



Glory Flame Holdings Limited 朝威控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 8059

2019 Annual Report
年度報告

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BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yingjie (*Chairman of the Board*)

Ms. Zhou Jin

Independent Non-executive Directors

Mr. Cao Hongmin

Mr. Chan Chi Pan

Mr. Li Kar Fai Peter

AUDIT COMMITTEE

Mr. Li Kar Fai Peter (*Chairman of Audit Committee*)

Mr. Chan Chi Pan

Mr. Cao Hongmin

REMUNERATION COMMITTEE

Mr. Cao Hongmin (*Chairman of Remuneration Committee*)

Mr. Chan Chi Pan

Mr. Li Kar Fai Peter

NOMINATION COMMITTEE

Mr. Chan Chi Pan (*Chairman of Nomination Committee*)

Mr. Cao Hongmin

Mr. Li Kar Fai Peter

CHIEF EXECUTIVE OFFICER

Mr. Lai Xiaoliang

COMPANY SECRETARY

Mr. Cheung Wai Kee

COMPLIANCE OFFICER

Mr. Liu Yingjie

AUTHORISED REPRESENTATIVES

Mr. Liu Yingjie

Mr. Cheung Wai Kee

董事會

執行董事

劉英杰先生(*董事會主席*)

Zhou Jin女士

獨立非執行董事

曹洪民先生

陳志斌先生

李嘉輝先生

審核委員會

李嘉輝先生(*審核委員會主席*)

陳志斌先生

曹洪民先生

薪酬委員會

曹洪民先生(*薪酬委員會主席*)

陳志斌先生

李嘉輝先生

提名委員會

陳志斌先生(*提名委員會主席*)

曹洪民先生

李嘉輝先生

首席執行官

賴曉亮先生

公司秘書

張蔚琦先生

合規主任

劉英杰先生

法定代表

劉英杰先生

張蔚琦先生



REGISTERED OFFICE

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Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3513, Tower 6
The Gateway, Harbour City
9 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

AUDITOR

ZHONGHUI ANDA CPA Limited

PRINCIPAL SHARE REGISTER AND TRANSFER OFFICE

Estera Trust (Cayman) Limited

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China Limited
Bank of Communications Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited

STOCK CODE

08059

COMPANY'S WEBSITE

www.gf-holdings.com

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6座3513室

核數師

中匯安達會計師事務所有限公司

股份過戶登記總處

Estera Trust (Cayman) Limited

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行股份有限公司
交通銀行股份有限公司

香港股份過戶及登記分處

寶德隆證券登記有限公司

股份代號

08059

公司網址

www.gf-holdings.com

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Glory Flame Holdings (the “**Company**”), I am honoured to present this annual report of the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2019 (“**FY2019**” or the “**Reporting Period**”).

PERFORMANCE

The Group posted a revenue of HK\$93.3 million for FY2019, representing a decrease by 30.2% as compared to HK\$133.6 million for the year ended 31 December 2018 (“**FY2018**”). During FY2019, the Group’s revenue was primarily generated from the construction related business.

The Group recorded a net loss of HK\$48.3 million for FY2019, as compared to a net loss of HK\$199.6 million for FY2018. Basic loss per share for FY2019 was HK4.39 cents, as compared to HK19.93 cents for FY2018.

BUSINESS REVIEW AND PROSPECT

In year 2019, Hong Kong economy has been reeling from the United States-China trade war and political unrest arising from anti-government protest in Hong Kong, coupled with the outbreak of new coronavirus pneumonia epidemic. Hong Kong has been pushed into recession with the economy battered by these social and political events. The global economic volatility has also exerted further pressure on Hong Kong economy. The Group expects that the slowing economy will continue in the coming years. The construction industry in Hong Kong has also no sign to recover from slump as it faced difficulties over the deployment of government fund being stalled for many infrastructure projects by filibustering in the legislature. The Group’s construction contract from public sector project dropped sharply during the year as compared to last year. The Group braces for weathering the shrinkage of the construction business in Hong Kong. The Group is confident in getting through the headwinds.

本人謹代表朝威控股有限公司(「**本公司**」)董事(「**董事**」)會(「**董事會**」)呈報本公司及其附屬公司(合稱「**本集團**」)截至二零一九年十二月三十一日止財政年度(「**財政年度一九年**」或「**報告期**」)的綜合業績之年報，為此深感榮幸。

業績

本集團於財政年度一九年錄得收益93,300,000港元，較截至二零一八年十二月三十一日止年度(「**財政年度一八年**」)之133,600,000港元減少30.2%。於財政年度一九年，本集團收益主要來自於建築業務。

本集團於財政年度一九年錄得淨虧損48,300,000港元，而財政年度一八年之淨虧損為199,600,000港元。於財政年度一九年之每股基本虧損為4.39港仙，而財政年度一八年則為19.93港仙。

業務回顧及前景

於二零一九年，因中美貿易戰及香港反政府抗議活動引發的政治動盪，加上爆發新型冠狀病毒肺炎疫症，使香港經濟備受傷害。這些社會和政治事件令經濟大受打擊，香港陷入衰退。全球經濟波動亦令香港經濟進一步受壓。本集團預期經濟放緩將於未來多年持續。立法機關拉布令不少基礎建設項目的相關政府資金調配受阻而出現困難，使香港的建築行業同樣並無從衰退中復蘇的跡象。本集團於本年度來自公營界別項目的建築合約較去年大幅減少。本集團正致力緩解香港建築業務的萎縮風險。本集團有信心可跨過逆境。



The Group strives to drive its growth of construction business by tapping into emerging markets, particularly in China. The Group built its own construction project teams specializing in prefabrication precast construction which mainly serves the construction projects in China. The Group is eyeing the potential growth of the construction industry arising from the Belt and Road Initiative driving the infrastructure development in Asia and Africa. The Group was working in close cooperation with a high-tech construction company which possess the enriched experience on the overseas market and lend its support to explore and expand the new market of construction business.

In these years, the Group also dedicated to develop the businesses relating to the agriculture, supply chain and new energy. The Group understands that it will be on rocky road to the start-ups of these businesses. However, the Group digs its heels in these business development directions that will lead the Group in success. The Group is now negotiating with certain potential cooperation partners to explore the potential business opportunities in some areas of that includes (1) development of industrial park, supply chain and property management services; (2) new model of retailing, industrial innovation development, blockchain technology, healthcare and new energy and (3) biotechnology, modern agriculture and cultural tourism.

本集團爭取通過進入新興市場(尤其是中國)推動其建築業務的增長。本集團建立其建築項目團隊，集中於裝配式預製部件建築，主要效力於中國的建築項目。本集團正專注於「一帶一路」倡議推動亞洲及非洲基礎設施發展所帶動建築業的增長潛力。本集團正與一家擁有豐富海外市場經驗的高科技建築公司緊密合作，並借助其支持開拓及擴充建築業務的新市場。

多年來，本集團亦全力發展與農業、供應鏈及新能源有關的業務。本集團理解，該等業務新創企業將荊棘滿途。然而，本集團堅持該等業務發展方向，此方向將帶領本集團成功。本集團現正與若干潛在合作夥伴磋商，探尋若干領域的潛在商機，當中包括(1)開發產業園區、供應鏈及物業管理服務；(2)新型零售、工業廠房開發、區塊鏈科技、保健及新能源，以及(3)生物科技、現代農業及文化旅遊。



The Group will closely monitor the market development and the change in the surrounding of the Group's operations. We will continue to adhere to our core philosophy of "Building a Green World" and the ideology of "green building and green life" with quality, innovation and effectiveness and achieve our expansion of the Group's business with a view to optimizing stakeholders' interests and maximizing their value.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our Directors, our experienced management team, our dedicated employees, and our professional legal and accounting teams for their wavering support and commitment. We would also like to express appreciation for the continuing support and trust of our shareholders, clients, suppliers and government authorities.

Liu Yingjie

Chairman

Hong Kong, 27 March 2020

本集團將密切關注市場發展及本集團運營環境的變化。我們將繼續堅持「建設綠色世界」核心理念及重視質量、創新及效率的「綠色建築、綠色生活」思想，拓展本集團業務，從而提升利益相關者的權益並最大限度提升其價值。

致謝

本人謹代表董事會，藉此機會感謝我們的董事們、經驗豐富的管理團隊及敬業的僱員團隊，專業律師會計等專業團隊的堅定支持及承諾。我們亦衷心感謝我們的股東、客戶、供應商及政府當局對我們持續的支持及信任。

主席

劉英杰

香港，二零二零年三月二十七日



BUSINESS REVIEW

The principal activity of the Company is investment holding. For the year ended 31 December 2019 (the “**Reporting Period**”), the Group mainly engages in (i) provision of construction services and building materials supply (the “**Construction Business**”), (ii) Sales of agriculture-related products (the “**Agricultural Business**”), and (iii) trading of clean coal and others (the “**Trading Business**”),

During the Reporting Period, the Group decided to discontinue the business of financial services (the “**Financial Services**”).

Construction Business

(a) Concrete demolition services and other construction services

Concrete demolition is one aspect of the construction industry in Hong Kong. The Group’s concrete demolition services were mainly concerned with the removal of pieces or section of concrete from concrete structures by applying a variety of methods, such as core drilling, sawing, bursting and crushing. Concrete demolition services are usually performed by subcontractors in (i) general building works, especially for alteration and redevelopment projects; and (ii) civil engineering works. Concrete demolition work can be applied in various situations, such as the construction of underground utilities, creation of openings for elevator, door, and window installation, redevelopment of buildings, roads, tunnels and underground facilities, removal of concrete during building construction and the preparation of road surfaces.

業務回顧

本公司的主要活動為投資控股。截至二零一九年十二月三十一日止年度（「**報告期**」），本集團主要從事(i)提供建築服務及樓宇材料供應（「**建築業務**」）；(ii)銷售農業設備（「**農業業務**」）；及(iii)買賣清潔煤及其他（「**貿易業務**」）。

於報告期內，本集團決定終止經營金融服務（「**金融服務**」）業務。

建築業務

(a) 混凝土拆卸服務及其他建築服務

混凝土拆卸行業為香港建築行業特定領域之一。本集團的混凝土拆卸服務主要涉及透過採用各種方法，例如鑽取土芯、鋸切、逼裂及鉗碎等，移除混凝土結構的混凝土塊或組件。混凝土拆卸服務通常為分包商於(i)一般建築工程，特別是改建及重建工程；及(ii)土木工程所進行運作。混凝土拆卸工程可用於地下公共設施建設、電梯開口、門窗安裝、樓宇、道路、隧道及地下設施重建、建築施工過程中混凝土拆除及路面製備。

The customers of the Group's concrete demolition services mainly include main contractors and subcontractors of different types of construction and civil engineering projects in Hong Kong. Such customers can generally be categorized into public sector projects' customers and private sector projects' customers. Public sector projects refer to projects of which the main contractors are employed by Government departments or statutory bodies in Hong Kong, while private sector projects refer to projects that are not public sector projects.

本集團的混凝土拆卸服務的客戶主要為香港各類建築及土木工程項目的總承建商及分包商。相關客戶一般可分類為公營及私營界別項目客戶。公營界別項目指由香港政府部門或法定機構聘請總承建商的項目，而私營界別項目指非公營界別項目。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from	收益來自		
— private sector project	— 私營界別項目	51,139	43,106
— public sector project	— 公營界別項目	10,150	40,697
		61,289	83,803



(b) Prefabricated precast construction

Prefabricated precast construction is a new kind of architecture with the construction process that is splitting the traditional building products into precast reinforced concrete member produced in the factory and transported to the construction site for assembling into a whole building. Precast concrete contributes to green building practices as it can be very durable and energy-efficient. Prefabricated precast construction also reduces construction waste and debris on construction site as the precast concrete components are factory-made and employed by exact-batching technologies. In the 13th Five Year Plan for “Building Energy Efficiency and Green Building Development” released by the Ministry of Housing and Urban-Rural Development of China in February 2017, Chinese government set out the goals to achieve on the development of green building by 2020. Driven by the growth in infrastructure investment and industrialization and increase in new construction projects in the emerging countries, the Group expects that the global precast concrete construction market is poised to grow strong.

The Group strives to drive its growth in Construction Business by tapping into the emerging markets. The Group has been working in close cooperation with a high-tech construction company; which is based in Guangzhou, the PRC, in bid to explore the construction projects in the overseas countries along the Belt and Road. In July 2019, the Group entered into a framework agreement with the high-tech construction company and an agent of an Australian construction company in relation to a prefabricated precast construction project for building duplex houses in Australia with the total contract sum of approximately HK\$45.0 million. However, in November 2019, the Group and the Australian Construction Company agreed to terminate the framework agreement as its construction plan was postponed. The Group continues to co-operate with the high-tech construction company to look to the other prefabricated precast construction project in overseas market.

(b) 装配式建築

装配式建築是將傳統建築產品分拆成於工廠生產的預製鋼筋混凝土部件並運輸至施工現場組裝成完整建築的一種新型建築形式。預製混凝土非常耐用及節能，有助於綠色建築實踐。由於預製混凝土部件乃於工廠生產並採用精確的配料技術，装配式建築亦減少施工現場的建築垃圾及瓦礫。根據中國住建部於二零一七年二月發佈之「建築節能及綠色建築發展」十三五規劃，中國政府提出了於二零二零年前實現綠色建築發展的目標。受新興國家基礎設施投資及工業化增長以及新建築項目增加的驅動，本集團預期全球装配式混凝土建築市場的增長勢頭強勁。

本集團致力透過進入新興市場驅動其建築業務增長。本集團現正與一間高科技建築公司（其位於中國廣州）緊密合作，以發掘一帶一路倡議所惠及海外國家的建築項目。於二零一九年七月，本集團就澳洲使用装配式建築技術的雙聯式住宅建築項目與該高科技建築公司及澳洲建築公司代理訂立框架協議，合約總額為約45,000,000港元。然而，於二零一九年十一月，本集團與澳洲建築公司同意終止框架協議，由於該建築計劃出現延誤。本集團將繼續與高科技建築公司合作，於海外市場尋求其他装配式建築項目。



Agriculture Business

With the globally increasing concerns about healthy living and food security, the Group believes that the demand for green food will continue to rise. The Group has now been formulating the business strategy and plan for the Agriculture Business and also initiating the negotiation with certain agribusinesses to explore the feasibility of cooperation to develop the business in relation to agricultural produce and its related products.

On 22 July 2019, the Company and Hubei Bio-great Agricultural Technology Co., Ltd* (湖北凱瑞百穀農業科技股份有限公司) (the “**Target Company**”), a company established in the People’s Republic of China (the “**PRC**”) with limited liability, entered into a non-legally binding cooperative intent agreement (the “**Intent Agreement**”) in relation to the proposed investment (the “**Proposed Investment**”) in the Target Company. It was proposed that the Company shall invest in the Target Company by way of subscription of 51% or more of the registered capital of the Target Company.

Pursuant to the Intent Agreement, the Company intended to invest in and cooperate with the Target Company to expand high-tech seed industry projects through the development of potatoes and agricultural products cold chain, processing, logistics and distribution centers, leisure sightseeing agricultural tourism and large scale construction, etc. The negotiation and due diligence review in respect of the Proposed Investment is still ongoing.

農業業務

在全球對健康生活及食品安全關注日益提升的情況下，本集團認為，對綠色食品的需求將繼續增加。本集團現時正制定農業業務的業務策略及計劃，並已與若干農業綜合企業開展討論，以探討公司發展農作物及農業相關產品業務的可行性。

於二零一九年七月二十二日，本公司與湖北凱瑞百穀農業科技股份有限公司（「**目標公司**」，一間於中華人民共和國（「**中國**」）成立的有限公司）就建議投資目標公司（「**建議投資**」）訂立不具法律約束力的合作意向協議（「**意向協議**」）。本公司擬透過認購目標公司51%或以上註冊資本，以此來投資目標公司。

根據意向協議，本公司有意投資目標公司並與其合作，以透過發展土豆及農產品冷鏈、加工、物流及分銷中心、休閒觀光農業旅遊及大型工程等擴展高科技種業項目。有關建議投資的磋商及盡職審查仍在進行中。



In February 2016, the Ministry of Agriculture released its “Suggestions for Promoting the Development of the Potato Industry”. The document sets up goals for China’s potato industry development to expand the area of growing potato to more than 100 million mu by year 2020. By the time, the proportion of suitable varieties for potato staple food processing will reach approximately 30% and the consumption of potato staple food will account for 30% of total consumption of potatoes in China. It also sets out that, in order to implement the spirit of Document No.1 of the Central Committee and the national strategic development on food safety under the new situation, promote the structural reform from the agricultural supply side, transform the mode of agricultural development, and speed up the agricultural transformation and upgrading, the potatoes shall be considered as the staple food products for the development of industry, to establish the concept of health and scientific guidance of consumption, promote the steadiness of grain and growth of income, and improve the quality and efficiency as well as sustainable development of agriculture. The Group considers that the Group shall seize the business opportunity of the agriculture transformation in China that comes to support the agricultural development and introduce the best products and technologies.

* For identification purpose only

於二零一六年二月，農業部發佈《關於推進馬鈴薯產業開發的指導意見》。文件提出，中國馬鈴薯產業發展的目標為到二零二零年馬鈴薯種植面積擴大到1億畝以上。屆時，中國馬鈴薯作為主食加工的適用品種將達到約30%，馬鈴薯作為主食的消耗將佔全國馬鈴薯總消耗的30%。文件亦提出，為落實新形勢下中央委員會1號文件的精神及國家食物安全的戰略發展，促進農業供給側方面的結構性改革，轉變農業發展模式，以及加速農業轉型及升級，就產業發展而言，馬鈴薯須作為主食產品，以建立健康科學的消費指導理念，提升糧食的穩定性及收益增長，以及改善農業質量及效益以及可持續發展。本集團認為本集團應抓住中國支持農業發展及引進優良產品及技術進行農業轉型的商機。

* 僅供識別



Trading Business

Trading Business primarily comprised the trading of clean coal. Its coal resource was from the Ordos City, Inner Mongolia, the PRC. During the Reporting Period, the Group decided to suspend the clean coal trading business as it had operated at a loss. Given the current cost structure of the clean coal trading business, the Group believes that, notwithstanding its initiatives in reviewing the supply chain operations and re-negotiating contract terms with the customers and business partners, it would be challenging to turn around this business segment without significantly upscaling the working capital and other capital expenditure.

During the Reporting Period, the Group has maintained the service of coal washing for the suppliers and receives the processing fee based on the weight of output.

Financial Services

Financial Services business includes provision of insurance brokerage and consultancy services in Hong Kong and provision of commercial factoring services in the PRC. The Group has ceased all commercial factoring services during the Reporting Period.

On 28 November 2019, the Group entered in sales and purchase agreement with independent third party to dispose of the 60% of share capital of Hong Kong Yuanfeng Insurance Brokers Limited (“**Yuanfeng Insurance**”) at the consideration of approximately HK\$122,000. Yuanfeng Insurance engages in provision of insurance brokerage consultancy services in Hong Kong. The Group decided to discontinue the Financial Services business as the Group expects that the interests of customers in China for the insurance products in Hong Kong will be on the wane amid the slowing economy in China.

貿易業務

貿易業務主要包括買賣清潔煤。其煤資源來自中國內蒙鄂爾多斯市之清潔煤。於報告期內，本集團決定暫停經營處於虧損狀態的清潔煤貿易業務。鑒於目前清潔煤貿易業務的成本結構，儘管本集團初步審查其供應鏈營運及與客戶及業務夥伴重新協定合約條款，本集團認為，若不顯著提升該分部營運資金及其他資金開支，本集團將該業務分部扭虧為盈將面臨一定挑戰。

於報告期內，本集團保持為供應商清洗煤炭的服務，並按輸出重量收取處理費。

金融服務

金融服務業務包括在香港提供保險經紀及諮詢服務以及在中國提供商業保理服務。本集團已於報告期內終止全部商業保理服務。

於二零一九年十一月二十八日，本集團與獨立第三方訂立買賣協議，以出售彼於香港元豐保險經紀有限公司(「**元豐保險**」)的60%股本，代價約為122,000港元。元豐保險從事於香港提供保險經紀顧問服務。本集團決定終止經營金融服務，因為本集團預期，隨著中國經濟放緩，香港保險產品對中國客戶的興趣將會減弱。



FINANCIAL REVIEW

Revenue

Revenue decreased by approximately HK\$40.3 million or 30.2% from approximately HK\$133.6 million for the year ended 31 December 2018 (“**FY2018**”) to approximately HK\$93.3 million for the Reporting Period. The analysis of revenue was shown as follows:

Revenue by nature

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Construction Business	建築業務		
— Provision of Construction Services	— 提供建築服務	61,289	83,803
— Prefabricated Precast Construction	— 裝配式建築	29,413	4,510
		90,702	88,313
Agriculture Business	農業業務		
— Trading of ecological LED cultivation cabinet and others	— 買賣環保LED生態種植櫃及其他	—	878
Trading Business	貿易業務		
— Trading of clean coal and others	— 買賣清潔煤及其他	1,055	43,887
Financial Services	金融服務		
— Provision of financial services	— 提供金融服務	1,584	553
		93,341	133,631

財務回顧

收入

收入由截至二零一八年十二月三十一日止年度(「**財政年度一八年**」)的約133,600,000港元減少約40,300,000港元或30.2%至報告期的約93,300,000港元。收入分析如下：

按性質劃分的收入



Construction Business

Construction Business comprises (1) provision of concrete demolition and construction engineering services (the “**Construction Services**”) and (2) manufacturing and trading of prefabricated precast construction components and/or its installations (the “**Prefabricated Precast Construction**”)

For the Reporting Period, revenue attributable to Construction Business was approximately HK\$90.7 million, representing an increase of approximately HK\$2.4 million or 2.7% as compared with approximately HK\$88.3 million for FY2018. The increase was primarily due to a combined effect of (i) an increase of HK\$24.9 million in revenue from Prefabricated Precast Construction and (ii) a decrease of HK\$22.5 million in revenue from Construction Services, primarily resulting from a decrease of HK\$20.1 million in revenue from construction project of Shatin to Central Link that was terminated in October 2018.

