



環球信貸集團有限公司
Global International Credit Group Limited

(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: 1669



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Wang Yao (*Chairman and Chief Executive*)

Mr. Ng Yiu Lun

Ms. Jin Xiaoqin

Independent non-executive Directors

Dr. Ng Lai Man, Carmen

Mr. Man Yiu Kwong, Nick

Mr. Tang, Warren Louis

AUDIT COMMITTEE

Dr. Ng Lai Man, Carmen (*Chairman*)

Mr. Man Yiu Kwong, Nick

Mr. Tang, Warren Louis

REMUNERATION COMMITTEE

Mr. Man Yiu Kwong, Nick (*Chairman*)

Dr. Ng Lai Man, Carmen

Mr. Tang, Warren Louis

Ms. Wang Yao

NOMINATION COMMITTEE

Ms. Wang Yao (*Chairman*)

Dr. Ng Lai Man, Carmen

Mr. Man Yiu Kwong, Nick

Mr. Tang, Warren Louis

COMPANY SECRETARY

Ms. Yip Lee Ying

AUTHORISED REPRESENTATIVES

Ms. Wang Yao

Ms. Yip Lee Ying

董事會

執行董事

王瑤女士(*主席及總裁*)

伍耀倫先生

金曉琴女士

獨立非執行董事

吳麗文博士

文耀光先生

唐偉倫先生(別名：唐俊懿)

審核委員會

吳麗文博士(*主席*)

文耀光先生

唐偉倫先生

薪酬委員會

文耀光先生(*主席*)

吳麗文博士

唐偉倫先生

王瑤女士

提名委員會

王瑤女士(*主席*)

吳麗文博士

文耀光先生

唐偉倫先生

公司秘書

葉莉盈女士

授權代表

王瑤女士

葉莉盈女士

Corporate Information (Continued)
公司資料(續)

REGISTERED OFFICE

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

註冊辦事處

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 01, 23/F
World-Wide House
19 Des Voeux Road Central
Hong Kong

總部及主要營業地點

香港
德輔道中19號
環球大廈
23樓01室

**PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN
CAYMAN ISLANDS**

Maples Fund Services (Cayman) Limited
P.O. Box 1093
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Cayman Islands

開曼群島主要股份過戶登記處

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

**BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN
HONG KONG**

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

香港股份過戶登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號
21樓2103B室

Corporate Information (Continued)
公司資料(續)

LEGAL ADVISER

P. C. Woo & Co.

法律顧問

胡百全律師事務所

AUDITOR

PricewaterhouseCoopers

核數師

羅兵咸永道會計師事務所

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

主要往來銀行

中國銀行(香港)有限公司

STOCK CODE

1669

股份代號

1669

WEBSITE ADDRESS

www.gicl.com.hk

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Chairman's Statement

主席報告

Dear Shareholders:

On behalf of the board of directors (the "Board") of Global International Credit Group Limited (the "Company" together with its subsidiaries, the "Group"), I am delighted to present the annual report of the Group for the year ended 31 December 2019 ("FY2019").

During FY2019, Hong Kong's economy was faced with severe challenges as weakened by the prolonged Sino-US trade tensions and further struck by the persistent social unrests since the second half of 2019 which pushed it to the first annual recession in a decade. With the increasing threat of a downturn of the property market, the Group continued its effort in strengthening its risk management policy and streamlining its loan portfolio mix with an aim to reduce its exposure on high risk loans. Amid such difficult operating environment and the lower financing demand owing to the unfavourable market sentiment, the Group's gross loans receivable showed a slight decline of 4.4% from HK\$992.2 million as at 31 December 2018 to HK\$948.7 million as at 31 December 2019 and the Group recorded a decline in revenue of HK\$2.6 million or 2.1% to HK\$121.7 million as compared to HK\$124.3 million in prior year.

Property prices in Hong Kong has eased from around 5% from its historical peak since the social unrests started in June 2019. Having considered there is an increasing risk of a further downturn of the property market and that the deteriorating economy will cast a shadow on loan default rate, the Group recorded an increase in expected credit losses on its loan portfolio of HK\$1.4 million for the year.

Year 2019 marks the 10th anniversary of our Group. We are gratified by our development since establishment to one of the leading licensed money lenders in Hong Kong with a streamlined focus on mortgage loan financings. Despite that our mortgage business has been facing increasing pressure, the Group managed to record a stable return over the years with net profit attributable to shareholders of HK\$62.5 million for FY2019.

As we head to a new decade, the Group is put on a further test as the economy of Hong Kong faces a severe condition with the outbreak of the novel coronavirus in addition to the lingering effects of the global trade tensions and the local social unrests. The property market is undergoing an increasing pressure of a downward correction and may further impact our expected credit losses. In spite of the present headwinds, with years of effort in strengthening our risk management policy and counting on our professionalism and credibility, we are confident that the Group will be well positioned in facing the upcoming challenges.

各位股東：

本人謹代表環球信貸集團有限公司(「本公司」，連同其附屬公司，統稱為「本集團」)董事會(「董事會」)欣然提呈本集團截至二零一九年十二月三十一日止年度(「二零一九年財政年度」)的年報。

於二零一九年財政年度，香港經濟面對嚴峻挑戰，一方面因中美貿易緊張局勢持續而受挫，另一方面則受到二零一九年下半年以來持續的社會動盪進一步打擊，使其經歷十年來首次的年度衰退。隨著物業市場衰退的威脅日增，本集團繼續努力加強其風險管理政策及精簡其貸款組合，務求減少高風險貸款為其帶來的風險。在如此艱難的經營環境下及鑒於不利市場氣氛導致融資需求減少，本集團的應收貸款總額由二零一八年十二月三十一日的992,200,000港元略跌4.4%至二零一九年十二月三十一日的948,700,000港元，而收入則較上一年的124,300,000港元下跌2,600,000港元或2.1%至121,700,000港元。

自二零一九年六月開始發生社會動盪以來，香港物業價格由其歷史高峰回落約5%。考慮到物業市場進一步下滑的風險增加，加上經濟轉差將令貸款違約率增添不明朗因素，本集團於年內之貸款組合預期信貸虧損增加1,400,000港元。

二零一九年是本集團成立的十週年。我們樂見本集團自成立以來逐步發展成為香港其中一間主力提供按揭貸款融資的領先持牌放債人。儘管我們的按揭業務面對越來越大的壓力，本集團多年來仍能錄得穩定的回報，而二零一九年財政年度股東應佔純利為62,500,000港元。

邁向新的十年，由於全球貿易局勢緊張及本港社會動盪的持續影響，加上新型冠狀病毒爆發，使香港經濟面對嚴峻情況，本集團正受到進一步考驗。物業市場正承受越來越大的下調壓力，並可能會進一步影響我們的預期信貸虧損。縱然存在種種不利因素，憑藉我們多年來在加強風險管理政策方面的努力以及我們的專業精神及信譽，我們深信本集團能裝備好迎接未來的重重挑戰。

Chairman's Statement (Continued) 主席報告(續)

I would like to express my heartfelt appreciation to all the senior management and staff of the Group for their commitment and contributions in upholding our service quality. I remain deeply grateful to my fellow Board members for their invaluable advice and contributions to the Group's direction of development and corporate governance. I also wish to offer sincere thanks to our customers, shareholders and business partners for their continuing loyalty and trust. We will continue with our endeavor to pursue growth of our business and create value for our shareholders.

To reward and thank our shareholders for their support, the Board recommends the payment of a final dividend of HK2.3 cents per share.

Wang Yao

Chairman of the Board

26 March 2020

本人衷心感謝本集團全體高級管理層及員工對維持我們的服務質素所作出的承諾及貢獻。本人亦對董事會各位同仁於本集團的發展方向及企業管治所提供的寶貴意見及貢獻深表謝意。本人同時感謝我們的客戶、股東及業務夥伴一直以來的忠誠支持和信任。我們將繼續致力取得業務增長及為股東增值。

為報答及酬謝股東的支持，董事會建議派付末期股息每股2.3港仙。

董事會主席

王瑤

二零二零年三月二十六日

Management Discussion and Analysis

管理層討論及分析



BUSINESS REVIEW

The Group is principally engaged in the money lending business focusing primarily on providing short-term and long-term property mortgage loans in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

During the year ended 31 December 2019 ("FY2019"), the overall economy and property market in Hong Kong were surrounded by various downside factors as firstly impacted by the Sino-US trade disputes and further disrupted by the local political tensions which started from June 2019. The gross domestic product of Hong Kong has recorded a contraction of 1.2% in 2019 as a whole, being the first annual decline since 2009. Meanwhile, the property market in Hong Kong, after a relatively strong start in 2019, has started a downward correction in the second half of 2019.

The unfavourable investment sentiment in the local property market and other sectors has triggered a decrease in demand on mortgage financing. With a view that the overall economy and property market is deteriorating, the Group continued to reinforce its risk management policy by implementing stricter loan approval guidelines and increasing its efforts in recovering loans from high risk customers. Our gross loans receivable thus showed a decline from HK\$992.2 million as at 31 December 2018 to HK\$948.7 million as at 31 December 2019 and interest income decreased slightly by HK\$2.6 million or 2.1% from HK\$124.3 million for the year ended 31 December 2018 ("FY2018") to HK\$121.7 million for FY2019.

In assessing the expected credit losses of its loans receivable and interest receivables as at 31 December 2019, the Group has taken into account the change in overall economic environment and factoring forward-looking scenarios on the impact of persistent social unrests and a possible further downturn of the property market and the economy. As a result, the Group recorded a loss on change in expected credit losses of HK\$1.4 million for FY2019.

業務回顧

本集團根據香港法例第163章放債人條例於香港主要從事貸款業務，主力提供短期及長期物業按揭貸款。

於截至二零一九年十二月三十一日止年度（「二零一九年財政年度」），香港整體經濟及物業市場充斥各種不利因素，首先因中美貿易爭端而受挫，而其後自二零一九年六月起則開始受到本港政治緊張局勢進一步拖累。香港本地生產總值於二零一九年整體收縮1.2%，乃二零零九年以來的首個年度跌幅。與此同時，香港物業市場於二零一九年初錄得相對強勁的表現後，在二零一九年下半年開始回落。

本港物業市場及其他行業的不利投資氣氛導致按揭融資需求減弱。鑒於整體經濟及物業市場狀況惡化，本集團實施更嚴格的貸款審批指引及加緊向高風險客戶收回貸款，從而繼續加強其風險管理政策。因此，應收貸款總額由二零一八年十二月三十一日的992,200,000港元減少至二零一九年十二月三十一日的948,700,000港元，而利息收入則由截至二零一八年十二月三十一日止年度（「二零一八年財政年度」）的124,300,000港元略減2,600,000港元或2.1%至二零一九年財政年度的121,700,000港元。

於評估其應收貸款及應收利息於二零一九年十二月三十一日之預期信貸虧損時，本集團已考慮整體經濟環境之變化，並計及持續社會動盪以及物業市場及經濟可能進一步下滑的前瞻性情境。因此，本集團於二零一九年財政年度錄得預期信貸虧損變動損失1,400,000港元。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

Although the overall market sentiment and the Group's strategy has limited the growth of the Group's loan portfolio, the Group managed to achieve steady results with a higher average month-end balance of loans receivable and the pursuance of cost control measures. The Group recorded a profit attributable to owners of the Company of HK\$62.5 million in FY2019, representing a decline of HK\$5.9 million or 8.6% from HK\$68.4 million in FY2018. Such decline was primarily due to a one-off gain recognized in FY2018 from the recovery of a previously impaired loan and interest receivables as a result of a favourable judgement given by the High Court of Hong Kong concerning the validity of a mortgage provided to the Group.

INDUSTRY OVERVIEW

The property market in Hong Kong remains volatile during the year, with property prices of the private domestic sector raised by approximately 10% in the first five months in 2019 hitting a historical high in May 2019, followed by a downward adjustment of approximately 5% from May 2019 to December 2019, according to the Rating and Valuation Department of the Hong Kong Government. Meanwhile, the Hong Kong Government has relaxed the ceiling on mortgage financing schemes for first-time homebuyers, which helped in stimulating property transactions in the short run. Nonetheless, the prolonged Sino-US trade tensions and the continuing local social unrests have dampened the overall market sentiment. With a view that the property market remains highly unpredictable notwithstanding the government's relief measures and the lowering of interest rates, the Group continued its cautious stance on approving new mortgage loans during the year.

儘管整體市場氣氛及本集團的策略限制了本集團貸款組合的增長，本集團仍通過較高的應收貸款平均月底結餘及採取成本控制措施取得穩定業績。本集團於二零一九年財政年度錄得本公司擁有人應佔溢利62,500,000港元，較二零一八年財政年度68,400,000港元下跌5,900,000港元或8.6%。有關跌幅乃主要由於香港高等法院對向本集團提供的按揭有效性作出有利判決，導致於二零一八年財政年度因收回一宗先前已減值之應收貸款及利息的按揭貸款而確認一次性收益。

行業概覽

香港物業市場於年內仍然波動不定，根據香港政府差餉物業估價署的數據，私人住宅物業的樓價於二零一九年首五個月上漲約10%，並於二零一九年五月創下歷史新高，其後於二零一九年五月至二零一九年十二月下調約5%。同時，香港政府已為首次置業人士放寬按揭保險計劃的樓價上限，而此舉於短期內有助刺激物業交投。儘管如此，中美貿易緊張局勢及本港社會動盪持續，亦導致整體市場氣氛低迷。鑒於物業市場在政府推出放寬措施及利率下調的情況下仍然難以預測，本集團於年內審批新按揭貸款時繼續保持審慎態度。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

FINANCIAL REVIEW

Revenue

For FY2019, the Group's interest income from its money lending business was HK\$121.7 million, representing a decrease of HK\$2.6 million or 2.1% from interest income of HK\$124.3 million for FY2018. The decrease was primarily due to an additional interest income of HK\$8.4 million being recognized in the prior year due to the recovery of a previously impaired loan. The decrease is netting off by the increase in interest income as a result of the increase in average month-end balance of mortgage loans receivable during the year. The average month-end balance of aggregate mortgage loans receivable increased by HK\$55.0 million or 6.1% from HK\$901.0 million for FY2018 to HK\$956.0 million for FY2019.

Administrative expenses

Administrative expenses incurred by the Group mainly comprised employee benefit expenses, advertising and marketing expenses, legal and professional fees, auditor's remuneration, depreciation of property, plant and equipment, depreciation of right-of-use assets, operating lease of land and buildings and other administrative expenses. These expenses, which constitute 25.2% and 27.3% of the total revenue for FY2019 and FY2018, respectively, decreased from HK\$33.9 million in FY2018 to HK\$30.6 million in FY2019, representing a decrease of HK\$3.3 million or 9.7%.

Employee benefit expenses decreased slightly by HK\$0.3 million or 2.4% from HK\$12.3 million in FY2018 to HK\$12.0 million in FY2019.

Advertising and marketing expenses decreased by HK\$2.1 million or 20.0% from HK\$10.5 million in FY2018 to HK\$8.4 million in FY2019. The decrease in advertising and marketing expenses in FY2019 was mainly due to less resources being devoted on television advertising as a result of weakening market sentiment in the second half of the year.

Excluding employee benefit expenses and advertising and marketing expenses mentioned above, administrative expenses decreased by HK\$0.9 million or 8.1% from HK\$11.1 million in FY2018 to HK\$10.2 million in FY2019. These expenses were comprised of mainly legal and professional fees of HK\$1.8 million (FY2018: HK\$1.8 million); auditor's remuneration of HK\$1.6 million (FY2018: HK\$1.7 million); depreciation of property, plant and equipment of HK\$0.6 million (FY2018: HK\$0.6 million); depreciation of right-of-use assets of HK\$2.7 million (FY2018: nil); operating lease of land and buildings of HK\$1.4 million (FY2018: HK\$4.0 million); and other administrative expenses of HK\$2.3 million (FY2018: HK\$3.0 million).

財務回顧

收入

於二零一九年財政年度，本集團來自其貸款業務的利息收入為121,700,000港元，較二零一八年財政年度的利息收入124,300,000港元減少2,600,000港元或2.1%。利息收入減少乃主要由於上一年度因收回一宗先前已減值的貸款而確認額外利息收入8,400,000港元。有關減幅因年內的應收按揭貸款的平均月底結餘增加而導致利息收入增幅所抵銷。應收按揭貸款總額的平均月底結餘由二零一八年財政年度901,000,000港元增加55,000,000港元或6.1%至二零一九年財政年度956,000,000港元。

行政開支

本集團產生的行政開支主要包括僱員福利開支、廣告及市場推廣開支、法律及專業費用、核數師酬金、物業、廠房及設備折舊、使用權資產折舊、土地及樓宇的經營租賃以及其他行政開支。該等開支分別佔二零一九年財政年度及二零一八年財政年度總收入25.2%及27.3%，並由二零一八年財政年度33,900,000港元減少3,300,000港元或9.7%至二零一九年財政年度30,600,000港元。

僱員福利開支由二零一八年財政年度12,300,000港元輕微減少300,000港元或2.4%至二零一九年財政年度12,000,000港元。

廣告及市場推廣開支由二零一八年財政年度10,500,000港元減少2,100,000港元或20.0%至二零一九年財政年度8,400,000港元。二零一九年財政年度廣告及市場推廣開支的減少主要由於下半年因市場氣氛減弱而投放較少資源於電視廣告所致。

除上述僱員福利開支以及廣告及市場推廣開支，行政開支由二零一八年財政年度11,100,000港元減少900,000港元或8.1%至二零一九年財政年度10,200,000港元。該等開支主要包括法律及專業費用1,800,000港元(二零一八年財政年度：1,800,000港元)；核數師酬金1,600,000港元(二零一八年財政年度：1,700,000港元)；物業、廠房及設備折舊600,000港元(二零一八年財政年度：600,000港元)；使用權資產折舊2,700,000港元(二零一八年財政年度：無)；土地及樓宇的經營租賃1,400,000港元(二零一八年財政年度：4,000,000港元)；及其他行政開支2,300,000港元(二零一八年財政年度：3,000,000港元)。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

Impairment losses/reversal of impairment losses – net

The Group recognised a provision for impairment losses on loans receivable and interest receivables of HK\$1.4 million in FY2019 while a reversal of impairment losses of HK\$9.7 million was recognised in FY2018. The change in position was primarily due to the recovery of a previously impaired loan receivable and interest receivable of HK\$9.0 million as a result of a favourable judgement given by the High Court of Hong Kong concerning the validity of a mortgage provided to the Group by its customer in prior year. The increase in provision made in FY2019 was mainly attributable to anticipated decrease in collateral values as a result of deteriorating property market conditions.

Finance costs

Finance costs increased by HK\$2.5 million or 20.0% from HK\$12.5 million in FY2018 to HK\$15.0 million in FY2019 due to increase in average borrowings during the year.

Net interest margin

Net interest margin during the year refers to the interest income in respect of the Group's mortgage loans and personal loans less finance costs (excluding interest expenses on lease liabilities) divided by the average of month-end gross loans receivable balances of the corresponding loans during the year.

Net interest margin decreased from 12.3% for FY2018 to 11.2% for FY2019.

減值虧損／撥回減值虧損－淨額

本集團於二零一九年財政年度確認應收貸款及應收利息減值虧損撥備1,400,000港元，而二零一八年財政年度則確認撥回減值虧損9,700,000港元。狀況改變乃主要由於香港高等法院在上一年度對其客戶向本集團提供的按揭有效性作出有利判決，令本集團收回一宗先前已減值之應收貸款及應收利息9,000,000港元的按揭貸款所致。於二零一九年財政年度作出的撥備增加，乃主要由於因物業市場狀況惡化而預計抵押物價值減少所致。

財務成本

財務成本由二零一八年財政年度12,500,000港元增加2,500,000港元或20.0%至二零一九年財政年度15,000,000港元，乃由於年內平均借款增加所致。

淨息差

年內的淨息差指本集團按揭貸款及私人貸款的利息收入減財務成本(不包括租賃負債的利息開支)除以年內相應貸款的月底應收貸款結餘總額平均值。

淨息差由二零一八年財政年度12.3%減少至二零一九年財政年度11.2%。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

Income tax expenses

The Group's effective tax rate decreased from 21.9% for FY2018 to 16.3% for FY2019. The decrease in the effective tax rate was mainly due to the recognition of an underprovision of income tax of HK\$4.5 million in FY2018.

Profit and total comprehensive income

As a result of the foregoing, the Group's profit and total comprehensive income for FY2019 was HK\$62.5 million, representing a decrease of HK\$5.9 million or 8.6% from profit and total comprehensive income of HK\$68.4 million for FY2018. The decrease was mainly attributable to the recognition of additional interest income and reversal of impairment losses as a result of the recovery of a previously impaired loan receivable and interest receivable in FY2018. Netting off the one-off impacts of the recovery of a previously impaired loan receivable and interest receivable and the underprovision of income tax in FY2018, the Group's profit and total comprehensive income increased by HK\$2.2 million or 3.8% in FY2019.

OUTLOOK

After recording the first annual recession in a decade, the outlook of Hong Kong economy and property market in 2020 remains highly challenging. While the US and Chinese government has reached the long-awaited first stage trade deal, the unresolved social unrests and the outbreak of the Coronavirus Disease 2019 ("COVID-19") are expected to place tremendous pressure on multiple sectors. Since the outbreak of COVID-19 began in China in early 2020, this highly infectious virus has spread across the world and has developed into a global pandemic. The virus is expected to deliver a considerable hit to the global economy. Hong Kong's economy is expected to be severely affected, given the catastrophic drop in tourism, retail market and other business spending, there is an increasing risk of higher unemployment rates. Property price in Hong Kong may face increasing pressure to a downward adjustment. Depending on how the situation develops, it is expected that the Group's new loan transactions may decrease in the short term and any associated economic slowdown and further drop in property prices may negatively impact the Group's expected credit losses.

With these challenges ahead, the Group will remain cautious and sensibly uphold its risk management policy and credit review process to control the quality of the Group's loan portfolio. The Group will focus its efforts in recovering loans with high loan-to-value ratios and will closely monitor the development of the property market to implement necessary timely measures. The Group will also strengthen its capital management and implement stringent cost control measures to uphold its profitability during the downturn of economy.

Although the Group does not have any detailed plans for material investments, capital assets or launching new products in a large scale currently, it will continue to improve its existing products and services to enhance customer experience.

利得稅開支

本集團的實際稅率由二零一八年財政年度21.9%減少至二零一九年財政年度16.3%。實際稅率減少主要由於在二零一八年財政年度確認所得稅不足撥備4,500,000港元所致。

溢利及綜合收入總額

因上文所述，本集團於二零一九年財政年度的溢利及綜合收入總額為62,500,000港元，較二零一八年財政年度的溢利及綜合收入總額68,400,000港元減少5,900,000港元或8.6%。有關減幅主要由於二零一八年財政年度因收回一宗先前已減值的應收貸款及應收利息而確認額外利息收入及撥回減值虧損所致。扣除於二零一八年財政年度收回先前已減值應收貸款及應收利息及所得稅撥備不足的一次性影響後，本集團於二零一九年財政年度的溢利及綜合收入總額增加2,200,000港元或3.8%。

展望

在經歷十年來首次的年度衰退後，香港經濟及物業市場於二零二零年仍然挑戰重重。儘管中美政府已達成全球引頸以待的第一階段貿易協議，尚未平息的社會動盪及2019冠狀病毒病（「COVID-19」）爆發預期將使多個行業面臨巨大壓力。自COVID-19於二零二零年初在中國爆發起，這種高傳染性的病毒於世界各地肆虐，並已演變成全球大流行病。該病毒預期將對全球經濟造成巨大衝擊。鑒於旅遊業、零售市場及其他商務消費陷入寒冬，失業率上升的風險升溫，預期香港經濟將受到嚴重影響。香港的樓價可能會面臨更大的下調壓力。視乎情況如何發展，預期本集團之新貸款交易可能會於短期內減少，而任何相關經濟放緩及物業價格進一步下跌均可能會對本集團之預期信貸虧損造成負面影響。

面對未來的挑戰，本集團將繼續審慎而明智地維持其風險管理政策及信貸審查流程，以控制本集團貸款組合的質素。本集團將集中精力收回貸款價值比率較高的貸款，並將密切監察物業市場的發展，務求及時採取必要的措施。本集團亦將加強其資本管理及採取嚴格的成本控制措施，以在經濟低迷時維持其盈利能力。

雖然本集團目前並無任何重大投資、資本資產或大規模推出新產品的詳細計劃，但將繼續改善現有產品及服務，以提升客戶體驗。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During FY2019, the Group's operational and capital requirements were financed principally through retained earnings, loans from a bank and independent third party licensed money lenders and loans from a related company.

Based on the Group's current and anticipated levels of operation, the Group's future operations and capital requirements will be mainly financed through loans from banks and other independent third party licensed money lenders, retained earnings and share capital. There were no significant commitments for capital expenditure as at 31 December 2019.

As at 31 December 2019, cash and cash equivalents and pledged deposits amounted to HK\$31.9 million, representing a decrease of HK\$37.6 million as compared to the position as at 31 December 2018. The decrease was mainly attributable to decrease in borrowings as at 31 December 2019.

As at 31 December 2019, interest-bearing bank and other borrowings amounted to HK\$176.9 million and loans from a related company amounted to nil, representing a decrease of HK\$120.0 million and HK\$50.0 million, respectively as compared to the position as at 31 December 2018. The decrease was mainly attributable to the decrease in the Group's loan portfolio at year end.

As at 31 December 2019, all interest-bearing bank and other borrowings were repayable in one year and except for other borrowings of HK\$35.0 million which bear interest at a fixed rate, all interest-bearing bank and other borrowings bear interest at variable rates. All bank borrowings were secured by (i) a floating charge on certain loans receivable of a subsidiary of the Group; (ii) a floating charge on certain bank accounts of a subsidiary of the Group; and (iii) a corporate guarantee executed by the Company. Other borrowings amounted to HK\$156.9 million were secured by (i) certain properties mortgaged to a subsidiary of the Group by customers for securing loans receivable; and (ii) a corporate guarantee executed by the Company.

流動資金及財務資源及資本結構

於二零一九年財政年度，本集團主要透過保留盈利、來自一間銀行及獨立第三方持牌放債人的貸款以及關聯公司貸款為經營及資本需求提供資金。

基於本集團目前及預期的運營水平，本集團將主要透過銀行及獨立第三方持牌放債人、保留盈利及股本為日後經營及資本需求提供資金。於二零一九年十二月三十一日，概無任何重大資本開支承擔。

於二零一九年十二月三十一日，現金及現金等價物以及已抵押存款為31,900,000港元，較於二零一八年十二月三十一日減少37,600,000港元。有關減幅乃主要由於二零一九年十二月三十一日的借款減少所致。

於二零一九年十二月三十一日，計息銀行及其他借款為176,900,000港元，而關聯公司貸款為零，較二零一八年十二月三十一日狀況分別減少120,000,000港元及50,000,000港元。有關減少亦主要歸因於本集團年末貸款組合減少。

於二零一九年十二月三十一日，所有計息銀行及其他借款須於一年內償還，而除其他借款35,000,000港元按固定利率計息外，所有計息銀行及其他借款按浮動利率計息。所有銀行借款以下列項目作抵押：(i)本集團一間附屬公司若干應收貸款的浮動押記；(ii)本集團一間附屬公司若干銀行賬戶的浮動押記；及(iii)本公司簽立的公司擔保。156,900,000港元的其他借款以下列項目作抵押：(i)客戶為獲取應收貸款而抵押予本集團一間附屬公司的若干物業；及(ii)本公司簽立的公司擔保。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

During the year ended 31 December 2019, none of the Group's borrowing facilities were subject to any covenants relating to financial ratio requirements or any material covenants that restrict the Group from undertaking additional debt or equity financing. As at 31 December 2019, the unutilised facility available to the Group for drawdown amounted to approximately HK\$223.1 million (2018: HK\$115.1 million).

Current ratio

The Group's current ratio increased from 2.1 times as at 31 December 2018 to 3.4 times as at 31 December 2019.

Gearing ratio

As at 31 December 2019, the Group's gearing ratio, which was calculated by dividing net debts (being the total borrowings and lease liabilities less cash and cash equivalents and pledged deposit) by total equity, was 0.19 as compared to 0.37, the position as at 31 December 2018.

Return on total assets and return on equity

The return on total assets increased from 6.2% as at 31 December 2018 to 6.3% at 31 December 2019. The return on equity decreased from 9.2% as at 31 December 2018 to 7.9% at 31 December 2019.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any significant investments held, material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，本集團的借款融資並無受到有關財務比率要求的任何契諾或限制本集團承擔額外債務或股本融資的任何重大契諾所規限。於二零一九年十二月三十一日，本集團的未動用可供提取融資約為223,100,000港元(二零一八年：115,100,000港元)。

流動比率

本集團的流動比率由於二零一八年十二月三十一日2.1倍上升至於二零一九年十二月三十一日3.4倍。

資產負債比率

於二零一九年十二月三十一日，本集團的資產負債比率乃按負債淨額(即借款總額及租賃負債減現金及現金等價物以及已抵押存款)除以權益總額計算得出為0.19，而於二零一八年十二月三十一日則為0.37。

資產總額回報率及股本回報率

資產總額回報率由於二零一八年十二月三十一日的6.2%增加至於二零一九年十二月三十一日的6.3%。股本回報率由於二零一八年十二月三十一日的9.2%減少至於二零一九年十二月三十一日的7.9%。

所持重大投資、重大收購及出售事項

本集團於截至二零一九年十二月三十一日止年度，概無持有任何重大投資，且並無有關附屬公司、聯營公司及合營企業的重大收購或出售事項。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operation, financial conditions, operational results or growth prospects are affected by a number of risks and uncertainties as outlined below. These factors are not exhaustive and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could become material in the future.

Financial risk

Financial risk factors include cash flow and fair value interest rate risk, credit risk and liquidity risk. Details of the aforesaid financial risk factors and the respective risk management measures are elaborated in Note 3.1 "Financial risk factors" to the consolidated financial statements of this annual report.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, human and system errors or from external events. Responsibility for managing operational risks basically rests with every function at departmental levels. Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. Management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Market risk

Performance of the Group's business will be affected by various market factors in Hong Kong, including but not limited to economic conditions and the overall property market conditions in Hong Kong. A downturn in the economy and/or property market in Hong Kong may result not only in a decline in the number of real estate transactions, which may limit the growth of the Group's mortgage loan portfolio, but also a decline in the value of the underlying properties in respect of the Group's mortgage loans, which may increase the risk of impairment of the Group's mortgage loan portfolio. The Group has implemented policies to carry out continuous monitoring of the property market and the collateral value of the underlying mortgage loan portfolio so that appropriate risk response can be taken.

主要風險及不確定因素

本集團的經營、財務狀況、經營業績或增長前景受下文所列多項風險及不確定因素所影響。該等因素並非詳盡無遺，除下文所列者外，仍有其他本集團尚未知悉或目前並不重大但日後可能成為重大的其他風險。

財務風險

財務風險因素包括現金流及公平值利率風險、信貸風險及流動資金風險。上述財務風險因素及相關風險管理措施的詳情闡述於本年報合併財務報表附註3.1「財務風險因素」。

操作風險

操作風險是指由不完善或不起效用的內控程序、人員及系統失誤或外部事件導致損失的風險。管理操作風險的責任基本落於各部門級別的職能單位。本集團的主要職能單位設有標準操作程序、權限及匯報架構作為指引。管理層會定期識別及評估主要操作風險以便採取適當的風險應對措施。

市場風險

本集團業務表現受香港多個市場因素影響，包括但不限於經濟狀況及香港整體樓市狀況。香港經濟及／或樓市低迷不僅會導致房地產交易量減少，限制本集團按揭貸款組合的發展，亦會致使有關本集團按揭貸款的相關物業之價值下降，進而可能加大本集團按揭貸款組合的減值風險。本集團已採取政策持續監控樓市和相關按揭貸款組合的抵押物價值，以應對相應風險。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

Reputational risk

The Group maintains a strong market position in the money lending business market in Hong Kong. One of the keys to its success is its reputation and recognition of the brand “GICL”. Maintaining and promoting brand and reputation will depend on the Group’s marketing efforts and service quality. If existing or potential customers lose confidence in “GICL”, or in the industry in general, because of negative publicity, the Group’s performance may be negatively impacted. To safeguard and manage the brand, the Group strives to uphold its brand value, corporate image, and maintain high business ethics.

Risk management

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures in the best interest of the Group and its shareholders. Details of its risk management system are elaborated on pages 35 to 37 under section “Corporate Governance Report” of this annual report.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group maintains strong and close relationships with its employees and customers and has enhanced cooperation with its suppliers and business partners so as to ensure sustainable development.

The Group regards employees as one of the most valuable assets of the Group and regards the personal development of its employees as highly important. The Group (i) regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard; (ii) provides a safe working environment to its employees; and (iii) provides continuous training support to its employees in order to drive their personal development and improve their knowledge and skills for discharging duties at work.

The Group maintains a close relationship with its customers to fulfill their immediate and long-term financing needs. The Group has ongoing communication with customers through various channels, such as the Group’s website, telephone, direct mail, marketing materials and social media.

聲譽風險

本集團佔據香港貸款業務市場穩固地位，聲譽及「環球信貸」品牌的認知度乃成功要素之一。品牌及聲譽的維持及發揚取決於本集團推廣力度及服務質素。倘現有或潛在客戶因負面報導而對「環球信貸」或整體行業失去信心，則會對本集團業績有不利影響。為維護及管理品牌，本集團力求提升品牌價值、企業形象及維持高水準商業道德。

風險管理

本集團已建立及保持足夠風險管理程序，輔以管理層之積極參與及有效之內部監控程序，以找出及控制公司內部及外圍環境現存之多種風險，符合本集團及其股東之最佳利益。有關風險管理系統的詳情於本年報第35至37頁的「企業管治報告」一節闡述。

與主要利益相關人士的關係

本集團與僱員及客戶維持穩健密切的關係，並加強與供應商和業務夥伴合作，確保持續發展。

本集團視僱員為本集團最寶貴的資產之一，高度重視僱員的個人發展。本集團(i)定期檢討僱員的薪酬福利，因應市場標準作出必要調整；(ii)為僱員提供安全的工作環境；及(iii)為僱員提供持續培訓支援，推動彼等個人發展及提升履行工作職責的知識及技巧。

本集團與客戶維持密切關係，滿足彼等即時和長期的融資需求。本集團通過本集團網站、電話、郵寄宣傳單張、營銷材料及社交媒體等多種途徑持續與客戶進行溝通。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

EMPLOYEES AND REMUNERATION

As at 31 December 2019, the Group employed 22 full-time employees (2018: 24). The total employee benefit expenses (including directors' emoluments) of the Group for the years ended 31 December 2019 and 2018 were HK\$12.0 million and HK\$12.3 million, respectively. The remuneration of its employees included salaries, overtime allowance, commission and year end discretionary bonuses. The Group remunerates its employees mainly based on current market trend, individual performance and experience and conducts performance appraisals on an annual basis.

