shareholders and investors, including answering questions through the annual general meeting, the publications of annual and interim reports, notices, announcements and circulars on the website of the Company at www.egichk.com. During the year, the Board is not aware of any significant changes in the Company's constitutional documents.

On behalf of the Board

Wong Lik Ping

Chairman

Hong Kong, 25 March 2020

投資者關係

本公司認為，與股東之有效溝通對加強投資者關係及加深投資者對本集團業務表現及策略之了解實屬必要。本公司已就其本身與股東及投資者之間的溝通設立多個渠道，當中包括通過股東週年大會回答問題，於本公司網站www.egichk.com刊發年度及中期報告、通告、公佈及通函。於本年度，董事會並不知悉本公司之憲章文件有任何重大變動。

代表董事會

主席

王力平

香港，二零二零年三月二十五日

EXECUTIVE DIRECTORS

Mr. Wong Lik Ping, aged 59, is the Chairman of the Group. He joined the Group in August 2012 and is responsible for strategic planning, business development and Board issues of the Group. He was (i) an executive director and a vice-chairman of Shougang Fushan Resources Group Limited (stock code: 639) from March 2009 to December 2015 and (ii) an executive director and the chairman of Theme International Holdings Limited (stock code: 990) from November 2009 to January 2016, both companies listed on the Main Board of the Stock Exchange. He is a director and the sole shareholder of Worldkin Development Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Mr. Wong is a member of the National Committee of the Chinese People's Political Consultative Conference. He has extensive experience in trading business, financial industry and investments in a wide range of businesses in the PRC.

Mr. Lai Ka Fai, aged 51, joined the Group in June 2010 and was appointed as an executive director and chief executive officer of the Company in January 2012 and November 2017 respectively. Mr. Lai is responsible for the corporate governance, port operation business and new business development of the Group. He holds a Bachelor degree in Laws from The Manchester Metropolitan University in the United Kingdom, a Postgraduate Certificate in Laws from The University of Hong Kong and a Master degree of Business Administration from the University of Leicester in the United Kingdom. He is a solicitor of the High Court of the Hong Kong Special Administrative Region and has over 15 years of experience in the legal field. He is also a director of an associate of the Company in the PRC.

Mr. Tao Ke, aged 37, was appointed as an executive director of the Company on 6 March 2015. Mr. Tao holds a Master of Social Science degree from University of Glasgow and a Bachelor degree in Economics from Beijing Institute of Technology. Mr. Tao has extensive experience in corporate finance and overseas merger and acquisition. He had been working in international investment banks and responsible for clients' project management, project acquisition and various initial public offerings. Mr. Tao is currently a general manager of a chemical production group in Shandong.

執行董事

王力平先生，59歲，本集團主席。彼於二零一二年八月加入本集團，負責本集團之策略制定、業務發展及董事會事宜。彼分別(i)由二零零九年三月至二零一五年十二月於首鋼福山資源集團有限公司(股份代號：639)擔任執行董事及副主席；及(ii)由二零零九年十一月至二零一六年一月於榮暉國際集團有限公司(股份代號：990)擔任執行董事及主席，該兩家公司均為聯交所主板上市之公司。彼為本公司主要股東(定義符合證券及期貨條例(「證券及期貨條例」)第XV部)世勤發展有限公司之董事及惟一股東。王先生現為中國全國人民政治協商會議之委員。彼於中國不同行業擁有豐富的貿易、金融及投資經驗。

黎嘉輝先生，51歲，於二零一零年六月加入本集團並於二零一二年一月及二零一七年十一月分別獲委任為本公司執行董事及行政總裁。黎先生負責本集團企業管治、碼頭運營業務及新業務開發。彼於英國曼徹斯特都會大學獲得法學學士學位，於香港大學獲得法學專業證書及於英國李斯特大學獲得工商管理碩士學位。彼為香港特別行政區高等法院律師及在法律事務範疇擁有逾十五年經驗。彼亦為本公司於中國之一家聯營公司之董事。

陶可先生，37歲，於二零一五年三月六日獲委任為本公司之執行董事，陶先生持有格拉斯哥大學之社會科學碩士學位以及北京理工大學經濟學學士學位。陶先生在公司融資及海外併購範疇擁有豐富經驗。彼曾在國際投資銀行負責客戶項目管理、項目收購合併，以及多項首次公開招股上市的工作。陶先生現為山東一家化工集團的總經理。

Mr. Qiao Weibing, aged 53, was appointed as an executive director of the Company on 17 March 2016. Mr. Qiao holds a bachelor degree from Shanxi University and a master degree in management engineering from China University of Mining and Technology. Mr. Qiao has over 20 years' working experience in the government regulatory authorities and financial institutions in the PRC. Mr. Qiao is currently the chief investment officer of the Company, the chairman and CEO of Beijing Ever Grand International Finance Lease Co., Ltd., and sole director of Ever Grand (Tianjin) Finance Lease Co., Ltd., both of which are subsidiaries of the Company in the PRC.

NON-EXECUTIVE DIRECTOR

Ms. Yip Man Yi, aged 49, was appointed as a non-executive director of the Company in October 2019. Ms. Yip was graduated from Seneca College of Applied Arts and Technology, Toronto, Canada and has over 20 years' experience in financial market and money market. Ms. Yip has been worked with HSBC Market (Asia) Limited for Global Markets and companies listed on both the Main and the GEM Boards of The Stock Exchange of Hong Kong Limited. She was actively involved in formulating investment strategy and was responsible for overseeing the operation of various investment projects. Ms. Yip was appointed as executive director and chairman of Union Asia Enterprise Holdings Limited (stock code: 8173), a company listed on the GEM Board of the Stock Exchange from December 2015 to November 2019.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Goh Choo Hwee, aged 48, was appointed as an independent non-executive director of the Company in January 2012. He has over 20 years of experience in PRC-related, corporate and securities practice. He is currently a partner at Ma Tang & Co, Solicitors, a law firm in Hong Kong. He graduated from The University of Hong Kong with Postgraduate Certificate in Laws in 1995. He has become a member of The Law Society of Hong Kong and has been a practicing solicitor in Hong Kong since 1997. He is currently an independent non-executive director of each of Tsui Wah Holdings Limited (stock code: 1314) and Huajin International Holdings Limited (stock code: 2738), all of which are companies listed on the Main Board of the Stock Exchange. He was appointed as the company secretary of Xinhua News Media Holdings Limited (stock code: 309), a company listed on the Main Board of the Stock Exchange, from December 2013 to November 2018.

喬衛兵先生，53歲，於二零一六年三月十七日獲委任為本公司執行董事。喬先生持有山西大學學士學位及中國礦業大學管理工程碩士學位。喬先生在中國政府監管部門及金融機構擁有逾二十年的工作經驗。喬先生現為本公司之首席投資官、北京恒嘉國際融資租賃有限公司之主席兼行政總裁及恒嘉（天津）融資租賃有限公司之唯一董事，該等公司均為本公司位於中國的附屬公司。

非執行董事

葉敏怡女士，49歲，於二零一九年十月獲委任為本公司非執行董事。葉女士畢業於加拿大多倫多Seneca College of Applied Arts and Technology並在金融市場及貨幣市場擁有逾二十年經驗。葉女士一直於HSBC Market (Asia) Limited環球市場部門及香港聯合交易所有限公司主板及GEM上市公司工作，並積極參與制定投資策略及負責監管多個投資項目之管理運作。葉女士於二零一五年十二月至二零一九年十一月獲委任為萬亞企業控股有限公司（股份代號：8173）（聯交所GEM上市公司）之執行董事兼主席。

獨立非執行董事

吳慈飛先生，48歲，於二零一二年一月獲委任為本公司獨立非執行董事。彼擁有逾二十年與中國有關、企業及證券之執業經驗。彼現為馬世欽鄧文政黃和崢吳慈飛律師行（一家香港律師事務所）之合夥人。彼於一九九五年畢業於香港大學，持有法學專業證書。彼自一九九七年起成為香港律師會成員及香港執業律師。彼現為於聯交所主板上市之公司翠華控股有限公司（股份代號：1314）及華津國際控股有限公司（股份代號：2738）之獨立非執行董事。彼自二零一三年十二月至二零一八年十一月獲聯交所主板上市之公司新華通訊頻媒控股有限公司（股份代號：309）委任為公司秘書。

Mr. Ho Hin Yip, aged 46, was appointed as an independent non-executive director of the Company in December 2012. He is presently the Financial Controller and Joint Company Secretary of Singapore-listed Dukang Distillers Holdings Limited, where he is responsible for the finance and accounting functions, statutory compliance and corporate governance affairs. He has more than 20 years of financial and auditing experience. He is a fellow member of The Association of Chartered Certified Accountants and a practising member of the Hong Kong Institute of Certified Public Accountants. He has also acted as an independent non-executive director of each of Jiyi Household International Holdings Limited (stock code: 1495), Hope Life International Holdings Limited, formerly known as Royal China International Holdings Limited (stock code: 1683) (from August 2015 to February 2017 and from August 2018 to July 2019) and Xinhua News Media Holdings Limited (stock code: 309) (from December 2014 to 1 April 2020), all of which are companies listed on the Main Board of the Stock Exchange.

Mr. U Keng Tin, aged 70, was appointed as an independent non-executive director of the Company in May 2013. He holds the Bachelor's degree of Arts from York University, Canada and Master's degree of Arts in International Economics from University of San Francisco, USA. He is presently a director of an estate management company, Full Fill Services Co., Limited and a director of a brokerage house, Bloomyyears Limited. He has over 30 years of experience in the securities industry.

何衍業先生，46歲，於二零一二年十二月獲委任為本公司獨立非執行董事。彼現任新加坡上市公司杜康控股有限公司之財務總監兼聯席公司秘書，負責該公司之財務及會計、法規及企業管治事務。彼於財務及審計方面擁有逾二十年經驗。彼為英國特許公認會計師公會資深會員及香港會計師公會的執業會員。彼亦為集一家居國際控股有限公司（股份代號：1495）、曠逸國際控股有限公司（前稱為皇中國際控股有限公司）（股份代號：1683）（二零一五年八月至二零一七年二月及二零一八年八月至二零一九年七月）及新華通訊頻媒控股有限公司（股份代號：309）（二零一四年十二月至二零二零年四月一日）各自之獨立非執行董事，所有該等公司皆於聯交所主板上市。

余擎天先生，70歲，於二零一三年五月獲委任為本公司獨立非執行董事。彼持有加拿大約克大學文學學士學位及美國三藩市大學國際經濟學文學碩士學位。彼現任物業管理公司豐盛服務有限公司之董事及經紀行昌萬年有限公司之董事。彼於證券業擁有逾30年的經驗。

DIRECTORS' REPORT

董事會報告

The Board is pleased to present this Report and the audited financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding.

Details of the activities and other particulars of the Company's principal subsidiaries are set out in note 37 to the consolidated financial statements.

SEGMENT INFORMATION

An analysis of the Group's revenue and segment information for the year ended 31 December 2019 is set out in note 5 and note 6 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 71 and 72 of this annual report.

The directors do not recommend payment of final dividend for the year ended 31 December 2019.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 211 and 212 of this annual report.

PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the share capital of the Company are set out in note 26 to the consolidated financial statements.

董事會欣然提呈本報告及本集團截至二零一九年十二月三十一日止年度之經審核財務報表。

主要業務

本公司主要業務為投資控股。

本公司主要附屬公司之業務詳情及其他詳情載列於綜合財務報表附註37。

分部資料

截至二零一九年十二月三十一日止年度，本集團之收入及分部資料之分析載列於綜合財務報表附註5及附註6。

業績及分配

本集團截至二零一九年十二月三十一日止年度之業績載列於本年報第71頁及第72頁之綜合損益表及綜合損益及其他全面收益表。

董事不建議派付截至二零一九年十二月三十一日止年度之末期股息。

財務摘要

本集團過往五個財政年度之業績以及資產與負債之摘要載列於本年報第211頁及第212頁。

廠房及設備

於本年度內，本集團之廠房及設備之變動詳情載列於綜合財務報表附註13。

股本

本公司之股本詳情載列於綜合財務報表附註26。

SHARE PREMIUM AND RESERVES

Under the Companies Law, Cap. 22(Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

At 31 December 2019, in the opinion of the directors, the Company's share premium and reserves available for distribution to shareholders amounted to HK\$423,808,000.

Movement in the share premium and reserves of the Group during the year are set out on page 75 of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's largest customer and five largest customers represented 25% and 70% of the group's revenue in 2019 respectively.

Given the predominant part of the Group's operation is service related while the food additive business is still developing and thus relatively insignificant, the Group does not have material purchase from suppliers during the normal course of the Group's businesses in 2019. However, we relied on interest-bearing borrowing from various banks and non-bank financial institutions to operate our business.

None of the directors, their associates, or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital has any interest in the Group's five largest suppliers.

股份溢價及儲備

根據開曼群島公司法第22章(一九六一年第3號法例,經綜合及修訂),本公司之股份溢價可用以向股東作出分派或支付股息,惟須遵守組織章程大綱或細則之規定,且於緊隨分派股息後,本公司須有能力償還其日常業務過程中之到期債務。

於二零一九年十二月三十一日,董事認為本公司可分派予股東之股份溢價及儲備為423,808,000港元。

本集團於本年度內之股份溢價及儲備變動載列於本年報第75頁。

優先購買權

本公司之組織章程細則或開曼群島法例並無列明規定本公司須按比例向現有股東發售新股之優先購買權之條文。

購買、贖回或出售本公司上市證券

本公司或其任何附屬公司於本年度內概無購買、出售或贖回任何本公司上市證券。

主要客戶及供應商

本集團之最大客戶及五大客戶應佔總銷售分別佔本集團二零一九年收入的25%及70%。

鑒於本集團業務的主要部分與服務相關,而食品添加劑業務仍在發展中,因而相對而言並不重大,本集團於二零一九年並無在本集團日常業務過程中自供應商進行大量採購。然而,本集團依賴來自多家銀行及非銀行金融機構的計息借款以經營我們的業務。

各董事、彼等之聯繫人或任何就董事所知擁有本公司股本5%以上之股東,概無於本集團五大供應商中擁有任何權益。

RELATED PARTY TRANSACTIONS

Related party transactions during the year are disclosed in note 36 to the consolidated financial statements.

DIRECTORS

The directors of the Company during the financial year and up to the date of this report were:

Executive directors

Mr. Wong Lik Ping (*Chairman*)
Mr. Lai Ka Fai
Mr. Tao Ke
Mr. Qiao Weibing

Non-executive director

Ms. Yip Man Yi

Independence non-executive directors

Mr. Goh Choo Hwee
Mr. Ho Hin Yip
Mr. U Keng Tin

In accordance with Article 87(1) of the Company's Articles of Association, Mr. Lai Ka Fai, Mr. Ho Hin Yip and Mr. Goh Choo Hwee shall retire from offices by rotation in the forthcoming annual general meeting, and being eligible, offer themselves for re-election.

In accordance with Article 86(3) of the Company's Articles of Association, Ms. Yip Man Yi shall retire from office in the forthcoming annual general meeting, and being eligible, offer herself for re-election.

The biographic details of the existing directors are set out on pages 51 to 53 of this annual report.

關聯方交易

本年度內之關聯方交易披露於綜合財務報表附註36。

董事

於財政年度內及直至本報告日期，本公司之董事如下：

執行董事

王力平先生(主席)
黎嘉輝先生
陶可先生
喬衛兵先生

非執行董事

葉敏怡女士

獨立非執行董事

吳慈飛先生
何衍業先生
余擎天先生

根據本公司組織章程細則第87(1)條，黎嘉輝先生、何衍業先生及吳慈飛先生將於應屆股東週年大會上輪值告退，惟彼等符合資格並願意重選連任。

根據本公司組織章程細則第86(3)條，葉敏怡女士將於應屆股東週年大會上告退，惟其符合資格並願意重選連任。

現任董事之履歷詳情載於本年報第51頁至第53頁。

DIRECTORS' SERVICES CONTRACTS

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

MANAGEMENT CONTRACTS

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

SHARE OPTION SCHEME

A new share option scheme was adopted on 29 July 2016. As at 31 December 2016, a total number of 145,500,000 share options were granted to the employees, directors and chief executive of the Company with an exercise price of HK\$0.12 per share. With 39,833,332 share options lapsed during the year, the outstanding number as at 31 December 2019 amount to 19,833,334 share options. Details of the share option scheme of the Company are set out in note 28 to the consolidated financial statements. Save as disclosed, there was no options granted under the Scheme during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the directors have any interest in competing business to the Group.

董事之服務合約

被提名於應屆股東週年大會上重選之董事，概無與本公司訂立任何本公司不可於一年內終止而毋須作出賠償（法定賠償除外）之服務合約。

管理合約

本年度內，本公司並無就整體業務或任何重要業務之管理及行政工作訂立或存續任何合約。

購股權計劃

本公司於二零一六年七月二十九日採納一項新購股權計劃。於二零一六年十二月三十一日，總共145,500,000份購股權已按每股0.12港元之行使價授予本公司僱員、董事及主要行政人員。年內，39,833,332份購股權已失效，二零一九年十二月三十一日，尚未行使購股權數目為19,833,334份。有關本公司購股權計劃之詳情載列於綜合財務報表附註28。除已披露者外，年內概無根據計劃授出任何購股權。

董事之競爭業務權益

概無董事於與本集團出現競爭之業務中擁有任何權益。

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

At 31 December 2019, the following directors and chief executive of the Company have the following interests and short positions in shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code:

Long and short positions in the ordinary shares/underlying shares of the Company:

董事及主要行政人員於股份、相關股份及債權證中之權益及淡倉

於二零一九年十二月三十一日，本公司下列董事及主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有須登記於根據證券及期貨條例第352條須存置之登記冊之權益及淡倉，或根據證券及期貨條例第XV部第7及8分部及標準守則須另行知會本公司及聯交所之權益及淡倉如下：

於本公司普通股／相關股份之好倉及淡倉：

| Directors/chief executive | 董事／主要行政人員 | Number of share/underlying shares held 持有股份／相關股份數目 | | | Total interests | Long(L) or Short(S) Position | Percentage of interests |
|---------------------------|-----------|---|------------------------------------|--|--------------------|------------------------------------|----------------------------|
| | | Personal interests | Corporate interests | (Note 2) Number of underlying shares held under equity derivatives (附註2) 根據股權衍生 工具持有相關 股份數目 | | | |
| Wong Lik Ping | 王力平 | 466,600,000 | 1,455,000,000 (Note 1) (附註1) | - | 1,921,000,000 | S | 16.12% |
| Qiao Weibing | 喬衛兵 | - | - | 3,333,334 | 3,333,334 | L | 0.03% |
| Lai Ka Fai | 黎嘉輝 | - | - | 1,333,333 | 1,333,333 | L | 0.01% |
| Tao Ke | 陶可 | - | - | 1,000,000 | 1,000,000 | L | 0.01% |
| Goh Choo Hwee | 吳慈飛 | - | - | 666,667 | 666,667 | L | 0.01% |
| Ho Hin Yip | 何衍業 | - | - | 666,667 | 666,667 | L | 0.01% |
| U Keng Tin | 余擎天 | - | - | 666,667 | 666,667 | L | 0.01% |

Notes:

1. These interests are held by Worldkin Development Limited ("Worldkin") which is wholly-owned by Mr. Wong Lik Ping. Mr. Wong is therefore deemed to be interested in the shares held by Worldkin. The interests held by Worldkin are disclosed under the section headed "SUBSTANTIAL SHAREHOLDERS" below.
2. These interests represented the interests in underlying shares in respect of the share options granted by the Company to the directors/chief executive. Details are set out in note 28 to the consolidated financial statements.

Save as disclosed above, none of the directors, chief executive and their associated had any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The directors and chief executive have been granted unlisted options under the Company's share option scheme, details of which are set out in note 28 to the consolidated financial statements.

Save as disclosed above, as at 31 December 2019, the directors, chief executive of the Company nor their associates had or was deemed to have any long positions or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

附註：

1. 該等權益由世勤發展有限公司（「世勤」）持有，而世勤由王力平先生全資擁有。因此王先生被視為於世勤持有之股份中擁有權益。世勤持有之權益於下文「主要股東」一節披露。
2. 該等權益指有關本公司授予董事／主要行政人員的購股權的相關股份權益。詳情載於綜合財務報表附註28。

除上文所披露者外，概無董事、主要行政人員及彼等之聯繫人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）之股份、相關股份或債權證中，擁有須登記於本公司根據證券及期貨條例第352條須存置之登記冊之任何權益或淡倉，或根據證券及期貨條例第XV部第7及8分部及標準守則須另行知會本公司及聯交所之任何權益或淡倉。

董事及主要行政人員購買股份或債權證之權利

根據本公司購股權計劃，董事及主要行政人員已獲授予非上市購股權，詳情載列於綜合財務報表附註28。

除上文所披露者外，於二零一九年十二月三十一日，概無本公司董事、主要行政人員及彼等之聯繫人於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中擁有或被視作擁有已記錄於本公司根據證券及期貨條例第352條存置之登記冊之好倉或淡倉，或根據上市規則之標準守則已知會本公司及聯交所之好倉或淡倉。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2019, in accordance with the register of the substantial shareholders kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules, the following persons were interested (including short positions) in the shares or underlying shares of the Company.

Interest in the ordinary shares/underlying shares of the Company:

主要股東

於二零一九年十二月三十一日，根據本公司遵照證券及期貨條例第336條存置之主要股東登記冊，或根據證券及期貨條例第XV部第2及3分部及上市規則規定須予披露者，以下人士於本公司股份或相關股份中擁有權益（包括淡倉）。

於本公司普通股／相關股份之權益：

| Name of Shareholders | 股東名稱／姓名 | Notes | Number of Shares/ underlying Shares held 持有股份／ 相關股份數目 | Long(L) or Short (S) positions 好倉(L) 或淡倉(S) | Percentage holding 持股百分比 |
|---|----------------|-------|---|---|-----------------------------|
| Worldkin Development Limited | 世勤發展有限公司 | | 1,455,000,000 | S | 12.21% |
| Mr. Wong Lik Ping | 王力平先生 | 1 | 1,921,000,000 | S | 16.12% |
| Funde Sino Life Insurance Co. Ltd. | 富德生命人壽保險股份有限公司 | | 3,574,430,000 | L | 29.99% |
| Win Wind Resources Limited | 萬贏資源有限公司 | 2 | 1,921,000,000 | L | 16.12% |
| Oshidori International Holdings Limited | 威華達控股有限公司 | 2及3 | 1,921,000,000 | L | 16.12% |
| Win Wind Capital Limited | 萬贏資本有限公司 | 2及3 | 1,921,000,000 | L | 16.12% |
| Mr. Xu Yufeng | 許育峰先生 | | 800,000,000 | L | 6.71% |
| Mr. Li Bensheng | 李本勝先生 | | 600,000,000 | L | 5.03% |

Notes:

1. Mr. Wong Lik Ping holds entire equity interest of Worldkin Development Limited ("Worldkin") and is accordingly deemed to have interest in 1,455,000,000 shares of the Company that Worldkin has interests in. Mr. Wong personally owns 466,000,000 shares of the Company.
2. Win Wind Resources Limited has security interests in 1,921,000,000 shares.
3. Win Wind Resources Limited is a wholly owned subsidiary of Win Wind Capital Limited, which in turn is wholly owned by Oshidori International Holdings Limited. Accordingly, Oshidori International Holdings Limited is deemed to have interests in 1,921,000,000 shares held by Win Wind Resources Limited.

Save as disclosed above, no other parties were recorded in the register required to be kept under Section 336 of the SFO as having an interest or a short position in the shares or underlying shares of the Company as at 31 December 2019.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 38 to 50 of this annual report.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 467 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the benefit of the directors of the Group is currently in force and was in force during the year. The Company has taken out insurance against the liabilities and costs associated with proceedings which may be brought against directors of the Group.

附註：

1. 王力平先生持有世勤發展有限公司(「世勤」)之全部股權。因此，王力平先生被視作於世勤於其中擁有權益之本公司1,455,000,000股股份中擁有權益。王先生個人擁有本公司466,000,000股股份。
2. 萬贏資源有限公司於1,921,000,000股股份中持有擔保權益。
3. 萬贏資源有限公司為萬贏資本有限公司的全資附屬公司，而萬贏資本有限公司則由威華達控股有限公司全資擁有。因此，威華達控股有限公司被視作於萬贏資源有限公司持有之1,921,000,000股股份中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，概無任何其他人士於本公司股份或相關股份中擁有登記於根據證券及期貨條例第336條須存置之登記冊之權益或淡倉。

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規資料刊載於本年報第38頁至第50頁之企業管治報告內。

獲准許的彌償條文

以本集團董事為受益人的獲准許的彌償條文(定義見香港法例第622章公司條例第467條)目前具效力，且在年內仍具效力。本公司已就本集團董事可能面臨的法律訴訟引致的相關責任及成本投購保險。

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained the amount of public float as approved by the Hong Kong Stock Exchange and as permitted under the Listing Rules as at the date of this report.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of ascertaining shareholders' entitlement to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 20 May 2020 to 25 May 2020 (both days inclusive), during such period no transfer of shares in the Company will be effected. In order to qualify for entitlement to attend and vote at the forthcoming annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company Hong Kong Branch Share Registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m., 19 May 2020.

AUDITOR

The consolidated financial statements for the year ended 31 December 2019 were audited by Messrs. BDO Limited ("BDO").

A resolution to re-appoint BDO as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Wong Lik Ping
Chairman

Hong Kong, 25 March 2020

公眾持股量

根據本公司公開可得資料及就董事所知，於本報告日期，本公司一直維持香港聯交所批准及上市規則核准之公眾持股量。

暫停辦理股份過戶登記手續

為確定股東出席應屆股東週年大會並於會上投票之權利，本公司將於二零二零年五月二十日至二零二零年五月二十五日（包括首尾兩日）暫停辦理股份過戶登記手續，期間本公司將不會辦理股份過戶登記手續。為符合資格出席應屆股東週年大會並於會上投票之權利，所有過戶文件連同相關股票須於不遲於二零二零年五月十九日下午四時三十分送達本公司之香港股份過戶登記分處卓佳秘書商務有限公司，地址為香港皇后大道東183號合和中心54樓以作登記。

核數師

截至二零一九年十二月三十一日止年度的綜合財務報表已由香港立信德豪會計師事務所有限公司（「立信德豪」）審核。

在應屆股東週年大會上將提呈決議案重新委任立信德豪為本公司之核數師。

代表董事會
主席
王力平

香港，二零二零年三月二十五日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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香港干諾道中111號
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OPINION

We have audited the consolidated financial statements of China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) and its subsidiaries collectively referred to as the “Group”) set out on pages 71 to 210, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本核數師(以下簡稱「我們」)已審計列載於第71頁至第210頁的中國恒嘉融資租賃集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表。此財務報表包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露要求妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of finance lease receivables

(Refer to Note 18 to the consolidated financial statements)

As at 31 December 2019, the Group had finance lease receivables of approximately HK\$409.2 million, and impairment of approximately HK\$33.6 million has been made over the balance. It represents 26.4% of total assets of the Group.

Loss allowances for finance lease receivables are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, past collection history, subsequent settlement of each finance lease customer, and also relevant deposits received, pledge of leased assets and guarantees and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.

We identified the impairment of finance lease receivables as a key audit matter due to its significance to the consolidated financial statements, and the assessment of the recoverability of finance lease receivables and recognition of loss allowance are inherently subjective and requires significant management judgement, which increases the risk of error or potential management bias.

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。

融資租賃應收款減值

(參照綜合財務報表附註18)

於二零一九年十二月三十一日，貴集團擁有融資租賃應收款約409,200,000港元，並已就結餘計提約33,600,000港元減值。其佔貴集團資產總額的26.4%。

融資租賃應收款的虧損撥備乃根據管理層就將產生的年期內預期信貸虧損的估計，其乃經考慮信貸虧損經驗、過往收款記錄及各融資租賃客戶的後續結算及應收相關按金、租賃資產抵押及擔保以及對目前和預測整體經濟狀況的評估而估計，其中各項均涉及重大程度的管理層判斷。

我們將融資租賃應收款減值識別為關鍵審計事項，乃由於其對綜合財務報表的重大的性，而對融資租賃應收款可收回性的評估及虧損撥備的確認均在本質上具有主觀性並需要重大管理層判斷，其將增加出現錯誤或潛在管理層偏差的風險。

KEY AUDIT MATTERS (Continued)

Impairment of finance lease receivables (Continued)

Our responses:

- Understanding management's assessment of the credit risk of entering into the finance lease contracts with its customers and how the management evaluates the recoverability of finance lease receivables;
- Reviewing agreements of finance lease receivables, on a sample basis, to understand relevant terms such as settlement terms and the existence of pledged assets and guarantees;
- Assessing the reasonableness of the management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical rates are appropriately adjusted based on current economic conditions and forward-looking information; and
- Tracing the settlement records and subsequent settlement to bank receipts, on a sample basis.

Impairment of loan receivables

(Refer to Note 19 to the consolidated financial statements)

As at 31 December 2019, the carrying amount of loan receivables and its related impairment allowance amount to HK\$240.4 million and HK\$36.5 million respectively. Impairment allowance for credit exposure at Stage 3 amounted to HK\$31.0 million.

The assessment of impairment for loan receivables involves significant management judgements and estimates on the amount of expected credit loss at the reporting date.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward looking analysis.

關鍵審計事項 (續)

融資租賃應收款減值 (續)

我們的回覆：

- 了解管理層對與客戶訂立融資租賃合約的信貸風險的評估及管理層如何評估融資租賃應收款的可收回性；
- 按抽樣基準檢討融資租賃應收款的協議，以了解結算條款等相關條款以及抵押資產的存在及擔保情況；
- 通過檢查管理層作出有關判斷所用的資料評估管理層虧損撥備估計的合理性，包括檢查歷史違約數據的準確性、評估歷史比率是否根據當前的經濟狀況及前瞻性資料作出適當調整；及
- 按抽樣基準查找結算記錄及銀行收據的後續結算。

應收貸款減值

(參照綜合財務報表附註19)

於二零一九年十二月三十一日，應收貸款及其相關減值撥備的賬面值分別為240,400,000港元及36,500,000港元。第三階段信貸風險的減值撥備為31,000,000港元。

應收貸款的減值評估涉及管理層於報告日期對預期信貸虧損金額的重大判斷及估計。

於各報告日期，本集團通過比較報告日期與初始確認日期之間預期存續期內發生的違約風險，評估自初始確認以來信貸風險是否顯著增加。就此目的，本集團會考慮毋須過度付出成本或努力即可獲得之相關合理及支持性資料。這包括定量和定性資料以及前瞻性分析。

KEY AUDIT MATTERS (Continued)

Impairment of loan receivables (Continued)

Our responses:

- Understanding of the Group's credit risk management and practices, and assessed the Group's impairment provisioning policy in accordance with the requirements of HKFRS 9, including an evaluation of management judgement on i) the level of disaggregation of portfolios for impairment assessment; ii) the use of reasonable and supportable credit risk information that is available without undue cost or effort; and iii) the staging criteria for determining if a significant increase in credit risk has occurred;
- Testing the appropriateness of the Group's determination of significant increase in credit risk and the basis for classification of exposures into 3 stages. Our testing included the checking to loan overdue information or other related information, and considering the stage classification determined by the Group;
- For loan receivables classified at stage 1, we evaluated the Group's estimation methodology of expected credit losses, and checked the parameters to external data sources where available, including creditability of the guarantors; and
- For loan receivables classified at stage 2 and stage 3, in assessing the impairment allowance made by the Group, we checked the valuation of the collateral and other sources of cash flows, and developed a reasonable range of expected cash shortfall for comparison with the Group's assessment.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we have obtained Management Discussion and Analysis but have not obtained the remaining other information included in the annual report (the "Remaining Other Information"), which is expected to be made available to us after that date.