Agriculture Business

The Group decided to suspend the business development plan for the LED cultivation cabinets and its related products due to the economic downturn in the PRC and fierce competition in the hydroponic market during FY2018. The Group is now conducting the business strategy review on Agriculture Business.

The Group recorded no revenue from Agriculture Business during the Reporting Period. For FY2018, revenue attributable to Agriculture Business was approximately HK\$0.9 million that was generated from sales and leasing of the hydroponic planting racks.

Trading Business

Revenue attributable to Trading Business decreased by approximately HK\$42.8 million from HK\$43.9 million for FY2018 to HK\$1.1 million for the Reporting Period. The decrease was primarily due to grinding to halt for trading of clean coal. The Group only maintained the service of coal washing for the suppliers and received the processing fee during the Reporting Period.

建築業務

建築業務包括(1)提供混凝土拆卸及建築工程服務(「**建築服務**」)及(2)裝配式建築預製組件製造及貿易(「**裝配式建築**」)。

於報告期內，建築業務的收益約為90,700,000港元，較財政年度一八年期間的約88,300,000港元增加約2,400,000港元或2.7%。該增加主要由於(i)裝配式建築的收益增加約24,900,000港元及(ii)建築服務的收益減少約22,500,000港元(主要因為於二零一八年十月終止的沙中線建築項目收益減少約20,100,000港元)的合併影響所致。

農業業務

因中國經濟下滑及水耕市場競爭激烈，本集團決定於財政年度一八年暫停LED種植櫃及其相關產品的業務計劃。本集團正就農業業務進行經營策略檢討。

本集團於報告期並無自農業業務產生收益。於財政年度一八年，農業業務產生收益約900,000港元，乃來自銷售及租賃水培種植架。

貿易業務

來自貿易業務的收入由財政年度一八年的43,900,000港元減少約42,800,000港元至報告期內的1,100,000港元。該減少主要因為逐步終止買賣清潔煤所致。於報告期內，本集團只保持為供應商清洗煤炭的服務，並按輸出重量收取處理費。



Financial Services

Revenue attributable to Financial Services was approximately HK\$1.6 million for the Reporting Period, representing an increase of HK\$1.0 million as compared to HK\$0.6 million for FY2018. The revenue from Financial Services was primarily generated from insurance brokerage fee income.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately HK\$1.4 million or 4.9% from approximately HK\$28.5 million for FY2018 to approximately HK\$27.1 million for the Reporting Period. Such decrease was primarily due to a combined effect of (i) a decrease of approximately HK\$5.8 million in gross profit from Trading Business, and (ii) an increase of approximately HK\$4.9 million in gross profit from Construction Business

Gross profit margin increased from 21.4% for FY2018 to 29.0% for the Reporting Period. The increase was primarily due to an increase of approximately 4.7 percentage points in gross profit margin from Construction Business and also a decrease in revenue from Trading Business that had a lower gross profit margin.

Impairment Losses on Various Assets

Impairment losses of HK\$21.8 million on various assets was provided for the Reporting Period, representing a decrease of HK\$82.5 million as compared to HK\$104.3 million for FY2018. Such decrease was primarily due to a decrease of HK\$41.3 million in provision for impairment loss on trade receivables and a decrease of HK\$44.9 million in provision for impairment loss on prepayment and trade deposit.

During the Reporting Period, an additional impairment loss of HK\$5.4 million on trade receivable was made primarily due to an increase in gross trade receivable resulting from delaying the payment of our invoices for customers mainly attributable to Construction Business owing to the tightening financial market conditions. During FY2018, an impairment loss of HK\$46.7 million on trade receivables due from customers mainly attributable to Trading Business as a result of the worsened credit quality of customers amid the global economic downturn.

金融服務

金融服務的收入約為1,600,000港元，較財政年度一八年600,000港元增加1,000,000港元。來自金融服務的收入主要來自保險經紀費。

毛利及毛利率

毛利由財政年度一八年的約28,500,000港元減少約1,400,000港元或4.9%至報告期的約27,100,000港元。該減少主要由於以下因素之綜合影響：(i)貿易業務毛利減少約5,800,000港元；及(ii)建築業務毛利增加約4,900,000港元。

毛利率由財政年度一八年的21.4%增至報告期內的29.0%。該增加主要由於建築業務毛利率上升約4.7百分點而毛利率較低的貿易業務收益減少。

各項資產的減值虧損

於報告期內，就各項資產計提的減值虧損為21,800,000港元，較財政年度一八年104,300,000港元減少82,500,000港元。該減少主要由於貿易應收款項減值虧損撥備減少41,300,000港元及預付款項及貿易按金減值虧損撥備減少44,900,000港元。

於報告期內，額外貿易應收款項減值虧損5,400,000港元主要由於主要來自建築業務的客戶因金融市場狀況收緊延遲根據發票付款，導致貿易應收款項增加。於財政年度一八年，由於全球經濟衰退導致客戶信貸質素惡化，應收主要來自貿易業務客戶之貿易應收賬款減值虧損46,700,000港元。



During the Reporting Period, an impairment loss of HK\$5.7 million on prepayment and trade deposit attributable to Trading Business and Construction Business resulted from that the suppliers were unable to fulfil our purchase orders by virtue of financial difficulties. During FY2018, an impairment loss of HK\$50.6 on prepayment and trade deposit mainly attributable to Agriculture Business, resulting from the discontinuance of the marketing and production plan for ecological LED cultivation cabinet system.

During the Reporting Period, an impairment loss of HK\$10.7 million on other receivable in relation to the factoring loan granted to customers was provided. These factoring loans were default. The Group was taking necessary action to recover the loan.

Administrative and Other Operating Expenses

Administrative and other operating expenses decreased by approximately HK\$17.0 million from approximately HK\$64.8 million for FY2018 to approximately HK\$47.8 million for the Reporting Period. Such decrease was primarily due to (i) a decrease of approximately HK\$13.5 million in administrative and operating expenses attributable to Trading Business and Agriculture Business, due to suspension of trading of ecological LED cultivation cabinet system and trading of clean coal; (ii) a decrease of approximately HK\$5.0 million in general administrative expenses of head office in Hong Kong, primarily resulting from a decrease in rental expenses and legal and professional fee; and (iii) an increase of approximately HK\$6.0 million in administration and operating expenses attributable to Construction Business, primarily resulting from an increase in transportation cost and research and development expenses.

於報告期內，由於供應商因財政困難未能履行我們的採購訂單，貿易業務及建築業務預付款項及貿易按金減值虧損5,700,000港元。於財政年度一八年，由於中止環保LED種植櫃系統的營銷及生產計劃，農業業務預付款項及貿易按金減值虧損50,600,000港元。

於報告期內，本集團已就有關向客戶提供保理貸款的其他應收款項計提減值虧損10,700,000港元。該等保理貸款已違約。本集團正採取必要行動以收回貸款。

行政及其他營運開支

行政及其他營運開支由財政年度一八年約64,800,000港元減少約17,000,000港元至報告期的約47,800,000港元。該減少主要因為(i)貿易業務及農業業務應佔的行政及經營開支因暫停買賣環保LED生態種植櫃系統及買賣清潔煤而減少約10,300,000港元；(ii)香港總辦事處一般行政開支因租金開支以及法律及專業費用下降而減少約5,000,000港元；及(iii)建築業務應佔的行政及經營開支因運輸成本及研發開支上升而增加約6,000,000港元。



Loss Attributable to Owners of the Company

The Group's loss attributable to owners of the Company was approximately HK\$44.4 million for the Reporting Period, representing a decrease of HK\$150.4 million as compared to a loss of HK\$194.8 million attributable to owners of the Company for FY2018. The decrease was primarily due to a combined effect of (i) a decrease of HK\$35.7 million in a loss of sales of investments in securities; (ii) a decrease of HK\$20.8 million in share option expenses; (iii) a decrease of HK\$41.3 million in impairment loss on trade receivables and (iv) a decrease of HK\$47.8 million in an impairment loss in association with discontinuing the business plan for the ecological LED cultivation cabinet system; and (v) a decrease of HK\$17.0 million in administrative and other operating expenses.

Use of Proceeds of Initial Public Offerings

The net proceeds from the placing of the shares of the Company in connection with the listing (the "Listing") was approximately HK\$31.2 million. During the period from 15 August 2014 (the "Listing Date") to 31 December 2019, the net proceeds from the Listing were applied as follows:

本公司擁有人應佔虧損

於報告期內，本公司擁有人應佔虧損約為44,400,000港元，較財政年度一八年的約194,800,000港元減少150,400,000港元。該減少乃主要由於以下因素的綜合影響：(i) 出售證券投資虧損減少35,700,000港元；(ii) 購股權開支減少20,800,000港元；(iii) 貿易應收款項減值虧損減少41,300,000港元；及(iv) 與終止經營環保LED生態種植櫃系統業務計劃相關的減值虧損減少47,800,000港元；及(v) 行政及其他營運開支減少17,000,000港元。

首次公開發售的所得款項用途

有關上市(「上市」)配售本公司股份所得款項淨額為約31,200,000港元。於二零一四年八月十五日(「上市日期」)至二零一九年十二月三十一日止期間，上市所得款項淨額已作以下用途：

		Planned use of proceeds as stated in the Prospectus	Actual use of proceeds up to 31 December 2019
		招股章程所述所得款項的擬定用途	所得款項於截至二零一九年十二月三十一日的實際用途
		HK\$' million 百萬港元	HK\$' million 百萬港元
Enhancing machinery and equipment	提升機器和設備	16.4	13.1
Strengthening manpower	加強人力資源	4.6	4.6
Increasing marketing efforts	加強市場推廣的工作	1.7	1.7
Repayment of bank borrowings	償還銀行貸款	5.5	5.5
General working capital	一般營運資金	3.0	3.0
		31.2	27.9

The Group expects the unutilized use of proceeds will be used as planned above during year 2020.

本集團預期尚未動用的所得款項將於二零二零年按上述計劃使用。



Liquidity, Financial Resources and Capital Structure

As at 31 December 2019, the Group had cash and bank deposits of approximately HK\$30.5 million (2018: approximately HK\$39.2 million).

The gearing ratio of the Group as at 31 December 2019 (defined as total borrowings including interest bearing and non-interest bearing, divided by the Group's total equity) was approximately 0.84 (2018: approximately 0.38).

Treasury Policy

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

Foreign Exchange Risk

The Group principally operates its businesses in Hong Kong and the PRC. The Group is exposed to foreign exchange fluctuations from various currencies, such as United States dollars and Chinese Renminbi. Since Hong Kong dollars remains pegged to the United States dollars within a defined range, the Group is not exposed to any significant foreign exchange risk against the United States dollars. The Group has certain subsidiaries operating in mainland China, in which most of their transactions, including revenue, expenses and other financing activities, are denominated in Chinese Renminbi. The Group is not exposed to any significant foreign exchange transaction risk in relation to these currencies and had not entered into any foreign exchange contract as hedging measures against these currencies.

流動資金、財務資源及資本結構

於二零一九年十二月三十一日，本集團有現金及銀行存款約30,500,000港元(二零一八年：約39,200,000港元)。

於二零一九年十二月三十一日，本集團的資產負債比率(定義為借貸總額(包括計息及不計息)除以本集團權益總額)約為0.84(二零一八年：約0.38)。

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故在整個報告期內達致維持穩健的流動資金狀況。本集團致力透過進行持續的信貸評估及評估其客戶的財務狀況以降低信貸風險。為管理流動資金風險，董事會密切監視本集團的流動資金狀況，以確保本集團資產、負債及其他承擔的流動資金架構可時而符合其資金要求。

外匯風險

本集團主要在香港及中國經營業務。本集團承受美元及人民幣等外幣之外匯匯率波動。由於港元及美元仍在既定範圍內保持聯繫匯率，本集團並無承受任何重大美元外匯風險。本集團有若干附屬公司於中國內地營運，大部分交易(包括收入、開支及其他融資活動)以人民幣計值。本集團並未就該等外幣承受重大外匯交易風險，亦無就該等外幣訂立任何外匯合約作為對沖措施。



Material Acquisitions and Disposal of Subsidiaries and Associated Companies

Pre-stressed concrete pile business

On 13 March 2018, the Company entered into a sale and purchase agreement (“**Disposal Agreement**”), to dispose of its entire shareholding in Mansion Point International Limited, being 51% of its entire issued share capital, to an independent third party at a cash consideration of HK\$30,755,000 (the “**Disposal**”).

The Disposal had been completed on 10 April 2019 in accordance with the terms and conditions of the Disposal Agreement. Mansion Point, together with its subsidiaries, had since ceased to be the subsidiaries of the Company and its financial results of the Disposal Group would no longer be consolidated into the Company’s financial statements.

Insurance brokerage business

On 28 November 2019, the Group entered in sales and purchase agreement with independent third party to dispose of the 60% of share capital of Hong Kong Yuanfeng Insurance Brokers Limited (“**Yuanfeng Insurance**”) at the consideration of approximately HK\$122,000. Yuanfeng Insurance engages in provision of insurance brokerage consultancy services in Hong Kong.

Events after the Reporting Period

The coronavirus disease 2019 outbreak since early 2020 has brought additional uncertainties in the global macroeconomic situation. The Group expects the event may potentially affect the Group’s business performance in the first half year of 2020. The degree of impact could not be reasonably estimated at this stage. The Group will closely monitor the development of the epidemic and assess its impact on the financial position and operating results of the Group.

重大收購及出售附屬公司及聯營公司

預應力混凝土管樁業務

於二零一八年三月十三日，本公司訂立一項買賣協議（「**出售協議**」）向一名獨立第三方出售其於Mansion Point International Limited的全部股權（即Mansion Point全部已發行股本的51%），現金代價為30,755,000港元（「**出售事項**」）。

出售事項已於二零一九年四月十日按照出售協議條款及條件完成。Mansion Point及其附屬公司自此不再為本公司之附屬公司，而出售集團的財務業績已不再於本公司財務報表綜合入賬。

保險經紀業務

於二零一九年十一月二十八日，本集團與獨立第三方訂立買賣協議，以出售彼於香港元豐保險經紀有限公司（「**元豐保險**」）的60%股本，代價約為122,000港元。元豐保險從事於香港提供保險經紀顧問服務。

報告期後事項

二零二零年初爆發的2019冠狀病毒為全球宏觀經濟環境增添額外不明朗因素。本集團預期該事件可能對本集團於二零二零年上半年的業績造成潛在影響，惟現階段無法合理估計受影響程度。本集團將密切關注疫情發展，從而評估其對本集團財政狀況及營運業績造成的影響。



Debts and Charge on Assets

As at 31 December 2019, the total borrowings of the Group, including unsecured bonds and other loan, amounted to approximately HK\$45.8 million, as compared to approximately HK\$40.0 million as at 31 December 2018. The annual interest rates of the borrowings for the Reporting Period ranged from 7.5% to 9.0% (2018: 7.5%) per annum. All of the borrowings are unsecured and matures in one year. It was accounted for as current liabilities of the Group. All of the above are denominated in Hong Kong Dollars.

Capital Commitments

The Group does not have material capital commitments as at 31 December 2019 (2018: Nil).

Contingent Liability

The Group had no material contingent liabilities as at 31 December 2019 (2018: Nil)

Employee and Remuneration Policies

As at 31 December 2019, the Group employed 123 staff (31 December 2018: 153 staff). Total employee costs for the Reporting Period including directors' emoluments, amounted to approximately HK\$33.5 million (FY2018: approximately HK\$53.8 million).

The salary and benefit levels of the employees of the Group are competitive. This is very important as the construction industry has been experiencing labour shortage in general. Individual performance of our employees is rewarded through the Group's salary and bonus system. In addition, the Group provides adequate job training to employees in order to equip them with practical knowledge and skills to tackle situations and challenges encountered in diverse work sites.

Final Dividend

The Board does not recommend payment of final dividend to Shareholders for the Reporting Period (FY2018: Nil).

債務及資產抵押

於二零一九年十二月三十一日，本集團的借貸(包括無抵押債券)總額約為45,800,000港元，而於二零一八年十二月三十一日則約為40,000,000港元。於報告期內，借貸的年利率介乎每年7.5%至9.0%(二零一八年：7.5%)之間。所有借貸均為無抵押及於一年到期，並入賬列為本集團流動負債。所有上述借貸均以港元計值。

資本承擔

於二零一九年十二月三十一日，本集團並無重大資本承擔(二零一八年：無)。

或然負債

於二零一九年十二月三十一日，本集團並無重大或然負債(二零一八年：無)。

僱員及薪酬政策

於二零一九年十二月三十一日，本集團共有123名員工(二零一八年十二月三十一日：153名員工)。報告期內僱員成本總額包括董事酬金，約為33,500,000港元(財政年度一八年：約53,800,000港元)。

本集團僱員的薪金及福利水平均具競爭力，而由於建築行業整體上一直面臨勞工短缺，故此具競爭力的薪金及福利水平十分重要。僱員根據個人表現透過本集團薪金及花紅制度獲得回報。此外，本集團為僱員提供足夠在職培訓，以便讓僱員備有實用知識及技能，處理不同工作場所遭遇的情況及挑戰。

末期股息

董事會並不建議就報告期向股東派發末期股息(財政年度一八年：無)。



EXECUTIVE DIRECTOR

Mr. Liu Yingjie, aged 51, is an executive Director and the chairman of the Board. Mr. Liu obtained a Doctor of Management degree from China Agricultural University in 2005. He is a researcher and an expert in industrial economy and regional development. Mr. Liu holds positions as Chairman of Shenzhen Liying Biotechnology Co., Ltd.* (深圳麗穎生物科技有限公司) and Director of Global Agricultural Technology Innovation and Development Center of Tsinghua University* (清華大學全球農業技術創發展中心主任). He has served as Deputy Secretary General of China Agricultural Society* (中國農學會副秘書長), Deputy Director of Xinjiang Agriculture Department* (新疆自治區農業廳副廳長), Deputy Director of the Department of International Cooperation of the Ministry of Agriculture* (農業部國際合作司副司長) and Deputy Director of the Department of Personnel and Labour* (人事勞動司副司長).

Ms. Zhou Jin, aged 30, is an executive Director. Ms. Zhou holds a diploma of business (marketing) from Australian Academy of Commerce awarded in December 2012. She also completed an enterprise CEO advanced seminar* (企業總裁高級研修班) from Wuhan University in 2016. Ms. Zhou was an assistant to general manager, officer and vice-general manager of Wuhan Zhangjiawan Freight Company Limited* (武漢張家灣貨運有限責任公司) from March 2012 to March 2014. She was the director of XAHT Antenna Technologies (Hongkong) Limited from 2017 until March 2019, principally responsible for promotion and sales work in the Australian market.

執行董事

劉英杰先生，51歲，為執行董事兼董事會主席。劉先生於二零零五年獲中國農業大學管理學博士學位。彼為產業經濟與區域發展方面的研究員及專家。劉先生為深圳麗穎生物科技有限公司董事長及清華大學全球農業技術創新發展中心主任。彼先後擔任中國農學會副秘書長、新疆自治區農業廳副廳長、農業部國際合作司副司長及人事勞動司副司長等職務。

Zhou Jin 女士，30歲，為執行董事。Zhou 女士於二零一二年十二月持有 Australian Academy of Commerce 商學文憑(市場營銷)。彼亦於二零一六年在武漢大學完成企業總裁高級研修班。Zhou 女士於二零一二年三月至二零一四年三月為武漢張家灣貨運有限責任公司之總經理助理、高級職員及副總經理。自二零一七年起直至二零一九年三月，彼亦為海天天線(香港)有限公司之董事，主要負責於澳洲市場的推廣及銷售工作。



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cao Hongmin, aged 48, is an independent non-executive Director. Mr. Cao holds a Bachelor of Laws and a Master of Economics from Lanzhou University (蘭州大學) and a Doctor of Management from China Agricultural University. Mr. Cao has also undertaken post-doctoral research in history from Peking University. Mr. Cao holds positions including vice president of Shenzhen Fengqun Chanye Service Group* (深圳市蜂群產業服務集團), chairman of the board of director of Shenzhen Heyuan Technology Co., Ltd* (深圳市和緣科技有限公司), department head and professor of China Agricultural Deveopment Research Institute* of the Beijing Tangyongtong College* (北京湯用彤書院中國農村發展研究院).

Mr. Chan Chi Pan, aged 35, is an independent non-executive Director. Mr. Chan obtained a Bachelor of Business Administration in China Business from City University of Hong Kong in July 2009. He holds an estate agency salesperson's licence granted by the Estate Agents Authority in April 2018 and an insurance agent licence. Mr. Chan is now currently serving as a deputy director at an immigration consultancy company in Hong Kong. He has also joined a Hong Kong financial services company in 2017 and is mainly responsible for selling insurance products to customers.