FOREIGN CURRENCY EXPOSURE

The business activities of the Group were denominated in Hong Kong dollars. The Directors did not consider the Group was exposed to any significant foreign exchange risks during the year ended 31 December 2019. As the impact from foreign exchange exposure was minimal, the Directors were of the view that no hedging against foreign currency exposure was necessary. In view of the operational needs, the Group will continue to monitor the foreign currency exposure from time to time and take necessary actions to minimise the exchange related risks.

CONTINGENT LIABILITIES

As at 31 December 2019 and 2018, the Group had no material contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2019, certain properties mortgaged to a subsidiary of the Group by its respective customers were pledged to secure certain loan facilities granted to the Group. These properties were mortgaged to the Group for securing loans receivable of HK\$178.1 million (2018: HK\$266.9 million). As at 31 December 2019, certain loans receivable and bank accounts of a subsidiary of the Group with carrying value of HK\$140.2 million (2018: HK\$136.5 million) and HK\$1.7 million (2018: HK\$8.7 million), respectively, were charged to a bank to secure against a loan facility granted to the Group. Those loan facilities granted to the Group were for the expansion of the Group's mortgage business.

僱員及薪酬政策

於二零一九年十二月三十一日，本集團聘有22名全職僱員(二零一八年：24名)。本集團截至二零一九年及二零一八年十二月三十一日止年度的僱員福利開支總額(包括董事薪酬)分別為12,000,000港元及12,300,000港元。僱員薪酬包括工資、加班津貼、佣金及年底的酌情花紅。本集團主要根據現時市場趨勢、個人表現及經驗向僱員發放薪酬，並每年進行績效評核。

外匯風險

本集團的業務活動以港元計值。董事認為，截至二零一九年十二月三十一日止年度，本集團並無承受任何重大外匯風險。由於外匯風險的影響極微，董事認為毋須為外匯風險作出對沖。鑑於營運需要，本集團將繼續不時監察外匯風險，並採取必要行動以降低匯兌相關風險。

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。

資產抵押

於二零一九年十二月三十一日，由本集團各客戶抵押予本集團附屬公司的若干物業已被抵押作為本集團獲授若干貸款融資的擔保。該等物業已抵押予本集團，作為178,100,000港元(二零一八年：266,900,000港元)應收貸款的抵押。於二零一九年十二月三十一日，本集團一間附屬公司賬面值分別140,200,000港元(二零一八年：136,500,000港元)及1,700,000港元(二零一八年：8,700,000港元)的若干應收貸款及銀行賬戶已抵押予一間銀行，以擔保本集團獲授一項貸款融資。本集團獲授的該等貸款融資用作擴展本集團的按揭業務。

Directors and Senior Management

董事及高級管理層

EXECUTIVE DIRECTORS

Ms. Wang Yao (王瑤), aged 36, is the chairman and chief executive of the Company and was appointed as Director on 20 January 2014 and designated as an executive Director on 24 July 2014. Ms. Wang is a co-founder of the Group and is responsible for the overall management of the money lending business as well as strategic planning and development of the Group. In particular, she is responsible for developing the Group's overall business model and product portfolio as well as formulating its advertising and marketing strategy. Ms. Wang graduated from Macquarie University in Australia with a double bachelor's degree in applied finance and commerce accounting in November 2006 and a master of applied finance, also from Macquarie University, in July 2007. Ms. Wang is the daughter of Ms. Jin. Ms. Wang is also a director of Blossom Spring Global Limited, a company which has an interest in the shares of the Company which would fall to be disclosed to the Company under Division 2 and 3 of Part XV of the Securities and Futures Ordinance.

Ms. Jin Xiaoqin (金曉琴), aged 63, was appointed as Director on 9 April 2014 and designated as an executive Director on 24 July 2014. Ms. Jin is a co-founder of the Group and an experienced property investor. Between July 2006 and July 2008 she was the director of a privately held company in Hong Kong which, through its subsidiaries, was engaged in motorcycle manufacturing and trading business in the PRC. She is responsible for the overall management of the Group's business and operations and participating in monitoring of the Group's treasury functions, including the allocation of funds for the purpose of running the Group's daily business operation. Ms. Jin is the mother of Ms. Wang.

Mr. Ng Yiu Lun (伍耀倫先生), aged 45, was appointed as an executive Director on 30 July 2018. Mr. Ng joined the Group in February 2009 and has been serving as the senior credit manager of the Group. Mr. Ng has over 10 years of experience in money lending business and is mainly responsible for managing the Group's business operation with a focus on credit and risk management functions.

執行董事

王瑤女士，36歲，為本公司主席兼總裁，於二零一四年一月二十日獲委任為董事，並於二零一四年七月二十四日調任為執行董事。王女士為本集團的共同創辦人，並負責貸款業務的整體管理以及本集團的策略規劃及發展。尤其負責發展本集團的整體業務模式及產品組合，以及制訂廣告及市場推廣策略。王女士於二零零六年十一月畢業於澳洲麥格理大學，取得應用財務及商業會計學雙學士學位，並於二零零七年七月亦自麥格理大學取得應用財務學碩士學位。王女士為金女士的女兒。王女士亦為 Blossom Spring Global Limited 董事，該公司為根據證券及期貨條例第XV部第2及3分部須向本公司披露擁有本公司股份權益。

金曉琴女士，63歲，於二零一四年四月九日獲委任為董事，並於二零一四年七月二十四日調任為執行董事。金女士為本集團的共同創辦人，並為資深物業投資者。二零零六年七月至二零零八年七月期間，彼為香港一間私人公司的董事，該公司透過其附屬公司在中國從事電單車製造及買賣業務。彼負責本集團業務及營運的整體管理，並參與監察本集團的庫務職能，包括就本集團日常業務營運分配資金。金女士為王女士的母親。

伍耀倫先生，45歲，於二零一八年七月三十日獲委任為執行董事。伍先生於二零零九年二月加盟本集團，並擔任本集團的高級信貸經理。伍先生在放債業務方面累積逾10年經驗，主要負責管理本集團之業務營運，並專注於信貸及風險管理職能。

Directors and Senior Management (Continued)

董事及高級管理層(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ng Lai Man, Carmen (吳麗文), aged 55, was appointed as an independent non-executive Director with effect from 22 November 2014. She has about 30 years of experience in professional accounting and corporate finance in Hong Kong, the PRC, the United States and Europe. Dr. Ng is a practicing certified public accountant in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants in the United Kingdom, and The Institute of Chartered Accountants in England and Wales. She is currently a director of Cosmos CPA Limited and Redwood Asset Management Limited. She received her Doctor of Business Administration Degree from The Hong Kong Polytechnic University, Juris Doctor Degree from The Chinese University of Hong Kong, Master of Laws Degree in Corporate and Financial Laws from The University of Hong Kong, Master of Business Administration Degree from The Chinese University of Hong Kong, Master of Professional Accounting Degree from The Hong Kong Polytechnic University and Master of Science in Global Finance from The Hong Kong University of Science and Technology and Leonard N. Stern School of Business of New York University. Dr. Ng is currently an independent non-executive director of eSun Holdings Limited (stock code: 571) and Lion Rock Group Limited (formerly known as "1010 Printing Group Limited") (stock code: 1127), all being listed companies in Hong Kong. She was a non-executive director of Precision Tsugami (China) Corporation Limited (stock code: 1651), which is a listed company in Hong Kong, from 12 December 2016 to 20 August 2018. She was an independent non-executive director of Goldin Properties Holdings Limited (which was previously listed on the Main Board of the Stock Exchange and delisted on 18 August 2017) from February 2004 to August 2017.

Mr. Tang, Warren Louis (唐偉倫), aged 43, was appointed as an independent non-executive Director with effect from 22 November 2014. Mr. Tang was called to the Bar of Hong Kong in the High Court of Hong Kong in December 2001 and since then has been a practising barrister and a member of the Hong Kong Bar Association. Mr. Tang graduated from the University of Toronto in June 1998 with a bachelor of applied science major in computer engineering. He obtained the postgraduate diploma in English and Hong Kong law from Manchester Metropolitan University in July 2000 and the postgraduate certificate in laws from The University of Hong Kong in June 2001. Mr. Tang was also an independent non-executive director of PanAsialum Holdings Company Limited (stock code: 2078) and Elegance Optical International Holdings Limited (stock code: 907), both being listed companies in Hong Kong, from 21 March 2016 to 20 March 2017 and from 15 July 2019 to 31 December 2019, respectively.

獨立非執行董事

吳麗文博士，55歲，於二零一四年十一月二十二日起獲委任為獨立非執行董事。彼於香港、中國、美國及歐洲擁有約30年專業會計及企業融資經驗。吳博士為香港執業會計師、香港會計師公會、英國特許公認會計師公會以及英格蘭及威爾斯特許會計師公會資深會員。彼目前為華恩會計師事務所有限公司及紅木林資產管理有限公司的董事。彼擁有香港理工大學工商管理博士學位、香港中文大學法律博士學位、香港大學公司法與金融法律碩士學位、香港中文大學工商管理碩士學位、香港理工大學專業會計學碩士學位及香港科技大學及紐約大學史登商學院環球金融理學碩士。吳博士現任豐德麗控股有限公司(股份代號：571)及獅子山集團有限公司(前稱「匯星印刷集團有限公司」)(股份代號：1127)的獨立非執行董事，該等公司全部為香港上市公司。自二零一六年十二月十二日至二零一八年八月二十日，彼為津上精密機床(中國)有限公司(股份代號：1651)的非執行董事，該公司為香港上市公司。彼於二零零四年二月至二零一七年八月期間曾為高銀地產控股有限公司(曾在聯交所主板上市及已於二零一七年八月十八日取消上市)的獨立非執行董事。

唐偉倫先生(別名：唐俊懿)，43歲，於二零一四年十一月二十二日起獲委任為獨立非執行董事。唐先生於二零零一年十二月成為香港高等法院香港執業大律師，並自此為香港大律師公會的執業大律師及會員。唐先生於一九九八年六月畢業於多倫多大學，取得應用科學學士學位，主修電腦工程。彼於二零零零年七月自曼徹斯特都市大學取得英國及香港法律專業文憑及於二零零一年六月自香港大學取得法學專業證書。唐先生亦分別於二零一六年三月二十一日至二零一七年三月二十日期間及二零一九年七月十五日至二零一九年十二月三十一日期間曾為榮陽實業集團有限公司(股份代號：2078)及高雅光學國際集團有限公司(股份代號：907)的獨立非執行董事，該等公司同為香港上市公司。

Directors and Senior Management (Continued) 董事及高級管理層(續)

Mr. Man Yiu Kwong, Nick (文耀光), aged 50, was appointed as an independent non-executive Director with effect from 1 January 2016. Mr. Man is currently the managing director of the investment banking department of Guosen Securities (HK) Capital Co., Ltd.. Mr. Man has over 10 years of experience in the corporate finance field. Mr. Man obtained a Bachelor's Degree of Business Administration from Simon Fraser University, Canada in October 1993. He has been an associate member of Hong Kong Institute of Certified Public Accountants since January 2000 and a fellow member of the Association of Chartered Certified Accountants since September 2003.

SENIOR MANAGEMENT

Ms. Yip Lee Ying (葉莉盈), aged 36, joined the Group in February 2016 as chief financial officer and has also been appointed as the company secretary of the Company. Ms. Yip is principally responsible for overseeing the Group's financial management, internal control, company secretarial and corporate finance matters. Ms. Yip has over 10 years of experience in professional accounting and financial advisory services. Prior to joining the Group, Ms. Yip has worked at Deloitte Hong Kong from February 2007 to January 2016 and her last position held was Associate Director at Deloitte Advisory (Hong Kong) Limited. Ms. Yip became a member of the Hong Kong Institute of Certified Public Accountants in September 2010. She holds a Bachelor of Commerce degree in Accounting and Finance and a Master of Commerce degree in Funds Management from the University of New South Wales.

Ms. Chan Mei Chun (陳美珍), aged 41, joined the Group in February 2009 as senior relationship manager and is responsible for management of customer relationships.

文耀光先生，50歲，於二零一六年一月一日獲委任為獨立非執行董事。文先生現為國信證券(香港)融資有限公司投資銀行部門之董事總經理。文先生擁有逾10年的企業融資經驗。文先生於一九九三年十月畢業於加拿大西門菲莎大學，取得工商管理學士學位。彼自二零零零年一月起成為香港會計師公會會員及自二零零三年九月起成為特許公認會計師公會資深會員。

高級管理層

葉莉盈女士，36歲，於二零一六年二月加盟本集團擔任首席財務總監，並同時獲委任為本公司的公司秘書。葉女士主要負責監管本集團財務管理、內部監控、公司秘書及企業融資事務。葉女士擁有逾10年專業會計及財務顧問服務經驗。於加盟本集團前，葉女士於二零零七年二月至二零一六年一月期間任職於德勤香港，彼所擔任的最後職位為德勤諮詢(香港)有限公司的副總監。葉女士於二零一零年九月成為香港會計師公會會員，持有新南威爾士大學會計及金融商學學士學位及資金管理商學碩士學位。

陳美珍女士，41歲，於二零零九年二月加盟本集團擔任高級客戶經理，負責管理客戶關係。

Corporate Governance Report

企業管治報告

The Board is pleased to present the corporate governance report of the Company for the year ended 31 December 2019 (the “Relevant Period”). The Company is committed to achieving and maintaining high standards of corporate governance consistent with the needs and requirements of its business and Shareholders to enable them to evaluate how the principles of corporate governance have been applied. The corporate governance principles of the Company emphasise a high quality Board, sound internal controls, and transparency and accountability to all Shareholders.

The Company has adopted and complied with the code provisions as set out under the Corporate Governance Code (the “Code Provisions”) contained in Appendix 14 to the Listing Rules. During the Relevant Period, the Company has complied with the Code Provisions except for the following deviations:

Pursuant to Code Provision A.2.1, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive and Ms. Wang Yao currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive in the same position has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Pursuant to Code Provision E.1.2 of the Code, the chairman of the Board should attend the annual general meeting (“AGM”). Ms Wang Yao, the chairman of the Board, was absent from the Company’s AGM held on 4 June 2019 due to other business commitments. Other Directors including executive and independent non-executive Directors, were present at the AGM to answer questions regarding activities of the Company.

In light of this situation, the Directors consider that the aforementioned does not have any material impact on the corporate governance of the Company during the Relevant Period.

The Directors will carry out a regular review on the Company’s corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

董事會欣然提呈本公司截至二零一九年十二月三十一日止年度(「相關期間」)的企業管治報告。本公司致力達致及維持符合其業務及股東需要及要求的高水平企業管治，讓股東評價企業管治原則如何加以應用。本公司的企業管治原則著重高質素的董事會、穩健的內部監控，以及對全體股東保持透明度及向其負責。

本公司已採納及遵守上市規則附錄十四企業管治守則所載的守則條文(「守則條文」)。於相關期間，本公司一直遵守守則條文，惟以下偏離事項除外：

根據守則條文A.2.1條，主席與總裁的角色應有區分，不應由同一人士擔任。然而，本公司的主席及總裁並無分開，王瑤女士目前身兼兩職。董事會相信，主席及總裁的職務歸於同一職位能確保本集團擁有一致的領導，並使本集團的整體策略規劃更為有效及高效。董事會認為，目前的安排不會損害權力及權限的平衡，而此架構將使本公司可即時及有效作出及實施決策。董事會將於適當時候在考慮本集團的整體情況後檢討及考慮分開董事會主席與本公司總裁的職務。

根據守則條文E.1.2條，董事會主席應出席股東週年大會(「股東週年大會」)。董事會主席王瑤女士因其他公務缺席本公司於二零一九年六月四日舉行的股東週年大會。其他董事(包括執行及獨立非執行董事)出席股東週年大會以回答有關本公司活動的提問。

鑒於上述情況，董事認為上述情況對本公司於相關期間的企業管治並無任何重大影響。

董事將定期檢討本公司的企業管治政策，並於有需要時建議任何修訂，以確保遵守不時生效的守則條文。

Corporate Governance Report (Continued) 企業管治報告(續)

BOARD OF DIRECTORS

Board composition

The Board currently comprises six Directors, being three executive Directors and three independent non-executive Directors, with a variety and a balance of skills and experience in accounting, business, finance, investment and legal profession. The current composition of the Board is as follows:

董事會

董事會成員

董事會目前由六名董事組成，即三名執行董事及三名獨立非執行董事，彼等擁有多樣化的均衡技術及經驗，涵蓋會計、商業、金融、投資及法律專業。董事會現任成員列載如下：

Directors 董事	Membership of Board Committee(s) 董事委員會成員職務
<p>Executive Directors: 執行董事： Ms. Wang Yao (<i>Chairman and chief executive</i>) 王瑤女士(主席及總裁)</p>	<p>Chairman of the Nomination Committee 提名委員會主席 Member of the Remuneration Committee 薪酬委員會成員</p>
<p>Mr. Ng Yiu Lun 伍耀倫先生</p>	
<p>Ms. Jin Xiaoqin 金曉琴女士</p>	
<p>Independent Non-executive Directors: 獨立非執行董事： Dr. Ng Lai Man, Carmen 吳麗文博士</p>	<p>Chairman of the Audit Committee 審核委員會主席 Member of the Remuneration Committee 薪酬委員會成員 Member of the Nomination Committee 提名委員會成員</p>
<p>Mr. Man Yiu Kwong, Nick 文耀光先生</p>	<p>Chairman of the Remuneration Committee 薪酬委員會主席 Member of the Audit Committee 審核委員會成員 Member of the Nomination Committee 提名委員會成員</p>
<p>Mr. Tang, Warren Louis 唐偉倫先生</p>	<p>Member of the Audit Committee 審核委員會成員 Member of the Remuneration Committee 薪酬委員會成員 Member of the Nomination Committee 提名委員會成員</p>

Corporate Governance Report (Continued) 企業管治報告(續)

Save for Ms. Wang Yao who is the daughter of Ms. Jin Xiaoqin and Ms. Jin Xiaoqin who is the mother of Ms. Wang Yao, the Directors have no financial, business, family or other material/relevant relationships with each other.

The Company has received written annual confirmation from each of the independent non-executive Directors of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

The Code Provisions require directors to disclose to the issuer the number and nature of offices held in public companies or organisations and other significant commitments as well as the nature of such companies or organisations and the time involved in such offices. Each Director has agreed to disclose their commitments to the Company in a timely manner.

Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors. In addition, pursuant to Rules 3.10A and 3.10(2) of the Listing Rules, every listed issuer is required to have such number of independent non-executive directors representing at least one-third of the Board, and at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. Dr. Ng Lai Man, Carmen who is a practicing certified public accountant in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants in the United Kingdom and The Institute of Chartered Accountants in England and Wales, is regarded as an appropriate person to fulfill this requirement.

除王瑤女士為金曉琴女士的女兒及金曉琴女士為王瑤女士的母親外，各董事之間概無財務、業務、家族或其他重大／相關關係。

本公司已接獲各獨立非執行董事按照上市規則第3.13條就其獨立性發出的年度確認書。根據上市規則所載的獨立性指引，本公司認為，全體獨立非執行董事均為獨立人士。

守則條文規定董事應向發行人披露其於公眾公司或組織擔任職位的數目及性質以及其他重大承擔，亦應披露所涉及的公眾公司或組織的性質以及其擔任有關職務所涉及的時間，各董事已同意適時向本公司披露彼等的職務承擔。

根據上市規則第3.10(1)條，上市發行人的董事會須包括至少三名獨立非執行董事。此外，根據上市規則第3.10A條及第3.10(2)條，各上市發行人的獨立非執行董事必須佔董事會成員人數至少三分之一，且其中至少一名獨立非執行董事必須具備適當專業資格，或具備適當會計或相關財務管理專長。吳麗文博士為香港執業會計師、香港會計師公會、英國特許公認會計師公會以及英格蘭及威爾斯特許會計師公會資深會員，因此被視為符合有關要求的合適人士。

Corporate Governance Report (Continued) 企業管治報告(續)

The Board meets regularly at least four times a year. During the year, the Board has held four board meetings, and the annual general meeting of the Company was held on 4 June 2019. The attendance of each Director at these meetings are stated as follows:

董事會每年至少舉行四次常規會議。年內，董事會已舉行四次董事會議，而本公司於二零一九年六月四日舉行了股東週年大會。各董事出席該等會議之情況載列如下：

Members of the Board 董事會成員	Attendance/ Number of Board meetings regularly held 出席次數/ 董事會常規會議舉行次數	Attendance/ Number of general meetings held 出席次數/ 股東大會舉行次數
Executive Directors: 執行董事：		
Ms. Wang Yao (<i>Chairman and Chief Executive of the Board</i>) 王瑤女士(董事會主席及總裁)	4/4	0/1
Mr. Ng Yiu Lun 伍耀倫先生	4/4	1/1
Ms. Jin Xiaoqin 金曉琴女士	2/4	0/1
Independent Non-executive Directors: 獨立非執行董事：		
Dr. Ng Lai Man, Carmen 吳麗文博士	4/4	0/1
Mr. Man Yiu Kwong, Nick 文耀光先生	4/4	1/1
Mr. Tang, Warren Louis 唐偉倫先生	2/4	1/1

RESPONSIBILITIES AND DELEGATION OF DIRECTORS

The Board is accountable to stakeholders for the activities and performance of the Group and its primary functions cover, among other things, the formulation of overall strategy, the review corporate and financial policies and the oversight of the management of the Group's business and affairs.

董事的責任及委派

董事會就本集團的活動及表現向利益相關人士負責，其主要職能為(其中包括)制訂整體策略，審閱企業及財務政策，以及監督本集團的業務及事務的管理。

Corporate Governance Report (Continued)

企業管治報告(續)

The management, consisting of the executive Directors along with other senior executives, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day operations of the Group. Executive Directors and senior executives meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

During the year, a meeting of the Chairman and the independent non-executive Directors without the presence of other executive directors was held to discuss the matters that they wish to raise.

In compliance with Code Provision A.6.5, the Group will arrange for, and provide funds for, all the Directors to participate in continuous professional development ("CPD") to help them refresh their knowledge, skills and understanding of the Group and its business or to update their skills and knowledge on the latest development or changes in the relevant statutes, the Listing Rules and corporate governance practices. The Company will also update the Directors of any material changes in the Listing Rules and corporate governance practices from time to time.

During the year, all the Directors have participated in continuous professional development, by attending external training or seminars, attending in-house training, participating in e-learning and/or reading materials on various topics covering regulations, corporate governance, finance and business, to develop and refresh their knowledge and skills, which ensure that their contribution to the Board remains informed and relevant. The Directors have provided records of training to the Company with details as below:

管理層(包括執行董事)連同其他高級行政人員獲委派負責執行董事會不時採納的策略及指示並進行本集團的日常營運。執行董事及高級行政人員會定期會面，以檢討本集團整體業務表現、調配整體資源及作出財務及營運決定。董事會亦在彼等管理權力範圍內給予清晰指示，包括管理人員應作報告的情況，亦會定期檢討委派安排，以確保有關安排切合本集團的需要。

全體董事須確保秉誠履行職責，遵守適用法例及法規，並於任何時候均以本公司及其股東的利益行事。

年內，主席與獨立非執行董事曾在其他執行董事避席的情況下舉行一次會議，以討論彼等有意提出的事宜。

根據守則條文第A.6.5條，本集團將撥資安排全體董事參與持續專業發展(「持續專業發展」)幫助彼等重溫知識、技能及對本集團與其業務的理解，或緊貼法規、上市規則及企業管治常規的最新發展或變動，增進技能及知識。本公司亦不時向董事提供有關上市規則及企業管治常規的任何重大變動的資料。

年內，全體董事已參與持續專業發展，包括參加外界培訓或研討會，參加內部培訓，參與網上培訓及／或閱讀有關規管、企業管治、財務及業務等各類議題的資料，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。各董事已向本公司提供彼接受培訓的記錄，有關細節如下：

Directors	Type of CPD programmes 持續專業發展項目類型	
	Attending training courses or seminars	Participating in e-learning, reading materials or updates
董事	出席培訓課程或研討會	參與網上培訓、 閱讀材料或更新資料
Executive Directors: 執行董事：		
Ms. Wang Yao 王瑤女士		√
Mr. Ng Yiu Lun 伍耀倫先生		√
Ms. Jin Xiaoqin 金曉琴女士		√
Independent Non-executive Directors: 獨立非執行董事：		
Dr. Ng Lai Man, Carmen 吳麗文博士	√	√
Mr. Man Yiu Kwong, Nick 文耀光先生	√	√
Mr. Tang, Warren Louis 唐偉倫先生		√

Corporate Governance Report (Continued) 企業管治報告(續)

APPOINTMENT, REELECTION AND REMOVAL OF DIRECTORS

The terms of reference of Nomination Committee include a nomination procedure specifying the process and criteria for selection and recommendation of candidates for directorships of the Company.

Each of our executive Directors, has entered into a service agreement with the Company regarding the appointment as an executive Director for a term of three years and shall be subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Company (the "Articles"). Each of the service agreement is renewable automatically upon the expiry of the then current term of appointment, unless terminated by not less than six months written notice from either party.

Each of our independent non-executive Directors, has signed a letter of appointment with the Company for a term of three years and shall be subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles, unless otherwise terminated in accordance with the relevant letter of appointment. The annual remuneration payable by the Company to each of our independent non-executive Directors is HK\$240,000 according to the respective letter of appointment.

Pursuant to Article 16.2 of the Articles, the Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting.

Furthermore, pursuant to Article 16.18 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation. Every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the "Company's Code") regarding securities transactions by the Directors on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiries, the Company confirms that all the Directors have complied with the required standards as stated in the Model Code and the Company's Code throughout the Relevant Period.

委任、重選及罷免董事

提名委員會之職權範圍內包含一套提名程序，列明甄選及推薦本公司董事候選人之程序標準。

各執行董事已就彼獲委任為執行董事與本公司訂立任期為三年的服務協議，彼等須根據本公司組織章程細則（「細則」）於股東週年大會上輪值告退及膺選連任。除非任何一方發出不少於六個月的書面通知終止，各服務協議在當時任期屆滿後自動續期。

各獨立非執行董事已與本公司簽訂任期為三年的委任函，除根據相關委任函的其他方式予以終止外，彼等須根據細則於股東週年大會上輪值告退及膺選連任。根據各自的委任函，本公司應付各獨立非執行董事的年度薪酬為240,000港元。

根據細則第16.2條，董事有權隨時及不時委任任何人士出任董事，以填補現任董事的臨時空缺或作為新增董事。按上述方式獲委任的任何董事任期僅至本公司下屆股東大會舉行時止，屆時將符合資格於會上重選連任。

此外，根據細則第16.18條，在本公司每屆股東週年大會上，當時在任三分之一董事（倘董事人數並非三之整數倍，則為最接近但不少於三分之一之數目）須輪值退任。每名董事須最少每三年輪值退任一次。該等退任董事將符合資格重選連任。

遵守證券交易的標準守則

本公司已就董事進行證券交易採納一套操守準則（「公司準則」），而條款並不遜於上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）的規定準則。經作出具體查詢後，本公司確認全體董事於相關期間，均一直遵守標準守則及公司準則所載的規定準則。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the websites of the Company and the Stock Exchange and are available to Shareholders upon request.

AUDIT COMMITTEE

The audit committee (the "Audit Committee") of the Company was established on 22 November 2014 with written terms of reference in compliance with the Rule 3.21 of the Listing Rules and paragraph C.3 of the Code Provisions as set out in Appendix 14 to the Listing Rules.

The primary duties of the Audit Committee include, amongst other things:

- (i) to propose the appointment or removal of the external auditors and the effectiveness of the audit process;
- (ii) to discuss with the external auditor on the nature and scope of the audit work prior to commencement of the audit work;
- (iii) to review the Group's financial and accounting policies and procedures;
- (iv) to ensure co-ordination between the internal and external auditors and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group, and to review and monitor its effectiveness;
- (v) to review the Company's financial information and disclosure thereof, and to consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts;
- (vi) to review and supervise the Group's financial controls, internal control and risk management systems and their implementation; and
- (vii) to review the arrangements for employees to raise concerns about financial reporting improprieties.

During the year ended 31 December 2019, the Audit Committee consisted of Dr. Ng Lai Man, Carmen, Mr. Man Yiu Kwong, Nick and Mr. Tang, Warren Louis, all of whom are independent non-executive Directors. The chairman of the Audit Committee is Dr. Ng Lai Man, Carmen who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

This annual report has been reviewed by the Audit Committee.

董事委員會

董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司特定方面的事務。所有本公司的董事委員會已按明確的書面職權範圍成立。董事委員會的職權範圍已上載於本公司及聯交所的網站，並可按股東要求以供查閱。

審核委員會

本公司已遵照上市規則第3.21條及上市規則附錄十四所載守則條文第C.3段於二零一四年十一月二十二日成立審核委員會(「審核委員會」)，並制訂書面職權範圍。

審核委員會的主要職責包括(其中包括)：

- (i) 建議委任或罷免外聘核數師及審核程序的有效性；
- (ii) 於審核工作開始前與外聘核數師討論審核工作的性質及範圍；
- (iii) 檢討本集團的財務及會計政策與程序；
- (iv) 確保內部及外聘核數師之間的協調，並確保內部審核職能在本集團內獲得足夠資源及適當支持，以及檢討及監察其成效；
- (v) 審閱本公司的財務資料及相關披露，以及考慮於或可能需要於報告及賬目中反映的任何重大或不尋常事項；
- (vi) 檢討及監督本集團的財務監控、內部監控及風險管理制度與其實施；及
- (vii) 檢討僱員就財務申報的不當行為提出關注的安排。

截至二零一九年十二月三十一日止年度，審核委員會由吳麗文博士、文耀光先生及唐偉倫先生組成，彼等均為獨立非執行董事。審核委員會主席為吳麗文博士，彼擁有上市規則第3.10(2)及3.21條所規定的合適專業資格。

本年報經由審核委員會審閱。

Corporate Governance Report (Continued) 企業管治報告(續)

During the year ended 31 December 2019, two meetings of the Audit Committee were held (with the attendance of the Company's external auditor in compliance with the Code Provisions and the Audit Committee's terms of reference), with the members' respective record of attendance as follows:

截至二零一九年十二月三十一日止年度，審核委員會已舉行兩次會議(本公司外聘核數師已出席以符合守則條文及審核委員會職權範圍)，成員各自之出席記錄如下：

Members of the Audit Committee	Attendance/ Number of Audit Committee meeting held
審核委員會成員	出席次數/ 審核委員會會議舉行次數
Independent Non-executive Directors:	
獨立非執行董事：	
Dr. Ng Lai Man, Carmen (<i>Chairman of Audit Committee</i>) 吳麗文博士(審核委員會主席)	2/2
Mr. Man Yiu Kwong, Nick 文耀光先生	2/2
Mr. Tang, Warren Louis 唐偉倫先生	1/2

During the year, the Audit Committee has performed the following work:

年內，審核委員會已履行下列職責：

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Reviewed the annual report and the annual results announcement for the year ended 31 December 2018, with a recommendation to the Board for approval; 2. Reviewed the interim report and the interim results announcement for the six months ended 30 June 2019, with a recommendation to the Board for approval; 3. considered and recommended to the Board the auditors' fee and the re-appointment of the Company's independent external auditor; 4. reviewed the internal control review report prepared by an independent external reviewer; and 5. reviewed the adequacy and effectiveness of the internal control and risk management system of the Group. | <ol style="list-style-type: none"> 1. 審閱截至二零一八年十二月三十一日止年度的年報及年度業績公告，並建議董事會通過； 2. 審閱截至二零一九年六月三十日止六個月的中期報告及中期業績公告，並建議董事會通過； 3. 考慮及向董事會建議核數師費用及續聘本公司外聘獨立核數師； 4. 審閱外聘獨立審核員編製的內部監控審核報告；及 5. 檢討本集團內部監控及風險管理制度是否充足及有效。 |
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Corporate Governance Report (Continued)

企業管治報告(續)

Auditor's remuneration

The Audit Committee of our Company is responsible for considering the appointment and re-election of our Company's external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect to our Company. PricewaterhouseCoopers is the external auditor of the Company. For the year ended 31 December 2019, the external auditor received the following remuneration for audit and non-audit services provided to the Group:

		HK\$'000 千港元
Audit services	審核服務	1,200
Non-audit services	非審核服務	
Interim review services	中期審閱服務	250
Taxation services	稅務服務	120
Total	總計	1,570

REMUNERATION COMMITTEE

The remuneration committee (the "Remuneration Committee") of the Company was established on 22 November 2014 with written terms of reference in compliance with paragraph B.1 of the Code Provisions as set out in Appendix 14 to the Listing Rules.

The primary functions of the Remuneration Committee include, amongst other things:

- (i) to make recommendations to the Board on our policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) to review and approve management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) to consider and make recommendations to our Board on the remuneration packages and overall benefits paid to our Directors and senior management;
- (iv) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment; and
- (v) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct.

核數師的薪酬

本公司審核委員會負責考慮委任及重新聘任本公司外聘核數師，以及審核外聘核數師履行的任何非審核職能，包括有關非審核職能會否導致本公司遭受潛在重大不利影響。羅兵咸永道會計師事務所為本公司外聘核數師。截至二零一九年十二月三十一日止年度，外聘核數師就提供審核及非審核服務予本集團而收取的酬金如下：

薪酬委員會

本公司已遵照上市規則附錄十四所載守則條文第B.1段於二零一四年十一月二十二日成立薪酬委員會（「薪酬委員會」），並制訂書面職權範圍。

薪酬委員會的主要職責包括（其中包括）：

- (i) 就全體董事及高級管理層的薪酬政策及架構以及設立正規具透明度的薪酬政策制訂程序，向董事會提出建議；
- (ii) 參照董事會的企業方針及目標檢討並批准管理層的薪酬建議；
- (iii) 考慮支付予董事及高級管理層的薪酬待遇及整體福利並就此向董事會提出建議；
- (iv) 檢討及批准向執行董事及高級管理層就其喪失或終止職務或委任而應付的補償；及
- (v) 檢討及批准因董事行為不當而解僱或罷免有關董事所涉及的補償安排。

Corporate Governance Report (Continued) 企業管治報告(續)

During the year ended 31 December 2019, the Remuneration Committee consisted of one executive Director and three independent non-executive Directors: Mr. Man Yiu Kwong, Nick, Dr. Ng Lai Man, Carmen, Mr. Tang, Warren Louis and Ms. Wang Yao. The chairman of the Remuneration Committee was Mr. Man Yiu Kwong, Nick.