關鍵審計事項 (續)

應收貸款減值 (續)

我們的回覆：

- 了解 貴集團信貸風險管理及實務，並評估 貴集團根據香港財務報告準則第9號規定之減值撥備政策，包括評估管理層對 i)減值評估組合之分類級別；ii)使用毋須過度付出成本或努力即可獲得之合理及支持性信貸風險資料；及iii)釐定信貸風險有否顯著增加的分階段標準作出之判斷；
- 測試 貴集團釐定信貸風險大幅增加及將風險分類為三個階段的基準是否合適。我們的測試包括檢查貸款逾期資料或其他相關資料，並考慮 貴集團釐定的階段分類；
- 就分類為第一階段的應收貸款而言，我們已評估 貴集團之預期信貸虧損估計方法，並檢查可取得之外部資料來源數據，包括擔保人的信用狀況；及
- 就分類為第二階段及第三階段的應收貸款而言，於評估 貴集團作出的減值撥備時，我們已核對抵押品的估值及現金流量的其他來源，並得出預期現金缺額的合理範圍，以與 貴集團的評估進行比較。

其他訊息

貴公司董事需對其他訊息負責。其他訊息包括刊載於年報內的訊息，但不包括綜合財務報表及我們的核數師報告。於本核數師報告日期前，我們已取得管理層討論及分析但並未取得載於年報的餘下其他訊息（「餘下其他訊息」），預期其將於該日後提供予我們。

OTHER INFORMATION (Continued)

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

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

When we read the Remaining Other Information, if we conclude there is a material misstatement therein, we are required to communicate that matter to the directors and take appropriate action considering our legal rights and obligations.

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

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

In preparing the consolidated financial statements, the directors 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他訊息 (續)

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他訊息，在此過程中，考慮其他訊息是否與財務報表或我們在審計過程中所瞭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，如果我們認為其他訊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。

當我們閱讀餘下其他訊息時，倘我們認為該等訊息存在重大錯誤陳述，我們須與董事溝通該事宜及經考慮我們的合法權利及義務後採取適當行動。

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督 貴集團的財務報告過程。

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

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

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

核數師就審計綜合財務報表承 擔的責任

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，並按照我們商定的業務約定條款僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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，設計及執行審計程式以應對這些風險，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。
- 瞭解與審計相關的內部控制，以設計適當的審計程式，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。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

核數師就審計綜合財務報表承 擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務訊息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與治理層溝通了計畫的審計範圍、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。

我們還向治理層提交聲明，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。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with those charged with governance, 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

Ng Wai Man

Practising Certificate Number P05309

Hong Kong, 25 March 2020

核數師就審計綜合財務報表承 擔的責任 (續)

從與治理層溝通的事項中，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

伍惠民

執業證書編號P05309

香港，二零二零年三月二十五日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

| | | | 2019 二零一九年 | 2018 二零一八年 |
|--|------------------------|-------------|-----------------|-----------------|
| | | NOTES 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| Revenue | 收入 | 5 | 71,155 | 90,523 |
| Cost of sales | 銷售成本 | | (49,354) | (66,815) |
| Gross profit | 毛利 | | 21,801 | 23,708 |
| Other income | 其他收入 | 7 | 10,500 | 11,850 |
| Other gains and losses | 其他收益及虧損 | 7 | (40,050) | (67,674) |
| Administrative expenses | 行政開支 | | (64,255) | (91,124) |
| Impairment loss on goodwill | 商譽減值虧損 | 15 | (9,373) | (63,000) |
| Loss on disposal of partial interest in a joint venture and the grant of the call option | 出售一家合營企業部分權益及授出認購期權之虧損 | 35(a) | - | (218,793) |
| Share of result of an associate | 分攤一家聯營公司業績 | | 29,389 | 10,499 |
| Share of result of a joint venture | 分攤一家合營企業業績 | | - | 37,554 |
| Other expenses | 其他開支 | | (773) | (2,646) |
| Loss before taxation | 除稅前虧損 | | (52,761) | (359,626) |
| Income tax credit/(expense) | 所得稅抵免/(支出) | | 1,798 | (13,468) |
| Loss for the year | 本年度虧損 | 10 | (50,963) | (373,094) |
| Loss for the year attributable to: | 本年度下列各項應佔虧損: | | | |
| Owners of the Company | 本公司擁有人 | | (34,132) | (372,098) |
| Non-controlling interests | 非控股股東權益 | | (16,831) | (996) |
| | | | (50,963) | (373,094) |
| Loss per share (HK cent) | 每股虧損 (港仙) | | | |
| Basic | 基本 | 11 | (0.29) | (3.12) |
| Diluted | 攤薄 | | (0.29) | (3.12) |

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 截至二零一九年十二月三十一日止年度

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------------------|----------------------------------|----------------------------------|
| Loss for the year | 本年度虧損 | (50,963) | (373,094) |
| Other comprehensive expense | 其他全面開支 | | |
| Item that will not be reclassified to profit or loss: | 不會重新分類至損益之項目： | | |
| Exchange difference arising on translation to presentation currency | 換算呈報貨幣所產生之匯兌差額 | (15,719) | (55,461) |
| Net fair value change on equity investments at fair value through other comprehensive income | 按公平值透過其他全面收入列賬之股本投資之公平值變動淨額 | - | 852 |
| Other comprehensive expense for the year, net of income tax | 本年度其他全面開支（扣除所得稅） | (15,719) | (54,609) |
| Total comprehensive expense for the year | 本年度全面開支總額 | (66,682) | (427,703) |
| Total comprehensive expense for the year attributable to: | 本年度下列各項應佔全面開支總額： | | |
| Owners of the Company | 本公司擁有人 | (47,518) | (419,522) |
| Non-controlling interests | 非控股股東權益 | (19,164) | (8,181) |
| | | (66,682) | (427,703) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

| | | | 2019 二零一九年 | 2018 二零一八年 |
|---|---------------------|-------------|-----------------|-----------------|
| | | NOTES 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 13 | 93,811 | 30,338 |
| Investment properties | 投資物業 | 14 | 133,521 | – |
| Goodwill | 商譽 | 15 | – | 9,373 |
| Interest in an associate | 於一家聯營公司之權益 | 16 | 338,206 | 315,705 |
| Equity investments at fair value through other comprehensive income | 按公平值透過其他全面收入列賬之股本投資 | 17 | 55,517 | 35,174 |
| Finance lease receivables | 融資租賃應收款 | 18 | 69,913 | 422,157 |
| Loan receivables | 應收貸款 | 19 | 26,151 | 17,076 |
| Deferred tax assets | 遞延稅項資產 | 27 | 1,324 | – |
| Restricted bank deposits | 受限制銀行存款 | 22 | 19,520 | 19,865 |
| Deposits | 按金 | 20 | 11,186 | 11,384 |
| | | | 749,149 | 861,072 |
| Current assets | 流動資產 | | | |
| Inventory | 存貨 | | 2,137 | 88 |
| Finance lease receivables | 融資租賃應收款 | 18 | 339,309 | 427,304 |
| Loan receivables | 應收貸款 | 19 | 214,212 | 150,365 |
| Contract assets | 合約資產 | 20 | – | 3,320 |
| Other receivables, deposits and prepayments | 其他應收款、按金及預付款項 | 20 | 18,612 | 33,278 |
| Financial assets at fair value through profit or loss | 按公平值透過損益列賬之金融資產 | 21 | 25,678 | 58,434 |
| Deposit placed with non-bank financial institutions | 存放於非銀行金融機構之存款 | 22 | 90,545 | 82,891 |
| Cash and cash equivalents | 現金及現金等值物 | 22 | 107,033 | 262,123 |
| | | | 797,526 | 1,017,803 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

| | | | 2019 | 2018 |
|--|-------------------|-------|----------------|-----------|
| | | NOTES | 二零一九年 | 二零一八年 |
| | | 附註 | HK\$'000 | HK\$'000 |
| | | | 千港元 | 千港元 |
| Current liabilities | 流動負債 | | | |
| Service cost payables, other payables and accruals | 應付服務成本、其他應付款及應計費用 | 23 | 28,651 | 27,232 |
| Contract liabilities | 合約負債 | | 2,563 | – |
| Deposits received from customers | 已收客戶按金 | 18 | – | 512 |
| Financial liability at fair value through profit or loss | 按公平值透過損益列賬之金融負債 | 25 | 15,660 | 27,322 |
| Tax payable | 應付稅項 | | 14,251 | 13,181 |
| Borrowings | 借款 | 24 | 523,654 | 428,570 |
| | | | 584,779 | 496,817 |
| Net current assets | 流動資產淨值 | | 212,747 | 520,986 |
| Total assets less current liabilities | 總資產減流動負債 | | 961,896 | 1,382,058 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 26 | 119,192 | 119,192 |
| Reserves | 儲備 | | 621,227 | 668,745 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 740,419 | 787,937 |
| Non-controlling interests | 非控股股東權益 | | 120,600 | 139,764 |
| Total equity | 總權益 | | 861,019 | 927,701 |
| Non-current liabilities | 非流動負債 | | | |
| Deposits received from customers | 已收客戶按金 | 18 | 24,872 | 24,682 |
| Borrowings | 借款 | 24 | 69,633 | 421,644 |
| Deferred tax liabilities | 遞延稅項負債 | 27 | 6,372 | 8,031 |
| | | | 100,877 | 454,357 |
| | | | 961,896 | 1,382,058 |

Approved by the Board of Directors on 25 March 2020 and are signed on its behalf by:

於二零二零年三月二十五日獲董事會批准，並由以下董事代表簽署：

WONG LIK PING

王力平

Director

董事

LAI KA FAI

黎嘉輝

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

| | | Share capital | Share premium | Translation reserve | Share options reserve | Investment revaluation reserve | Statutory reserve | Accumulated losses | Subtotal | Non-controlling interests | Total |
|---|--------------------|---------------|---------------|---------------------|-----------------------|--------------------------------|-------------------|--------------------|-----------|---------------------------|-----------|
| | | 股本 | 股份溢價 | 匯兌儲備 | 購股權儲備 | 投資重估儲備 | 法定儲備 | 累計虧損 | 小計 | 非控股股東權益 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | | | | | | (Note) | | | | |
| | | | | | | | (附註) | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 119,192 | 1,520,921 | 85 | 1,481 | 3,012 | 6,397 | (443,629) | 1,207,459 | 152,810 | 1,360,269 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | (372,098) | (372,098) | (996) | (373,094) |
| Other comprehensive income (expense) for the year | 本年度其他全面收入(開支) | - | - | (47,862) | - | 438 | - | - | (47,424) | (7,185) | (54,609) |
| Total comprehensive income (expense) for the year | 本年度全面收入(開支)總額 | - | - | (47,862) | - | 438 | - | (372,098) | (419,522) | (8,181) | (427,703) |
| Share options lapsed | 購股權失效 | - | - | - | (345) | - | - | 345 | - | - | - |
| Transfer to accumulated loss upon disposal of partial interest in joint venture | 出售合營企業部分權益時轉撥至累計虧損 | - | - | 42,449 | - | - | - | (42,449) | - | - | - |
| Dividend paid to non-controlling shareholder of a subsidiary | 向一家附屬公司非控股股東支付股息 | - | - | - | - | - | - | - | - | (4,865) | (4,865) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 119,192 | 1,520,921 | (5,328) | 1,136 | 3,450 | 6,397 | (857,831) | 787,937 | 139,764 | 927,701 |
| At 1 January 2019 | 於二零一九年一月一日 | 119,192 | 1,520,921 | (5,328) | 1,136 | 3,450 | 6,397 | (857,831) | 787,937 | 139,764 | 927,701 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | (34,132) | (34,132) | (16,831) | (50,963) |
| Other comprehensive expense for the year | 本年度其他全面開支 | - | - | (13,386) | - | - | - | - | (13,386) | (2,333) | (15,719) |
| Total comprehensive expense for the year | 本年度全面開支總額 | - | - | (13,386) | - | - | - | (34,132) | (47,518) | (19,164) | (66,682) |
| Share options lapsed | 購股權失效 | - | - | - | (409) | - | - | 409 | - | - | - |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 119,192 | 1,520,921 | (18,714) | 727 | 3,450 | 6,397 | (891,554) | 740,419 | 120,600 | 861,019 |

Note:

As stipulated by the relevant laws and regulations of the People's Republic of China ("PRC"), before distribution of the net profit each year, the subsidiaries established in the PRC shall set aside 10% of their net profit after taxation to the statutory reserve (except where the reserve has reached 50% of the subsidiaries' registered capital). The reserve fund can only be used, upon approval by the directors of the relevant subsidiaries and by the relevant authority, to offset accumulated losses or increase capital.

附註:

按照中華人民共和國(「中國」)的相關法律法規規定,在每年分派純利前,在中國成立的附屬公司須撥出除稅後純利的10%至法定儲備(惟儲備已達附屬公司註冊資本50%者除外)。該儲備基金僅可在獲有關附屬公司董事及有關當局批准後方可用作抵銷累計虧損或增加資本。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| OPERATING ACTIVITIES | 經營活動 | | |
| Loss before taxation | 除稅前虧損 | (52,761) | (359,626) |
| Adjustments for: | 作出下列調整： | | |
| Finance costs | 財務成本 | 40,289 | 49,494 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 5,303 | 1,824 |
| Change in fair value of financial assets at fair value through profit or loss | 按公平值透過損益列賬之金融資產之公平值變動 | 5,208 | 46,368 |
| Change in fair value on investment properties | 投資物業之公平值變動 | (645) | - |
| Share of result of a joint venture | 分攤一家合營企業業績 | - | (37,554) |
| Share of result of an associate | 分攤一家聯營公司業績 | (29,389) | (10,499) |
| Impairment loss on goodwill | 商譽減值虧損 | 9,373 | 63,000 |
| Loss on disposal of subsidiaries | 出售附屬公司之虧損 | - | (10,194) |
| Loss on disposal of partial interest in a joint venture and the grant of the call option | 出售一家合營企業部分權益及授出認購期權之虧損 | - | 218,793 |
| Fair value change on financial liability at fair value through profit or loss | 按公平值透過損益列賬之金融負債之公平值變動 | (11,662) | (4,848) |
| Impairment loss on finance lease receivables | 融資租賃應收款減值虧損 | 32,578 | 1,553 |
| Impairment loss on receivable from sale-leaseback transaction | 售後回租交易應收款減值虧損 | 5,678 | - |
| Impairment loss on loan receivables | 應收貸款減值虧損 | 1,211 | 29,948 |
| Impairment loss on other receivables | 其他應收款減值虧損 | - | 800 |
| Finance lease interest income | 融資租賃利息收入 | (29,136) | (54,609) |
| Sale-leaseback transaction interest income | 售後回租交易利息收入 | (13,184) | - |
| Write off of inventory | 存貨撇銷 | 833 | - |
| Interest income | 利息收入 | (3,393) | (14,952) |
| Operating cash flows before movements in working capital | 營運資金變動前之經營現金流量 | (39,697) | (80,502) |
| Increase in inventories | 存貨增加 | (2,882) | (88) |
| Decrease in contract assets, other receivables, deposits and prepayments | 合約資產、其他應收款、按金及預付款項減少 | 21,651 | 25,292 |
| Increase/(decrease) in service cost payables, other payables and accruals | 應付服務成本、其他應付款及應計費用增加/(減少) | 1,932 | (37,123) |
| Decrease in deposits received from customers | 已收客戶按金減少 | (321) | (35,812) |
| Decrease/(increase) in financial assets at fair value through profit or loss | 按公平值透過損益列賬之金融資產減少/(增加) | 26,864 | (13,544) |
| Decrease/(increase) in finance lease receivables | 融資租賃應收款減少/(增加) | 14,510 | (372,225) |
| Increase in loan receivables | 應收貸款增加 | (151,096) | - |
| (Increase)/decrease in deposits placed with financial institutions | 存放於金融機構的存款(增加)/減少 | (7,654) | 53,781 |
| Cash used in operations | 經營所用之現金 | (136,693) | (460,221) |
| Income tax paid | 已付所得稅 | (15,835) | (16,790) |
| Finance lease interest income received | 已收融資租賃利息收入 | 29,136 | 54,609 |
| Sale-leaseback transaction interest income received | 已收售後回租交易利息收入 | 13,184 | - |
| Interest element of lease rental paid | 已付租金的利息部分 | (5) | - |
| Interest paid | 已付利息 | (40,289) | (49,494) |
| NET CASH USED IN OPERATING ACTIVITIES | 經營活動所用之現金淨額 | (150,502) | (471,896) |

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| | NOTES 附註 | | |
| INVESTING ACTIVITIES | 投資活動 | | |
| Investment in equity investments at fair value through other comprehensive income | 於按公平值透過其他全面收入列賬之股本投資 | (21,253) | (5,692) |
| Proceeds from the partial disposal of a joint venture and the grant of the call option | 部分出售一家合營企業及授出認購期權所得款項 | – | 337,849 |
| Addition of loan receivables | 應收貸款增加 | (83,759) | (125,327) |
| Repayment from loan receivables | 償還應收貸款 | 154,151 | 50,027 |
| Withdrawal of restricted bank deposits | 提取受限制銀行存款 | – | 38,607 |
| Purchases of property, plant and equipment | 購買物業、廠房及設備 | (46,706) | (6,088) |
| Net cash outflow arising from acquisition of subsidiaries | 收購附屬公司產生之現金流出淨額 | (160,050) | – |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 215 | 63 |
| Interest received | 已收利息 | 3,738 | 10,422 |
| NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES | 投資活動(所用)/所得現金淨額 | (153,664) | 299,861 |
| FINANCING ACTIVITIES | 融資活動 | | |
| Proceeds from borrowings | 借款之所得款項 | 151,011 | 381,364 |
| Capital element of lease rental paid | 已付租金的資本部分 | (377) | – |
| Dividend paid to non-controlling shareholder of a subsidiary | 已付一家附屬公司非控股股東股息 | – | (4,865) |
| NET CASH GENERATED FROM FINANCING ACTIVITIES | 融資活動所得現金淨額 | 150,634 | 376,499 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等值物(減少)/增加淨額 | (153,532) | 204,464 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 年初現金及現金等值物 | 262,123 | 56,879 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 外匯匯率變動之影響 | (1,558) | 780 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年終現金及現金等值物 | 107,033 | 262,123 |
| Represented by: | 代表: | | |
| Bank balances and cash | 銀行結餘及現金 | 107,033 | 192,388 |
| Highly-liquid investments | 高流通性投資 | – | 69,735 |
| | | 107,033 | 262,123 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1. GENERAL INFORMATION

China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) is a public limited company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section on the annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are provision of finance lease and related consulting services in the PRC, the trading of equity securities, investment in property, investment in terminal and logistics services business, investment holding, investment in food additives business and money lending business.

The functional currency of the Company is Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) as the directors consider that it is a more appropriate presentation for a company listed on the Stock Exchange and for the convenience of the shareholders.

1. 一般資料

中國恒嘉融資租賃集團有限公司(「本公司」)為一家上市公司，於開曼群島註冊成立為受豁免之有限責任公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及主要營業地點之地址於年報公司資料一節披露。

本公司及其附屬公司(統稱「本集團」)之主要活動為在中國提供融資租賃及相關諮詢服務、股本證券買賣、物業投資、投資碼頭及物流服務業務、投資控股、投資食品添加劑業務及放貸業務。

本公司之功能貨幣為人民幣(「人民幣」)。綜合財務報表乃以港元(「港元」)呈列，因為董事認為，此乃聯交所上市公司更適用之呈列方式，且方便股東。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs – effective at 1 January 2019

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

| | |
|--|--|
| HKFRS 16 | Leases |
| HK(IFRIC)-Int 23 | Uncertainty over Income Tax Treatments |
| 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 impact of the adoption of HKFRS 16 Leases have been summarised in below. The other new or amended HKFRSs, that are effective from 1 January 2019 did not have any significant impact on the Group’s accounting policies.

2. 採納香港財務報告準則（「香港財務報告準則」）

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效

香港會計師公會已頒佈數項於本集團本會計期間首次生效之新訂或經修訂香港財務報告準則：

| | |
|---|--------------------|
| 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 | 所得稅處理之不確定性 |
| 香港會計準則第28號之修訂 | 於聯營公司和合營企業的長期權益 |
| 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 | 二零一五年至二零一七年週期之年度改進 |

採納香港財務報告準則第16號租賃的影響概述如下。自二零一九年一月一日起生效的其他新訂或經修訂香港財務報告準則對本集團會計政策並無任何重大影響。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective at 1 January 2019 (Continued)

(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 a right-of-use assets and a 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.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效 (續)

(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等少數該原則例外情況除外。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、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。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective at 1 January 2019 (Continued)

(i) Impact of the adoption of HKFRS 16

(Continued)

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 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.

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 increase/(decrease):

| | | HK\$'000 千港元 |
|--|-------------------------|-----------------|
| Statement of financial position as at 1 January 2019 | 於二零一九年一月一日之財務狀況表 | |
| Right-of-use assets present in property, plant and equipment | 以物業、廠房及設備呈列之使用權資產 | 267 |
| Lease liabilities (current) | 租賃負債(流動) | 267 |

2. 採納香港財務報告準則(「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效(續)

(i) 採納香港財務報告準則第16號之影響(續)

本集團已採用累計影響法應用香港財務報告準則第16號，並將初步應用香港財務報告準則第16號之所有累計影響確認為對於初步應用日期之期初結餘之調整。在香港財務報告準則第16號過渡條文允許下，二零一八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號及相關詮釋呈報。

下表概述過渡至香港財務報告準則第16號對截至二零一八年十二月三十一日至二零一九年一月一日的財務狀況表的影響增加／(減少)：

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective at 1 January 2019 (Continued)

(i) Impact of the adoption of HKFRS 16 (Continued)

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:

Reconciliation of operating lease commitment to lease liabilities

| | | HK\$'000 千港元 |
|---|---------------------------|-----------------|
| Operating lease commitment as of 31 December 2018 | 截至二零一八年十二月三十一日之經營租賃承擔 | 431 |
| Less: short term leases for which lease terms end within 31 December 2019 | 減：租賃期於二零一九年十二月三十一日屆滿之短期租賃 | (137) |
| Less: leases of low-value assets | 減：低價值資產租賃 | (24) |
| Less: future interest expenses | 減：日後利息開支 | (3) |
| Total lease liabilities as of 1 January 2019 | 於二零一九年一月一日之租賃負債總額 | 267 |

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 5.89%.

2. 採納香港財務報告準則（「香港財務報告準則」）

（續）

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效（續）

(i) 採納香港財務報告準則第16號之影響（續）

以下對賬闡述於二零一八年十二月三十一日未應用香港會計準則第17號披露的經營租賃承擔與於二零一九年一月一日在財務狀況表確認的於初步應用日期之租賃負債的對賬情況：

經營租賃承擔與租賃負債之對賬

| | HK\$'000 千港元 |
|---|-----------------|
| Operating lease commitment as of 31 December 2018 | 431 |
| Less: short term leases for which lease terms end within 31 December 2019 | (137) |
| Less: leases of low-value assets | (24) |
| Less: future interest expenses | (3) |
| Total lease liabilities as of 1 January 2019 | 267 |

於二零一九年一月一日在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5.89%。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

(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.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as single lease component for all lease.

2. 採納香港財務報告準則（「香港財務報告準則」）

（續）

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效（續）

(ii) *租賃之新定義*

根據香港財務報告準則第16號，租賃被定義為以代價獲得資產（相關資產）於一段時間內的使用權的一項合約或合約的一部分。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。

就含有租賃成分以及一項或多項額外租賃或非租賃成分的合約而言，承租人須將合約代價分配至各租賃成分，基準是租賃成分的相對獨立價格及非租賃成分的總獨立價格，除非承租人應用實際權宜方法使承租人可按相關資產類別選擇不從租賃成分中區分非租賃成分，而是將各租賃成分及任何相關非租賃成分入賬列作單一租賃成分。

本集團已選擇不分拆非租賃組成部分，並就所有租賃將各租賃組成部分及任何相關非租賃組成部分入賬列作單一租賃組成部分。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

(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 Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets (the Group has leased mobile phones, laptop computers and photocopying machines) and leases for which at the commencement date have a lease term less than 12 months. 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.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效 (續)

(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。本集團已選擇不就低價值資產（本集團已租賃智慧型手機、手提電腦及複印機）以及於開始日期租賃期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

本集團於租賃開始之日確認使用權資產及租賃負債。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

(iii) *Accounting as a lessee (Continued)*

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. The Group measures the right-of-use assets applying a cost model. 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.

For leasehold land and buildings which is held for own use would continue to be accounted for under HKAS 16 and would be carried at its cost less any accumulated depreciation and any accumulated impairment losses. The adoption of HKFRS 16 therefore does not have any significant impact on these right-of-use assets.

2. 採納香港財務報告準則（「香港財務報告準則」）

（續）

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效（續）

(iii) 作為承租人的會計處理（續）

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)承租人根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本，除非該等成本乃為生產存貨而產生則除外。本集團採用成本模式計量使用權資產。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，並就租賃負債的任何重新計量作出調整。

租賃土地及自用樓宇將繼續按香港會計準則第16號作會計處理，並按成本減任何累計折舊及任何累計減值虧損列賬。因此採用香港財務報告準則第16號對該等使用權資產並無任何重大影響。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

(iii) Accounting as a lessee (Continued)

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.

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.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效 (續)

(iii) 作為承租人的會計處理 (續)

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。租賃付款將採用租賃暗含的利率貼現 (倘該利率可輕易釐定)。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使用相關資產權利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可變租賃付款 (取決於指數或利率)；(iii) 承租人根據剩餘價值擔保預期將支付的款項；(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。

於開始日期後，承租人將透過下列方式計量租賃負債：(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。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

(iv) *Accounting as a lessor*

The Group has leased out its investment properties to a number of tenants. 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.

The accounting policies applicable to the Group as a lessor in direct finance leasing business remain substantially unchanged from those under HKAS 17.

Sale and leaseback transactions

As a buyer-lessor, the Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transactions constitutes a sale, upon application of HKFRS 16. For a transfer that does not satisfy the requirements as a sale, the Group accounts for the transfer proceeds within the scope of HKFRS 9.

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustment to fair value is considered as additional lease payments from lessees.

2. 採納香港財務報告準則（「香港財務報告準則」）

（續）

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效（續）

(iv) 作為出租人的會計處理

本集團已將其投資物業租予若干租戶。經營租賃之租金收入於有關租賃期間按直線法於損益確認。因商議及安排經營租賃所引致之初步直接成本則計入已出租資產之賬面值並按租賃期以直線法確認為支出。

在直接融資租賃業務中，適用於本集團作為出租人的會計政策與香港會計準則第17號項下的會計政策大致維持不變。

售後回租交易

於應用香港財務報告準則第16號後，本集團作為買方—出租人應用香港財務報告準則第15號之規定，就售後回租交易是否構成銷售進行評估。就未能達成銷售規定的轉讓而言，本集團將於香港財務報告準則第9號的範圍內將轉讓所得款項入賬。

可退回租賃按金

已收可退回租賃按金按香港財務報告準則第9號入賬，並初步按公平值計量。對公平值的調整被視作承租人的額外租賃付款。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

(v) Transition

As a lessee

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 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.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效 (續)

(v) 過渡

作為承租人

誠如上文所述，本集團已採用累計影響法應用香港財務報告準則第16號，並將初步應用香港財務報告準則第16號之所有累計影響確認為對於初步應用日期（二零一九年一月一日）之期初結餘之調整。在香港財務報告準則第16號過渡條文允許下，於二零一八年呈列之比較資料未作重列，並繼續根據香港會計準則第17號及相關詮釋呈報。

本集團已於二零一九年一月一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按餘下租賃付款的現值計量該等租賃負債，並採用於二零一九年一月一日的承租人增量借款利率貼現。

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

(v) Transition (Continued)

As a lessee (Continued)

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 at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated adjustment of financial position immediately before 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 of that date.

The Group has also applied the following practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases; and (iii) exclude the initial direct costs from the measurement of the right-of-use asset at 1 January 2019.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效 (續)

(v) 過渡 (續)

作為承租人 (續)

本集團已選擇於二零一九年一月一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按等於租賃負債的金額確認所有使用權資產，並已按於緊接初步應用日期前在綜合財務狀況調整中確認的與該租賃有關的任何預付款項或應計租賃付款作出調整。就所有該等使用權資產而言，本集團已於二零一九年一月一日應用香港會計準則第36號資產減值以評估截至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；(ii)申請豁免不就租賃期將於初步應用日期(二零一九年一月一日)起計12個月內屆滿的租賃確認使用權資產及租賃負債並將該等租賃按短期租賃作會計處理；及(iii)不包括於二零一九年一月一日計量使用權資產產生的初步直接成本。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) **Adoption of new/revised HKFRSs – effective 1 January 2019** (Continued)

(v) **Transition** (Continued)

As a lessee (Continued)

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.

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效 (續)

(v) 過渡 (續)

作為承租人 (續)

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。

作為出租人

根據香港財務報告準則第16號的過渡條文，本集團毋須就本集團為出租人的租賃過渡作出任何調整，但須自初步應用日期起根據香港財務報告準則第16號對該等租賃進行會計處理，且並無重列比較資料。

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2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

(v) Transition (Continued)

As a lessor (Continued)

Sale and leaseback transactions

In accordance with the transition provisions of HKFRS 16, sale and leaseback transactions entered into before the date of initial application were not reassessed but the new requirements are applied to the Group’s sale and leaseback transactions entered into on and after 1 January 2019.

Refundable rental deposits

Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. As the discounting effect is not significant, no adjustment was made to refundable rental deposits received at the initial date of application.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效 (續)

(v) 過渡 (續)

作為出租人 (續)

售後回租交易

根據香港財務報告準則第16號的過渡條文，於初步應用日期之前訂立的售後回租交易未予以重估，惟新規定適用於本集團於二零一九年一月一日及之後訂立的售後回租交易。

可退回租賃按金

於應用香港財務報告準則第16號前，所收取的可退回租賃按金被視為應用香港會計準則第17號的租賃的權利及責任。根據香港財務報告準則第16號對租賃付款的定義，該等按金並非與使用權資產相關的付款，並調整以反映過渡時的貼現影響。由於貼現影響並不重大，故於初步應用日期並無對已收可退回租賃按金作出調整。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that HKFRS 9 applies to long-term interests (“LTI”) in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效 (續)

香港 (國際財務報告詮釋委員會) – 詮釋第23號 – 所得稅處理之不確定性

該詮釋透過就如何反映所得稅會計處理涉及的不確定性之影響提供指引，為香港會計準則第12號所得稅的規定提供支持。根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更好預測不確定性因素的解決方式。實體亦須假設稅務機關將會檢討其有權檢討的金額，並在作出該等檢討時完全知悉所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。否則，釐定稅項涉及的不確定性因素採用「最可能金額」或「預期值」法兩者中能更好預測不確定性因素解決方式的方法來反映。

香港會計準則第28號之修訂—於聯營公司和合營企業的長期權益

該修訂澄清，香港財務報告準則第9號適用於聯營公司或合營企業的長期權益（「長期權益」）（構成聯營公司或合營企業投資淨額的一部分），並載明香港財務報告準則第9號先於香港會計準則第28號項下的減值虧損指引應用於該等長期權益。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

2. 採納香港財務報告準則（「香港財務報告準則」）

（續）

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效（續）

香港財務報告準則二零一五年至二零一八年週期之年度改進－香港財務報告準則第3號業務合併之修訂

根據年度改進過程頒佈之修訂對現時並不清晰之多項準則作出細微、並不急切之修訂，其中包括對香港財務報告準則第3號之修訂，該修訂澄清業務共同經營方取得共同經營業務的控制權時即構成分階段業務合併，先前所持股權因此須重新計量至其收購日期公平值。

香港財務報告準則二零一五年至二零一八年週期之年度改進－香港財務報告準則第11號合營安排之修訂

根據年度改進過程頒佈之修訂對現時並不清晰之多項準則作出細微、並不急切之修訂，其中包括對香港財務報告準則第11號之修訂，該修訂澄清當參與但未取得共同經營業務共同控制權的一方其後取得對該項共同經營業務的共同控制權時，先前所持股權不得重新計量至其收購日期公平值。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(a) Adoption of new/revised HKFRSs – effective 1 January 2019 (Continued)

Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Annual Improvements to HKFRSs 2015-2018 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效 (續)

香港財務報告準則二零一五年至二零一八年週期之年度改進—香港會計準則第12號所得稅之修訂

根據年度改進過程頒佈之修訂對現時並不清晰之多項準則作出細微、並不急切之修訂，其中包括對香港會計準則第12號之修訂，該修訂澄清股息之所有所得稅後果與產生可分配溢利之交易（無論於損益、其他全面收入或直接於權益）一致確認。

香港財務報告準則二零一五年至二零一八年週期之年度改進—香港會計準則第23號借款成本之修訂

根據年度改進過程頒佈之修訂對現時並不清晰之多項準則作出細微、並不急切之修訂，其中包括對香港會計準則第23號之修訂，該修訂澄清，倘專門為獲得合資格資產作出的借款，於有關合資格資產達致其擬定用途或可供出售後仍未償還，有關借款將成為實體一般借款的一部分，因此計入一般借款池中。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, 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.

| | |
|--|--|
| Amendments to HKFRS 3 | Definition of a business ¹ |
| Amendments to HKAS 1 and HKAS 8 | Definition of material ¹ |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | Interest Rate Benchmark Reform ¹ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ² |

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

² The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

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”.