獨立非執行董事

曹洪民先生，48歲，為獨立非執行董事。曹先生擁有蘭州大學法學學士及經濟學碩士及中國農業大學管理學博士學位。曹先生亦於北京大學進行歷史學博士後研究。曹先生擔任多個職位，包括深圳市蜂群產業服務集團之副總裁、深圳市和緣科技有限公司之董事長、北京湯用彤書院中國農村發展研究院之院長。

陳志斌先生，35歲，為獨立非執行董事。陳先生於二零零九年七月取得香港城市大學的中國商業工商管理學士學位。彼於二零一八年四月取得地產代理監管局頒授的地產代理營業員牌照以及持有保險代理人牌照。陳先生現為香港一間移民顧問公司的副主任。彼亦已於二零一七年加入一間香港金融服務公司，主要負責向客戶銷售保險產品。



Mr. Li Kar Fai, Peter, aged 55, is an independent non-executive Director. Mr. Li obtained a Bachelor of Arts degree in Accountancy from the City Polytechnic of Hong Kong in November 1992, and has become an associate member of The Hong Kong Institute of Certified Public Accountants since September 1997. Mr. Li has been an executive director and company secretary of Golden Faith Group Holdings Limited (stock code: 2863) (“**Golden Faith**”), a company of which its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and the group chief financial officer of Golden Faith and its subsidiaries, since November 2016.

SENIOR MANAGEMENT

Mr. Lai Xiaoliang, aged 45, is chief executive officer of the Group. Mr. Lai obtained a Bachelor’s Degree in English and a professional certificate in international finance from Guangdong University of Foreign Studies in 1998. He was the head of overseas agricultural technology cooperation project of China Guangdong International Cooperation Group* (中國廣東國際合作集團). Mr. Lai was also the general manager of a foreign headhunting company in the South China region and a senior consultant of a real estate strategy consulting agency. Mr. Lai is currently a director of New World Holdings (Shenzhen) Co., Ltd* (新天地控股(深圳)有限公司) and chairman of Hubei Bio-great Agricultural Technology Co., Ltd* (湖北凱瑞百穀農業科技股份有限公司).

李嘉輝先生，55歲，為獨立非執行董事。李先生於一九九二年十一月獲香港城市理工學院頒授會計學文學士學位，並自一九九七年九月起成為香港會計師公會會員。李先生自二零一六年十一月起一直為高豐集團控股有限公司(「高豐」，其股份於香港聯合交易所有限公司(「聯交所」)主板上市之公司，股份代號：2863)之執行董事及公司秘書，以及高豐及其附屬公司之集團財務總監。

高級管理層

賴曉亮先生，45歲，為本集團首席執行官。賴先生於一九九八年取得廣東外語外貿大學英語專業學士學位及國際金融的專業證書。彼曾擔任中國廣東國際合作集團海外農業科技合作項目的負責人。賴先生亦曾擔任一間外資獵頭公司華南地區的總經理以及一間房地產策略諮詢機構的高級顧問。賴先生現為新天地控股(深圳)有限公司之董事以及湖北凱瑞百穀農業科技股份有限公司之董事長。

The Board is pleased to present hereby the corporate governance report of the Company for the Reporting Period.

The Directors and the management of the Group recognize the importance of sound corporate governance to the long-term and continuing success of the Group. Therefore, the Board is committed to upholding good corporate standards and procedures for the best interest of the Company's shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Corporate Governance Code (the “Code”) in Appendix 15 to the GEM Listing Rules sets out the principles of good corporate governance, code provisions and recommended best practices. Issuers are expected to comply with the code provisions or devise their own code on corporate governance on the terms they consider appropriate provided that considered reasons are given. Throughout the Reporting Period, save as disclosed below, the Company had complied with the applicable code provisions of the Code with the exception of the deviations as explained:

A.2.1 Separation of the roles of chairman and chief executive

The Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Zhu Zhou who served as chairman of the Board and chief executive officer of the Company resigned on 28 June 2019. The Board considers that such deviation is deemed appropriate as it is considered to be more efficient to have a single person to be the chairman of the Company as well as to discharge the function of chief executive officer with the support of the management. In certain core businesses, Mr. Zhu also delegates its power and authority to certain other executive Directors and management who have extensive experience in these specific industries. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high caliber individuals.

董事會欣然提呈本公司於報告期的企業管治報告。

本集團董事及管理層肯定健全企業管治對本集團長遠持續取得成功極為重要。因此，為了本公司股東的最佳利益，董事會一直致力維持優良企業標準及程序。

遵守企業管治守則

GEM上市規則附錄15內的企業管治守則（「守則」）載列良好企業管治的原則、守則條文及建議最佳常規。發行人須遵守守則條文或在企業管治上按彼等認為合適的條款設立其自身的守則，惟須作出合理解析。於報告期內，除下文披露者外，本公司一直遵守守則的適用守則條文，有關偏離之例外情況闡釋如下：

A.2.1主席及行政總裁角色分離

守則條文第A.2.1條規定，主席及行政總裁的職責應予區分，且不應由同一人士擔任。朱洲先生擔任本公司董事會主席及行政總裁並於二零一九年六月二十八日辭任。董事會認為，鑑於本集團目前新業務發展迅速，由同一人任本公司主席並在管理層支持下履行行政總裁的執行職能較具效益，因此該項偏離乃被視為合適者。於若干核心業務，朱先生向若干在有關特定行業有豐富經驗的其他執行董事及管理層授予權力。董事會相信，董事會由經驗豐富之優秀人士組成，故足以確保權力及職權之充分平衡。



Mr. Liu Yingjie re-designated as chairman of the Board on 28 June 2019 and Mr. Lai Xiaoliang was appointed as chief executive officer of the Group on 19 July 2019. After these changes, the Company has complied with code provision A.2.1 of the Code.

BOARD OF DIRECTORS

The key responsibilities of the Board include formulation of the Group's overall strategies, the setting of management targets and supervision of management performance. The management is delegated with the authority and responsibility by the Board for the management and administration of the Group. In addition, the Board has also delegated various responsibilities to the board committees of the Company (the "**Board Committee**"). Further details of the Board Committees are set out in this annual report. Under the terms of reference, the duties of the Board in respect of corporate governance are as follows:

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

劉英杰先生於二零一九年六月二十八日調任為董事會主席及賴曉亮先生於二零一九年七月十九日獲委任為本集團首席執行官。該等變動之後，本公司已遵守守則的守則條文第A.2.1條。

董事會

董事會的主要職責包括制訂本集團的整體策略、訂立管理目標，以及監察管理層的表現。管理層獲董事會分派有關本集團管理及行政的授權和責任。此外，董事會已將各職責分派予本公司董事委員會（「**董事委員會**」）。有關董事委員會的進一步詳情載於本年度報告。根據職權範圍，董事會須履行的企業管治職責如下：

1. 制定及檢討本集團的企業管治政策及常規，並提出建議；
2. 檢討及監察董事及高級管理人員的培訓及持續專業發展；
3. 檢討及監察本集團在遵守法律及監管規定方面的政策及常規；
4. 制定、檢討及監察適用於董事及僱員的操守準則及合規手冊（如有）；及
5. 檢討本公司遵守守則的情況及在本公司企業管治報告內的披露。



Composition of the Board

During the Reporting Period and up to the date of this report, the composition of the Board is set out as follows:

Executive Director

Mr. Liu Yingjie (*Chairman*) (*Note*)

Ms. Zhou Jin (*appointed on 12 April 2019*)

Mr. Zhu Zhou (*Chairman*) (*resigned on 28 June 2019*)

Ms. Jiao Fei (*resigned on 12 April 2019*)

Independent Non-executive Director

Mr. Cao Hongmin (*appointed on 22 January 2019*)

Mr. Chan Chi Pan (*appointed on 19 July 2019*)

Mr. Li Kar Fai Peter (*appointed on 19 July 2019*)

Mr. Liu Yang (*resigned on 22 January 2019*)

Mr. Chan Kam Wah (*resigned on 5 June 2019*)

Note:

Mr. Liu Yingjie was appointed as independent non-executive Director on 19 September 2018 and re-designated as executive Director and chairman of the Board on 28 June 2019.

The Company complied with the requirement under Rule 5.05(1) and Rule 5.05A of the GEM Listing Rules throughout the year ended 31 December 2019, except during the period from 5 June 2019 to 18 July 2019, the Company had less than three independent non-executive Directors, which results in the number of independent non-executive Directors falling below the minimum number required under Rule 5.05(1) of the GEM Listing Rules.

Specific enquiry has been made by the Company to each of the independent non-executive Directors to confirm their independence. In this connection, the Company has received positive confirmations from all of the independent non-executive Directors. Based on the confirmations received, the Company is of the view that all independent non-executive Directors are independent under the GEM Listing Rules.

董事會組成

於報告期內及直至本報告日期，董事會組成載列如下：

執行董事

劉英杰先生(主席)(附註)

Zhou Jin女士

(於二零一九年四月十二日獲委任)

朱洲先生(主席)

(於二零一九年六月二十八日辭任)

焦飛女士(於二零一九年四月十二日辭任)

獨立非執行董事

曹洪民先生

(於二零一九年一月二十二日獲委任)

陳志斌先生

(於二零一九年七月十九日獲委任)

李嘉輝先生

(於二零一九年七月十九日獲委任)

劉陽先生

(於二零一九年一月二十二日辭任)

陳錦華先生(於二零一九年六月五日辭任)

附註：

劉英杰先生於二零一八年九月十九日獲委任為獨立非執行董事及於二零一九年六月二十八日調任為執行董事兼主席。

本公司於截至二零一九年十二月三十一日止年度遵守GEM上市規則第5.05(1)條及第5.05A條之規定，惟於二零一九年六月五日至二零一九年七月十八日期間，本公司有少於三名獨立非執行董事，導致獨立非執行董事數目低於GEM上市規則第5.05(1)條規定之最低數目。

本公司已向各獨立非執行董事作出特定查詢，以確認彼等的獨立性。就此而言，本公司已獲得全體獨立非執行董事的正面確認。根據所獲確認，本公司認為，根據GEM上市規則，全體獨立非執行董事均屬獨立人士。



Save as disclosed in the section of “Biographical Details of the Directors and Senior Management” in this annual report, there is no financial business, family or other material or relevant relationship among members of the Board and senior management.

除本年報「董事及高級管理層履歷詳情」一節所披露者外，董事會成員及高級管理層之間概無財務、業務、親屬或其他重大或關連關係。

Board and General Meetings

The Board meets regularly to discuss the overall strategy as well as operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications.

董事會及股東大會

董事會定期舉行會議以討論本集團之整體策略、業務及財務表現。董事可親身或透過電子通訊的形式出席會議。

During the Reporting Period, the Board had 13 meetings and 1 general meetings. The attendance of the respective Directors at the Board meetings and general meetings are set out below:

於報告期內，董事會舉行了13次會議及1次股東大會。各董事出席董事會會議及股東大會的記錄載列如下：

		Attendance/ Number of meetings 出席／召開會議次數	
		Board meeting 董事會會議	General meeting 股東大會
Executive Director	執行董事		
Mr. Liu Yingjie (Note 1)	劉英杰先生(附註1)	13/13	0/1
Ms. Zhou Jin (Note 2)	Zhou Jin女士(附註2)	12/12	0/1
Mr. Zhu Zhou (Note 3)	朱洲先生(附註3)	5/5	1/1
Ms. Jiao Fei (Note 4)	焦飛女士(附註4)	2/2	0/1
Independent Non-executive Director	獨立非執行董事		
Mr. Cao Hongmin (Note 5)	曹洪民先生(附註5)	11/12	0/1
Mr. Chan Chi Pan (Note 6)	陳志斌先生(附註6)	5/7	0/0
Mr. Li Kar Fai Peter (Note 7)	李嘉輝先生(附註7)	6/7	0/0
Mr. Liu Yang (Note 8)	劉陽先生(附註8)	1/1	0/0
Mr. Chan Kam Wah (Note 9)	陳錦華先生(附註9)	4/4	0/0



Note:

1. Mr. Liu Yingjie was appointed as independent non-executive Director on 19 September 2018 and re-designated as executive Director and chairman of the Board on 28 June 2019.
2. Ms. Zhou Jin was appointed as executive Director on 12 April 2019.
3. Mr. Zhu Zhou resigned as executive Director and chairman of the Board on 28 June 2019.
4. Ms. Jiao Fei resigned as executive Director on 12 April 2019.
5. Mr. Cao Hongmin was appointed as independent non-executive Director on 22 January 2019.
6. Mr. Chan Chi Pan was appointed as independent non-executive Director on 19 July 2019.
7. Mr. Li Kar Fai Peter was appointed as independent non-executive Director on 19 July 2019.
8. Mr. Liu Yang resigned as independent non-executive Director on 22 January 2019.
9. Mr. Chan Kam Wah resigned as independent non-executive Director on 5 June 2019.

附註：

1. 劉英杰先生於二零一八年九月十九日獲委任為獨立非執行董事及於二零一九年六月二十八日調任為執行董事兼主席。
2. Zhou Jin女士於二零一九年四月十二日獲委任為執行董事。
3. 朱洲先生於二零一九年六月二十八日辭任執行董事及董事會主席。
4. 焦飛女士於二零一九年四月十二日辭任執行董事。
5. 曹洪民先生於二零一九年一月二十二日獲委任為獨立非執行董事。
6. 陳志斌先生於二零一九年七月十九日獲委任為獨立非執行董事。
7. 李嘉輝先生於二零一九年七月十九日獲委任為獨立非執行董事。
8. 劉陽先生於二零一九年一月二十二日辭任獨立非執行董事。
9. 陳錦華先生於二零一九年六月五日辭任獨立非執行董事。

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the shares of the Company (the “**Code of Conduct**”). After specific enquiries of all the Directors by the Company, all Directors have confirmed that they have fully complied with the required standard of dealing set out in the Code of Conduct throughout the Reporting Period.

董事進行證券交易的操守守則

本公司已採納GEM上市規則第5.48至5.67條所載的規定準則作為董事就本公司股份進行證券交易的操守守則(「**操守守則**」)。經本公司向全體董事作出特定查詢，全體董事已確認，彼等於整個報告期內一直全面遵守操守守則所載的規定買賣準則。



DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

The Group acknowledges the importance of adequate and ample continuing professional development for the Directors for a sound and effective internal system and corporate governance. In this regard, the Group has always encouraged our Directors to attend relevant training courses to receive the latest news and knowledge regarding corporate governance.

During the Reporting Period, the Company has encouraged all Directors to attend at least one training course on the updates of the GEM Listing Rules concerning good corporate governance practices. The Company will, if necessary, provide timely and regular trainings to the Directors to ensure that they are kept abreast of the latest requirements under the GEM Listing Rules. The Group has also adopted a policy to reimburse the Directors for any relevant training costs and expenses incurred concerning corporate governance and internal control.

BOARD COMMITTEES

The Board has established a number of functional committees in compliance with the relevant GEM Listing Rules and to assist the Board to discharge its duties. Currently, three committees have been established, i.e. the audit committee (the “**Audit Committee**”), the nomination committee (the “**Nomination Committee**”) and the remuneration committee (the “**Remuneration Committee**”). The function and responsibilities of these committees have been set out in the relevant terms of reference which are of no less stringent than that stated in the Code. The relevant terms of reference of each of the three can be found on the Group's website (www.gf-holdings.com). All committees have been provided with sufficient resources and support from the Group to discharge their duties.

董事的持續專業發展計劃

本集團肯定董事獲得足夠及充份持續專業發展對健全而行之有效的內部監控系統及企業管治的重要性。為此，本集團一直鼓勵董事出席有關培訓課程，以獲取有關企業管治的最新消息及知識。

於報告期內，本公司鼓勵全體董事亦已出席最少一次培訓課程，內容有關GEM上市規則中涉及良好企業管治常規的最新資料。本公司將按需要為董事提供適時及定期培訓，以確保彼等緊跟GEM上市規則的最新規定。本集團亦已採納一項政策，實報實銷董事就任何企業管治及內部監控所產生相關培訓費用及開支。

董事委員會

董事會已根據相關GEM上市規則成立若干功能性委員會，以協助董事會履行職務，現時已成立三個委員會，即審核委員會（「**審核委員會**」）、提名委員會（「**提名委員會**」）及薪酬委員會（「**薪酬委員會**」）。該等委員會的職能及職責載於相關職權範圍，該等職權範圍的嚴格程度不遜於守則所列者。三個委員會各自的相關職權範圍可於本集團網站(www.gf-holdings.com)查閱。本集團已向所有委員會提供充足資源及支援，以履行委員會職責。



AUDIT COMMITTEE

The Company has established the Audit Committee on 2 August 2014 with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and provisions C.3.3 and C.3.7 of the Code. The majority of the Audit Committee members must be independent non-executive Directors and must be chaired by an independent non-executive Directors. If any member of the Audit Committee ceases to be a Director, he/she will cease to be a member of the Audit Committee automatically.

The Audit Committee must comprise a minimum of three members, at least one of whom is an independent non-executive Director with appropriate professional qualification or accounting or related financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules. In addition, the majority of the Audit Committee shall be independent non-executive Directors. As at the date of this report, the Audit Committee comprises three members, namely Mr. Li Kar Fai Peter (Chairman), Mr. Chan Chi Pang and Mr. Cao Hongmin.

The Company complied with the requirement under Rule 5.28 of the GEM Listing Rules throughout the year ended 31 December 2019, except during the period from 5 June 2019 to 18 July 2019, the Company had less than three Audit Committee members, which results in the number of Audit Committee members falling below the minimum number required under Rule 5.28 of the GEM Listing Rules.

審核委員會

本公司於二零一四年八月二日設立審核委員會，並遵照GEM上市規則第5.28至5.33條及守則條文第C.3.3及C.3.7條的規定訂明其職權範圍。審核委員會大部份成員須為非獨立執行董事並須由獨立非執行董事擔任主席。倘若審核委員會任何成員不再為董事，其將自動不再為審核委員會的成員。

審核委員會須包括最少三名成員，其中至少一名獨立非執行董事具有GEM上市規則第5.05(2)條所規定的適當專業資格或會計或相關財務管理專長。此外，審核委員會大部分應為獨立非執行董事。於本報告日期，審核委員會由三名成員組成，即李嘉輝先生(主席)、陳志斌先生及曹洪民先生。

本公司於截至二零一九年十二月三十一日止年度期間一直遵守GEM上市規則第5.28條的規定，惟於二零一九年六月五日至二零一九年七月十八日期間，本公司有少於三名審核委員會成員，導致審核委員會成員人數低於GEM上市規則第5.28條所規定的最低人數。



With reference to the terms of reference, the primary responsibilities of the Audit Committee are, among others (for the complete terms of reference, please refer to the Company's website at www.gf-holdings.com):

根據職權範圍，審核委員會之主要職責為(其中包括)(有關完整的職權範圍，請參閱本公司的網站www.gf-holdings.com)：

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| <ol style="list-style-type: none"> 1. to make recommendations to the Board on the appointment and re-appointment of the Company's external auditors, and approve the remuneration and terms of engagement of the Company's external auditors; 2. to review and monitor the Company's external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; 3. to develop and implement policy on engaging the Company's external auditors to supply non-audit services, if any; 4. to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and review significant financial reporting judgments contained in them; 5. to discuss with the Company's external auditors questions and doubts arising in audit of annual accounts; 6. to review the letter of the Company's management from the Company's external auditors and the management's response; 7. to review the statement about the Company's internal control system as included in the Company's annual report prior to submission for the Board's approval; 8. to review the Company's financial reporting, financial controls, internal control and risk management system; | <ol style="list-style-type: none"> 1. 就本公司外聘核數師的委任及重新委任向董事會提供建議、批准本公司外聘核數師的薪酬及聘用條款； 2. 按適用的標準檢討及監察本公司外聘核數師是否獨立客觀及核數程序是否有效； 3. 就本公司外聘核數師提供非核數服務(如有)制定政策，並予以執行； 4. 監察本公司的財務報表以及年度報告及賬目及半年度報告的完整性，並審閱報表及報告所載有關財務申報的重大判斷； 5. 與本公司外聘核數師討論在全年賬目審核中出現的問題及存疑之處； 6. 審閱本公司外聘核數師致本公司管理層的函件及管理層之回應； 7. 於提交董事會批准前，審閱本公司年度報告所列有關本公司內部控制系統的報表； 8. 檢討本公司的財務申報、財務監控、內部監控及風險管理制度； |
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| <p>9. to discuss the internal control system with the Company's management to ensure that management has performed its duty to have an effective internal control system;</p> | <p>9. 與本公司管理層討論內部監控系統，確保管理層已履行職責建立有效的內部監控系統；</p> |
| <p>10. to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;</p> | <p>10. 主動或應董事會的委派，就有關內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；</p> |
| <p>11. to review the financial and accounting policies and practices of the Group;</p> | <p>11. 檢討本集團的財務及會計政策及實務；</p> |
| <p>12. to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters; and</p> | <p>12. 檢討本公司僱員可暗中就財務申報、內部監控或其他方面可能發生的不正當行為提出關注的安排；及</p> |
| <p>13. to report to the Board on that matters pursuant to the terms of reference of the Audit Committee and consider other topics as defined by the Board.</p> | <p>13. 根據審核委員會的職權範圍向董事會匯報相關事宜並考慮董事會所界定的其他主題。</p> |

During the Reporting Period, the Audit Committee had held 4 meetings. The attendance records of the members of the Audit Committee during the Reporting Period are summarized below:

於報告期內，審核委員會舉行了4次會議。於報告期內，審核委員會成員之出席記錄概述如下：

		Attendance/ Number of meetings 出席次數／會議次數
Member of Audit Committee	審核委員會成員	
Mr. Li Kar Fai Peter (Note 1)	李嘉輝先生(附註1)	2/2
Mr. Chan Chi Pan (Note 2)	陳志斌先生(附註2)	1/2
Mr. Cao Hongmin (Note 3)	曹洪民先生(附註3)	4/4
Mr. Chan Kam Wah (Note 4)	陳錦華先生(附註4)	2/2
Mr. Liu Yingjie (Note 5)	劉英杰先生(附註5)	2/2
Mr. Liu Yang (Note 6)	劉陽先生(附註6)	0/0



Note:

1. Mr. Li Kar Fai Peter was appointed as chairman of Audit Committee on 19 July 2019.
2. Mr. Chan Chi Pan was appointed as member of Audit Committee on 19 July 2019.
3. Mr. Cao Hongmin was appointed as member of Audit Committee on 22 January 2019.
4. Mr. Chan Kam Wah ceased as chairman of Audit Committee on 5 June 2019.
5. Mr. Liu Yingjie ceased as member of Audit Committee on 28 June 2019.
6. Mr. Liu Yang ceased as member of Audit Committee on 22 January 2019.