截至二零一九年十二月三十一日止年度，薪酬委員會由一名執行董事及三名獨立非執行董事組成：文耀光先生、吳麗文博士、唐偉倫先生及王瑤女士。薪酬委員會主席為文耀光先生。

During the year ended 31 December 2019, two meetings of the Remuneration Committee were held with the member's respective record of attendance as follows:

截至二零一九年十二月三十一日止年度，薪酬委員會已舉行兩次會議，成員各自之出席記錄如下：

Members of the Remuneration Committee	Attendance/ Number of Remuneration Committee meeting held 出席次數/ 薪酬委員會會議舉行次數
薪酬委員會成員	
Independent Non-executive Directors:	
獨立非執行董事：	
Mr. Man Yiu Kwong, Nick (<i>Chairman of Remuneration Committee</i>) 文耀光先生(薪酬委員會主席)	2/2
Dr. Ng Lai Man, Carmen 吳麗文博士	2/2
Mr. Tang, Warren Louis 唐偉倫先生	1/2
Executive Director:	
執行董事：	
Ms. Wang Yao 王瑤女士	2/2

During the year, the Remuneration Committee has performed the following work:

於年內，薪酬委員會已執行以下工作：

- | | |
|---|--|
| <ol style="list-style-type: none"> reviewed and recommended to the Board on the remuneration packages of executive Directors and senior management based on their performance; reviewed and recommended to the Board on the Group's remuneration policy; reviewed and recommended to the Board the terms of letter of appointment of independent non-executive directors; and reviewed and recommended to the Board the level of remuneration for independent non-executive Directors and ensure that their level of remuneration are linked to their contribution in terms of time commitment and responsibilities undertaken. | <ol style="list-style-type: none"> 按執行董事及高級管理層之表現檢討其薪酬待遇並就此向董事會提出建議； 檢討本集團薪酬政策並就此向董事會提出建議； 檢討獨立非執行董事委任書條款並就此向董事會提出建議；及 檢討獨立非執行董事的薪酬水平並就此向董事會提出建議，以及確保彼等的薪酬水平與彼等在時間投入及所承擔責任方面的貢獻掛鉤。 |
|---|--|

Details of the Directors' remuneration are set out in Note 33 to the consolidated financial statements.

有關董事的薪酬詳情載於合併財務報表附註33。

Corporate Governance Report (Continued)

企業管治報告(續)

REMUNERATION OF THE MEMBERS OF THE SENIOR MANAGEMENT BY BAND

Pursuant to paragraph B.1.5 of the Code Provisions, the remuneration of the members of the senior management (as described under the section "Directors and Senior Management") by band for the year ended 31 December 2019 is set out below:

Remuneration band 薪酬等級		Number of individuals 人數
HK\$1 to HK\$1,000,000	1港元至1,000,000港元	1
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	1

按等級劃分的高級管理層成員薪酬

根據守則條文第B.1.5段，截至二零一九年十二月三十一日止年度按等級劃分的高級管理層成員(見「董事及高級管理層」一節所述)薪酬載列如下：

NOMINATION COMMITTEE

The nomination committee (the "Nomination Committee") of the Company was established on 22 November 2014 with written terms of reference in compliance with paragraph A.5 of the Code Provisions as set out in Appendix 14 to the Listing Rules.

The primary duties of the Nomination Committee include, amongst other things:

- (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement our corporate strategy;
- (ii) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorship;
- (iii) to assess the independence of independent non-executive Directors; and
- (iv) to consider and make recommendations to the Board regarding the re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive.

During the year ended 31 December 2019, the Nomination Committee consisted of one executive Director and three independent non-executive Directors: Ms. Wang Yao, Dr. Ng Lai Man, Carmen, Mr. Man Yiu Kwong, Nick and Mr. Tang, Warren Louis. The chairman of the Nomination Committee is Ms. Wang Yao.

提名委員會

本公司已遵照上市規則附錄十四所載的守則條文第A.5段於二零一四年十一月二十二日成立提名委員會(「提名委員會」)，並制訂書面職權範圍。

提名委員會的主要職責包括(其中包括)：

- (i) 最少每年檢討董事會的架構、規模及組成(包括技能、知識及經驗)，並向董事會提出任何建議變動的建議以配合我們的企業策略；
- (ii) 物色具備適當資格可擔任董事會成員的人士，並挑選個別人士提名出任董事或就挑選向董事會提出建議；
- (iii) 評核獨立非執行董事的獨立性；及
- (iv) 考慮續聘董事及董事(尤其是主席及總裁)繼任計劃並就此向董事會提出建議。

截至二零一九年十二月三十一日止年度，提名委員會由一名執行董事及三名獨立非執行董事組成：王瑤女士、吳麗文博士、文耀光先生及唐偉倫先生。提名委員會主席為王瑤女士。

Corporate Governance Report (Continued) 企業管治報告(續)

During the year ended 31 December 2019, one meeting of the Nomination Committee was held with the member's respective record of attendance as follows:

截至二零一九年十二月三十一日止年度，提名委員會已舉行一次會議，成員各自之出席記錄如下：

Members of the Nomination Committee	Attendance/ Number of Nomination Committee meeting held 出席次數/ 提名委員會會議舉行次數
提名委員會成員	
Executive Director:	
執行董事：	
Ms. Wang Yao (<i>Chairman of Nomination Committee</i>) 王瑤女士(提名委員會主席)	1/1
Independent Non-executive Directors:	
獨立非執行董事：	
Dr. Ng Lai Man, Carmen 吳麗文博士	1/1
Mr. Man Yiu Kwong, Nick 文耀光先生	1/1
Mr. Tang, Warren Louis 唐偉倫先生	1/1

During the year, the Nomination Committee has performed the following work:

年內，提名委員會已履行下列職責：

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. reviewed the structure, size and composition (including skills, knowledge and experience) of the Board; 2. discussed and recommended to the Board the re-appointment of Directors; 3. reviewed and assessed the independence of independent non-executive Directors of the Company; and 4. reviewed the diversity policy and nomination policy adopted. | <ol style="list-style-type: none"> 1. 檢討董事會的架構、規模及組成(包括技能、知識及經驗)； 2. 討論並向董事會建議續聘董事； 3. 審視及評核本公司獨立非執行董事的獨立性；及 4. 審視所採取的多元化政策及提名政策。 |
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Corporate Governance Report (Continued) 企業管治報告(續)

NOMINATION POLICY

The Group has adopted a nomination policy (the "Nomination Policy") to govern the criteria, procedures and process of nomination of Directors. The Nomination Policy sets out, inter alia, the selection criteria, the evaluation and procedures in nominating candidates to be appointed or re-appointed as Directors of the Company for ensuring that the Board has a balance of skills, experience and diversity of perspectives which are appropriate to the requirements of the Group's business.

Criteria for nomination and appointment of Directors

When identifying, assessing and recommending suitable candidates for directorship for the Board's consideration, the Nomination Committee will have regard to, but without limitation, the following criteria:

- skills, competence, experience, expertise, professional and educational qualifications, background and personal qualities of the candidate that will best complement the effectiveness and current composition of the Board;
- capability of the candidate to devote the necessary, sufficient time and commitment to carry out his duties. In this regard, the number and nature of offices held in public companies or organizations, other executive appointments or other significant commitments will be considered;
- potential conflicts of interest and assessment of the independence of the candidate; and
- other factors as the Nomination Committee may deem are in the best interests of the Company and its Shareholders.

If the candidate is proposed to be appointed as an independent non-executive director ("INED"), his or her independence shall be assessed in accordance with, among other things, the factors as set out in the Listing Rules. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under the Listing Rules.

提名政策

本集團已採納提名政策(「提名政策」)以管理董事提名的準則、程序及過程。提名政策規定(其中包括)獲委任或重新獲委任為本公司董事的提名候選人的評選標準、評估及程序,以確保董事會在技能、經驗及多樣性方面保持平衡,適合本集團業務的要求。

提名及委任董事的標準

在確定、評估及推薦合適的董事候選人以供董事會考慮時,提名委員會將考慮但不限於以下標準:

- 將最有效地補充董事會的有效性及當前結構的候選人的技能、能力、經驗、專業知識、專業及教育資格、背景及個人素質;
- 候選人貢獻必要的、足夠的時間及承諾以履行其職責的能力。在這方面,將考慮在上市公司或組織擔任職位的數目及性質、其他行政任命或其他重大承擔;
- 潛在的利益衝突及評估候選人的獨立性;及
- 提名委員會認為符合本公司及其股東的最佳利益的其他因素。

倘候選人建議委任為獨立非執行董事(「獨立非執行董事」),其獨立性須按照(其中包括)上市規則所列因素進行評估。在適用的情況下,根據上市規則規定,亦須評估候選人的教育程度、資格和經驗等整體情況,以考慮是否備有適當的專業資格或會計或相關的財務管理專業知識,以填補獨立非執行董事的職位。

Corporate Governance Report (Continued) 企業管治報告(續)

Nomination procedure and process

The Nomination Policy includes the following procedure and process in respect of the nomination of Directors, subject to the provisions of the Company's Articles:

- any member of the nomination committee or the Board may invite and nominate suitable candidates; and external recruitment agencies may be engaged to assist in identifying and selecting suitable candidates, if considered necessary;
- the Nomination Committee shall evaluate the nomination based on criteria set under the Nomination Policy and Board Diversity Policy and make recommendation to the Board, including the terms and conditions of the appointment, for its consideration and approval;
- in the context of re-appointment of retiring Directors, the Nomination Committee shall review the candidate's overall contribution and performance and make recommendations to the Board and/or the shareholders for consideration in connection with his/her re-election at general meetings; and
- for any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

The Nomination Policy is subject to review from time to time to ensure that it continues to be relevant to the needs of the Company and reflects current regulatory requirements and good governance practice.

提名程序及過程

提名政策包括以下有關董事提名的程序及過程，但須遵守本公司細則的規定：

- 提名委員會或董事會的任何成員可邀請及提名合適的候選人；倘認為有必要，可聘請外部招聘機構協助確定及選擇合適的候選人；
- 提名委員會將根據提名政策及董事會多元化政策規定的標準評估提名，並為董事會提供建議，包括委任的條款及條件，供其審議及批准；
- 在重新委任退任董事的情況下，提名委員會須審查候選人的整體貢獻及表現，並向董事會及／或股東提出建議，以供考慮彼是否於股東大會上獲重選；及
- 就任何由股東提名參選本公司股東大會董事的人士而言，提名委員會及／或董事會應根據上述標準對該候選人進行評估，以確定該候選人是否有資格成為董事。

提名政策將不時受到審查，以確保其繼續與本公司的需求相關，並反映當前的監管要求及良好的管治常規。

Corporate Governance Report (Continued) 企業管治報告(續)

BOARD DIVERSITY

With a view to enhancing Board effectiveness and corporate governance, the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independence element on the Board, which can effectively exercise independent judgement.

The Company has adopted a board diversity policy with measurable objectives. The Nomination Committee evaluates the balance and blend of skills, experience and diversity of perspectives of the Board. Selection of candidates is based on a range of diversity perspectives, including but not limited to age, cultural and educational background, professional and industry experience, skills, knowledge, ethnicity and other qualities essential to the Company's business, and merit and contribution that the selected candidates will bring to the Board. The Board will review such measurable objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the collective responsibility of Directors and their corporate governance duties include:

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

During the year, the Board has performed the corporate governance duties in accordance with its terms of reference.

董事會多元化

為提升董事會的效益及企業管治水平，董事會應具備執行與非執行董事(包括獨立非執行董事)的均衡組合，使董事會保持獨立而可有效發揮獨立的判斷能力。

本公司已採納董事會成員多元化政策並制訂可計量目標。提名委員會就董事會在技能、經驗及多樣的觀點方面取得平衡及得以結合而作出評估。在甄選候選人時，將從多樣的觀點出發，包括但不限於考慮年齡、文化及教育背景、專業及行業經驗、技能、知識、種族及對本公司業務不可或缺的其他素質，以及候選人能為董事會帶來的優勢及貢獻。董事會將不時檢討有關可計量目標，以確保其是否適合並確定達成該等目標的進度。

企業管治職能

董事會確認企業管治應為董事的共同責任，而彼等的企業管治職責包括：

- (i) 制訂及檢討本公司的企業管治政策及常規，並作出建議；
- (ii) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (iii) 檢討及監察本公司遵守法律及監管規定的政策及常規；
- (iv) 制訂、檢討及監察適用於僱員及董事的行為守則及合規手冊(如有)；及
- (v) 檢討本公司遵守守則條文及在企業管治報告中作出披露的情況。

年內，董事會已根據其職權範圍履行企業管治職責。

Corporate Governance Report (Continued) 企業管治報告(續)

ACCOUNTABILITY AND AUDIT

Financial reporting

Financial results of the Group are announced in a timely manner in accordance with all statutory requirements, particularly the timeframe stipulated in Rule 13.49(1) and (6) of the Listing Rules. All Directors acknowledge their responsibility for preparing the financial statements of the Group on a going concern basis, with supporting assumptions or qualifications as necessary, for each financial period which give a true and fair view of the Group's financial affairs. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the auditors about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 64 to 70 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is its duty to monitor the risk management and internal control systems of the Group on an ongoing basis and review their effectiveness. Such systems 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.

During the year, the Board, through the Audit Committee, conducted review of both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. In this respect, the Audit Committee communicates any material issues to the Board.

During the year, the Group appointed SHINEWING Risk Services Limited to independently perform internal control review of the Group's internal control systems.

The results of the independent review and assessment were reported to the Audit Committee and the Board. Moreover, improvements in internal control measures as recommended by SHINEWING Risk Services Limited to enhance the internal control systems of the Group were adopted by the Board. No significant area of concern that may affect the financial, operational, compliance, control and risk management of the Group has been identified.

問責及審核

財務申報

本集團已按照所有法例規定，特別是上市規則第13.49(1)及(6)條所訂明的時間表，及時公佈其財務業績。全體董事確認彼等須承擔於每個財政期間按持續經營基準並以所需假設或保留編製本集團的財務報表的責任，以真實公平反映本集團的財務事宜。董事並不知悉任何會嚴重質疑本公司持續經營能力的重大不確定因素的事件或情況。

本集團財務報表內有關核數師申報責任的聲明載於本年報第64至70頁的獨立核數師報告。

風險管理及內部監控

董事會瞭解，持續監察本集團之風險管理及內部監控系統以及檢討其成效為其職責。有關系統旨在管理而非消除未能達成業務目標的風險，並僅可就重大錯報或虧損提供合理但非絕對之保證。

年內，董事會透過審核委員會就設計及落實本集團風險管理及內部監控系統之成效進行檢討，內容涵蓋所有重大監控，包括財務、經營及合規監控，以確保資源、員工資歷及經驗、培訓課程及本集團之會計預算、內部審核及財務報告職能充足。就此而言，審核委員會就任何重大事項與董事會溝通。

年內，本集團已委任信永方略風險管理有限公司對本集團之內部監控系統進行獨立內部監控審閱。

獨立審閱及評估之結果已向審核委員會及董事會呈報。此外，董事會已採納信永方略風險管理有限公司建議之內部監控改善措施，以加強本集團之內部監控系統。概無識別出任何重大關注範疇可能影響本集團的財務、營運、合規、監控及風險管理。

Corporate Governance Report (Continued) 企業管治報告(續)

The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Board has the overall responsibility to maintain the adequacies of resources, staff qualifications and experience training programs and budget of accounting and financial reporting function. Based on the findings and recommendations of SHINEWING Risk Services Limited, reports from the Group's management as well as the comments of the Audit Committee, and the Board considered the internal control and risk management systems effective and adequate.

Enterprise Risk Management Framework

The Group has established its enterprise risk management framework in 2016. While the Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing an internal control system to manage all kinds of risks faced by the Group.

Through the risk identification and assessment processes, risks are identified, assessed, prioritised and allocated treatments. The Group's risk management framework follows the COSO Enterprise Risk Management – Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit Committee that oversees risk management and internal audit functions.

Principal Risks

The principal risks and relevant measures taken by the Group is set out on pages 14 to 15 under the section "Management Discussion and Analysis" of this annual report.

Our Risk Control Mechanism

The Group adopts a "three lines of defence" corporate governance structure with operational management and controls performed by operations management, coupled with risk management monitoring carried out by the finance team and independent internal audit outsourced to and conducted by Corporate Governance Professionals Limited. The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee, and management with a profile of its major risks and records management's action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated by management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, at least annually, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk owners have access to the risk register and are aware of and alert to those risks in their area of responsibility so that they can take follow-up action in an efficient manner.

本集團的風險管理及內部監控系統旨在管理而非消除無法達致業務目標的風險，只可就重大失實陳述或虧損提供合理但非絕對的保證。董事會全權負責維持充足資源、員工資歷及經驗培訓計劃以及會計預算及財務報告職能。基於信永方略風險管理有限公司之調查結果及建議、本集團管理層的報告以及審核委員會之意見，董事會認為，內部監控及風險管理系統屬有效及充足。

企業風險管理框架

本集團已於二零一六年建立其企業風險管理框架。董事會全面負責確保維持穩健及有效之內部監控，而管理層負責設計及落實內部監控系統，以管理本集團所面臨之所有類別風險。

透過風險辨識及評估程序，風險已得到辨識、評估、優先處理及分配。本集團之風險管理框架遵從COSO企業風險管理一綜合框架，令董事會及管理層得以有效管理本集團之風險。審核委員會監督風險管理及內部審核職能，而董事會定期透過審核委員會接獲有關報告。

主要風險

本集團面臨之主要風險及採取之相關措施載於本年報第14至15頁「管理層討論及分析」一節。

本集團之風險監控機制

本集團採納一套「三道防線」企業管治架構，以營運管理層進行營運管理及監控，加上財務部進行之風險管理監督及外判予企業管治專才有限公司進行之獨立內部審核。本集團存有風險登記冊以追蹤本集團所有已辨識之主要風險。風險登記冊向董事會、審核委員會及管理層提供其主要風險組合，並記錄管理層就減低相關風險所採取之行動。根據風險發生之可能性及對本集團之潛在影響，各風險至少每年評估一次。於進行年度風險評估後，風險登記冊由管理層(作為風險擁有人)通過加入新風險及/或移除現有風險(倘適用)每年至少更新一次。此審閱程序可確保本集團積極管理其面臨之風險，令所有風險擁有人均可查閱風險登記冊及於彼等所負責之範圍內知悉及察覺該等風險，從而讓彼等能有效採取跟進行動。

Corporate Governance Report (Continued) 企業管治報告(續)

Risk management activities of the Group are performed by management on an ongoing process. The effectiveness of the risk management framework will be evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensure that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

There is currently no internal audit function within the Group. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Board will continue to review at least annually the need for an internal audit function.

Inside Information

The Company has set up an information disclosure policy (the "Disclosure Policy") to ensure that the Company shall be in strict compliance with the disclosure obligation of inside information, that inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company acknowledges its obligations under Chapter 13 of the Listing Rules and the principles of inside information as set forth in the Securities and Futures Ordinance. The Disclosure Policy stipulated responsibilities, guidelines and logistics in the assessment, approval and dissemination of inside information, strictly prohibited unauthorised use of confidential information and established procedures for responding to external enquires or rumours.

COMPANY SECRETARY

Ms. Yip Lee Ying was appointed by the Board as the Company Secretary of the Company in April 2016 and she is also the chief financial officer of the Group. The Company Secretary supports the Chairman in promoting the highest standards of corporate governance and facilitates the effective functioning of the Board and its committees. All Directors have direct access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that board procedures are followed and for facilitating timely and appropriate information flows among directors. Ms. Yip has taken no less than 15 hours of the relevant professional training on review of Listing Rules and other compliance requirements during the year.

The biography of the Company Secretary is set out under the section "Directors and Senior Management" of this annual report.

本集團之風險管理活動由管理層按持續基準進行。本集團會對風險管理框架之成效至少每年評估一次，並定期舉行管理層會議，以更新風險監控活動之進展。管理層致力確保風險管理成為日常業務運營程序之一部分，令風險管理有效達致企業目標。

本集團目前並無內部審核職能。董事會已檢討內部審核職能之需求，並認為鑒於本集團業務之規模、性質及複雜性，委聘外聘獨立專業人士代本集團履行內部審核職能以滿足其需要，此舉更具成本效益。然而，董事會將繼續對內部審核職能之需求至少每年檢討一次。

內幕消息

本公司已制訂消息披露政策（「披露政策」），以確保本公司嚴格遵守內幕消息的披露責任，且內幕消息在獲適當批准披露前一直保密，並以有效及一致方式發佈有關消息。本公司知悉其於上市規則第十三章以及證券及期貨條例所載內幕消息原則項下的責任。披露政策訂明評估、批准及散佈本公司內幕消息的責任、指引及後勤總務，並嚴格禁止未經授權使用機密消息，且就外界查詢及流言訂立回應程序。

公司秘書

葉莉盈女士已於二零一六年四月獲董事會委任為本公司的公司秘書，而彼亦為本集團的首席財務總監。公司秘書協助主席提倡最高標準的企業管治及推動董事會及其委員會的有效運作。所有董事均可直接聯繫公司秘書以取得其意見及服務。公司秘書向主席匯報董事會管治事宜，並負責確保董事會程序獲得遵守及董事之間的資訊交流適時且適當。年內，葉女士已就審閱上市規則及其他合規規定接受不少於15小時的相關專業培訓。

有關公司秘書的履歷載於本年報「董事及高級管理層」一節。

Corporate Governance Report (Continued) 企業管治報告(續)

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS AND INVESTOR RELATIONS

The Company aims to promote and maintain effective communications with Shareholders and investors (both individuals and institutions) to ensure that the Group's information is disseminated to Shareholders and potential investors in a timely manner and enable them to have a clear assessment of the enterprise performance.

Extensive information on the Group's activities and financial position will be disclosed in the annual reports, interim reports, announcements, circulars and other corporate communications which will be sent to Shareholders and/or published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gicl.com.hk).

DIVIDEND POLICY

The Company has adopted a dividend policy ("Dividend Policy"), pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the Articles.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's earnings per share; financial conditions including its liquidity position and capital and debt level; long-term earning capacity; expected working capital requirements, capital expenditure requirement and future expansion plans; Shareholders' and investors' expectation and industry's norm; the market sentiment and circumstances; and any other factors that the Board considers relevant and appropriate.

The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

與股東及投資者的溝通以及投資者關係

本公司旨在提倡及維持與股東及投資者(個別人士及機構)的有效溝通,以確保本集團的資訊可及時向其股東及潛在投資者傳達,並確保彼等對企業表現擁有清晰評估。

有關本集團的活動及財務狀況的全面資料將於年報、中期報告、公告、通函及其他公司資訊渠道披露,並將向股東提呈及/或於聯交所(www.hkexnews.hk)及本公司(www.gicl.com.hk)網站內發佈。

股息政策

本公司已採納股息政策(「股息政策」),據此,本公司可透過現金或股份方式向本公司股東派發股息。任何股息分配均應符合細則。

支付任何股息之建議視乎董事會之絕對酌情權而定,任何末期股息宣派須待股東批准後方可作實。在提出任何股息支付時,董事會還應考慮(其中包括)本集團之每股盈利;財務狀況(包括其流動資金狀況以及資本及債務水平);長期盈利能力;預期營運資金需求、資本支出需求及日後擴展計劃;股東與投資者的預期及行業規範;市場氣氛及情況;董事會認為相關且適當的任何其他因素。

股息政策將不時進行審查,並不保證在任何特定時期內會建議派付或宣派股息。

Corporate Governance Report (Continued) 企業管治報告(續)

SHAREHOLDER RIGHTS

General Meeting

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. The Chairman of the Board as well as chairmen of the Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, their duly appointed delegates are available to answer questions at the Shareholders' meetings. The auditor of the Company is also invited to attend the Company's annual general meeting ("AGM") and is available to assist the Directors in addressing queries from Shareholders relating to the conduct of the audit and the preparation and contents of the Independent Auditor's Report. Separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual directors.

Notice of the AGM together with related papers are sent to the Shareholders at least 20 clear business days before the meeting, setting out details of each proposed resolution, voting procedures and other relevant information. All votes of Shareholders at the general meeting will be decided by poll, where appropriate, in accordance with Article 13.7. The Chairman will explain such rights and procedures during the AGM before voting on the resolutions. An independent scrutineer will be appointed to count the votes and the poll results will be posted on the websites of the Company and the Stock Exchange after the AGM.

Shareholders can make a requisition to convene an extraordinary general meeting ("EGM") pursuant to Article 12.3 of the Articles. The procedures for the Shareholders to convene an EGM are as follows:

1. Any two or more Shareholders (the "Requisitionist") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the directors for the transaction of any business specified in such requisition.
2. Such requisition shall be made in writing to the Board of the Company signed by the requisitionists and deposited at the following address:

Principal place of business of the Company

Address: Unit 01, 23/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong

股東權利

股東大會

本公司的股東大會為股東與董事會提供溝通之良機。董事會主席以及審核委員會、薪酬委員會及提名委員會主席或(在其缺席時)其正式委任的代表會在股東大會上解答提問。本公司核數師亦獲邀出席本公司的股東週年大會(「股東週年大會」)，並可協助董事解答股東有關審核及編製的行為以及獨立核數師報告內容的提問。本公司將就各重大議題(包括選舉個別董事)於股東大會提呈個別決議案。

載列各建議決議案、表決程序及其他相關資料的股東週年大會通告，連同相關文件會於大會舉行前最少20個完整營業日向股東發送。於股東大會的所有股東投票將根據細則第13.7條按股數投票表決方式(如適用)決定。主席將於股東週年大會表決決議案前解釋有關權利及程序。一名獨立監票員將獲委任點算票數，而表決結果將於股東週年大會後於本公司及聯交所網站公佈。

股東可按細則第12.3條要求召開股東特別大會(「股東特別大會」)。股東召開股東特別大會之程序如下：

1. 於投遞請求書之日持有賦予權利於股東大會投票之本公司實繳股本不少於十分之一的兩名或以上股東(「請求人」)有權以書面通知要求董事召開股東特別大會，以處理該要求書中指明之任何事項。
2. 由請求人簽署的有關請求書須以書面方式按以下地址向本公司董事會投遞：

本公司主要營業地點

地址：香港中環德輔道中19號環球大廈23樓01室

Corporate Governance Report (Continued) 企業管治報告(續)

3. If the Directors fail to proceed to convene such meeting within 21 days of such deposit, the Requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them may do so in the same manner which shall be held no later than the day which falls three months after the expiration of the said twenty-one day period, and all reasonable expenses incurred by the Requisitionist as a result of the failure of the directors shall be reimbursed to the Requisitionist by the Company.

Procedures for Shareholders to direct enquiries to the Company

For matters in relation to the Board, Shareholders can contact the Company at the following:

Address: Unit 01, 23/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong

Email: info@gic.com.hk

Tel: (852) 2111 0998

Fax: (852) 2111 0819

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered Shareholders can contact:

Hong Kong branch share registrar and transfer office

Boardroom Share Registrars (HK) Limited

Address: Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong

Tel: (852) 2153 1688

Fax: (852) 3020 5058

3. 倘董事未能於該投遞起計21日內召開該大會，請求人本身或佔其當中所有人的總投票權多於一半的任何人士可以相同方式於不遲於上述二十一日期間屆滿後三個月內之任何一日召開大會，而請求人因董事未能行事而產生之一切合理開支須由本公司發還予請求人。

股東向本公司直接查詢的程序

凡有關董事會的事宜，股東可按以下方式聯繫本公司：

地址：香港中環德輔道中19號環球大廈23樓01室

電郵：info@gic.com.hk

電話：(852) 2111 0998

傳真：(852) 2111 0819

凡有關股份登記相關事宜，如股份過戶登記、更改名稱或地址、丟失股票或股息單，登記股東可按以下方式聯繫本公司：

香港股份過戶登記分處

寶德隆證券登記有限公司

地址：香港北角電氣道148號21樓2103B室

電話：(852) 2153 1688

傳真：(852) 3020 5058

Corporate Governance Report (Continued) 企業管治報告(續)

CONSTITUTIONAL DOCUMENTS

During the Relevant Period, there has been no change in the Company's constitutional documents.

Procedures for Shareholders to put forward proposals at Shareholders' meetings

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her proposal (the "Proposal") together with his/her detailed contact information at the Company's principal place of business in Hong Kong at Unit 01, 23/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong in the same manner as set out above.

The request will be verified by the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (a) At least 21 days' notice in writing if the Proposal requires approval by way of a special resolution of the Company in an EGM or resolution of the Company in an AGM.
- (b) At least 14 days' notice in writing if the Proposal requires approval in any other EGM.

憲章文件

於相關期間內，本公司憲章文件並無變動。

股東於股東大會上提呈建議的程序

為於本公司股東大會上提呈建議，股東須以書面通告，連同詳細聯絡資料按上文所載同一方式將該建議(「建議」)寄往本公司的香港主要營業地點，地址為香港中環德輔道中19號環球大廈23樓01室。

本公司的香港股份過戶登記分處會核實該要求，於其確認該要求為恰當及適當後，將要求董事會在股東大會的議程內加入有關建議。

向全體股東發出通知以供考慮相關股東於股東大會上提呈的建議的期限會因建議的性質而有所不同，分別如下：

- (a) 倘建議須於股東特別大會以本公司特別決議案或於股東週年大會以本公司決議案的方式獲批准，須發出最少21日的書面通知。
- (b) 倘建議須於任何其他股東特別大會獲批准，須發出最少14日的書面通知。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

Global International Credit Group Limited (the “Company” together with its subsidiaries (the “Group”)) is pleased to issue the Environmental, Social and Governance (“ESG”) Report for the year ended 31 December 2019 (“FY2019”) which outlines its policies and practices in four aspects, namely environmental protection, human resources, operating practice and community involvement, with reference to the ESG Reporting Guide (the “ESG Guide”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for disclosures.

As a responsible and caring corporate citizen, the Group upholds the principle that good business practices and corporate social responsibility are vital for the sustainability of its success. The Board is responsible for the Group’s ESG strategy and reporting. The Group has established an ESG working team to engage the management and employees across all functions in order to identify relevant ESG issues and to assess their materiality to the Group’s business as well as the Company’s stakeholders, through reviewing our operations and internal discussions. The Group also recognises its responsibility to be accountable to all its stakeholders, including clients, potential investors and shareholders, employees, nongovernmental organisations (NGOs) and local community. Understanding the needs and expectations of the stakeholders is the key to the Group’s success. As each stakeholder requires a different engagement approach, the Group has established a tailor-made communication method, in order to better meet each stakeholder’s expectations.

Scope of the Report

Unless otherwise stated, this report covers the Group’s head office and all the operating subsidiaries of the Group.

For this year, the material ESG issues are those which have or may have a significant impact on:

- The Hong Kong mortgage loan market;
- The environment or sociality now or in the future;
- Our financial performance or operations; and/or
- Our stakeholders’ assessment, decisions and actions.

Feedback

This report is designed to allow our stakeholders and the public to have a more comprehensive and profound understanding of the Group’s corporate social responsibility and culture. We welcome feedback and comments on to this report and its contents which will lead us to create further common value. Please feel free to provide your comments by email to info@gic.com.hk.

關於本報告

環球信貸集團有限公司(「本公司」，連同其附屬公司統稱為「本集團」)欣然發表環境、社會及管治(「環境、社會及管治」)報告，報告涵蓋截至二零一九年十二月三十一日止年度(「二零一九年財政年度」)，當中概述我們於環境保護、人力資源、營運慣例及社區參與等四個方面的政策及實踐，並參考香港聯合交易所有限公司證券上市規則(「上市規則」)附錄二十七所載《環境、社會及管治報告指引》(「環境、社會及管治指引」)作出披露。

本集團為盡責、關愛社會的企業公民，一直奉行良好商規並履行企業社會責任，此乃本集團取得持續成功的關鍵。董事會負責本集團的環境、社會及管治策略及報告。本集團已設立環境、社會及管治工作小組，成員包括各職級的管理層及僱員，透過檢討本集團的營運及內部討論，辨識相關環境、社會及管治事宜及評估該等事宜對本集團業務及本公司利益相關人士的重要性。本集團亦確認其須對所有利益相關人士，包括客戶、潛在投資者及股東、僱員、非政府機構及本地社區負責。了解利益相關人士的需要及期望為本集團成功的關鍵。由於各利益相關人士需要不同的參與方式，本集團已設立度身訂造的溝通途徑，以期更符合各利益相關人士的期望。

報告範疇

除另有指明者外，本報告涵蓋本集團總部及本集團所有營運附屬公司。

本年度，重大環境、社會及管治問題為對以下方面有或可能有重大影響的問題：

- 香港按揭貸款市場；
- 現在或未來的環境或社會；
- 我們的財務表現或營運；及／或
- 利益相關人士的評估、決定及行動。

意見反饋

本報告旨在使利益相關人士及公眾更全面透徹地了解本集團的企業社會責任及企業文化。我們歡迎閣下就本報告與其內容發表評論及意見，此舉有助我們締造更多共同價值。請閣下將意見電郵至 info@gic.com.hk。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

OUR STAKEHOLDERS

The Group actively strives to better understand our stakeholders and engage them to ensure that improvements are implemented to our products and services. We strongly believe that our stakeholders would play a crucial role for sustaining the success of our business in the challenging market.

我們的利益相關人士

本集團積極致力更好地了解利益相關人士並徵詢彼等意見，確保我們產品及服務有所改善。我們深信，利益相關人士在業務於充滿挑戰的市場持續取得成功方面扮演著至關重要的角色。

Stakeholders 利益相關人士	Possible concerned issues 潛在相關事宜	Communication and responses 溝通與回應
HKEx 香港交易所	Compliance of listing rules, timely and accurate announcements 遵守上市規則，及時而準確地刊發公告	Meetings, training, workshops, programs, website updates and announcements 會議、培訓、研討會、計劃、網站更新及公告
Government 政府	Compliance of laws and regulations, preventing tax evasion, and social welfare 遵守法律法規、防止避稅及提供社會福利	Interaction and visits, government inspections, tax returns and other information 互動及拜訪、政府視察、納稅申報及其他刊物
Shareholders/ Investors 股東／投資者	Corporate governance system, business strategies and performance, investment returns 企業管治制度、業務策略及表現、投資回報	Organising and participating in seminars, interviews, shareholders' meetings, financial reports or operation reports for investors, media and analysts 組織及參與為投資者、媒體及分析人員舉辦的研討會、訪談、股東大會，為彼等編製財務報告或營運報告
Media & Public 媒體及公眾	Corporate governance, environmental protection, human right 企業管治、環境保護、人權	Issue of newsletters on the Group's website 本集團網站發佈通訊稿
Customers 客戶	Quality of loan services, repayment terms, handling time, reasonable interest costs, privacy protection 貸款服務質素、償還條款、處理時間、合理利息成本、私隱保障	After-sales services 售後服務
Employees 僱員	Rights and benefits, employee compensation, training and development, work hours, working environment 權利及福利、僱員報酬、培訓與發展、工作時間、工作環境	Trainings, interviews for employees, issuing employee handbooks, internal memos, employee suggestion boxes 培訓、與僱員進行面談、發放員工手冊、內部備忘錄、設立僱員意見箱
Community 社區	Community environment, employment and community development, social welfare 社區環境、僱傭及社區發展、社會福利	Developing community activities, employee voluntary activities and community welfare subsidies and donations 組織社區活動、僱員志願活動以及社區福利補貼及捐贈

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

ENVIRONMENTAL PROTECTION

The Group is committed to leading by example, inspiring others to strive for environmental sustainability, and minimising our environmental impacts from operations. We have implemented eco-friendly measures to reduce carbon footprint in our business operations. During FY2019, there was no material non-compliance issue with relevant laws and regulations related to the environment.

Emission

As a provider of money lending services, the Group's operation does not have material impacts on the environment in relation to pollutant emissions. Nevertheless, the Group still indirectly generates greenhouse gas ("GHG") emission through our consumption of electricity and production of paper waste at the Group's headquarter. Several measures to reduce the Group's GHG emissions have been implemented to demonstrate the Group's determination of maintaining environmental sustainability. Those measures included promoting paperless office by usage of tablets, encouraging double-sided printing, and encouraging employees to switch off all idle appliances.