2. 採納香港財務報告準則（「香港財務報告準則」）

（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

以下已頒佈但尚未生效且尚未獲本集團提早採納之新訂／經修訂香港財務報告準則可能與本集團之財務報表有關。本集團現時擬於其生效日期應用該等修訂。

| | |
|---------------------------------------|---------------------------------------|
| 香港財務報告準則第3號之修訂 | 業務定義 ¹ |
| 香港會計準則第1號及香港會計準則第8號之修訂 | 重要性定義 ¹ |
| 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂 | 利率基準改革 ¹ |
| 香港財務報告準則第10號及香港會計準則第28號之修訂 | 投資者與其聯營公司或合營企業之間的資產出售或注資 ² |

¹ 於二零二零年一月一日或之後開始的年度期間生效

² 該等修訂原擬於二零一八年一月一日或之後開始的期間生效。生效日期現已延遲／移除。該等修訂仍可提早應用。

香港財務報告準則第3號之修訂－業務定義

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。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

- (b) **New/revised HKFRSs that have been issued but are not yet effective** (Continued)

Amendments to HKFRS 3 – Definition of a business (Continued)

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.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

- (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第3號之修訂－業務定義 (續)

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號之修訂－重要性定義

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。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

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.

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.

2. 採納香港財務報告準則 (「香港財務報告準則」)

(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

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號之修訂－利率基準改革

該等修訂修改若干特定對沖會計規定，以減輕利率基準改革所產生的不確定因素的潛在影響。此外，該等修訂要求公司向投資者提供有關彼等對沖關係（直接受該等不確定因素影響）的額外資料。

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注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務之資產，則僅須就不相關投資者於合營企業或聯營公司之權益確認收益或虧損。

本集團尚未能確定該等新頒佈是否將對本集團的會計政策及財務報表帶來重大變動。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based payment”, leasing transactions that are within the scope of HKFRS 16 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of assets”.

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

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

如下文之會計政策所載，除於各報告期末按公平值計量之金融工具及投資物業外，綜合財務報表乃按歷史成本法編製。歷史成本一般根據貨物及服務交換所得代價之公平值計算。

公平值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格，不論該價格是否直接觀察可得或使用另一種估值方法估計。估計資產或負債之公平值時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量及／或披露的公平值均在此基礎上予以確定，惟香港財務報告準則第2號「以股份為基礎之付款」範圍內之股份以為基礎付款交易、香港財務報告準則第16號「租賃」範圍內之租賃交易以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

非金融資產的公平值計量乃經計及一名市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生的經濟利益的能力。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

3. 主要會計政策 (續)

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級或第三級，載述如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及受本公司控制的實體及其附屬公司之財務報表。當本公司符合下列條件時，本公司即擁有控制權：

- 對被投資者擁有權力；
- 承擔或擁有自其參與被投資者產生之可變回報之風險或權利；及
- 有能力透過行使權力以影響其回報。

倘有事實及情況顯示上述三項控制因素之一項或多項出現變化，則本集團將重新評估其是否控制被投資者。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and 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 carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

3. 主要會計政策 (續)

綜合基準 (續)

附屬公司於本集團取得該附屬公司的控制權時綜合入賬，並於本集團失去對該附屬公司的控制權時終止綜合入賬。具體而言，自本集團取得控制權當日起直至本集團不再控制附屬公司當日，於年內收購或出售的附屬公司的收入及開支計入綜合損益表。

損益及其他全面收入各項目歸屬於本公司擁有人及非控股股東權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股股東權益，即使此舉會導致非控股股東權益產生虧絀結餘。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司使用的會計政策保持一致。

所有集團內部與本集團成員公司間交易相關的資產及負債、股本、收入、開支及現金流量已於綜合賬目時全數對銷。

本集團於現有附屬公司的擁有權權益變動

當本集團失去附屬公司的控制權時，該附屬公司的資產及負債以及非控股權益（如有）應予以終止確認。收益或虧損將於損益內確認，並按(i)已收代價之公平值及任何保留權益之公平值總額與(ii)本公司擁有人應佔附屬公司之資產（包括任何商譽）及負債之賬面值之差額計算。所有先前於其他全面收入確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬（即按適用香港財務報告準則之規定／許可條文重新分類至損益或轉撥至另一類權益）。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

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.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income taxes” and HKAS 19 “Employee benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current assets held for sale and discontinued operations” are measured in accordance with that standard.

3. 主要會計政策 (續)

業務合併

收購業務採用收購法入賬。業務合併所轉撥之代價按公平值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原股東產生之負債及本集團於交換被收購方之控制權發行之權益於收購日之公平值之總額。有關收購之成本通常於產生時確認於損益中。

收購方將予轉讓之任何或然代價按收購日期公平值確認。倘其後對代價作出調整，僅於調整乃由於計量期間（最長為收購日期起計12個月）內所取得有關收購日期公平值的新資料而產生時，方通過商譽確認。對分類為資產或負債的或然代價作出的所有其他其後調整於損益中確認。

於收購日期，所收購可識別資產及所承擔負債按其收購日期之公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份為基礎之付款安排或本集團以所訂立之以股份為基礎之付款安排取代被收購方以股份為基礎之付款安排有關的負債或股本工具，於收購日期根據香港財務報告準則第2號「以股份為基礎之付款」計量（參閱下文會計政策）；及
- 根據香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售的資產（或出售組別）根據該項準則計量。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

3. 主要會計政策 (續)

業務合併 (續)

商譽乃以所轉讓的代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公平值(倘有)的總和超出所收購可識別資產及所承擔負債於收購日期的淨值的部分計量。倘經過重新評估後，所收購可識別資產及所承擔負債的淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公平值(倘有)的總和，則超出部分即時於損益賬內確認為議價收購收益。

現時擁有權權益且於清盤時讓持有人有權按比例分佔有關附屬公司資產淨值的非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例或按公平值計量。計量基準視乎每項交易而作出選擇。

收購並不構成業務的附屬公司

當本集團收購並不構成業務的一組資產及負債時，本集團透過首先按各自公平值將購買價在金融資產及金融負債之間分配，然後購買價的其他結餘在其他個別可識別資產及負債間按購買日期彼等相對公平值進行分配而識別及確認所收購的個別可識別資產及承擔的負債。該項交易並不產生商譽或議價收購收益。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in 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.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;

Substantive potential voting rights held by the Company and other parties who hold voting rights;

Other contractual arrangements; and

Historic patterns in voting attendance.

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.

3. 主要會計政策 (續)

於附屬公司之投資

附屬公司為本公司可對其行使控制權的被投資者。倘以下三個因素全部滿足，則本公司控制該被投資者：擁有對被投資者的權力；承擔或享有來自被投資者的可變回報的風險或權利；及可利用其權力影響該等可變回報。當有事實及情況顯示任何該等控制權因素可能出現變動時，控制權需被重新評估。

倘本公司擁有實際能力引導投資對象相關活動，而毋須持有大多數投票權，則存在實際控制權。釐定實際控制權是否存在時，本公司考慮所有相關事實及情況，包括：

相對其他持有投票權人士的數量及分散情況，本公司投票權的數量；

本公司及其他持有投票權人士所持有的實際潛在投票權；

其他合約安排；及

參與投票的歷史模式。

於本公司財務狀況表中，於附屬公司之投資按成本減減值虧損（如有）列賬。附屬公司業績由本公司以已收及應收股息為基準入賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the cash-generating unit within group of cash-generating units in which the Group monitors goodwill).

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

3. 主要會計政策 (續)

商譽

收購業務所產生之商譽以收購業務當日成本減去累計減值虧損(如有)計量(參閱上述會計政策)。

就減值測試而言,商譽乃獲分配至預期從合併之協同效應中受益之本集團各現金產生單位,或現金產生單位組別,即為內部管理目的監察商譽的最低等級及並不比經營分部大。

已獲分配商譽之現金產生單位(或現金產生單位組別)每年或凡單位有可能出現減值跡象時進行減值測試。對於報告期間因一項收購產生之商譽,已獲分配商譽之現金產生單位(或現金產生單位組別)於該報告期末前進行減值測試。倘可收回金額少於其賬面值,則減值虧損會首先獲分配以削減任何商譽之賬面值,然後再根據單位(或現金產生單位組別)內每項資產之賬面值按比例分配至其他資產。

出售相關現金產生單位時,於釐定出售之損益金額中計入應佔商譽金額(或本集團監察商譽的現金產生單位組別內的任何現金產生單位)。

於聯營公司之投資

聯營公司指本集團對其擁有重大影響力的實體,且其既非附屬公司亦非合營安排。重大影響力指有權參與被投資方的財務及營運政策決定的權利而非對該等政策擁有控制權或共同控制權。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in associates (Continued)

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred, they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

In the Company's statement of financial position, investments in associates are carried at cost less impairment losses, if any. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year.

3. 主要會計政策 (續)

於聯營公司之投資 (續)

聯營公司乃採用權益法入賬，初步按成本確認，其後就本集團收購後應佔聯營公司資產淨值的變動調整其賬面值，惟超過本集團於聯營公司的權益的虧損不會確認，除非有責任須彌補該等虧損。

本集團與其聯營公司之間的交易產生的損益僅於不相關投資者於聯營公司擁有權益時方才確認。該等交易產生的投資者分攤聯營公司溢利及虧損與聯營公司的賬面值對銷。倘未變現虧損證明轉移資產的減值，則即時於損益賬中確認。

就一家聯營公司支付的任何溢價超過本集團分攤所收購的可識別資產、負債及或然負債的公平值已資本化並已計入聯營公司的賬面值。倘客觀證據顯示於一家聯營公司的投資已減值，則投資的賬面值按其他非金融資產的相同方式進行減值測試。

本公司財務狀況表中，投資聯營公司按成本減減值虧損（如有）列賬。聯營公司的業績由本公司基於年內已收及應收股息基準入賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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, has been identified as the Executive Directors that make strategic decisions.

Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. 主要會計政策 (續)

分部報告

經營分部乃以與向主要經營決策者提交內部報告一致的方式呈報。主要經營決策者負責分配資源及評估經營分部的表現，已被確認為作出策略決定的執行董事。

收入確認

客戶合約收入在貨品或服務的控制權按反映本集團預期有權就提供該等貨品或服務獲取的代價金額轉讓予客戶時確認，不包括代表第三方收取的該等款項。收入不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

視乎合約條款及適用於合約的法律，貨品或服務的控制權可隨時間或於某一時點轉移。倘本集團在履約過程中滿足下列條件，貨品或服務的控制權將隨時間轉移：

- 提供客戶同時收取及消耗的所有利益；
- 本集團履約時創建或提升客戶所控制的資產；或
- 並無創建對本集團而言具有可替代用途的資產，而本集團可強制執行其權利收回累計至今已完履約部分的款項。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

If control of the goods or services 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 customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

- (i) Revenue for the provision of advisory services is recognised at a point in time when the services related to the underlying transaction are completed under the terms of the contract. Invoices for these service income are issued on completion of services. The service fee has been fixed at the signing of contract.
- (ii) Revenue for the provision of asset management advisory services is recognised over time on time apportionment basis as those services are provided throughout the contract period at fixed consideration. Invoices are issued according to the agreed payment schedule and are usually payable within 0-5 days.

3. 主要會計政策 (續)

收入確認 (續)

倘貨品或服務的控制權隨時間轉移，收入將於整個合約期間參考已完成履約義務的進度確認。否則，收入於客戶獲得貨品或服務控制權的某一時點確認。

倘合約中包含融資部分，而該融資部分為客戶提供有關向客戶轉讓貨品或服務超過一年的重大融資利益，則收入按應收賬款的現值計量，並使用本集團與客戶於合約簽訂時進行的單獨融資交易中可能反映的貼現率貼現。倘合約中包含為本集團提供重大融資利益的融資部分，則根據該合約確認的收入包括按實際利息法計算的合約負債所產生的利息開支。就付款至承諾貨品或服務轉讓期間為一年或以下的合約而言，並無利用香港財務報告準則第15號的實際權宜方法就重大融資部分的影響調整交易價。

- (i) 提供顧問服務的收入於根據合約條款完成相關交易有關的服務時確認。該等服務收入的發票於完成服務時開具。服務費收入於簽訂合約時釐定。
- (ii) 提供資產管理諮詢服務的收入按時間分攤基準隨時間確認，乃由於該等服務於整個合約期間內按固定代價予以提供。發票根據協定償還時間表出具，且通常應於0至5日內結付。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

(iii) For revenue from sales of goods provided by the Group, customers obtain control of the goods when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the products. There is generally only one performance obligation. Invoices are usually payable within 30 days. In the comparative period, revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which was taken as at the time of delivery and the title is passed to customer.

(iv) Rental income from property leasing

Revenue from rental income is recognised on a straight-line basis over the relevant lease terms.

(v) Other income

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Interest income, including finance lease interest income, sale-leaseback transaction interest income, loan interest income and bank interest income, is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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.

3. 主要會計政策 (續)

收入確認 (續)

(iii) 就銷售本集團提供的貨品所產生的收入而言，客戶於貨品予以交付及已獲接納時取得貨品的控制權。因此，收入於客戶接納產品時確認。一般而言，此僅為一項履約義務。發票通常應於30日內結付。於可資比較期間，貨品銷售收入於擁有權的風險及回報轉移時（於交付及所有權移交予客戶時發生）確認。

(iv) 物業租賃之租金收入

來自租金收入之收入乃於有關租賃期內按直線法確認。

(v) 其他收入

來自投資之股息收入乃於本集團收取款項之權利確立時確認。

利息收入（包括融資租賃利息收入、售後回租交易利息收入、貸款利息收入及銀行利息收入）乃按時間分攤基準，參考未償還本金及適用之實際利率計算，該利率為確實地將金融資產於預計可用年期內之估計未來現金收入貼現至該資產於初始確認時之賬面淨值之貼現率。

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，應收賬款指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Contract assets and liabilities (Continued)

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.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. 主要會計政策 (續)

合約資產及負債 (續)

合約負債指本集團因已自客戶收取代價 (或已可自客戶收取代價) 而須轉讓服務予客戶的義務。

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣 (外幣) 進行之交易乃按交易日期之通行匯率入賬。於報告期末，以外幣定值之貨幣項目乃按該日之匯率重新換算。按公平值以外幣入賬之非貨幣項目則按釐定公平值當日之匯率重新換算。按歷史成本以外幣入賬之非貨幣項目不予重新換算。

結算及重新換算貨幣項目所產生之匯兌差額均於彼等產生期間內在損益中確認。

就綜合財務報表之呈列而言，本集團實體之資產與負債乃按各報告期末之匯率換算為本集團之呈報貨幣 (即港元)，而其收入及支出項目乃按該年度之平均匯率換算。所產生之匯兌差額 (如有) 乃於其他全面收入內確認，並於權益內之匯兌儲備項下累積 (歸屬於非控股股東權益 (如適用))。

出售海外業務時 (即出售本集團於海外業務之全部權益)，本集團擁有人就該業務應佔於股權累計之所有匯兌差額乃重新分類至損益。

因收購海外業務時所收購的可識別資產及負債的商譽及公平值調整視為該海外業務的資產及負債及按各報告期末現行匯率換算。所產生的匯兌差額於其他全面收入內確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Borrowing costs

Borrowing costs which are not eligible for capitalisation to qualifying assets are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. 主要會計政策 (續)

借貸成本

不符合撥充合資格資產的借貸成本於產生期間在損益內確認。

政府補助

倘可合理保證將收取政府補助並遵守所有附帶條件，則政府補助才會被確認。

政府補助作為開支或已發生虧損的補償時或就向本集團給予即時財政支持的目的而言而成為應收賬款時，在其成為應收賬款期間於損益內並不確認日後相關成本。

退休福利成本

定額供款退休福利計劃之付款於僱員提供服務使其有權取得供款時確認為開支。

短期及其他長期僱員福利

短期僱員福利乃按預期於僱員提供服務時支付之未貼現福利金額確認。所有短期僱員福利獲確認為開支，惟另一項香港財務報告準則要求或許可將該福利計入資產成本除外。

於扣除任何已付金額後，就僱員之累計福利（如工資及薪金、年假及病假）確認負債。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable and deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. 主要會計政策 (續)

稅項

所得稅支出指現時應付稅項及遞延稅項之和。

現時應付稅項按本年度應課稅溢利計算。應課稅溢利與損益表所報溢利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入或支出項目，亦不包括永不課稅或可扣減之項目。本集團之即期稅項負債乃按報告期末已生效或實際上已生效之稅率計算。

遞延稅項乃按綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者間之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產通常就所有可扣減暫時差額確認，惟以有應課稅溢利可用以抵銷該等可扣減暫時差額為限。若暫時差額因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）中初步確認其他資產及負債而引致，則不會確認該等資產及負債。

除非本集團可控制暫時差額撥回及暫時差額不大可能於可見將來撥回，否則會就有關於附屬公司的投資的應課稅暫時差額確認遞延稅項負債。僅當很可能取得足夠的應納稅利潤以抵扣此類投資及利益相關的可扣減暫時差額，並且暫時差額在可預見的未來將轉回時，才確認該可抵扣暫時差額所產生的遞延稅項資產。

遞延稅項資產之賬面值於報告期末審閱，並於不大可能有足夠應課稅溢利恢復全部或部分資產價值時予以削減。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Leasing (accounting policies applied from 1 January 2019)

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 accounting policy choices exist 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 Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產及負債乃按預期於償還負債或變現資產期間適用之稅率計算。所根據的稅率(及稅法)乃於報告期末已生效或已實際生效者。

遞延稅項負債及資產的計量反映集團於報告期末，預期收回或償還其資產及負債賬面值的方式可能帶來的稅務後果。

即期及遞延稅項於損益內確認，惟與在其他全面收入或直接於權益內確認之項目除外，在此情況下，即期及遞延稅項亦於其他全面收入或直接於權益內確認。

租賃 (自二零一九年一月一日起應用之會計政策)

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，惟為實體提供現有會計政策選擇，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。本集團已選擇不就低價值資產以及於開始日期租賃期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing (accounting policies applied from 1 January 2019)

(Continued)

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. The Group measures the right-of-use assets applying a cost model. 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.

The Group accounts for leasehold land and buildings which is held for own use under HKAS 16 and are carried at its cost less any accumulated depreciation and any accumulated impairment losses.

3. 主要會計政策 (續)

租賃 (自二零一九年一月一日起應用之會計政策) (續)

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)承租人根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本，除非該等成本乃為生產存貨而產生則除外。本集團採用成本模式計量使用權資產。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，並就租賃負債的任何重新計量作出調整。

本集團將租賃土地及自用樓宇按香港會計準則第16號作會計處理，並按成本減任何累計折舊及任何累計減值虧損列賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing (accounting policies applied from 1 January 2019)

(Continued)

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are 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 uses 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.

Subsequent to the commencement date, the Group measures 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.

3. 主要會計政策 (續)

租賃 (自二零一九年一月一日起應用之會計政策) (續)

租賃負債

租賃負債按並非於租賃開始日期支付之租賃付款的現值確認。租賃付款採用租賃暗含的利率貼現 (倘該利率可輕易釐定)。倘該利率無法輕易釐定, 則本集團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使用相關資產權利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將支付的款項; (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。

於開始日期後, 本集團透過下列方式計量租賃負債: (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。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing (accounting policies applied from 1 January 2019)

(Continued)

Accounting as a lessor

Amounts due from lessees under finance leases are recognised 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.

The Group has leased out its investment properties to a number of tenants. 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.

Sale and leaseback transactions

As a buyer-lessor, the Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transactions constitutes as sale, upon application of HKFRS 16. For a transfer that does not satisfy the requirements as sale, the Group accounts for the transfer proceeds within the scope of HKFRS 9.

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustment to fair value are considered as additional lease payments from lessees.

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 the lessee. All other leases are classified as operating leases.

3. 主要會計政策 (續)

租賃 (自二零一九年一月一日起應用之會計政策) (續)

作為出租人的會計處理

應收承租人融資租約款項按本集團於租約中的淨投資金額確認為應收賬款。融資租約收入在會計期間分配，以便反映本集團就租約的未償付淨投資的固定定期收益率。

本集團已將其投資物業租予若干租戶。經營租賃之租金收入於有關租賃期間按直線法於損益確認。因商議及安排經營租賃所引致之初步直接成本則計入已出租資產之賬面值並按租賃期以直線法確認為支出。

售後回租交易

於應用香港財務報告準則第16號後，本集團作為買方—出租人應用香港財務報告準則第15號之規定，就售後回租交易是否構成銷售進行評估。就未能達成銷售規定的轉讓而言，本集團將於香港財務報告準則第9號的範圍內將轉讓所得款項入賬。

可退回租賃按金

已收可退回租賃按金按香港財務報告準則第9號入賬，並初步按公平值計量。對公平值的調整被視作承租人的額外租賃付款。

租賃 (應用至二零一八年十二月三十一日之會計政策)

如租賃條款轉讓所有權之絕大部分風險及回報予承租人，有關租賃乃列作融資租賃。所有其他租賃則列作經營租賃。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasing (accounting policies applied until 31 December 2018)

(Continued)

The Group as lessor

Amounts due from lessees under finance leases are recognised 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 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.

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Property, plant and equipment

Property, plant and equipment including buildings, leasehold land and freehold land held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 主要會計政策 (續)

租賃 (應用至二零一八年十二月三十一日之會計政策) (續)

本集團作為出租人

應收承租人融資租賃款項按本集團於租賃中的淨投資金額確認為應收賬款。融資租賃收入在會計期間分配，以便反映本集團就租賃的未償付淨投資的固定定期收益率。

經營租賃之租金收入乃按相關租賃年期以直線法確認。磋商及安排經營租賃中產生的初步直接成本加入至已租賃資產的賬面值。

本集團作為承租人

經營租賃付款 (包括根據經營租賃收購土地之成本) 於有關租賃期間按直線法確認為開支。

倘收取租賃激勵以訂立經營租賃，有關激勵確認為負債。激勵的總收益以直線法確認為租金開支的扣減。

物業、廠房及設備

物業、廠房及設備包括用於生產或提供貨品或服務、或出於行政目的使用之建築及租賃土地以及自由保有土地，乃按成本減隨後之累計折舊及累計減值虧損於綜合財務狀況表列賬。

按估計使用年期以直線法撇銷物業、廠房及設備項目的成本減去殘值確認折舊。於每個報告期末審閱估計使用年期、殘值及折舊法，按預期基準入賬估計變動的影響。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

Property, plant and equipment are depreciated on their costs less their residual values on a straight-line basis over their estimated useful lives as follows:

| | |
|--|---|
| Leasehold land and buildings | 10 to 50 years |
| Leasehold improvements, furniture and fixtures | 3 to 5 years or over lease term, whichever is shorter |
| Plant, machinery and equipment | 5 to 10 years |
| Motor vehicles | 3 to 8 years |

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment property

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

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

3. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備以其成本減去剩餘價值後按直線法於其估計可使用年期內折舊如下：

| | |
|--------------|--------------------|
| 租賃土地及樓宇 | 10至50年 |
| 租賃物業裝修、傢具及裝置 | 3至5年或於租期內 (以較短者為準) |
| 廠房、機器及設備 | 5至10年 |
| 汽車 | 3至8年 |

物業、廠房及設備項目於出售時或當預期持續使用該資產不會帶來未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目的盈虧乃按銷售所得款項與相關資產賬面值之差額釐定並於損益賬確認。

投資物業

投資物業為持作賺取租金或增值或作該兩項用途而非於日常業務過程中持作出售、用於生產或供應貨品或服務或作行政用途的物業。投資物業於初步確認時按成本及其後按公平值計量，而其任何變動於損益賬確認。

投資物業於出售，或投資物業永久不再被使用，或預期出售時不會產生未來經濟利益時終止確認。任何因終止確認資產而產生的收益或虧損（按出售所得款項淨額與資產的賬面值之差額計算）於項目終止確認期間計入損益內。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasehold land and building (accounting policies applied until 31 December 2018)

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

Impairment losses on assets (other than financial assets)

At the end of the reporting period, the Group reviews the carrying amounts of the following 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;
- right-of-use assets; and
- investments in subsidiaries, associates and joint ventures.

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策 (續)

租賃土地及樓宇 (應用至二零一八年十二月三十一日之會計政策)

當本集團就物業權益 (包括租賃土地及樓宇部分) 付款時, 本集團單獨評估各部分的分類, 根據評估各部分所有權附帶的絕大部分風險及回報是否已轉讓至本集團而將其分類, 除非肯定兩個部分均屬經營租賃, 於此情況下, 整項物業則分類為經營租賃。特別是, 全部代價 (包括任何一次性預付款項) 於初步確認時按土地部分及樓宇部分中租賃權益相對公平值比例在土地與樓宇部分之間分配。

當付款無法在土地部分與樓宇部分之間可靠分配時, 整項物業通常分類為融資租賃 (猶如租賃土地乃根據融資租賃持有)。

資產 (金融資產除外) 之減值虧損

本集團於報告期末審閱下列各項之賬面值, 藉以決定是否有任何跡象顯示該等資產出現減值虧損或過往已確認之減值虧損不再存在或可能已減少:

- 物業、廠房及設備;
- 使用權資產; 及
- 於附屬公司、聯營公司及合營企業之投資。

當無法單獨估計一項資產的可收回金額時, 本集團會估計該資產所屬現金產生單位的可收回金額。當可識別合理一致的分配基準時, 公司資產亦會分配至個別現金產生單位或分配至可識別合理一致分配基準的最小現金產生單位組別。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment losses on assets (other than financial assets)

(Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策 (續)

資產 (金融資產除外) 之減值虧損 (續)

可收回金額為公平值減出售成本及使用價值的較高者。評估使用價值時，採用除稅前貼現率將估計未來現金流量貼現至其現值，而該貼現率反映當時市場對貨幣時間價值的評估及與未經調整未來現金流量估計的資產 (或現金產生單位) 有關的特定風險。

倘若一項資產 (或現金產生單位) 之可收回金額預計低於其賬面值，則該資產 (或現金產生單位) 之賬面值將減至其可收回金額。於分配減值虧損時，首先分配減值虧損以減低任何商譽的賬面值 (如有)，其後按該單位內各資產賬面值之比例分配至其他資產。資產的賬面值不得減少至低於其公平值減出售成本 (如可計量)、其使用價值 (如可釐定) 及零 (以最高者為準)。分配至資產的減值虧損金額按單位的其他資產比例分配。減值虧損即時於損益中確認。

倘其後撥回減值虧損時，資產 (或現金產生單位) 之賬面值可調高至重新估計之可收回金額，惟因此而增加之賬面值不可高於該資產 (或現金產生單位) 於過往年度未確認減值虧損前之賬面值。撥回之減值虧損即時確認為損益。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets

A financial asset (unless it is a service income 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. A service income 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.

3. 主要會計政策 (續)

存貨

存貨乃按成本或可變現淨值兩者中之較低者列賬。成本按先進先出法計算。可變現淨值則按存貨估計售價減完成及作出出售時所必需的估計成本計算。

金融工具

金融資產

金融資產(無重大融資部分的應收服務收入除外)初步按公平值加上(就並非按公平值透過損益列賬「按公平值透過損益列賬」的項目而言)與其收購或發行直接相關的交易成本計量。無重大融資部分的應收服務收入初步按交易價格計量。

所有一般金融資產買賣均於交易日確認，即本集團承諾購買或出售該資產之日。一般金融資產買賣指須於通常根據市場規則或慣例設定的期間內交付的金融資產購買或出售。

具嵌入式衍生工具之金融資產於釐定其現金流量是否僅為支付本金及利息時以整體作出考慮。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

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 two 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.

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.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

債務工具

其後計量債務工具的計量方式取決於本集團管理資產的商業模式及資產的現金流量特徵。本集團有兩種分類其債務工具的計量類別：

攤銷成本：持作收取合約現金流量之資產按攤銷成本計量，其中有關現金流量純粹指本金及利息付款。按攤銷成本計量的金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益確認。取消確認的任何收益於損益確認。

按公平值透過損益列賬（「按公平值透過損益列賬」）：按公平值透過損益列賬的金融資產包括持作買賣的金融資產，於初始確認時指定按公平值透過損益列賬的金融資產，或強制要求按公平值計量的金融資產。倘為於不久將來出售或購回為目的而收購金融資產，則該等金融資產分類為持作買賣。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。現金流量並非純粹支付本金及利息的金融資產，不論其商業模式如何，均按公平值透過損益列賬分類及計量。儘管如上文所述債務工具可按攤銷成本或按公平值透過其他全面收入列賬分類，但於初始確認時，倘能夠消除或大幅降低會計錯配，則債務工具可指定為按公平值透過損益列賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

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.

Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on finance lease receivables, service income receivables, loan 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 a 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.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

股本工具

於初始確認並非持作買賣之股本投資時，本集團可不可撤回地選擇於其他全面收入中呈列投資公平值之後續變動。該選擇乃按投資逐項作出。按公平值透過其他全面收入列賬之股本投資按公平值計量。股息收入於損益確認，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入確認且不會重新分類至損益。所有其他的股本工具分類為按公平值透過損益列賬，因此公平值、股息及利息收入變動均於損益確認。

金融資產減值虧損

本集團就融資租賃應收款、應收服務收入及應收貸款、合約資產及按攤銷成本計量的金融資產之預期信貸虧損（「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個月內發生的潛在違約事件導致的預期信貸虧損；及(2)年期內預期信貸虧損：此乃於金融工具預計年期內所有可能之違約事件產生之預期信貸虧損。於估計預期信貸虧損時考慮的最長期限為本集團面臨的信貸風險的最長合約期限。

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損乃基於根據合約應付本集團的所有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相近之差額貼現。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment loss on financial assets (Continued)

The Group has elected to measure loss allowances for finance lease receivables, contract assets and service income receivables 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 finance lease receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance.

For loan receivables and other debt financial assets, the ECLs are based on the 12-months ECLs. The 12-months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

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.

3. 主要會計政策 (續)

金融工具 (續)

金融資產減值虧損 (續)

本集團已選擇使用香港財務報告準則第9號簡化法計量融資租賃應收款、合約資產及應收服務收入之虧損撥備，並根據年內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，並按債務人特定之前瞻性因素及經濟環境作出調整。與已知存在財務困難或應收賬款回收性存在重大疑問的客戶有關的融資租賃應收款應單獨就計提減值撥備進行評估。

就應收貸款及其他債務金融資產而言，預期信貸虧損根據12個月預期信貸虧損釐定。12個月預期信貸虧損為年內預期信貸虧損之一部分，其源自可能在報告日期後之12個月內發生之金融工具違約事件。然而，自開始以來信貸風險顯著增加時，撥備將以年內預期信貸虧損為基準。

當釐定金融資產之信貸風險是否自初始確認後大幅增加，並於估計預期信貸虧損時，本集團考慮到相關及無須付出過多成本或努力後即可獲得之合理及可靠資料。此包括根據本集團之過往經驗及已知信貸評估得出定量及定性之資料分析，並包括前瞻性資料。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment loss on financial assets (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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.

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.

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.

3. 主要會計政策 (續)

金融工具 (續)

金融資產減值虧損 (續)

本集團假設，倘逾期超過30日，金融資產之信貸風險會大幅增加。

本集團認為金融資產於以下情況下屬信貸減值：(1) 借款人不大大可能在本集團並無追索權（如變現抵押品（如持有））下向本集團全數支付其信貸義務；或(2) 該金融資產逾期超過90日。

信貸減值金融資產的利息收入乃基於攤銷成本（即賬面總值減虧損撥備）計算。非信貸減值金融資產的利息收入乃基於賬面總值計算。

金融負債

本集團根據負債產生的原因分類其金融負債。按公平值透過損益列賬的金融負債初步按公平值計量及按攤銷成本計量的金融負債初步按公平值計量，扣除產生的直接應佔成本。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities (Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

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.

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.