附註：

1. 李嘉輝先生於二零一九年七月十九日獲委任為審核委員會主席。
2. 陳志斌先生於二零一九年七月十九日獲委任為審核委員會成員。
3. 曹洪民先生於二零一九年一月二十二日獲委任為審核委員會成員。
4. 陳錦華先生於二零一九年六月五日終止擔任審核委員會主席。
5. 劉英杰先生於二零一九年六月二十八日終止擔任審核委員會成員。
6. 劉陽先生於二零一九年一月二十二日終止擔任審核委員會成員。

During the Reporting Period, the Audit Committee had reviewed the Group's audited results for the year ended 31 December 2018, the unaudited quarterly results of the Group for the three months ended 31 March 2019, the unaudited interim results of the Group for the six months ended 30 June 2019, the unaudited quarterly results of the Group for the nine months ended 30 September 2019 and discussed internal controls and financial reporting matters. The Audit Committee had also reviewed the Group's audited annual results for the Reporting Period, this annual report, and confirmed that this annual report complies with the applicable standard, the GEM Listing Rules, and other applicable legal requirements and those adequate disclosures have been made. There is no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditors.

Save as disclosed in this report, the Board is of the view that the Audit Committee has properly discharged its duties and responsibilities during the Reporting Period and up to the date of this report.

於報告期內，審核委員會已審閱本集團截至二零一八年十二月三十一日止年度的經審核業績、本集團截至二零一九年三月三十一日止三個月的未經審核季度業績、本集團截至二零一九年六月三十日止六個月的未經審核中期業績、本集團截至二零一九年九月三十日止九個月的未經審核季度業績，以及討論內部監控及財務申報事宜。審核委員會亦已審閱本集團於報告期的經審核全年業績及本年報，並確認本年報符合適用準則、GEM上市規則及其他適用法律規定，且已作出足夠披露。董事與審核委員會於挑選及委任外聘核數師方面並無意見分歧。

除本報告披露者外，董事會認為，於報告期內及截至本報告日期止，審核委員會已妥善履行其職務及職責。



REMUNERATION COMMITTEE

The Remuneration Committee was established on 2 August 2014 with terms of reference in compliance with Rules 5.34 to 5.36 at the GEM Listing Rules, and provision B.1.1 to B.1.4 of the Code. As at the date of this report, the Remuneration Committee comprises three members, namely Mr. Cao Hongmin (Chairman), Mr. Chan Chi Pan and Mr. Li Kar Fai Peter, all of whom are independent non-executive Directors.

With reference to the terms of reference of the Remuneration Committee, the primary responsibilities of the Remuneration Committee include (for the complete terms of reference, please refer to the Company's website at www.gf-holdings.com):

1. to consult the chairman of the Board and/or chief executive about their remuneration proposals for other executive Directors;
2. to make recommendations to the Board on the Company's 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;
3. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
4. to make recommendation to the Board on the remuneration packages of individual executive Directors and senior management;
5. to make recommendations to the Board on the remuneration of non-executive Directors;
6. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;

薪酬委員會

本公司於二零一四年八月二日設立薪酬委員會，並遵照GEM上市規則第5.34至5.36條及守則條文第B.1.1至B.1.4條訂明其職權範圍。於本報告日期，薪酬委員會由三名成員組成，即曹洪民先生(主席)、陳志斌先生及李嘉輝先生，彼等均為獨立非執行董事。

根據薪酬委員會的職權範圍，薪酬委員會的主要職責包括(有關完整職權範圍，請參閱本公司的網站 www.gf-holdings.com)：

1. 就其他執行董事的薪酬建議諮詢董事會主席及／或行政總裁；
2. 就本公司全體董事及高級管理人員的薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
3. 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
4. 向董事會建議個別執行董事及高級管理人員的薪酬待遇；
5. 就非執行董事的薪酬向董事會提出建議；
6. 考慮同類公司支付的薪酬、須付出的時間及職責，以及本公司及其附屬公司的其他職位的僱用條件；



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| <p>7. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; and</p> | <p>7. 檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平，不致過多；及</p> |
| <p>8. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.</p> | <p>8. 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當。</p> |

During the Reporting Period, the Remuneration Committee held 5 meetings. The attendance records of the members of the Remuneration Committee are summarized below:

於報告期內，薪酬委員會舉行了5次會議。薪酬委員會成員的出席記錄概述如下：

Member of Remuneration Committee	薪酬委員會成員	Attendance/ Number of meetings 出席次數／會議次數
Mr. Cao Hongmin (Note 1)	曹洪民先生(附註1)	4/4
Mr. Chan Chi Pan (Note 2)	陳志斌先生(附註2)	1/1
Mr. Li Kar Fai Peter (Note 3)	李嘉輝先生(附註3)	1/1
Mr. Chan Kam Wah (Note 4)	陳錦華先生(附註4)	3/3
Mr. Liu Yingjie (Note 5)	劉英杰先生(附註5)	4/4
Mr. Liu Yang (Note 6)	劉陽先生(附註6)	1/1

Note:

附註：

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| <p>1. Mr. Cao Hongmin was appointed as chairman of Remuneration Committee on 22 January 2019.</p> | <p>1. 曹洪民先生於二零一九年一月二十二日獲委任為薪酬委員會主席。</p> |
| <p>2. Mr. Chan Chi Pan was appointed as member of Remuneration Committee on 19 July 2019.</p> | <p>2. 陳志斌先生於二零一九年七月十九日獲委任為薪酬委員會成員。</p> |
| <p>3. Mr. Li Kar Fai Peter was appointed as member of Remuneration Committee on 19 July 2019.</p> | <p>3. 李嘉輝先生於二零一九年七月十九日獲委任為薪酬委員會成員。</p> |
| <p>4. Mr. Chan Kam Wah ceased as member of Remuneration Committee on 5 June 2019.</p> | <p>4. 陳錦華先生於二零一九年六月五日終止擔任薪酬委員會成員。</p> |
| <p>5. Mr. Liu Yingjie ceased as member of Remuneration Committee on 28 June 2019.</p> | <p>5. 劉英杰先生於二零一九年六月二十八日終止擔任薪酬委員會成員。</p> |
| <p>6. Mr. Liu Yang ceased as chairman of Remuneration Committee on 22 January 2019</p> | <p>6. 劉陽先生於二零一九年一月二十二日終止擔任薪酬委員會主席。</p> |



During the Reporting Period, the Remuneration Committee had reviewed (1) the remuneration of Directors appointed during the Reporting Period; (2) the terms of the service agreement with the appointing Directors; and (3) the remuneration packages and performance of the Directors during the year ended 31 December 2018.

Save as disclosed in this report, the Board is of the view that the Remuneration Committee has properly discharged its duties and responsibilities during the Reporting Period and up to the date of this report.

NOMINATION COMMITTEE

The Nomination Committee was established on 2 August 2014 with terms of reference in compliance with provisions A.5.2 to A.5.6 of the Code. As at the date of this report, the Nomination Committee comprises three members, namely Mr. Chan Chi Pan (Chairman), Mr. Li Kar Fai Peter and Mr. Cao Hongmin, all of whom are independent non-executive Directors.

With reference to the terms of reference of the Nomination Committee, the primary responsibilities of the Nomination Committee include (for the complete terms of reference, please refer to the Company's website at www.gf-holdings.com):

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendation on proposed changes, if any, to the Board to complement the Company's corporate strategy;
2. to review the Company's board diversity policy and the progress on achieving the objectives set for implementing the said policy;
3. identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

於報告期內，薪酬委員會已審閱(1)報告期內所委任董事的薪酬；(2)所委任董事服務協議的條款；及(3)截至二零一八年十二月三十一日止年度董事的薪酬方案及表現。

除本報告披露者外，董事會認為，於報告期及截至本報告日期止，薪酬委員會已妥善履行其職責及職務。

提名委員會

本公司於二零一四年八月二日設立提名委員會，並遵照守則條文第A.5.2至A.5.6條訂明其職權範圍。於本報告日期，提名委員會由三名成員組成，即陳志斌先生(主席)、李嘉輝先生及曹洪民先生，彼等均為獨立非執行董事。

根據提名委員會的職權範圍，提名委員會的主要職責包括(有關完整的職權範圍，請參閱本公司的網站 www.gf-holdings.com)：

1. 檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就為配合本公司的公司策略而擬對董事會作出的變動(如有)提出建議；
2. 檢討本公司的董事會成員多元化政策及就該政策制定的目標的執行進度；
3. 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；



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| 4. to assess the independence of independent non-executive Directors; and | 4. 評核獨立非執行董事的獨立性；及 |
| 5. to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive. | 5. 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。 |

During the Reporting Period, the Nomination Committee had held 4 meetings. The attendance records of the members of the Nomination Committee are summarized below:

於報告期內，提名委員會舉行了4次會議。提名委員會成員的出席記錄概述如下：

		Attendance/ Number of meetings 出席次數／會議次數
Member of Nomination Committee	提名委員會成員	
Mr. Chan Chi Pan (Note 1)	陳志斌先生(附註1)	0/0
Mr. Cao Hongmin (Note 2)	曹洪民先生(附註2)	3/3
Mr. Li Kar Fai Peter (Note 3)	李嘉輝先生(附註3)	0/0
Mr. Chan Kam Wah (Note 4)	陳錦華先生(附註4)	3/3
Mr. Zhu Zhou (Note 5)	朱洲先生(附註5)	4/4
Mr. Liu Yang (Note 6)	劉陽先生(附註6)	1/1

Note:

附註：

- | | |
|--|----------------------------------|
| 1. Mr. Chan Chi Pan was appointed as chairman of Nomination Committee on 19 July 2019. | 1. 陳志斌先生於二零一九年七月十九日獲委任為提名委員會主席。 |
| 2. Mr. Cao Hongmin was appointed as member of Nomination Committee on 22 January 2019. | 2. 曹洪民先生於二零一九年一月二十二日獲委任為提名委員會成員。 |
| 3. Mr. Li Kar Fai Peter was appointed as member of Nomination Committee on 19 July 2019. | 3. 李嘉輝先生於二零一九年七月十九日獲委任為提名委員會成員。 |
| 4. Mr. Chan Kam Wah ceased as member of Nomination Committee on 5 June 2019. | 4. 陳錦華先生於二零一九年六月五日終止擔任提名委員會成員。 |
| 5. Mr. Zhu Zhou ceased as chairman of Nomination Committee on 28 June 2019. | 5. 朱洲先生於二零一九年六月二十八日終止擔任提名委員會主席。 |
| 6. Mr. Liu Yang ceased as member of Nomination Committee on 22 January 2019 | 6. 劉陽先生於二零一九年一月二十二日終止擔任提名委員會成員。 |

During the Reporting Period, the Nomination Committee had reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors, and reviewed the qualifications of the Directors and the progress on the implementation of the board diversity policy.

於報告期間，提名委員會已審閱董事會架構、規模及成員組成，評估獨立非執行董事的獨立性、審閱董事資歷及董事會成員多元化政策的實施進度。



Saved as disclosed in this report, the Board is of the view that the Nomination Committee has properly discharged its duties and responsibilities during the Reporting Period and up to the date of this report.

NOMINATION POLICY

The Company adopted a nomination policy (“**Nomination Policy**”) on 1 January 2019. It aims at strengthen the transparency and accountability of the Board and/or Nomination Committee on election of directors including independent non-executive directors. The Board will review the Nomination Policy from time to time.

Selection Criteria of Directors

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate to be nominated to the Board for it to consider and make recommendation to shareholders for election as directors of the Company at the general meetings and appoint him/her to fill casual vacancies.

- Qualifications and experience in the relevant industries in which the Company’s business is involved or is going to be involved;
- Commitment in respect of available time and relevant interest;
- Reputation for integrity; and
- Diversity in all its aspects, including but not limited to gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

除本報告披露者外，董事會認為，於報告期及截至本報告日期止，提名委員會已妥善履行其職務及職責。

提名政策

本公司已於二零一九年一月一日採納一項提名政策（「**提名政策**」），旨在加強董事會及／或提名委員會於董事（包括獨立非執行董事）選舉方面的透明度及問責性。董事會將不時檢討提名政策。

董事甄選標準

提名委員會於評估向董事會提名擬定候選人之合適性以供其考慮及於股東大會上就選舉本公司董事向股東作出推薦建議及委任彼填補空缺時，可參考以下因素：

- 於本公司業務所在或將涉足之相關行業的資格及經驗；
- 可投入時間及相關事務關注的承諾；
- 誠信聲譽；及
- 董事會各方面的多元化，包括但不限於性別、文化及教育背景、種族、專業經驗、技能、知識及服務年期。

該等因素僅供參考，並非盡列所有因素，亦不具決定性作用。提名委員會可酌情決定提名其認為適當之任何人士。



Nomination Procedures

The Nomination Committee shall call a meeting, and invite nominations of candidates from Board members (if any) for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members;

Proposed candidates will be asked to submit the necessary personal information, together with their written consent to be appointed as a director of the Company. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary;

The Nomination Committee shall evaluate the proposed candidate's suitability with reference to the factors stated above and make recommendation(s) to the Board's consideration and approval;

In the case of the re-election of a director at the general meeting, the Nomination Committee shall review the overall contribution of the directors to the Company and their services, their participation and performance within the Board, and whether such director still meets the needs to complement the Company's corporate strategy.

DIVERSITY OF THE BOARD

The Group has adopted policy in relation to the diversity of the members of the Board and summary of the policy is as follows:

1. selection of Board members will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service; and
2. the Nomination Committee will monitor the implementation of the diversity policy from time to time to ensure the effectiveness of the diversity policy.

提名程序

提名委員會將召開會議，並於會前邀請董事會成員提名的候選人(如有)供提名委員會考慮。提名委員會亦可提名非董事會成員提名之候選人；

擬定候選人將按要求遞交必要的個人資料，連同彼同意被委任為本公司董事之書面同意書。提名委員會可能於認為必要時要求候選人提供其他資料及文件；

提名委員會將參考上述因素評估擬定候選人是否適任並向董事會作出推薦建議供其考慮及批准；

倘於股東大會上重選董事，提名委員會須檢討董事對本公司的整體貢獻及彼等於董事會之服務、參與度及表現，以及該董事是否仍符合本公司企業策略之需求。

董事會多元化

本集團已採納有關董事會成員多元化的政策，該政策概要如下：

1. 董事會成員選舉將基於一系列多元化標準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識以及服務年期；及
2. 提名委員會將不時監察多元化政策的實施情況，以確保多元化政策發揮效用。



DIVIDEND POLICY

The Company adopted a dividend policy on payment of dividends on 1 January 2019. It aims at enhancing transparency of the Company and facilitating its shareholders and the potential investors of the Company to make informed investment decision relating to the Company. The Board will review the dividend policy from time to time.

While the Company intends to declare and pay dividends in the future, the payment and the amount of any dividends will depend on a number of factors, including but not limited to:

1. the Group's actual and expected financial performance;
2. the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;
3. retained earnings and distributable reserves of the Company and each of the members of the Group;
4. the Group's liquidity position;
5. the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
6. any other factors that the board of directors of the Company deems relevant.

Shareholders will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the shares. The declaration, payment, and amount of dividends will be subject to the Board's discretion.

Dividends may be paid only out of distributable profits as permitted under the relevant laws. There can be no assurance that the Company will be able to declare or distribute any dividend in the amount set out in any of the plans or at all. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

股息政策

本公司已於二零一九年一月一日採納一項股息政策。該政策旨在提升本公司的透明度，以便本公司股東及潛在投資者就本公司作出知情的投資決定。董事會將不時檢討股息政策。

倘本公司有意於未來宣派及派付股息，則任何股息之派付及金額將視乎多項因素而定，包括但不限於：

1. 本集團之實際及預期財務表現；
2. 本集團之預期營運資金需求、資金開支需求及未來擴展計劃；
3. 本公司及本集團各成員公司之保留盈利及可分派儲備；
4. 本集團之流動資金狀況；
5. 整體經營狀況及可能影響本集團業務或財務表現及狀況之其他內部或外部因素；及
6. 本公司董事會視為相關之任何其他因素。

股東將有權根據已繳足或入賬列作繳足股份金額按比例收取相關股息、股息之宣派、派付及金額由董事酌情釐定。

股息僅可以根據相關法律准許之可分派溢利派付。概不保證本公司將能夠按任何計劃內所載金額宣派或分派任何股息或完全不宣派或派付。本公司過往之股息分派記錄不足以作為釐定本公司日後可能宣派或派付股息水平之參考或基準。



AUDITORS' REMUNERATION

During the Reporting Period, the Group engaged ZHONGHUI ANDA CPA Limited (“ZHONGHUI ANDA”) as the Group’s external auditors to conduct audit of the financial results of the Group for the year ended 31 December 2019. The auditor’s remuneration paid or payable for the Reporting Period is set out below:

核數師薪酬

於報告期間內，本集團聘用中匯安達會計師事務所有限公司(「中匯安達」)為本集團外部核數師，以進行本集團截至二零一九年十二月三十一日止年度財務業績的審核。報告期間已付或應付核數師薪酬載列如下：

Services rendered 提供服務	Fee paid or payable 已付或應付費用 HK\$ 港元
Audit of financial statements 審核財務報表	780,000

COMPANY SECRETARY

Mr. Cheung Wai Kee (“Mr. Cheung”) is the company secretary of the Company. Mr. Cheung has adequate knowledge on the Company to discharge his duty as the company secretary of the Company. Mr. Cheung confirmed that he had taken no less than 15 hours of relevant professional training during the Reporting Period.

公司秘書

張蔚琦先生(「張先生」)為本公司公司秘書。張先生於本公司擁有足夠知識履行本公司公司秘書職能。張先生確認，於報告期內，彼已接受不少於15小時的相關專業培訓。

COMPLIANCE OFFICER

Mr. Zhu Zhou resigned as the compliance officer of the Company on 28 June 2019. Mr. Liu Yingjie has since appointed as the compliance officer of the Company.

合規主任

朱洲先生於二零一九年六月二十八日辭任本公司合規主任。劉英杰先生自此獲委任為本公司合規主任。



RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the establishment, maintenance and review of the Group's system of internal controls and risk management. The Board must ensure that the Company establishes and maintains effective internal control and risk management systems to meet the objectives and safeguard the interests of the Shareholders and the assets of the Company.

The Board oversees the overall risk management and internal control system of the Group on an ongoing basis and endeavors to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems compatible with the Commissioner of Sponsoring Organization of the Treadway Commission (COSO) – Integrated Framework 2013 principles are designed to manage rather than eliminate the risk of failures to achieve business objectives, and provide only reasonable but not absolute assurance against material misstatement or loss.

The Group has established a risk management policy set out the process of identification, evaluation and management of the principal risks affecting the business.

1. Each division is responsible for identifying, assessing and managing risks within its division. It identifies and assesses the principal risks on a quarterly basis with mitigation plans to manage those risks;
2. The management is responsible for overseeing the risk management and internal control activities of the Group, quarterly meetings with each division to ensure principal risks are properly managed, and new or changing risks are identified and documented;
3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal controls.

風險管理及內部控制

董事會負責建立、維護及審查本集團內部控制和風險管理體系。董事會必須確保本公司建立和維護有效的內部控制和風險管理體系，以實現目標，維護本公司股東及資產的利益。

董事會按持續基準不斷監察本集團風險管理及內部控制系統，致力識別、控制已確定風險的影響，並促進實施協調減緩措施。與Treadway委員會(COSO) – 「二零一三年綜合框架」原則的讚助組織專員兼容的風險管理和內部控制系統旨在管理而不是消除失敗實現業務目標的風險，並提供合理但不絕對的保證反對重大錯報或遺失。

本集團制定了風險管理政策，以確定影響業務的主要風險的識別，評估和管理過程。

1. 每個部門負責確定、評估和管理其各部門的風險，每季度確定和評估主要風險，並採取緩解計劃來管理這些風險；
2. 管理層負責監督本集團的風險管理和內部控制活動，並與各部門進行季度會議，以確保負責人的風險得到妥善管理且新風險或變化中的風險得到確認和記錄；
3. 董事會負責審議和批准本集團風險管理和內部控制的有效性和充分性。



The risk management framework, coupled with our internal controls, ensures that the risk associated with our different business units are effectively controlled in line with the Group's appetite.

The Company does not have an internal audit department and engaged an external internal control consultant, CT Partners Consultants Limited, to conduct review on the internal control system of the Group during the year. The review covering certain procedures on the construction business in Hong Kong and implementation of risk management policies of the Group and make recommendations for improvement and strengthening of internal control system. No significant areas of concern that may affect the financial, operational, compliance, controls and risk management of the Group have been identified.

The Group's risk management and internal control system 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. The Board has the overall responsibility to maintain the adequacy of resources, staff qualifications and experience training programs and budget of accounting and financial reporting function and the Board has reached the conclusion that the Group's risk management and internal control system was in place and effective.

With respect to the monitoring and disclosure of inside information, the Group has adopted a policy on disclosure of inside information with an aim to ensure that the insiders abide by the confidentiality requirement and fulfill the disclosure obligation of the inside information.