During FY2019, the Group's total GHG emissions was approximately 28.0 tonnes (FY2018: 33.3 tonnes) and the total GHG emission per average employee was 1.27 tonnes (FY2018: 1.39 tonnes). The decrease in total GHG emission was mainly due to the decrease in paper waste disposal and electricity consumption.

環境保護

本集團致力以身作則，啟發其他公司為環境可持續發展努力，將營運對環境造成的影響減至最低。我們實施環保措施，以減低業務營運的碳足印。於二零一九年財政年度，概無任何嚴重違反與環境有關的相關法律及法規的事件。

排放

作為貸款服務供應商，就污染物排放而言，本集團的營運對環境並無重大影響。然而，本集團仍因於其總部耗用電力和產生廢紙而間接產生溫室氣體（「溫室氣體」）。本集團已實行多項減少本集團溫室氣體排放的措施，以彰顯本集團保持環境可持續發展的決心。該等措施包括使用平板電腦，提倡無紙辦公、鼓勵雙面列印及鼓勵僱員關閉所有閒置電器。

於二零一九年財政年度，本集團的溫室氣體總排放量約為28.0公噸（二零一八年財政年度：33.3公噸），僱員人均溫室氣體總排放量為1.27公噸（二零一八年財政年度：1.39公噸）。溫室氣體總排放量減少乃主要由於廢紙處理數量及耗電量減少所致。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
GHG emissions (in tonnes)	溫室氣體排放(以公噸計)		
Indirect GHG emissions (Scope 2)	間接溫室氣體排放(範圍2)		
– Electricity consumption (in tonnes)	– 耗電量(以公噸計)	24.9	29.7
Other indirect GHG emissions (Scope 3)	其他間接溫室氣體排放(範圍3)		
– Disposal of paper waste (in tonnes)	– 處理廢紙量(以公噸計)	3.1	3.6
Total GHG emissions (in tonnes)	溫室氣體排放總量(以公噸計)	28.0	33.3
Average number of employees	平均僱員數目	22	24
GHG emissions per average employee (in tonnes)	僱員人均溫室氣體排放量(以公噸計)	1.27	1.39

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Waste Management

The Group's operations do not produce any hazardous waste, which includes but not limited to chemical wastes, clinical wastes and hazardous chemicals. The non-hazardous waste produced by the Group was mainly paper waste. Measures for reducing and recycling the waste were put in place. We encourage double-sided printing, as well as reuse of single side printed paper. A recycling company was engaged to collect and recycle our paper waste regularly. In FY2019, approximately 51% of our paper waste was recycled (FY2018: 54%). To further reduce the Group's nonhazardous waste, we have also purchased some electronic tablets so as to facilitate usage of electronic document and promote paperless office.

廢物管理

本集團的營運並不產生任何有害廢物(包括但不限於化學廢料、醫療廢物及有害化學物質)。本集團產生的無害廢物主要為廢紙。減少及回收廢物的措施經已實施。我們鼓勵雙面列印,以及重複使用單面列印的紙張。我們已委聘一間回收公司定期收集及回收我們的廢紙。於二零一九年財政年度,我們約有51%的廢紙得以回收(二零一八年財政年度:54%)。為求進一步減少本集團的無害廢物,我們亦已購入若干平板電腦,有助電子化文檔的利用及推廣無紙辦公。

		FY2019 二零一九年 財政年度	FY2018 二零一八年 財政年度
Non-hazardous waste (in kg)	無害廢物(以公斤計)		
Paper waste (in kg)	廢紙(以公斤計)	640	726
Average number of employees	平均僱員數目	22	24
Paper waste per average employee (in kg)	僱員人均廢紙量(以公斤計)	29.1	30.3

Use of Resources

The Group is committed to upholding high environmental standards in order to promote environmental friendliness. As a provider of money lending services, the Group strives to minimise environmental impact by reducing energy and paper consumption and encouraging recycle of office supplies and other materials.

資源利用

本集團致力奉行高環保標準,以改善環境。本集團為貸款服務的供應商,力求通過減少能源及紙張消耗以及鼓勵循環再用辦公用品和其他物品,將對環境所造成的影響降至最低。

Energy Consumption

The electricity consumed by the Group's head office was the largest contributor to the greenhouse gas footprint. To reduce the Group's carbon and energy footprints, the Group has posted some energy conservation reminders in place. Computers and office lights are switched off during non-business hours to minimise light pollution and reduce energy consumption. The total electricity consumption decreased by approximately 16% in FY2019 when compared to FY2018.

能源消耗

本集團總部的電力消耗產生最大比重的溫室氣體足印。為減少本集團的碳及能源足印,本集團已於適當位置刊貼若干節能提示。非辦公時段內會關閉電腦及辦公室的燈,藉此減低光污染及減少能源消耗。較二零一八年財政年度而言,二零一九年財政年度總耗電量減少約16%。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

		FY2019 二零一九年 財政年度	FY2018 二零一八年 財政年度
Electricity consumption (in kWh)	耗電量(以千瓦時計)	31,495	37,614
Average number of employees	平均僱員數目	22	24
Electricity consumption per average employee (in kWh)	僱員人均耗電量(以千瓦時計)	1,432	1,567

Paper Usage

Efficiency in usage of paper has been promoted and communicated to our employees. Tablets were provided to employees to encourage reduction of usage of paper. The single-sided printings were collected for reuse. Paper usage decreased by approximately 17% when compared with last year.

用紙

我們已將有效用紙的觀念推廣及傳達予我們的僱員。我們向僱員提供平板電腦以減少用紙，而單面列印的紙張亦得以收集重用。用紙量較去年減少約17%。

		FY2019 二零一九年 財政年度	FY2018 二零一八年 財政年度
Paper usage (in kg)	用紙量(以公斤計)	1,305	1,576
Average number of employees	平均僱員數目	22	24
Paper usage per average employee (in kg)	僱員人均用紙量(以公斤計)	59.3	65.7

Water Consumption and Packaging Materials

As the Group's operations mainly focus on providing financial services to customers, no water consumption or packaging material consumption can be identified as material issue relevant to the Group's operations.

耗水量及包裝材料

由於本集團的營運主要集中於向客戶提供金融服務，耗水量或包裝材料消耗均不能被識別作有關本集團營運的重大事宜。

The Environment and Natural Resources

Due to the nature of our business, the Group does not have any direct and significant impacts on the environment and natural resources in the course of its operation. By taking the above-mentioned green initiatives, the Group is committed to doing our part to mitigate our environmental impact and acting in a manner that is both environmentally and socially responsible.

環境及天然資源

基於其業務性質，而本集團並無於其業務過程中對環境及天然資源造成任何直接及重大影響。透過採取上述環保措施，本集團致力紓緩我們對環境造成的影響，並對環境及社會負責。

Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

With the Group's efforts in minimising its impacts on the environment, the Group has successfully achieved the following:

本集團藉著減少環境影響所付出的努力，已成功獲得以下成果：

Aspects 方面	Results 效果
GHG emissions 溫室氣體排放	Reduced total GHG emissions by approximately 16% 將溫室氣體的總排放量減少約16%
Waste production 廢物製造	Recycled approximately 51% of our paper waste 回收約51%的廢紙
Energy consumption 能源消耗	Reduced energy consumption by approximately 16% 將能源消耗量減少約16%
Paper usage 用紙	Reduced total paper usage by approximately 17% 將總用紙量減少約17%

The Company is also delighted to be awarded as the Silver Member of WWF-Hong Kong Corporate Membership Programme 2019/2020 as an acknowledgement to our continuous support to environmental conservation.

本公司亦榮獲2019/2020年世界自然基金會香港分會－公司會員計劃的純銀會籍，以表彰我們持續支持環保的努力。

HUMAN RESOURCES

The Group regards employees as one of the most valuable assets of the Group and regards the personal development of its employees as highly important. The Group has a set of HR management policies and procedures in place to set out the Group's standard of staff recruitment, remuneration, work periods, rest periods as well as termination of employment and compensation matters. The Group strictly complies with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and other relevant laws and regulations which cover all employment protection and benefits.

人力資源

本集團視僱員為本集團最寶貴的資產之一，高度重視僱員的個人發展。本集團制訂一套人力資源管理政策及程序，當中載列本集團有關僱員招聘、薪酬、受僱期、休息時間及終止僱傭與補償事宜的準則。本集團嚴格遵守涵蓋所有僱傭保障與福利的香港法例第57章僱傭條例、香港法例第485章強制性公積金計劃條例以及其他相關法律及法規。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Employment

As at 31 December 2019, the Group employed 22 full-time employees (2018: 24) which are all located in Hong Kong. The Group has a diverse workforce in terms of gender and age, generating creative opinions and different level of capabilities. The following table sets forth the number and breakdown of our full-time employees as at 31 December 2019:

	Age 30 or below 三十歲或以下	Age 31 to 40 三十一至四十歲	Above 40 四十歲以上	Total 總計
Male 男性	2	4	4	10
Female 女性	1	6	5	12
Total 總計	3	10	9	22

Remunerations of the employees of the Group are determined with reference to the prevailing market standard as well as the competency, qualifications and experience of individual employees. Discretionary bonuses based on financial results of the Group as well as individual performance will be paid to the employees as recognition of their contribution to the Group annually. The Group regularly reviews the remuneration package and promotion opportunities of employees and makes necessary adjustments to conform to the market standard in order to retain talents. To increase the employees' sense of belonging, the Group also offer various welfare incentives to employees, including insurance schemes, over-time allowance, various paid leaves and holiday gifts.

The Group adopts equal employment opportunity policies and treats all the employees equally, and their employment, remuneration and promotion will not be affected by their social identities such as ethnicity, race, nationality, gender, religion, age, sexual orientation, political faction and marital status.

僱傭

於二零一九年十二月三十一日，本集團僱用22名全職僱員(二零一八年：24名)，彼等均受僱於香港。本集團有不同性別及年齡的多元化員工團隊，各員工提供富有創意的見解，並具備不同程度的能力。下表載列我們於二零一九年十二月三十一日的全職僱員數目及明細：

本集團僱員薪酬乃參考現時市場標準以及個別員工的能力、資歷與經驗而釐定。本集團將根據其財務業績及個人表現每年向僱員分派酌情花紅，以表彰彼等對本集團的貢獻。本集團定期檢討僱員的薪酬待遇及晉升機會，並為留聘人才而作出符合市場標準的必要調整。為提升僱員的歸屬感，本集團亦向僱員提供多項福利獎勵，包括保險計劃、加班津貼、各類有薪假期與節日禮品。

本集團採納平等就業機會政策及公平對待全體僱員，而彼等的僱用、薪酬與晉升不會受到彼等的社會身份所影響，如民族、種族、國籍、性別、宗教、年齡、性取向、政黨及婚姻狀況。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Health and Safety

The Group is committed to providing a safe and healthy working environment to its employees, and encourages them to achieve a balance between work and a healthy life. Air purifiers are placed in the workplace to improve air circulation. We take a systematic approach to safeguard the health and safety of our employee by reducing the likelihood of safety risks occurrence in the office so we aim at training employee's responsiveness to emergencies. During FY2019, there was no instance of injury reported within our Group. The Group provides medical insurance for employees and the coverage of insurance includes hospital and surgical service, dental services and out-patient fees. The Group complies with the relevant occupational health and safety laws and regulations.

Training and Development

The Group encourages employees to participate in on-the-job training and continuing education to create opportunities for career development.

In order to help employees acclimatise to the volatile business environment, the Group provides continuous updates in relation to market and industry trends as well as updates on relevant regulations to its employees. In addition, the Group also encourages continuous personal development of its employees by implementing an educational reimbursement program.

The Group also invites directors and senior management to attend training in relation to updates on the Listing Rules, corporate governance, relevant laws and regulations so as to maintain sustainable professional development and refresh their knowledge.

Labour Standards

The Group is committed to comply, with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and associated guidelines. Every act of employment is subject to a stringent internal review process that involves a well-defined monitoring procedure designed to verify a candidate's personal information in order to avoid misrepresentation and any form of child and forced labour. During FY2019, the Group was not aware of any material non-compliance with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and other laws and regulations relating to employment and labour practices.

健康及安全

本集團致力為其僱員提供安全及健康的工作環境，並鼓勵僱員達致工作及健康生活的平衡。我們於工作場所放置空氣淨化機以改善空氣流通。我們採取有系統的方法以保障僱員的健康及安全，為降低辦公室出現的安全風險的可能性，我們旨在訓練僱員對突發事件的應變能力。於二零一九年財政年度，本集團概無已上報的受傷事件。本集團為僱員提供醫療保險，保險涵蓋範圍包括住院及外科服務、牙科保健服務及門診費用。本集團遵守相關職業健康及安全的法例及法規。

培訓及發展

本集團鼓勵僱員參加在職培訓並持續進修，為職業發展創造機會。

為協助僱員應對波動的業務環境，本集團持續向其僱員提供有關市場及業界趨勢以及相關法規的最新資訊。除此之外，本集團亦透過推行教育補助計劃，推動其僱員的持續個人發展。

本集團亦邀請董事及高級管理層參與有關上市規則、企業管治、相關法律及法規最新動態的培訓，以維持持續專業發展並讓彼等溫故知新。

勞工標準

本集團致力遵守香港法例第57章僱傭條例及相關指引。所有僱員行為均須遵守嚴格的內部審閱過程，其中涉及用於核實求職者個人資料的明確監控程序，以避免失實陳述及任何形式的童工及強迫勞工。於二零一九年財政年度，本集團並不知悉任何嚴重違反香港法例第57章僱傭條例以及與僱傭及勞工慣例相關的其他法律及法規的事件。

Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

OPERATING PRACTICES

Customer Care

There is no major procurement involved in our business, so in the supply chain management aspect, we will focus on customer relationship management instead. Customer care is one of the core values of the Group. The Group is committed to provide customers with thoughtful and consistently high standard of service and strive to treat customers fairly at all stages of its business relationship. With a “Clients First” principal, the Group emphasises a one-on-one personal approach to service and provides a variety of highly flexible loan solutions to its customers.

Front-line employees are well-trained with adequate and update knowledge on relevant regulations to ensure the services provided are complied with all relevant regulations. The Group also acknowledges the increasing use of social media and electronic applications, and strives to enhance its service delivery through the development of mobile applications and incorporating various value-added features to improve customer experience. Complaint system has been set up for customers to address comments and complaints. Our service pledge is to follow up and resolve complaints in a responsive manner.

Customer education is also another topic that we have been working on as we value the well-being of our customers and the society. The Group communicates the latest market information to customers through its social media channels, such as news relating to fraud cases commenced by illegal financial intermediates and tips for prevention from being cheated, in order to increase customer’s awareness.

營運慣例

關懷客戶

由於我們的業務並無涉及任何主要採購，故就供應鏈管理方面，我們將專注於客戶關係管理。關懷客戶為本集團的核心價值之一。本集團致力向客戶提供周全及持續的高質素服務，務求於其業務關係的所有階段公平對待客戶。本集團秉持「客戶第一」的服務原則，著重以一對一的私人方式服務客戶，並為其提供多項高靈活度的貸款方案。

前線員工訓練有素，充份理解相關法規，並掌握最新資訊，以確保所提供的服務符合所有相關法規。本集團亦明瞭社交媒體及電子產品的使用日漸普及，致力透過開發流動應用程式加強服務傳送，並揉合各種增值功能以改善客戶體驗。我們已設立投訴系統，供客戶提出意見及投訴。我們的服務保證積極迅速地跟進及解決投訴。

由於我們重視客戶及社會的福祉，故教導客戶為我們正著手處理的另一個主題。為提升客戶的意識，本集團透過其社交媒體渠道向客戶傳達最新市場資訊，如與非法財務中介的欺詐案件有關的新聞及防止遭詐騙的提示。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Product Responsibility and Customer Privacy

The Group values the trust of its customers and as a provider of money lending services, the Group has access to significant personal data of its customers and therefore ensuring the privacy of customer information is one of the issues the Group cares about the most.

The Group is committed to the full implementation and compliance with the Six Data Protection Principles and the requirements of the Personal Data (Privacy) Ordinance (Cap. 486, Laws of Hong Kong) (the "PDPO"). The Group has formulated a set of privacy principles regarding collection, retention, use, security, openness and accessibility of personal information to ensure customer information received is only for its intended purpose and to prevent information leakage, such as:

- requiring employees not to retain or disclose any confidential information about the Group's business activities and other sensitive confidential data to any third parties;
- requiring customers to acknowledge their rights under the PDPO, the purpose of collecting their personal data upon completion and signing of the application forms;
- ensuring that confidential personal data is not obtained through telephone conversations; and
- ensuring that customer files are kept in a locked cabinet.

Employees are also invited and encouraged to attend the training courses organised by the Privacy Commissioner for Personal Data to increase awareness and understanding of the PDPO. The Group will continue to monitor, review and, when necessary, update its privacy principles and policies to ensure they are in compliance with the PDPO.

The Group also understands that our computer systems may be prone to hackers' attacks due to increasing hacker activities, therefore, the Group regularly conducts IT control reviews to update the security system.

Relevant Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements and during the Reporting Period, the Group has complied, to the best of its knowledge, with applicable laws and regulations that have significant impact on the business of the Group. In particular, as a money lenders license holder, the Money Lenders Ordinance ("MLO") constitutes a significant influence to the Group's money lending business.

The credit approval policy and process adopted by the Group has been designed to ensure that the Group's business operates in accordance with the MLO. The Group also regularly monitors, reviews and, when necessary, updates the existing policy to ensure the money lending business is strictly in compliance with the MLO.

產品責任及客戶私隱

本集團重視客戶對我們的信任。作為貸款服務供應商，本集團可獲取其客戶的重要個人資料，因此，保障客戶資料的私隱乃本集團最為關注的議題之一。

本集團致力全面實施並遵守六項保障資料原則及個人資料(私隱)條例(香港法例第486章)(「個人資料(私隱)條例」)的規定。本集團已訂一套有關收集、保留、使用、保安措施、透明度及查閱個人資料的私隱原則，以確保所獲取的客戶資料僅供其作擬定用途，並防止資料外洩，該私隱原則如下：

- 規定員工不得保留或向任何第三方披露有關本集團業務活動的機密資料及其他敏感機密資料；
- 要求客戶於填寫及簽署申請表格時知悉彼等於個人資料(私隱)條例項下的權利及收集其個人資料的目的；
- 確保機密個人資料不得透過電話交談方式獲取；及
- 確保客戶的檔案存置於上鎖的文件櫃內。

本集團亦邀請並鼓勵僱員參與由個人資料私隱專員公署所舉辦的培訓課程，以提升對個人資料(私隱)條例的意識及認知。本集團將持續監督、檢討並於必要時更新其私隱原則及政策，以確保其遵守個人資料(私隱)條例。

本集團亦明白電腦系統可能因日益增加的黑客活動而受到黑客入侵，因此，本集團定期進行資訊科技監控審閱，更新保安系統。

相關法例及法規

本集團深知遵守監管規定的重要性。就本集團所深知，本集團於報告期間一直遵守對本集團業務有重大影響的適用法律及法規。尤其是，就持牌放債人而言，放債人條例(「放債人條例」)對本集團的貸款業務構成重大影響。

本集團採納的信貸審批政策和程序旨在確保本集團的業務按照放債人條例營運。本集團亦定期監察、檢討及在必要時更新現行政策，以確保貸款業務嚴格遵守放債人條例。

Environmental, Social and Governance Report (Continued) 環境、社會及管治報告(續)

Anti-corruption and Anti-money Laundering

In order to uphold the highest ethical standards, all management and staff of the Group are required to strictly follow the Group's Code of Conduct and to sign acknowledgements that they understand and agree to the Code of Conduct adopted by the Group. With the purpose of preventing potential bribery, extortion and fraud, the Group's Code of Conduct clearly states that:

- Employees shall not accept gifts or other benefits that are beyond common business hospitality, or the head of department or the chief executive shall be consulted.
- Under no circumstances should an employee offer bribes to any person or company for the purpose of obtaining or retaining business.
- Employees should always avoid any situation involving a conflict, or that could be perceived by others as a conflict, between their personal interests, or those of their close relatives, and the performance of their official duties.
- If a potential conflict exists, employees should make prompt and full disclosure to the management.

To prevent and detect money laundering and terrorist financing, the Group follows the "Guideline on Compliance of Anti-Money Laundering and Counter-Terrorist Financing Requirements for Licensed Money Lenders" issued by the Companies Registry and has incorporated policies and procedures in our operation and credit guidelines and policies, which include procedures for customer due diligence, reporting of suspicious transactions, record-keeping, and staff training. The Group's policies and procedures in respect of prevention and detection of money laundering and terrorist financing activities include, but are not limited to, the following:

- Check loan applicants against the sanctioned countries, firms, entities and individuals from database provided by professional compliance firm.
- Conduct customer due diligence based on result of risk assessment on each potential customer.

反貪腐及反洗黑錢

為了維持最高道德標準，本集團內所有管理層及員工均須嚴格遵守本集團的行為守則，並簽署確認彼等理解並同意本集團採納的行為守則。為防止潛在賄賂、勒索及詐騙，本集團的行為守則明確規定：

- 員工不得接受超出一般業務接待範圍的禮品或其他福利，或須諮詢部門主管或總裁的意見。
- 在任何情況下，員工不得賄賂任何人士或公司，藉以取得或保留業務。
- 員工應避免牽涉任何與其個人或近親及履行公務時產生的利益衝突或其他人士所認定的利益衝突。
- 倘可能出現衝突，員工應迅速向管理層全面披露。

為防止及偵測洗黑錢及恐怖分子集資活動，本集團遵守公司註冊處頒佈的《持牌放債人打擊洗黑錢和恐怖主義資金籌集指引》及已在營運及信貸指引及政策中引入相關政策及程序，當中載有與客戶盡職審查、報告可疑交易、儲存記錄及員工培訓有關的程序。本集團防止及偵測洗黑錢及恐怖分子集資活動的政策及程序包括但不限於以下各項：

- 將貸款申請人與專業合規公司所提供數據庫中的受制裁國家、商號、實體及個別人士對照檢查。
- 基於對各潛在客戶的風險評估結果對客戶進行盡職調查。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

- Carry out know-your-client procedures by verifying the applicant's identity using reliable and independent source documents.
- All loan repayments from customers are made by cheque, bank transfer or autopay with their own bank accounts.
- The Group will report any suspicious transactions to the Joint Financial Intelligence Unit using the standard form or the e-channel "STREAMS".
- The Group maintains all essential information of our customers, with the PDPO.
- The Group encourages and supports its employees to maximise their potential and to seek practical and professional training, when available, on matters related and relevant to their roles and responsibilities, the money lending business and current legislation and practices.
- 利用可靠且獨立的原始文件核實申請人的身份以展開「審查客戶」程序。
- 客戶須使用其本身的銀行賬戶以支票、銀行轉賬或自動轉賬形式償還所有貸款。
- 本集團會使用標準格式或透過電子渠道「可疑交易報告管理系統」(STREAMS)向聯合財富情報組報告任何可疑交易。
- 本集團根據個人資料(私隱)條例備存客戶的所有必要資料。
- 本集團鼓勵及支持僱員盡最大潛能並致力參與與彼等的職務及職責、貸款業務及現行法例及實務相關的實用及專業培訓(倘於可行情況下)。

During FY2019, the Group did not identify any non-compliance related to anti-corruption and anti-money laundering.

於二零一九年財政年度，本集團並無發現任何有關反貪腐及反洗黑錢的違規事件。

COMMUNITY INVOLVEMENT

The Group is committed to honoring its corporate social responsibility for the benefit of the society by participating in a variety of charitable events and cultivating the concept of corporate social responsibility throughout the organisation. The Group has been awarded the "Caring Company Award" for nine consecutive years by the Hong Kong Council of Social Service in recognition of our commitment in serving the community and caring for our employees. The Group participates in a variety of charitable events every year and the followings summarised the Group's contribution during the year:

- Made donations and participated in the elderly and underprivileged families visiting activities organised by the Urban Peacemaker Evangelist Fellowship.
- Made donations to support Médecins Sans Frontières, Orbis, World Vision, World Wide Fund for Nature Hong Kong, Po Leung Kuk and Children's Cancer Foundation.
- 捐款及參與城市睦福團契舉辦的長者及關愛家庭探訪活動。
- 捐款予無國界醫生、奧比斯、世界宣明會、世界自然基金會香港分會、保良局及兒童癌病基金。

社區參與

本集團通過參與各種慈善活動及在企業範圍內灌輸企業社會責任的概念，致力為社會的福祉履行企業社會責任。本集團連續九年獲香港社會服務聯會頒發「商界展關懷」標誌，表揚我們致力服務社區及關懷僱員。本集團每年均參與各類慈善活動，以下概述本集團於本年度的貢獻：

Report of the Directors

董事會報告

The Board of Directors (the "Board") presents their report together with the audited financial statements of the Group for the year ended 31 December 2019.

董事會(「董事會」)欣然提呈報告連同本集團截至二零一九年十二月三十一日止年度經審核財務報表。

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 16 to the financial statements.

主要業務

本公司主要業務為投資控股。附屬公司的業務載列於財務報表附註16。

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 71.

業績及分配

本集團的年度業績載列於第71頁的合併綜合收益表。

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK2.3 cents per ordinary share, totalling HK\$9,200,000 payable to the Shareholders whose names appear on the register of members of the Company on Thursday, 9 July 2020. The proposed final dividend will be paid on or about Tuesday, 21 July 2020 following approval at the forthcoming AGM of the Company.

末期股息

董事會建議向於二零二零年七月九日(星期四)名列本公司股東名冊的股東派付末期股息每股普通股2.3港仙，合共為9,200,000港元。建議末期股息將於本公司應屆股東週年大會上獲批准後，於二零二零年七月二十一日(星期二)或前後派付。

No arrangement under which a shareholder has waived or agreed to waive any dividends was made by the Company.

本公司並無作出股東據此放棄或同意放棄任何股息之安排。

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$73,800 (2018: HK\$77,000).

捐款

年內，本集團作出慈善及其他捐款為73,800港元(二零一八年：77,000港元)。

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2019 available for distribution to Shareholders amounted to HK\$571,784,000 (2018: HK\$573,154,000).

可分派儲備

本公司於二零一九年十二月三十一日可向股東分派的可分派儲備為571,784,000港元(二零一八年：573,154,000港元)。

Report of the Directors (Continued) 董事會報告(續)

SHARE CAPITAL AND DEBENTURES

No new shares or debentures were issued by the Company during the year ended 31 December 2019.

Details of the share capital of the Company for the year ended 31 December 2019 are set out in the consolidated statement of changes in equity and Note 32 to the consolidated financial statements.

PREEMPTIVE RIGHTS

There is no provision 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 a pro-rata basis to existing Shareholders.

FIVE YEAR 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 page 156 of this annual report.

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

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

SHARE OPTION SCHEME

The share option scheme (the "Share Option Scheme") was adopted and approved pursuant to a written resolution of the sole Shareholder passed on 22 November 2014 and its refreshment of the scheme mandate limit was approved at an extraordinary general meeting held on 11 November 2015. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

The purpose of the Share Option Scheme is to provide incentives and to recognise and acknowledge the contributions which the Eligible Participants (defined in paragraph below) have made or may make to the Group. The Share Option Scheme will provide the Eligible Participants with the opportunity to own a personal stake in the Company with a view to motivating the Eligible Participants and/or attracting and retaining or otherwise maintaining on-going relationship with the Eligible Participants whose contributions are, will be or are likely to be beneficial to the long term growth of the Group.

股本及債權證

截至二零一九年十二月三十一日止年度內本公司並無發行新股份或債權證。

本公司股本於截至二零一九年十二月三十一日止年度之詳情載於合併權益變動表及合併財務報表附註32。

優先購買權

本公司的組織章程細則或開曼群島法律並無有關本公司須按比例向現有股東提呈發售新股份的優先購買權規定。

五年財務概要

本集團過去五個財政年度的業績以及資產及負債概要載列於本年報第156頁。

購買、出售或贖回本公司上市證券

本公司或本公司任何附屬公司於年內期間概無購買、出售或贖回任何本公司的上市證券。

購股權計劃

本公司根據二零一四年十一月二十二日唯一股東通過的書面決議案採納及批准購股權計劃(「購股權計劃」)，其計劃授權限額已於二零一五年十一月十一日所舉行的股東特別大會上獲批准更新。購股權計劃的條款根據上市規則第十七章的條文釐定。

購股權計劃旨在獎勵、肯定及表彰合資格參與者(定義見下一段)對本集團已作出或將作出的貢獻。購股權計劃將為合資格參與者提供個人擁有本公司股權的機會，藉以激勵合資格參與者及／或吸引及挽留合資格參與者，或與令本集團長期發展受惠或將令或可能令本集團長期發展受惠的合資格參與者一直保持良好關係。

Report of the Directors (Continued)

董事會報告(續)

The Directors (which include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants ("Eligible Participants"), to take up options (the "Options") to subscribe for the ordinary shares of the Company ("Shares"):

- (i) any Director (whether executive or non-executive or independent non-executive), employee (whether full-time or part-time), officer, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any entity in which the Company or any subsidiary holds any interest ("Invested Entity");
- (ii) any discretionary trust the discretionary objects of which include any Director (whether executive or non-executive or independent non-executive), employee (whether full time or part time), officer, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any Invested Entity; and
- (iii) any corporation wholly-owned by any person mentioned in clause (i) above.

Under the terms of the Share Option Scheme, the maximum number of Shares which may be issued upon the exercise of all options available to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed the Scheme Mandate Limit (i.e. 10% of the Shares in issue as at 11 November 2015 being the date of approval of the refreshed limit by the Shareholders). The Company had 400,000,000 Shares in issue as at 11 November 2015, the refreshed Scheme Mandate Limit allows the Company to issue under the Share Option Scheme a maximum of 40,000,000 Shares, representing 10% of the issued shares as at the date of this annual report.

Notwithstanding the above, the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the Shares in issue from time to time.

The total number of Shares issued and to be issued upon exercise of all Options granted to an Eligible Participant (including exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time, unless approved by the Shareholders in general meeting.

董事(包括獲其正式授權的董事委員會)可全權酌情邀請屬於下列任何類別參與者(「合資格參與者」)的任何人士接納購股權(「購股權」)以認購本公司普通股(「股份」):

- (i) 本集團或本公司或任何附屬公司持有任何權益的任何實體(「投資實體」)的任何董事(不論為執行或非執行或獨立非執行董事)、僱員(不論全職或兼職)、職員、諮詢人、客戶、供應商、代理、合夥人或顧問或承辦商;
- (ii) 任何全權信託,其全權信託受益人包括本集團或任何投資實體的任何董事(不論為執行或非執行或獨立非執行董事)、僱員(不論全職或兼職)、職員、諮詢人、客戶、供應商、代理、合夥人或顧問或承辦商;及
- (iii) 上述第(i)條所述任何人士全資擁有的任何公司。

根據購股權計劃條款,於所有根據購股權計劃及本公司任何其他購股權計劃將予授出的購股權獲行使時可予發行的股份最高數目不得超過計劃授權限額的總額(即二零一五年十一月十一日(股東批准經更新限額之日)已發行股份的10%)。二零一五年十一月十一日,本公司已發行400,000,000股股份,經更新計劃授權限額使本公司根據購股權計劃可發行最多40,000,000股股份,佔於本年報日期已發行股份的10%。

儘管如此,於所有根據購股權計劃及本公司任何其他購股權計劃已授出但未行使的購股權獲行使時可予發行的股份總數不得超過不時已發行股份的30%。

於任何十二個月期間根據授予合資格參與者的全部購股權(包括已獲行使及尚未行使之購股權)獲行使時已發行及將予發行的股份總數不得超過不時已發行股份的1%,除非經股東於股東大會批准。

Report of the Directors (Continued) 董事會報告(續)

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the board of directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option. No further options may be granted more than 10 years after 22 November 2014.

The Share Option Scheme is valid and effective for a period of 10 years from 22 November 2014, the date on which the Share Option Scheme was adopted.

The subscription price per share under the Share Option Scheme (the "Subscription Price") shall be a price determined by the Directors, but shall not be less than the highest of:

- (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day;
- (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five Business Days immediately preceding the date of the offer of grant; and
- (iii) the nominal value of a share.

For the purpose of calculating the Subscription Price, where the Company has been listed for less than five Business Days, the new issue price shall be used as the closing price for any Business Day falling within the period before listing.

A nominal consideration of HK\$1.0 is payable on acceptance of the grant of an option within 21 days from the date of the offer of grant of the option.

No share options under the Share Option Scheme were granted, exercised, lapsed or cancelled during the year.

購股權可於董事會釐定並知會各承授人的期限內隨時根據購股權計劃條款獲行使，該期間自提呈授出購股權日期翌日開始，惟無論如何須於授出購股權日期起計十年內終止。二零一四年十一月二十二日後不會再授出十年以上之購股權。

購股權計劃自二零一四年十一月二十二日(採納購股權計劃當日)起計十年內有效。

購股權計劃規定的每股股份認購價(「認購價」)由董事釐定，價格不得低於下列各項的最高者：

- (i) 於授出要約日期(必須為營業日)聯交所每日報價表所列的股份收市價；
- (ii) 緊接授出要約日期前五個營業日聯交所每日報價表所列的股份平均收市價；及
- (iii) 股份面值。

就計算認購價而言，如本公司上市少於五個營業日，則新發行價將採用上市前期間任何一個營業日的收市價。

提呈授出購股權日期起21日內，須就接納授出的購股權支付象徵式代價1.0港元。

年內，概無購股權根據購股權計劃獲授出、行使、失效或註銷。

Report of the Directors (Continued) 董事會報告(續)

DIRECTORS

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

Executive Directors:

Ms. Wang Yao (*Chairman and Chief Executive*)
Mr. Ng Yiu Lun
Ms. Jin Xiaoqin

Independent non-executive Directors:

Dr. Ng Lai Man, Carmen
Mr. Man Yiu Kwong, Nick
Mr. Tang, Warren Louis

Pursuant to Article 16.18 of the Articles, Ms. Wang Yao and , Dr. Ng Lai Man, Carmen shall retire from office by rotation at the next annual general meeting and, being eligible, will offer themselves for re-election.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS AND LETTER OF APPOINTMENT

Each of the executive Directors has entered into a service agreement with the Company regarding her appointment as executive Director for a term of three years and shall continue thereafter unless terminated by not less than six months written notice or otherwise in accordance with the service agreement.

None of the executive Directors has or is proposed to have a service contract that is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

According to the terms of the service agreements entered into between the Company and the executive Directors, each of the executive Directors will receive a monthly salary which is subject to annual review by the Board and the Remuneration Committee. Each of the executive Directors is also entitled to a discretionary performance bonus as may be determined by the Board upon the recommendation of the Remuneration Committee.