3. 主要會計政策 (續)

金融工具 (續)

金融負債 (續)

按公平值透過損益列賬的金融負債

按公平值透過損益列賬的金融負債包括持作買賣的金融負債。

倘以於不久將來出售為目的而收購金融負債，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。持作買賣負債的收益或虧損於損益內確認。

倘一項合約包括一種或以上嵌入式衍生工具，則整份混合合約可指定為按公平值透過損益列賬的金融負債，除非該嵌入式衍生工具不會對現金流量產生重大改變，或明確禁止將嵌入式衍生工具分開列賬。

在初步確認後，按公平值透過損益列賬的金融負債乃按公平值計量，公平值變動於彼等產生的期間內於損益確認，惟本集團擁有的於其他全面收入內呈列且其後不會重新分類至損益表的信貸風險產生的收益及虧損除外。於損益表內確認的公平值收益或虧損淨額並不包括就該等金融負債收取的任何利息。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities (Continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including service cost payables, other payables and accruals and borrowings 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.

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.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. 主要會計政策 (續)

金融工具 (續)

金融負債 (續)

按攤銷成本計量的金融負債

按攤銷成本計量的金融負債(包括應付服務成本、其他應付款及應計費用以及借款)其後採用實際利率法按攤銷成本計量。有關利息開支於損益內確認。

取消確認負債及於攤銷過程中產生的收益或虧損於損益內確認。

實際利率法

實際利率法為計算金融資產或金融負債的攤銷成本以及在有關期間內分配利息收入或利息開支的方法。實際利率為於金融資產或負債的預計年期或(倘適用)更短期間準確貼現估計未來現金收入或付款的利率。

股本工具

本公司所發行的股本工具乃按已收款項(扣除直接發行成本)列賬。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

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.

3. 主要會計政策 (續)

金融工具 (續)

取消確認

本集團僅於就金融資產收取未來現金流量的合約權利屆滿時，或金融資產經已轉讓，而轉讓符合香港財務報告準則第9號規定的取消確認準則時取消確認金融資產。

僅於有關合約中指定之責任解除、取消或到期時，本集團方會取消確認金融負債。

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清償全部或部分金融負債，所發行之股本工具即所付代價，乃初步按有關金融負債（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，則計量股本工具以反映已註銷金融負債之公平值。已註銷金融負債（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內確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

3. 主要會計政策 (續)

股權結算以股份為基礎之付款交易

授予僱員的購股權

授予僱員之股權結算以股份為基礎之付款乃參考於授出日期股權工具之公平值而釐定。

按授出日期(並無考慮非市場性質的歸屬條件)之公平值來釐定的股權結算以股份為基礎之付款,按集團估計權益工具將會最終歸屬的期間以直線法支銷,並於權益中(購股權儲備)作相應增加。本集團會根據所有相關非市場性質的歸屬條件的評估,修訂對預期最終歸屬的股權工具數目所作的估計。於歸屬期間,修訂初始估計的影響(如有)在損益中確認,以使累計開支反應經修訂之估計,並相應調整購股權儲備。

行使購股權時,早前已於購股權儲備中確認之數額將轉入股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使,早前已於購股權儲備中確認之數額將轉入累積損益。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, 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 may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of finance lease receivables, contract assets and service income receivables

The Group uses a provision of matrix to calculate ECLs for finance lease receivables, contract assets and service income receivables. The provision rates are based on days past due for groupings of various debtors that have similar loss patterns. The provision matrix is based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.

The provision of ECLs is sensitive to changes in circumstances and of forecast general economic conditions. The information about the ECLs and the Group's finance lease receivables and contract assets are disclosed in notes 18 and 20 respectively. If the financial condition of the customers or the forecast economic conditions were to deteriorate, actual loss allowance would be higher than estimated.

4. 估計不確定性之主要來源

在應用本集團會計政策（詳情見附註3）的過程中，本公司董事須對無其他資料來源的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及多項被視為與之有關的其他因素而作出。實際結果可能有別於此等估算。

本集團持續審閱該等估計及相關假設。對會計估計進行修訂時，倘修訂僅影響修訂估計的期間，則修訂會於該期間內確認；或倘修訂同時影響當期及未來期間，則會於修訂期間及未來期間確認。

以下為有關日後之主要假設及於報告期末之其他估計不確定性之主要來源，該等估計及假設可能會造成須對下一個財政年度內資產及負債賬面值作出重大調整之重大風險。

融資租賃應收款、合約資產及應收服務收入減值

本集團運用矩陣撥備來計算融資租賃應收款、合約資產及應收服務收入的預期信貸虧損。撥備率按具有類似虧損型態的不同債務人組別之逾期日數計算。撥備矩陣乃基於將產生的年期內預期信貸虧損之管理層估算，其藉考量信貸虧損經驗、逾期應收款賬齡、客戶還款記錄和客戶財務狀況及對目前和預測大圍經濟局勢的評估來估量，當中各項均涉及重大程度的管理層判斷。

預期信貸虧損撥備對各種情況及預測大圍經濟局勢變動敏感。有關預期信貸虧損的資料和本集團融資租賃應收款及合約資產分別於附註18及20披露。倘客戶的財務狀況或預測經濟狀況行將惡化，則實際虧損撥備會高於估計額。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Valuation of goodwill

During the year ended 31 December 2016, the Group acquired China Ever Grand Capital Group Limited (“Ever Grand Capital”) and identified a goodwill in the acquisition. The value in use is determined based on the cash flow projection for the cash generating units (“CGUs”), discounted to their present values and requires the use of key assumptions, including the discount rate, terminal growth rate, budgeted sales and gross margin, taking into account the financial budget approved by the directors based on the management’s experience from the financial leasing business and also management’s expectations for the market development. During the year ended 31 December 2019, the carrying amount of goodwill was fully impaired and a loss of HK\$9,373,000 (2018: HK\$63,000,000) has been recognised to profit or loss. Details of the recoverable amount calculation are disclosed in note 15.

Collectability of loan receivables

The Group makes provision for impairment of loan receivables based on assumptions about risk of default and expected credit loss. The amount of the impairment loss is measured as the difference between the loan receivables carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). During the year, impairment loss on loan receivables of HK\$6,889,000 (2018: HK\$29,948,000) has been recognised to profit or loss. Where the future cash flows are less than expected, a material impairment loss may arise. The aggregate net carrying value of loan receivables at 31 December 2019 was HK\$240,363,000 (2018: HK\$167,441,000).

4. 估計不確定性之主要來源 (續)

商譽估值

截至二零一六年十二月三十一日止年度，本集團收購中國恆嘉資本集團有限公司（「恆嘉資本」）及於收購時識別商譽。使用價值基於現金產生單位（「現金產生單位」）之現金流量預測貼現至其現值釐定，並須使用關鍵假設，包括貼現率、終端增長率、預算銷售及毛利率、考慮董事基於管理層在融資租賃行業的經驗及管理層對市場發展的預期批核的財務預算。截至二零一九年十二月三十一日止年度，商譽之賬面值獲悉數減值及虧損9,373,000港元（二零一八年：63,000,000港元）已於損益內確認。可收回金額計算之詳情在附註15內披露。

應收貸款之可收回性

本集團基於有關違約風險及預期信貸虧損的假設對應收貸款之減值計提撥備。減值虧損金額為按應收貸款賬面值與估計未來現金流量以該金融資產原先實際利率折讓（即實際利率於初步確認時計算）的現值之間的差額計量。年內，應收貸款的減值虧損6,889,000港元（二零一八年：29,948,000港元）已確認至損益。倘未來現金流量低於預期，則可能產生重大減值虧損。於二零一九年十二月三十一日，應收貸款賬面淨值總額為240,363,000港元（二零一八年：167,441,000港元）。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5. REVENUE

Revenue represents finance lease interest income generated from financial leasing and sale-leaseback transaction, service fee income provided to outsiders, loan interest income from provision of loan facilities, rental income from leasing out properties and sale of food additives.

5. 收入

收入指融資租賃及售後回租交易產生的融資租賃利息收入、向外界所提供的服務費收入、提供貸款融資產生的貸款利息收入、出租物業的租金收入及銷售食品添加劑。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------|----------------------------------|----------------------------------|
| Service fee income | 服務費收入 | 11,063 | 31,384 |
| Finance lease interest income | 融資租賃利息收入 | 29,136 | 54,609 |
| Sale-leaseback transaction interest income | 售後回租交易利息收入 | 13,184 | - |
| Loan interest income | 貸款利息收入 | 13,496 | 4,530 |
| Rental income | 租金收入 | 2,253 | - |
| Sale of food additives | 銷售食品添加劑 | 2,023 | - |
| | | 71,155 | 90,523 |

The disaggregation of the Group's revenue from contracts with customers, including service fee income, asset management advisory service fee income and sale of food additives, are as follows:

本集團客戶合約收入包括服務費收入、資產管理諮詢服務費收入及銷售食品添加劑，分類如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------|----------------------------------|----------------------------------|
| At point in time | 於某一時點 | | |
| Advisory service fee income | 諮詢服務費收入 | - | 25,800 |
| Sale of food additives | 銷售食品添加劑 | 2,023 | - |
| | | 2,023 | 25,800 |
| Over time | 於一段時間內 | | |
| Asset management advisory service | 資產管理諮詢服務 | 11,063 | 5,584 |
| Total revenue recognised from contracts with customers | 就客戶合約所確認之總收入 | 13,086 | 31,384 |

6. SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the nature of the operations of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8. Operating segments are as follows:

- Financial leasing – provision of finance lease consulting services and financing services in the PRC (“Financial Leasing Segment”)
- Terminal and logistics services – loading and discharging services, storage services and leasing of terminal facilities and equipment through investment in a joint venture (Note)
- Investment – investment property in the PRC and Hong Kong, investment in securities and money lending business in Hong Kong
- Others – research and development, manufacturing and sale of food additives, new food ingredients and nutritional enhancers in the PRC (“Food Additives Business”)

Note: The segment result in 2018 represented share of result of the joint venture from 1 January 2018 to 31 August 2018 (i.e. the date of the disposal), while share of result of an associate in the remaining period was separately shown in the unallocated profit or loss items.

6. 分部資料

就資源分配及分部業績評估而向執行董事（即主要營運決策者（「主要營運決策者」））所呈報之資料乃著眼於本集團營運之性質。

具體而言，本集團根據香港財務報告準則第8號經營分部劃分的可呈報及經營分部如下：

- 融資租賃 – 於中國提供融資租賃諮詢服務及融資服務（「融資租賃分部」）
- 碼頭及物流服務 – 透過於一家合營企業之投資之裝卸服務、貯存服務及出租碼頭設施和設備（附註）
- 投資 – 於中國及香港之投資物業以及於香港證券及放貸業務之投資
- 其他 – 於中國之食品添加劑、新食品原料及營養強化劑的研發、生產及銷售（「食品添加劑業務」）

附註：於二零一八年的分部業績指於二零一八年一月一日至二零一八年八月三十一日（即出售日期）分攤合營企業業績，而於餘下期間分攤一家聯營公司業績另外於未分配的損益項目中呈列。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the year ended 31 December 2019

6. 分部資料 (續)

分部收入及業績

以下為本集團按可呈報及經營分部劃分之收入及業績的分析：

截至二零一九年十二月三十一日止年度

| | | Financial leasing 融資租賃 HK\$'000 千港元 | Investment 投資 HK\$'000 千港元 | Others 其他 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---------------------------------|------------|---|-------------------------------------|---------------------------------|--------------------------------|
| Revenue | 收入 | | | | |
| External sales | 對外銷售 | 56,393 | 12,739 | 2,023 | 71,155 |
| Segment (loss)/profit | 分部(虧損)/溢利 | (45,795) | 682 | (12,606) | (57,719) |
| Other income, gains and losses | 其他收入、收益及虧損 | | | | 12,000 |
| Corporate expenses | 企業支出 | | | | (35,849) |
| Other expenses | 其他開支 | | | | (582) |
| Share of result of an associate | 分攤一家聯營公司業績 | | | | 29,389 |
| Loss before taxation | 除稅前虧損 | | | | (52,761) |

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6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2018

| | | Financial leasing | Terminal and logistics services | Investment | Others | Total |
|--|--------------------------------|----------------------|---------------------------------------|------------|----------|-----------|
| | | 融資租賃 | 碼頭及 物流服務 | 投資 | 其他 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Revenue | 收入 | | | | | |
| External sales | 對外銷售 | 85,993 | - | 4,530 | - | 90,523 |
| Segment (loss)/profit | 分部(虧損)/溢利 | (65,441) | 37,554 | (59,116) | (4,234) | (91,237) |
| Other income, gains and losses | 其他收入、收益及虧損 | | | | | 4,081 |
| Corporate expenses | 企業支出 | | | | | (72,846) |
| Other expenses | 其他開支 | | | | | (1,524) |
| Loss on disposal of partial interest in a joint venture and the grant of the call option | 出售一家合營企業 部分權益及授出 認購期權之虧損 | | | | | (218,793) |
| Gain on derecognition of subsidiaries | 取消確認附屬公司之 收益 | | | | | 10,194 |
| Share of result of an associate | 分攤一家聯營公司業績 | | | | | 10,499 |
| Loss before taxation | 除稅前虧損 | | | | | (359,626) |

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit earned or loss incurred by each segment without allocation of certain other income, certain other gains and losses, loss on disposal of partial interest in a joint venture and the grant of the call option, gain on disposal of subsidiaries, share result of an associate and corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. 分部資料 (續)

分部收入及業績 (續)

截至二零一八年十二月三十一日止年度

可呈報及經營分部的會計政策與本集團會計政策一致。分部業績乃各分部賺取之溢利或產生之虧損，不包括若干其他收入、若干其他收益及虧損、出售一家合營企業部分權益及授出認購期權之虧損、出售附屬公司之收益、分攤一家聯營公司之業績及企業支出之分配。這是向主要營運決策者所報告作為資源分配及表現評估的基準。

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6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

At 31 December 2019

6. 分部資料 (續)

分部資產及負債

以下為本集團按可呈報及經營分部劃分之資產及負債分析：

於二零一九年十二月三十一日

| | | Financial leasing 融資租賃 HK\$'000 千港元 | Investment 投資 HK\$'000 千港元 | Others 其他 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|-----------------------------------|------------|---|-------------------------------------|---------------------------------|--------------------------------|
| Segment assets | 分部資產 | 880,789 | 138,426 | 68,626 | 1,087,841 |
| Interest in an associate | 於一家聯營公司之權益 | | | | 338,206 |
| Unallocated corporate assets | 未分配之企業資產 | | | | 120,628 |
| Consolidated assets | 綜合資產 | | | | 1,546,675 |
| Segment liabilities | 分部負債 | 631,492 | 534 | 720 | 632,746 |
| Unallocated corporate liabilities | 未分配之企業負債 | | | | 52,910 |
| Consolidated liabilities | 綜合負債 | | | | 685,656 |

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 December 2018

| | | Financial leasing 融資租賃 HK\$'000 千港元 | Investment 投資 HK\$'000 千港元 | Others 其他 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|-----------------------------------|------------|---|-------------------------------------|---------------------------------|--------------------------------|
| Segment assets | 分部資產 | 1,184,885 | 139,668 | 8,556 | 1,333,109 |
| Interest in an associate | 於一家聯營公司之權益 | | | | 315,706 |
| Unallocated corporate assets | 未分配之企業資產 | | | | 230,060 |
| Consolidated assets | 綜合資產 | | | | 1,878,875 |
| Segment liabilities | 分部負債 | 885,127 | 296 | 396 | 885,819 |
| Unallocated corporate liabilities | 未分配之企業負債 | | | | 65,355 |
| Consolidated liabilities | 綜合負債 | | | | 951,174 |

For the purposes of monitoring segment performances and allocating resources among segments:

- all assets are allocated to reportable and operating segments other than an office premise for administrative purpose, certain other receivables, certain deposits placed in non-bank financial institutions and certain cash and cash equivalents; and
- all liabilities are allocated to reportable and operating segments other than certain other payables, certain tax payables, financial liability at FVTPL and deferred tax liabilities.

6. 分部資料 (續)

分部資產及負債 (續)

於二零一八年十二月三十一日

為監控分部表現及在分部之間分配資源：

- 除一處用於行政目的的辦公室物業、若干其他應收款、若干存放於非銀行金融機構之存款以及若干現金及現金等值物外，所有資產均分配至可呈報及經營分部；及
- 除若干其他應付款、若干應付稅項、按公平值透過損益列賬的金融負債及遞延稅項負債外，所有負債均分配至可呈報及經營分部。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

6. 分部資料 (續)

Other segment information

其他分部資料

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

| | | Financial leasing 融資租賃 HK\$'000 千港元 | Investment 投資 HK\$'000 千港元 | Others 其他 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|---|----------------------------------|---|-------------------------------------|---------------------------------|---------------------------------------|
| Amounts charged (credited) in the measure of segment (profit) or loss or segment assets: | 於計量分部(收益)或虧損或分部資產扣除(計入)的款項: | | | | |
| Additions of property, plant and equipment | 添置物業、廠房及設備 | 13,093 | 63,976 | 58,094 | 135,163 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 103 | - | 3,827 | 3,930 |
| Change in fair value of equity investments at fair value through profit or loss | 按公平值透過損益列賬之股本投資之公平值變動 | (2,558) | 7,766 | - | 5,208 |
| Interest income from loan receivables | 應收貸款之利息收入 | (10,049) | (10,486) | - | (20,535) |
| Finance lease interest income | 融資租賃利息收入 | (29,136) | - | - | (29,136) |
| Sale-leaseback transaction interest income | 售後回租交易利息收入 | (13,184) | - | - | (13,184) |
| Interest expenses (included in cost of sales) | 利息開支(計入銷售成本) | 40,289 | - | - | 40,289 |
| Impairment loss on goodwill | 商譽減值虧損 | 9,373 | - | - | 9,373 |
| Impairment loss on finance lease receivables | 融資租賃應收款減值虧損 | 32,578 | - | - | 32,578 |
| Impairment loss on a loan receivable from sale-leaseback transaction | 售後回租交易的應收貸款減值虧損 | 5,678 | - | - | 5,678 |
| Impairment loss on loan receivables | 應收貸款減值虧損 | 1,211 | - | - | 1,211 |
| Amounts regularly provided to the chief operating decision maker but not included in the measure of segment (profit) or loss: | 定期向主要營運決策者提供但未包含於計量分部(收益)或虧損的款項: | | | | |
| Income tax credit | 所得稅抵免 | (1,798) | - | - | (1,798) |

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6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2018

6. 分部資料 (續)

其他分部資料 (續)

截至二零一八年十二月三十一日止年度

| | | Financial leasing | Terminal and logistics services | Investment | Others | Consolidated |
|---|---------------------------------|----------------------|---------------------------------------|------------|----------|--------------|
| | | 融資租賃 | 碼頭及 物流服務 | 投資 | 其他 | 綜合 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Amounts charged (credited) in the measure of segment (profit) or loss or segment assets: | 於計量分部 (收益) 或虧損或分部資產扣除 (計入) 的款項: | | | | | |
| Additions of property, plant and equipment | 添置物業、廠房及設備 | 9 | - | - | 5,759 | 5,768 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 337 | - | - | - | 337 |
| Change in fair value of equity investments at fair value through profit or loss | 按公平值透過損益列賬之股本投資之公平值變動 | 8,824 | - | 37,544 | - | 46,368 |
| Interest income from loan receivables | 應收貸款之利息收入 | (5,243) | - | (4,530) | - | (9,773) |
| Finance lease interest income | 融資租賃利息收入 | (54,609) | - | - | - | (54,609) |
| Interest expenses (included in cost of sales) | 利息開支 (計入銷售成本) | 49,494 | - | - | - | 49,494 |
| Impairment loss on goodwill | 商譽減值虧損 | 63,000 | - | - | - | 63,000 |
| Impairment loss on finance lease receivables | 融資租賃應收款減值虧損 | 1,553 | - | - | - | 1,553 |
| Impairment loss on loan receivables | 應收貸款減值虧損 | 4,439 | - | 25,509 | - | 29,948 |
| Share of result of a joint venture | 分攤一家合營企業業績 | - | (37,554) | - | - | (37,554) |
| Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss: | 定期向主要營運決策者提供但未包含於計量分部損益的款項: | | | | | |
| Income tax credit | 所得稅抵免 | (391) | - | (22) | - | (413) |

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from customers of the financial leasing segment of corresponding years contributing over 10% of total sales of the Group are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------|-----|----------------------------------|----------------------------------|
| Customer A | 客戶甲 | 17,675 | 29,650 |
| Customer B | 客戶乙 | N/A不適用 ¹ | 18,678 |
| Customer C | 客戶丙 | 17,450 | 9,304 |

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Geographical information

The Group's financial leasing, terminal and logistics services divisions and food additives business are located in the PRC. Investment division is mainly located in the PRC and Hong Kong. Locations are determined according to principal place of operating the businesses. Except for a revenue amount of HK\$11,926,000 was generated in Hong Kong during the current year (2018: HK\$4,530,000), the remaining amount of HK\$59,229,000 (2018: HK\$85,993,000) was generated in the PRC.

6. 分部資料 (續)

有關主要客戶資料

相關年度來自融資租賃分部貢獻本集團總銷售額逾10%之客戶之收入如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------|-----|----------------------------------|----------------------------------|
| Customer A | 客戶甲 | 17,675 | 29,650 |
| Customer B | 客戶乙 | N/A不適用 ¹ | 18,678 |
| Customer C | 客戶丙 | 17,450 | 9,304 |

¹ 相應收入並無貢獻本集團總收入逾10%。

地域資料

本集團之融資租賃、碼頭及物流服務分部以及食品添加劑業務均位於中國。投資分部則主要位於中國及香港。地點乃按該等業務之主要營業地點釐定。除於本年度在香港產生之金額為11,926,000港元(二零一八年：4,530,000港元)之收入外，餘下金額59,229,000港元(二零一八年：85,993,000港元)乃於中國產生。

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6. SEGMENT INFORMATION (Continued)

Geographical information (Continued)

The following is an analysis of the carrying amount of non-current assets (Note) analysed by the geographical location in which the assets are located:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------|----|----------------------------------|----------------------------------|
| The PRC | 中國 | 455,570 | 331,112 |
| Hong Kong | 香港 | 109,968 | 24,304 |
| | | 565,538 | 355,416 |

Note: Non-current assets excluded finance lease receivables and other financial instruments.

6. 分部資料 (續)

地域資料 (續)

以下為按資產所在地域位置分析之非流動資產 (附註) 賬面值的分析:

附註: 非流動資產不包括融資租賃應收款及其他金融工具。

7. OTHER INCOME, GAINS AND LOSSES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Other income | 其他收入 | | |
| Interest income from loan receivables | 應收貸款之利息收入 | 7,039 | 5,179 |
| Interest income from banks and non-bank financial institutions | 來自銀行及非銀行金融機構之利息收入 | 3,393 | 5,243 |
| Dividend income from financial assets at fair value through profit or loss | 來自按公平值透過損益列賬之金融資產之股息收入 | - | 1,212 |
| Sundry income | 雜項收入 | 68 | 216 |
| | | 10,500 | 11,850 |

7. 其他收入、收益及虧損

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

7. OTHER INCOME, GAINS AND LOSSES

(Continued)

7. 其他收入、收益及虧損

(續)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------------|----------------------------------|----------------------------------|
| Other gains and (losses) | 其他收益及(虧損) | | |
| Change in fair value in financial assets at fair value through profit or loss | 按公平值透過損益列賬之 金融資產之公平值變動 | (5,208) | (46,368) |
| Change in fair value in financial liability at fair value through profit or loss | 按公平值透過損益列賬之 金融負債之公平值變動 | 11,662 | 4,848 |
| Change in fair value on investment properties | 投資物業之公平值變動 | 645 | - |
| Impairment loss on loan receivables | 應收貸款減值虧損 | (1,211) | (29,948) |
| Impairment loss on finance lease receivables | 融資租賃應收款減值虧損 | (32,578) | (1,553) |
| Impairment loss on a loan receivable from sale-leaseback transaction | 售後回租交易的應收貸款 減值虧損 | (5,678) | - |
| Impairment loss on other receivables | 其他應收款減值虧損 | - | (800) |
| Write off of inventory | 存貨撇銷 | (833) | - |
| Net foreign exchange losses | 匯兌虧損淨額 | (523) | (1,047) |
| Gain on derecognition of subsidiaries | 取消確認附屬公司之收益 | - | 10,194 |
| Others | 其他 | (6,326) | (3,000) |
| | | (40,050) | (67,674) |

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8. DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES EMOLUMENTS

Directors and chief executive emoluments

The emolument paid or payable to each of the directors and chief executives were as follows:

8. 董事、主要行政人員及僱員薪酬

董事及主要行政人員薪酬

已付或應付各董事及主要行政人員之薪酬如下：

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

| | | Fees | Salaries and other benefits | Discretionary bonus | Share-based payments | Retirement benefits scheme contributions | Total |
|--|----------------|----------|-----------------------------|---------------------|----------------------|--|----------|
| | | 袍金 | 薪金及其他福利 | 酌情花紅 | 以股份為基礎之付款 | 退休福利計劃供款 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | | | (Note 3) (附註3) | | | |
| Executive Directors | 執行董事 | | | | | | |
| Mr. Wong Lik Ping | 王力平先生 | - | 5,220 | 1,305 | - | 18 | 6,543 |
| Mr. Lai Ka Fai | 黎嘉輝先生 | - | 1,885 | 500 | - | 18 | 2,403 |
| Mr. Tao Ke | 陶可先生 | - | 1,200 | 300 | - | 18 | 1,518 |
| Mr. Qiao Weibing | 喬衛兵先生 | - | 1,639 | 1,216 | - | 18 | 2,873 |
| Sub-total | 小計 | - | 9,944 | 3,321 | - | 72 | 13,337 |
| Non-executive Director | 非執行董事 | | | | | | |
| Ms. Yip Man Yi (Note 1) | 葉敏怡女士(附註1) | 25 | - | - | - | - | 25 |
| Sub-total | 小計 | 25 | - | - | - | - | 25 |
| Independent non-executive Directors | 獨立非執行董事 | | | | | | |
| Mr. Goh Choo Hwee | 吳慈飛先生 | 180 | - | 100 | - | - | 280 |
| Mr. U Keng Tin | 余擎天先生 | 180 | - | 100 | - | - | 280 |
| Mr. Ho Hin Yip | 何衍業先生 | 180 | - | 100 | - | - | 280 |
| Sub-total | 小計 | 540 | - | 300 | - | - | 840 |
| Total | 總計 | 565 | 9,944 | 3,621 | - | 72 | 14,202 |

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8. DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES EMOLUMENTS (Continued)

Directors and chief executive emoluments (Continued)

8. 董事、主要行政人員及僱員薪酬 (續)

董事及主要行政人員薪酬 (續)

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| | | Salaries and other benefits | Discretionary bonus | Share-based payments | Retirement benefits scheme contributions | Total | |
|--|----------------|-----------------------------------|------------------------|-------------------------|---|----------|--------|
| | Fees | 薪金及 其他福利 | 酌情花紅 | 以股份為 基礎之付款 | 退休福利 計劃供款 | 總計 | |
| | 袍金 | | | | | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| | | | (Note 3) | | | | |
| | | | (附註3) | | | | |
| Executive Directors | 執行董事 | | | | | | |
| Mr. Wong Lik Ping | 王力平先生 | - | 5,220 | 31,305 | - | 18 | 36,543 |
| Mr. Lai Ka Fai | 黎嘉輝先生 | - | 1,885 | 460 | - | 18 | 2,363 |
| Mr. Tao Ke | 陶可先生 | - | 1,200 | 300 | - | 18 | 1,518 |
| Mr. Qiao Weibing | 喬衛兵先生 | - | 1,766 | 150 | - | 18 | 1,934 |
| Sub-total | 小計 | - | 10,071 | 32,215 | - | 72 | 42,358 |
| Non-executive Director | 非執行董事 | | | | | | |
| Ms. Yeung Sau Han Agnes (Note 2) | 楊秀嫻女士 (附註2) | - | 154 | - | - | - | 154 |
| Sub-total | 小計 | - | 154 | - | - | - | 154 |
| Independent non-executive Directors | 獨立非執行董事 | | | | | | |
| Mr. Goh Choo Hwee | 吳慈飛先生 | 180 | - | 100 | - | - | 280 |
| Mr. U Keng Tin | 余擎天先生 | 180 | - | 100 | - | - | 280 |
| Mr. Ho Hin Yip | 何衍業先生 | 180 | - | 100 | - | - | 280 |
| Sub-total | 小計 | 540 | - | 300 | - | - | 840 |
| Total | 總計 | 540 | 10,225 | 32,515 | - | 72 | 43,352 |

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

8. DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES EMOLUMENTS (Continued)

Directors and chief executive emoluments (Continued)

Notes:

- (1) Ms. Yip Man Yi appointed as a non-executive director of the Company with effect from 17 October 2019.
- (2) Ms. Yeung Sau Han Agnes resigned as a non-executive director of the Company with effect from 3 August 2018.
- (3) The discretionary bonus is based on operating appraisal results and basic salary of each director with reference to the contribution to the Group for the annual operating results and the individual performance.

Employee emoluments

The five highest paid employees of the Group during the year included four directors (2018: four directors), details of whose remuneration are set out above. Details of the remuneration for the year of the remaining one (2018: one) highest paid employee who is neither a director nor chief executive of the Company is as follow:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------|----------------------------------|----------------------------------|
| Salaries and other benefits | 薪金及其他福利 | 1,037 | 1,300 |
| Discretionary bonus | 酌情花紅 | - | - |
| Retirement benefits scheme contributions | 退休福利計劃供款 | 18 | 18 |
| | | 1,055 | 1,318 |

8. 董事、主要行政人員及僱員薪酬 (續)

董事及主要行政人員薪酬 (續)

附註:

- (1) 葉敏怡女士獲委任為本公司非執行董事，自二零一九年十月十七日起生效。
- (2) 楊秀嫻女士辭任本公司非執行董事，自二零一八年八月三日起生效。
- (3) 酌情花紅乃根據經營評價結果及各董事之基本薪金，參照本集團之年度經營業績之貢獻及個人表現釐定。

僱員薪酬

年內，本集團5名最高薪僱員包括4名董事（二零一八年：4名董事），彼等薪酬詳情載於上文。餘下1名（二零一八年：1名）並非本公司董事或主要行政人員的最高薪僱員年內薪酬詳情如下：

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8. DIRECTORS, CHIEF EXECUTIVE AND EMPLOYEES EMOLUMENTS (Continued)

Employee emoluments (Continued)

The number of the highest paid employees who are not the directors and chief executive of the Company whose remuneration fell within the following bands is as follow:

| | | 2019 二零一九年 | 2018 二零一八年 |
|--------------------------------|-------------------------|---------------|---------------|
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 1 | 1 |

During the year, no emoluments were paid by the Group to any of the directors or chief executive as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments for both years.

9. TAXATION

8. 董事、主要行政人員及僱員薪酬 (續)

僱員薪酬 (續)

並非本公司董事及主要行政人員、其酬金屬於下列範圍內的最高薪僱員人數如下：

| | | 2019 二零一九年 | 2018 二零一八年 |
|--------------------------------|-------------------------|---------------|---------------|
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至1,500,000港元 | 1 | 1 |

年內，本集團概無向任何董事或主要行政人員支付任何薪酬作為其加入或加入本集團後之獎勵或作為離職補償。概無董事放棄兩個年度內之任何薪酬。

9. 稅項

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------------------|----------------------|----------------------------------|----------------------------------|
| Current tax: | 即期稅項： | | |
| PRC Enterprise Income Tax ("EIT") | 中國企業所得稅 (「企業所得稅」) | 1,202 | - |
| PRC withholding tax | 中國預扣稅 | - | 23,035 |
| | | 1,202 | 23,035 |
| Overprovision in prior year: | 過往年度過度撥備： | | |
| Hong Kong Profits Tax | 香港利得稅 | - | (22) |
| Deferred tax credit for current year | 本年度遞延稅項抵免 | (3,000) | (9,545) |
| Taxation for the year | 本年度稅項 | (1,798) | 13,468 |

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9. TAXATION (Continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit.

EIT is calculated at 25% of the estimated assessable profits of subsidiaries operating in the PRC.

PRC withholding tax represents withholding tax on the estimated capital gain tax arising from the disposal of partial interest in a joint venture as well as the dividend received from a PRC subsidiary.

The taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follow:

9. 稅項 (續)

香港利得稅按估計應課稅溢利之16.5%計算。

企業所得稅按於中國經營之附屬公司之估計應課稅溢利之25%計算。

中國預扣稅指出售一家合營企業部分權益產生之估計資本增值稅以及已收一家中國附屬公司股息之預扣稅。

綜合損益表之本年度稅項與除稅前虧損對賬如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|----------------------------------|
| Loss before tax for the year | 本年度除稅前虧損 | (52,761) | (359,626) |
| Tax at the domestic income tax rate (note) | 按國內所得稅稅率計算之稅項 (附註) | (12,728) | (62,197) |
| Tax effect of expenses not deductible for tax purpose | 就稅務而言不可扣減支出之稅務影響 | 3,861 | 51,161 |
| Tax effect of income not taxable for tax purpose | 就稅務而言毋須課稅收入之稅務影響 | (3,075) | (2,773) |
| Tax effect on share of result of a joint venture | 分佔一家合營企業業績之稅務影響 | - | (6,196) |
| Tax effect on share of result of an associate | 分攤一家聯營公司業績之稅務影響 | (4,849) | (1,732) |
| Utilisation of tax losses previously not recognised | 動用先前未確認之稅項虧損 | (122) | - |
| Withholding tax on capital gain on share transfer of partial interest in a joint venture | 一家合營企業部分權益之股份轉讓產生之資本增值之預扣稅 | - | 22,778 |
| Overprovision in prior year | 過往年度過度撥備 | - | (22) |
| Tax effect of tax losses not recognised | 未確認稅項虧損之稅務影響 | 15,115 | 21,346 |
| Others | 其他 | - | (8,897) |
| Taxation for the year | 本年度稅項 | (1,798) | 13,468 |

Note: The domestic tax rate applicable to profits in the tax jurisdictions concerned is used.

附註：採用適用於有關稅務管轄區溢利之國內稅率。

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10. LOSS FOR THE YEAR

10. 本年度虧損

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---|----------------------------------|----------------------------------|
| Auditor's remuneration | 核數師酬金 | 1,588 | 1,500 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 2,491 | 1,824 |
| Depreciation of Right-of-use assets | 使用權資產之折舊 | 2,812 | - |
| | | 5,303 | 1,824 |
| Interest expenses (included in cost of sales) | 利息開支(計入銷售成本) | 40,289 | 49,494 |
| Cost of inventories sold (included in cost of sales) | 已售存貨成本(計入銷售成本) | 3,545 | - |
| Minimum lease payment in respect of rental premises previously classified as operating lease under HKAS 17 | 先前根據香港會計準則 第17號分類為經營租賃之 租賃物業之最低租賃付款 | - | 4,861 |
| Interest on lease liabilities | 租賃負債之利息 | 5 | - |
| Short-term lease expenses | 短期租賃開支 | 3,847 | - |
| Staff costs: | 員工成本: | | |
| Directors' and chief executive's emoluments | 董事及主要行政人員薪酬 | 14,202 | 43,352 |
| Other staff costs | 其他員工成本 | | |
| - Salaries and other benefits | - 薪金及其他福利 | 19,752 | 23,018 |
| - Retirement benefits scheme contributions | - 退休福利計劃供款 | 1,510 | 1,635 |
| | | 35,464 | 68,005 |

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Loss | 虧損 | | |
| Loss for the year attributable to the owners of the Company | 本公司擁有人應佔之本年度虧損 | (34,132) | (372,098) |

| | | 2019 二零一九年 '000 千股 | 2018 二零一八年 '000 千股 |
|---|------------------|-----------------------------|-----------------------------|
| Number of shares | 股份數目 | | |
| Number of ordinary shares for the purpose of basic loss per share | 藉以計算每股基本虧損之普通股數目 | 11,919,198 | 11,919,198 |
| Number of ordinary shares for the purpose of diluted loss per share | 藉以計算每股攤薄虧損之普通股數目 | 11,919,198 | 11,919,198 |

The computation of diluted loss per share for the years ended 31 December 2019 and 2018 does not assume the exercise of share options granted by the Company as the exercise price of those options was higher than the average market price for shares.

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

計算截至二零一九年及二零一八年十二月三十一日止年度之每股攤薄虧損時並未假設本公司所授出購股權被行使，乃由於該等購股權的行使價高於股份的平均市價。

12. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2019, nor had any dividend been proposed since the end of the reporting period (2018: Nil).

12. 股息

截至二零一九年十二月三十一日止年度，概無向本公司普通股股東派付或擬派任何股息，於報告期末後亦無建議派付任何股息（二零一八年：無）。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

(1) Reconciliation of carrying amount

(1) 賬面值之對賬

| | | Ownership interests in leasehold land and building and other property held for own use carried at cost 按成本入賬的持有自用之租賃土地及樓宇及其他物業之擁有權權益 HK\$'000 千港元 | Leasehold improvements, furniture and fixtures 租賃物業裝修、傢具及裝置 HK\$'000 千港元 | Plant, machinery and equipment 廠房、機器及設備 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------------|--|---|---|---|--------------------------------|
| COST | 成本 | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 26,200 | 58 | 523 | 1,476 | 28,257 |
| Exchange differences | 匯兌差額 | - | - | (44) | (3) | (47) |
| Additions | 添置 | - | 6 | 5,762 | 320 | 6,088 |
| Disposals | 出售 | - | - | (22) | (243) | (265) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 26,200 | 64 | 6,219 | 1,550 | 34,033 |
| Impact on initial application on HKFRS 16 (Note i) | 初步應用香港財務報告準則第16號的影響(附註i) | 267 | - | - | - | 267 |
| At 1 January 2019 | 於二零一九年一月一日 | 26,467 | 64 | 6,219 | 1,550 | 34,300 |
| Exchange differences | 匯兌差額 | (1,672) | (1) | (196) | (32) | (1,901) |
| Additions | 添置 | 43,600 | 7 | 3,099 | - | 46,706 |
| Disposals | 出售 | - | - | - | (320) | (320) |
| Reassessment of lease liabilities (Note ii) | 重新評估租賃負債(附註ii) | (1,042) | - | - | - | (1,042) |
| Transfer to investment property (note 14) | 轉撥至投資物業(附註14) | (63,976) | - | - | - | (63,976) |
| Acquisition of subsidiary (note 39a) | 收購附屬公司(附註39a) | 86,333 | - | 2,059 | 65 | 88,457 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 89,710 | 70 | 11,181 | 1,263 | 102,224 |
| DEPRECIATION AND IMPAIRMENT | 折舊及減值 | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 873 | 53 | 267 | 907 | 2,100 |
| Exchange differences | 匯兌差額 | - | - | 19 | (46) | (27) |
| Charge for the year | 本年度支出 | 1,310 | - | 92 | 422 | 1,824 |
| Eliminated on disposal | 出售時撇銷 | - | - | (21) | (181) | (202) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 2,183 | 53 | 357 | 1,102 | 3,695 |
| Exchange differences | 匯兌差額 | (23) | - | (46) | (29) | (98) |
| Charge for the year | 本年度支出 | 2,812 | 2 | 2,373 | 116 | 5,303 |
| Eliminated on disposal | 出售時撇銷 | - | - | - | (105) | (105) |
| Reassessment of lease liabilities (Note ii) | 重新評估租賃負債(附註ii) | (382) | - | - | - | (382) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 4,590 | 55 | 2,684 | 1,084 | 8,413 |
| CARRYING AMOUNTS | 賬面值 | | | | | |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 85,120 | 15 | 8,497 | 179 | 93,811 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 24,017 | 11 | 5,862 | 448 | 30,338 |

13. PROPERTY, PLANT AND EQUIPMENT

(Continued)

(1) Reconciliation of carrying amount (Continued)

- Notes: (i) The Group has initially applied HKFRS 16 using the cumulative effect approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating lease under HKAS 17, see note 2(a)(i).
- (ii) The lease liability is remeasured when the Group exercised a termination option of a lease property.

(2) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

| | | 31 December 2019 二零一九年 十二月 三十一日 Notes 附註 | 1 January 2019 二零一九年 一月 一日 HK\$'000 千港元 |
|--|----------------------------|--|---|
| Ownership interests in leasehold land and building held for own use, carried at the depreciated cost | 按折舊成本列賬之持有自用之租賃土地及樓宇之擁有權權益 | (i) 85,120 | 24,017 |
| Other property lease for own use, carried at the depreciated cost | 按折舊成本列賬之其他自用物業租賃 | (ii) - | 267 |
| | | 85,120 | 24,284 |

- Notes: (i) Ownership interest in leasehold land and building held for own use represented the Group's land use rights on leasehold land and building located in Hong Kong and the PRC. Lump sum payments were made upfront to acquire these leasehold land and building in the PRC.
- (ii) The Group has obtained the right to use other property as its office through tenancy agreement. The lease runs for a period of 2 years.

13. 物業、廠房及設備 (續)

(1) 賬面值之對賬 (續)

- 附註: (i) 本集團已採用累計影響法初步應用香港財務報告準則第16號並調整二零一九年一月一日的期初結餘，以確認與先前根據香港會計準則第17號分類為經營租賃的租賃有關的使用權資產，見附註2(a)(i)。
- (ii) 倘本集團行使租賃物業的終止選擇權，租賃負債則重新計量。

(2) 使用權資產

按相關資產類別劃分的使用權資產的賬面淨值之分析如下：

| | 31 December 2019 二零一九年 十二月 三十一日 Notes 附註 | 1 January 2019 二零一九年 一月 一日 HK\$'000 千港元 |
|--|--|---|
| Ownership interests in leasehold land and building held for own use, carried at the depreciated cost | (i) 85,120 | 24,017 |
| Other property lease for own use, carried at the depreciated cost | (ii) - | 267 |
| | 85,120 | 24,284 |

- 附註: (i) 持有自用之租賃土地及樓宇之擁有權權益指本集團位於香港及中國的租賃土地的土地使用權及樓宇。本集團直接作出一次性全額付款以獲取位於中國的該等租賃土地及樓宇。
- (ii) 本集團已透過租賃協議獲得使用其他物業作為其辦公室的權利。租約為期兩年。

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13. PROPERTY, PLANT AND EQUIPMENT

(Continued)

(2) Right-of-use assets (Continued)

The analysis of expense item in relation to leases recognised in profit or loss is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Depreciation charge of right-of-use assets by class of underlying assets | 按相關資產類別劃分之使用權資產的折舊支出 | | |
| Ownership interest in leasehold land and building held for own use | 持有自用之租賃土地及樓宇之擁有權權益 | 2,430 | - |
| Other property leased for own use | 租賃以供自用的其他物業 | 382 | - |
| | | 2,812 | - |
| Interest on lease liabilities | 租賃負債之利息 | 5 | - |
| Expenses relating to short-term leases | 有關短期租賃之開支 | 3,847 | - |

Note: The Group has initially applied HKFRS 16 using the cumulative effect approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating lease under HKAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated, see note 2(a)(i).

During the year, additions to right-of-use assets were primarily related to newly acquired leasehold land and building in the PRC.

13. 物業、廠房及設備 (續)

(2) 使用權資產 (續)

與已於損益確認之租賃有關的開支項目的分析如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Depreciation charge of right-of-use assets by class of underlying assets | 按相關資產類別劃分之使用權資產的折舊支出 | | |
| Ownership interest in leasehold land and building held for own use | 持有自用之租賃土地及樓宇之擁有權權益 | 2,430 | - |
| Other property leased for own use | 租賃以供自用的其他物業 | 382 | - |
| | | 2,812 | - |
| Interest on lease liabilities | 租賃負債之利息 | 5 | - |
| Expenses relating to short-term leases | 有關短期租賃之開支 | 3,847 | - |

附註：本集團已採用累計影響法初步應用香港財務報告準則第16號並調整二零一九年一月一日的期初結餘，以確認與先前根據香港會計準則第17號分類為經營租賃的租賃有關的使用權資產。於二零一九年一月一日初步確認使用權資產後，本集團作為承租人須確認使用權資產折舊，而非採取以前以直線法於租賃期內確認根據經營租賃所產生之租金開支的政策。根據此方法，比較資料並未經重列，見附註2(a)(i)。

年內，添置使用權資產主要與新收購的位於中國的租賃土地及樓宇有關。

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14. INVESTMENT PROPERTIES

Movements of carrying amounts presented in the consolidated statement of financial position can be summarised as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Carrying amount at beginning of year | 年初之賬面值 | - | - |
| Acquisition of subsidiaries (note 39b) | 收購附屬公司(附註39b) | 70,117 | - |
| Transfer from property, plant and equipment (note 13) | 轉撥自物業、廠房及設備(附註13) | 63,976 | - |
| Net gain from fair value adjustments | 公平值變動之收益淨額 | 645 | - |
| Exchange difference | 匯兌差額 | (1,217) | - |
| Carrying amount at end of year | 年末之賬面值 | 133,521 | - |

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------------|--------|----------------------------------|----------------------------------|
| Property in Hong Kong | 於香港之物業 | 67,300 | - |
| Property in the PRC | 於中國之物業 | 66,221 | - |
| Carrying amount at end of the year | 年末之賬面值 | 133,521 | - |

During the year, there is no fair value of measurement of Level 1 and Level 2.

The fair value of the Group's investment properties located in Hong Kong and the PRC at 31 December 2019 have been arrived at on market value basis carried out by Centaline Surveyors Limited and Ravia Global Appraisal Advisory Limited respectively. They are independent valuers who hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment being valued.

14. 投資物業

於綜合財務狀況表呈列之賬面值變動概述如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Carrying amount at beginning of year | 年初之賬面值 | - | - |
| Acquisition of subsidiaries (note 39b) | 收購附屬公司(附註39b) | 70,117 | - |
| Transfer from property, plant and equipment (note 13) | 轉撥自物業、廠房及設備(附註13) | 63,976 | - |
| Net gain from fair value adjustments | 公平值變動之收益淨額 | 645 | - |
| Exchange difference | 匯兌差額 | (1,217) | - |
| Carrying amount at end of year | 年末之賬面值 | 133,521 | - |

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------------|--------|----------------------------------|----------------------------------|
| Property in Hong Kong | 於香港之物業 | 67,300 | - |
| Property in the PRC | 於中國之物業 | 66,221 | - |
| Carrying amount at end of the year | 年末之賬面值 | 133,521 | - |

年內，第一級及第二級並無公平值計量。

於二零一九年十二月三十一日，本集團位於香港及中國的投資物業的公平值乃分別按中原測量師行有限公司及瑞豐環球評估諮詢有限公司所進行之市場價值基準達致。彼等為獨立估值師，其持有認可及相關的專業資格，並於估值的投資物業地點及類別方面有近期經驗。

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14. INVESTMENT PROPERTIES (Continued)

14. 投資物業 (續)

The fair value of investment properties is a level 3 recurring fair value measurement. A reconciliation of the opening and closing balance is as follows:

投資物業公平值為第三級經常性公平值計量。期初及期末結餘對賬如下：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Opening balance (level 3 recurring fair value) 期初結餘 (第三級經常性公平值) | - | - |
| Acquisition of subsidiaries (note 39b) 收購附屬公司 (附註39b) | 70,117 | - |
| Transfer from property, plant and equipment (note 13) 轉撥自物業、廠房及設備 (附註13) | 63,976 | - |
| Net gain from fair value adjustments 公平值調整的收益淨額 | 645 | - |
| Exchange difference 匯兌差額 | (1,217) | - |
| Closing balance (level 3 recurring fair value) 期末結餘 (第三級經常性公平值) | 133,521 | - |
| Change in unrealised gains or losses for the year included in profit or loss for assets held at the end of the year 就年末所持資產計入損益之年內未變現收益或虧損變動 | 645 | - |

The fair value measurement is based on the above investment properties' highest and best use, which does not differ from their actual use.

公平值計量乃以上述投資物業的最高及最佳用途 (與其實際用途並無不同) 為基礎。

The fair value of investment properties is determined using direct comparison approach based on the principle of substitution, where the comparison is made based on asking prices of comparable properties. Comparable properties of similar size, timing of transaction, nature, character and location are analysed.

投資物業之公平值乃根據替代原則以直接比較法釐定，而比較乃基於可資比較物業之叫價進行。具有類似大小、交易時間、性質、特性及地點之可資比較物業已進行分析。

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14. INVESTMENT PROPERTIES (Continued)

14. 投資物業 (續)

Unobservable inputs(s)

不可觀察輸入數據

| | Range 範圍 2019 二零一九年 |
|--|------------------------------|
| Premium/(discount) on differences between the target properties and comparable properties in terms of size, timing of transaction, nature, character and location ("the Relevant Factors") | -26.8% to 7% |

目標物業及可資比較物業在大小、交易時間、性質、特性及地點(「相關因素」)方面的差異的溢價/(貼現)率

The higher premium the Relevant Factors of the target properties against comparable properties, the higher the fair value.

目標物業與可資比較物業之間相關因素的溢價越高，公平值越高。

15. GOODWILL

15. 商譽

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Cost | 成本 | | |
| At 1 January and 31 December | 於一月一日及十二月三十一日 | 103,373 | 103,373 |
| Accumulated impairment losses | 累計減值虧損 | | |
| At 1 January | 於一月一日 | (94,000) | (31,000) |
| Impairment losses recognised in the year | 年內所確認的減值虧損 | (9,373) | (63,000) |
| At 31 December | 於十二月三十一日 | (103,373) | (94,000) |
| Carrying value as at 31 December | 於十二月三十一日的賬面值 | - | 9,373 |

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15. GOODWILL (Continued)

The Company acquired the Financial Leasing Segment in early 2016 (the “Acquisition”), which are the provision of finance lease consulting service and financing service in the PRC. The goodwill generated from the Acquisition was allocated to Finance Leasing Segment. The Company is required to assess the carrying value of the goodwill annually or whenever there is an impairment indicator in accordance with HKAS 36.

Given that finance lease volume of new finance lease transactions maintained a record low and their profitability exacerbated in 2019, management, amongst others, made downward revisions on revenue and gross profit amount in the latest forecast model to reflect the underperformance of the business in 2019 and the enormous challenging operating environment that lies ahead. Based on the value-in-use calculation after being updated with the latest model and others as detailed below, all the remaining carrying amount of goodwill of HK\$9,373,000 was recognised as an impairment loss to profit or loss in 2019 (2018: HK\$63,000,000).

The recoverable amount of the CGU of the Financial Leasing Segment in 2019 is determined by the value-in-use calculation. The calculation was carried out by cash flow projections based on financial budgets approved by the management covering a five-year period (2018: five-year period), and a pre-tax discount rate of 15.10% (2018: 14.32%). Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate of 3% (2018: 3%). The estimated growth rates used are comparable to the growth rate for the industry.

The key assumption used in the value-in-use calculation is the average annual growth rate of turnover of the Financial Leasing Segment, which is determined based on the past performance and management’s expectation through market development. The discount rate used is pre-tax and reflects specific risks relating to Financial Leasing Segment. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate amount of the Financial Leasing Segment to exceed the aggregate recoverable amount of the segment.

15. 商譽 (續)

本公司於二零一六年年初收購融資租賃分部（「收購事項」），其於中國提供融資租賃諮詢服務及融資服務。收購事項產生的商譽分配至融資租賃分部。本公司須每年或存在減值指標時根據香港會計準則第36號評估商譽的賬面值。

鑒於二零一九年新融資租賃交易的融資租賃投放量維持歷史新低及其盈利能力惡化，管理層（其中包括）於最新預測模型中對收入及毛利進行下調，以反映二零一九年的業務表現欠佳以及未來面臨巨大挑戰的營運環境。根據經最新模型及下述其他者更新後的使用價值計算，所有餘下商譽賬面值9,373,000港元（二零一八年：63,000,000港元）於二零一九年於損益內確認為減值虧損。

二零一九年融資租賃分部的現金產生單位之可收回金額乃透過使用價值計算釐定。計算基於根據管理層批准的涵蓋五年期間（二零一八年：五年期間）的財務預算之現金流量預測及稅前貼現率15.10%（二零一八年：14.32%）估計。五年期間之後的現金流量以估計加權平均增長率3%（二零一八年：3%）推算。所使用估計增長率與行業增長率相若。

使用價值計算所使用的主要假設為融資租賃分部營業額的年均增長率，乃根據歷史表現及管理層對市場發展的預期而釐定。所使用的貼現率為稅前及反映有關融資租賃分部的特定風險。管理層認為任何該等假設可能出現的任何合理變動均可能導致融資租賃分部的總金額超出分部的總可回收金額。

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16. INTEREST IN AN ASSOCIATE

16. 於一家聯營公司之權益

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Unlisted investment at cost (note 35a) | 按成本計量之非上市投資 (附註35a) | 305,607 | 305,607 |
| Accumulated: | 累計: | | |
| Share of post-acquisition profits, net of dividends received | 分佔收購後溢利 (扣除已收股息) | 39,888 | 10,499 |
| Exchange difference | 匯兌差額 | (7,289) | (401) |
| | | 32,599 | 10,098 |
| | | 338,206 | 315,705 |

As at 31 December 2019 and 2018, particulars of the associate are as follows:

於二零一九年及二零一八年十二月三十一日，聯營公司的詳情如下：

| Name of associate 聯營公司名稱 | Place of incorporation/ registration and operations and kind of legal entity 註冊成立／註冊及 營業地點及法律實體種類 | Nominal value of registered Capital 註冊資本之 面值 | Interest held indirectly 間接持有之 權益 | Principal activities 主要業務 |
|---|---|---|--|--|
| Rizhao Lanshan Wansheng Harbour Company Limited ("Rizhao Lanshan") 日照嵐山萬盛港業 有限責任公司 (「日照嵐山」) | Sino-foreign enterprise, the PRC 中外合營企業·中國 | RMB430,000,000 人民幣 430,000,000元 | 25% | Loading and discharging services, storage services and leasing of terminal facilities and equipment 裝卸服務、貯存服務及出租碼頭設 施和設備 |

The Group indirectly owns 25% of the equity interests in Rizhao Lanshan after the partial disposal as disclosed in note 35(a). Rizhao Lanshan is a Sino-foreign enterprise established in the PRC and engaged in provision of terminal and logistics services including loading and discharging, storage and transfer of iron ore, steel products, timber and other goods and leasing of terminal facilities and equipment in Lanshan Harbour, Rizhao Port, Shandong Province of the PRC.

誠如附註35(a)所披露，本集團於部分出售後間接擁有日照嵐山25%之股權。日照嵐山乃一家於中國成立之中外合營企業，從事為中國山東省日照港嵐山港提供碼頭和物流服務，包括裝卸及轉存鐵礦石、鋼製產品、木材及其他物品，以及出租碼頭設施和設備。

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16. INTEREST IN AN ASSOCIATE (Continued)

Summarised financial information of associate

Summarised financial information in respect of the Group's associate is set out below.

The associate is accounted for using the equity method in these consolidated financial statements.

Rizhao Lanshan

16. 於一家聯營公司之權益 (續)

聯營公司之財務資料概要

有關本集團聯營公司之財務資料概要載於下文。

聯營公司於該等綜合財務報表內乃以權益法入賬。

日照嵐山

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------|-------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 245,979 | 211,930 |
| Non-current assets | 非流動資產 | 1,417,774 | 1,474,034 |
| Current liabilities | 流動負債 | (77,429) | (83,480) |
| Non-current liabilities | 非流動負債 | (13,378) | (119,532) |

The above amounts of assets and liabilities include the following:

上述資產及負債金額包括以下各項：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------------|----------------------------------|----------------------------------|
| Cash and cash equivalents | 現金及現金等值物 | 59,736 | 64,663 |
| Current financial liabilities (excluding trade and other payables and provisions) | 流動金融負債(不包括應付賬款及其他應付款及撥備) | (56,735) | (72,885) |
| Non-current financial liabilities (excluding trade and other payables and provisions) | 非流動金融負債(不包括應付賬款及其他應付款及撥備) | (13,378) | (119,532) |

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16. INTEREST IN AN ASSOCIATE (Continued)

Summarised financial information of the associate (Continued)

Rizhao Lanshan (Continued)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|-----------------|----------------------------------|--|
| Revenue | 收入 | 435,012 | 139,609 |
| Profit for the year and total comprehensive income for the year | 本年度溢利及本年度全面收入總額 | 117,557 | 40,342 |
| Dividends received from the associate during the year | 年內已收聯營公司之股息 | - | - |

The above profit for the year includes the following:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|-------------------------------|-------|----------------------------------|--|
| Depreciation and amortisation | 折舊及攤銷 | (45,636) | (15,341) |
| Interest income | 利息收入 | 253 | 92 |
| Interest expense | 利息開支 | (6,316) | (3,730) |
| Income tax expense | 所得稅開支 | (41,695) | (7,928) |

Note: The financial information in 2018 represents the result in an associate for the period from 1 September 2018 to 31 December 2018.

16. 於一家聯營公司之權益 (續)

聯營公司之財務資料概要 (續)

日照嵐山 (續)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|-----------------|----------------------------------|--|
| Revenue | 收入 | 435,012 | 139,609 |
| Profit for the year and total comprehensive income for the year | 本年度溢利及本年度全面收入總額 | 117,557 | 40,342 |
| Dividends received from the associate during the year | 年內已收聯營公司之股息 | - | - |

上述本年度溢利包括以下各項：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|-------------------------------|-------|----------------------------------|--|
| Depreciation and amortisation | 折舊及攤銷 | (45,636) | (15,341) |
| Interest income | 利息收入 | 253 | 92 |
| Interest expense | 利息開支 | (6,316) | (3,730) |
| Income tax expense | 所得稅開支 | (41,695) | (7,928) |

附註：二零一八年財務資料指自二零一八年九月一日起至二零一八年十二月三十一日止期間分攤一家聯營公司之業績。

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17. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

17. 按公平值透過其他全面收入列賬之股本投資

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Unlisted investments (Note) | 非上市投資 (附註) | | |
| – Equity securities (measured at fair value) | – 股本證券 (按公平值計量) | 55,517 | 35,174 |

Note: The above unlisted investments represent investments in unlisted equity securities issued by private entities established in the PRC. They were designated as equity investments at fair value through other comprehensive income as the investments are held for long term strategic purposes. They were measured at fair value in the manner described in note 32.

During the year ended 31 December 2019, the Group acquired an unlisted equity investment in a private entity established in the PRC with a carrying amount of RMB19,000,000 (approximately HK\$21,253,000) was stated at fair value.

In the opinion of the directors of the Company, the above investments are not expected to be realised within one year from the end of the year.

附註：上述非上市投資指投資於中國成立之私人實體所發行之非上市股本證券。由於投資持作長期戰略目的，該等非上市股本投資則指定為按公平值透過其他全面收入列賬之股本投資。該等投資按附註32所述方式以公平值計量。

截至二零一九年十二月三十一日止年度，本集團收購一家於中國成立的私人實體的非上市股本投資（按公平值呈列），賬面值為人民幣19,000,000元（約21,253,000港元）。

本公司董事認為，上述投資預計自年底起一年內無法變現。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18. FINANCE LEASE RECEIVABLES/DEPOSITS RECEIVED FROM CUSTOMERS 18. 融資租賃應收款／已收客戶按金

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|----------|----------------------------------|----------------------------------|
| Finance lease receivables | 融資租賃應收款 | 442,780 | 850,954 |
| Less: Provision for impairment losses | 減：減值虧損撥備 | (33,558) | (1,493) |
| | | 409,222 | 849,461 |

Leasing arrangements

Certain of the Group's machinery and equipment are leased out under finance leases. All leases are denominated in RMB. The average term of finance leases entered into is 5 years (2018: 4 years).

租賃安排

本集團之若干機器及設備乃根據融資租賃租出。所有租賃均以人民幣計值。所訂立之融資租賃平均期限為5年（二零一八年：4年）。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|------------|----------------------------------|----------------------------------|
| Non-current finance lease receivables | 非即期融資租賃應收款 | 69,913 | 422,157 |
| Current finance lease receivables | 即期融資租賃應收款 | 339,309 | 427,304 |
| | | 409,222 | 849,461 |

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18. FINANCE LEASE RECEIVABLES/DEPOSITS RECEIVED FROM CUSTOMERS (Continued)

18. 融資租賃應收款／已收客戶按金 (續)

Amounts receivable under finance leases

融資租賃項下應收賬款

| | | Minimum lease payments 最低租賃付款 | | Present value of lease payments 租賃付款之現值 | |
|--|-------------|----------------------------------|----------------------------------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Not later than one year | 不超過一年 | 387,474 | 459,423 | 339,309 | 427,304 |
| Later than one year and not later than two years | 超過一年但不超過兩年 | 58,208 | 225,942 | 55,930 | 208,707 |
| Later than two years and not later than five years | 超過兩年但不超過五年 | 14,146 | 241,410 | 13,983 | 213,450 |
| | | 459,828 | 926,775 | 409,222 | 849,461 |
| Less: unearned finance income | 減：未賺取融資收入 | (50,606) | (77,314) | — | — |
| Present value of minimum lease payments receivable | 應收最低租賃付款之現值 | 409,222 | 849,461 | 409,222 | 849,461 |

The Group's finance lease receivables are denominated in RMB. The effective interest rates of the finance leases as at 31 December 2019 range from 4.28% to 5.50% (2018: 4.28% to 8.00%) per annum.

As at 31 December 2019, finance lease receivables amounting to HK\$308,547,000 (2018: HK\$701,931,000) were guaranteed by related parties of customers and/or customers' deposits.

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements that needed to be recorded as at the end of the reporting period.

As at 31 December 2019, the finance lease receivables with carrying amounts of HK\$283,379,000 (2018: HK\$511,249,000) were pledged as security for the Group's borrowings.

本集團之融資租賃應收款以人民幣計值。於二零一九年十二月三十一日，融資租賃之實際年利率介乎4.28%至5.50%（二零一八年：4.28%至8.00%）。

於二零一九年十二月三十一日，融資租賃應收款308,547,000港元（二零一八年：701,931,000港元）由客戶之關聯方及／或客戶之存款擔保。

於報告期末，並無有關融資租賃安排或或然租賃安排之未擔保剩餘價值需予入賬。

於二零一九年十二月三十一日，賬面值為283,379,000港元（二零一八年：511,249,000港元）之融資租賃應收款已被質押作為本集團借款之抵押。

18. FINANCE LEASE RECEIVABLES/DEPOSITS RECEIVED FROM CUSTOMERS (Continued)

Amounts receivable under finance leases (Continued)

Estimates of fair value of collateral are made during the credit approval process. These estimates of valuations are made at the inception of finance lease, and generally not updated except when the receivable is individually impaired. When a finance lease receivable is identified as impaired, the corresponding fair value of collateral of that receivable is updated by reference to market value such as recent transaction price of the assets.

At the end of the reporting period, with the consent from the relevant lessees, certain of these assets have been repledged to secure borrowings of the Group.

Movements in the provision for impairment loss are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Balance at beginning of year | 年初結餘 | 1,493 | – |
| Impairment loss recognised for the year | 本年度已確認減值虧損 | 32,578 | 1,553 |
| Exchange difference | 匯兌差額 | (513) | (60) |
| Balance at end of year | 年末結餘 | 33,558 | 1,493 |

Security deposits received from customers at the end of the reporting period represent finance lease deposits received from customers which are repayable by end of the lease period of the respective finance leases.

Deposits of HK\$24,872,000 (2018: HK\$25,194,000) have been received by the Group to secure certain finance lease receivables and classified into current or non-current liabilities based on the final lease instalment due date stipulated in the finance lease agreements. The deposits are non-interest bearing, carried effective interest rate at 4.75% (2018: 4.75%) per annum. In addition, the finance lease receivables are secured over the leased assets, mainly plant and machinery leased, at the end of the reporting period. The Group is not permitted to sell, or repledge the collateral of the finance lease receivables without consent from the lessee in the absence of default by the lessee.