風險管理框架加上內部控制，確保與不同業務部門相關的風險得到有效控制，符合本集團心意。

本公司並無內部審計部門，並已委聘CT Partners Consultants Limited為外部內部控制顧問，於本年度內對本集團的內部控制制度進行檢討。審查涉及本集團香港建築業務及實施風險管理政策的一些程序，並提出改進建議和加強內部控制制度。沒有確定可能影響本集團財務、經營、合規、控制及風險管理的重大關切領域。

本集團的風險管理和內部控制制度旨在管理而不是消除未能實現業務目標的風險，只能提供合理而不絕對的保證，防止重大錯報或損失。董事會全面負責維護資源充足，員工素質和經驗培訓計劃及會計和財務報告功能預算，董事會已經得出結論：本集團的風險管理和內部控制制度已經到位有效。

在內幕信息的監控和披露方面，本集團採取了披露內幕信息的政策，目的是確保內部人員遵守保密要求，履行內幕信息的披露義務。



DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors acknowledge and understand their responsibility for preparing the financial statements and to ensure that the financial statements of the Group are prepared in a manner which reflects the true and fair view of the state of affairs, results and cash flows of the Group and are in compliance with the relevant accounting standards and principles, applicable laws and disclosure provisions required under the GEM Listing Rules. The Directors are of the view that the financial statements of the Group for each financial year have been prepared on this basis.

To the best knowledge of the Directors, there are no uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Statement of the Company's external auditors' responsibilities in respect of the consolidated financial statements is set out in the Independent Auditors' Report of this annual report.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there had been no significant changes in the constitutional documents of the Company.

GENERAL MEETINGS WITH SHAREHOLDERS

The annual general meeting (the "AGM") is a forum in which the Board and the Shareholders communicate directly and exchange views concerning the affairs and overall performance of the Group, and its future developments, etc. At the AGM, the Directors (including independent non-executive Directors) will answer questions raised by the Shareholders. The external auditor of the Company is also invited to be present at the AGM to address to queries of the Shareholders concerning the audit procedures and the auditors' report.

董事及核數師就財務報表須承擔的責任

董事確認及了解彼等須負責編製財務報表，確保本集團編製的財務報表真實而公平地反映本集團的狀況、業績及現金流量，且符合相關會計準則及原則、適用法例以及GEM上市規則規定的披露條文。董事認為，本集團各財政年度的財務報表均已按有關基準編製。

據董事所知，並無不明朗因素涉及可能對本公司持續經營能力構成重大疑問的事件或情況。

有關本公司外聘核數師就綜合財務報表須承擔的責任的聲明載於本年報中的獨立核數師報告。

章程文件之重大更改

於報告期內，本公司章程文件並無重大更改。

股東大會

股東週年大會(「股東週年大會」)為董事會與股東可就本集團事務、整體表現及未來發展等直接溝通及交換意見的平台。董事(包括獨立非執行董事)會出席股東週年大會回答股東提問。本公司外聘核數師亦獲邀出席股東週年大會，以回答股東有關審核程序及核數師報告的提問。



The forthcoming AGM of the Company is scheduled to be held on 8 June 2020, the notice of which shall be sent to the Shareholders at least 20 clear business days prior to this meeting.

SHAREHOLDERS' RIGHTS

Convening Extraordinary General Meeting on Requisition by Shareholders

Pursuant to article 64 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting (“EGM”). EGMs shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

Procedures for Shareholders' Nomination of Directors

Pursuant to article 113 of the Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office of the Company. The period for lodgement of the notices required under the Articles will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

本公司應屆股東週年大會將於二零二零年六月八日舉行，大會通告將於大會前最少20個完整營業日內寄發予股東。

股東權利

在股東要求下召開股東特別大會

根據細則第64條，董事會可酌情召開股東特別大會（「股東特別大會」）。股東特別大會亦須應一名或多名於要求日期持有不少於本公司有權於股東大會上投票的實繳股本十分之一的股東要求而予以召開。該項要求須以書面向董事會或本公司公司秘書提呈，以要求董事會召開股東特別大會以處理任何該書面要求中所列明的任何事項。有關會議應於提出有關要求後兩個月內舉行。倘董事會於提出該項要求後21日內未能召開該大會，本公司須向提出要求人士償付由提出要求人士因董事會未能召開大會而產生的所有合理開支。

股東提名候選董事的程序

根據細則第113條，除退任董事外，任何未經董事會推薦的人士均不具資格於任何股東大會獲選為董事，除非有關提名該人士參選為董事的書面通知及獲被提名人士表明有意參選的書面通知送達本公司總辦事處或註冊辦事處。細則規定提交該等通知書的期限，由不早於寄發為有關選舉所召開股東大會通告翌日起至不遲於舉行有關股東大會日期前七日為止，而向本公司提交該通知的最短時限為最少七日。



Procedures for directing Shareholders' enquiries to the Board

Shareholders may direct their enquiries concerning their shareholdings to the Company's share registrars. Shareholders may also make a request for the Company's information to the extent that such information has been made publicly available by the Company. All written enquiries or requests may be forwarded to the Company's head office or by fax to (852) 3571 9460, or by email to info@gf-holdings.com.

The addresses of the Company head office and the Company's share registrars can be found in the section headed "Corporate Information" of this annual report.

INVESTOR RELATIONS

To ensure transparent and comprehensive disclosures to investors, the Group delivers information of the Group to the public through various channels, including general meeting, public announcement and financial reports. The investors are also able to access the latest news and information of the Group via our website (www.gf-holdings.com).

In order to maintain good and effective communication, the Company together with the Board extend their invitation to all shareholders and encourage them to attend the forthcoming AGM and all future general meetings.

The shareholders may also forward their enquiries and suggestions in writing to the Company to the followings:

Address: Suite 3513, Tower 6
The Gateway, Harbour City
9 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong
Email: info@gf-holdings.com

股東向董事會提出查詢的程序

股東如對名下持股有任何問題，可向本公司的股份過戶登記處提出。股東亦可隨時要求索取本公司的公開資料。所有書面查詢或要求可送交本公司的總辦事處或傳真至(852) 3571 9460或電郵至 info@gf-holdings.com。

本公司的總辦事處及其股份過戶登記處地址請參閱本年報「公司資料」一節。

投資者關係

為確保透明及全面向投資者披露資訊，本集團循多個渠道向公眾人士傳達資料，包括股東大會、公告及財務報告。投資者亦可於本公司網站 (www.gf-holdings.com) 查閱本集團最新消息及資料。

為維持良好有效溝通，本公司與董事會誠邀並鼓勵全體股東出席應屆股東週年大會以及日後所有股東大會。

股東亦可循以下渠道向本公司提出書面查詢及意見：

地址：香港
九龍尖沙咀
廣東道9號
海港城港威大廈
6座3513室
電郵：info@gf-holdings.com



ABOUT GLORY FLAME HOLDINGS LIMITED

Glory Flame Holdings Limited (the “**Company**”), together with its subsidiaries (collectively referred to as the “**Group**”), we believe operating sustainably and quality growth is the key to our success and the economic basis for us to practice social responsibility. The Group strives to integrate environmentally friendly practices into all aspects of our daily operations to grow its business and create a positive impact in the market.

For the year ended 31 December 2019, the Group and its subsidiaries are mainly engaged in (i) provision of construction services and building materials supply, including provision of concrete demolition and construction engineering services, manufacturing and trading of prefabricated precast construction components (ii) sales of agriculture-related products, (iii) trading of clean coal and others, and (iv) provision of insurance brokerage and consultancy services in Hong Kong.

REPORTING SCOPE AND STANDARDS

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (“**ESG Guide**”) as set out in Appendix 20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**SEHK**”). The information in this ESG Report is derived from the Group’s official documents and statistical data, as well as the integration and summary of monitoring, management and operational information provided by subsidiaries of the Group. Information on the environmental and social aspects of the report is set out below whilst information on the governance aspect is set out in the Corporate Governance Report on pages 24 to 46.

關於朝威控股有限公司

朝威控股有限公司(「**本公司**」，連同其附屬公司統稱「**本集團**」)視可持續的優質增長為取得成功的關鍵和履行社會責任的經濟基礎。本集團努力將環保做法貫徹融入日常營運的所有方面，藉此促進業務增長和為市場帶來正面影響。

截至二零一九年十二月三十一日止年度，本集團及其附屬公司主要從事(i)提供建築服務及樓宇材料供應，包括提供混凝土拆卸及建築工程服務、製造及買賣装配式建築組件；(ii)銷售農業設備；(iii)買賣清潔煤及其他；及(iv)在香港提供保險經紀及諮詢服務。

報告範圍及準則

本報告乃根據香港聯合交易所有限公司(「**聯交所**」)GEM證券上市規則附錄20《環境、社會及管治報告指引》(「**環境、社會及管治報告指引**」)編製。本環境、社會及管治報告的資料來自本集團官方文件及統計數據以及本集團附屬公司所提供的監察、管理及營運資料的匯總概括。有關本報告環境及社會層面的資料載於下文，而有關管治方面的資料載於企業管治報告第24至46頁。



The reporting period of this ESG report is from 1 January 2019 to 31 December 2019 (“Reporting Period”). This report highlights significant environmental and social impacts of our business activities in provision of concrete demolition and construction engineering services; manufacturing and trading of prefabricated precast construction components, which accounted for approximately 97.2% of the Group’s consolidated revenue for the Reporting Period.

Unless otherwise specified, the key performance index calculation (except staff composition) covers the Group’s operations in Hong Kong. Quantitative disclosures in relation to our offices in the PRC are excluded from this report due to either relatively small environmental footprint or under establishment. While this report only covers significant partial operations of the Group and the Group aims to upgrade its internal data collection procedures and gradually expand the scope of disclosure in future reports when appropriate.

ENGAGEMENT WITH STAKEHOLDERS

Stakeholder’s expectation, view and feedback towards the Group is of ultimate importance to its future development. The Group has therefore committed itself to in-depth communication with both internal and external stakeholders and presents our updated operation condition to them proactively through various channels. We integrate their opinions with our daily operational decisions, strive to balance the interests of the parties and satisfy the expectations and demands of stakeholders. The table below shows a list of the Group’s stakeholders.

本環境、社會及管治報告的報告期間為二零一九年一月一日至二零一九年十二月三十一日(「報告期間」)。本報告著重說明我們於提供混凝土拆卸及建築工程服務以及製造及買賣裝配式建築組件(約佔本集團報告期間綜合收入的約97.2%)時進行的業務活動所造成的重大環境及社會影響。

除另有規定外，關鍵績效指標計算(除員工組成外)涵蓋本集團於香港的營運。有關我們中國辦公室的定量披露並無載入本報告，原因為其產生的環境足跡相對較小或仍在設立中。雖然本報告僅涵蓋了本集團的部分重要營運，本集團將目標定為更新內部數據收集程序，並於合適情況下在日後的報告中逐步擴大披露範圍。

持份者參與

持份者對本集團的期望、看法及反饋對我們日後發展而言極為重要。因此，本集團致力於與內外部持份者進行深度溝通，積極透過各種渠道向彼等呈報我們經更新的營運狀況。我們將彼等的意見融入日常經營決策，努力平衡有關各方的權益和滿足持份者的預期及需求。下表列示本集團持份者名單。



Stakeholder Groups 持份者組別	Specific Stakeholder 特定持份者	Communication Channel 溝通渠道
Investors 投資者	<ul style="list-style-type: none"> Shareholders 股東 Potential investors 潛在投資者 	<ul style="list-style-type: none"> Corporate website 企業網站 Annual and interim financial report 年度及中期財務報告 Quarterly reports and announcements 季度報告及公告 Annual general meetings 股東週年大會 Disclosure of listed information 披露上市資料
Employees 僱員	<ul style="list-style-type: none"> Senior management 高級管理層 Staff 員工 Direct workers 直接工人 Potential recruits 潛在僱員 	<ul style="list-style-type: none"> Direct communication 直接溝通 Independent focus groups and interviews 獨立專項小組及面試 Training and seminars 培訓及研討會 Regular performance assessment 定期表現評估 CSR and volunteering activities 企業社會責任及志願活動
Customers 客戶	<ul style="list-style-type: none"> Main-contractors 總承建商 Buyers 買家 Ultimate users 最終用戶 	<ul style="list-style-type: none"> Periodical meetings with contractors and customers 與承包商及客戶定期開會 Customers assessment 客戶評估 Designated customer hotline 客戶專線 Social media 社交媒體
Suppliers/ Contractors 供應商／承包商	<ul style="list-style-type: none"> Material suppliers 材料供應商 Sub-contractors 分包商 Service providers 服務供應商 	<ul style="list-style-type: none"> Suppliers assessment 供應商評估 Daily work review 每日工作檢討 Site inspection/meeting with sub-contractors 實地視察／與分包商開會



Stakeholder Groups 持份者組別	Specific Stakeholder 特定持份者	Communication Channel 溝通渠道
Community 政府	<ul style="list-style-type: none"> National and local community organisations 全國及當地社區組織 	<ul style="list-style-type: none"> Charitable donations 慈善捐贈 Volunteering activities 志願活動
Government 政府	<ul style="list-style-type: none"> National and local governments 全國及當地政府 Regulators 監管機構 	<ul style="list-style-type: none"> Written correspondence 書面信函 Statutory reports and general disclosures 法定報告及一般披露

MATERIALITY ASSESSMENT

In order to gain better understanding on the expectations, perceptions and concerns of our stakeholders, we have engaged our management team and employees in identifying the Group's material ESG issues. With the identified material ESG aspects, we strive to ensure proper measures on significant issues are addressed adequately throughout our business activities.

PROTECTING THE ENVIRONMENT

With greater concerns from the general public on the impacts of global warming and climate change, we acknowledge our responsibility to protect the environment as an integral part of our business operations. The Group is committed to upholding high environmental standards, not only fulfil relevant requirements under applicable laws and ordinances, but also to become a sustainable leader and corporate citizen in our community and industry.

重要性評估

為更好地了解持份者的期望、看法及關注，我們已讓管理團隊及僱員參與識別本集團的主要環境、社會及管治議題。憑藉這些經識別的重大環境、社會及管治層面，我們致力於確保採取適當措施於整個業務活動期間充分處理該等重要議題。

保護環境

由於公眾對全球變暖及氣候變化的關注程度越來越高，我們認識到保護環境的責任為業務營運不可分割的一部分。本集團致力於秉承高水平的環保標準，不僅履行適用法例及條例下的相關規定，亦要成為我們所在社區及行業的可持續領導者及企業公民。



EMISSIONS

Engaging in construction activities as a contractor for years, it is inevitable that our operation activities have impact on our environment. Emissions from our daily business activities mainly represent greenhouse gases (“GHG”) emissions, noise, waste and effluents while carrying out project. In order to combat the challenge of climate change, and to minimise these emissions, our subsidiaries under the construction segment implement industry-standard measures and continues seeking practical means to mitigate their impact from our operations. Across our operations, we have carried out a number of green initiatives to reduce emissions and waste, enhance resources efficiency and minimise environmental footprint.

Environmentally-Friendly Demolition Methods

Construction materials such as sands and cements stored outdoor as well as the dust of the exposed construction area are easily scattered. In order to prevent the generation of dust during our works, methods such as scarifying and shot-blasting are adopted. They are innovative and environmentally friendly that equipped with vacuum cleanser as a result little to no dust is emitted. It also produces excellent bonding characteristics that reduce the risk of coating failure to improve road safety and maximise floor life.

For projects that involve indoor demolition works, demolition machines are utilised as the robots are powered by 3-phase electricity and equipped with hydraulic breaker or hydraulic crusher, no exhaust gas and minimal vibration is caused during works. Being operated by remote control, our workers are safer as they not required to stay close to the working area. In accordance with the Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation, all our machineries used on site are approved or exempted from the Environmental Protection Department (“EPD”).

Splitting/Bursting is a demolition method that a splitter is inserted into a hole of the concrete structure drilled beforehand and bursts the structure so that no noise and vibration will be caused during operations.

排放

我們作為承包商從事建築活動多年，所進行的營運活動不可避免地環境構成影響。我們日常業務活動產生的排放主要是進行項目時的溫室氣體（「溫室氣體」）排放、噪音、廢物及污水。為應對環境挑戰和盡量降低排放，我們建築分部下的附屬公司實施行業標準措施，並繼續尋求實際方式減少營運影響。在我們的業務範圍內，我們實施了多項環保措施，以減少排放及廢物，提高資源效率，並儘量減少環境足跡。

環保拆卸方法

室外存放的砂石及水泥等建築材料以及暴露的建築區域產生的灰塵容易造成塵土飛揚。為防止進行工程時產生灰塵，我們已採取打沙及石矢打花等方法。此等方法既有創新性，又不失環保，連配套的真空除塵機一起使用，因而能大大減低灰塵產生。該技術亦具有超強粘結性能，可降低塗層失效的風險，從而改善道路安全並延長地面壽命。

對於涉及室內拆卸工程的項目，我們會採用拆卸機器人，其由三相電驅動，配有液壓破碎機或液壓粉碎機，工作過程中不會產生廢氣，造成的振動也能降至最低。由於機械是由工人遠程操作，彼等毋須留在靠近工程區域的地方，故此更為安全。根據《空氣污染管制(非道路移動機械)(排放)規例》，我們於工地所用的所有機械均已獲環境保護署（「環保署」）批准或豁免。

逼裂／鉗碎是將劈裂機插入混凝土構築物的事先鑽好的孔隙中，將構築物劈裂，而不致在操作工程中產生噪音及振動。



Prefabricated Construction

Unlike traditional construction methods, prefabricated construction methods are constructed in a factory so that it allows for more accurate operation and materials to be recycled and reused in-house. Considerable amount of dust and noise emissions can be further reduced attribute to the controlled environment of the production factory. In our production factory, we have introduced a water spraying device for daily maintenance of sub-assemblies and prevention of dust scattering.

The largest source of the Group's GHG emissions, was generated from scope 1 – direct emissions or removals from sources, it was attributed to the electricity use of lighting, air-conditioning, electrical appliances and machineries and equipment during operations.

For the year ended 31 December 2019, air emissions generated by the Group were as follows:

装配式建築

與傳統建築方法不同，装配式建築方法是在工廠進行，以便實現更精準的操作和在室內循環再用材料。憑藉生產廠房的這種受控制的環境，灰塵及噪音排放可進一步減少。於我們的生產廠房，我們引進了噴水裝置，用於次組裝的日常維護和防止灰塵四散。

本集團的溫室氣體排放最大源頭來自範圍1 – 直接溫室氣體排放及減除，此乃歸因於營運期間的照明、空調、電器及機械及設備的用電。

截至二零一九年十二月三十一日止年度，本集團產生的廢氣排放如下：

		Unit 單位	2019 二零一九年	2018 二零一八年
Emissions data from Gaseous Fuel Consumption	氣體燃料消耗的排 放數據			
Nitrogen Oxide (NO _x)	氮氧化物 (NO _x)	kg 千克	414.69	422.53
Sulphur Oxide (SO _x)	硫氧化物 (SO _x)	g 克	685.15	647.83
Particulate Matter (PM)	顆粒物	kg 千克	37.29	37.94



For the year ended 31 December 2019, GHG emissions generated by the Group were as follows:

截至二零一九年十二月三十一日止年度，本集團產生的溫室氣體排放如下：

		Unit 單位	2019 二零一九年	2018 二零一八年
Direct emission or removals from sources (Scope 1)				
直接溫室氣體排放及減除(範圍1)				
GHG emissions from mobile combustion sources	Carbon Dioxide (CO ₂)	tonne 噸	111.00	105.05
流動燃燒源的溫室氣體排放	Methane (CH ₄)	kg 千克	101.80	82.05
	Nitrous oxide (N ₂ O)	tonne 噸	8.18	6.89
	氧化亞氮(N ₂ O)			
Energy indirect emissions (Scope 2)				
能源間接溫室氣體排放(範圍2)				
Electricity purchased from power companies*	Carbon Dioxide (CO ₂)	tonne 噸	34.61	41.54
從電力公司購買的電力*	Carbon Dioxide (CO ₂)	kg 千克	23.10	90.68
Gas purchased from Towngas	Carbon Dioxide (CO ₂)	kg 千克		
從中華煤氣公司購買的煤氣	Carbon Dioxide (CO ₂)			
Other indirect emissions (Scope 3)				
其他間接溫室氣體排放(範圍3)				
Paper waste disposed at landfills	Carbon Dioxide (CO ₂)	tonne 噸	18.24	2.79
棄置到堆填區的廢紙	Carbon Dioxide (CO ₂)	kg 千克	77.13	122.11
Electricity used for processing fresh water and sewage by government department**	Carbon Dioxide (CO ₂)	kg 千克		
政府部門使用電力處理食水及污水所引致的溫室氣體排放**	Carbon Dioxide (CO ₂)	tonne 噸	15.49	5.43
Business air travel by employees	Carbon Dioxide (CO ₂)	tonne 噸		
僱員乘坐飛機出外公幹	Carbon Dioxide (CO ₂)			

* Electricity consumption for our accommodation in Beverly Villas is based on the latest available data, which covers the periods 12 April 2019 to 31 December 2019.

* 我們在碧華花園的宿舍耗電量乃基於最新可得數據，涵蓋期間為二零一九年四月十二日至二零一九年十二月三十一日。

** Water consumption for our offices and accommodation in 2/F in Cheong Shing Industrial Building, 6/F in Cheong Shing Industrial Building, and Yen Yau Mansion are based on the latest available data, which covers the periods 1 January 2019 to 31 January 2019, 1 January 2019 to 12 August 2019, and 1 January 2019 to 12 August 2019 respectively.