董事

年內及截至本報告日期的董事如下：

執行董事：

王瑤女士(主席及總裁)
伍耀倫先生
金曉琴女士

獨立非執行董事：

吳麗文博士
文耀光先生
唐偉倫先生(別名：唐俊懿)

根據細則第16.18條，王瑤女士及吳麗文博士將於下屆股東週年大會上輪值退任，惟彼等均有資格並願意膺選連任。

本公司已收到各獨立非執行董事根據上市規則第3.13條發出的年度獨立確認書。本公司認為所有獨立非執行董事均為獨立人士。

董事服務合約及委任函

執行董事各自就其獲委任為執行董事與本公司訂立為期三年的服務協議，其後將繼續有效，直至透過發出不少於六個月的書面通知或按照服務協議終止為止。

執行董事概無已訂立或擬訂立本公司將於一年內在毋須作出賠償(法定賠償除外)下不得終止的服務合約。

根據本公司與執行董事訂立的服務協議條款，各執行董事將可收取月薪，該等薪金須由董事會及薪酬委員會進行年度審閱。在薪酬委員會推薦下，各執行董事亦有權享有董事會可能釐定的酌情表現花紅。

Report of the Directors (Continued) 董事會報告(續)

The emoluments of Directors have been determined with reference to the skills, knowledge, involvement in the Company's affairs and the performance of each Director, and to the profitability of the Company and prevailing market conditions during the year.

Each of our independent non-executive Directors, Dr. Ng Lai Man, Carmen, Mr. Tang, Warren Louis and Mr. Man Yiu Kwong, Nick has signed a letter of appointment with the Company and were appointed for a three-year term expiring on 21 November 2020, 21 November 2020 and 31 December 2021, respectively, unless otherwise terminated in accordance with the relevant letter of employment.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as disclosed in the related party transactions as disclosed in Note 30 of the consolidated financial statements, no other transactions, arrangements and contracts of significance to which the Company's subsidiaries or its parent company was a party and in which a Director and a Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INTERESTS IN COMPETING BUSINESS

As at the date of this annual report, none of the Directors nor their respective associates (as defined in the Listing Rules) had interests in businesses, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

Each of Blossom Spring Global Limited ("Blossom Spring") and Ms. Jin Xiaoqin ("Ms. Jin") has provided annual confirmations in respect of the compliance with non-competition undertaking (the "Undertaking") given by them.

The independent non-executive Directors have also reviewed the compliance by each of Blossom Spring and Ms. Jin with the Undertaking during the year ended 31 December 2019. The independent nonexecutive Directors have confirmed that, as far as they can ascertain, there is no breach by any of Blossom Spring and Ms. Jin of the Undertaking given by them.

董事酬金已根據個別董事之才識、知識水平及參與公司事務之程度及表現，並參照年內公司之盈利狀況及市場環境而釐定。

各獨立非執行董事(吳麗文博士、唐偉倫先生及文耀光先生)已與本公司簽訂委任函，任期為三年，除根據相關委任函的其他方式予以終止外，分別將於二零二零年十一月二十一日、二零二零年十一月二十一日及二零二一年十二月三十一日屆滿。

董事於對本公司業務屬重大之交易、安排及合約中的重大權益

除合併財務報表附註30所披露有關關聯方交易外，董事及其關連方概無於本公司附屬公司或其母公司所訂立於年終或年內任何時間仍生效的任何重大交易、安排及合約中擁有直接或間接重大權益。

董事於競爭業務的權益

於本年報日期，董事及彼等各自的聯繫人(定義見上市規則)並無於直接或間接與本公司及其附屬公司業務競爭或可能競爭的業務中擁有根據上市規則須予披露的權益。

Blossom Spring Global Limited(「Blossom Spring」)及金曉琴女士(「金女士」)已各自就遵守其所作出的不競爭承諾(「承諾」)提供年度確認。

獨立非執行董事亦已審閱截至二零一九年十二月三十一日止年度，Blossom Spring及金女士各自遵守承諾的情況。獨立非執行董事確認，就彼等所能確定而言，Blossom Spring及金女士均並無違反其作出的承諾。

Report of the Directors (Continued)

董事會報告(續)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 17 to 19 to this annual report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 December 2019, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO were as follows:

Interest in the Company

Name of Director 董事姓名	Capacity 身份	Nature of interest 權益性質	Number of ordinary shares held 所持普通股數目	% of issued share capital of the Company 佔本公司已發行股本百分比
Ms. Jin 金女士	Interest in a controlled corporation ⁽¹⁾ 受控法團權益 ⁽¹⁾	Long position 好倉	300,000,000	75%
Mr. Ng Yiu Lun 伍耀倫先生	Beneficial owner 實益擁有人	Long position 好倉	98,000	0.0245%
	Interest of spouse 配偶權益	Long position 好倉	40,000	0.01%

Note:

(1) Blossom Spring is the registered and beneficial owner of these shares. The entire issued share capital of Blossom Spring is held by Ms. Jin. Therefore, Ms. Jin is deemed to be interested in all the shares held by Blossom Spring for the purposes of the SFO.

Save as disclosed above, at no time during the year did the Directors or chief executive of the Company (including their spouse and children under 18 years of age) have any interest in, or had been granted or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company, and its other associated corporations which required to be disclosed pursuant to the SFO.

董事及高級管理層履歷詳情

董事及高級管理層簡歷載列於本年報第17至19頁。

董事及總裁於本公司或本公司任何指定業務或任何其他相聯法團股份、相關股份及債權證的權益及／或淡倉

於二零一九年十二月三十一日，董事及總裁各自於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」))的股份、相關股份及債權證中，擁有須登記於本公司根據證券及期貨條例第XV部第352條置存之登記冊的權益或淡倉載列如下：

於本公司的權益

附註：

(1) Blossom Spring 為該等股份的註冊及實益擁有人。Blossom Spring的全部已發行股本由金女士持有。因此，就證券及期貨條例而言，金女士被視為於Blossom Spring持有的全部股份中擁有權益。

除上文所披露者外，年內本公司董事或總裁(包括彼等的配偶及未成年子女)概無於本公司或其他相聯法團的股份(或認股權證或債權證，如適用)中擁有根據證券及期貨條例須予披露的任何權益或獲授或行使可認購股份(或認股權證或債權證，如適用)的任何權利。

Report of the Directors (Continued) 董事會報告(續)

EQUITY-LINKED AGREEMENT

Save for the Share Option Scheme of the Company as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2019.

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

As at 31 December 2019, so far as is known to the Directors or chief executive of the Company, the following persons other than a Director or chief executive of the Company had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO:

Name of Director 董事姓名	Capacity 身份	Nature of interest 權益性質	Number of ordinary shares held 所持普通股數目	% of issued share capital of the Company 佔本公司已發行股本百分比
Blossom Spring ⁽¹⁾	Beneficial owner 實益擁有人	Long position 好倉	300,000,000	75%
Mr. Wong Tai Wai ⁽²⁾ 王大威先生 ⁽²⁾	Interest of spouse 配偶權益	Long position 好倉	300,000,000	75%

Notes:

- (1) The entire issued share capital of Blossom Spring is held by Ms. Jin. By virtue of the SFO, Ms. Jin is deemed to be interested in all the shares held by Blossom Spring.
- (2) Mr. Wong Tai Wai is the spouse of Ms. Jin. By virtue of the SFO, Mr. Wong Tai Wai is deemed to be interested in the same number of shares in which Ms. Jin is deemed to be interested.

Save as disclosed herein, as at 31 December 2019, there was no other person so far known to the Directors or chief executives of the Company, other than the Directors or chief executives of the Company as having an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

權益相關協議

除本年報載列的本公司購股權計劃外，截至二零一九年十二月三十一日止年度，本集團並無訂立，亦不存在任何權益相關協議。

主要股東於本公司股份及相關股份的權益

於二零一九年十二月三十一日，據本公司董事或總裁所知悉，除本公司董事或總裁外，下列人士於本公司股份及相關股份中，擁有須登記於本公司根據證券及期貨條例第XV部第336條置存的登記冊的權益或淡倉：

附註：

- (1) Blossom Spring的全部已發行股本由金女士持有。根據證券及期貨條例，金女士被視為於Blossom Spring持有的全部股份中擁有權益。
- (2) 王大威先生為金女士的配偶。根據證券及期貨條例，王大威先生被視為於金女士被視為擁有權益的相同數目股份中擁有權益。

除本年報所披露者外，於二零一九年十二月三十一日，據本公司董事或總裁所知悉，除本公司董事或總裁外，概無其他人士於本公司股份或相關股份中，擁有須登記於本公司根據證券及期貨條例第336條置存的登記冊的權益或淡倉。

Report of the Directors (Continued) 董事會報告(續)

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS

For the year ended 31 December 2019, the Company's top five customers accounted for approximately 14.4% of total revenue and the Company's single largest customer accounted for approximately 4.3% of total revenue.

All the Company's top five customers were independent third parties. To the best of their knowledge, information and belief, none of the Group, its Directors, members of senior management, and their respective associates and Shareholders who own more than 5% of the issued shares, had any interest in or financial or business relationship with any of the Group's top five customers during the year.

CONNECTED TRANSACTIONS

The related party transactions entered into by the Group during the year ended 31 December 2019 as disclosed in Note 30 to the consolidated financial statements constituted fully exempted connected transactions under the Listing Rules.

CONTROLLING SHAREHOLDER'S INTEREST IN CONTRACTS

Save as disclosed in the related party transactions as disclosed in Note 30(a) of the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the Group's controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

管理合約

年內，本公司並無就其整體或任何重要部分業務的管理及行政事宜訂立或訂有任何合約。

主要客戶

截至二零一九年十二月三十一日止年度，本公司五大客戶佔總收入約14.4%及本公司的單一最大客戶佔總收入約4.3%。

本公司五大客戶均為獨立第三方。據彼等所知、所悉及所信，於年內，本集團、董事、高級管理層成員及彼等各自的聯繫人及擁有本公司5%以上已發行股份的股東概無於本集團任何五大客戶中擁有任何權益或與其擁有任何財務或業務關係。

關連交易

合併財務報表附註30所披露本集團於截至二零一九年十二月三十一日止年度之關聯方交易構成根據上市規則之全面豁免關連交易。

控股股東於合約的權益

除合併財務報表附註30(a)所披露有關關連方交易外，本集團控股股東概無於本公司或其任何附屬公司所訂立於年終或年內任何時間仍生效且與本集團業務有關的任何重大合約中擁有直接或間接重大權益。

Report of the Directors (Continued) 董事會報告(續)

PERMITTED INDEMNITY PROVISION

Appropriate Directors' liability insurance has been arranged to indemnify the Directors for liabilities arising out of corporate activities. The coverage and the sum insured under the policy are reviewed annually. Further, the Company's Articles of Association provide that Directors are entitled to be indemnified out of the Company's assets against claims from third parties in respect of certain liabilities.

The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares as at 26 March 2020.

BUSINESS REVIEW

Additional information of business review is set out on pages 7 to 16 under the section "Management Discussion and Analysis" of this annual report, which forms part of this directors' report.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the financial year ended 31 December 2019 and up to the date of this annual report, save as the outbreak of Coronavirus Disease 2019 as disclosed in Note 31 to the consolidated financial statements of the annual report, there is no other significant or important event that affects the business of the Group.

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers. A resolution to re-appoint PricewaterhouseCoopers as auditors of the Company will be proposed at the forthcoming AGM.

On behalf of the Board
Wang Yao
Chairman
Hong Kong, 26 March 2020

經批准彌償撥備

本公司已為各董事購買適當之董事責任保險，以保障彼等因企業經營活動而引起之賠償責任，有關保障範圍及投保金額會每年進行檢討。此外，本公司組織章程細則規定，倘董事就若干責任遭第三方提出申索，彼等有權自本公司資產中獲得彌償。

本公司已就有關其董事及高級人員的潛在法律訴訟安排及維持適當的保險。

充足公眾持股量

根據本公司可取得的公開資料及據董事所知，本公司於二零二零年三月二十六日擁有佔本公司已發行股份最少25%的充足公眾持股量。

業務回顧

業務回顧的其他資料載於年報第7至16頁構成本董事會報告一部分的「管理層討論及分析」一節。

報告期後事項

於截至二零一九年十二月三十一日止財政年度結束及直至本年報日期，除本年報合併財務報表附註31所披露之2019冠狀病毒病爆發外，概無任何其他影響本集團業務的重大或重要事項。

核數師

財務報表已由羅兵咸永道會計師事務所審計。本公司擬於應屆股東週年大會上提呈一項決議案，以續聘羅兵咸永道會計師事務所為本公司核數師。

代表董事會
主席
王瑤
香港，二零二零年三月二十六日

Independent Auditor's Report

獨立核數師報告



TO THE SHAREHOLDERS OF GLOBAL INTERNATIONAL CREDIT GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Global International Credit Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 71 to 155, which comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include summary of significant accounting policies.

Our opinion

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

致環球信貸集團有限公司股東

(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

環球信貸集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第71至155頁的合併財務報表，包括：

- 於二零一九年十二月三十一日的合併財務狀況表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit relates to impairment assessment of loans and interest receivables.

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。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。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併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合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項是關於應收貸款及利息的減值評估。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Impairment assessment of loans and interest receivables</p> <p>Refer to Note 4.1(a) (critical estimates, judgements and errors), Note 18 (loans receivable) and Note 19 (interest receivables) to the consolidated financial statements.</p> <p>As at 31 December 2019, the Group's net loans and interest receivables amounted to HK\$948.7 million and HK\$6.6 million, respectively. Provision for impairment assessments of loans and interest receivables under the expected credit loss ("ECL") model amounted to HK\$5.0 million and HK\$0.1 million, respectively.</p> <p>Management assessed the provision for impairment of loans and interest receivables based on the estimation of ECL under a "three-stage" model. In developing the loss allowance of loans and interest receivables, management use judgement in making the assumptions about the probability of default and loss given default with reference to the historical delinquency ratio of loans portfolio, collateral values and current and forward-looking information on macroeconomic factors.</p> <p>We focused on this area because the carrying value of loans and interest receivables is significant to the consolidated financial statements and the management's impairment assessment of loans and interest receivables require the use of significant judgements and estimates.</p>	<p>We assessed management's assessment of provision for impairment of loans and interest receivables by performing the following procedures:</p> <ul style="list-style-type: none"> understood, evaluated and validated the control over impairment assessment of loans and interest receivables, which related to management's identification of events that triggered the significant increase in credit risk of loans and interest receivables and events of default; carried out procedures, on a sample basis, to test the existence and accuracy of the aging of loans and interest receivables as at the reporting date; checked the valuation methodology and approach adopted by management in the ECL assessment; evaluated the appropriateness of the key assumptions, such as delinquency ratio and collateral values used in assessing the ECL based on the historical data as well as market economic data; and re-performed management's calculation of loss allowance under ECL model which grouped together all the receivables with similar risk characteristics and based on the probability of default, exposure at default and loss given default. <p>Based on the procedures described above, we found management's judgements and estimates applied in the impairment assessment of loans and interest receivables were supportable by available evidence.</p>
<p>應收貸款及利息的減值評估</p> <p>請參閱合併財務報表附註4.1(a)(關鍵估計、判斷及錯誤)、附註18(應收貸款)及附註19(應收利息)。</p> <p>於二零一九年十二月三十一日，貴集團的應收貸款及利息淨額分別為948,700,000港元及6,600,000港元。根據預期信貸虧損(「預期信貸虧損」)模式，就貸款及應收利息的減值評估作出撥備分別5,000,000港元及100,000港元。</p> <p>管理層根據「三階段」模型下的預期信貸虧損估計評估該等應收款項的減值撥備。在編製應收貸款及利息的虧損撥備時，管理層經參考貸款組合的過往拖欠比率、抵押品價值及有關宏觀經濟因素的現有及前瞻性資料，使用判斷對違約概率及違約損失率程度作出假設。</p> <p>我們集中於此範疇乃由於應收貸款及利息的賬面值對合併財務報表屬重大，而管理層對應收貸款及利息的減值評估須運用重大判斷及估計。</p>	<p>我們透過執行下列程序評估管理層對應收貸款及利息的減值撥備評估：</p> <ul style="list-style-type: none"> 瞭解、評估並核證對應收貸款及利息減值評估的控制，其涉及管理層所確認觸發應收貸款及利息信貸風險大幅增加的事項以及違約事項； 以抽樣方式執行情序，以測試應收貸款及利息於報告日期的賬齡存續及準確性； 審查管理層於預期信貸虧損評估中所使用的估值方法； 評估主要假設的適當性，如基於過往數據以及市場經濟數據評估預期信貸虧損所用拖欠率及抵押品價值；及 重新執行管理層對預期信貸虧損模式下虧損撥備的計算方法，其將所有風險特徵相近的應收款項組合一起並根據違約概率、違約風險及違約損失率程度進行。 <p>基於上述程序，我們認為管理層就應收貸款及利息減值評估所用判斷及估計有可得證據支持。</p>

Independent Auditor's Report (Continued) 獨立核數師報告(續)

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF 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.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

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

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就合併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》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併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。

在擬備合併財務報表時，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。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

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

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

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

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

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併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合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

- 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.
- 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合併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。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責 貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

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.

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

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.

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。

Independent Auditor's Report (Continued) 獨立核數師報告(續)

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.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Kin Bong.

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

出具本獨立核數師報告的審計項目合夥人為張健邦。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 March 2020

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月二十六日

Consolidated Statement of Comprehensive Income

合併綜合收益表

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

		Year ended 31 December 截至十二月三十一日止年度		
		2019 二零一九年	2018 二零一八年	
		HK\$'000 千港元	HK\$'000 千港元	
	Notes 附註			
Revenue	收入	6	121,737	124,277
Other income	其他收入	6	80	14
Administrative expenses	行政開支	7	(30,638)	(33,876)
(Impairment losses)/reversal of impairment losses – net	(減值虧損)/撥回減值虧損 — 淨額	8	(1,425)	9,679
Finance costs	財務成本	10	(15,035)	(12,463)
Profit before income tax	除利得稅前溢利		74,719	87,631
Income tax expense	利得稅開支	11	(12,219)	(19,218)
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內 溢利及綜合收入總額		62,500	68,413
Earnings per share attributable to owners of the Company	本公司擁有人應佔每股盈利			
– Basic and diluted (expressed in HK cents per share)	— 基本及攤薄 (以每股港仙呈列)	12	15.6	17.1

The notes on pages 76 to 155 are an integral part of these consolidated financial statements.

第76至155頁的附註為本合併財務報表的組成部分。

Consolidated Statement of Financial Position

合併財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
ASSETS			
Non-current assets			
Property, plant and equipment	14	686	1,277
Right-of-use assets	15(a)	5,388	–
Loans receivable	18	273,062	340,737
Deferred income tax assets	23	861	582
Deposits	20	1,480	–
Total non-current assets		281,477	342,596
Current assets			
Loans receivable	18	670,672	647,918
Interest receivables	19	6,499	7,817
Prepayments, deposits and other receivables	20	4,615	8,502
Repossessed assets	21	–	29,094
Pledged deposit	22(b)	1,713	8,690
Cash and cash equivalents	22(a)	30,201	60,813
Total current assets		713,700	762,834
Total assets		995,177	1,105,430
EQUITY			
Equity attributable to owners of the Company			
Share capital	27	4,000	4,000
Reserves	28	782,376	741,476
Total equity		786,376	745,476

Consolidated Statement of Financial Position (Continued) 合併財務狀況表(續)

As at 31 December 2019 於二零一九年十二月三十一日

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
LIABILITIES	負債		
Non-current liability	非流動負債		
Lease liabilities	租賃負債	1,437	-
Total non-current liability	非流動負債總額	1,437	-
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	5,331	4,472
Tax payable	應付稅項	21,076	8,578
Bank and other borrowings	銀行及其他借款	176,891	296,904
Loans from a related company	關聯公司貸款	-	50,000
Lease liabilities	租賃負債	4,066	-
Total current liabilities	流動負債總額	207,364	359,954
Total liabilities	負債總額	208,801	359,954
Total equity and liabilities	權益及負債總額	995,177	1,105,430

The notes on pages 76 to 155 are an integral part of these consolidated financial statements.

第76至155頁的附註為本合併財務報表的組成部分。

On behalf of the Board

代表董事會

Ms. Wang Yao 王瑤女士
Director 董事

Mr. Ng Yiu Lun 伍耀倫先生
Director 董事

Consolidated Statement of Changes in Equity

合併權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔					
		Notes 附註	Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Retained earnings 保留盈利	Total 總計
			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
Balance at 31 December 2017 as originally presented	於二零一七年十二月 三十一日之結餘(原列)		4,000	122,176	390,621	181,518	698,315
Change in accounting policy	會計政策變動		-	-	-	(852)	(852)
Restated balance at 1 January 2018	於二零一八年 一月一日的經重列結餘		4,000	122,176	390,621	180,666	697,463
Total comprehensive income for the year	年度綜合收入總額		-	-	-	68,413	68,413
Transactions with owners	與擁有人的交易						
Final dividend relating to 2017	有關二零一七年的末期股息	13	-	-	-	(12,000)	(12,000)
Interim dividend relating to 2018	有關二零一八年的中期股息	13	-	-	-	(8,400)	(8,400)
Total transactions with owners, recognised directly in equity	與擁有人的交易總額， 直接於權益確認		-	-	-	(20,400)	(20,400)
Balance at 31 December 2018	於二零一八年 十二月三十一日的結餘		4,000	122,176	390,621	228,679	745,476
Restated balance at 1 January 2019	於二零一九年 一月一日的經重列結餘		4,000	122,176	390,621	228,679	745,476
Total comprehensive income for the year	年度綜合收入總額		-	-	-	62,500	62,500
Transactions with owners	與擁有人的交易						
Final dividend relating to 2018	有關二零一八年的末期股息	13	-	-	-	(12,000)	(12,000)
Interim dividend relating to 2019	有關二零一九年的中期股息	13	-	-	-	(9,600)	(9,600)
Total transactions with owners, recognised directly in equity	與擁有人的交易總額， 直接於權益確認		-	-	-	(21,600)	(21,600)
Balance at 31 December 2019	於二零一九年 十二月三十一日的結餘		4,000	122,176	390,621	269,579	786,376

The notes on pages 76 to 155 are an integral part of these consolidated financial statements.

第76至155頁的附註為本合併財務報表的組成部分。

Consolidated Statement of Cash Flows

合併現金流量表

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

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
Cash flows from operating activities	經營活動現金流量		
Cash generated from/(used in) operations	經營業務所產生/(所用)現金	19,408	(264,444)
Proceeds from disposal of repossessed assets	出售經收回資產所得款項	29,094	1,778
Loan interest received	已收貸款利息	123,045	112,072
Interest paid	已付利息	(14,752)	(12,286)
Hong Kong profits tax paid, net	已付香港利得稅淨額	-	(15,837)
Net cash generated from/(used in) operating activities	經營活動所產生/(所用)現金淨額	156,795	(178,717)
Cash flows from investing activities	投資活動現金流量		
Purchase of property, plant and equipment	購置物業、廠房及設備	(19)	(1,123)
Bank interest received	已收銀行利息	80	14
Net cash generated from/(used in) investing activities	投資活動所產生/(所用)現金淨額	61	(1,109)
Cash flows from financing activities	融資活動現金流量		
Proceeds from bank and other borrowings	銀行及其他借款所得款項	143,030	277,418
Repayment of bank and other borrowings	償還銀行及其他借款	(263,043)	(75,884)
Proceeds from loans from a related company	一間關聯公司貸款所得款項	50,000	80,000
Repayment of loans from a related company	償還一間關聯公司貸款	(100,000)	(30,000)
Lease payment	租賃付款	(2,832)	-
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	6,977	(3,940)
Dividend paid to the equity holders	已付當時權益持有人股息	(21,600)	(20,400)
Net cash (used in)/generated from financing activities	融資活動(所用)/所產生現金淨額	(187,468)	227,194
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(30,612)	47,368
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	60,813	13,445
Cash and cash equivalents at end of the year	年末現金及現金等價物	30,201	60,813

The notes on pages 76 to 155 are an integral part of these consolidated financial statements.

第76至155頁的附註為本合併財務報表的組成部分。

Notes to the Consolidated Financial Statements

合併財務報表附註

1 GENERAL INFORMATION

Global International Credit Group Limited (the “Company”) was incorporated in the Cayman Islands on 20 January 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. The address of the Company’s registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company and its subsidiaries (the “Group”) are principally engaged in money lending business of providing property mortgage loans and personal loans in Hong Kong.

The directors of the Company (the “Directors”) regard Blossom Spring Global Limited (“Blossom Spring”), a company incorporated in the British Virgin Islands (“BVI”), as the ultimate holding company of the Company.

The Company has its primary listing on the Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated. These consolidated financial statements were approved by the Board of Directors for issue on 26 March 2020.

1 一般資料

環球信貸集團有限公司(「本公司」)於二零一四年一月二十日根據開曼群島法律第22章《公司法》(一九六一年第三號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。

本公司為一家投資控股公司，而其附屬公司(「本集團」)主要於香港從事提供物業按揭貸款及私人貸款的貸款業務。

本公司董事(「董事」)視 Blossom Spring Global Limited(「Blossom Spring」)，一間於英屬處女群島(「英屬處女群島」)註冊成立的公司為本公司的最終控股公司。

本公司在香港聯合交易所有限公司作第一上市。

除另有註明者外，此等合併財務報表以千港元(「千港元」)呈列。此等合併財務報表於二零二零年三月二十六日獲董事會批准刊發。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Global International Credit Group Limited and its subsidiaries.

2.1 Basis of preparation

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and requirements of the Hong Kong Companies Ordinance Cap. 622.

(ii) Historical cost convention

The consolidated financial statements of the Group have been prepared on a historical cost basis.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- HKFRS 16 Leases
- Prepayment Features with Negative Compensation – Amendments to HKFRS 9
- Plan Amendment, Curtailment or Settlement – Amendments to HKAS 19
- Interpretation 23 Uncertainty over Income Tax Treatments

The Group also elected to adopt the following amendment early.

- Definition of Material – Amendments to HKAS 1 and HKAS 8

2 重大會計政策概要

本附註提供編製該等合併財務報表時所採納之主要會計政策清單。除另有說明外，該等政策於所有呈報年度貫徹應用。財務報表乃為本集團(由環球信貸集團有限公司及其附屬公司組成)編製。

2.1 編製基準

(i) 遵守香港財務報告準則及香港公司條例

本集團之合併財務報表乃根據香港財務報告準則(「香港財務報告準則」)及香港公司條例(第622章)的規定編製。

(ii) 歷史成本法

本集團之合併財務報表已按歷史成本基準編製。

(iii) 本集團採納的新訂及經修訂準則

本集團於其自二零一九年一月一日開始的年度報告期間首次應用下列準則及修訂本：

- 香港財務報告準則第16號租賃
- 具有負補償之提前還款特性－香港財務報告準則第9號(修訂本)
- 計劃修訂、縮減或清償－香港會計準則第19號(修訂本)
- 詮釋第23號所得稅處理的不確定性

本集團亦選擇提早採納以下修訂本。

- 重大的定義－香港會計準則第1號及香港會計準則第8號(修訂本)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(iii) *New and amended standards adopted by the Group (Continued)*

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in note 2.2. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) *New standards and interpretation not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Change in accounting policies

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial statements.

As indicated in note 2.1 above, the Group has adopted HKFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.26.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019.

2 重大會計政策概要(續)

2.1 編製基準(續)

(iii) *本集團採納的新訂及經修訂準則(續)*

本集團因採納香港財務報告準則第16號而須變更其會計政策。本集團選擇追溯採納新規則，惟於二零一九年一月一日確認首次應用新準則的累計影響。其於附註2.2披露。上述羅列的大多數其他修訂本對過往期間所確認的金額並無任何影響，且預計不會對當前或未來期間產生重大影響。

(iv) *尚未採納的新訂準則及詮釋*

本集團尚未提早採納並非於二零一九年十二月三十一日報告期間強制執行的已公佈若干新會計準則及詮釋。該等準則預期將不會於目前或未來報告期間對實體及對可見未來的交易造成重大影響。

2.2 會計政策變動

本附註闡述採納香港財務報告準則第16號租賃對本集團財務報表的影響。

誠如上文附註2.1所示，本集團自二零一九年一月一日起追溯採納香港財務報告準則第16號租賃，但按該準則的特定過渡條文所允許並無重列二零一八年報告期間的比較數字。因此，新租賃規則產生的重新分類及調整於二零一九年一月一日的年初資產負債表中確認。新會計政策於附註2.26披露。

於採納香港財務報告準則第16號時，本集團確認與過往根據香港會計準則第17號租賃的原則分類為「經營租賃」的租賃有關的租賃負債。該等負債按餘下租賃付款的現值計量，並使用承租人於二零一九年一月一日的遞增借款利率貼現。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 重大會計政策概要(續)

2.2 Change in accounting policies (Continued)

(i) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

2.2 會計政策變動(續)

(i) *所應用的可行權宜方法*

於首次應用香港財務報告準則第16號時，本集團已使用該準則所允許的下列可行權宜方法：

- 對具有合理類似特徵的租賃組合使用單一貼現率；
- 依賴先前關於租賃是否屬於虧損性的評估，作為進行減值審閱的替代方法—於二零一九年一月一日並無虧損性合約；
- 將於二零一九年一月一日餘下租期少於12個月的經營租賃呈列為短期租賃；
- 於首次應用日期撇除初步直接成本以計量使用權資產；及
- 當合約包含延長或終止租賃的選擇權時，使用事後分析釐定租期。

本集團亦已選擇不重新評估於首次應用日期合約是否為租賃或包含租賃。取而代之，就於過渡日期之前訂立的合約而言，本集團依據其應用香港會計準則第17號及詮釋第4號釐定安排是否包含租賃作出的評估。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Change in accounting policies (Continued)

(ii) Measurement of liabilities

The reconciliation of operating lease commitment disclosed as at 31 December 2018 to lease liabilities is set out below:

		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	1,358
(Less): short-term leases recognised on a straight-line basis as expense	(減): 以直線法確認為開支的短期租賃	(1,358)
Lease liability recognised as at 1 January 2019	於二零一九年一月一日確認的租賃負債	-

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

(iv) Adjustments recognised in the balance sheet on 1 January 2019

As at 1 January 2019, as all the operating leases of the Group has a remaining lease term of less than 12 months, the Group has used the practical expedient permitted by the standard to account such operating leases as short-term leases. As a result, the initial adoption of HKFRS 16 has no impact on the Group's opening balance sheet on 1 January 2019.

2 重大會計政策概要(續)

2.2 會計政策變動(續)

(ii) 租賃的計量

於二零一八年十二月三十一日披露的經營租賃承擔與租賃負債的對賬如下：

(iii) 使用權資產的計量

物業租賃相關之使用權資產乃按追溯性基準計量，猶如新規則已一直應用。其他使用權資產乃按相等於租賃負債的金額計量，並按於二零一八年十二月三十一日在資產負債表內確認與該項租賃相關的任何預付或應計租賃付款金額進行調整。

(iv) 於二零一九年一月一日在資產負債表內確認的調整

於二零一九年一月一日，由於本集團所有經營租賃的餘下租期均少於十二個月，本集團以該準則所允許的可行權宜方法將有關經營租賃呈列為短期租賃。因此，於二零一九年一月一日，首次採納香港財務報告準則第16號並無對本集團的年初資產負債表構成影響。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 重大會計政策概要(續)

2.2 Change in accounting policies (Continued)

(v) Impact for the year

The effects of adoption of HKFRS 16 on the Group's financial performance for the year ended 31 December 2019 are as follows:

2.2 會計政策變動(續)

(v) 年內影響

截至二零一九年十二月三十一日止年度，採納香港財務報告準則第16號對本集團的財務表現之影響如下：

		HK\$'000 千港元
Consolidated statement of comprehensive income	合併綜合收益表	
Increase in depreciation included in administrative expenses	計入行政開支之折舊增加	(2,664)
Decrease in operating lease expenses included in administrative expenses	計入行政開支之經營租賃開支減少	2,832
Increase in finance costs	財務成本增加	(283)
		<hr/>
Decrease in profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年度溢利及綜合收入總額減少	(115)
		<hr/>
Consolidated statement of cash flow	合併現金流量表	
Increase in net cash from operating activities	經營活動所得現金淨額增加	2,832
Increase in net cash outflow from financing activities	融資活動現金外流淨額增加	(2,832)
		<hr/>
Net change in cash and cash equivalents at the end of the year	年末現金及現金等價物變動淨額	-
		<hr/>

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Principles of consolidation and equity accounting *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.4).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

2 重大會計政策概要(續)

2.3 綜合原則及權益會計法

附屬公司

附屬公司指本集團對其有控制權的所有實體(包括結構性實體)。本集團對實體有控制權，是指本集團因參與該實體的營運而獲得或有權享有其可變回報，並能夠運用其指導實體活動的權力影響上述回報。附屬公司在控制權轉移至本集團當日悉數合併入賬。附屬公司在控制權終止之日起停止合併入賬。

本集團的業務合併使用收購會計法入賬(參照附註2.4)。

集團內公司間交易、結餘及集團公司間交易的未變現收益均予以抵銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司的會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

2.4 業務合併

所有業務合併均以收購會計法入賬，無論所收購者為權益工具或其他資產。收購一間附屬公司所轉讓的代價包括：

- 所轉讓資產的公平值
- 所收購業務先前擁有人產生的負債
- 本集團發行的股權
- 或然代價安排產生的任何資產或負債的公平值，及
- 任何先前存在的附屬公司股權的公平值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Business combinations (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2.6 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 of the entities now comprising the Group that makes strategic decisions.

2.7 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is Global International Credit Group Limited's functional and presentation currency.

2 重大會計政策概要(續)

2.4 業務合併(續)

除有限例外情況外，於業務合併收購的可識別資產以及承擔的負債及或然負債，初步按收購日期的公平值計量。

收購相關成本於產生時支銷。

2.5 獨立財務報表

於附屬公司的投資按成本值扣除減值入賬。成本包括投資的直接應佔成本。附屬公司的業績在本公司賬目內按已收及應收股息入賬。

2.6 分部報告

經營分部的呈報方式與向主要經營決策者所提供的內部呈報一致。主要經營決策者負責分配資源及評估經營分部表現，並已被確定為現時本集團旗下實體的執行董事，制訂策略性決策。

2.7 外幣換算

(i) *功能及呈列貨幣*

本集團各實體的財務報表所包括的項目，乃按有關實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。合併財務報表以環球信貸集團有限公司的功能及呈列貨幣港元(「港元」)呈列。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Foreign currency translation (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of comprehensive income. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary such as derivative financial instrument are recognised in consolidated statement of comprehensive income as part of the fair value gain or loss.

2.8 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

2 重大會計政策概要(續)

2.7 外幣換算(續)

(ii) 交易及結餘

外幣交易以交易當日之匯率換算為功能貨幣。結算該等交易及按年末匯率換算以外幣計值之貨幣資產及負債所產生之匯兌盈虧一般於合併綜合收益表內確認。倘彼等與合資格現金流量對沖及合資格投資淨額對沖有關，或歸屬於境外業務投資淨額的一部分，則於權益遞延。

與借貸有關之匯兌盈虧於合併綜合收益表內「財務成本」呈列。

以公平值計量並以外幣計值之非貨幣性項目採用公平值確定日期的匯率換算。非貨幣性項目(如衍生金融工具)之匯兌差異於合併綜合收益表內確認作部分公平值收益或虧損。

2.8 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括直接因收購該等項目而產生的開支。

其後成本僅在本集團可能獲得與該項目有關的未來經濟利益及該項目的成本能可靠計量時，計入資產賬面值或確認為獨立資產(如適用)。作為獨立資產入賬的任何部分的賬面值於替換時取消確認。所有其他維修及保養會於其產生的財政期間在合併綜合收益表中扣除。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

- Furniture, fixtures and equipment	4-5 years
- Leasehold improvements	Shorter of remaining lease terms or useful lives

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the consolidated statement of comprehensive income.