18. 融資租賃應收款／已收客戶按金 (續)

融資租賃項下應收賬款 (續)

於信貸審批過程中，對抵押品之公平值作出估計。該等估計之估值乃於設立融資租賃時作出，並通常不作更新，除非應收賬款出現個別減值則作別論。當融資租賃應收款被辨別為減值時，該應收賬款的抵押品的相應公平值將參考市場價值（如資產近期交易價格）予以更新。

於報告期末，經相關承租人同意，若干該等資產已被重新質押作為本集團借款之抵押。

減值虧損撥備的變動如下：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Balance at beginning of year | 1,493 | – |
| Impairment loss recognised for the year | 32,578 | 1,553 |
| Exchange difference | (513) | (60) |
| Balance at end of year | 33,558 | 1,493 |

於報告期末，已收客戶保證按金乃指已收客戶融資租賃按金，須於各融資租賃租期結束時償還。

本集團已收按金24,872,000港元（二零一八年：25,194,000港元）作為若干融資租賃應收款之抵押，並根據融資租賃協議中所訂明之最終租賃分期付款到期日分類為流動或非流動負債。該等按金為不計息，及按4.75%（二零一八年：4.75%）的實際年利率計息。此外，於報告期末，融資租賃應收款以租賃資產作抵押，主要為所租賃之廠房及機器。在承租人並無違約的情況下，未經承租人同意，本集團不得出售或重新質押融資租賃應收款之抵押品。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19. LOAN RECEIVABLES

19. 應收貸款

| | | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------|-------------|----------------------------------|----------------------------------|
| | | Notes 附註 | | |
| Carrying amount of loan receivables based on maturity set out in the loan agreements: | 根據貸款協議載明之到期日的應收貸款之賬面值： | | | |
| Receivables from sale-leaseback transaction within one year | 於一年內的售後回租交易應收款 | (d) | 151,011 | – |
| Less: Provision for impairment losses | 減：減值虧損撥備 | | (5,593) | – |
| | | | 145,418 | – |
| Other loan receivables | 其他應收貸款 | | | |
| Within one year | 一年內 | | | |
| – Loan A | – 貸款A | (a) | 25,509 | 25,509 |
| – Loan B | – 貸款B | (b) | – | 35,000 |
| – Loan C | – 貸款C | (c) | – | 80,000 |
| – Trust products | – 信託產品 | (e) | 74,181 | 39,634 |
| | | | 99,690 | 180,143 |
| More than one year but less than two years | 一年以上但少於兩年 | | | |
| – Trust products | – 信託產品 | (e) | 26,151 | 17,076 |
| | | | 125,841 | 197,219 |
| Less: Provision for impairment losses | 減：減值虧損撥備 | | (30,896) | (29,778) |
| | | | 94,945 | 167,441 |
| | | | 240,363 | 167,441 |

19. LOAN RECEIVABLES (Continued)

The Group's loan receivables were as follows.

- (a) During the year ended 31 December 2016, the Group entered into a loan agreement with an individual borrower (the "Borrower") who is an independent third party. The loan of HK\$30,000,000 is unsecured, interest bearing at a fixed interest rate of 10% per annum, repayable on 3 February 2017 and guaranteed by another individual guarantor (the "Guarantor"). The Borrower and the Guarantor were the then directors and substantial shareholders of a listed company in Hong Kong. As of 31 December 2018, the directors assessed the loan receivable was past due and credit-impaired based on the default history, and the carrying amount of HK\$25,509,000 was fully impaired based on lifetime ECL as an impairment loss recognised to profit or loss in 2018. There was no repayment of principal in 2019.
- (b) During the year ended 31 December 2017, the Group entered into a loan agreement with another individual borrower who is an independent third party. The loan of HK\$35,000,000 is unsecured, interest bearing at a fixed interest rate of 10% per annum and repayable on 5 June 2018. During the year ended 31 December 2018, the borrower has repaid the latest half-year interest and exercised an option to extend the repayment term by half-year to 5 December 2018. As at 31 December 2018, the loan principal and interest were overdue. The directors assessed that the loan balance and interests were past due but not credit-impaired as at 31 December 2018. The loan was fully settled in 2019.
- (c) During the year ended 31 December 2018, the Group entered into a loan agreement with an individual and his beneficial company, which are independent third parties. The loan of HK\$80,000,000 is secured by certain Hong Kong listed securities, guaranteed, interest-bearing at fixed rate of 10% per annum and fully repayable on 8 November 2019. The loan was fully settled in 2019.

19. 應收貸款 (續)

本集團應收貸款如下。

- (a) 於截至二零一六年十二月三十一日止年度，本集團與一名屬獨立第三方之個人借款人（「借款人」）訂立貸款協議。該筆30,000,000港元之貸款為無抵押，按固定年利率10%計息，須於二零一七年二月三日償還，並由另一名個人擔保人（「擔保人」）擔保。借款人及擔保人各自為香港一家上市公司當時之董事及主要股東。於二零一八年十二月三十一日，董事根據違約歷史評估應收貸款已逾期及發生信貸減值，而賬面值25,509,000港元已根據年內預期信貸虧損悉數減值並在二零一八年之損益內確認為減值虧損。於二零一九年，借款人並無償還本金。
- (b) 於截至二零一七年十二月三十一日止年度，本集團與另一名屬獨立第三方之個人借款人訂立貸款協議。該筆35,000,000港元之貸款為無抵押，按固定年利率10%計息，並須於二零一八年六月五日償還。截至二零一八年十二月三十一日止年度，借款人已償還最近期半年利息並行使選擇權延長還款期限半年至二零一八年十二月五日。於二零一八年十二月三十一日，貸款本金及利息均逾期。董事評估，貸款結餘及利息已逾期，但於二零一八年十二月三十一日並無信貸減值。貸款已於二零一九年悉數結清。
- (c) 截至二零一八年十二月三十一日止年度，本集團與均為獨立第三方的個人及其受益公司訂立貸款協議。貸款80,000,000港元由若干香港上市證券抵押、有擔保，按固定年利率10%計息並於二零一九年十一月八日悉數償還。貸款已於二零一九年悉數結清。

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19. LOAN RECEIVABLES (Continued)

- (d) During the year ended 31 December 2019, the Group entered into a sale-leaseback transaction agreement with an independent borrower. The sale-leaseback transaction of RMB135,000,000 (approximately HK\$151,010,000) were guaranteed by its controlling shareholder and secured by the leased assets with interest bearing at a fixed interest rate of 9% per annum and repayable on 8 January 2020. The directors assessed that the sale-leaseback transaction has a significant increase in credit risk since initial recognition and impairment loss based on lifetime ECL of RMB5,000,000 (approximately HK\$5,678,000) was recognised to profit or loss.
- (e) As at 31 December 2019, the Group's subsidiary, 北京恒嘉國際融資租賃有限公司 (Beijing Ever Grand International Finance Lease Co., Ltd., "BJ Ever Grand") and 恒嘉(天津)融資租賃有限公司 (Ever Grand (Tianjin) Finance Lease PRC Co. Ltd., "TJ Ever Grand") provided loan receivables with total gross amount of RMB89,694,000 (equivalent to approximately HK\$100,332,000) (2018: RMB50,000,000, equivalent to approximately HK\$56,920,000) through trust products issued by financial institutions in the PRC. Such loan receivables carried fixed interest rate ranging from 6.5% to 9.2% (2018: 7.0% to 8.5%) per annum with maturities in August 2018 to September 2021 (2018: August 2018 to May 2020).

During the year ended 31 December 2019, the Group received interest income of HK\$7,039,000 (2018: HK\$5,243,000) and recognised as other income.

Included was a trust loan at principal amount of RMB5,000,000 (approximately HK\$5,593,000) has been overdue since August 2018. The directors assessed that the overdue loan has been past due and its credit risk has been significant increased. Accordingly, the Group made provision of a lifetime impairment loss of HK\$5,593,000 (2018: HK\$4,269,000) as at 31 December 2019 and HK\$1,211,000 (2018: HK\$4,439,000) has been further provided and recognised to profit or loss for the year.

19. 應收貸款 (續)

- (d) 截至二零一九年十二月三十一日止年度，本集團與一名獨立借款人訂立售後回租交易協議。售後回租交易人民幣135,000,000元（約151,010,000港元）由其控股股東擔保並以按固定年利率9%計息的租賃資產作抵押，須於二零二零年一月八日償還。董事評估，售後回租交易的信貸風險自初步確認後顯著增加及基於年內預期信貸虧損的減值虧損人民幣5,000,000元（約5,678,000港元）已於損益內確認。
- (e) 於二零一九年十二月三十一日，本集團附屬公司北京恒嘉國際融資租賃有限公司（「北京恒嘉」）及恒嘉(天津)融資租賃有限公司（「天津恒嘉」）透過中國金融機構發行之信託產品提供總金額為人民幣89,694,000元（相當於約100,332,000港元）（二零一八年：人民幣50,000,000元，相當於約56,920,000港元）的應收貸款。該類應收貸款附有介乎6.5%至9.2%（二零一八年：7.0%至8.5%）之固定年利率，並於二零一八年八月至二零二一年九月（二零一八年：二零一八年八月至二零二零年五月）內到期。

於截至二零一九年十二月三十一日止年度，本集團已收利息收入7,039,000港元（二零一八年：5,243,000港元）並確認為其他收入。

其中本金金額為人民幣5,000,000元（約5,593,000港元）之信託貸款已自二零一八年八月逾期。董事評估認為，有關逾期貸款已逾期且其信貸風險已發生大幅增加。因此，本集團於二零一九年十二月三十一日計提年內減值虧損撥備5,593,000港元（二零一八年：4,269,000港元），而1,211,000港元（二零一八年：4,439,000港元）已於年內進一步計提撥備並於損益內確認。

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19. LOAN RECEIVABLES (Continued)

(f) Loan receivables and allowance for impairment losses:

As at 31 December 2019

| | | 12-month ECL | Lifetime ECL not credit impaired 非信貸減值 之年期內預期 信貸虧損 | Lifetime ECL credit impaired 已信貸減值 之年期內預期 信貸虧損 | Total |
|---------------------------------------|----------|-----------------|--|---|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Gross amount of loan receivables | 應收貸款總額 | 94,945 | 151,011 | 30,896 | 276,852 |
| Less: allowance for impairment losses | 減：減值虧損撥備 | - | (5,593) | (30,896) | (36,489) |
| Carrying amount of loan receivables | 應收貸款賬面值 | 94,945 | 145,418 | - | 240,363 |

As at 31 December 2018

於二零一八年十二月三十一日

| | | 12-month ECL | Lifetime ECL not credit impaired 非信貸減值 之年期內預期 信貸虧損 | Lifetime ECL credit impaired 已信貸減值 之年期內預期 信貸虧損 | Total |
|---------------------------------------|----------|-----------------|--|---|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Gross amount of loan receivables | 應收貸款總額 | 131,018 | 35,000 | 31,201 | 197,219 |
| Less: allowance for impairment losses | 減：減值虧損撥備 | - | - | (29,778) | (29,778) |
| Carrying amount of loan receivables | 應收貸款賬面值 | 131,018 | 35,000 | 1,423 | 167,441 |

19. 應收貸款 (續)

(f) 應收貸款及減值虧損撥備：

於二零一九年十二月三十一日

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19. LOAN RECEIVABLES (Continued)

19. 應收貸款 (續)

(g) Movement of allowances for impairment losses on loan receivables:

(g) 應收貸款減值虧損撥備的變動：

| | | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | Total |
|---|----------------------------|-----------------|---|------------------------------------|----------|
| | | 12個月預期 信貸虧損 | 非信貸減值 之年期內預期 信貸虧損 | 已信貸減值 之年期內預期 信貸虧損 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| Balance at 1 January 2018 | 於二零一八年一月一日的結餘 | - | - | - | - |
| New financial assets originated | 產生新金融資產 | - | - | 29,948 | 29,948 |
| Exchange difference | 匯兌差額 | - | - | (170) | (170) |
| Balance at 31 December 2018 and at 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日的結餘 | - | - | 29,778 | 29,778 |
| New financial assets originated | 產生新金融資產 | - | 5,678 | - | 5,678 |
| Remeasurement of ECL without transfer of stage | 重新計量無階段轉移的預期信貸虧損 | - | - | 1,211 | 1,211 |
| Exchange difference | 匯兌差額 | - | (85) | (93) | (178) |
| Balance at 31 December 2019 | 於二零一九年十二月三十一日的結餘 | - | 5,593 | 30,896 | 36,489 |

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20. CONTRACT ASSETS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The following is an aged analysis of contract assets, net of allowance for bad and doubtful debts, presented based on the date of recognition of revenue for service income at the end of the reporting period, which approximated the revenue recognition dates:

20. 合約資產、其他應收款、按金及預付款項

於報告期末按服務收入之收入確認日期(與收入確認日期相若)呈列之合約資產(扣除呆壞賬撥備)之賬齡分析如下:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Contract assets, aged at 0 – 30 days, under current assets | 流動資產項下賬齡為0-30日之 合約資產 | – | 3,320 |
| Other receivables, deposits and prepayments | 其他應收款、按金及預付款項 | 29,798 | 44,662 |
| Less: Amount not receivable within one year shown under non-current assets | 減：於非流動資產列示之 一年內不可收回款項 | (11,186) | (11,384) |
| | | 18,612 | 33,278 |

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20. CONTRACT ASSETS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. The Group has policy for allowance of bad and doubtful debts which is based on 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.

Contract assets of HK\$3,320,000 were reclassified to service income receivables arising from asset management advisory services, and were settled during the year. As at 31 December 2019, there is no contract assets (2018: HK\$3,320,000).

At the end of the reporting periods, the Group's contract assets was neither past due nor impaired. The Group did not hold any collateral over this balances.

The following is the breakdown of other receivables, deposits and prepayments:

20. 合約資產、其他應收款、按金及預付款項 (續)

於接受任何新客戶前，本集團評估潛在客戶之信貸質素並為客戶界定信貸限額。給予客戶之限額均定期檢討。本集團之呆壞賬撥備政策乃基於使用香港財務報告準則第9號簡化法並已基於年內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，並按債務人特定之前瞻性因素及經濟環境作出調整。

合約資產3,320,000港元已重新分類至自資產管理諮詢服務產生的應收服務收入並於年內結清。於二零一九年十二月三十一日，並無合約資產（二零一八年：3,320,000港元）。

於報告期末，本集團合約資產既未逾期亦未減值。本集團並無就該結餘持有任何抵押品。

以下為其他應收款、按金及預付款項之明細：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------|----------------------------------|----------------------------------|
| Prepayments | 預付款項 | 10,068 | 1,563 |
| Deposits (note i) | 按金 (附註i) | 12,180 | 32,465 |
| Deposits for property, plant and equipment | 物業、廠房及設備按金 | - | 288 |
| Other receivables | 其他應收款 | 7,550 | 10,346 |
| | | 29,798 | 44,662 |

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20. CONTRACT ASSETS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Note i

Deposits mainly represented an amount of HK\$11,186,000 (2018: HK\$11,384,000) paid to a non-bank financial institution which was backed by a deposit of the same amount received from a customer for the underlying finance lease arrangements pursuant to the requirement from the non-bank financial institution. Such deposit has been classified as a non-current asset as the underlying finance lease has term of over 1 year from the end of the reporting period. The remaining amounts of deposits represented deposits paid to third parties in the ordinary course of business.

As at 31 December 2018, deposit paid of HK\$20,000,000 to a connected vendor for the acquisition of the entire issued share capital of Quantum Power Limited as disclosed in the Company's announcements dated 2 November 2018 and 8 January 2019 and the Company's circular dated 31 January 2019. Upon completion of the acquisition, the amount has been utilised to offset the consideration.

Other receivables are unsecured, interest-free and will be settled within twelve months after the end of reporting period.

Movement in the allowance of contract assets, other receivables and deposits for bad and doubtful debts

| | | | |
|------------------------------|---------|-----|-----|
| Balance at beginning of year | 年初之結餘 | 800 | – |
| Impairment loss for the year | 本年度減值虧損 | – | 800 |
| Balance at end of year | 年末之結餘 | 800 | 800 |

20. 合約資產、其他應收款、按金及預付款項 (續)

附註

按金主要指支付予一家非銀行金融機構之金額11,186,000港元(二零一八年:11,384,000港元)。根據該非銀行金融機構之規定,其金額獲得客戶就相關融資租賃安排所收取的相同金額之按金支持。該等按金因相關融資租賃期限自報告期末起超過一年,已被分類為一項非流動資產。餘下按金金額指於日常業務過程中支付予第三方之按金。

誠如本公司日期為二零一八年十一月二日及二零一九年一月八日之公告以及本公司日期為二零一九年一月三十一日之通函所披露,於二零一八年十二月三十一日,本公司已就收購勁力有限公司全部已發行股本而向關連賣方支付按金20,000,000港元。於完成收購後,有關金額已用於抵銷代價。

其他應收款為無抵押、免息及將於報告期末後十二個月內結算。

有關呆壞賬的合約資產、其他應收款及按金撥備變動

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------|---------|----------------------------------|----------------------------------|
| Balance at beginning of year | 年初之結餘 | 800 | – |
| Impairment loss for the year | 本年度減值虧損 | – | 800 |
| Balance at end of year | 年末之結餘 | 800 | 800 |

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

21. 按公平值透過損益列賬之金融資產

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------|----------|----------------------------------|----------------------------------|
| Listed equity securities: | 上市股本證券： | | |
| – in Hong Kong | – 於香港 | 4,823 | 21,278 |
| – in the PRC | – 於中國 | 5,934 | 32,608 |
| Unlisted fund investment: | 非上市基金投資： | | |
| – in the PRC | – 於中國 | 14,921 | 4,548 |
| | | 25,678 | 58,434 |

22. DEPOSITS PLACED WITH NON-BANK FINANCIAL INSTITUTIONS, RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

22. 存放於非銀行金融機構之存款、受限制銀行存款以及現金及現金等值物

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Deposits placed with non-bank financial institutions | 存放於非銀行金融機構之存款 | 90,545 | 82,891 |
| Restricted bank deposits – non-current portion | 受限制銀行存款 – 非即期部分 | 19,520 | 19,865 |
| Cash and cash equivalents | 現金及現金等值物 | 107,033 | 262,123 |

Deposits placed with non-bank financial institutions are for trading in securities and interest bearing at prevailing market rates ranging from 0% to 0.35% (2018: 0% to 0.35%) per annum.

存放於非銀行金融機構之存款用作證券買賣並按介乎0%至0.35% (二零一八年: 0%至0.35%) 的現行市場年利率計息。

Restricted bank deposits were pledged to banks to secure bank borrowings granted to the Group as set out in note 24 and interest bearing at a prevailing market rates ranging from 0% to 3% (2018: 0.35% to 2.80%) per annum.

受限制銀行存款已抵押予銀行，以取得本集團獲授之銀行借款 (載於附註24)，並按現行市場利率計息，年利率介乎0%至3% (二零一八年: 0.35%至2.80%)。

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22. DEPOSITS PLACED WITH NON-BANK FINANCIAL INSTITUTIONS, RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents included (i) bank balances and cash; and (ii) certain highly liquid investments.

Bank balances carry interest at prevailing market rates which is 0% to 0.38% (2018: 0.01% to 2.5%) per annum.

Highly liquid investments as at 31 December 2018 were wealth management products issued by the PRC financial institutions with rate of return ranged from 1.6% per annum to 4.5% per annum and repayable for 14 days to 28 days. There was no highly liquid investment as at 31 December 2019.

Included in deposits placed with non-bank financial institutions, restricted bank deposits and cash and cash equivalents are the following amounts denominated in currencies other than the functional currency of the relevant group entity to which they relate:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----|-----|----------------------------------|----------------------------------|
| RMB | 人民幣 | 13 | 7 |

23. SERVICE COST PAYABLES, OTHER PAYABLES AND ACCRUALS

| | |
|--------------------------|--------|
| Service cost payables | 應付服務成本 |
| Accruals | 應計費用 |
| Value-added tax payables | 應付增值稅 |
| Other payables | 其他應付款 |
| Receipt in advance | 預收款項 |

| | | | |
|--|--|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| | | 1,041 | 7,563 |
| | | 20,669 | 13,807 |
| | | 405 | 336 |
| | | 6,168 | 5,526 |
| | | 368 | - |
| | | 28,651 | 27,232 |

22. 存放於非銀行金融機構之存款、受限制銀行存款以及現金及現金等值物 (續)

現金及現金等值物包括(i)銀行結餘及現金；及(ii)若干高流通性投資。

銀行結餘按現行市場利率計息，年利率為0%至0.38%（二零一八年：0.01%至2.5%）。

高流通性投資於二零一八年十二月三十一日為中國金融機構發行的理財產品，回報率介乎每年1.6%至每年4.5%並於14日至28日償還。二零一九年十二月三十一日並無高流通性投資。

存放於非銀行金融機構之存款、受限制銀行存款以及現金及現金等值物包括以有關集團實體功能貨幣以外之貨幣計值之款項如下：

23. 應付服務成本、其他應付款及應計費用

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| Service cost payables | 應付服務成本 | 1,041 | 7,563 |
| Accruals | 應計費用 | 20,669 | 13,807 |
| Value-added tax payables | 應付增值稅 | 405 | 336 |
| Other payables | 其他應付款 | 6,168 | 5,526 |
| Receipt in advance | 預收款項 | 368 | - |
| | | 28,651 | 27,232 |

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23. SERVICE COST PAYABLES, OTHER PAYABLES AND ACCRUALS (Continued)

Service cost payables, other payables and accruals principally comprise amounts outstanding for service costs and ongoing costs.

The normal credit period of service cost is 0 – 5 days.

An aged analysis of the Group's service cost payables at the end of the reporting period presented based on the invoice dates is as follows:

23. 應付服務成本、其他應付款及應計費用 (續)

應付服務成本、其他應付款及應計費用主要包括服務成本尚未償還之款項及持續成本。

就服務成本提供之一般信貸期為0–5日。

於報告期末按發票日期呈列之本集團應付服務成本之賬齡分析如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------|---------|----------------------------------|----------------------------------|
| 0–30 days | 0–30日 | – | 3,320 |
| 91–180 days | 91–180日 | – | – |
| Over 365 days | 365日以上 | 1,041 | 4,243 |
| | | 1,041 | 7,563 |

24. BORROWINGS

24. 借款

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------|-----------|----------------------------------|----------------------------------|
| Secured: | 有抵押： | | |
| Bank borrowings (Note) | 銀行借款 (附註) | 399,396 | 417,622 |
| Other borrowings (Note) | 其他借款 (附註) | 193,891 | 432,592 |
| | | 593,287 | 850,214 |

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24. BORROWINGS (Continued)

The borrowings are repayable as follows:*

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 523,654 | 428,570 |
| Within a period of more than one year but not exceeding two years | 一年以上但不超過兩年之 期間內 | 55,706 | 208,479 |
| Within a period of more than two years but not exceeding five years | 兩年以上但不超過五年之 期間內 | 13,927 | 213,165 |
| | | 593,287 | 850,214 |
| Less: Amounts due within one year shown under current liabilities | 減：於流動負債列示之一年內 到期之款項 | (523,654) | (428,570) |
| Amounts shown under non-current liabilities | 於非流動負債列示之款項 | 69,633 | 421,644 |

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Note:

The bank and other borrowings at 31 December 2019 are interest bearing at floating rates ranged from 4.28% to 9.00% (2018: 4.28% to 8.00%) per annum, secured by the machinery and equipment leased to customers under finance lease, restricted bank deposits and/or finance lease receivables of the Group. Approximately HK\$268,893,000 (2018: HK\$474,542,000) of the borrowings were also guaranteed by shareholders of certain sale-leaseback transaction and finance lease customers.

24. 借款 (續)

借款須於以下期限償還：*

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 523,654 | 428,570 |
| Within a period of more than one year but not exceeding two years | 一年以上但不超過兩年之 期間內 | 55,706 | 208,479 |
| Within a period of more than two years but not exceeding five years | 兩年以上但不超過五年之 期間內 | 13,927 | 213,165 |
| | | 593,287 | 850,214 |
| Less: Amounts due within one year shown under current liabilities | 減：於流動負債列示之一年內 到期之款項 | (523,654) | (428,570) |
| Amounts shown under non-current liabilities | 於非流動負債列示之款項 | 69,633 | 421,644 |

* 到期金額乃以貸款協議載明之排期還款日為依據。

附註：

於二零一九年十二月三十一日，銀行及其他借款乃按浮息利率計息，年利率介乎4.28%至9.00%（二零一八年：4.28%至8.00%），以本集團透過融資租賃租予客戶之機器及設備、受限制銀行存款及／或融資租賃應收款作抵押。約268,893,000港元（二零一八年：474,542,000港元）之借款亦由若干售後回租交易及融資租賃客戶之股東作擔保。

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25. FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

25. 按公平值透過損益列賬之金融資產

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| At beginning of year | 於年初 | 27,322 | - |
| Grant of a call option | 授出認購期權 | - | 32,170 |
| Change in fair value recognised in profit or loss | 於損益內確認之公平值變動 | (11,662) | (4,848) |
| At end of year | 於年末 | 15,660 | 27,322 |

As disclosed in note 35(a), the Group entered into a Call Option Undertaking to grant the Call option to the purchaser of joint venture of the Group. The fair value of the call option at the date of disposal of joint venture, i.e. 31 August 2018 and as at 31 December 2019 and 2018 have been determined in accordance with a valuation report issued by Ravia Global Appraisals Advisory Limited, an independent valuer, using the Binomial Option Pricing Model. A gain on fair value change of approximately HK\$11,662,000 (2018: HK\$4,848,000) was recognised in consolidated statement of profit or loss during the year ended 31 December 2019.

誠如附註35(a)所披露，本集團訂立認購期權承諾以向本集團合營企業的買方授出認購期權。於出售合營企業日期，即二零一八年八月三十一日以及二零一九年及二零一八年十二月三十一日，認購期權的公平值乃根據獨立估值師瑞豐環球評估諮詢有限公司出具的估值報告使用二項式期權定價模型釐定。於截至二零一九年十二月三十一日止年度，公平值變動收益約11,662,000港元（二零一八年：4,848,000港元）已於綜合損益表內確認。

26. SHARE CAPITAL

26. 股本

| | | Number of shares 股份數目 '000 千股 | Share capital 股本 HK\$'000 千港元 |
|--|--------------------------------------|---|---|
| Ordinary shares of HK\$0.01 each | 每股面值0.01港元之普通股 | | |
| Authorised: | 法定： | | |
| At 1 January 2018, 31 December 2018 and 31 December 2019 | 於二零一八年一月一日、二零一八年十二月三十一日及二零一九年十二月三十一日 | 40,000,000 | 40,000,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| At 1 January 2018, 31 December 2018 and 31 December 2019 | 於二零一八年一月一日、二零一八年十二月三十一日及二零一九年十二月三十一日 | 119,192 | 119,192 |

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27. DEFERRED TAX

The following are the major deferred tax (assets)/liabilities recognised by the Group and the movement thereon, during the current and prior years.

27. 遞延稅項

以下為本集團於本年度及過往年度確認之主要遞延稅項(資產)/負債及其變動。

| | | Imputed interest on deposits received from customers | Undistributed profits of subsidiaries, a joint venture and an associate 附屬公司、 一家合營企業 及一家聯營 公司之 未分配溢利 | Tax losses | Total |
|-----------------------------------|----------------------|--|--|-------------------------|-----------------------|
| | | 已收客戶按金 之估算利息 HK\$'000 千港元 | 公司之 未分配溢利 HK\$'000 千港元 | 稅項虧損 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 2,147 | 15,526 | - | 17,673 |
| Exchange differences | 匯兌差額 | (97) | - | - | (97) |
| Credit to profit or loss (note 9) | 於損益計入(附註9) | (391) | (9,154) | - | (9,545) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 1,659 | 6,372 | - | 8,031 |
| Exchange differences | 匯兌差額 | (26) | - | 43 | 17 |
| Credit to profit or loss (note 9) | 於損益計入(附註9) | (161) | - | (2,839) | (3,000) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,472 | 6,372 | (2,796) | 5,048 |

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27. DEFERRED TAX (Continued)

At 31 December 2019, other than the deferred tax assets from tax losses mentioned above, subsidiaries of the Group had unused tax losses of approximately HK\$281,724,000 (2018: HK\$203,533,000) available for offset against future profit. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams of those subsidiaries. Except for an amount of HK\$24,476,000 (2018: HK\$924,000) carried forward for 5 years, the remaining unused tax losses may be carried forward indefinitely.

As at 31 December 2018, the Group had unrecognised deductible temporary differences of HK\$5,532,000, it was not probable that taxable profit would be available against which such deductible differences could be utilised. As at 31 December 2019, the Group had no such deductible temporary differences.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC group entities from 1 January 2008 onwards. Withholding tax is provided at 5% (2018: 5%) on the distributable profits, if any, of the Group's PRC group entities and included in deferred taxation.

27. 遞延稅項 (續)

於二零一九年十二月三十一日，除上述稅項虧損之遞延稅項資產外，本集團附屬公司有未動用稅項虧損約281,724,000港元（二零一八年：203,533,000港元）可用於抵銷未來溢利。由於該等附屬公司之未來溢利流難以預測，故並無就該等稅項虧損確認遞延稅項資產。除24,476,000港元（二零一八年：924,000港元）之金額可結轉5年外，餘下未動用稅項虧損可無限期結轉。

於二零一八年十二月三十一日，本集團擁有未確認可扣減暫時差額5,532,000港元，且不大可能有可動用有關可扣減差額的應課稅溢利。於二零一九年十二月三十一日，本集團並無有關可扣減暫時差額。

根據中國企業所得稅法，自二零零八年一月一日起，就中國集團實體所賺取溢利宣派之股息須繳交預扣稅。預扣稅乃按本集團中國集團實體可分配溢利（如有）之5%（二零一八年：5%）計提撥備，並計入遞延稅項。

28. SHARE-BASED PAYMENT TRANSACTIONS 28. 以股份為基礎之付款交易

The Company's new share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 29 July 2016 for the primary purpose of providing incentives to directors and eligible employees (the "Grantees"). Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company, to subscribe for shares in the Company.