** 我們在昌盛工業大廈2樓、昌盛工業大廈6樓及仁友大廈的辦公室及宿舍耗水量乃基於最新可得數據，涵蓋期間分別為二零一九年一月一日至二零一九年一月三十一日、二零一九年一月一日至二零一九年八月十二日及二零一九年一月一日至二零一九年八月十二日。



WASTE MANAGEMENT

Construction waste from daily operations includes general inert waste and non-inert waste. The major approach to managing construction waste in Hong Kong is the use of public filling areas for reusable inert construction waste and landfills for non-inert construction waste. The fill banks temporarily stockpile the inert construction waste for later reuse in reclamation and site formation works. In general, the Group categorises the waste from construction works before removal from the site. General inert waste from work, such as rocks, shall be reused as filling materials at the site if applicable or disposed to public fill for reclamation in the future. Other waste that is not applicable for recycle or reuse shall be discarded to the public filling areas to conserve landfill. We are committed to only disposing at legitimate waste disposal facilities or through licensed collectors to collect and dispose of waste.

In respect of office waste, we shall continue to encourage our employees to fully utilise all materials to avoid producing unnecessary waste and to reduce paper usage through electronic means.

For the year ended 31 December 2019, the amount of non-hazardous waste produced by the Group was as follows:

		Unit 單位	2019 二零一九年	2018 二零一八年
Construction waste intensity	建築廢物密度	tonne/construction site 噸/工地	5.39	1.18
Construction waste	建築廢物	tonne 噸	2,469.69	2,150.70

Due to our business nature (construction, development and sales of agriculture-related products and trading business), no significant hazardous waste was generated from our operations during the Reporting Period.

廢物管理

日常營運產生的建築廢物包括一般惰性及非惰性廢物。香港管理建築廢物的主要方法為可再用的惰性建築廢物將運至公眾填土區，而非惰性建築廢物將運至堆填區。填料庫暫時堆存惰性建築廢物，供其後再用於填海及地盤平整工程。一般而言，本集團會在建築工程廢物從地盤移走前對其分類。工程產生的一般惰性廢物如岩石等，在適用情況下會用作地盤的堆填材料或棄至公眾填土區作日後填海之用。其他不適用於循環或再用的廢物則棄至公眾填土區以節用堆填區。我們致力僅使用合法廢物處置設施或通過持牌收集商收集及處理廢物。

就辦公室廢物而言，我們應繼續鼓勵僱員充分使用所有材料以避免不必要的浪費，和盡量使用電子方式以減少紙張使用。

截至二零一九年十二月三十一日止年度，本集團產生的無害廢物如下：

由於我們的業務性質(建築、研發及銷售農業相關產品及貿易業務)使然，我們於報告期間的營運並無產生任何重大有害廢物。



USE OF RESOURCES

The Group's major use of resources includes energy and water consumption. For energy use, both office and the project consume electricity and fuels for vehicle use. Fuel consumption attributes mostly to equipment operation and ground transportation of equipment during delivery, while electricity consumption mainly attribute to office use. We place great emphasis on resource conservation and strives to enhance the energy efficiency by strengthening the maintenance of construction equipment, optimising operation standards and adopting energy-saving measures.

Several initiatives have been implemented in offices and construction sites to control energy consumption as follows:

Office 辦公室

- Set and maintain average room temperatures between 24°C and 26°C;
設置及維持平均室溫為攝氏24至26度之間；
- Switch off office equipment (e.g. printers, computers and monitors) before leaving the workplace;
離開工作場所前關閉辦公室設備(如打印機、電腦及屏幕)；
- Energy-friendly electrical appliances and devices, including LED lighting, and computers and projectors, have been installed; and
安裝節能電器及設備，包括LED照明及電腦及投影機；及
- Choose electrical appliances with high energy label (i.e. Grade 1 – most energy efficient in the market) from the Mandatory Energy Efficiency Labelling Scheme (“**MEELS**”) under the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598)
選擇具有從《能源效益(產品標籤)條例》(第598章)下強制性能源效益標籤計劃(「**強制性能源效益標籤計劃**」)獲得高能效標籤(即第一級 – 在市面上能源效益最高)的電器

Site 地盤

- Switch off non-essential lightings as well as idle machinery and equipment; and
關掉不必要的照明以及閒置的機械及設備；及
- Various communications (posters, signs and memos) for promoting energy conservation have been launched to raise construction workers' awareness.
推出各種提倡節能的通訊方式(如海報、標語及備忘)，以提高建築工人的節能意識。

資源使用

本集團的主要資源使用包括能源及水消耗。對於能源使用而言，我們的辦公室及工程項目主要消耗電力和車用燃料。燃料消耗大部分歸因於設備操作及付運期間的設備地面運輸，而電力消耗則主要歸因於辦公室用途。我們高度重視資源節用，努力透過維護建築設備、優化操作標準及採納節能措施提高能源效率。

辦公室及建築地盤為控制能源消耗而實施的幾項舉措如下：



Apart from office operation, the major source of the Group's water consumption is from our construction segment. To promote water conservation, the Group incorporated various water conservation measures in both offices and project sites. Control measures like protection of drainage system and discharge point to avoid blockage and conduction of regular self-monitoring checks to ensure the quality of the effluent discharged meet the prescribed standards, are being introduced in our daily operations. At our construction sites, wastewater is collected and properly treated by on site wastewater treatment facilities and then reused for dust suppression and vehicle wheel washing or ground mud to reduce fresh water consumption. Our sub-contractors were also encouraged to work closely with our staff to implement appropriate measures to prevent the waste of fresh water on site.

Since buildings account for a significant portion of the total energy consumption and GHG emissions, we fully understand our role as contractor and actively seeking opportunities to increase our contributions. As we look to the future, we target to remain tight controls on resources consumption and achieve sustainable development.

辦公室營運外，本集團用水消耗的主要源頭為建築分部。為提倡節水，本集團在辦公室及建築地盤納入了各種節水措施。我們於日常營運中實施了多項控制措施，如保護排水系統以避免阻塞及定期進行自主監測檢查，確保排放廢水治理符合規定標準。於建築地盤，我們收集並以現場污水處理設施妥為處理廢水，之後將其用於抑制揚塵和清洗汽車輪胎或地面淤泥，以減少食水消耗。我們亦鼓勵我們的分包商與我們員工緊密合作，執行適當措施減少地盤的食水浪費。

由於建築在總能源消耗及溫室氣體排放中佔據重要地位，我們深知我們作為承包商所扮演的角色並積極尋求機會增加我們的貢獻。展望未來，我們將繼續對資源消耗實施嚴格控制，實現可持續發展。



For the year ended 31 December 2019, the resources consumption by the Group were as follows:

截至二零一九年十二月三十一日止年度，本集團的資源消耗如下：

		Unit 單位	2019 二零一九年	2018 二零一八年
Electricity Consumption*	耗電量*	kWh 千瓦時	54,929.06	65,616.46
		kWh/employee 千瓦時／僱員	446.58	428.87
Gas Consumption	耗氣量	MJ 兆焦耳	1,848.00	7,254.00
		MJ/employee 兆焦耳／僱員	15.02	47.41
Water Consumption**	用水量**	m ³ 立方米	87.15	171.38
		m ³ /employee 立方米／僱員	0.71	1.12

* Electricity consumption for our accommodation in Beverly Villas is based on the latest available data, which covers the periods 12 April 2019 to 31 December 2019.

* 我們在碧華花園的宿舍耗電量乃基於最新可得數據，涵蓋期間為二零一九年四月十二日至二零一九年十二月三十一日。

** Water consumption for our offices and accommodation in 2/F in Cheong Shing Industrial Building, 6/F in Cheong Shing Industrial Building, and Yen Yau Mansion are based on the latest available data, which covers the periods 1 January 2019 to 31 January 2019, 1 January 2019 to 12 August 2019, and 1 January 2019 to 12 August 2019 respectively.

** 我們在昌盛工業大廈2樓、昌盛工業大廈6樓及仁友大廈的辦公室及宿舍耗水量乃基於最新可得數據，涵蓋期間分別為二零一九年一月一日至二零一九年一月三十一日、二零一九年一月一日至二零一九年八月十二日及二零一九年一月一日至二零一九年八月十二日。

During the Reporting Period, the Group's operations do not involve any use of packaging materials.

於報告期內，本集團之業務並無涉及包裝材料的使用。



ENVIRONMENT AND NATURAL RESOURCES

In compliance with applicable environmental legislation, our operating activities have no significant impact on the environment and natural resources. For the sake of compliance with relevant laws and regulations, we regularly assess the environmental risks of our operations and adopt preventive measures as necessary to reduce the risks.

In managing our emissions, the Group has complied with the Air Pollution Control Ordinance (Cap. 311), Waste Disposal Ordinance (Cap. 354), Water Pollution Control Ordinance (Cap. 358), Noise Control Ordinance (Cap. 400), Dumping at Sea Ordinance (Cap. 466), Environment Impact Assessment Ordinance (Cap. 499) and other regulations promulgated by governments and currently applicable to the Group, as well as environmental requirements from customers.

For the year ended 31 December 2019, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to air and GHG emissions, noise control, discharges into water and land, and generation of hazardous and non-hazardous waste.

EMPLOYMENT AND LABOUR PRACTICES

The Group values people and considers a respectful and fair working environment to be vital to its operations. It is always the Group's initiative to provide a fair and competitive, periodically reviewed compensation package to attract and retain quality talents, in the form of a minimum wage security, maximum working hours, compensatory leave, overtime allowance, discretionary bonus, mandatory provident fund or pension security, social insurance and rewards for long-term services.

環境及天然資源

我們的經營活動遵守適用的環保法例，並無對環境及天然資源造成重大影響。為符合相關法律及法規，我們定期評估業務經營的環境風險，並在必需時採取預防措施以降低風險。

為管理我們的排放，本集團已遵守《空氣污染管制條例》(第311章)、《廢物處置條例》(第354章)、《水污染管制條例》(第358章)、《噪音管制條例》(第400章)、《海上傾倒物料條例》(第466章)、《環境影響評估條例》(第499章)及政府頒佈且目前適用於本集團之其他法規，以及客戶提出的環保要求。

截至二零一九年十二月三十一日止年度，本集團概不知悉任何違反關於空氣及溫室氣體排放、噪音控制、向水或土地排污以及產生有害及無害廢物且對本集團構成重大影響的法律及法規事件。

僱傭及勞工常規

本集團重視人才，並認為互相尊重及公平的工作環境對其營運至關重要。為吸引及挽留優質人才，本集團一直致力於提供公平及具競爭力的薪酬待遇，包括最低工資保障、最高工時、補休假、加班津貼、酌情花紅、強制性公積金或退休保障、社會保險及長期服務獎勵。



The Group has established a series of internal policies related to employment according to anti-discrimination ordinances and the guidance under Employment Ordinance (Cap. 57), Laws of Hong Kong, the Labour Law and Labour Contract Law of the PRC, as well as industry features and practices to ensure that our employees are treated equally, and their employment, remuneration and promotion will not be affected by their social identities such as age, gender, marital status, family status, sexual orientation, race, nationality or religion.

A comprehensive human resources management policy was formulated to support human resources function, which covers guidelines on recruitment and promotion, compensation and dismissal, working hours, rest periods, appraisal, training and other benefits, etc. With reference to the prevailing market standard, the level of compensation of our employees is reviewed annually. We motivate employees by promotion and salary increment based on results of their annual performance appraisal, and to award discretionary bonus in addition to basic salary. In our demolition works subsidiary, a long service award is given to those employees that have been employed for over 10 years as a reward of loyalty.

We respect the voices of our employees. All employees are welcomed to make comments and suggestions through various communication channels such as letters, emails or reports to their direct supervisors, department heads, or Human Resources Department. All the received communications and the identities of those employees are kept confidential and dealt with the highest priority.

Staff Composition

The Group's principal businesses are prefabricated construction and demolition works, which demand plenty of physical labour force, hence, traditionally male employees are a majority in the workforce of the construction business. However, the Group has also committed to striking a balance between male and female employees in its working environment and providing equal opportunity towards different gender employees.

本集團已根據香港法例第57章《僱傭條例》、《中國勞動法》及《中國勞動合同法》下的反歧視條例及指引以及行業特點及常規制定一系列內部僱傭政策，確保僱員享有公平待遇，不會因年齡、性別、婚姻狀況、家庭狀況、性取向、種族、國籍或宗教信仰等社會身份而影響彼等之就職、薪酬及晉升。

本集團已制定全面的人力資源管理政策以支持人力資源職能，當中包含有關招聘及晉升、薪酬及解僱、工作時間、休假、評估、培訓及其他福利等方面的指引。我們將參考現行市場標準，每年對其薪酬水平進行檢討。我們激勵員工的方式包括根據其年度績效考核結果對其晉升及加薪，並在基本工資的基礎上給予酌情花紅。在我們的拆卸工程附屬公司工作超過10年的僱員可獲得長期服務獎，以表揚員工的忠誠。

我們尊重僱員的意見。我們歡迎全體僱員透過信件、電子郵件等各種溝通渠道或直接向上司、部門負責人或人力資源部提出意見及建議。我們為收取的所有通訊及該等員工的身份保密，並優先予以處理。

員工組成

本集團之主要業務為裝配式建築及拆卸工程，是一種需要大量體力勞動的工作，因此，從事工程業務的員工傳統以男性為主。然而，本集團亦致力維持工作環境中的男女比例平衡，對不同性別員工給予同樣機會。



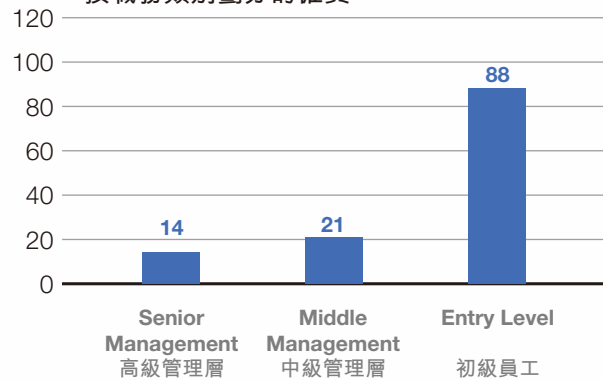
As at 31 December 2019, we employed a total of 123 staff, including back office and site staff. All our staff members are located in Hong Kong and the PRC.

於二零一九年十二月三十一日，我們共有123名員工，包括後勤部門及地盤員工。所有員工均位於香港及中國。

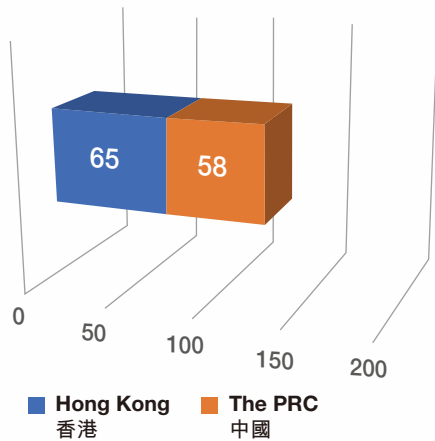
Employees by Gender
按性別劃分的僱員



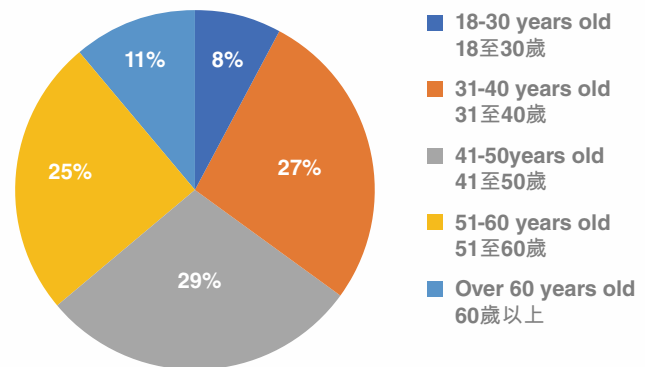
Employees by Employment Category
按職務類別劃分的僱員



Employees by Region
按地區劃分的僱員



Employees by Age Group
按年齡組別劃分的僱員





Staff Turnover

During the Reporting Period, the Group has a turnover rate of approximately 63%. Such high turnover rate was primarily due to the change in our business strategies of withdrawing and repositioning the sales of LED light sources and agriculture-related products in the market. The employee turnover rate by gender is quite biased this year with 72% of our male staff and 24% of our female staff leaving the Group. Geographically, 51% of staff who are based in Hong Kong left the Group, whereas in the PRC 76% of our staff left.

During the Reporting Period, the percentage of employee turnover categorised by age was as follows: 100% of those in the 18 to 30 years old bracket left the Group, 45% of those from the 31 to 40 years old bracket, 75% out of the 41 to 50 bracket, 77% of the 51 to 60 bracket, and 14% of those who were over 60 years old left the Group.

For the year ended 31 December 2019, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare.

HEALTH AND SAFETY

Recognising that construction is one of the higher risk industries in occupational health and safety (“OHS”), we put safety first and are committed to maintaining a workplace which is safe for our people. To ensure that all employees are equipped with adequate knowledge in protecting themselves from occupational hazards, the Group has provided trainings for all levels of employees.

員工流失

於報告期內，本集團之員工流失率約63%。較高的流失率乃主要由於我們的業務策略發生改變(撤銷及調整於市場銷售LED光源及農業相關產品)所致。本年度本集團按性別分類的僱員流失率差異較大，男性及女性離職員工比例分別為72%及24%。按地區劃分，香港離職人員佔51%，而中國離職人員佔76%。

於報告期內，按年齡劃分的僱員流失比例如下：18至30歲組別的離職率為100%，31至40歲組別的離職率為45%，41至50歲組別的離職率為75%，51至60歲組別的離職率為77%，及14%60歲以上員工離職。

截至二零一九年十二月三十一日止年度，本集團概不知悉任何關於薪酬及解僱、招聘及晉升、工作時間、休假、平等機會、多樣化、反歧視以及其他利益及福利不符合法律及法規，而對本集團構成重大影響的事件。

健康與安全

我們深知，建築業是職業健康與安全(「職業健康與安全」)風險較高的行業之一，故我們將安全置於首位，並致力於為僱員維持安全的工作場所。為確保全體僱員均具備保護自己免受職業危害的充足知識，本集團為各級僱員提供培訓。



During the Reporting Period, the Group's operations do not possess high risk areas related to OHS to its employees, except for our construction business. As there are machineries and other equipment in the construction sites, employees will be more prone to industrial accidents. Hence, we are determined to ensure that all construction works are carried out to achieve at practically high health and safety standards. We focus on ensuring the safety of our construction workers through providing protective equipment such as safety helmets, safety shoes and high visibility clothing to all personnel who work at construction sites. Relevant OHS training is provided to our staff and workers such as safety induction training, safety toolbox talks, specific training for high-risk activities, periodic emergency contingency drills to heighten employee awareness of workplace hazards and ensure they are competent to discharge their OHS responsibilities and obligations, and respond to emergencies. To better manage the health and safety issues in our operations, designated personnel, Safety Officer, are engaged to oversee safety issues. Safety Officers regularly review and check for updates of relevant laws, and perform site inspections to ensure prompt corrections are to be taken to prevent incidents. Our on-site foremen and site supervisors are to co-operate with Safety Officers to ensure any breaches or unsafe conditions are rectified promptly.

To initiate improvement in OHS issues, our construction business has continuously registered as a Green Cross Group member under the Occupation Safety and Health Council ("**OSHC**"). As a member of the Green Cross Group, we are able to access to the OSHC's library to obtain latest information and participate in study missions and workshops to facilitate experience sharing and gain deeper insights into implementation of best practices. The Group has continued to optimise its work practices and daily management for the sake of its staff's health and safety with the aim to create a safe, healthy and comfortable working environment. To this end, our operations fully comply with applicable laws and regulations such as the Occupational Safety and Health Ordinance (Cap. 509), Employees' Compensation Ordinance (Cap. 282.), Factories and Industrial Undertakings Ordinance (Cap. 59), Laws of Hong Kong, and Work Safety Law of the PRC.

於報告期內，除建築工程業務外，本集團之營運並無對其僱員之職業健康與安全而言具高風險的活動。由於施工現場有機器及其他設備，僱員更容易發生工業事故。因此，我們堅決確保開展的所有建築工程達致較高的健康及安全標準。我們為所有施工現場工作人員提供頭盔、安全鞋及反光衣等防護設備，致力確保我們施工人員的安全。我們亦為員工及工人提供相關的職業健康與安全培訓，如入職安全培訓、工具箱安全講座、高風險活動的專項培訓以及定期的應急演習，以提高僱員的工作場所危機意識並確保他們有能力履行其職業健康與安全責任及義務以及應對緊急情況。為了更好地管理我們營運中的健康與安全事宜，我們委任專職安全主任監督安全問題。安全主任定期審查相關法律的更新，並定期視察工地以確保採取及時矯正措施預防事故發生。我們的現場工長及現場監督員將與安全人員合作，確保任何違規或不安全情況得到及時糾正。

為改善職業健康與安全方面的措施，我們的建築工程業務已連續註冊為香港職業安全健康局（「**職業安全健康局**」）綠十字會成員。作為綠十字會成員，我們能夠進入職業安全健康局的圖書館以獲得最新資料，並參與學習計劃及研討會，以推動經驗分享及深入洞悉行業最佳慣例的執行情況。出於員工的健康及安全考慮，本集團持續優化其工作常規及日常管理，務求創建一個安全、健康及舒適的工作環境。為此，我們的營運完全遵守適用的法律及法規，如香港法例第509章職業安全及健康條例、第282章僱員補償條例、第59章工廠及工業經營條例以及中國安全生產法。



For the year ended 31 December 2019, the Group did not record significant work-related injuries and fatalities. We target to remain zero accident and fatalities in the coming years.

During the Reporting Period, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to providing a safe working environment and protecting employees from occupational hazards.