2.9 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflow which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 重大會計政策概要(續)

2.8 物業、廠房及設備(續)

折舊乃使用直線法計算，以於其估計可使用年內，分配其成本至剩餘價值：

- 傢具、裝置及設備	4至5年
- 租賃物業裝修	餘下租賃期限或可使用年期兩者中較短者

資產剩餘價值及可使用年期於各報告期末進行檢討及調整(如適用)。

倘資產賬面值高於其估計可收回金額，則該資產的賬面值即時撇銷至可收回金額(附註2.9)。

出售盈虧以比較所得款項及賬面值的方式釐定。其計入合併綜合收益表。

2.9 非金融資產減值

當有事件發生或情況變動顯示資產賬面值可能無法收回時，資產須進行減值測試。減值虧損按資產賬面值超出其可收回金額的差額確認。可收回金額為資產公平值減出售成本和使用價值兩者之中較高者。就評估資產減值而言，本集團按個別可識別現金流入(通常獨立於其他資產或資產組別(現金產生單位)之現金流入)的最低水平劃分資產類別。除商譽外，已蒙受減值的非金融資產在各報告期末就是否可以撥回減值進行檢討。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 重大會計政策概要(續)

2.10 投資及其他金融資產

(i) 分類

本集團按以下的計量類別將其金融資產分類：

- 其後按公平值計量(不論計入其他全面收益(「其他全面收益」)或計入損益)；及
- 按攤銷成本計量。

分類取決於公司管理金融資產的業務模式及現金流量的合約年期。

就按公平值計量的資產而言，收益及虧損將於損益或其他全面收益列賬。就並非持作買賣的股本工具投資而言，將取決於本集團是否於初始確認時作出不可撤回選擇，將股本投資以按公平值計入其他全面收益計量(「按公平值計入其他全面收益」)入賬。

本集團當且僅當管理該等資產的業務模式改變時重新分類債務投資。

(ii) 確認及終止確認

常規購入及出售的金融資產於交易日期(即本集團承諾買賣該資產之日期)予以確認。倘從金融資產收取現金流量之權利已到期或經已轉讓，而本集團已將其擁有權之絕大部分風險及回報轉讓時，則會終止確認金融資產。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets (Continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

2 重大會計政策概要(續)

2.10 投資及其他金融資產(續)

(iii) 計量

初始確認時，本集團按金融資產之公平值加(倘並非按公平值計入損益(「按公平值計入損益」)之金融資產)直接歸屬於收購金融資產之交易成本計量。按公平值計入損益列賬之金融資產之交易成本於損益內支銷。

債務工具

債務工具的後續計量取決於本集團管理資產之業務模式及該等資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘持有資產旨在收取合約現金流量，而該等資產的現金流量純粹為本金及利息付款，該等資產按攤銷成本計量。按攤銷成本列賬的金融資產其後採用實際利率法計量，並可能會出現減值。當資產終止確認、修改或減值時，收益及虧損於損益確認。
- 按公平值計入其他全面收益：倘持有資產目的為收取合約現金流量及銷售金融資產，且資產的現金流量純粹為本金及利息付款，則按公平值計入其他全面收益計量。賬面值變動計入其他全面收益，惟減值收益或虧損、利息收入及匯兌收益或虧損於損益中確認。於終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損自權益重新分類至損益並於其他收益/(虧損)確認。該等金融資產所產生利息收入乃使用實際利率法計入財務收入。匯兌收益及虧損於其他收益/(虧損)呈列，而減值開支在損益表中呈列為獨立項目。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

The Group's financial assets held during the year are all debt instruments, including cash and cash equivalents, pledge deposits, loans receivable, interest receivables, deposit and other receivables which are all being classified as to be measured at amortised cost.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 重大會計政策概要(續)

2.10 投資及其他金融資產(續)

(iii) 計量(續)

債務工具(續)

- 按公平值計入損益：不符合攤銷成本或按公平值計入其他全面收益標準的資產乃以按公平值計入損益計量。隨後按公平值計入損益的債務投資的損益於其產生期間在損益中確認並在其他收益／(虧損)中呈列為淨值。

本集團於年內持有的金融資產均為債務工具，包括現金及現金等價物、已抵押存款、應收貸款、應收利息，按金及其他應收款項、均分類為按攤銷成本計量。

股本工具

本集團隨後就所有股本投資按公平值計量。當本集團管理層已選擇於其他全面收益呈列股本投資的公平值收益及虧損，公平值收益及虧損於終止確認投資後不會重新分類至損益。該等投資的股息於本集團收取款項的權利確立時繼續於損益確認為其他收入。

按公平值計入損益的金融資產公平值變動於損益表確認為其他收益／(虧損)(按適用情況)。按公平值計入其他全面收益計量的股本投資的減值虧損(及減值虧損撥回)不會因公平值其他變動而分開列報。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets (Continued)

(iv) Impairment

The Group assesses on a forward looking basis the ECL associated with its debt instruments carried at amortised cost.

The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflect:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcome.
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 3.1(b) provides more detail of how the expected credit loss allowance is measured.

Loans receivable and interest receivables of the Group are classified as debt investments carried at amortised cost and are subject to the ECL model.

While cash and cash equivalents, pledged deposit and deposits and other receivables are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

2 重大會計政策概要(續)

2.10 投資及其他金融資產(續)

(iv) 減值

本集團對有關其按攤銷成本列賬之債務工具的預期信貸虧損進行前瞻性評估。

本集團於各報告日期確認該等虧損的虧損撥備。預期信貸虧損的計量反映：

- 經評估一系列可能結果而釐定的公正及概率加權金額。
- 於報告日期毋須付出不必要的成本或工作而可獲得有關過往事件、目前狀況及未來經濟狀況預測的合理及支持資料。

附註3.1(b)提供更多有關預期信貸虧損如何計量的詳情。

本集團的應收貸款及應收利息分類為按攤銷成本列賬的債務投資，並須採用預期信貸虧損模式。

儘管現金及現金等價物、已抵押存款以及按金及其他應收款項亦須遵守香港財務報告準則第9號的減值規定，但已識別減值虧損並不重大。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Derivative financial instrument

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where Global International Credit Group Limited currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Global International Credit Group Limited has also entered into arrangement that do not meet the criteria for offsetting but still allow for the related amount to be set off in certain circumstances, such as bankruptcy or the terminator of a contract.

2.13 Loans receivable

Loans receivable are property mortgage loans and personal loans granted to customers in the ordinary course of business. If collection of loans receivable is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Loans receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 Interest receivables

Interest receivables are interests derived from property mortgage loans and personal loans granted to customers in the ordinary course of business.

Interest receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Prepayments, deposits and other receivables

Prepayments, deposits and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 重大會計政策概要(續)

2.11 衍生金融工具

衍生工具初步按衍生合約訂立當日之公平值確認，隨後按其公平值重新計量。

2.12 抵銷金融工具

當環球信貸集團有限公司目前擁有法定可執行權力抵銷已確認金額，並有意按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在合併財務狀況表呈報其淨額。環球信貸集團有限公司亦已就不符合抵銷條件但在若干情況下(例如破產或終止合約)仍獲准抵銷相關金額之工具訂立安排。

2.13 應收貸款

應收貸款為在日常業務過程中授予客戶的物業按揭貸款及私人貸款。倘預期應收貸款於一年或更短時間內收回，則分類為流動資產，否則呈列為非流動資產。

應收貸款初始按公平值確認，其後使用實際利率法按攤銷成本減減值撥備計量。

2.14 應收利息

應收利息為在日常業務過程中授予客戶的物業按揭貸款及私人貸款所產生的利息。

應收利息初始按公平值確認，其後使用實際利率法按攤銷成本減減值撥備計量。

2.15 預付款項、按金及其他應收款項

預付款項、按金及其他應收款項初始按公平值確認，其後使用實際利率法按攤銷成本減減值撥備計量。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Other payables

Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 重大會計政策概要(續)

2.16 現金及現金等價物

就於合併現金流量表呈列而言，現金及現金等價物包括手頭現金及於銀行的活期存款。

2.17 股本

普通股分類為權益。發行新股份直接應佔的新增成本於權益中呈列為所得款項扣減(扣除稅項)。

2.18 其他應付款項

其他應付款項呈列為流動負債，除非付款並非於報告期後12個月內到期則作別論。其初步按公平值確認，隨後採用實際利率法按攤銷成本計量。

2.19 借款

借款初始按公平值扣除所產生的交易成本確認。借款其後按攤銷成本計量。所得款項(扣除交易成本)與贖回賬之間的任何差額以實際利率法在借款期間於合併綜合收益表中確認。

在融資可能被部分或全部提取的情況下，設立貸款融資所支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。倘並無跡象顯示可能將部分或全部提取有關融資，則該費用資本化為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團有權無條件將負債結算日期遞延至報告期末後最少12個月，否則借款將被劃分為流動負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete the asset for its intended use or sales. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sales.

Other borrowing costs are expensed in the period in which they are incurred.

2.21 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 重大會計政策概要(續)

2.20 借款成本

直接歸屬於收購、建設或生產合資格資產之一般及特定借款成本於資產完成其預定用途或銷售所需的期間撥充資本。合資格資產指需要經過相當長時間才能達到預定用途或銷售狀態的資產。

其他借款成本於產生期間支銷。

2.21 即期及遞延利得稅

本期間之利得稅開支或抵免指就本期間應課稅收入按各司法權區之適用利得稅稅率支付之稅項(就暫時性差額及未動用稅項虧損應佔之遞延稅項資產及負債變動作出調整)。

即期利得稅

即期利得稅支出根據本公司附屬公司及聯營公司營運所在及產生應課稅收入的國家於報告期末已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

遞延利得稅

對於資產及負債的稅基與其在合併財務報表的賬面值之間的暫時性差額，使用負債法就遞延利得稅悉數計提撥備。然而，若遞延稅項負債來自初步確認商譽，則不予確認。若遞延利得稅來自在交易(不包括業務合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅損益，則遞延利得稅亦不作記賬。遞延利得稅乃以於報告期末已頒佈或實質頒佈的稅率(及稅法)釐定，並預期於變現相關遞延利得稅資產或償還遞延利得稅負債時應用。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Current and deferred income tax (Continued)

Deferred income tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) *Investment allowances and similar tax incentives*

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

2 重大會計政策概要(續)

2.21 即期及遞延利得稅(續)

遞延利得稅(續)

僅於可能出現可使用該等暫時性差額及虧損之未來應課稅金額時，方會確認遞延稅項資產。

倘本公司能夠控制撥回暫時性差額之時間，且該等差額可能不會於可見將來撥回，則不會於海外業務之投資賬面值與稅基之間之暫時性差額確認遞延稅項負債及資產。

倘有法定可強制執行權利抵銷即期稅項資產及負債，以及遞延稅項結餘與同一稅務機關相關，則抵銷遞延稅項資產及負債。倘實體擁有法定可強制執行權利抵銷及擬按淨額基準償付或變現資產及同時償付負債，則抵銷即期稅項資產及稅項負債。

除與於其他全面收益或直接於權益確認的項目相關外，即期及遞延稅項於損益內確認。於此情況下，稅項亦分別於其他全面收益或直接於權益確認。

(i) *投資津貼及類似稅務獎勵*

本集團旗下公司或有權就合資格資產或就合資格開支申索特別稅務減免。本集團將該等津貼入賬為稅務抵免，即表示該津貼降低應付利得稅及即期稅項開支。遞延稅項資產就作為遞延稅項資產轉結之未申索稅務抵免而予以確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Employee benefits

(a) Pension obligations

The Group has a defined contribution plan for its employees. The Group pays contributions to trustee-administered pension funds on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employment costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2 重大會計政策概要(續)

2.22 僱員福利

(a) 退休金責任

本集團為其僱員參與界定供款計劃。本集團按強制、合約或自願基準向受託人管理的退休金支付供款。本集團於支付供款後再無其他付款責任。供款於到期時確認為僱傭成本。預付供款確認為資產，惟以退回現金或可扣減日後付款金額為限。

(b) 花紅計劃

本集團按計及經若干調整後的本公司股東應佔溢利的公式確認花紅負債及開支。本集團就合約責任或產生推定責任的過往慣例確認撥備。

(c) 僱員假期權利

僱員享有的年假乃於向僱員提供年假時確認。已就截至報告期末因僱員提供的服務所產生年假的估計負債計提撥備。僱員病假及產假權利於請假時方予以確認。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the management's best estimate of expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

2.24 Repossessed assets

Reposessed assets are initially recognised at the lower of their fair value less costs to sell and the amortised cost of the related outstanding loans on the date of repossession, and the related loans and advances together with the related impairment allowances are derecognised from the consolidated statement of financial position. Subsequently, reposessed assets are measured at cost less impairment.

2 重大會計政策概要(續)

2.23 撥備

倘本集團現時因過往事件而涉及法律或推定責任，而可能須以資源流出履行責任，且能夠可靠地估計金額的情況下，則確認撥備。概不會就未來經營虧損確認撥備。

倘有多項類似責任，會整體考慮責任類別以釐定履行責任時將須耗用的資源。即使在同一責任類別所涉及任何一個項目相關流出可能性較低，仍須確認撥備。

撥備按管理層於報告期末就結算現有責任所需開支之最佳估計量。用以釐定現值之貼現率為反映當時市場對該負債特有之貨幣時間值及風險之評估的除稅前比率。隨時間流逝而產生的撥備增加確認為利息開支。

2.24 經收回資產

經收回資產初步按其收回日期的公平值減銷售成本與有關未償還貸款的攤銷成本(以較低者為準)確認，而有關貸款及墊款連同有關減值撥備於合併財務狀況表中終止確認。其後，經收回資產按成本減減值計量。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

Interest income

Interest income is recognised and accrued using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.26 Leases

As explained in note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in note 2.2.

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (note 29). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

2 重大會計政策概要(續)

2.25 收入確認

收入包含本集團日常業務過程中銷售服務的已收或應收代價的公平值。

本集團於收入金額能夠可靠地計量，未來經濟利益可能流入實體並已符合下述本集團各活動的特定條件時確認收入。

利息收入

利息收入以實際利率法確認及累算。倘貸款及應收款項出現減值，則本集團將其賬面值減至可收回金額，即估計未來現金流量按工具的原實際利率折現，並繼續解除折現為利息收入。已減值貸款及應收款項利息收入按原實際利率確認。

2.26 租賃

誠如上文附註2.2所示，本集團已變更其作為承租人的租賃之會計政策。該新政策於下文論述，而有關變動的影響載於附註2.2。

在二零一八年十二月三十一日以前，並無向本集團(作為承租人)轉讓擁有權的大部分風險及回報的租賃會分類為經營租賃(附註29)。經營租賃項下的付款(扣除自出租人收取的任何優惠)會隨租賃年期以直線法計入損益。

自二零一九年一月一日起，租賃於租賃資產可供本集團使用當日確認為使用權資產及相應負債。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Leases (Continued)

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 重大會計政策概要(續)

2.26 租賃(續)

合約可能包含租賃及非租賃部分。本集團按照租賃及非租賃部分相應的獨立價格，將合約代價分配至租賃及非租賃部分。然而，就本集團為承租人的房地產租賃而言，其選擇將租賃及非租賃部分視為單一租賃部分，並無將兩者區分。

租約產生的資產及負債初步以現值計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 取決於指數或利率的可變租賃付款(初始於開始日期利用指數或利率計量)；
- 本集團根據餘值擔保預期應付的金額；
- 在本集團合理確定行使採購選擇權的情況下採購選擇權的行使價；及
- 支付終止租賃的罰款(倘租賃條款反映本集團正行使該權利)。

根據合理確定延續選擇權支付的租賃付款亦計入負債計量之內。

租賃付款採用租賃所隱含的利率予以貼現。倘無法釐定該利率(本集團的租賃一般屬此類情況)，則使用承租人遞增借款利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產價值類似的資產所需資金必須支付的利率。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

2 重大會計政策概要(續)

2.26 租賃(續)

為釐定遞增借款利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整以反映自獲得第三方融資以來融資條件的變動；及
- 進行特定於租約的調整，例如期限、國家、貨幣及抵押。

本集團未來可能根據指數或利率增加可變租賃付款，而有關指數或利率在生效前不會計入租賃負債。當根據指數或利率對租賃付款作出的調整生效時，租賃負債根據使用權資產進行重新評估及調整。

租賃付款於本金及財務成本之間作出分配。財務成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 初始計量租賃負債的金額；
- 在開始日期或之前作出的任何租賃付款減任何已收租賃優惠；
- 任何初步直接成本；及
- 復原成本。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Leases (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.27 Dividend distribution

Provisions is made for the amount of any dividend declared being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

2 重大會計政策概要(續)

2.26 租賃(續)

使用權資產一般按直線基礎以資產可使用年期或租期(以較短者為準)計算折舊。倘本集團合理確定行使採購選擇權,則使用權資產於相關資產的可使用年期內予以折舊。本集團在對其土地及樓宇(於物業、廠房及設備內呈列)重新估值時,已選擇不就本集團所持有的使用權樓宇行使有關權利。

與設備及車輛的短期租賃及所有低價值資產租賃相關的付款以直線法於損益確認為開支。短期租賃為租賃期12個月或以下的租賃。低價值資產包括資訊科技設備及小型辦公家具。

2.27 股息分派

就於報告期間或報告期間結束之前已宣派但於報告期間結束時尚未分派的已宣派任何股息(已適當授權及不再由本集團酌情決定)的款項作出撥備。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to various types of financial risks: market risk (including cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Cash flow and fair value interest rate risk

As at 31 December 2019, the Group's interest rate risk arises from its loans receivable (Note 18), pledged deposit and cash and cash equivalents (Note 22) and bank and other borrowings (Note 25). Except for pledged deposit, cash and cash equivalents and bank and other borrowings of HK\$141,891,000, which are entitled to interest at variable rates, and expose the Group to cash flow interest rate risk, loans receivable and bank and other borrowings of HK\$35,000,000 are issued at fixed rates.

As at 31 December 2019, if market interest rates had been 1% higher/lower with all other variables held constant, post-tax profits would have been approximately HK\$918,000 (2018: HK\$1,481,000) lower/higher, respectively.

3 財務風險管理

3.1 財務風險因素

本集團的經營令其面臨多項財務風險：市場風險(包括現金流量及公平值利率風險)、信貸風險及流動資金風險。本集團整體風險管理計劃專注於金融市場的不可預測性，並致力盡量減低對本集團財務表現的潛在不利影響。

(a) 現金流量及公平值利率風險

於二零一九年十二月三十一日，本集團的利率風險產生自應收貸款(附註18)、已抵押存款與現金及現金等價物(附註22)以及銀行及其他借款(附註25)。除已抵押存款、現金及現金等價物以及銀行及其他借款141,891,000港元可按浮動利率計息並為本集團帶來現金流量利率風險外，應收貸款及銀行及其他借款35,000,000港元按固定利率計息。

於二零一九年十二月三十一日，倘市場利率上升／下降1%而所有其他變數保持不變，除稅後溢利將分別減少／增加約918,000港元(二零一八年：1,481,000港元)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's main income generating activity is lending to customers and therefore credit risk is a principal risk.

The Group's credit risk arises from pledged deposit, cash and cash equivalents, loans receivable, interest receivables and deposits and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets which are stated as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loans receivable (Note 18)	應收貸款(附註18)	943,734	988,655
Interest receivables (Note 19)	應收利息(附註19)	6,499	7,817
Deposits and other receivables (Note 20)	按金及其他應收款項 (附註20)	5,014	4,833
Pledged deposit (Note 22(b))	已抵押存款(附註22(b))	1,713	8,690
Cash and cash equivalents (Note 22(a))	現金及現金等價物 (附註22(a))	30,201	60,813
		987,161	1,070,808

As at 31 December 2019 and 2018, all of the Group's pledged deposit and cash at bank are deposited in major financial institutions located in Hong Kong, which the Group's management believes are of high credit quality.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

信貸風險是指客戶或交易對方未能履行合同義務而導致本集團產生財務損失的風險。本集團的主要創收活動是向客戶提供貸款，因此信貸風險為主要風險。

本集團信貸風險產生自己抵押存款、現金及現金等價物、應收貸款、應收利息以及按金及其他應收款項。管理層已制訂信貸政策，持續監察該等信貸風險。相關結餘賬面值即本集團就下述金融資產而面臨的最大信貸風險：

於二零一九年及二零一八年十二月三十一日，本集團所有已抵押存款和銀行現金存於香港的大型金融機構，本集團管理層相信該等機構信貸質素優良。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Credit risk management

The Group manages and analyses the credit risk for each of their new and existing customers before standard payment terms and conditions are offered. In particular, the Group manages its credit risk by:

- Ensuring that the Group has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Group's stated policies and procedures, HKFRS and relevant supervisory guidance.
- Creating credit policies to protect the Group against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to continually monitor exposures against internal risk limits.
- Limiting concentrations of exposure by type of asset, counterparties, credit rating, geographic location etc..
- If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.
- Developing and maintaining the Group's processes for measuring ECL including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECL.
- Ensuring that the Group has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 信貸風險管理

於提供標準的付款條款及條件之前，本集團會管理及分析其各新客戶及現有客戶的信貸風險。特別是，本集團通過以下方式管理其信用風險：

- 確保本集團進行恰當的信用風險管控(包括有效的內部控制系統在內)，根據本集團規定的政策和程序，香港財務報告準則及相關監管指引持續準確的計提撥備。
- 制定信貸政策，包括從借款人獲取抵押品，對借款人進行持續信貸評估，以及持續管控內部風險限額風險敞口等，保護本集團免受已識別風險的影響。
- 按資產類別、交易對手、信用評級、地理位置等限制風險敞口。
- 若無獨立評級，則風險控制會評估客戶信貸質素，考慮客戶的財務狀況、過往表現及其他因素。
- 建立對有關批准及更新貸款的授權架構的管控體系。
- 制定和維護本集團計量預期信貸虧損的流程，包括監控信貸風險，納入前瞻性資料及衡量預期信貸虧損的方法。
- 確保本集團已制定適當的政策和程序，得以恰當地保持並驗證用於預期信貸虧損的評估及計量模型。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Measurement of ECL

The Group measures loss allowance under HKFRS 9 ECL model. The measure of ECL is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial assets is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The key inputs used for measuring ECL are:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD)

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 預期信貸虧損計量

本集團根據香港財務報告準則第9號預期信貸虧損模式計量虧損撥備。預期信貸虧損之計量值為違約概率、違約損失率程度(即倘發生違約之虧損程度)與違約風險敞口。違約概率及違約損失率程度之評估乃根據經前瞻性資料的過往數據作出調整。

一般而言，預期信貸虧損乃根據合約應付本集團之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的差額估算，並按初始確認時釐定之實際利率貼現。

利息收入乃根據金融資產之賬面總值計算，除非該金融資產已作信貸減值，則在此情況下利息收入乃根據金融資產之攤銷成本計算。

用於計量預期信貸虧損的關鍵輸入數據包括：

- 違約概率(PD)；
- 違約損失率(LGD)；及
- 違約風險敞口(EAD)

該等數據通常來自內部制定的統計模型及其他歷史數據，其會進行調整以反映概率加權的前瞻性資料。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Measurement of ECL (Continued)

Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's estimation of probabilities of default to individual group;
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- Development of ECL models, including the various formulas and the choice of inputs over determination of the period over which the entity is exposed to credit risk based on the behavioural life of the credit exposures, loss given default and collateral recovery of the credit exposures;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as delinquency ratios and collateral values, and the effect on probabilities of default, exposures at default and losses given default; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 預期信貸虧損計量(續)

本集團使用被視為會計判斷及估計作出的判斷包括：

- 本集團估計違約機會率分配予個別組別；
- 本集團評估信貸風險是否已顯著增加致使金融資產的撥備應按全期預期信貸虧損基準計量及定性評估的條件；
- 制定預期信貸虧損模型，包括根據信貸風險行為週期、違約虧損率及收回信貸風險抵押品的情況，釐定公司面對信貸風險的期間所用的多種算式及輸入值選擇；
- 釐定宏觀經濟情況與經濟輸入值(如失業水平與抵押品價值)之間的聯繫性，以及違約可能性的影響、違約風險及違約損失；及
- 選出前瞻性宏觀經濟情況及彼等發生的可能性比重，將經濟輸入值導入預期信貸虧損模型當中

本集團政策為在實際虧損經驗的情況下定期檢視其模式，並於有需要時作出調整。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Measurement of ECL (Continued)

The Group categorises the credit quality of its loans receivable and interest receivables according to 3 different stages under the ECL model:

- Stage 1: financial assets without significant increase in credit risk since initial recognition where loss allowance is calculated based on 12-month ECL
- Stage 2: financial assets with significant increase in credit risk since initial recognition where loss allowance is calculated based on lifetime ECL
- Stage 3: credit impaired assets where loss allowance is calculated based on lifetime ECL

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 預期信貸虧損計量(續)

根據預期信貸虧損模型，本集團根據三個不同階段對應收貸款及應收利息的信貸質素進行分類：

- 第一階段：自初始確認後信貸風險並無顯著增加的金融資產，其虧損撥備根據十二個月的預期信貸虧損計算
- 第二階段：自初始確認後信貸風險顯著增加的金融資產，其虧損撥備根據全期預期信貸虧損計算
- 第三階段：信貸減值資產，其虧損撥備根據全期預期信貸虧損計算

信貸風險顯著增加

於評估信貸風險是否自初始確認以來大幅增加時，本集團比較金融工具於報告日期發生違約之風險與該金融工具於初始確認日期發生違約之風險。在進行有關評估時，本集團會考慮合理有據之定量及定性資料，包括過往經驗及毋須花費過大成本或精力即可獲得之前瞻性資料。

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Measurement of ECL (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- significant deterioration in external market indicators of credit risk, e.g. a significant decrease in credit rating of the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtors' ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 預期信貸虧損計量(續)

信貸風險顯著增加(續)

具體而言，評估信貸風險是否大幅增加時會考慮下列資料：

- 信貸風險的外界市場指標之重大惡化，例如債務人之信貸評級大幅下跌；
- 預期導致債務人在履行其債務責任之能力大幅下降的業務、財務或經濟狀況之現有或預測不利變動；
- 債務人經營業績之實際或預期重大倒退；及
- 導致債務人在履行其債務責任之能力大幅下降的監管、經濟或技術環境之實際或預期重大不利變動。

不論上述評估結果如何，本集團假定當合約逾期超過30天，則信貸風險乃自初始確認以來已大幅增加，除非本集團擁有合理有據之資料顯示並非如此，則作別論。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Measurement of ECL (Continued)

Significant increase in credit risk (Continued)

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The Group collects performance and default information about its credit risk exposures and analyses all data collected using statistical model and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data such as delinquency rate on residential mortgage and residential property price index. The Group generates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Group then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

The Group uses different criteria to determine whether credit risk has increased significantly and the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due. The Group performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 預期信貸虧損計量(續)

信貸風險顯著增加(續)

本集團對符合減值要求的所有金融資產進行監控，以評估初始確認後信貸風險是否顯著增加。倘信貸風險顯著增加，本集團將根據全期預期信貸虧損而非12個月預期信貸虧損進行損失撥備。

本集團收集有關其信貸風險敞口的表現及違約資料，並分析使用統計模型收集的所有數據以及估計風險的剩餘全期違約概率及預期如何隨時間而變化。在此過程中考慮的因素包括宏觀經濟數據，如住房按揭的拖欠率及住宅物業價格指數。本集團生成相關經濟變量的未來方向「基本」情境，以及其他可能的預測情境的代表性範圍。本集團其後使用該等概率加權預測調整其對違約概率的估計。

本集團使用不同的標準釐定信貸風險是否已顯著增加，且本集團假設當合約付款逾期超過30日時，金融資產的信貸風險已自初始確認以來顯著增加，除非本集團有合理可作為依據的資料顯示並非如此則作別論。

本集團已制定監控程序，以確保用於識別信貸顯著增加的標準屬有效，這意味著在違約風險或資產到期30天之前可識別信貸風險的顯著增加。本集團定期對其評級進行回溯測試，以考慮導致違約的信貸風險驅動因素是否及時準確反映於評級中。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Measurement of ECL (Continued)

Significant increase in credit risk (Continued)

The Group has controls and procedures in place to identify when the credit risk of an asset improves and the definition of significant increase in credit risk is no longer met. When this is the case the asset may move back to stage 1 from stage 2, subject to payments being up to date and the ability of the borrower to make future payments on time.

Default and credit-impaired

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. In particular, the following qualitative indicators are taken into account in determining the risk of default occurring:

- probable bankruptcy entered by the borrowers; and
- death of the debtor.

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group uses internal and external information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group uses multiple scenarios to model the nonlinear impact of assumptions about macroeconomic factors on ECL. The Group applies probabilities to the forecast scenarios identified.

In applying the forward-looking information and probabilities to the forecast scenario identified for assessing the expected credit losses as at 31 December 2019, the Group has taken into account the possible impacts associated with the persistent social unrests and the overall change in economic environment.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 預期信貸虧損計量(續)

信貸風險顯著增加(續)

本集團已制定監控措施及程序，以識別資產的信貸風險何時改善及不再符合信貸風險大幅增加的定義。於此情況下，資產可能會由第二階段返回至第一階段，視乎付款是否截至該日止及借款人能否按時支付未來款項的能力而定。

違約及信貸減值

本集團認為，倘有關工具逾期超過90天，則違約已經發生，除非本集團擁有合理有據之資料顯示一項更滯後之違約標準更為合適，則另作別論。具體而言，於釐定發生違約的風險時，已考慮以下定性指標：

- 借方可能破產；及
- 債務人身故。

納入前瞻性資料

本集團使用包括無須過多成本或精力即可獲得的前瞻性資料評估信貸風險的顯著增加以及預期信貸虧損的計量。本集團使用外部和內部資料生成相關經濟變量未來方向「基本」情境，以及其他可能的預測情境的代表性範圍。使用的外部資料包括政府機構和金融管理局公佈的經濟數據及預測。

本集團使用多種情境模擬宏觀經濟因素假設對預期信貸虧損的非線性影響。本集團將概率應用於所識別的預測情境。

在對就評估二零一九年十二月三十一日之預期信貸虧損確定之預測情境應用前瞻性資料及可能性時，本集團已考慮持續社會動盪及整體經濟環境變化可能帶來之影響。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk exposure

The credit quality classification of loans receivable and their respective interest receivables using the Group's ECL model is set out in the table below:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(iii) 信貸風險敞口

根據本集團預期信貸虧損模型，應收貸款及其各自應收利息的信貸質素分類載列於下表：

		As at 31 December 2019 於二零一九年十二月三十一日			
		Stage 1 12-month ECL 第一階段 十二個月 預期 信貸虧損	Stage 2 Lifetime ECL 第二階段 全期預期 信貸虧損	Stage 3 Lifetime ECL 第三階段 全期預期 信貸虧損	Total 總計
Loans receivable	應收貸款	857,974	65,746	24,977	948,697
Impairment allowance	減值撥備	(3,766)	(257)	(940)	(4,963)
Loans receivable – net of impairment allowance	應收貸款 – 扣除減值撥備	854,208	65,489	24,037	943,734
Interest receivables	應收利息	4,225	1,265	1,132	6,622
Impairment allowance	減值撥備	(41)	(8)	(74)	(123)
Interest receivables – net of impairment allowance	應收利息 – 扣除減值撥備	4,184	1,257	1,058	6,499

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk exposure (Continued)

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(iii) 信貸風險敞口(續)

		As at 31 December 2018 於二零一八年十二月三十一日			
		Stage 1 12-month ECL 第一階段 十二個月 預期 信貸虧損	Stage 2 Lifetime ECL 第二階段 全期預期 信貸虧損	Stage 3 Lifetime ECL 第三階段 全期預期 信貸虧損	Total 總計
Loans receivable	應收貸款	871,291	116,362	4,585	992,238
Impairment allowance	減值撥備	(1,015)	(1,991)	(577)	(3,583)
Loans receivable – net of impairment allowance	應收貸款 – 扣除減值撥備	870,276	114,371	4,008	988,655
Interest receivables	應收利息	4,587	2,730	616	7,933
Impairment allowance	減值撥備	(13)	(43)	(60)	(116)
Interest receivables – net of impairment allowance	應收利息 – 扣除減值撥備	4,574	2,687	556	7,817

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iv) Sensitivity analysis

The allowance for credit losses is sensitive to the inputs used in internally developed models, macroeconomic variables in the forward-looking forecasts, economic scenario weighting and other factors considered when applying expert judgment. Changes in these inputs, assumptions and judgments impact the assessment of significant increase in credit risk and the measurement of ECLs.

The following table shows the impact on ECL allowance on loans receivable and interest receivables as at 31 December 2019 by changing individual input.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(iv) 敏感性分析

信貸虧損準備金的計量對內部制定的模型中使用的參數、前瞻性預測的宏觀經濟變量、經濟場景權重以及應用專家判斷時考慮的其他因素等是敏感的。該等參數、假設及判斷的變動將對信貸風險顯著增加及預期信貸虧損計量產生影響。

下表顯示通過改變個別參數對截至二零一九年十二月三十一日的應收貸款及應收利息的預期信貸虧損準備金的影響。

Change in input on ECL model 預期信貸虧損模型中的參數變動	Impact on ECL allowance on loans receivable and interest receivables 對有關應收貸款及應收利息的預期信貸虧損準備金影響
<ul style="list-style-type: none"> - Assuming a further 10% weighting added to the probability of the optimistic scenario and a corresponding 10% weighting reduction in the base scenario - 假設在樂觀情境的概率進一步增加10%的權重及於基本情境相應減少10%的權重 	<ul style="list-style-type: none"> - Decrease by HK\$3,000 - 減少3,000港元
<ul style="list-style-type: none"> - Assuming a further 10% weighting added to the probability of the pessimistic scenario and a corresponding 10% weighting reduction in the base scenario - 假設在悲觀情境的概率進一步增加10%的權重及於基本情境相應減少10%的權重 	<ul style="list-style-type: none"> - Increase by HK\$679,000 - 增加679,000港元
<ul style="list-style-type: none"> - Assuming no significant increase in credit risk since initial recognition was identified (i.e., all the financial assets in Stage 2 moved to Stage 1) - 假設確定初始確認後信貸風險並無顯著增加(即第二階段的所有金融資產轉移至第一階段) 	<ul style="list-style-type: none"> - Decrease by HK\$152,000 - 減少152,000港元
<ul style="list-style-type: none"> - Assuming the forecast collateral value increase by 10% - 假設預測抵押品價值上升10% 	<ul style="list-style-type: none"> - Decrease by HK\$762,000 - 減少762,000港元
<ul style="list-style-type: none"> - Assuming the forecast collateral value decrease by 10% - 假設預測抵押品價值下降10% 	<ul style="list-style-type: none"> - Increase by HK\$852,000 - 增加852,000港元

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(v) Collateral held as security

The Group holds collateral against certain loans receivable in the form of mortgages over property. As at 31 December 2019, 99.8% of the Group's gross loans receivable were secured by mortgages over property. Majority of the collateral are residential properties, commercial properties and industrial properties and all of the collateral are located in Hong Kong.