At 31 December 2019, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 19,833,334 (2018: 59,666,666), representing 0.17% (2018: 0.50%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per option. Options are divided into 3 tranches, namely Tranch 1, Tranch 2 and Tranch 3, and are exercisable, subject to the fulfilment of vesting conditions which, among others, includes the achieving of specific annual financial performance target of a subsidiary of the Company for each of the year ended 31 December 2016, 2017 and 2018 for Tranch 1, Tranch 2 and Tranch 3 respectively, that whether achieved or not would be confirmed around the time in the first quarter of the following year then vest, to the fifth anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

本公司根據二零一六年七月二十九日通過之一項決議案採納新購股權計劃（「計劃」），主要目的是向董事及合資格僱員（「承授人」）給予激勵。根據計劃，本公司董事可向合資格僱員（包括本公司董事）授出購股權以認購本公司股份。

於二零一九年十二月三十一日，根據計劃已授出且尚未行使之購股權涉及之股份數目為19,833,334股（二零一八年：59,666,666股），佔該日本公司已發行股份之0.17%（二零一八年：0.50%）。未經本公司股東事先批准，根據計劃可能授出之購股權涉及之股份總數不得超過本公司不時已發行股份之10%。未經本公司股東事先批准，任何一年內已授出及可能授出予任何個人之購股權所涉及之已發行及將予發行之股份數目不得超過本公司不時已發行股份之1%。

授出之購股權須在支付每份購股權1港元之後於授出日期起28日內接納。購股權分為3批，即第一批、第二批及第三批，可予以行使，惟須滿足歸屬條件，其中包括達到本公司附屬公司為第一批、第二批及第三批分別設定之截至二零一六年、二零一七年及二零一八年十二月三十一日止各年度特定財務表現年度目標（是否達成或將於當時歸屬年度首個季度確認），直至於授出日期起第五個週年。行使價由本公司董事釐定，且將不低於以下較高者：(i) 本公司股份於授出日期之收市價；(ii) 於緊接授出日期前五個營業日，股份之平均收市價；及(iii) 本公司股份面值。

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28. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

The following table discloses the movements of the Company's share options during the year ended 31 December 2019:

28. 以股份為基礎之付款交易

(續)

下表披露本公司截至二零一九年十二月三十一日止年度之購股權變動情況：

| Name of participant 參與者姓名 | Date of grant 授出日期 | Exercisable period 行使期 | Exercise price 行使價 | Number of share options outstanding at 1 January 2019 於二零一九年一月一日尚未行使之購股權數目 | | | | Lapsed during the year 年內已失效 | | | | Number of share options outstanding at 31 December 2019 於二零一九年十二月三十一日尚未行使之購股權數目 | | | |
|---|-------------------------|---|-----------------------|---|-----------------|-----------------|-------------|---------------------------------|-----------------|-----------------|--------------|--|-----------------|-----------------|-------------|
| | | | | Tranch 1 第一批 | Tranch 2 第二批 | Tranch 3 第三批 | Total 總計 | Tranch 1 第一批 | Tranch 2 第二批 | Tranch 3 第三批 | Total 總計 | Tranch 1 第一批 | Tranch 2 第二批 | Tranch 3 第三批 | Total 總計 |
| Executive Directors 執行董事 | | | | | | | | | | | | | | | |
| Qiao Weibing 喬衛兵 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 3,333,333 | - | 3,333,334 | 6,666,667 | - | - | (3,333,334) | (3,333,334) | 3,333,333 | - | - | 3,333,333 |
| Lai Ka Fai 黎嘉輝 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 1,333,333 | - | 1,333,334 | 2,666,667 | - | - | (1,333,334) | (1,333,334) | 1,333,333 | - | - | 1,333,333 |
| Tao Ke 陶可 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 1,000,000 | - | 1,000,000 | 2,000,000 | - | - | (1,000,000) | (1,000,000) | 1,000,000 | - | - | 1,000,000 |
| Independent non-executive Directors 獨立非執行董事 | | | | | | | | | | | | | | | |
| Goh Choo Hwee 吳慈飛 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 666,667 | - | 666,666 | 1,333,333 | - | - | (666,666) | (666,666) | 666,667 | - | - | 666,667 |
| Ho Hin Yip 何衍業 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 666,667 | - | 666,666 | 1,333,333 | - | - | (666,666) | (666,666) | 666,667 | - | - | 666,667 |
| U Keng Tin 余擎天 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 666,667 | - | 666,666 | 1,333,333 | - | - | (666,666) | (666,666) | 666,667 | - | - | 666,667 |
| Employees 僱員 | | | | | | | | | | | | | | | |
| Wang Liang 王亮 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 3,333,333 | - | 3,333,334 | 6,666,667 | (3,333,333) | - | (3,333,334) | (6,666,667) | - | - | - | - |
| Other participants 其他參與者 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 18,833,332 | - | 18,833,334 | 37,666,666 | (6,666,665) | - | (18,833,334) | (25,499,999) | 12,166,667 | - | - | 12,166,667 |
| | | | | 29,833,332 | - | 29,833,334 | 59,666,666 | (9,999,998) | - | (29,833,334) | (39,833,332) | 19,833,334 | - | - | 19,833,334 |
| Exercisable at the end of the reporting period 於報告期末可予行使 | | | | | | | | | | | 19,833,334 | - | - | 19,833,334 | |

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28. SHARE-BASED PAYMENT TRANSACTIONS 28. 以股份為基礎之付款交易
(Continued) (續)

The following table discloses the movements of the Company's share options granted during the year ended 31 December 2018:

下表披露截至二零一八年十二月三十一日止年度本公司授出之購股權之變動情況：

| Name of participant 參與者姓名 | Date of grant 授出日期 | Exercisable period 行使期 | Exercise price 行使價 | Number of share options outstanding at 1 January 2018 於二零一八年一月一日 尚未行使之購股權數目 | | | | Lapsed during the year 年內已失效 | | | | Number of share options outstanding at 31 December 2018 於二零一八年十二月三十一日 尚未行使之購股權數目 | | | | | | | | | | |
|---|-------------------------|---|-----------------------|--|-----------------|-----------------|-------------|---------------------------------|-----------------|-----------------|--------------|---|-----------------|-----------------|-------------|--------------|-------------|--------------|------------|------------|------------|------------|
| | | | | Tranch 1 第一批 | Tranch 2 第二批 | Tranch 3 第三批 | Total 總計 | Tranch 1 第一批 | Tranch 2 第二批 | Tranch 3 第三批 | Total 總計 | Tranch 1 第一批 | Tranch 2 第二批 | Tranch 3 第三批 | Total 總計 | | | | | | | |
| Executive Directors 執行董事 | | | | | | | | | | | | | | | | | | | | | | |
| Qiao Weibing 喬衛兵 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 3,333,333 | 3,333,333 | 3,333,334 | 10,000,000 | - | (3,333,333) | - | (3,333,333) | 3,333,333 | - | 3,333,334 | 6,666,667 | | | | | | | |
| Lai kai Fai ² 黎嘉輝 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 1,333,333 | 1,333,333 | 1,333,334 | 4,000,000 | - | (1,333,333) | - | (1,333,333) | 1,333,333 | - | 1,333,334 | 2,666,667 | | | | | | | |
| Tao Ke 陶可 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 1,000,000 | 1,000,000 | 1,000,000 | 3,000,000 | - | (1,000,000) | - | (1,000,000) | 1,000,000 | - | 1,000,000 | 2,000,000 | | | | | | | |
| Independent non-executive Directors 獨立非執行董事 | | | | | | | | | | | | | | | | | | | | | | |
| Goh Choo Hwee 吳慈飛 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 666,667 | 666,667 | 666,666 | 2,000,000 | - | (666,667) | - | (666,667) | 666,667 | - | 666,666 | 1,333,333 | | | | | | | |
| Ho Hin Yip 何衍業 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 666,667 | 666,667 | 666,666 | 2,000,000 | - | (666,667) | - | (666,667) | 666,667 | - | 666,666 | 1,333,333 | | | | | | | |
| U Keng Tin 余擎天 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 666,667 | 666,667 | 666,666 | 2,000,000 | - | (666,667) | - | (666,667) | 666,667 | - | 666,666 | 1,333,333 | | | | | | | |
| Employees 僱員 | | | | | | | | | | | | | | | | | | | | | | |
| Wang Liang 王亮 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 3,333,333 | 3,333,333 | 3,333,334 | 10,000,000 | - | (3,333,333) | - | (3,333,333) | 3,333,333 | - | 3,333,334 | 6,666,667 | | | | | | | |
| Other participants 其他參與者 | 8.12.2016 二零一六年十二月八日 | Upon vesting of options to 28.7.2021 購股權歸屬之後至二零二一年七月二十八日 | 0.12 | 22,999,999 | 22,999,999 | 23,000,002 | 69,000,000 | (4,166,667) | (22,999,999) | (4,166,668) | (31,333,334) | 18,833,332 | - | 18,833,334 | 37,666,666 | | | | | | | |
| | | | | | | | | | | | 33,999,999 | 33,999,999 | 34,000,002 | 102,000,000 | (4,166,667) | (33,999,999) | (4,166,668) | (42,333,334) | 29,833,332 | - | 29,833,334 | 59,666,666 |
| Exercisable at the end of the reporting period 於報告期末可予行使 | | | | | | | | | | | | | 29,833,332 | | | - | | | - | 29,833,332 | | |

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28. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

| | |
|-------------------------|-----------|
| Share price on | |
| 8 December 2016 | 0.10 |
| Exercise price | 0.12 |
| Expected volatility | 63.64% |
| Expected life | 4.6 years |
| Risk-free rate | 1.18% |
| Expected dividend yield | 0.00% |

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Binomial model had been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options were based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

28. 以股份為基礎之付款交易

(續)

該等公平值採用二項式模式計算。該模式之輸入值如下：

| | |
|----------|--------|
| 於二零一六年 | |
| 十二月八日之股價 | 0.10 |
| 行使價 | 0.12 |
| 預計波幅 | 63.64% |
| 預計年限 | 4.6年 |
| 無風險利率 | 1.18% |
| 預計股息率 | 0.00% |

預計波幅採用本公司股價過往五年之歷史波幅釐定。該模式採用之預計年限已依據管理層之最佳估計就不可轉讓性、行使限制及行為因素之影響作出調整。

二項式模式用於估計購股權之公平值。計算購股權公平值所用變量及假設乃依據董事之最佳估計。購股權價值隨若干主觀假設之不同變數而變動。

29. OPERATING LEASE COMMITMENT

Operating leases – lessor

The Group's investment properties are leased to a number of tenants for two to three years.

The minimum rent receivables under non-cancellable operating leases are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------------------|------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 4,762 | – |
| In the second to fifth year | 兩至五年 | 4,840 | – |
| | | 9,602 | – |

As lessee prior to 31 December 2018

As at 31 December 2018, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

| | | 2018 二零一八年 HK\$'000 千港元 |
|-----------------|-----|----------------------------------|
| Within one year | 一年內 | 431 |

Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.

29. 經營租賃承擔

經營租賃 – 出租人

本集團之投資物業租予若干租戶兩至三年。

不可撤銷經營租賃項下之最低應收租金如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------------------|------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 4,762 | – |
| In the second to fifth year | 兩至五年 | 4,840 | – |
| | | 9,602 | – |

二零一八年十二月三十一日前作為承租人

於二零一八年十二月三十一日，本集團有關辦公室物業之不可撤銷經營租賃項下之未來最低租賃付款承擔之到期日如下：

| | | 2018 二零一八年 HK\$'000 千港元 |
|-----------------|-----|----------------------------------|
| Within one year | 一年內 | 431 |

租期經協商平均為兩年，於平均兩年之租期內租金乃固定不變。

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30. CAPITAL COMMITMENTS

30. 資本承擔

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------------------|----------------------------------|----------------------------------|
| Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements | 已訂約惟未於綜合財務報表撥備之物業、廠房及設備增購之資本開支 | 124 | 643 |

31. RETIREMENT BENEFITS SCHEMES

31. 退休福利計劃

The operating subsidiaries in Hong Kong joined the mandatory provident fund scheme ("MPF Scheme") for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Scheme Ordinance. The assets of the scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions at 5% of the relevant payroll of the employees to the MPF Scheme, capped at HK\$1,500 per employee per month. The obligation of the Group with respect of MPF Scheme is to make the required contribution under the MPF Scheme. The retirement benefits cost charged to the consolidated statement of profit or loss represent contributions paid and payable to the MPF Scheme by the Group.

本集團於香港經營之附屬公司為所有香港僱員參與強制性公積金計劃（「強積金計劃」）。強積金計劃乃根據強制性公積金計劃條例於強制性公積金計劃管理局登記。強積金計劃之資產由獨立受託人以基金形式管理，並與本集團之資產分開持有。根據強積金計劃之條例，僱主及僱員均須按僱員有關薪酬之5%向強積金計劃作出供款，每名僱員每月最高為1,500港元。本集團根據強積金計劃所承擔之責任為根據強積金計劃作出所需供款。於綜合損益表中所列之退休福利成本指本集團就強積金計劃已付或應付之供款。

The PRC employees of the subsidiaries in the PRC are members of the pension scheme operated by the PRC local government. The subsidiaries are required to contribute 16% – 19% (2018: 19% – 20%) of the relevant payroll of these employees to the pension scheme to fund the benefits. The only obligation for the Group with respect to the pension scheme is the required contributions under the pension scheme.

中國附屬公司之中國僱員已參與由中國當地政府設立之退休金計劃。該等附屬公司須按該等僱員有關薪酬之16% – 19%（二零一八年：19% – 20%）向退休金計劃供款以為福利融資。本集團於該退休金計劃下所負之唯一責任為作出退休金計劃規定之供款。

During the year, the Group made retirement benefits scheme contributions of approximately HK\$1,582,000 (2018: HK\$1,707,000).

本集團於本年度作出退休福利計劃供款約1,582,000港元（二零一八年：1,707,000港元）。

32. FINANCIAL INSTRUMENTS

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 balance. The capital structure of the Group consists of debts, which include the bank and other borrowings and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year.

Categories of financial instruments

32. 金融工具

資本風險管理

本集團管理其資本，以確保本集團之實體將可持續經營，並透過優化債務及權益結餘為股東帶來最大回報。本集團之資本結構包含債務（包括銀行及其他借款）及本公司擁有人應佔權益（包括已發行股本、儲備及累計溢利）。管理層透過考慮資本成本及與各類別資本相關之風險而審閱資本結構。有鑑於此，本集團將透過發行新股及新增債務或贖回現有債務而平衡其整體資本結構。於整個年度，本集團之整體策略維持不變。

金融工具之類別

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| Financial assets at amortised cost | 按攤銷成本計量之金融資產 | 883,321 | 1,406,831 |
| Equity investments at fair value through other comprehensive income | 按公平值透過其他全面收入列賬之股本投資 | 55,517 | 35,174 |
| Financial assets at fair value through profit or loss | 按公平值透過損益列賬之金融資產 | 25,678 | 58,434 |
| Financial liabilities | 金融負債 | | |
| Amortised cost | 攤銷成本 | 646,037 | 902,304 |
| Fair value through profit or loss | 按公平值透過損益列賬 | 15,660 | 27,322 |

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32. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

The Group's major financial instruments include equity investments at FVOCI, financial assets at FVTPL, financial assets at amortised cost (including other receivables and deposits, finance lease receivables, restricted bank deposits, cash and cash equivalents, deposits placed with non-bank financial institutions), service cost payables, other payables and accruals, borrowings and deposits received from customers. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

As at 31 December 2019 and 2018, the Group's fair value interest rate risk relates primarily to its loan receivables.

As at 31 December 2019 and 2018, the Group is exposed to cash flow interest rate risk in relation to variable-rate borrowings, finance lease receivables, all deposits and balances with non-bank financial institutions and banks.

The Group currently does not have a cash flow interest rate hedging policy. However, the management closely monitors its exposure to future cash flow risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise. A 100 basis points (2018: 100 basis points) change represents management's assessment of the reasonably possible change in interest rates.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of People's Bank of China Rate arising from the Group's variable interest rate bank borrowings and finance lease receivables.

32. 金融工具 (續)

財務風險管理目標及政策

本集團之主要金融工具包括按公平值透過其他全面收入列賬之股本投資、按公平值透過損益列賬之金融資產、按攤銷成本計量之金融資產(包括其他應收款及按金、融資租賃應收款、受限制銀行存款、現金及現金等值物、存放於非銀行金融機構的存款)、應付服務成本、其他應付款以及應計費用、借款及已收客戶按金。該等金融工具之詳情披露於其各自之附註。與該等金融工具相關之風險及降低該等風險之政策載於下文。管理層管理及監控該等風險，確保能及時及有效採取適當措施。

利率風險

於二零一九年及二零一八年十二月三十一日，本集團公平值利率風險主要與其應收貸款有關。

於二零一九年及二零一八年十二月三十一日，本集團浮息借款、融資租賃應收款、於非銀行金融機構及銀行存放的所有存款及結餘令本集團承受現金流量利率風險。

本集團目前並無現金流量利率對沖政策。然而，管理層密切監察因市場利率變動而引致的未來現金流量風險及將在必要時考慮對沖市場利率變動。100個基點(二零一八年：100個基點)變動乃管理層對利率可能出現合理變動之評估。

本集團的現金流量利率主要為因本集團浮息銀行借款及融資租賃應收款而產生，集中於中國人民銀行利率波動。

32. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Interest rate risk (Continued)

Sensitivity analysis

Management considers that the Group's exposure to future cash flow risk on certain variable-rate deposits and balances with banks as a result of the change of market interest rate is insignificant and thus those variable-rate deposits and balances with banks are not included in the sensitivity analysis.

The sensitivity analysis is prepared assuming the relevant financial instruments outstanding at the end of the reporting period were outstanding for the whole year. If the interest rate of borrowings, balances with non-bank financial institutions, receivables from sale-leaseback transaction and finance lease receivables had been 100 basis points (2018: 100 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2019 would have decreased/increased by HK\$683,000 (2018: post-tax loss would have decreased/increased by HK\$616,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings, balances with non-bank financial institutions, receivables from sale-leaseback transaction and finance lease receivables.

Currency risk

As at 31 December 2019 and 2018, there were no significant foreign currency denominated monetary assets and liabilities. Therefore the management considers that the Group was not exposed to significant currency risk.

Other price risk

The Group is exposed to price risk through its investments in listed equity securities, unlisted wealth management products and unlisted fund investments. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's price risk is mainly concentrated on equity instruments listed in The Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange and Shenzhen Stock Exchange. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

32. 金融工具 (續)

財務風險管理目標及政策 (續)

利率風險 (續)

敏感度分析

管理層認為，本集團面臨若干浮息存款及銀行結餘的未來現金流量風險，因市場利率變動幅度不大，因而該等浮息存款及銀行結餘並未計入敏感度分析。

編製敏感度分析乃假定於報告期末，相關未清償的金融工具在全年內一直未清償，倘借款、於非銀行金融機構的結餘、售後回租交易應收款及融資租賃應收款之利率上升/下降100個基點（二零一八年：100個基點）且所有其他變數維持不變，則本集團截至二零一九年十二月三十一日止年度之除稅後虧損應將減少/增加683,000港元（二零一八年：除稅後虧損應將減少/增加616,000港元）。此乃由於本集團承受浮息借款、於非銀行金融機構的結餘、售後回租交易應收款及融資租賃應收款之利率風險。

貨幣風險

於二零一九年及二零一八年十二月三十一日，概無重大以外幣計值的貨幣資產及負債。因此，管理層認為，本集團並無面對重大貨幣風險。

其他價格風險

本集團透過其上市股本證券投資、非上市理財產品及非上市基金投資承受價格風險。管理層透過維持不同風險的投資組合管理其風險。本集團價格風險主要集中於在香港聯合交易所有限公司、上海證券交易所及深圳證券交易所上市的股本工具。此外，本集團委任一個特別小組監察價格風險並在必要時考慮對沖風險。

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32. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Other price risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date. If the prices of the listed equity instruments, unlisted wealth management products and unlisted fund investments had been 30% (2018: 30%) higher/lower with all other variables held constant, post-tax loss for the year ended 31 December 2019 would have decreased/increased by HK\$5,900,000 (2018: post-tax loss would have decreased/increased by HK\$14,713,000).

Credit risk

The Group's credit risk is primarily attributable to contract assets, other receivables and deposits, finance lease receivables, deposits placed with non-bank financial institutions, loan receivables, restricted bank deposits, and cash and cash equivalents.

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2019 and 2018 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. For finance lease receivables and receivables from sales-leaseback transaction, the Group has closely monitored the recoverability and ensured adequate collaterals are received from these customers. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

32. 金融工具 (續)

財務風險管理目標及政策 (續)

其他價格風險 (續)

敏感度分析

以下敏感度分析乃根據報告日期股本價格風險而釐定。倘所有其他變量維持不變，上市股本工具、非上市理財產品及非上市基金投資的價格上升／下降30%（二零一八年：30%），截至二零一九年十二月三十一日止年度的除稅後虧損應將減少／增加5,900,000港元（二零一八年：除稅後虧損應將減少／增加14,713,000港元）。

信貸風險

本集團信貸風險主要因合約資產、其他應收款及按金、融資租賃應收款、存放於非銀行金融機構的存款、應收貸款、受限制銀行存款以及現金及現金等值物而引致。

倘對手方於二零一九年及二零一八年十二月三十一日未能履行其義務，則本集團就有關各類已確認金融資產要承受之最大信貸風險為綜合財務狀況表所列該等資產之賬面值。

為了盡量減低信貸風險，本集團管理層已授權一個小組負責信貸額之釐定、信貸批核及其他監察程序，以確保採取跟進措施收回逾期之賬款。此外，本集團於報告期末檢討各個別債項之可收回數額，以確保就無法收回之數額作出足夠之減值虧損撥備。就融資租賃應收款及售後回租交易應收款而言，本集團密切監察可收回程度，確保自該等客戶獲取充足抵押品。有鑑於此，本公司董事認為本集團之信貸風險已顯著地減低。

32. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Before investing in other loan receivables, the Group also assesses the credit quality of the loan borrowers & guarantors (if any), evaluation of the value & liquidity of the collaterals, and defines the terms of the loans. The Group regularly monitored recoverability to ensure prompt follow up action is taken to recover any overdue debt. As at 31 December 2019, no loan (2018: HK\$35,000,000) was past due but not credit-impaired at the end of the reporting period given that the borrower has repaid the entire principal amount.

The Group's bank balances and deposits are deposited with banks and non-bank financial institutions in Hong Kong and the PRC and the Group has limited the exposure to any single financial institution. The credit risk on liquid funds is limited because the counterparties are banks and non-bank financial institutions with good credit-rating.

As at 31 December 2019, the Group had certain concentration of credit risk as 46% and 100% (2018: 34% and 100%) of the aggregate amount of finance lease receivables is due from the Group's largest and the five largest customers respectively, which are mainly state owned enterprises or sizeable private owned enterprises in the PRC. The management exercises due care in granting credit and checking the background of these counterparties on a regular basis and closely monitors the subsequent settlement of the customers. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has elected to measure loss allowances for finance lease receivables, contract assets and service income receivables using HKFRS 9 simplified approach and has calculated ECL based on lifetime ECL. 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 finance lease receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance.

32. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險 (續)

在向其他應收貸款投資前，本集團亦評估貸款借款人及擔保人(如有)的信貸質素、評估抵押品的價值及流動性及界定貸款條款。本集團定期監控可收回性，以確保採取及時跟進措施收回任何逾期債務。於二零一九年十二月三十一日，無貸款(二零一八年：35,000,000港元)於報告期末逾期但未信貸減值，乃因借款人已償還全部本金。

本集團的銀行結餘及存款存放於香港及中國的銀行及非銀行金融機構及本集團承受任何單一金融機構的風險有限。流動資金的信貸風險有限，乃由於對手方為具有良好信貸評級的銀行及非銀行金融機構。

於二零一九年十二月三十一日，由於融資租賃應收款總額之46%及100%(二零一八年：34%及100%)分別來自本集團最大及五大客戶(主要為中國國有企業或具規模的民營企業)，本集團因此承受若干信貸集中風險。管理層審慎授出信貸，定期核查此等對手方的背景，並密切監控客戶的後續結算。就此而言，本公司董事認為本集團的信貸風險已顯著地減低。

本集團已選擇使用香港財務報告準則第9號簡化法計量融資租賃應收款、合約資產及應收服務收入之虧損撥備，並根據年內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，並按債務人特定之前瞻性因素及經濟環境作出調整。與已知存在財務困難或應收賬款回收性存在重大疑問的客戶有關的融資租賃應收款應單獨就計提減值撥備進行評估。

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32. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's policy, which is mainly based on past due information unless other information is available without undue cost or effect, and year-end staging classification. The amount presented are gross carrying amount for financial assets.

32. 金融工具 (續)

財務風險管理目標及政策 (續)

信貸風險 (續)

最大風險及年結階段

下表列示基於本集團政策的信貸質素及最大信貸風險，其主要基於逾期資料（除非其他資料可在無須付出不必要成本或努力的情況下獲得）及年結階段分類。所呈列金額為金融資產的賬面總值。

| | | As at 31 December 2019 於二零一九年十二月三十一日 | | | | |
|---|---------------|---|--|--|------------------------|-----------------------|
| | | 12 months ECL | Lifetime ECL not credit impaired 非 信貸減值之 年期內預期 信貸虧損 HK\$'000 千港元 | Lifetime ECL credit impaired 已信貸減值之 年期內預期 信貸虧損 HK\$'000 千港元 | Simplified approach | Total |
| | | 12個月 預期信貸虧損 HK\$'000 千港元 | 非 信貸減值之 年期內預期 信貸虧損 HK\$'000 千港元 | 已信貸減值之 年期內預期 信貸虧損 HK\$'000 千港元 | 簡化法 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| Finance lease receivables | 融資租賃應收款 | - | - | - | 442,780 | 442,780 |
| Loan receivables | 應收貸款 | 94,945 | 151,011 | 30,896 | - | 276,852 |
| Other receivables and deposits | 其他應收款及按金 | 19,730 | - | - | - | 19,730 |
| Restricted bank deposits | 受限制銀行存款 | 19,520 | - | - | - | 19,520 |
| Deposit placed with non-bank financial institutions | 存放於非銀行金融機構之存款 | 90,545 | - | - | - | 90,545 |
| Cash and cash equivalents | 現金及現金等值物 | 107,033 | - | - | - | 107,033 |
| | | 331,773 | 151,011 | 30,896 | 442,780 | 956,460 |
| | | As at 31 December 2018 於二零一八年十二月三十日 | | | | |
| | | 12 months ECL | Lifetime ECL not credit impaired 非 信貸減值之 年期內預期 信貸虧損 HK\$'000 千港元 | Lifetime ECL credit impaired 已信貸減值之 年期內預期 信貸虧損 HK\$'000 千港元 | Simplified approach | Total |
| | | 12個月 預期信貸虧損 HK\$'000 千港元 | 非 信貸減值之 年期內預期 信貸虧損 HK\$'000 千港元 | 已信貸減值之 年期內預期 信貸虧損 HK\$'000 千港元 | 簡化法 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| Finance lease receivables | 融資租賃應收款 | - | - | - | 850,954 | 850,954 |
| Loan receivables | 應收貸款 | 131,018 | 35,000 | 31,201 | - | 197,219 |
| Contract assets, other receivables and deposits | 合約資產、其他應收款及按金 | 43,099 | - | - | 3,320 | 46,419 |
| Restricted bank deposits | 受限制銀行存款 | 19,865 | - | - | - | 19,865 |
| Deposit placed with non-bank financial institutions | 存放於非銀行金融機構之存款 | 82,891 | - | - | - | 82,891 |
| Cash and cash equivalents | 現金及現金等值物 | 262,123 | - | - | - | 262,123 |
| | | 538,996 | 35,000 | 31,201 | 854,274 | 1,459,471 |

32. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The management considers that liquidity risk is limited after considering the future cash flows of the Group in the foreseeable future, including the repayment schedule of bank borrowings as discussed above and the short-term liabilities which are required to be repaid within three months from the end of the reporting period. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

32. 金融工具 (續)

財務風險管理目標及政策 (續)

流動資金風險

在管理流動資金風險時，本集團監控及維持管理層視為充足的一定水平的現金及現金等值物，以撥資本集團營運及減緩現金流量波動的影響。管理層監察借貸的利用及確保遵守貸款契諾。

在考慮到本集團於可預見未來的未來現金流量，包括銀行借款的償還時間表（如上文所述）及須自報告期末起三個月內償還的短期負債後，管理層認為流動資金風險有限。本集團透過持續監察預測及實際現金流量及配對金融資產及負債到期情況維持充足之儲備而管理流動資金風險。

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32. FINANCIAL INSTRUMENTS (Continued)

32. 金融工具 (續)

Financial risk management objectives and policies (Continued)

財務風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

| | | Weighted average effective interest rate | Within | | | | Total undiscounted cash flows | Carrying amount |
|-------------------------------------|----------------------|---|------------------------|-------------------------|-------------------------|-------------------------|-------------------------------------|------------------------|
| | | | 1 year | 1-2 years | 3-5 years | Over 5 years | | |
| | | 加權平均 實際利率 % | 1年內 HK\$'000 千港元 | 1至2年 HK\$'000 千港元 | 3至5年 HK\$'000 千港元 | 超過5年 HK\$'000 千港元 | 未貼現現金 流量總額 HK\$'000 千港元 | 賬面值 HK\$'000 千港元 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | | | | | | | |
| Other payables and accruals | 其他應付款及應計費用 | - | 26,837 | - | - | - | 26,837 | 26,837 |
| Service cost payables | 應付服務成本 | - | 1,041 | - | - | - | 1,041 | 1,041 |
| Borrowings | 借款 | 6.20 | 568,948 | 72,354 | - | - | 641,302 | 593,287 |
| Deposits received from customers | 已收客戶按金 | 4.75 | - | 13,983 | - | 16,779 | 30,762 | 24,872 |
| | | | 596,826 | 86,337 | - | 16,779 | 699,942 | 646,037 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | | | | | | | |
| Other payables and accruals | 其他應付款及應計費用 | - | 19,333 | - | - | - | 19,333 | 19,333 |
| Service cost payables | 應付服務成本 | - | 7,563 | - | - | - | 7,563 | 7,563 |
| Borrowings | 借款 | 5.76 | 460,661 | 225,695 | 227,447 | - | 913,803 | 850,214 |
| Deposits received from customers | 已收客戶按金 | 4.75 | 529 | - | 14,230 | 17,076 | 31,835 | 25,194 |
| | | | 488,086 | 225,695 | 241,677 | 17,076 | 972,534 | 902,304 |

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32. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets.

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation techniques and inputs used).

| Financial assets/liability | Fair value as at | Fair value hierarchy | Valuation techniques and key inputs | Significant unobservable input(s) 重大不可觀察輸入數據 | Relationship of unobservable input to fair value 不可觀察輸入數據與公平值之關係 | |
|---|----------------------------------|----------------------------------|-------------------------------------|--|--|--|
| | | | | | | 公平值 |
| 金融資產/負債 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | | | | |
| 1. Financial assets at fair value through profit or loss 按公平值透過損益列賬之金融資產 | | | | | | |
| - Trade on stock exchanges 股份交易所交易 | 21 10,757 | 53,886 | Level 1 第一級 | Quoted bid prices in active market 活躍市場的買入報價 | N/A 不適用 | N/A 不適用 |
| - Unlisted fund investment 非上市基金投資 | 21 14,921 | 4,548 | Level 3 第三級 | Based on the net asset values of the fund investment determined with reference to third party valuation of underlying investment portfolio and adjustments of related expenses 基於基金投資的資產淨值，並參考相關投資組合的第三方估值及有關開支調整釐定 | Third party valuation of underlying investment portfolio 相關投資組合的第三方估值 | The higher the third party valuation, the higher the fair value 第三方估值越高則公平值越高 |

32. 金融工具 (續)

金融工具的公平值計量

此附註提供本集團如何釐定各項金融資產之公平值之資料。

按經常性基準以公平值計量之本集團金融資產及負債之公平值

本集團部分金融資產及負債於各報告期末按公平值計量。下表提供如何釐定該等金融資產及負債之公平值之資料(特別是所使用之估值技術及輸入數據)。

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32. FINANCIAL INSTRUMENTS (Continued)

32. 金融工具 (續)

Fair value measurements of financial instruments (Continued)

金融工具的公平值計量 (續)

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

按經常性基準以公平值計量之本集團金融資產及負債之公平值 (續)

| Financial assets/liability | | Fair value as at | | Fair value hierarchy | Valuation techniques and key inputs | Significant unobservable input(s) | Relationship of unobservable input to fair value |
|---|-------------|----------------------------------|----------------------------------|----------------------|--|--|---|
| 金融資產/負債 | | 公平值 | | 公平值級別 | 估值技術及主要輸入數據 | 重大不可觀察輸入數據 | 不可觀察輸入數據與公平值之關係 |
| | NOTES 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | | | | |
| 2. Equity investments at fair value through other comprehensive income 按公平值透過其他全面收入列賬之股本投資 | | | | | | | |
| - Unlisted equity investment which principally invests in shopping malls in the PRC 主要投資中國商場的非上市股本投資 | 17 | 28,671 | 29,482 | Level 3 第三級 | Based on the valuation of shopping malls determined by market approach 基於商場的估值，由市場法釐定 | Discount for quality of properties (eg. size and location) 物業品質（如面積及地點）的貼現 | The higher discount rate, the lower fair value 貼現率越高則公平值越低 |
| - Unlisted equity investment which principally invests in a private entity with operations of natural gas supply in the PRC 主要投資在中國進行天然氣供應業務的私人實體的非上市股本投資 | 17 | 5,593 | 5,692 | Level 3 第三級 | Based on the investee's financial performance and the multiples of comparable companies and using market approach 基於被投資者財務表現及可資比較公司倍數及使用市場法 | Price to earnings ratio: 12.36% (2018: 19.47%) 市盈率：12.36%（二零一八年：19.47%） Discount for lack of marketability: 30% 缺乏市場流通性貼現：30% | The higher ratio, the higher fair value 比率越高則公平值越高 The higher discount rate, the lower fair value 貼現率越高則公平值越低 |
| - Unlisted equity investment which principally invests in a private entity with operations of software development in the PRC 主要投資在中國進行軟件開發業務的私人實體的非上市股本投資 | 17 | 21,253 | - | Level 3 第三級 | Based on the investee's financial position, performance and using market approach 基於被投資者財務狀況、表現及使用市場法 | N/A 不適用 | N/A 不適用 |
| 3. Financial liability at fair value through profit or loss 按公平值透過損益列賬之金融負債 | 25 | 15,660 | 27,322 | Level 3 第三級 | Based on business valuation of the underlying business determined by market approach as key input and using Binomial option pricing model. 基於相關業務的業務估值，由市場法作為主要輸入數據及使用二項式期權定價模型釐定 | Expected volatility: 22% (2018: 24%) 預計波幅：22%（二零一八年：24%） Discount for lack of marketability: 16.11% 缺乏市場流通性貼現：16.11% | The higher volatility, the higher fair value 波幅越大則公平值越高 The higher discount rate, the lower fair value 貼現率越高則公平值越低 |

There were no transfers among Level 1, 2 and 3 during both years.