DEVELOPMENT AND TRAINING

We recognised that our construction workers are exposed to higher injury risks than office staff. In order to minimise work-related injuries, our site foremen, site supervisors and Safety Officers conduct causal briefing to all site workers when necessary. Causes of accidents among construction industry are identified and corresponding recommendations or training sessions will be provided to workers to avoid the reoccurrence of similar accidents.

The Group recognises the importance of skilled and professionally trained employees to its business growth and future success. We are committed to providing career development platform for our employees where everyone can achieve their career goals. We have invested resources on the career development of employees and encouraged employees from each level to participate in order to enhance the competitiveness of the Group and the relevant individuals. The Group also acknowledges the importance of conducting performance appraisal with employees. On an annual basis, performance appraisal is conducted between management and employees for continuous improvement. Employees are able to communicate and seek professional advice from their supervisors on their personal career development training.

截至二零一九年十二月三十一日止年度，本集團並無錄得重大工傷及死亡事故。我們務求於未來年度維持零傷亡率。

於報告期內，本集團概不知悉任何違反關於提供安全工作環境及保護僱員免受執業危害而對本集團構成重大影響的法律及法規事件。

發展及培訓

我們深知地盤人員比辦公室工作人員面臨更高的受傷風險。為儘量減少工傷，地盤管工、地盤監督員及安全主任會在有需要時向全體地盤工人進行簡單簡報。我們確定建築行業事故原因並向工人提供相應的建議或培訓課程，以避免類似事故再次發生。

本集團深知技能熟練及經專業培訓的僱員對其取得業務增長及未來成功至關重要。我們致力為僱員提供可讓他們實現職業目標的職業發展平台。我們已為僱員的職業發展投入資源，並鼓勵各級別僱員參與，以提高本集團及有關人員的競爭力。本集團亦明白對僱員進行績效考核的重要性。我們每年對管理層及僱員開展績效考核，以實現持續改進。僱員可就其個人職業發展培訓與上司進行溝通並尋求其專業意見。



LABOUR STANDARDS

The Group highly respects human rights and freedom, and strictly prohibits the uses of child and forced labour in our workplace by adhering with the Employment of Children Regulations and Employment of Young Persons (Industry) Regulations under the Employment Ordinance (Cap. 57), Laws of Hong Kong, Provisions on the Prohibition of Using Child Labour, and the Law of the People's Republic of China on Protection of the Minors. Comprehensive recruitment procedures are in place to check and verify the age of applicants before commencement of work. To prevent the employment of child labour, we require the candidates to present their valid proof of identity to ensure that they have reached the legal working age. Important details such as job duties, locations and working hours of the staff are also set out clearly in the employment contract to protect their rights and interests and forced labour is strictly prohibited.

For the year ended 31 December 2019, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to preventing child and forced labour.

SUPPLY CHAIN MANAGEMENT

The Group has always been placing great emphasis on product quality to protect the interests of our clients. As supplier and contractor management is a crucial component of the Group's quality control, the Group stringently manage suppliers and sub-contractors to avoid any inferior materials acquired and adopt strict quality control over the production and construction process. We collaborate with suppliers, service providers, material manufacturers and sub-contractors who share our goals in responsible management of business ethics, quality, safety, labour, environment management in order to provide the best solutions to our clients.

勞工準則

本集團高度尊重人權與自由，並遵循香港法例第57章《僱傭條例》下的《僱用兒童規例》及《僱用青年(工業)規例》、《禁止使用童工規定》及《中華人民共和國未成年人保護法》規定，嚴禁於我們的工作場所使用童工及強制勞工。我們已制定全面的招聘程序，以於入職前檢查及核實申請人的年齡。為防止僱用童工，我們要求應聘者出示有效身份證明文件，確保應聘者符合法定工作年齡。本集團亦於僱傭合約內清楚列明員工的工作內容、地點及工時等重要細節，保障員工權益，杜絕強制勞工。

截至二零一九年十二月三十一日止年度，本集團概不知悉任何關於防止童工及強制勞工的不符合法律及法規而對本集團構成重大影響的事件。

供應鏈管理

本集團一直高度重視產品質量以保障客戶權益。由於供應商及分包商管理為本集團質量控制的重要部分，本集團嚴格管理供應商及分包商以避免採購任何劣質材料，並對生產及施工過程採取嚴格的質量控制。我們與供應商、服務供應商、材料生產商及分包商合作共同致力於商業道德、質量、安全、勞工的負責管理及環境管理，為客戶提供最佳解決方案。



Through the implementation of a robust procurement and tendering mechanism, we select reliable and competent business partners from potential organisations in adherence to the principle of equal opportunity and fair competition. In respect of suppliers or sub-contractors selection, a list of approved suppliers is in place and we will only select suppliers and appoint sub-contractors from this approved list unless individually reviewed and approved by management or specifically requested by the client.

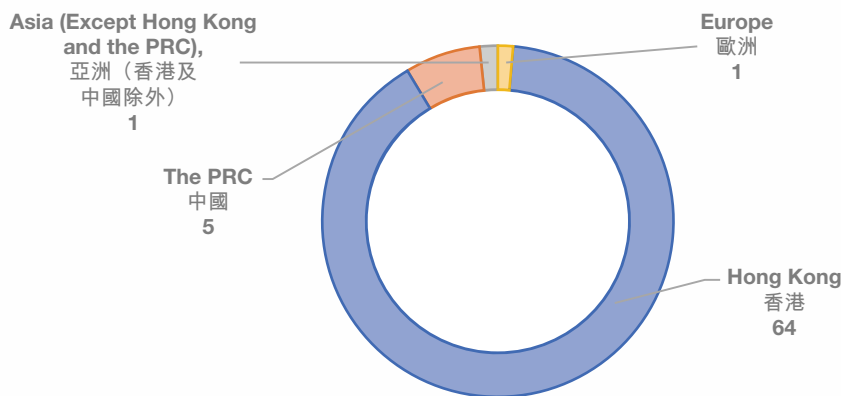
透過實施健全的採購及招標機制，我們根據機會均等及公平競爭原則自潛在組織甄選可靠及能力勝任的業務夥伴。就供應商或分包商甄選而言，我們已制定許可供應商名單並僅會於此許可名單中挑選供應商及委任分包商，除非經管理層個別評估及批准或客戶特別要求。

Looking forward, the Group aims to promote local economic development and reduce carbon footprint, by prioritising local suppliers by shortening the distance of transportation. In addition to geographical factors, we expect our suppliers to meet the requirements including but not limited areas such as child or forced labour, health and safety, working hours, discrimination and disciplinary processes.

展望未來，本集團計劃優先選用本地供應商以縮短運輸距離，從而促進本地經濟發展及減少碳足跡。除地區因素外，我們期望供應商符合以下方面的要求，包括但不限於童工或強制勞工、健康與安全、工時、歧視和紀律程序。

During the Reporting Period, the number of suppliers by geographical region of the Group was as follows:

於報告期內，本集團按地區劃分的供應商數目如下：





PRODUCT RESPONSIBILITY

To meet the demand of our clients, the Group has developed its internal management system and closely monitored its project execution process, with an aim to render premium and reliable service to our clients.

In our prefabricated construction business, we have established and implemented a quality management system (“QMS”) in our operations, which is a conformity with internationally recognised ISO 9001:2015 standard certified by Fugro Certification Services Limited in Hong Kong. This system helps us to comply with the relevant laws, regulations and contract obligations that are applicable to our products and services; control the quality issues systematically to enhance our customers’ satisfaction as well as continuously improve quality performance in our operations. The Group also provides adequate training to all levels of employees to raise their awareness of QMS in their responsible tasks. On the other hand, the design, production and supply of our product, Ready Mixed Concrete, has obtained the Quality Scheme for the Production and Supply of Concrete (“QSPSC”) under the Hong Kong Quality Assurance Agency, which is also certified by Fugro Certification Services Limited.

During the Reporting Period, we received no complaints or claims from our customers arising from the quality issues of the work performed either by us or sub-contractors, which in the view of Directors, is attributable to the effective quality control measures.

In our ordinary course of business, we hardly get access to the personal information of our clients or confidential of enterprises. However, we attach great attention to the protection of privacy and intellectual property. In compliance with the Personal Data (Privacy) Ordinance (Cap. 486), Laws of Hong Kong, we ensure that all the collected business data from our clients will be treated as strictly confidential and properly dealt with by our staff. Our clients’ data can only be assessed by designated personnel to prevent information leakage to unauthorised persons or parties.

產品責任

為滿足客戶需要，本集團已制定內部管理制度，對其項目執行流程進行嚴密監控，務求為客戶提供優質可靠的服務。

就我們的裝配式建築業務而言，我們已於營運中制定並執行一套由香港的輝固認證服務有限公司認證並符合國際認可 ISO 9001:2015 標準的質量管理系統（「質量管理系統」）。此系統有助我們遵守適用於我們的產品及服務的有關法律、法規及合約責任；控制系統性質量問題以提高客戶滿意度並持續改善我們營運的質量表現。本集團亦為各級僱員提供充裕培訓，提升僱員進行所負責工作時的質量管理系統意識。另一方面，我們的產品 — 預拌混凝土之設計、生產及供應已符合香港品質保證局制定的混凝土生產和供應質量規範（「QSPSC」），同時亦獲輝固認證服務有限公司認證。

於報告期內，我們概無因我們或分包商開展的工作出現質量問題而接獲客戶投訴或索償，董事認為此乃得益於有效的質量控制措施。

於日常業務過程中，我們較少接觸到客戶的個人私隱或企業機密資料，但我們仍然高度重視對私隱及知識產權的保護。我們遵守香港法例第486章《個人資料(私隱)條例》，確保員工對向客戶收集的所有商業資料嚴格保密並妥善處理。只有特定人員能夠評估我們的客戶資料，以避免向未經許可人士洩漏資料。



Relating to respecting intellectual property, employees should also refrain from having unlicensed computer software on their computers at the workplace. The Group complies with the intellectual property (the “IP”) right regulations to protect the interest of the Group and our clients and requires our suppliers to comply with the IP rights for confidentiality and integrity.

For the year ended 31 December 2019, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to health and safety, advertising, labelling and privacy matters relating products and services provided and methods of redress.

ANTI-CORRUPTION

We believe in fairness and honesty in business dealing and we do not tolerate corruption, bribery, money-laundering and other fraudulent activities in connection with any of our business operations. The Group strictly adhere to relevant regulations and laws, such as the Prevention of Bribery Ordinance (Cap. 201), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), Laws of Hong Kong, and the Criminal Law of the PRC.

To facilitate identification of suspected cases of corruption, money laundering and other misconducts, the Group has developed a Whistle-Blowing Policy and stated in the staff handbook. Employees are prohibited from accepting or offering any advantages, including but not limited to rewards, gifts, fees, loans, services, from or to any clients, suppliers or person having a business relationship with the Group. In the event that they identify any irregularities, staff may report to relevant senior management, and we will protect the identity of the informer. Detailed investigation on the reported event shall be conducted followed by appropriate actions according to the result.

在尊重知識產權方面，僱員亦應避免在工作場所電腦使用未經授權的電腦軟件。本集團遵守知識產權（「知識產權」）法規，從而保障本集團及客戶的權益，並要求供應商在保密及誠信方面遵守知識產權。

截至二零一九年十二月三十一日止年度，本集團概不知悉任何違反關於所提供產品及服務的健康與安全、廣告、標籤及隱私事宜以及補救方法且對本集團構成重大影響的法律及法規事件。

反貪污

我們信奉公平及誠信的商業交易，不容忍在我們經營任何業務中的貪污、賄賂、洗黑錢及其他欺詐活動。本集團嚴格遵守相關規例及法例，例如《防止賄賂條例》（香港法例第201章）、《打擊洗錢及恐怖分子資金籌集條例》（香港法例第615章）及《中華人民共和國刑法》。

為便於查明涉嫌貪污、洗黑錢及其他不當行為事件，本集團已制定舉報政策，並在員工手冊中作出說明。禁止僱員接受任何客戶、供應商或與本集團存在業務關係的人士或向其提供任何利益，包括但不限於獎勵、禮物、費用、貸款、服務。倘彼等發現任何違規行為，員工可向相關高級管理層報告，我們將保護舉報人的身份。我們將對所報告的事件進行詳細調查，然後根據結果採取適當行動。



The tendering process is vital to our business and all tendering documents are kept confidential and restricted to concerned parties only. It must be done in a fair manner in order to protect the interest of the Group and our clients. Employees responsible for tendering must comply with the Competition Ordinance (Cap. 619), Laws of Hong Kong, refraining themselves exchanging or communicating any sensitive information with competitors, participating in price fixing, imposing restrictions on clients and abusing the dominant market position.

For the year ended 31 December 2019, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to bribery, extortion, fraud and money laundering.

GIVING BACK TO THE COMMUNITY

At Glory Flame, we sincerely believe that our growth is closely tied to our surrounding community and the environment. Together with fulfilling corporate social responsibility in our daily operations, the Group also proactively to seek appropriate participation in social welfare activities and/or donations in near future.

The Group shall keep abreast latest trends and best practices related to environmental protection at construction sites, and workers' health and safety. We also encourage employees to actively participate in community and voluntary work to further the benefits of local communities and render assistance to the needy. Meanwhile, the Group has strengthened its ties and ensured continuous communication with members of the community where it operates, in an effort to advocate a caring and serving spirit.

投標流程對我們的業務至關重要，所有投標文件均會保密，僅限有關人士查閱。投標必須公平進行，以保護本集團及客戶的利益。負責投標的僱員須遵守《競爭條例》(香港法例第619章)，不得與競爭對手交換或交流任何敏感信息、參與合謀定價、對客戶施加限制及濫用市場主導地位。

截至二零一九年十二月三十一日止年度，本集團概不知悉任何違反與賄賂、勒索、欺詐及洗黑錢有關且對本集團有重大影響的法例及規例事件。

回饋社區

在朝威，我們堅信我們的增長與周圍社區及環境緊密相關。在日常營運中履行企業社會責任的同時，本集團亦積極尋求於不久將來適當參與社會福利活動及／或捐款。

本集團將及時了解建築施工地環境保護及工人健康與安全之最新趨勢和最佳實踐。我們亦鼓勵僱員積極參與社會公益事務，以惠澤當地社區及幫助有需要的人士。同時，本集團已加強與其營運所在社區成員的聯繫和溝通，努力推廣關愛助人的精神。



PERFORMANCE DATA SUMMARY

表現數據摘要

Air Emissions 廢氣排放		Unit 單位	2019 二零一九年	2018 二零一八年
Nitrogen Oxide (NO _x)	氮氧化物(NO _x)	kg 千克	414.69	422.53
Sulphur Oxide (SO _x)	硫氧化物(SO _x)	g 克	685.15	647.83
Particulate Matter (PM)	顆粒物	kg 千克	37.29	37.94

GHG Emissions 溫室氣體排放		Unit 單位	2019 二零一九年	2018 二零一八年
Direct emission or removals from sources (Scope 1) 直接溫室氣體排放及減除(範疇1)				
GHG emissions from mobile combustion sources	Carbon Dioxide (CO ₂) 二氧化碳(CO ₂)	tonne 噸	111.00	105.05
流動燃燒源的溫室氣體排放	Methane (CH ₄) 甲烷(CH ₄)	kg 千克	101.80	82.05
	Nitrous oxide (N ₂ O) 氧化亞氮(N ₂ O)	tonne 噸	8.18	6.89
Energy indirect emissions (Scope 2) 能源間接排放(範疇2)				
Electricity purchased from power companies	Carbon Dioxide (CO ₂) 二氧化碳(CO ₂)	tonne 噸	34.61	41.54
從電力公司購買之電力	Carbon Dioxide (CO ₂) 二氧化碳(CO ₂)	kg 千克	23.10	90.68
Gas purchased from Towngas	Carbon Dioxide (CO ₂) 二氧化碳(CO ₂)	kg 千克		
從中華煤氣公司購買的煤氣				
Other indirect emissions (Scope 3) 其他間接排放(範疇3)				
Paper waste disposed at landfills	Carbon Dioxide (CO ₂) 二氧化碳(CO ₂)	tonne 噸	18.24	2.79
於堆填區處置之廢紙				
Electricity used for processing fresh water and sewage by government department	Carbon Dioxide (CO ₂) 二氧化碳(CO ₂)	kg 千克	77.13	122.11
政府部門使用電力處理食水及污水所引致的溫室氣體排放				
Business air travel by employees	Carbon Dioxide (CO ₂) 二氧化碳(CO ₂)	tonne 噸	15.49	5.43
僱員乘坐飛機出外公幹				

Resources Consumption 資源消耗		Unit 單位	2019 二零一九年	2018 二零一八年
Electricity Consumption *	耗電量 *	kWh 千瓦時	54,929.06	65,616.46
		kWh/employee 千瓦時／僱員	446.58	428.87
Gas Consumption	耗氣量	MJ 兆焦耳	1,848.00	7,254
		MJ/employee 兆焦耳／僱員	15.02	47.41
Water Consumption **	用水量 **	m ³ 立方米	87.15	171.38
		m ³ /employee 立方米／僱員	0.71	1.12

* Electricity consumption for our accommodation in Beverly Villas is based on the latest available data, which covers the periods 12 April 2019 to 31 December 2019.

* 我們在碧華花園的宿舍耗電量乃基於最新可得數據，涵蓋期間為二零一九年四月十二日至二零一九年十二月三十一日。

** Water consumption for our offices and accommodation in 2/F in Cheong Shing Industrial Building, 6/F in Cheong Shing Industrial Building, and Yen Yau Mansion are based on the latest available data, which covers the periods 1 January 2019 to 31 January 2019, 1 January 2019 to 12 August 2019, and 1 January 2019 to 12 August 2019 respectively.

** 我們在昌盛工業大廈2樓、昌盛工業大廈6樓及仁友大廈的辦公室及宿舍耗水量乃基於最新可得數據，涵蓋期間分別為二零一九年一月一日至二零一九年一月三十一日、二零一九年一月一日至二零一九年八月十二日及二零一九年一月一日至二零一九年八月十二日。

		Unit 單位	2019 二零一九年	2018 二零一八年
Construction waste intensity	建築廢物密度	tonne/construction site 噸／工地	5.39	1.18
Construction waste	建築廢物	tonne 噸	2,469.69	2,150.70



		Total Workforce No. of People in 2019 員工總數 二零一九年 人數	Total Workforce No. of People in 2018 員工總數 二零一八年 人數
By Gender			
	按性別劃分		
Male	男性	98	125
Female	女性	25	28
By Age Group			
	按年齡組別劃分		
18 – 30 years old	18 至30 歲	10	21
31 – 40 years old	31 至40 歲	33	36
41 – 50 years old	41 至50 歲	36	44
51 – 60 years old	51 至60 歲	30	36
Over 60 years old	60 歲以上	14	16
By Geographical Region			
	按地區劃分		
Hong Kong	香港	65	72
The PRC	中國	58	81
By Employee Category			
	按僱員類別劃分		
Senior Management	高級管理層	14	18
Middle Management	中級管理層	21	17
Entry Level	初級員工	88	118

		Employment Turnover in 2019 二零一九年僱員流失情況		Employment Turnover in 2018 二零一八年僱員流失情況	
		No. of People 人數	Turnover Rate 流失率	No. of People 人數	Turnover Rate 流失率
By Gender	按性別劃分				
Male	男性	71	72%	47	38%
Female	女性	6	24%	21	75%
By Age Group	按年齡組別劃分				
18 – 30 years old	18至30歲	10	100%	18	86%
31 – 40 years old	31至40歲	15	45%	29	80%
41 – 50 years old	41至50歲	27	75%	13	30%
51 – 60 years old	51至60歲	23	77%	8	22%
Over 60 years old	60歲以上	2	14%	0	0%
By Geographical Region	按地區劃分				
Hong Kong	香港	33	51%	17	24%
The PRC	中國	44	76%	51	63%

		Average training hours completed in 2019 No. of Hours 二零一九年 平均已完成 培訓時數 小時數	Average training hours completed in 2018 No. of Hours 二零一八年 平均已完成 培訓時數 小時數
By Gender	按性別劃分		
Male	男性	7.60	1.42
Female	女性	3.50	0.25
By Category	按類別劃分		
Senior Management	高級管理層	0	1.78
Middle Management	中級管理層	3.50	0.82
Entry Level	初級員工	7.40	1.17



		Percentage of employees being trained in 2019 Rate 二零一九年 受訓僱員 百分比 比率	Percentage of employees being trained in 2018 Rate 二零一八年 受訓僱員 百分比 比率
By Gender	按性別劃分		
Male	男性	17%	18%
Female	女性	8%	7%
By Category	按類別劃分		
Senior Management	高級管理層	0%	11%
Middle Management	中級管理層	5%	12%
Entry Level	初級員工	56%	18%

Number of Suppliers by Geographical Region		2019 二零一九年	2018 二零一八年
	按地區劃分的供應商數目		
Hong Kong	香港	64	67
The PRC	中國	5	10
Asia (except Hong Kong and the PRC)	亞洲(香港及中國除外)	1	1
Europe	歐洲	1	2
North America	北美	0	0



ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTENT INDEX

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 20 to the Rule Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The following table provides an overview of the general disclosures and key performance indicators (“KPIs”) of various aspects under each subject area, which are either cross-referenced to the relevant chapters of the Report or supplementing the Report with additional information.