In the majority of cases, the Group grants loans with a loan-to-value ratio of no more than 70% of the value in the valuation report of the property for first property mortgages, and where it is a subordinated property mortgage, the aggregate lending (Group's loan aggregated with all prior mortgage loans) of no more than 70% of the value of the underlying property. Approval from a director of the subsidiary of the Company, a credit manager and a credit officer is needed for loans granted with a loan-to-value ratio that exceeds 70%. The directors and senior management of the Company meet regularly to review the loan to value ratio and when (1) there is a significant change in the property price index in Hong Kong; or (2) when loans are renewed. The directors and senior management of the Company consider that the credit risk arising from the loans and interest receivables is significantly mitigated by the property held as collateral, with reference to the market value of the property which were valued by independent third party valuers as at the end of the reporting period.

(vi) Concentration on credit risk

Revenue from the top five customers constituted approximately 14.4% (2018: 15.2%) of the Group's revenue for the year ended 31 December 2019. They accounted for approximately 20.1% (2018: 10.1%) of the gross mortgage loans receivable balances as at 31 December 2019.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(v) 持有作為擔保的抵押品

本集團以物業按揭形式就若干應收貸款持有抵押品。於二零一九年十二月三十一日，本集團應收貸款總額的99.8%以物業按揭作抵押。大部分抵押品為住宅物業、商業物業及工業物業，而所有抵押品均位於香港。

在大多數情況下，對於第一物業按揭，本集團授予貸款的按揭成數不超過物業估值報告內價值的70%；倘為第二物業按揭，則借貸總額(本集團貸款與之前所有按揭貸款的總額)不得超過相關物業價值的70%。授出按揭成數超過70%的貸款須經本公司附屬公司董事、信貸經理及信貸專員批准。當(1)香港物業價格指數發生顯著變動；或(2)當貸款獲續期時，本公司董事及高級管理層會定期舉行會議，檢討按揭成數。經參考獨立第三方估值師所估計於報告期末的物業市值，本公司董事及高級管理層認為，源自應收貸款及應收利息的信貸風險乃由持作抵押品的物業大幅緩解。

(vi) 信貸集中風險

截至二零一九年十二月三十一日止年度，五大客戶收入佔本集團收入約14.4%(二零一八年：15.2%)，佔二零一九年十二月三十一日的應收按揭貸款結餘總額約20.1%(二零一八年：10.1%)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facility. Cash flow forecasting is performed by management. The Group monitors its rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowing facilities at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal financial position ratio targets and, if applicable external regulatory or legal requirements.

The Group has undrawn borrowing facilities of HK\$223,109,000 as at 31 December 2019 (2018: HK\$115,096,000). Such undrawn borrowing facilities expire within one year and are annual facilities subject to review every year.

The Group's primary cash requirements, apart from granting loans to customers, are for payment of bank and other borrowings and payment for interest and operating expenses.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

審慎流動資金風險管理指透過已承諾充足的信貸融資額度，維持充裕的現金及可用資金。現金流量預測由管理層作出。本集團監察其對本集團流動資金需求的持續預測，以確保其具備充裕現金應付營運需要，並於任何時間就其未提取借款融資維持充裕上限，使本集團不會違反其任何借款融資的借款限額。該預測已考慮本集團的債務融資計劃、契諾遵守情況、內部財務狀況比率目標的符合程度，以及(如適用)外部監管或法律規定的遵守情況。

於二零一九年十二月三十一日，本集團的未提取借款融資為223,109,000港元(二零一八年：115,096,000港元)。該未提取借款融資於一年內屆滿，且屬須在每年檢討的年度融資。

本集團的主要現金需求(向客戶授出貸款除外)用於銀行及其他借款還款以及利息及經營開支付款。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting year to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內		
Other payables (Note 24)	其他應付款項(附註24)	1,315	1,391
Bank and other borrowings (Note 25)	銀行及其他借款(附註25)	176,891	296,904
Loans from a related company (Note 30(a))	關聯公司貸款(附註30(a))	-	50,000
Lease liabilities (Note 15(b))	租賃負債(附註15(b))	4,066	-
One to two years	一至兩年		
Lease liabilities (Note 15(b))	租賃負債(附註15(b))	1,437	-
		183,709	348,295

3.2 Capital management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

下表分析根據報告年末至合約到期日的剩餘期間劃分本集團的金融負債至有關到期組別。表中所披露金額為合約未折現現金流量。

3.2 資本管理

本集團管理資本的目標為保障其持續經營的能力，致使其能夠繼續為股東提供回報並為其他利益相關人士提供利益，以及維持最佳的資本架構以減低資本成本。

為維持或調整資本架構，本集團或會調整支付予股東的股息金額、向股東退還資本、發行新股份或出售資產以減低債務。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management (Continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'bank and other borrowings', 'loans from a related company' and 'lease liabilities' as shown in the consolidated statement of financial position) less pledged deposit and cash and cash equivalents. Total equity is calculated as 'equity' as shown in the consolidated statement of financial position. The Group's strategy remains unchanged, which was to maintain the gearing ratio within 100%, and the gearing ratios and net cash position of the Group as at 31 December 2019 and 2018 are as follows:

3 財務風險管理(續)

3.2 資本管理(續)

本集團以資產負債比率為基準監察資本。該比率按債務淨額除以資本總額計算。債務淨額按借款總額(包括合併財務狀況表所示的「銀行及其他借款」、「關聯公司貸款」及「租賃負債」)減已抵押存款和現金及現金等價物計算。權益總額按合併財務狀況表所示的「權益」計算。本集團的策略維持不變，資產負債比率維持在100%以內；而本集團於二零一九年及二零一八年十二月三十一日的資產負債比率及現金狀況淨額如下：

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank and other borrowings (Note 25)	銀行及其他借款(附註25)	176,891	296,904
Loans from a related company (Note 30(a))	關聯公司貸款(附註30(a))	-	50,000
Lease liabilities (Note 15(b))	租賃負債(附註15(b))	5,503	-
Less: pledged deposit and cash and cash equivalents (Note 22)	減：已抵押存款與現金及現金 等價物(附註22)	(31,914)	(69,503)
Net debt	債務淨額	150,480	277,401
Total equity	權益總額	786,376	745,476
Gearing ratio	資產負債比率	19.1%	37.2%

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

4 CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates

(a) Estimation of recoverability of loans and other receivables

The Group assesses provision for impairment of loans and other receivables based on an estimate of the recoverability of these receivables. Provisions are applied to loans and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of loans and other receivables under HKFRS 9 requires the use of estimates and judgement. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables and provision for impairment losses in the period in which such estimate has been changed.

The Group uses judgement in making assumptions and selecting the inputs to its ECL calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumption and inputs used are disclosed in Note 3.1.

(b) Critical judgement in income tax

The Group is subject to income tax in Hong Kong. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4 關鍵估計、判斷及錯誤

編製財務報表需要使用會計估計，顧名思義，該等估計很少等同實際情況。管理層應用本集團之會計政策時亦需要作出判斷。

估計及判斷乃持續評估。其以過往經驗及其他因素為基礎，包括對可能影響實體之財務狀況及在有關情況下被認為合理之未來事件之預測。

4.1 關鍵會計估計

(a) 貸款及其他應收款項可收回性之估計

本集團根據貸款及其他應收款項的可收回性估計評估該等應收款項的減值撥備。當有事件或情況變化顯示貸款及其他應收款項結餘未必能收回時，則應用撥備。根據香港財務報告準則第9號確認貸款及其他應收款項減值須運用估計及判斷。倘預期有別於最初估計時，則有關差額將會影響有關估計變動期內應收款項及減值虧損撥備賬面值。

於各報告期末，本集團根據其歷史違約率、現時市況以及前瞻性估計，通過判斷作出該等假設及選擇其預期信貸虧損計算的輸入數據。關鍵假設及所需的輸入數據的詳情於附註3.1披露。

(b) 利得稅的關鍵判斷

本集團於香港須繳納利得稅。釐定利得稅撥備時須作出重大判斷。多項交易及計算最終稅項釐定並不明確。本集團根據其他稅項是否到期的估計就預期稅項審計事宜確認負債。倘該等事宜的最終稅項結果與初步錄得金額有別，有關差額將影響作出有關稅項釐定期間的即期及遞延利得稅資產及負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

5 SEGMENT INFORMATION

During the years ended 31 December 2019 and 2018, all of the Group's revenue was generated from the money lending business of providing property mortgage loans and personal loans in Hong Kong. Revenue represents interest income earned from loans offered to the Group's customers. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and assessment of the Group's performance, is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis or information about the Group's products and services are presented.

All of the Group's revenue from external customers and assets was generated from and located in Hong Kong during the years ended 31 December 2019 and 2018.

6 REVENUE AND OTHER INCOME

Revenue represents the interest income earned from the money lending business of providing property mortgage loans and personal loans in Hong Kong. Revenue and other income recognised during the year are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入		
Interest income	利息收入	121,737	124,277
Other income	其他收入		
Bank interest income	銀行利息收入	80	14

5 分部資料

於截至二零一九年及二零一八年十二月三十一日止年度，本集團的收入產生自於香港提供物業按揭貸款及私人貸款的貸款業務。收入即自授予本集團客戶的貸款所賺取的利息收入。就本集團資源分配及表現評估而言，呈報予本集團主要經營決策者的資料集中於已整合本集團資源且不可獲得獨立財務資料情況下的本集團整體經營業績。因此，並無呈列有關本集團產品與服務的分部分析或資料。

於截至二零一九年及二零一八年十二月三十一日止年度，本集團來自外部客戶的所有收入及資產均產生自及位於香港境內。

6 收入及其他收入

收入指自於香港提供物業按揭貸款及私人貸款的貸款業務所賺取的利息收入。於年內已確認的收入及其他收入如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

7 ADMINISTRATIVE EXPENSES

7 行政開支

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Employee benefit expenses (including directors' emoluments) (Note 9)	僱員福利開支 (包括董事薪酬)(附註9)	12,029	12,259
Advertising and marketing expenses	廣告及市場推廣開支	8,397	10,452
Legal and professional fees	法律及專業費用	1,757	1,839
Auditor's remuneration	核數師酬金		
– Audit services	– 審核服務	1,200	1,250
– Non-audit services	– 非審核服務	370	499
Depreciation of property, plant and equipment (Note 14)	物業、廠房及設備折舊(附註14)	582	559
Depreciation of right-of-use assets (Note 15(a))	使用權資產折舊(附註15(a))	2,664	–
Operating lease of land and buildings (Short-term leases)	土地及樓宇的經營租賃 (短期租賃)	1,358	4,019
Other administrative expenses	其他行政開支	2,281	2,999
		30,638	33,876

Notes to the Consolidated Financial Statements (Continued)
 合併財務報表附註(續)

8 (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES – NET 8 (減值虧損)/撥回減值虧損 – 淨額

		Year ended 31 December 2019 截至二零一九年十二月三十一日止年度			
		12 months expected credit loss (Stage 1)	Lifetime expected credit loss not credit impaired (Stage 2)	Lifetime expected credit loss credit impaired (Stage 3)	Total
		12個月預期 信貸虧損 (第一階段)	非信貸減值 的全期預期 信貸虧損 (第二階段)	信貸減值 的全期預期 信貸虧損 (第三階段)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Net (charge for)/reversal of provisions for impairment assessment on loans receivable	應收貸款減值評估撥備(開支)/撥回淨額	(2,751)	1,734	(398)	(1,415)
Net (charge for)/reversal of provisions for impairment assessment on interest receivables	應收利息減值評估撥備(開支)/撥回淨額	(28)	35	(17)	(10)
		(2,779)	1,769	(415)	(1,425)
		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度			
		12 months expected credit loss (Stage 1)	Lifetime expected credit loss not credit impaired (Stage 2)	Lifetime expected credit loss credit impaired (Stage 3)	Total
		12個月預期 信貸虧損 (第一階段)	非信貸減值 的全期預期 信貸虧損 (第二階段)	信貸減值 的全期預期 信貸虧損 (第三階段)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Net reversal of/(charge for) provisions for impairment assessment on loans receivable	應收貸款減值評估撥備撥回/(開支)淨額	2,063	(1,693)	9,083	9,453
Net reversal of/(charge for) provisions for impairment assessment on interest receivables	應收利息減值評估撥備撥回/(開支)淨額	22	(36)	240	226
		2,085	(1,729)	9,323	9,679

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

9 僱員福利開支(包括董事薪酬)

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, benefits and bonus	薪金、福利及花紅	11,674	11,897
Pension costs – defined contribution plans (Note)	退休金成本—界定供款計劃 (附註)	355	362
		12,029	12,259

Note: The Group participates in a Mandatory Provident Fund scheme (the "MPF Scheme") in accordance with the Mandatory Provident Fund Scheme Ordinance of Hong Kong. Under the rules of the MPF Scheme, the employer and its employees in Hong Kong are each required to contribute 5% of their gross earnings with a ceiling of HK\$1,500 per month to the MPF Scheme. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the Scheme. No forfeited contribution is available to reduce the contribution payable in future year.

Contributions totalling HK\$69,000 (2018: HK\$61,000) were payable to the fund at the year-end date.

附註：本集團根據香港《強制性公積金計劃條例》參與強制性公積金計劃(「強積金計劃」)。根據強積金計劃規則，香港僱主及其僱員各自須按其盈利總額的5%(每月上限為1,500港元)向強積金計劃供款。在強積金計劃內，本集團的責任僅為向該計劃作出所需供款。概無已沒收供款可用作減少未來年度應付供款。

截至年結日應付基金供款合共為69,000港元(二零一八年：61,000港元)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 3 (2018: 3) directors for the year ended 31 December 2019, whose emoluments are reflected in the analysis shown in Note 33. The emoluments payable to the remaining 2 (2018: 2) individuals for the year ended 31 December 2019 are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, benefits and bonus	薪金、福利及花紅	2,600	2,524
Pension costs – defined contribution plans	退休金成本 – 界定供款計劃	36	36
		2,636	2,560

The above individuals with the highest emoluments are within the following bands:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Emoluments bands	薪酬範圍		
HK\$500,001 – HK\$1,000,000	500,001港元至1,000,000港元	1	1
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元	1	1
		2	2

9 僱員福利開支(包括董事薪酬)(續)

五名最高薪酬人士

截至二零一九年十二月三十一日止年度，本集團內五名最高薪酬人士包括3名(二零一八年：3名)董事，其薪酬已反映於附註33所示分析內。截至二零一九年十二月三十一日止年度，應付予餘下2名(二零一八年：2名)最高薪酬人士的薪酬如下：

上述最高薪酬人士的薪酬範圍如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

10 FINANCE COSTS

10 財務成本

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Finance costs	財務成本		
Interest expenses on secured bank loans	有抵押銀行貸款利息開支	1,904	2,302
Interest expenses on unsecured bank loans	無抵押銀行貸款利息開支	514	87
Interest expenses on secured other borrowings	有抵押其他借款利息開支	11,577	9,341
Interest expenses on loans from a related company	關聯公司貸款利息開支	757	733
Interest expenses on lease liabilities	租賃負債利息開支	283	–
		15,035	12,463

11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 8.25% for the first HK\$2,000,000 estimated assessable profits and 16.5% for estimated assessable profits above HK\$2,000,000 for the group entity qualified for the two-tiered profits tax rates regime introduced pursuant to the Inland Revenue (Amendment) (No. 7) Bill 2017. For group entities not qualifying for the two-tiered profits tax rates regime, Hong Kong profits tax has been provided for at a flat rate of 16.5%.

11 利得稅開支

根據二零一七年稅務(修訂)(第7號)條例草案引入利得稅稅率兩級制，合資格集團實體的首2,000,000港元估計應課稅溢利按8.25%作出撥備，2,000,000港元以上的估計應課稅溢利按16.5%作出撥備。就未符合兩級制利得稅資格的集團實體而言，香港利得稅以稅率16.5%的統一稅率作出撥備。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

11 INCOME TAX EXPENSE (CONTINUED)

The amount of income tax charged to the consolidated statement of comprehensive income represents:

11 利得稅開支(續)

計入合併綜合收益表的利得稅金額指：

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax	即期稅項		
– Current tax on profits for the year	– 一年內即期利得稅	12,593	14,412
– (Over)/under-provision in prior years	– 往年(超額)撥備/撥備不足	(95)	4,493
		12,498	18,905
Total current tax	即期稅項總額		
Deferred tax (Note 23)	遞延稅項(附註23)		
– (Increase)/decrease in deferred income tax assets	– 遞延利得稅資產(增加)/減少	(279)	313
		12,219	19,218
Income tax expense	利得稅開支		

The tax on the Group's profit before income tax differs from the theoretical amount that would arise as follows:

按本集團的除利得稅前溢利計算的稅項與理論金額不同，現載列如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before income tax	除利得稅前溢利	74,719	87,631
Calculated at Hong Kong profits tax rate of 8.25% or 16.5% (2018: 8.25% or 16.5%)	按香港利得稅稅率8.25%及16.5%計算(二零一八年：8.25%或16.5%)	12,164	14,294
(Over)/under-provision in prior years	往年(超額)撥備/撥備不足	(95)	4,493
Income not subject to taxation	毋須課稅收入	(12)	(2)
Expenses not deductible for tax purposes	不可扣稅開支	252	321
Tax effect of temporary difference not recognised	未確認暫時差額的稅務影響	(47)	115
Utilisation of previously unrecognised tax losses now recognised to reduce current tax	動用先前未確認稅項虧損現確認至可減少即期稅項	(43)	(3)
		12,219	19,218
Income tax expense	利得稅開支		

Notes to the Consolidated Financial Statements (Continued) 合併財務報表附註(續)

11 INCOME TAX EXPENSE (CONTINUED)

During the year ended 31 December 2017, the Hong Kong Inland Revenue Department (the "IRD") has issued enquiries and a letter to the Company disagreeing with certain interest income received by the Company during the years of assessment 2015/16 and 2016/17 being claimed as capital and offshore in nature.

Notices of assessment of HK\$129,000 and HK\$3,058,000 were issued by IRD to the Company for the years of assessment 2015/16 and 2016/17, respectively. The Company has lodged objection against the tax assessments with IRD considering that valid technical grounds are available in claiming the said interest income as capital and offshore nature. IRD agreed to hold over the tax claim subject to the purchase of tax reserve certificates of HK\$3,187,000, which was purchased by the Company during the year ended 31 December 2018. As at 31 December 2019, the case is referred to the Appeals Section for the Commissioner's determination.

As the ultimate outcome cannot presently be determined and with a view of probable outflow with resources, a tax provision of HK\$4,522,000 in respect of the tax enquiries has been provided in prior year and the Company considered that adequate provision has been made in the Group's consolidated financial statements.

11 利得稅開支(續)

截至二零一七年十二月三十一日止年度，香港稅務局(「稅務局」)向本公司發出查詢及函件，表示不同意本公司於二零一五／一六年及二零一六／一七年評稅年度收取之若干利息收入申報為資本及離岸性質。

稅務局向本公司就二零一五／一六年及二零一六／一七年評稅年度發出評稅通知金額分別為129,000港元及3,058,000港元。本公司考慮到存在有效技術理據聲稱前述利息收入視作資本及離岸性質後向稅務局提出反對稅項評稅。稅務局同意暫緩稅項申索，前提須購買儲稅券3,187,000港元，本公司已於截至二零一八年十二月三十一日止年度內購買。於二零一九年十二月三十一日，該個案已轉介予上訴組供專員決定。

由於最終結果現時未能釐定及考慮到有資源外流的可能性，於上一年度就有關稅項查詢作出稅項撥備4,522,000港元，且本公司認為已就本集團的合併財務報表作出了充足撥備。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

12 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company of HK\$62,500,000 (2018: HK\$68,413,000) by the weighted average number of ordinary shares in issue during the year of 400,000,000 (2018: 400,000,000 shares).

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年	2018 二零一八年
Profit attributable to owners of the Company (HK\$'000)	本公司擁有人應佔溢利(千港元)	62,500	68,413
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	每股基本盈利的已發行普通股加權平均數(千股)	400,000	400,000
Basic earnings per share (HK cents)	每股基本盈利(港仙)	15.6	17.1

(b) Diluted earnings per share

There were no potential dilutive ordinary shares outstanding during the years ended 31 December 2019 and 2018 and hence the diluted earnings per share is the same as the basic earnings per share.

12 每股盈利

(a) 每股基本盈利

每股基本盈利按本公司擁有人應佔溢利62,500,000港元(二零一八年: 68,413,000港元)除以年內已發行普通股加權平均數400,000,000股(二零一八年: 400,000,000股)計算。

(b) 每股攤薄盈利

截至二零一九年及二零一八年十二月三十一日止年度,概無發行在外且具潛在攤薄的普通股,因此每股攤薄盈利與每股基本盈利相同。

13 DIVIDEND

A final dividend in respect of the year ended 31 December 2019 of HK2.3 cents per share, totalling HK\$9,200,000 is to be proposed at the upcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

13 股息

本公司將於應屆股東週年大會上建議派付截至二零一九年十二月三十一日止年度的末期股息每股2.3港仙(合共9,200,000港元)。此等合併財務報表並無反映此應付股息。

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Interim dividend paid of HK2.4 cents (2018: HK2.0 cents) per share	已派付中期股息每股2.4港仙(二零一八年: 2.0港仙)	9,600	8,400
Proposed final dividend of HK2.3 cents (2018: HK3.0 cents) per share	建議派付末期股息每股2.3港仙(二零一八年: 3.0港仙)	9,200	12,000

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、廠房及設備

		Furniture, fixtures and equipment 傢具、 裝置及設備 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2017	於二零一七年 十二月三十一日			
Cost	成本	2,118	2,666	4,784
Accumulated depreciation and impairment	累計折舊及減值	(1,386)	(2,664)	(4,050)
Net book amount	賬面淨值	732	2	734
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	732	2	734
Additions	添置	996	127	1,123
Disposals	出售	(21)	-	(21)
Depreciation	折舊	(552)	(7)	(559)
Closing net book amount	年末賬面淨值	1,155	122	1,277
At 31 December 2018	於二零一八年 十二月三十一日			
Cost	成本	3,001	2,793	5,794
Accumulated depreciation and impairment	累計折舊及減值	(1,846)	(2,671)	(4,517)
Net book amount	賬面淨值	1,155	122	1,277
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	1,155	122	1,277
Additions	添置	19	-	19
Disposals	出售	(28)	-	(28)
Depreciation	折舊	(518)	(64)	(582)
Closing net book amount	年末賬面淨值	628	58	686
At 31 December 2019	於二零一九年 十二月三十一日			
Cost	成本	2,805	2,793	5,598
Accumulated depreciation and impairment	累計折舊及減值	(2,177)	(2,735)	(4,912)
Net book amount	賬面淨值	628	58	686

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

15 LEASES

This note provides information for leases where the Group is a lessee.

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

		Land and buildings 土地及樓宇
		HK\$'000 千港元
As at 31 December 2018 as reported	於二零一八年十二月三十一日 (所呈報)	-
Impact of adopting HKFRS 16	採納香港財務報告準則第16號之影響	-
Opening balance at 1 January 2019	於二零一九年一月一日之年初結餘	-
Additions	添置	8,052
Depreciation	折舊	(2,664)
As at 31 December 2019	於二零一九年十二月三十一日	5,388

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

		Land and buildings 土地及樓宇
		HK\$'000 千港元
As at 31 December 2018 as reported	於二零一八年十二月三十一日 (所呈報)	-
Impact of adopting HKFRS 16	採納香港財務報告準則第16號之影響	-
Opening balance at 1 January 2019	於二零一九年一月一日之年初結餘	-
Additions	添置	8,052
Interest expenses	利息開支	283
Payment	付款	(2,832)
As at 31 December 2019	於二零一九年十二月三十一日	5,503
Less: non-current portion	減：非流動部分	(1,437)
Current portion	流動部分	4,066

The future cash outflows relating to leases committed but not yet commenced are disclosed in note 29 to the financial statements.

15 租賃

此附註提供本集團作為承租人的租賃之資料。

(a) 使用權資產

以下載列已確認使用權資產的賬面值及年內變動：

(b) 租賃負債

以下載列租賃負債的賬面值及年內變動：

與已承諾但尚未開始的租賃相關之未來現金外流於財務報表附註29披露。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

16 SUBSIDIARIES

16 附屬公司

The following is a list of the principal subsidiaries at 31 December 2019:

以下為於二零一九年十二月三十一日的主要附屬公司列表：

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類型	Principal activities and place of operation 主要業務及營運地點	Share capital 股本	Group's equity interest 本集團的股本權益	
				2019 二零一九年	2018 二零一八年
Directly owned: 直接擁有：					
GIC (Overseas) Holdings Limited ("GIC Overseas")	British Virgin Islands limited liability company 英屬處女群島有限公司	Investment holding in Hong Kong 於香港投資控股	201 ordinary shares 201股普通股	100%	100%
GITI (Overseas) Limited ("GITI (Overseas)")	British Virgin Islands limited liability company 英屬處女群島有限公司	Investment holding in Hong Kong 於香港投資控股	101 ordinary shares 101股普通股	100%	100%
Indirectly owned: 間接擁有：					
Global International Credit Limited ("GIC")	Hong Kong limited liability company 香港有限公司	Money lending business of providing property mortgage loans and personal loans in Hong Kong 於香港提供物業按揭貸款及私人貸款的貸款業務	391,000,000 ordinary shares 391,000,000股普通股	100%	100%
Global International Finance Limited ("GIF")	Hong Kong limited liability company 香港有限公司	Money lending business of providing property mortgage loans in Hong Kong 於香港提供物業按揭貸款的貸款業務	1,000 ordinary shares 1,000股普通股	100%	100%
Global Property Finance Limited ("GPF")	Hong Kong limited liability company 香港有限公司	Money lending business of providing personal loans in Hong Kong 於香港提供私人貸款的貸款業務	10,000 ordinary shares 10,000股普通股	100%	100%

Notes to the Consolidated Financial Statements (Continued)
 合併財務報表附註(續)

17 FINANCIAL INSTRUMENTS BY CATEGORY

17 按類別劃分的金融工具

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本列賬的金融資產		
Loans receivable (Note 18)	應收貸款(附註18)	943,734	988,655
Interest receivables (Note 19)	應收利息(附註19)	6,499	7,817
Deposits and other receivables (Note 20)	按金及其他應收款項(附註20)	5,014	4,833
Pledged deposit (Note 22(b))	已抵押存款(附註22(b))	1,713	8,690
Cash and cash equivalents (Note 22(a))	現金及現金等價物(附註22(a))	30,201	60,813
Total	總計	987,161	1,070,808
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本列賬的金融負債		
Other payables (Note 24)	其他應付款項(附註24)	1,315	1,391
Bank and other borrowings (Note 25)	銀行及其他借款(附註25)	176,891	296,904
Loans from a related company (Note 30(a))	關聯公司貸款(附註30(a))	-	50,000
Lease liabilities (Note 15(b))	租賃負債(附註15(b))	5,503	-
Total	總計	183,709	348,295

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

18 LOANS RECEIVABLE

18 應收貸款

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loans receivable	應收貸款	948,697	992,238
Less:	減：		
Provision for impairment assessment of loans receivable	應收貸款減值評估撥備		
– Stage 1	– 第一階段	(3,766)	(1,015)
– Stage 2	– 第二階段	(257)	(1,991)
– Stage 3	– 第三階段	(940)	(577)
Loans receivable, net of provision	扣除撥備後的應收貸款	943,734	988,655
Less: non-current portion	減：非流動部分	(273,062)	(340,737)
Current portion	流動部分	670,672	647,918

The Group's loans receivable, which arise from the money lending business of providing property mortgage loans and personal loans in Hong Kong, are denominated in Hong Kong dollars.

Except for loans receivable of HK\$1,878,000 (2018: HK\$3,658,000), which are unsecured, bear interest and are repayable with fixed terms agreed with customers, all loans receivable are secured by collaterals provided by customers, bear interest and are repayable with fixed terms agreed with the customers. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the loans receivable mentioned above.

本集團於香港提供物業按揭貸款及私人貸款的貸款業務所產生的應收貸款以港元計值。

除為數 1,878,000 港元 (二零一八年：3,658,000 港元) 的無抵押、計息並須於與客戶議定的固定期限內償還的應收貸款外，所有應收貸款以客戶提供的抵押品作為抵押、計息並須於與客戶議定的固定期限內償還。於各報告日期所面臨的最大信貸風險為上文所述應收貸款賬面值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

18 LOANS RECEIVABLE (CONTINUED)

As at 31 December 2019, loans receivable of HK\$81,165,000 (2018: HK\$15,795,000) were past due but not credit-impaired. Except for overdue personal loans receivable of HK\$16,000 (2018: HK\$1,000) with no collateral, the remaining overdue balances were property mortgage loans. These were related to a number of third-party customers and that the directors of the Group are of the opinion these overdue loans receivable were fully secured by the collateral. Accordingly, these balances are still considered to be fully recoverable.

The aging analysis of these past due but not impaired loans receivable is as follows:

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0-30 days	0至30日	4,246	5,518
31-90 days	31至90日	39,776	734
Over 90 days	超過90日	37,143	9,543
		81,165	15,795

Further analyses on credit quality of loans receivable are set out in Note 3.1(b).

18 應收貸款(續)

於二零一九年十二月三十一日，為數81,165,000港元(二零一八年：15,795,000港元)的應收貸款已逾期但尚未信貸減值。除為數16,000港元(二零一八年：1,000港元)的逾期應收個人貸款無抵押品外，餘下逾期結餘均為物業按揭貸款。該等貸款與多個獨立第三方客戶有關，本集團董事認為該等逾期應收貸款由抵押品全數擔保。因此，該等餘額仍被視為可全數收回。

該等已逾期但尚未減值的應收貸款的賬齡分析如下：

應收貸款的信貸質素的進一步分析載於附註3.1(b)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

18 LOANS RECEIVABLE (CONTINUED)

Movements on the Group's impairment of loans receivable are as follows:

18 應收貸款(續)

本集團的應收貸款減值變動如下：

		Year ended 31 December 2019 截至二零一九年十二月三十一日止年度			
		Stage 1 第一階段	Stage 2 第二階段	Stage 3 第三階段	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2019	於二零一九年一月一日之結餘	1,015	1,991	577	3,583
New loans originated	來自新貸款	959	62	-	1,021
Loans recovered or repaid during the year	年內已收回或償還的貸款	(488)	(1,857)	(42)	(2,387)
Transfer to 12-month expected credit loss (Stage 1)	轉移至12個月預期信貸虧損(第一階段)	99	(99)	-	-
Transfer to lifetime expected credit loss not credit impaired (Stage 2)	轉移至全期預期信貸虧損(未信貸減值)(第二階段)	-	-	-	-
Transfer to lifetime expected credit loss credit impaired (Stage 3)	轉移至全期預期信貸虧損(已信貸減值)(第三階段)	-	(36)	36	-
Total transfer between stages	各階段內轉移總計	99	(135)	36	-
Impact on year end expected credit loss of exposures transferred between stages during the year	年內各階段轉移風險對年末預期信貸虧損的影響	(19)	194	404	579
Movements due to changes in credit risk	信貸風險變更引致的變動	2,200	2	-	2,202
Write-offs	撇銷	-	-	(35)	(35)
As at 31 December 2019	於二零一九年十二月三十一日	3,766	257	940	4,963

Notes to the Consolidated Financial Statements (Continued)
 合併財務報表附註(續)

18 LOANS RECEIVABLE (CONTINUED)

18 應收貸款(續)

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度			
		Stage 1	Stage 2	Stage 3	Total
		第一階段	第二階段	第三階段	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Balance at 31 December 2017 as originally presented	於二零一七年十二月三十一日之 結餘(原列)				15,525
Impact of adopting HKFRS 9	採納香港財務報告準則 第9號的影響				967
Balance at 1 January 2018 as restated	於二零一八年一月一日之 結餘(經重列)	3,078	298	13,116	16,492
New loans originated	來自新貸款	416	590	-	1,006
Loans recovered or repaid during the year	年內已收回或償還的貸款	(2,381)	(2)	(9,083)	(11,466)
Transfer to 12-month expected credit loss (Stage 1)	轉移至12個月預期信貸 虧損(第一階段)	21	(21)	-	-
Transfer to lifetime expected credit loss not credit impaired (Stage 2)	轉移至全期預期信貸虧損 (未信貸減值)(第二階段)	(90)	90	-	-
Transfer to lifetime expected credit loss credit impaired (Stage 3)	轉移至全期預期信貸虧損 (已信貸減值)(第三階段)	-	-	-	-
Total transfer between stages	各階段內轉移總計	(69)	69	-	-
Impact on year end expected credit loss of exposures transferred between stages during the year	年內各階段轉移風險對年末預期 信貸虧損的影響	45	195	-	240
Movements due to changes in credit risk	信貸風險變更引致的變動	(74)	841	-	767
Write-offs	撇銷	-	-	(3,456)	(3,456)
As at 31 December 2018	於二零一八年十二月三十一日	1,015	1,991	577	3,583

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

18 LOANS RECEIVABLE (CONTINUED)

In general, loans receivable are considered as default when the loans receivable or its related installments are overdue by over 90 days. As at 31 December 2019, loans receivable of HK\$24,977,000 (2018: HK\$4,585,000) was default under lifetime ECL and a provision of HK\$940,000 (2018: HK\$577,000) was provided.

For loans that are not credit-impaired without significant increase in credit risk since initial recognition "Stage 1", ECL is measured at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months. If a significant increase in credit risk since initial recognition is identified ("Stage 2") but not yet deemed to be credit impaired, ECL is measured based on lifetime ECL. In general, when loans receivable or its related installments are overdue by 30 days, there are significant increase in credit risk. During the year ended 31 December 2019, total provision of HK\$1,017,000 (2018: a release of HK\$370,000) under Stage 1 and Stage 2 was charged to the consolidated statement of comprehensive income based on assessment from ECL model.

A maturity profile of the loans receivable as at the end of the reporting period, based on the maturity date, net of provision, is as follows:

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current	即期	670,672	647,918
Over 1 year and within 5 years	超過一年及五年以內	72,156	79,679
Over 5 years	超過五年	200,906	261,058
		943,734	988,655

18 應收貸款(續)

一般而言，倘應收貸款或其相關分期付款逾期超過90天，則應收貸款被視為違約。於二零一九年十二月三十一日，應收貸款24,977,000港元(二零一八年：4,585,000港元)於全期預期信貸虧損下已違約，並已計提940,000港元(二零一八年：577,000港元)的撥備。

對於非信貸減值且自初始確認為以來信貸風險並無顯著增加(「第一階段」)的貸款，預期信貸虧損按等於未來12個月內可能發生的違約事件引致的全期預期信貸虧損的比例計量。倘自初始確認後已識別信貸風險顯著增加(「第二階段」)惟並未視為已信貸減值，則預期信貸虧損按全期預期信貸虧損計量。一般而言，倘應收貸款或其相關分期付款逾期30天，信貸風險已大幅增加。截至二零一九年十二月三十一日止年度，根據預期信貸虧損模型的評估，第一階段及第二階段的總撥備1,017,000港元(二零一八年：撥回370,000港元)已於合併綜合收益表中扣除。

根據到期日，應收貸款(扣除撥備)於報告期末的到期情況如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

18 LOANS RECEIVABLE (CONTINUED)

As at 31 December 2019 and 2018, certain properties mortgaged to the subsidiary of the Company for loans granted to its respective customers were pledged to independent third party licensed money lenders to secure other borrowings granted to a subsidiary of the Company. These properties were mortgaged to the Group for securing loans receivable of HK\$178,075,000 (2018: HK\$266,926,000) (Note 25(c)).