第一級、第二級及第三級之間於兩個年度內概無互相轉移。

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32. FINANCIAL INSTRUMENTS (Continued)

Reconciliation of Level 3 fair value measurements

(a)

| | | |
|---|------------------------------|---------|
| At 1 January 2018 | 於二零一八年一月一日 | 29,875 |
| Purchases | 購買 | 5,692 |
| Change in fair value in other comprehensive income | 其他全面收入之公平值變動 | 852 |
| Exchange difference | 匯兌差額 | (1,245) |
| At 31 December 2018 and at 1 January 2019 | 於二零一八年十二月三十一日及 於二零一九年一月一日 | 35,174 |
| Purchases | 購買 | 21,253 |
| Exchange difference | 匯兌差額 | (910) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 55,517 |

32. 金融工具 (續)

第三級公平值測量法之對賬

(a)

Equity investments
at fair value
through other
comprehensive
income
按公平值透過
其他全面收入列賬
之股本投資
HK\$'000
千港元

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32. FINANCIAL INSTRUMENTS (Continued)

32. 金融工具 (續)

Reconciliation of Level 3 fair value measurements (Continued)

第三級公平值測量法之對賬 (續)

(b)

(b)

| | | Financial liability at fair value through profit or loss 按公平值透過 損益列賬之 金融負債 HK\$'000 千港元 |
|---|-----------------------------|--|
| At 1 January 2018 | 於二零一八年一月一日 | – |
| Grant of call option (note 25) | 授出認購期權 (附註25) | 32,170 |
| Change in fair value recognised in profit or loss | 於損益內確認之公平值變動 | (4,848) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日 及二零一九年一月一日 | 27,322 |
| Change in fair value recognised in profit or loss | 於損益內確認之公平值變動 | (11,662) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 15,660 |

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

並非按經常性基準以公平值計量之本集團金融資產及金融負債之公平值

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

本集團管理層使用貼現現金流量分析估計按攤銷成本計量的金融資產及金融負債的公平值。

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

本集團管理層認為，在綜合財務狀況表內按攤銷成本入賬的金融資產及金融負債的賬面值與其公平值相若。

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33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details change in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

33. 有關融資活動所產生負債之對賬

下表詳述本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動產生之負債為現金流量或未來現金流量，該等現金流量或未來現金流量於本集團綜合現金流量表中分類為融資活動所產生之現金流量。

| | | Borrowings 借款 (note 24) (附註24) HK\$'000 千港元 | Lease liabilities 租賃負債 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-------------------------|--|--|--------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | 1,070,261 | - | 1,070,261 |
| Financing cash flows | 融資現金流量 | 381,364 | - | 381,364 |
| Repayment of borrowings by lessees (note 35b) | 承租人償還借款(附註35b) | (545,879) | - | (545,879) |
| Exchange differences | 匯兌差額 | (55,532) | - | (55,532) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 850,214 | - | 850,214 |
| Impact on initial application of HKFRS 16 (Note) | 初步應用香港財務報告準則第16號的影響(附註) | - | 267 | 267 |
| At 1 January 2019 | 於二零一九年一月一日 | 850,214 | 267 | 850,481 |
| Change from financing cash flow: | 融資現金流量的變動: | | | |
| Financing cash flows | 融資現金流量 | 151,011 | - | 151,011 |
| Repayment of borrowings by lessees (note 35b) | 承租人償還借款(附註35b) | (393,151) | - | (393,151) |
| Interest element of lease rental paid | 已付租金的利息部分 | - | (5) | (5) |
| Capital element of lease rental paid | 已付租金的資本部分 | - | (377) | (377) |
| Exchange differences | 匯兌差額 | (14,787) | - | (14,787) |
| Total change from financing cash flow: | 融資現金流量總變動: | 593,287 | (115) | 593,172 |
| Other change: | 其他變動: | | | |
| Increase in lease liabilities from entering into new lease during the period | 期內訂立新租賃所產生之 租賃負債增加 | - | 775 | 775 |
| Reassessment of lease liabilities (Note 13) | 重新評估租賃負債 (附註13) | - | (660) | (660) |
| | | 593,287 | - | 593,287 |

Note: The Group has initially applied HKFRS 16 using the cumulative effect approach and adjusted the opening balance at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating lease under HKAS 17. See note 2(a)(i).

附註: 本集團已採用累計影響法初步應用香港財務報告準則第16號並調整二零一九年一月一日的期初結餘，以確認與先前根據香港會計準則第17號分類為經營租賃的租賃有關的租賃負債。見附註2(a)(i)。

34. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

At 31 December 2019, the Group entered into finance lease transfer agreements (the “Agreements”) and transferred certain receivables from sale-leaseback transaction and finance lease receivables (the “Transferred Lease Receivables”) to banks and other financial institutions for financing. Under the Agreements, the banks and other financial institutions have recourse right and the Group has the obligation to reimburse the banks and other financial institutions for loss of rental when lessees have late and default payment. As the Group has not transferred the significant risks relating to these receivables from sale-leaseback transaction and finance lease receivables, it continues to recognise in full the carrying amount of the receivables from sale-leaseback transaction and finance lease receivables and has recognised the cash received on the transfer as secured borrowings. The aggregate gross carrying value of the receivables from sale-leaseback transaction and finance lease receivables transferred under the Agreements that have not been settled as at 31 December 2019 amounted to HK\$593,287,000 (2018: HK\$850,214,000). Accordingly, the carrying amount of the assets that the Group continued to recognise as at 31 December 2019 amounted to HK\$593,287,000 (2018: HK\$850,214,000) and that of the associated liabilities as at 31 December 2019 amounted to HK\$593,287,000 (2018: HK\$850,214,000) was recorded as borrowings under note 24.

At 31 December 2019, the Group entered into certain other finance lease receivables transfer agreements (the “Non-recourse Agreements”) and transferred certain finance lease receivables with interests (the “Non-recourse Transferred Lease Receivables”) to banks and other financial institutions for financing without recourse with an aggregate amount of HK\$5,909,295,000 (2018: HK\$8,254,630,000). Under the Non-recourse Agreements, the banks and other financial institutions do not have recourse right and the Group does not have the obligation to reimburse the banks and other financial institutions for loss of rental if any lessees have late and default payment. In the opinion of the directors of the Company, the Group has transferred substantially all risks and rewards relating to these Non-recourse Transferred Lease Receivables. Accordingly, it has derecognised the full carrying amounts of the Non-recourse Transferred Lease Receivables and the associated liabilities. During the year ended 31 December 2019 and 2018, the Group has not recognised any loss in relation to the continuing involvement, both during the period or cumulatively.

34. 轉讓金融資產

轉讓未整個終止確認之金融資產

於二零一九年十二月三十一日，本集團訂立融資租賃轉讓協議（「協議」），轉讓若干售後回租交易應收款及融資租賃應收款（「已轉讓租賃應收款」）予銀行及其他金融機構以供融資。根據協議，銀行及其他金融機構擁有追索權，倘若承租人滯後付款或違約，本集團有責任償付銀行及其他金融機構之租金損失。由於本集團並無就此等售後回租交易應收款及融資租賃應收款轉移主要風險，因此會持續確認為售後回租交易應收款及融資租賃應收款的全部賬面值，並會確認轉讓所收取的現金為有抵押借款。於二零一九年十二月三十一日，根據協議所轉讓之售後回租交易應收款及融資租賃應收款尚未清償之總賬面值金額為593,287,000港元（二零一八年：850,214,000港元）。因此，本集團於二零一九年十二月三十一日繼續確認該等資產之賬面值金額為593,287,000港元（二零一八年：850,214,000港元），而二零一九年十二月三十一日的相關負債金額為593,287,000港元（二零一八年：850,214,000港元），並入賬列作附註24項下之借款。

於二零一九年十二月三十一日，本集團訂立若干其他融資租賃應收款轉讓協議（「無追索權協議」），轉讓若干計息融資租賃應收款（「無追索權已轉讓租賃應收款」）予銀行及其他金融機構以融資合共5,909,295,000港元（無追索權）（二零一八年：8,254,630,000港元）。根據無追索權協議，銀行及其他金融機構並無追索權，而倘任何承租人滯後付款或違約，本集團並無責任償付銀行及其他金融機構之租金損失。本公司董事認為，本集團已就此等無追索權已轉讓租賃應收款轉移全部主要風險及回報。因此，已終止確認無追索權已轉讓租賃應收款及相關負債的全部賬面值。於截至二零一九年及二零一八年十二月三十一日止年度，本集團並無就期間或累計期間持續參與確認任何虧損。

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) **Loss on disposal of partial interest in a joint venture and the grant of the call option**

On 15 May 2018, the Group entered into a sale and purchase agreement with the joint venture partner (the "Purchaser"), pursuant to which the Group disposed of 25% out of its 50% equity interest of Rizhao Lanshan, a joint venture ("JCE") of the Group, for a consideration of RMB294 million (equivalent to approximately HK\$338 million). On the same date, the Group has also entered into a Call Option Undertaking to grant the Call Option to the Purchaser, pursuant to which the Purchaser is entitled to acquire the remaining 25% equity interest in Rizhao Lanshan at a consideration of RMB294 million (equivalent to approximately HK\$338 million). Pursuant to the Call Option Undertaking, the Call Option is exercisable by the Purchaser at its discretion during the period from 1 January 2020 up to 30 June 2020 (both dates inclusive). Upon the Completion on 31 August 2018, Rizhao Lanshan ceased to be a JCE of the Group and then become an associate of the Group.

35. 綜合現金流量表附註

(a) **出售一家合營企業部分權益及授出認購期權之虧損**

於二零一八年五月十五日，本集團與合營企業之合夥人（「買方」）訂立買賣協議，據此，本集團出售本集團合營企業（「合營企業」）日照嵐山50%股權中的25%，代價為人民幣294,000,000元（相當於約338,000,000港元）。於同日，本集團亦訂立認購期權承諾以向買方授出認購期權，據此，買方有權收購日照嵐山餘下25%之股權，代價為人民幣294,000,000元（相當於約338,000,000港元）。根據認購期權承諾，認購期權可由買方於二零二零年一月一日起直至二零二零年六月三十日（包括首尾兩日）期間內酌情行使。於二零一八年八月三十一日完成後，日照嵐山不再為本集團的合營企業且自此成為本集團的一家聯營公司。

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35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

35. 綜合現金流量表附註 (續)

(a) Loss on disposal of partial interest in a joint venture and the grant of the call option (Continued)

The loss on partial disposal of JCE and the grant of the call option as at its disposal date was as follows:

| | | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------------------|----------------------------------|
| Consideration from joint venture partners | 來自合營企業之合夥人的代價 | 337,849 |
| Fair value of the Call Option as at 31 August 2018 | 於二零一八年八月三十一日的認購期權之公平值 | (32,170) |
| | | 305,679 |
| Carrying value of 50% equity interest in JCE derecognised | 已終止確認合營企業50%股權之賬面值 | (829,911) |
| Fair value of 25% equity interest in an associate at initial recognition (note 16) | 於初步確認時於一家聯營公司25%股權之公平值(附註16) | 305,607 |
| Stamp duty | 印花稅 | (168) |
| Loss on partial disposal of JCE and the grant of the call option | 部分出售合營企業及授出認購期權之虧損 | (218,793) |

(b) During the year ended 31 December 2019, repayment of borrowings of HK\$393,151,000 (2018: HK\$545,879,000) in respect of the Transferred Lease Receivables as set out in note 34 was made by relevant lessees directly to banks and other non-bank financial institutions.

(a) 出售一家合營企業部分權益及授出認購期權之虧損 (續)

於出售日期，部分出售合營企業及授出認購期權之虧損詳情如下：

於截至二零一九年十二月三十一日止年度，相關承租人就附註34所載的已轉讓租賃應收款向銀行及其他非銀行金融機構直接作出借款還款393,151,000港元(二零一八年：545,879,000港元)。

36. RELATED PARTY TRANSACTIONS

Same as disclosed elsewhere in the consolidated financial statements, during the year the Group had the following transactions with related parties.

(a) The Group had the following transactions with the partner of its associate during the year:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Fellow subsidiaries of the partner of the Group's associate | 本集團聯營公司合夥人之同系附屬公司 | | |
| Service charges paid | 已付服務費 | 130,222 | 131,440 |
| Leasing income | 租賃收入 | 154,813 | 162,237 |

(b) The remuneration of key management personnel of the Group, represented directors and chief executive, during the year are set out in note 8. The remuneration of directors and chief executive is determined by the remuneration committee having regard to the performance of individuals and market trend.

36. 關聯方交易

誠如綜合財務報表其他部分所披露者，本集團年內與關聯方進行以下交易。

(a) 本集團年內與其聯營公司之合夥人進行以下交易：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| 年內本集團主要管理人員（指董事及主要行政人員）之酬金載列於附註8。董事及主要行政人員之酬金乃由薪酬委員會根據個別人士之表現及市場趨勢釐定。 | | |

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

37. 主要附屬公司之詳情

Particulars of the subsidiaries of the Company at 31 December 2019 and 2018 are as follows:

於二零一九年及二零一八年十二月三十一日，本公司附屬公司之詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ registration 註冊成立/ 註冊地點 | Issued and fully paid share capital (note a) 已發行及繳足股本 (附註a) | Proportion of nominal value of issued share capital held by the Company 本公司所持已發行股本之 面值比例 | | Principal activities 主要業務 |
|--|--|--|--|---------------|--|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Indirectly held by the Company 本公司間接持有 | | | | | |
| Able Winner International Limited 興勝國際有限公司 | Hong Kong 香港 | Ordinary shares HK\$1 普通股1港元 | 100% | 100% | Investment holding 投資控股 |
| Upmove International Limited 晉瑞國際有限公司 | Hong Kong 香港 | Ordinary share HK\$1 普通股1港元 | 100% | 100% | Investment holding 投資控股 |
| Elegant Basic Investments Limited 精基投資有限公司 | BVI 英屬處女群島 | Ordinary shares US\$100 普通股100美元 | 100% | 100% | Investment 投資 |
| TF Advances Limited | Hong Kong 香港 | Ordinary shares HK\$1 普通股1港元 | 100% | 100% | Treasury investment activities including money lending 資金投資業務包括放貸 |
| Multi Kingdom Investment Limited | BVI 英屬處女群島 | Ordinary shares US\$100 普通股100美元 | 100% | 100% | Property investment 物業投資 |
| Jumbo Hall International Limited 鉅豪國際有限公司 | Hong Kong 香港 | Ordinary shares HK\$2 普通股2港元 | 100% | – | Property investment 物業投資 |
| Amaze Global Limited | BVI 英屬處女群島 | Ordinary shares US\$1,000 普通股1,000美元 | 100% | 100% | Office management 辦公室管理 |
| BJ Ever Grand [^] 北京恒嘉 | The PRC 中國 | US\$36,000,000 36,000,000美元 | 51.39% | 51.39% | Provision of finance lease and related consulting services in the PRC 在中國提供融資租賃及 相關諮詢服務 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

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37. PARTICULARS OF PRINCIPAL
SUBSIDIARIES (Continued)

37. 主要附屬公司之詳情 (續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ registration 註冊成立/ 註冊地點 | Issued and fully paid share capital (note a) 已發行及繳足股本 (附註a) | Proportion of nominal value of issued share capital held by the Company 本公司所持已發行股本之 面值比例 | | Principal activities 主要業務 |
|--|---|--|--|---------------|--|
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Ever Grand (Tianjin) Finance Lease Co., Ltd. ("TJ Ever Grand")* 恒嘉(天津)融資租賃有限公司 (「天津恒嘉」) | The PRC 中國 | RMB200,000,000 人民幣200,000,000元 | 51.39% | 51.39% | Provision of finance lease and related consulting services in the PRC 在中國提供融資租賃及相關諮詢服務 |
| Qikang Biological Technology Limited ("Qikang")* 遼寧啟康生物科技有限公司 (「啟康」) | The PRC 中國 | HK\$53,500,000 53,500,000港元 | 100% | 100% | Research & development, manufacturing and sales of food additives and health beverage products in the PRC 中國食品添加劑及健康飲品的研發、生產及銷售 |
| Zhujian Biotechnology (Shanghai) Company Limited ("Zhujian")* 竹間生物科技(上海)有限公司 (「竹間」) | The PRC 中國 | RMB5,000,000 人民幣5,000,000元 | 100% | 100% | Research & development of bioengineering technology and sales of food additives and health beverage products in the PRC 中國生物工程技術的研發及食品添加劑及健康飲品的銷售 |
| Livingzone (Shanghai) Bio-Chem Technology Co., Ltd. ("Livingzone")* 上海立足生物科技有限公司 (「立足」) | The PRC 中國 | HK\$126,310,000 126,310,000港元 | 100% | – | Research & development of bioengineering technology and property investment in the PRC 中國生物工程技術的研發及物業投資 |
| * English name for reference only | | | | | |
| ^ The subsidiary is a sino-foreign equity joint venture | | | | ^ | 該附屬公司為中外合資企業 |
| Note: | | | | | 附註: |
| (a) All principal subsidiaries operate principally in Hong Kong except BJ Ever Grand, TJ Ever Grand, Qikang, Zhujian and Livingzone. | | | | (a) | 所有主要附屬公司均主要在香港經營，惟北京恒嘉、天津恒嘉、啟康、竹間及立足除外。 |

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37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

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

None of the subsidiaries had any debt securities subsisting at 31 December 2019 and 2018 or at anytime during the year.

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

| Name of subsidiary 附屬公司名稱 | Place of incorporation and principal place of business 註冊成立地點及主要營業地點 | Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持擁有權益及投票權比例 | | Loss allocated to non-controlling interests 分配予非控股權益之虧損 | | Accumulated non-controlling interests 累計非控股權益 | |
|------------------------------|---|--|-----------------|--|-----------------|--|-----------------|
| | | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| BJ Ever Grand 北京恒嘉 | The PRC 中國 | 48.61% | 48.61% | (16,831) | (996) | 120,600 | 139,764 |

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

37. 主要附屬公司之詳情 (續)

董事認為上表列出主要影響本年度業績或構成本集團資產之主要部分之本集團附屬公司。董事認為，呈列其他附屬公司之詳情將導致其詳情過於冗長。

於二零一九年及二零一八年十二月三十一日或於本年度任何時間，附屬公司概無持有任何債務證券。

擁有重大非控股權益之非全資附屬公司詳情

下表列示本集團擁有重大非控股權益之非全資附屬公司詳情：

有關本集團擁有重大非控股權益之各附屬公司之財務資料概要載於下文。以下財務資料概要呈列集團內各公司間對銷前之金額。

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37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

37. 主要附屬公司之詳情 (續)

BJ Ever Grand and its wholly owned subsidiary

北京恒嘉及其全資附屬公司

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 684,114 | 669,582 |
| Non-current assets | 非流動資產 | 196,676 | 505,931 |
| Current liabilities | 流動負債 | (536,985) | (438,800) |
| Non-current liabilities | 非流動負債 | (94,506) | (449,191) |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 128,699 | 147,757 |
| Non-controlling interests | 非控股權益 | 120,600 | 139,764 |
| Revenue | 收入 | 56,393 | 85,993 |
| Expenses | 開支 | (59,232) | (81,369) |
| Loss for the year | 年內虧損 | (34,624) | (2,048) |
| Loss attributable to owners of the Company | 本公司擁有人應佔虧損 | (17,793) | (1,052) |
| Loss attributable to the non-controlling interests | 非控股權益應佔虧損 | (16,831) | (996) |
| Loss for the year | 年內虧損 | (34,624) | (2,048) |

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

37. 主要附屬公司之詳情 (續)

BJ Ever Grand and its wholly owned subsidiary (Continued)

北京恒嘉及其全資附屬公司 (續)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| Other comprehensive expense attributable to owners of the Company | 本公司擁有人應佔其他全面開支 | (2,468) | (7,595) |
| Other comprehensive expense attributable to the non-controlling interests | 非控股權益應佔其他全面開支 | (2,333) | (7,185) |
| Other comprehensive expense for the year | 年內其他全面開支 | (4,801) | (14,780) |
| Total comprehensive expense attributable to owners of the Company | 本公司擁有人應佔全面開支總額 | (20,261) | (8,647) |
| Total comprehensive expense attributable to the non-controlling interests | 非控股權益應佔全面開支總額 | (19,164) | (8,181) |
| Total comprehensive expense for the year | 年內全面開支總額 | (39,425) | (16,828) |
| Dividends paid to non-controlling interests | 支付非控股權益股息 | - | 4,865 |
| Net cash outflow from operating activities | 經營活動產生之現金流出淨額 | (130,125) | (358,053) |
| Net cash (outflow)/inflow from investing activities | 投資活動產生之現金(流出)/流入淨額 | (78,609) | 43,537 |
| Net cash inflow from financing activities | 融資活動產生之現金流入淨額 | 151,011 | 371,357 |
| Net cash (outflow)/inflow | 現金(流出)/流入淨額 | (57,723) | 56,841 |

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38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

38. 本公司之財務狀況表及儲備

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Investment in subsidiaries | 於附屬公司之投資 | 11 | 11 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 537,084 | 539,546 |
| | | 537,095 | 539,557 |
| Current assets | 流動資產 | | |
| Other receivables, deposits and prepayments | 其他應收款、按金及預付款項 | 1,883 | 1,880 |
| Amounts due from a subsidiary | 應收附屬公司款項 | 17,000 | 17,000 |
| Bank balances and cash | 銀行結餘及現金 | 153 | 154 |
| | | 19,036 | 19,034 |
| Current liabilities | 流動負債 | | |
| Amounts due to subsidiaries | 應付附屬公司款項 | 2 | 323 |
| Other payables and accruals | 其他應付款及應計費用 | 13,129 | 12,938 |
| | | 13,131 | 13,261 |
| Net current assets | 流動資產淨值 | 5,905 | 5,773 |
| Total assets less current liabilities | 總資產減流動負債 | 543,000 | 545,330 |
| Capital and reserves | 股本及儲備 | | |
| Share capital | 股本 | 119,192 | 119,192 |
| Reserves | 儲備 | 423,808 | 426,138 |
| Total equity | 總權益 | 543,000 | 545,330 |

Approved by the Board of Directors on 25 March 2020 and are signed on its behalf by:

已於二零二零年三月二十五日獲董事會批准，並由以下董事代表簽署：

WONG LIK PING
王力平
Director
董事

LAI KA FAI
黎嘉輝
Director
董事

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

38. 本公司之財務狀況表及儲備 (續)

Movement in the Company's reserves

本公司之儲備變動

| | | Share premium 股份溢價 HK\$'000 千港元 | Share options reserve 購股權儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|----------------------|---|---|--|--------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | 1,520,921 | 1,481 | (1,062,559) | 459,843 |
| Loss and total comprehensive expense for the year | 本年度虧損及全面開支總額 | - | - | (33,705) | (33,705) |
| Share options lapsed | 購股權失效 | - | (345) | 345 | - |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 1,520,921 | 1,136 | (1,095,919) | 426,138 |
| Loss and total comprehensive expense for the year | 本年度虧損及全面開支總額 | - | - | (2,330) | (2,330) |
| Share options lapsed | 購股權失效 | - | (409) | 409 | - |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,520,921 | 727 | (1,097,840) | 423,808 |

39. ACQUISITION OF SUBSIDIARIES

- (a) On 22 February 2019, the Group had entered into a preliminary sale and purchase agreement with Quantum Power Limited (“Quantum Power”), a company incorporated in the BVI with limited liability which is ultimately owned by the Vendor’s Guarantor, the son of Mr. Wong, an executive Director and a substantial Shareholder, and is a connected person of the Company, to acquire 100% of issued share capital of Quantum Power and its subsidiary at an aggregation consideration of approximately HK\$90,000,000. Shanghai Lizu is the indirect subsidiary of Quantum Power which principal assets are located at Shanghai. Having satisfied all the terms and conditions of the agreement, the acquisition was completed on 1 March 2019.

The consideration of approximately HK\$90,000,000 was satisfied by cash. This transaction has been accounted for as an acquisition of assets as the acquisition does not meet the definition of a business combination. The assets acquired and liabilities assumed do not constitute a business. The transaction was accounted for as an acquisition of properties including mainly approximately 6,300 square meters property in Shanghai and facilities and equipments used for research and studies of biotechnology for development of food additives business.

The identifiable assets and liabilities acquired was recognised at the date of acquisition as follows:

39. 收購附屬公司

- (a) 於二零一九年二月二十二日，本集團與勁力有限公司（「勁力」，一家於英屬處女群島註冊成立的有限公司，並由賣方擔保人（即執行董事及主要股東王先生的兒子）最終擁有，故為本公司關連人士）訂立初步買賣協議，以收購勁力及其附屬公司之全部已發行股本，總代價約為90,000,000港元。上海立足為勁力的間接附屬公司，其主要資產位於上海。於達成該協議所有條款及條件後，收購事項已於二零一九年三月一日完成。

代價約90,000,000港元已以現金償付。由於是項收購並不符合業務合併之定義，故是項交易已入賬列作收購資產。所收購資產及所承擔負債不構成一項業務。是項交易已入賬列作物業收購，包括主要為就發展食品添加劑業務所收購位於上海約6,300平方米的物業以及用於研發生物科技的設施及設備。

於收購日期確認之所收購可識別資產及負債如下：

| | | HK\$'000 千港元 |
|--|------------------|-----------------|
| Net assets acquired | 所收購資產淨值 | |
| Plant, machinery and equipment | 廠房、機器及設備 | 2,059 |
| Motor vehicles | 汽車 | 65 |
| Self-occupied property in Shanghai | 於上海的自有物業 | 86,333 |
| Prepayments and other receivables | 預付款項及其他應收款 | 3,468 |
| Accruals and other payables | 應計費用及其他應付款 | (2,043) |
| Net assets | 資產淨值 | 89,882 |
| Net cash outflow in connection with the acquisition of subsidiaries: | 有關收購附屬公司的現金流出淨額： | |
| Cash and cash equivalent balance acquired | 所收購現金及現金等值物結餘 | (1,399) |
| Consideration paid | 已付代價 | 91,281 |
| | | 89,882 |

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39. ACQUISITION OF SUBSIDIARIES (Continued)

- (b) On 10 April 2019, the Group had entered into a preliminary sale and purchase agreement with an independent third party relating to acquisition of 100% equity interests of Jumbo Hall International Limited (“Jumbo Hall”), which principal assets comprise offices in Wan Chai at a total consideration of HK\$70,000,000 was satisfied by cash on completion. Having satisfy all the terms and conditions, the acquisition was completed on 12 April 2019.

This transaction has been accounted for as an acquisition of assets as the acquisition does not meet the definition of a business combination. The assets acquired and liabilities assumed do not constitute a business. The transaction was accounted for as an acquisition of investment properties in the ordinary course of the company’s property investment business.

The identifiable assets and liabilities acquired was recognised at the date of acquisition as follows:

39. 收購附屬公司 (續)

- (b) 於二零一九年四月十日，本集團與一名獨立第三方訂立初步買賣協議，內容有關收購鉅豪國際有限公司（「鉅豪」）之全部股權，其主要資產包括灣仔的辦公室，總代價70,000,000港元已於完成時以現金償付。於達成所有條款及條件後，收購事項已於二零一九年四月十二日完成。

由於是項收購並不符合業務合併之定義，故是項交易已入賬列作收購資產。所收購資產及所承擔負債不構成一項業務。是項交易已入賬列作於本公司物業投資業務的日常業務過程中的收購投資物業。

於收購日期確認之所收購可識別資產及負債如下：

| | | HK\$'000 千港元 |
|--|------------------|-----------------|
| Net assets acquired | 所收購資產淨值 | |
| Investment property | 投資物業 | 70,117 |
| Deposits | 按金 | 58 |
| Accruals | 應計費用 | (7) |
| Net assets | 資產淨值 | 70,168 |
| Net cash outflow in connection with the acquisition of subsidiary: | 有關收購附屬公司的現金流出淨額： | |
| Cash and cash equivalent balance acquired | 所收購現金及現金等值物結餘 | (1) |
| Consideration paid | 已付代價 | 70,169 |
| | | 70,168 |

40. EVENTS AFTER THE REPORTING PERIOD 40. 報告期後事項

- (a) On 30 December 2019, the Group entered into a placing agreement with a placing agent, pursuant to which the placing agent agrees, as agent of the Company, to procure on a best effort basis not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 2,383,830,000 placing shares at the placing price of HK0.014 per placing share. The share placement of 2,383,830,000 placing shares was completed on 22 January 2020. Details of the placing were disclosed in the announcements of the Company on 30 December 2019, 3 January 2020 and 22 January 2020.
- (b) On 30 December 2019, the Group entered into a subscription agreement with a target company to subscribe for 8,000,000 subscription shares or approximately 7.46% of the enlarged share capital of the target Company at a consideration of HK\$40,000,000. The target company principally engages in money lending business in Hong Kong. Completion of the subscription took place on 24 January 2020. Details of the subscription in the target company were disclosed in the announcements of the Company on 30 December 2019, 23 January 2020 and 24 January 2020.
- (c) Since January 2020, the outbreak of Novel Coronavirus (“COVID-19”) has impact on the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of these financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.
- (a) 於二零一九年十二月三十日，本集團與配售代理訂立配售協議，據此，配售代理同意（作為本公司代理）按竭誠基準促使不少於六名承配人（彼等及彼等之最終實益擁有人須為獨立第三方）按每股配售股份0.014港元的配售價認購最多2,383,830,000股配售股份。2,383,830,000股配售股份的配售價於二零二零年一月二十二日完成。有關配售的詳情於本公司日期為二零一九年十二月三十日、二零二零年一月三日及二零二零年一月二十二日的公告披露。
- (b) 於二零一九年十二月三十日，本集團與目標公司訂立認購協議以認購目標公司8,000,000股認購股份或經擴大股本約7.46%，代價為40,000,000港元。目標公司主要於香港從事放債業務。認購於二零二零年一月二十四日完成。有關目標公司認購的詳情於本公司日期為二零一九年十二月三十日、二零二零年一月二十三日及二零二零年一月二十四日的公告披露。
- (c) 自二零二零年一月以來，新型冠狀病毒（「COVID-19」）的爆發對全球業務環境造成影響。直至該等財務報表日期，COVID-19並無對本集團造成重大影響。取決於該等財務報表日期後COVID-19的發展及傳播情況，由此引起的本集團經濟狀況的進一步變動或會對本集團之財務業績造成影響，而截至該等財務報表日期尚無法估計其影響程度。本集團將繼續關注COVID-19之形勢並積極應對其對本集團財務狀況及經營業績之影響。

FINANCIAL SUMMARY

財務摘要

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

RESULTS

業績

| | | Year ended 31 December 截至十二月三十一日止年度 | | | | |
|---|---------------------|--|--|----------------------------------|----------------------------------|----------------------------------|
| | | 2015 二零一五年 HK\$'000 千港元 (Restated) (重列) | 2016 二零一六年 HK\$'000 千港元 (Restated) (重列) | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| Continuing operations | 持續經營業務 | | | | | |
| Revenue | 收入 | – | 221,212 | 198,134 | 90,523 | 71,155 |
| Profit/(loss) before taxation | 除稅前溢利／(虧損) | 6,383 | 96,844 | (29,630) | (359,626) | (52,761) |
| Income tax (expense)/credit | 所得稅(支出)／抵免 | 3,568 | (17,651) | (6,059) | (13,468) | 1,798 |
| Profit/(loss) for the year from continuing operations | 本年度來自持續經營業務之溢利／(虧損) | 9,951 | 79,193 | (35,689) | (373,094) | (50,963) |
| Discontinued operation | 已終止經營業務 | | | | | |
| Loss for the year from discontinued operation | 本年度來自已終止經營業務之虧損 | (6,503) | (27,365) | (114) | – | – |
| Profit/(loss) for the year | 本年度溢利／(虧損) | 3,448 | 51,828 | (35,803) | (373,094) | (50,963) |
| Profit/(loss) for the year attributable to: | 下列各項應佔本年度溢利／(虧損)： | | | | | |
| – Owners of the Company | – 本公司擁有人 | 3,448 | 29,813 | (42,654) | (372,098) | (34,132) |
| – Non-controlling interests | – 非控股股東權益 | – | 22,015 | 6,851 | (996) | (16,831) |
| | | 3,448 | 51,828 | (35,803) | (373,094) | (50,963) |

FINANCIAL SUMMARY
財務摘要

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

ASSETS AND LIABILITIES

資產及負債

| | | As at 31 December 於十二月三十一日 | | | | |
|---|------------|-------------------------------|-----------|-------------|-----------|------------------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 |
| | | 二零一五年 | 二零一六年 | 二零一七年 | 二零一八年 | 二零一九年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Total assets | 總資產 | 1,336,047 | 1,833,875 | 2,584,589 | 1,878,875 | 1,546,675 |
| Total liabilities | 總負債 | (127,659) | (493,978) | (1,230,181) | (951,174) | (685,656) |
| | | 1,208,388 | 1,339,897 | 1,354,408 | 927,701 | 861,019 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 1,207,543 | 1,187,202 | 1,204,447 | 787,937 | 740,419 |
| Non-controlling interests | 非控股股東權益 | 845 | 152,695 | 149,961 | 139,764 | 120,600 |
| | | 1,208,388 | 1,339,897 | 1,354,408 | 927,701 | 861,019 |



9.31

0.01

72.2

216.21

34.60

31.67

0.00

37.65

1.85

1.82