As at 31 December 2019, loans receivable with carrying value of HK\$140,187,000 (2018: HK\$136,485,000) were charged to a bank to secure a bank loan facility granted to a subsidiary of the Company (Note 25(a)).

19 INTEREST RECEIVABLES

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest receivables	應收利息	6,622	7,933
Less:	減：		
Provision for impairment assessment of interest receivables	應收利息的減值評估撥備		
- Stage 1	- 第一階段	(41)	(13)
- Stage 2	- 第二階段	(8)	(43)
- Stage 3	- 第三階段	(74)	(60)
Interest receivables, net of provision	扣除撥備後的應收利息	6,499	7,817

The Group's interest receivables, which arise from the money lending business of providing property mortgage loans and personal loans in Hong Kong, are denominated in Hong Kong dollars.

Except for interest receivables of HK\$31,000 (2018: HK\$42,000), which are unsecured and are repayable with fixed terms agreed with the customers, all interest receivables are secured by collaterals provided by customers and are repayable with fixed terms agreed with the customers. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the interest receivables mentioned above.

18 應收貸款(續)

於二零一九年及二零一八年十二月三十一日，各客戶為獲授貸款而抵押予本公司一間附屬公司之若干物業已抵押予獨立第三方持牌放債人，以為本公司一間附屬公司獲授其他借款作擔保。該等物業乃抵押予本集團以取得178,075,000港元(二零一八年：266,926,000港元)的應收貸款(附註25(c))。

於二零一九年十二月三十一日，賬面值為140,187,000港元(二零一八年：136,485,000)的應收貸款已質押予銀行，以作本公司一間附屬公司獲授銀行貸款融資的抵押(附註25(a))。

19 應收利息

貸款的貸款業務所產生的應收利息以港元計值。

除為數31,000港元(二零一八年：42,000港元)的無抵押並須於與客戶議定的固定期限內償還的應收利息外，所有應收利息以客戶提供的抵押品作擔保，並須於與客戶議定的固定期限內償還。於各報告日期所面臨的最大信貸風險為上文所述應收利息賬面值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

19 INTEREST RECEIVABLES (CONTINUED)

As at 31 December 2019, interest receivable of HK\$3,485,000 (2018: HK\$4,250,000) were past due but not credit-impaired. Except for overdue personal interest receivable of HK\$12,000 (2018: HK\$5,000) with no collateral, the remaining overdue balances were interest derived from property mortgage loans. These were related to a number of third-party customers and that the directors of the Group are of the opinion these overdue interest receivables and the respective loans receivable were fully secured by the collateral. Accordingly, these balances are still considered to be fully recoverable.

The aging analysis of these past due but not impaired interest receivables is as follows:

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0-30 days	0至30日	2,368	2,640
31-90 days	31至90日	768	1,211
Over 90 days	超過90日	349	399
		3,485	4,250

Further analyses on credit quality of interest receivables are set out in Note 3.1(b).

19 應收利息(續)

於二零一九年十二月三十一日，應收利息3,485,000港元(二零一八年：4,250,000港元)已逾期但尚未信貸減值。除為數12,000港元(二零一八年：5,000港元)的逾期個人應收利息無抵押品外，餘下逾期結餘均為來自物業按揭貸款的利息。該等利息與多名獨立第三方客戶有關，本集團董事認為該等逾期應收利息及相應應收貸款由抵押品全數擔保。因此，該等餘額仍被視為可全數收回。

該等已逾期但未減值之應收利息的賬齡分析如下：

應收利息的信貸質素的進一步分析載於附註3.1(b)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

19 INTEREST RECEIVABLES (CONTINUED)

Movements on the Group's impairment on interest receivables are as follows:

19 應收利息(續)

本集團應收利息減值變動如下：

		Year ended 31 December 2019 截至二零一九年十二月三十一日止年度			
		Stage 1	Stage 2	Stage 3	Total
		第一階段	第二階段	第三階段	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 2019	於二零一九年一月一日之結餘	13	43	60	116
New loans originated	來自新貸款	10	2	-	12
Loans recovered or repaid during the year	年內已收回或償還的貸款	(5)	(40)	-	(45)
Transfer to 12-month expected credit loss (Stage 1)	轉移至12個月預期信貸虧損(第一階段)	3	(3)	-	-
Transfer to lifetime expected credit loss not credit impaired (Stage 2)	轉移至全期預期信貸虧損(未信貸減值)(第二階段)	-	-	-	-
Transfer to lifetime expected credit loss credit impaired (Stage 3)	轉移至全期預期信貸虧損(已信貸減值)(第三階段)	-	(1)	1	-
Total transfer between stages	各階段內轉移總計	3	(4)	1	-
Impact on year end expected credit loss of exposures transferred between stages during the year	年內各階段轉移風險對年末預期信貸虧損的影響	(2)	7	16	21
Movements due to changes in credit risk	信貸風險變更引致的變動	22	-	-	22
Write-offs	撇銷	-	-	(3)	(3)
As at 31 December 2019	於二零一九年十二月三十一日	41	8	74	123

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

19 INTEREST RECEIVABLES (CONTINUED)

19 應收利息(續)

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度			
		Stage 1	Stage 2	Stage 3	Total
		第一階段	第二階段	第三階段	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Balance at 31 December 2017 as originally presented	於二零一七年十二月 三十一日之結餘(原列)				317
Impact of adopting HKFRS 9	採納香港財務報告準則 第9號的影響				53
Balance at 1 January 2018 as restated	於二零一八年一月一日 之結餘(經重列)	34	8	328	370
New loans originated	來自新貸款	4	16	-	20
Loans recovered or repaid during the year	年內已收回或償還的貸款	(26)	-	(240)	(266)
Transfer to 12-month expected credit loss (Stage 1)	轉移至12個月預期信貸虧損 (第一階段)	1	(1)	-	-
Transfer to lifetime expected credit loss not credit impaired (Stage 2)	轉移至全期預期信貸虧損 (未信貸減值)(第二階段)	(1)	1	-	-
Transfer to lifetime expected credit loss credit impaired (Stage 3)	轉移至全期預期信貸虧損 (已信貸減值)(第三階段)	-	-	-	-
Total transfer between stages	各階段內轉移總計	-	-	-	-
Impact on year end expected credit loss of exposures transferred between stages during the year	年內各階段轉移風險 對年末預期信貸虧損的影響	-	7	-	7
Movements due to changes in credit risk	信貸風險變更引致的變動	1	12	-	13
Write-offs	撇銷	-	-	(28)	(28)
As at 31 December 2018	於二零一八年十二月三十一日	13	43	60	116

In general, interest receivables are considered as default when they are overdue by over 90 days. As at 31 December 2019, interest receivables of HK\$1,132,000 (2018: HK\$616,000) was default under lifetime ECL and a provision of HK\$74,000 (2018: HK\$60,000) was provided.

一般而言，應收利息逾期超過90天時，應收利息被視為違約。於二零一九年十二月三十一日，應收利息1,132,000港元(二零一八年：616,000港元)於全期預期信貸虧損下已違約，並已計提74,000港元(二零一八年：60,000港元)的撥備。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

19 INTEREST RECEIVABLES (CONTINUED)

For loans that are not credit-impaired without significant increase in credit risk since initial recognition "Stage 1", ECL is measured at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months. If a significant increase in credit risk since initial recognition is identified ("Stage 2") but not yet deemed to be credit impaired, ECL is measured based on lifetime ECL. In general, when loans receivable or its related installments are overdue by 30 days, there are significant increase in credit risk. During the year ended 31 December 2019, total provision of HK\$7,000 (2018: charged of HK\$14,000) under Stage 1 and Stage 2 was released to the consolidated statement of comprehensive income based on assessment from ECL model.

All the interest receivables as at the end of the reporting period, based on the maturity date, are current.

19 應收利息(續)

對於非信貸減值且自初始確認以來信貸風險並無顯著增加(「第一階段」)的貸款，預期信貸虧損按等於未來12個月內可能發生的違約事件引致的全期預期信貸虧損的比例計量。倘自初始確認後已識別信貸風險顯著增加(「第二階段」)惟並未視為已信貸減值，則預期信貸虧損按全期預期信貸虧損計量。一般而言，倘應收貸款或其相關分期付款逾期30天，信貸風險大幅增加。截至二零一九年十二月三十一日止年度，根據預期信貸虧損模型的評估，第一階段及第二階段的總撥備7,000港元(二零一八年：扣除14,000港元)已於合併綜合收益表中撥回。

根據到期日，於報告期末的所有應收利息均屬即期。

20 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

20 預付款項、按金及其他應收款項

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Prepayments	預付款項	1,081	3,669
Deposits	按金	1,812	1,631
Tax reserve certificate	儲稅券	3,187	3,187
Other receivables	其他應收款項	15	15
		6,095	8,502
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		
Less: non-current portion	減：非流動部分	(1,480)	-
Current portion	流動部分	4,615	8,502

The Group's deposits and other receivables are denominated in Hong Kong dollars.

All deposits and other receivables are neither past due nor impaired.

本集團的按金及其他應收款項以港元計值。

所有按金及其他應收款項均既無逾期亦無減值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

21 REPOSSESSED ASSETS

During the year ended 31 December 2018, the Group obtained assets by taking possession of collaterals held as security. The nature and carrying value of these assets held are summarised as follows:

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Reposessed properties	經收回物業		
– residential properties	– 住宅物業	-	29,094

The estimated market value of the reposessed assets held by the Group as at 31 December 2018 was HK\$45,000,000. It comprises properties in respect of which the Group has acquired access or control (e.g. through court proceedings or voluntary actions by the properties concerned) for release in full or in part of the obligations of borrowers. The reposessed properties have been fully disposed during the year ended 31 December 2019.

21 經收回資產

於截至二零一八年十二月三十一日止年度，本集團透過擁有持作擔保的抵押品獲取資產。該等所持資產的性質及賬面值概列如下：

於二零一八年十二月三十一日，本集團持有的經收回資產估計市場價值為45,000,000港元。其包括可供本集團使用或控制(如透過法庭程序或相關物業之自主行動)以解除借款人全部或部分責任之物業。於截至二零一九年十二月三十一日止年度，經收回物業已悉數出售。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

22 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSIT

22 現金及現金等價物和已抵押存款

(a) Cash at bank and on hand

(a) 銀行及手頭現金

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash at bank and on hand	銀行及手頭現金	30,201	60,813

The carrying amounts of the Group's cash at bank and on hand are denominated in the following currencies:

本集團銀行及手頭現金的賬面值按以下貨幣計值：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong dollars	港元	30,172	60,763
Renminbi	人民幣	29	50
		30,201	60,813

(b) Pledged deposit

(b) 已抵押存款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Pledged deposit held at bank	已抵押銀行存款	1,713	8,690

As at 31 December 2019, HK\$1,713,000 (31 December 2018: HK\$8,690,000) pledged deposit held at a bank was used to secure a bank loan facility (Note 25(a)). The Group's pledged deposit is denominated in Hong Kong dollars.

於二零一九年十二月三十一日，已抵押銀行存款1,713,000港元(二零一八年十二月三十一日：8,690,000港元)用作銀行貸款融資之擔保(附註25(a))。本集團已抵押存款以港元計值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

23 DEFERRED INCOME TAX ASSETS

All deferred income tax assets of the Group are expected to be recovered after more than 12 months.

The movement in deferred income tax assets during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

		Accelerated tax depreciation	Provisions for collective impairment of loans receivable 應收貸款 共同減值撥備	Total
		加速稅項折舊 HK\$'000 千港元	共同減值撥備 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2018 as restated	於二零一八年一月一日(經重列)	316	579	895
Charged to the consolidated statement of comprehensive income	於合併綜合收益表扣除	(148)	(165)	(313)
At 31 December 2018	於二零一八年十二月三十一日	168	414	582
At 1 January 2019	於二零一九年一月一日	168	414	582
Credited to the consolidated statement of comprehensive income	於合併綜合收益表計入	48	231	279
At 31 December 2019	於二零一九年十二月三十一日	216	645	861

Deferred income tax assets are recognised for deductible temporary differences to the extent that the realisation of the related tax benefit through future taxable profits is probable.

As at 31 December 2019, the Group did not recognise deferred income tax assets of HK\$265,000 (2018: HK\$502,000) in respect of losses amounting to HK\$1,606,000 (2018: HK\$3,042,000) that can be carried forward indefinitely against future taxable income.

23 遞延利得稅資產

預期本集團所有遞延利得稅資產將於超過十二個月後收回。

遞延利得稅資產於年內的變動(並未計及同一稅務司法權區內的結餘抵銷)如下:

倘有可能透過日後應課稅溢利變現有關稅項優惠，則就可扣減暫時差額確認遞延利得稅資產。

於二零一九年十二月三十一日，本集團並無就可無限期結轉並可抵銷未來應課稅收入的虧損1,606,000港元(二零一八年：3,042,000港元)確認遞延利得稅資產265,000港元(二零一八年：502,000港元)。

Notes to the Consolidated Financial Statements (Continued)
合併財務報表附註(續)

24 ACCRUALS AND OTHER PAYABLES

24 應計費用及其他應付款項

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Accruals	應計費用	4,016	3,081
Other payables	其他應付款項	1,315	1,391
Total	總計	5,331	4,472

Accruals and other payables are denominated in Hong Kong dollars.

應計費用及其他應付款項以港元計值。

25 BANK AND OTHER BORROWINGS

25 銀行及其他借款

Bank and other borrowings are analysed as follows:

銀行及其他借款分析如下：

		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank loans – secured (Note (a))	銀行貸款－有抵押(附註 (a))	20,000	50,000
Bank loans – unsecured (Note (b))	銀行貸款－無抵押(附註 (b))	–	11,970
Other borrowings – secured (Note (c))	其他借款－有抵押(附註 (c))	156,891	234,934
Total bank and other borrowings	銀行及其他借款總額	176,891	296,904

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

25 BANK AND OTHER BORROWINGS (CONTINUED)

(a) Bank loans – secured

As at 31 December 2019, the secured bank loans of HK\$20,000,000 (2018: HK\$50,000,000), were denominated in Hong Kong dollars, repayable in one year and bore average interest rate of 6.71% (2018: 6.33%) per annum. The bank loans were obtained from an independent third party bank and were secured by (i) a floating charge on certain loans receivable of a subsidiary of the Company with carrying value of HK\$140,187,000 (2018: HK\$136,485,000); (ii) a floating charge on certain bank accounts of a subsidiary of the Company with carrying value of HK\$1,713,000 (2018: HK\$8,690,000); and (iii) a corporate guarantee from the Company.

(b) Bank loans – unsecured

As at 31 December 2018, the unsecured bank loans of HK\$11,970,000, were denominated in Hong Kong dollars, repayable in one year and bore average interest rate of 6.27% per annum. The unsecured bank loans were fully repaid in 2019.

(c) Other borrowings – secured

Other borrowings of HK\$156,891,000 (2018: HK\$234,934,000), which were denominated in Hong Kong dollars, repayable in one year and bore interest rates ranging from 5.75% to 6.5% (2018: 5.875% to 6.5%) per annum. Such other borrowings were obtained from independent third party licensed money lenders and were secured by the pledge of certain properties mortgaged to a subsidiary of the Company for loans granted to its respective customers and a corporate guarantee from the Company. The fair value of these properties were HK\$418,200,000 (2018: HK\$571,600,000) as at 31 December 2019.

25 銀行及其他借款(續)

(a) 銀行貸款－有抵押

於二零一九年十二月三十一日，有抵押銀行貸款20,000,000港元(二零一八年：50,000,000港元)以港元計值、須於一年內償還及按平均年利率6.71%(二零一八年：6.33%)計息。該銀行貸款乃向獨立第三方銀行取得，並以下列項目作抵押：(i)本公司一間附屬公司賬面值為140,187,000港元(二零一八年：136,485,000港元)的若干應收貸款浮動押記；(ii)本公司一間附屬公司賬面值為1,713,000港元(二零一八年：8,690,000港元)的若干銀行賬戶浮動押記；及(iii)本公司的公司擔保。

(b) 銀行貸款－無抵押

於二零一八年十二月三十一日，無抵押銀行貸款11,970,000港元以港元計值、須於一年內償還及按平均年利率6.27%計息。該無抵押銀行貸款已於二零一九年悉數償還。

(c) 其他借款－有抵押

其他借款156,891,000港元(二零一八年：234,934,000港元)以港元計值，於一年內償付，按年利率介乎5.75%至6.5%(二零一八年：5.875%至6.5%)計息。該等其他借款來自獨立第三方持牌放債人，由本公司就向各客戶授出貸款而質押予本公司一間附屬公司的若干物業及本公司的公司擔保作抵押。於二零一九年十二月三十一日，該等物業的公平值為418,200,000港元(二零一八年：571,600,000港元)。

Notes to the Consolidated Financial Statements (Continued)
 合併財務報表附註(續)

26 CASH FLOW INFORMATION

26 現金流量資料

(a) Cash generated from operations

(a) 經營業務所產生現金

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before income tax	除利得稅前溢利	74,719	87,631
Adjustments for:	就下列各項作出調整：		
Loan interest income (Note 6)	貸款利息收入(附註6)	(121,737)	(124,277)
Bank interest income (Note 6)	銀行利息收入(附註6)	(80)	(14)
Depreciation on property, plant and equipment (Note 7)	物業、廠房及設備折舊(附註7)	582	559
Depreciation on right-of-use assets (Note 7)	使用權資產折舊(附註7)	2,664	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	28	21
Interest expenses	利息開支	15,035	12,463
Provision for/(reversal of) impairment losses – net (Note 8)	減值虧損撥備/(撥回)淨額(附註8)	1,425	(9,679)
Changes in working capital:	營運資金變動：		
Loans receivable	應收貸款	43,506	(231,160)
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	2,407	(1,246)
Accruals and other payables	應計費用及其他應付款項	859	1,258
Cash generated from/(used in) operations	經營業務所產生/(所用)現金	19,408	(264,444)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

26 CASH FLOW INFORMATION (CONTINUED)

26 現金流量資料(續)

(b) Reconciliation of liabilities arising from financing activities

(b) 融資活動所產生負債的對賬

		Bank and other borrowings 銀行及其他借款 HK\$'000 千港元	Loan from a related company 關聯公司貸款 HK\$'000 千港元	Dividend payable 應付股息 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total liabilities from financing activities 融資活動負債總額 HK\$'000 千港元
As at 1 January 2018	於二零一八年一月一日	95,370	-	-	-	95,370
Changes from financing cash flows:	融資現金流量變動：					
Proceeds from bank and other borrowings	銀行及其他借款所得款項	277,418	-	-	-	277,418
Repayment of bank and other borrowings	償還銀行及其他借款	(75,884)	-	-	-	(75,884)
Proceeds from loan from a related party	一間關聯公司貸款所得款項	-	80,000	-	-	80,000
Repayment of loan from a related party	償還一間關聯公司貸款	-	(30,000)	-	-	(30,000)
Dividend paid	已付股息	-	-	(20,400)	-	(20,400)
Total change from financing cash flows	融資現金流量變動總額	296,904	50,000	(20,400)	-	326,504
Other change:	其他變動：					
Dividend declared	已宣派股息	-	-	20,400	-	20,400
As at 31 December 2018	於二零一八年十二月三十一日	296,904	50,000	-	-	346,904
As at 1 January 2019	於二零一九年一月一日	296,904	50,000	-	-	346,904
Changes from financing cash flows:	融資現金流量變動：					
Proceeds from bank and other borrowings	銀行及其他借款所得款項	143,030	-	-	-	143,030
Repayment of bank and other borrowings	償還銀行及其他借款	(263,043)	-	-	-	(263,043)
Proceeds from loan from a related party	一間關聯公司貸款所得款項	-	50,000	-	-	50,000
Repayment of loan from a related party	償還一間關聯公司貸款	-	(100,000)	-	-	(100,000)
Dividend paid	已付股息	-	-	(21,600)	-	(21,600)
Lease payment	租賃付款	-	-	-	(2,832)	(2,832)
Total change from financing cash flows	融資現金流量變動總額	(120,013)	(50,000)	(21,600)	(2,832)	(194,445)
Other changes:	其他變動：					
Dividend declared	已宣派股息	-	-	21,600	-	21,600
Addition to lease liabilities	增加租賃負債	-	-	-	8,052	8,052
Interest on lease liabilities	租賃負債利息	-	-	-	283	283
Total other changes	其他變動總額	-	-	21,600	8,335	29,935
As at 31 December 2019	於二零一九年十二月三十一日	176,891	-	-	5,503	182,394

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

27 SHARE CAPITAL

Authorised share capital

	Number of ordinary shares 普通股數目	Nominal value of ordinary shares 普通股面值 HK\$ 港元	Equivalent nominal value of ordinary shares 普通股等同面值 HK\$ 港元
At 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	10,000,000,000	0.01 100,000,000

Issued share capital

	Number of issued shares 已發行股份數目	Amount 金額 HK\$ 港元
At 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	400,000,000 4,000,000

27 股本

法定股本

已發行股本

28 RESERVES

The amount of the Group's reserve and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 74 of the financial statements.

The Group capital reserve represents the excess of the fair value of the net assets of the subsidiaries acquired by the Company pursuant to the reorganisation prior to the Listing of the Company's share, over the nominal value of the Company's share issued in exchange thereof.

28 儲備

本集團本年度及過往年度的儲備金額及變動載於財務報表第74頁的合併權益變動表。

本集團之資本儲備指根據本公司股份上市前重組本公司收購之附屬公司資產淨值公平值超過本公司已發行作為交換之股份之面值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

29 COMMITMENTS

Operating lease commitments – Group as lessee

The Group leases its office under non-cancellable operating lease agreements. The lease terms are 2 years, and the lease agreements are renewable at the end of the lease period at market rate.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low value leases, see note 2.2 and note 15 for further information.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Not later than one year	一年內	-	1,358

The Group did not have any significant capital commitment as at 31 December 2019 (2018: Nil).

30 RELATED PARTY TRANSACTIONS

The Group is controlled by Blossom Spring (incorporated in BVI), which is the ultimate holding company of the Group and owns 75% of the Company's shares. The remaining 25% of the shares are widely held. The ultimate controlling party is Ms. Jin.

In addition to the transactions and balances disclosed elsewhere in this consolidated financial statement, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the years ended 31 December 2019 and 2018, and balances arising from related party transactions as at 31 December 2019 and 2018.

29 承擔

經營租賃承擔—本集團作為承租人

本集團根據不可撤銷的經營租賃協議租賃其辦公室。租賃年期為兩年，租賃協議可於租期結束時按市場租金重續。

自二零一九年一月一日起，本集團就該等租賃(短期及低價值租賃除外)確認使用權資產，有關更多資料請參閱附註2.2及附註15。

根據不可撤銷經營租賃，未來最低租金總額如下：

本集團於二零一九年十二月三十一日並無任何重大資本承擔(二零一八年：無)。

30 關聯方交易

本集團由Blossom Spring(於英屬處女群島註冊成立)控制，Blossom Spring為本集團最終控股公司，並擁有本公司75%的股份。其餘25%股份則由多方持有。最終控制方為金女士。

除本合併財務報表其他部分所披露的交易及結餘外，下文概述本集團與其關聯方於截至二零一九年及二零一八年十二月三十一日止年度在日常業務過程中進行的重大交易，以及於二零一九年及二零一八年十二月三十一日自關聯方交易中產生的結餘。

Notes to the Consolidated Financial Statements (Continued)
 合併財務報表附註(續)

30 RELATED PARTY TRANSACTIONS (CONTINUED)

30 關聯方交易(續)

(a) Interest expenses on loans from a related company

(a) 關聯公司貸款利息開支

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest expenses on loans from a related company – Evercrest Wealth Management Limited (“EWML”)	聯公司貸款利息開支 – 頂峰財富管理有限公司 (「EWML」)	<u>757</u>	<u>733</u>

As at 31 December 2018, EWML, a related company of the Group where Ms. Jin is the sole ultimate beneficial owner, provided the Group with an unsecured revolving loan facility with a credit limit of HK\$50,000,000 of which the Group utilised an amount of HK\$50,000,000. The loan is denominated in Hong Kong dollars, repayable in one year and bears fixed interest rate of 6.5% per annum. The loan facility was expired as at 31 December 2019 and the loan has been fully repaid during the year.

於二零一八年十二月三十一日，本集團關聯公司EWML向本集團提供無抵押循環貸款融資，而金女士為EWML的唯一最終實益擁有人，融資額度為50,000,000港元，其中本集團已使用的款項為50,000,000港元。貸款乃以港元計值，須於一年內償還，並按6.5%固定年利率計息。該項貸款融資於二零一九年十二月三十一日已到期，而該筆貸款已於年內悉數償還。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

30 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

The remuneration of executive Directors of the Company and other members of key management is shown below:

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, benefits and other remuneration	薪金、福利及其他酬金	3,970	3,909
Discretionary bonus	酌情花紅	530	415
Pension costs	退休金成本	90	90
		4,590	4,414

(c) Remuneration paid to a related party

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and pension costs paid to the spouse of a director of the Company	向一名本公司董事之配偶所支付之薪金及退休金成本	252	252

30 關聯方交易(續)

(b) 主要管理人員薪酬

本公司執行董事及其他主要管理人員之薪酬如下所示：

(c) 支付予關聯方之薪酬

31 EVENTS OCCURRING AFTER THE REPORTING PERIOD

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the region. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

31 報告期後發生的事項

於二零二零年初爆發2019冠狀病毒病(「2019冠狀病毒病疫情」)後，該區已全面採取並繼續實施一系列防控措施。本集團將密切關注2019冠狀病毒病疫情的發展，並評估其對本集團財務狀況及經營業績的影響。於本財務報表獲授權刊發當日，本集團並不知悉有任何因2019冠狀病毒病疫情而對財務報表造成的重大不利影響。

Notes to the Consolidated Financial Statements (Continued)
 合併財務報表附註(續)

32 STATEMENT OF FINANCIAL POSITION AND RESERVE
 MOVEMENT OF THE COMPANY

32 本公司財務狀況表及儲備變動

Statement of Financial Position of the Company

本公司財務狀況表

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司的投資	444,795	444,795
Amount due from subsidiaries	應收附屬公司款項	132,031	133,547
Total non-current assets	非流動資產總值	576,826	578,342
Current assets	流動資產		
Prepayment and other receivables	預付款項及其他應收款項	3,332	3,187
Cash and cash equivalents	現金及現金等價物	154	161
Total current asset	流動資產總值	3,486	3,348
Total assets	資產總值	580,312	581,690
EQUITY	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	4,000	4,000
Other reserves	其他儲備	(a) 566,591	566,591
Retained earnings	保留盈利	(a) 5,193	6,563
Total equity	權益總額	575,784	577,154
LIABILITIES	負債		
Current liabilities	流動負債		
Tax payable	應付稅項	4,522	4,522
Accruals	應計費用	6	14
Total current liabilities	流動負債總值	4,528	4,536
Total liabilities	負債總額	4,528	4,536
Total equity and liabilities	權益及負債總額	580,312	581,690

The statement of financial position of the Company was approved by the Board of Directors on 26 March 2020 and was signed on its behalf.

本公司財務狀況表獲董事會於二零二零年三月二十六日批准刊發並由以下人士代為簽署。

Ms. Wang Yao 王瑤女士
 Director 董事

Mr. Ng Yiu Lun 伍耀倫先生
 Director 董事

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

32 本公司財務狀況表及儲備變動(續)

Statement of Financial Position of the Company (Continued)

本公司財務狀況表(續)

Note (a) Reserve movement of the Company

附註(a) 本公司儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日之結餘	122,176	444,415	12,685	579,276
Total comprehensive income for the year	年內綜合收入總額	-	-	14,278	14,278
Transactions with owners	與擁有人的交易				
Dividend paid relating to 2017	有關二零一七年已付股息	-	-	(12,000)	(12,000)
Dividend paid relating to 2018	有關二零一八年已付股息	-	-	(8,400)	(8,400)
Total transactions with owners, recognised directly in equity	與擁有人的交易總額 (直接於權益確認)	-	-	(20,400)	(20,400)
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	122,176	444,415	6,563	573,154
Representing Reserves	佔以下項目 儲備	122,176	432,415	6,563	561,154
Proposed final dividend	建議末期股息	-	12,000	-	12,000
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	122,176	444,415	6,563	573,154
Balance at 1 January 2019	於二零一九年一月一日之結餘	122,176	444,415	6,563	573,154
Total comprehensive income for the year	年內綜合收入總額	-	-	20,230	20,230
Transactions with owners	與擁有人的交易				
Dividend paid relating to 2018	有關二零一八年已付股息	-	-	(12,000)	(12,000)
Dividend paid relating to 2019	有關二零一九年已付股息	-	-	(9,600)	(9,600)
Total transactions with owners, recognised directly in equity	與擁有人的交易總額 (直接於權益確認)	-	-	(21,600)	(21,600)
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘	122,176	444,415	5,193	571,784
Representing Reserves	佔以下項目 儲備	122,176	435,215	5,193	562,584
Proposed final dividend	建議末期股息	-	9,200	-	9,200
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘	122,176	444,415	5,193	571,784

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Statement of Financial Position of the Company (Continued)

Note (a) Reserve movement of the Company (Continued)

The Company's capital reserve represents the excess of the fair value of the net assets of the subsidiaries acquired by the Company pursuant to the reorganisation prior to the listing of the Company's share, over the nominal value of the Company's share issued in exchange therefor.

Under the Companies Law of the Cayman Islands, a company may make distributions to its shareholders out of the capital reserves in certain circumstances.

32 本公司財務狀況表及儲備變動(續)

本公司財務狀況表(續)

附註(a) 本公司儲備變動(續)

由重組產生的本公司資本儲備指於本公司股份上市前，本公司根據重組收購附屬公司的資產淨值的公平值超出本公司為換取上述附屬公司而發行的股份面值之數額。

根據開曼群島公司法，公司可於若干情況下自資本儲備向其股東作出分派。

33 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive of the Company is set out below:

For the year ended 31 December 2019:

33 董事福利及利益

(a) 董事及總裁的薪酬

本公司每名董事及總裁的酬金載列如下：

截至二零一九年十二月三十一日止年度：

		Emoluments paid or receivable in respect of a person's services as a director whether of the company or its subsidiary undertaking 作為董事為本公司或附屬公司業務提供個人服務的已付或應收酬金					
		Fees	Salary	Discretionary bonuses	Pension costs	Other benefits	Total
		袍金	薪金	酌情花紅	退休金成本	其他福利	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
Executive Directors	執行董事						
Ms. Wang Yao	王瑤女士	600	-	-	18	-	618
Ms. Jin Xiaoqin	金曉琴女士	600	-	-	18	-	618
Mr. Ng Yiu Lun	伍耀倫先生	-	600	100	18	-	718
		1,200	600	100	54	-	1,954
Independent non-executive Directors	獨立非執行董事						
Mr. Man Yiu Kwong, Nick	文耀光先生	240	-	-	-	-	240
Dr. Ng Lai Man, Carmen	吳麗文博士	240	-	-	-	-	240
Mr. Tang, Warren Louis	唐偉倫先生	240	-	-	-	-	240
		720	-	-	-	-	720

During the year, no director has waived any emoluments (2018: Nil).

年內，概無董事放棄任何酬金(二零一八年：無)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

33 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2018:

		Emoluments paid or receivable in respect of a person's services as a director whether of the company or its subsidiary undertaking 作為董事為本公司或附屬公司業務提供個人服務的已付或應收酬金					
		Fees	Salary	Discretionary bonuses	Pension costs	Other benefits	Total
		袍金	薪金	酌情花紅	退休金成本	其他福利	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
Executive Directors	執行董事						
Ms. Wang Yao	王瑤女士	600	-	-	18	-	618
Ms. Jin Xiaoqin	金曉琴女士	600	-	-	18	-	618
Mr. Ng Yiu Lun (i)	伍耀倫先生(i)	-	250	-	8	-	258
		1,200	250	-	44	-	1,494
Independent non-executive Directors	獨立非執行董事						
Mr. Man Yiu Kwong, Nick	文耀光先生	240	-	-	-	-	240
Dr. Ng Lai Man, Carmen	吳麗文博士	240	-	-	-	-	240
Mr. Tang, Warren Louis	唐偉倫先生	240	-	-	-	-	240
		720	-	-	-	-	720

Note:

- (i) Mr. Ng Yiu Lun was appointed as an executive director on 30 July 2018. Salaries and pension costs of approximately HK\$360,000 paid to him before the appointment as an executive director had not been included in the above analysis.

附註：

- (i) 伍耀倫先生於二零一八年七月三十日獲委任為執行董事。在委任為執行董事前支付予彼の薪金及退休金成本約360,000港元並未包括在上述分析中。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

33 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2018: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2019, no consideration was provided to or receivable by third parties for making available director's services (2018: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the year or at any time during the year.

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 30, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

33 董事福利及利益(續)

(b) 董事退休與離職福利

並無董事於本年度內收取或將會收取任何退休福利和離職福利(二零一八年：無)。

(c) 因董事服務向第三方提供的代價

截至二零一九年十二月三十一日止年度，並無因董事服務向第三方提供代價，第三方亦無應收代價(二零一八：無)。

(d) 關於以董事、受控制法人團體及與該等董事有關連之實體為受益人的貸款、準貸款及其他交易資料

截至本年度末或於年內任何時間並無以董事、受控制法人團體及該等董事有關連之實體為受益人的貸款、準貸款及其他交易。

(e) 董事於交易、安排或合約之重大權益

除附註30所披露者外，截至本年度末或於年內任何時間，本公司並無訂立任何與本集團業務有關且本公司董事擁有重大權益(無論直接或間接)的重大交易、安排及合約。

Five Year Financial Summary

五年財務概要

RESULTS

業績

		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		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
Revenue	收入	121,737	124,277	103,479	130,295	124,322
Profit and total comprehensive income for the year attributable to owners	擁有人應佔的年度溢利及綜合收入總額	62,500	68,413	63,006	76,543	47,180

ASSETS AND LIABILITIES

資產及負債

		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		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	資產總值	995,177	1,105,430	799,045	1,291,745	1,319,654
Total liabilities	負債總額	208,801	359,954	100,730	629,236	708,088
Total equity	權益總額	786,376	745,476	698,315	662,509	611,566



環球信貸集團有限公司
Global International Credit Group Limited
(Incorporated in the Cayman Islands with limited liability)

www.gicl.com.hk