環境、社會及管治內容索引

本報告乃根據香港聯合交易所有限公司證券上市規則附錄20的「環境、社會及管治報告指引」編製。下表概述指引各主要範疇項下不同層面的一般披露及關鍵績效指標(「KPIs」)，並載列報告相關互相參照之章節或提供額外說明。

Description 描述	Reference 參考	Remark 備註
ENVIRONMENTAL 環境		
Aspect A1: EMISSIONS 層面A1：排放物		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a) 政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	Protecting the Environment 保護環境
KPI A1.1 關鍵績效 指標A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Emissions 排放



Description 描述	Reference 參考	Remark 備註
ENVIRONMENTAL 環境		
Aspect A1: EMISSIONS 層面A1：排放物		
KPI A1.2 關鍵績效 指標A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Emissions 排放
KPI A1.3 關鍵績效 指標A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	N/A 不適用 We do not generate hazardous waste in our operations. 我們在經營中並未產生有害廢棄物。
KPI A1.4 關鍵績效 指標A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Waste Management 廢物管理
KPI A1.5 關鍵績效 指標A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Waste Management 廢物管理



Description 描述	Reference 參考	Remark 備註
ENVIRONMENTAL 環境		
Aspect A1: EMISSIONS 層面A1：排放物		
KPI A1.6 關鍵績效 指標A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Waste Management 廢物管理
Aspect A2: USE OF RESOURCES 層面A2：資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Use of Resources 資源使用
KPI A2.1 關鍵績效 指標A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	Use of Resources 資源使用
KPI A2.2 關鍵績效 指標A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	Use of Resources 資源使用
KPI A2.3 關鍵績效 指標A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Use of Resources 資源使用



Description 描述	Reference 參考	Remark 備註
ENVIRONMENTAL 環境		
Aspect A2: USE OF RESOURCES 層面A2：資源使用		
KPI A2.4 關鍵績效 指標A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Use of Resources 資源使用 The Group encounters no issue in sourcing water that is fit for purpose. 本集團於求取適用水源上沒有任何問題。
KPI A2.5 關鍵績效 指標A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	N/A 不適用 We do not generate significant packaging material waste in our operations. 我們在營運中並未產生重大包裝材料廢物。
Aspect A3: THE ENVIRONMENT AND NATURAL RESOURCES 層面A3：環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Environment and Natural Resources 環境及天然資源
KPI A3.1 關鍵績效 指標A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Environment and Natural Resources 環境及天然資源



Description 描述	Reference 參考	Remark 備註
EMPLOYMENT AND LABOUR PRACTICES 僱傭及勞工常規		
Aspect B1: EMPLOYMENT 層面B1：僱傭		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hour, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a) 政策；及(b) 遵守對發行人有重大影響的相關法律及規例的資料。	Employment and Labour Practices 僱傭及勞工常規
KPI B1.1 關鍵績效指標B1.1	Total workforce by gender employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Employment and Labour Practices – Staff Composition 僱傭及勞工常規—員工組成
KPI B1.2 關鍵績效指標B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	Employment and Labour Practices – Staff Turnover 僱傭及勞工常規—員工流失



Description 描述	Reference 參考	Remark 備註
EMPLOYMENT AND LABOUR PRACTICES 僱傭及勞工常規		
Aspect B2: HEALTH AND SAFETY 層面 B2：健康與安全		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employee from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的：(a) 政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	Health and Safety 健康與安全
KPI B2.1 關鍵績效指標 B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	Health and Safety 健康與安全
KPI B2.2 關鍵績效指標 B2.2	Lost days due to work injury. 因工傷損失工作日數。	Health and Safety 健康與安全
KPI B2.3 關鍵績效指標 B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Health and Safety 健康與安全



Description 描述	Reference 參考	Remark 備註
EMPLOYMENT AND LABOUR PRACTICES 僱傭及勞工常規		
Aspect B3: DEVELOPMENT AND TRAINING 層面B3：發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description for training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Development and Training 發展及培訓
KPI B3.1 關鍵績效 指標B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	Development and Training 發展及培訓
KPI B3.2 關鍵績效 指標B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	Development and Training 發展及培訓
Aspect B4: LABOUR STANDARDS 層面B4：勞工準則		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的：(a) 政策；及(b) 遵守對發行人有重大影響的相關法律及規例的資料。	Labour Standards 勞工準則



Description 描述	Reference 參考	Remark 備註
EMPLOYMENT AND LABOUR PRACTICES 僱傭及勞工常規		
Aspect B4: LABOUR STANDARDS 層面 B4：勞工準則		
KPI B4.1 關鍵績效 指標 B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Labour Standards 勞工準則
KPI B4.2 關鍵績效 指標 B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	Labour Standards 勞工準則
OPERATING PRACTICES 營運慣例		
Aspect B5: SUPPLY CHAIN MANAGEMENT 層面 B5：供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Supply Chain Management 供應鏈管理
KPI B5.1 關鍵績效 指標 B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Supply Chain Management 供應鏈管理
KPI B5.2 關鍵績效 指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Supply Chain Management 供應鏈管理



Description 描述	Reference 參考	Remark 備註	
OPERATING PRACTICES 營運慣例			
Aspect B6: PRODUCT RESPONSIBILITY 層面B6：產品責任			
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a) 政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	Product Responsibility 產品責任	
KPI B6.1 關鍵績效指標 B6.1	Percentage to total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	N/A 不適用	There were no recalls concerning the provision. 並無有關供給品的回收事件。
KPI B6.2 關鍵績效指標 B6.2	Number of products and service related complaints received how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	N/A 不適用	There were no validated complaints received during the reporting review period. 於報告回顧期內，並無接獲任何經查明屬實的投訴。
KPI B6.3 關鍵績效指標 B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Product Responsibility 產品責任	
KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	N/A 不適用	Recall procedures are not relevant to our operations. 回收程序與我們的營運無關。



Description 描述	Reference 參考	Remark 備註
OPERATING PRACTICES 營運慣例		
Aspect B6: PRODUCT RESPONSIBILITY 層面 B6 : 產品責任		
KPI B6.5 關鍵績效 指標 B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	Product Responsibility 產品責任
Aspect B7: ANTI-CORRUPTION 層面 B7 : 反貪污		
General Disclosure 一般披露	Information on (a) the policies: and (b) compliance with relevant laws and regulations that they have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的：(a) 政策；及(b) 遵守對發行人有重大影響的相關法律及規例的資料。	Anti-Corruption 反貪污
KPI B7.1 關鍵績效 指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcome of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Anti-Corruption 反貪污
KPI B7.2 關鍵績效 指標 B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Anti-Corruption 反貪污



Description 描述	Reference 參考	Remark 備註
COMMUNITY 社區		
Aspect B8: COMMUNITY INVESTMENT 層面B8：社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Giving Back to the Community 回饋社區
KPI B8.1 關鍵績效指標B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	Giving Back to the Community 回饋社區
KPI B8.2 關鍵績效指標B8.2	Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	Giving Back to the Community 回饋社區



The Board is pleased to present the annual report together with the audited consolidated financial statements for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in (i) provision of construction services and building materials supply, (ii) sales of agriculture-related products, and (iii) trading of clean coal and others.

BUSINESS REVIEW

Further discussion and analysis of these activities, including a business review and an indication of likely future developments in the businesses of the Group, can be found in the Chairman's statement and Management Discussion and Analysis as set out in this annual report. These discussions form part of this directors' report.

ENVIRONMENT POLICIES, PERFORMANCE AND COMPLIANCE WITH LAWS AND REGULATIONS

Details of Environmental Policies, performance and compliance with laws and regulations are set out in the "Environmental, Social and Governance Report" in this annual report.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors recognizes that employees, customers and business partners are the keys to the sustainable development of the Group is committed to building a close and caring relationship with its employees and business partners and improving the quality of services to the customers.

Employees are regarded as the most important and valuable assets of the Group. The Group ensures all staff is reasonably remunerated and regular training courses are provided for its workers on different types of skills and knowledge for their specific jobs in the workplace as well as work safety. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills.

董事會欣然提呈報告期的年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司。其附屬公司主要從事(i)提供建築服務及樓宇材料供應、(ii)銷售農業設備及(iii)買賣清潔煤及其他。

業務回顧

該等業務的進一步討論及分析(包括本集團的業務回顧及本集團可能未來發展的指示)可於本年報主席報告及管理層討論與分析中查閱。該等討論構成本董事會報告的一部分。

環境政策、履行及遵守法律及規例

有關環境政策、履行及遵守法律及規例的詳情載列於本年報「環境、社會及管治報告」。

與僱員、客戶及供應商的主要關係

董事深知僱員、客戶及業務夥伴為本集團持續發展的關鍵。本集團致力於與其僱員及業務夥伴之間建立緊密及關懷關係以及改善提供予客戶的服務質素。

僱員被視為本集團最為重要及最有價值資產。本集團確保所有員工獲得合理薪酬及就員工的具體工作崗位所需的不同類型技能及知識以及工作安全向員工提供定期培訓課程。本集團致力於透過提升及改善僱員技術之清晰的職業道路及機會來激勵彼等。



The Group also stays connected with its customers and suppliers and has ongoing communication with the customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income in this annual report.

The Board does not recommend payment of final dividend to shareholders of the Company for the Reporting Period.

CLOSURE OF REGISTER OF MEMBERS

As the forthcoming AGM of the Company will be held on 8 June 2020 (Monday), the register of members of the Company will be closed from 3 June 2020 (Wednesday) to 8 June 2020 (Monday) (both days inclusive) for the said AGM or any adjournment thereof. All transfer of the Company's shares together with relevant share certificates must be lodged with the Company's branch share registrar and transfer office no later than 4:30 p.m. on 2 June 2020 (Tuesday) in order to qualify for the right to attend and vote at the AGM (or any adjournment thereof). The share registrar and transfer office is at:

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

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the five financial years are set out in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements of the property, plant and equipment of the Group during the Reporting Period are set out in note 16 to the consolidated financial statements in this annual report.

本集團亦與其客戶及供應商保持聯繫以及透過各種渠道與客戶及供應商交流，例如電話、電郵及舉行會議獲得彼等的反饋及建議。

業績及分配

本集團於報告期的業績載於本年報的綜合損益及其他全面收入表。

董事會並不建議就本報告期向本公司股東派發末期股息。

暫停辦理股東登記手續

由於本公司將於二零二零年六月八日(星期一)舉行應屆股東週年大會，本公司將於二零二零年六月三日(星期三)至二零二零年六月八日(星期一)(包括首尾兩天)因上述股東週年大會或其任何續會而暫停辦理股東登記手續。為符合資格有權出席股東週年大會(或其任何續會)並於會上投票，所有本公司股份過戶文件連同相關股票必須於二零二零年六月二日(星期二)下午四時三十分前交回本公司之股份過戶登記分處。股份過戶登記處位於：

地址：寶德隆證券登記有限公司
香港
北角電氣道148號
21樓2103B室

財務概要

本集團於過去五個財政年度的業績、資產及負債概要載於本年報。

物業、廠房及設備

本集團物業、廠房及設備於報告期內的變動詳情載於本年報的綜合財務報表附註16。



SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2019 and details of the acquisition of subsidiaries during the Reporting Period are set out in note 32 and 10 to the consolidated financial statements in this annual report.

SHARE CAPITAL AND SHARE PREMIUM

The Company's total issued share capital as at 31 December 2019 was 1,010,605,000 ordinary shares of HK\$0.01 each.

Details of movements of the share capital and the share premium of the Company during the Reporting Period are set out in note 27 and 28 to the consolidated financial statements in this annual report.

EMOLUMENT POLICY FOR DIRECTORS

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group. The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

RESERVES

Details of the reserve of the Group are set out in consolidated statement of changes in equity in this annual report.

As at 31 December 2019, the reserves of the Company available for distribution, as calculated under the provision of section 79B of the Companies Ordinance, and in accordance with the Companies Law Cap. 22 of Cayman Islands, was approximately HK\$44.7 million (2018: approximately HK\$94.6 million) inclusive of share premium, share-based payment reserve, special reserve and retained earnings/accumulated losses.

附屬公司

本公司主要附屬公司於二零一九年十二月三十一日的資料及於報告期內收購附屬公司的詳情載於本年報的綜合財務報表附註32及10。

股本及股份溢價

於二零一九年十二月三十一日，本公司已發行股本總數為1,010,605,000股每股面值0.01港元的普通股。

本公司股本及股份溢價於報告期內的變動詳情載於本年報的綜合財務報表附註27及28。

董事薪酬政策

薪酬委員會乃為檢討本集團之薪酬政策及本集團所有董事及高級管理人員之薪酬架構而設立。董事薪酬乃經參考經濟形勢、市況、各董事之職務及職責及彼等個人表現後釐定。

儲備

本集團的儲備詳情載於本年報的綜合權益變動表。

於二零一九年十二月三十一日，按照公司條例第79B條的條文計算，根據開曼群島法例第22章公司法本公司可供分派的儲備約為44,700,000港元(二零一八年：約94,600,000港元)，包括股份溢價、以股份為基礎之付款儲備、特別儲備及保留盈利／累積虧損。



SHARE OPTION SCHEME

Particulars of the share option scheme of the Company (the "Scheme") which was adopted on 2 August 2014 (the "Date of Adoption") are set out in note 30 to the consolidated financial statements in this annual report. The Scheme will remain in force for a period of ten years commencing on the Date of Adoption and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders of the Company in general meeting.

The purpose of the Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents customers, business partners and services providers of the Group and to promote the success of the business of the Group.

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), Director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or services provider of the Group, options to subscribe for such number of shares of the Company as it may determine in accordance with the terms of the Scheme. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

購股權計劃

於二零一四年八月二日(「採納日期」)採納的本公司購股權計劃(「該計劃」)詳情載於本年報的綜合財務報表附註30。該計劃將於採納日期當日起計十年內有效，除非在股東大會上遭本公司股東提早終止，否則於緊接該計劃滿十週年前營業日的營業時間結束時屆滿。

該計劃旨在吸引及挽留最優秀的人員、向本集團僱員(全職及兼職)、董事、諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、商業夥伴及服務供應商提供額外獎勵以及推動本集團業務創出佳績。

董事會可全權酌情按其認為適合的條款，向本集團任何僱員(全職或兼職)、董事、諮詢人或顧問、或本集團任何主要股東、或本集團任何分銷商、承包商、供應商、代理、客戶、商業夥伴或服務供應商授出購股權，使彼等可根據該計劃的條款認購董事會可能指定數目的本公司股份。董事會(或獨立非執行董事，視情況而定)可不時根據個別參與者對本集團發展及增長所作出或可能作出的貢獻決定獲授購股權參與者的資格。



As at 31 December 2019, the number of outstanding share options under the Scheme is 16,306,050 options, representing 1.61% of the total issued Shares. The details of movements in shares options under Scheme during the Reporting Period are set out below:

於二零一九年十二月三十一日，該計劃項下尚未行使購股權數目為16,306,050份，佔全部已發行股份的1.61%。於報告期內該計劃項下購股權變動詳情載列如下：

		Number of share options 購股權數目
Outstanding shares option as at 1 January 2019	於二零一九年一月一日 尚未行使購股權	16,306,050
Granted during the year	年內授出	—
Exercised during the year	年內行使	—
Cancelled during the year	年內註銷	—
Lapsed during the year	年內失效	—
<hr/>		
Outstanding shares option as at 31 December 2019	於二零一九年十二月三十一日 尚未行使購股權	16,306,050

The maximum number of entitlement to Shares of each grantee under the Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of the issued Shares. Any further grant of options in excess of this 1% limit shall be subject to the approval of the Shareholders in accordance with the GEM Listing Rules.

於任何十二個月期間內，根據該計劃各承授人的授權股份(包括已行使、註銷及尚未行使的購股權)數目不得超過已發行股份總數的1%，任何超出此1%規限的購股權授出須根據GEM上市規則須獲得股東批准。

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

承授人可於董事會可能釐訂的期間，隨時根據該計劃的條款行使購股權，惟有關期間不得超過授出日期起計十年，並受有關提前終止條文所規限。

Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

承授人於行使任何購股權前一概毋須達成任何表現目標，除非董事會另有決定，並於有關購股權的授出要約上有所指明。

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.

授出購股權的要約限於作出有關要約日期(包括當日)起七日內接納。購股權承授人須於接納要約時就獲授的購股權向本公司支付1港元。



The subscription price of a share in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

DIRECTORS

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

Executive Director

Mr. Liu Yingjie (*Note*)

Ms. Zhou Jin

(*appointed on 12 April 2019*)

Mr. Zhu Zhou

(*resigned on 28 June 2019*)

Ms. Jiao Fei

(*resigned on 12 April 2019*)

Independent Non-executive Director

Mr. Cao Hongmin

(*appointed on 22 January 2019*)

Mr. Chan Chi Pan

(*appointed on 19 July 2019*)

Mr. Li Kar Fai Peter

(*appointed on 19 July 2019*)

Mr. Liu Yang

(*resigned on 22 January 2019*)

Mr. Chan Kam Wah

(*resigned on 5 June 2019*)

Note:

Mr. Liu Yingjie was appointed as independent non-executive Director on 19 September 2018 and re-designated as executive Director and chairman of the Board on 28 June 2019.

根據該計劃授出的任何特定購股權的股份認購價由董事會全權釐定並通知參與者，但不得低於下列最高者：(i) 股份於購股權授出日期(必須為營業日)於聯交所每日報價表所報收市價；(ii) 股份於緊接購股權授出日期前五個營業日在聯交所每日報價表所報的平均收市價；及(iii) 股份於購股權授出日期的面值。

董事

於報告期內及直至本報告日期，董事如下：

執行董事

劉英杰先生(*附註*)

Zhou Jin女士

(*於二零一九年四月十二日獲委任*)

朱洲先生

(*於二零一九年六月二十八日辭任*)

焦飛女士

(*於二零一九年四月十二日辭任*)

獨立非執行董事

曹洪民先生

(*於二零一九年一月二十二日獲委任*)

陳志斌先生

(*於二零一九年七月十九日獲委任*)

李嘉輝先生

(*於二零一九年七月十九日獲委任*)

劉陽先生

(*於二零一九年一月二十二日辭任*)

陳錦華先生

(*於二零一九年六月五日辭任*)

附註：

劉英杰先生於二零一九年九月十九日獲委任為獨立非執行董事及於二零一九年六月二十八日調任為執行董事兼主席。



The incumbent Directors' biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" in this report.

現任董事履歷詳情載於本報告「董事及高級管理層履歷詳情」一節。

Information regarding directors' emoluments is set out in note 13 to the consolidated financial statements.

董事酬金資料載於綜合財務報表附註13。

An annual confirmation of independence pursuant to the requirements under Rule 5.09 of the GEM Listing Rules has been received from each of the independent non-executive Directors.

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條規定發出的年度獨立性確認書。

DIRECTORS' SERVICE CONTRACT

董事服務合約

No Director has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation. All Directors of the Company were appointed for a period from one to three years and subject to retirement from office and re-election at the AGM of the Company in accordance with the Articles.

概無董事訂立本集團不可於一年內終止而毋須支付賠償(法定賠償除外)的服務合約。本公司所有獲委任董事的任期為一至三年不等，惟須根據細則退任及於本公司的股東週年大會上接受重選。

Each of the executive Directors shall also be entitled to discretionary bonus to be determined by the Board based on, among other things, the performance of the individual directors and the overall financial position of the Group, and is subject to the recommendation of the remuneration committee of the Company.

各執行董事亦有權獲得酌情花紅，金額由董事會根據(其中包括)董事個人表現及本集團整體財務狀況釐定，並由本公司薪酬委員會建議。

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporation

As at 31 December 2019, interests or short positions of the Directors, chief executives of the Company in the shares (the “**Shares**”), underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”)) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long Position in the Shares and underlying Shares

Name of Director	Capacity/ Nature of interest	Number of Shares and underlying Shares held/interested in	Approximate percentage of shareholding
股東名稱	身份／性質	所持有／擁有權益的 股份及相關股份數目	概約持股百分比
Zhou Jin	Beneficial owner	284,500,000	28.15%
Zhou Jin	實益擁有人		

權益披露

A. 董事及主要行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零一九年十二月三十一日，本公司董事或主要行政人員於本公司或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份（「股份」）、相關股份及債權證中擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視作擁有的權益及淡倉），或(ii)根據證券及期貨條例第352條登記於該條例所述登記冊的權益及淡倉，或(iii)根據GEM上市規則第5.46至5.67條須知會本公司及聯交所的權益及淡倉如下：

(i) 於股份及相關股份的好倉



(ii) Interests in debentures of the Company

(ii) 於本公司債權證的權益

Name of Chief Executive 主要行政人員姓名	Capacity/ Nature of interest 身份／權益性質	Type/Class of debentures 債權證類別／類型	Amount of Bonds held/interest in 所持有／擁有權益的 債券金額
Lai Xiaoliang 賴曉亮	Beneficial owner 實益擁有人	Fixed rate bond (Note) 固定利率債券(附註)	HK\$5,800,000 5,800,000港元

Note: the fixed rate bonds are freely transferrable and not convertible to the Shares of the Company

附註：該固定利率債券可予自由轉讓，不可轉換為本公司股份

(iii) Short Position

As at 31 December 2019, none of the Directors or the chief executive nor their associates had any short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

(iii) 淡倉

於二零一九年十二月三十一日，概無董事或主要行政人員或彼等的聯繫人於本公司或其任何相聯法團的股份、相關股份或債權證中擁有任何淡倉。

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

Save as disclosed below, as at 31 December 2019 and so far as is known to the Directors, no person other than certain Directors or chief executive of the Company had any interests or short positions in the Shares and underlying shares of the Company which were required to be recorded in the register of substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

B. 主要股東及其他人士於股份及相關股份的權益及淡倉

除下文所披露者外，於二零一九年十二月三十一日及據董事所知悉，概無人士(本公司若干董事或主要行政人員除外)於本公司股份及相關股份中擁有須根據證券及期貨條例第336條於本公司存置的主要股東名冊記錄的任何權益或淡倉，或擁有須根據證券及期貨條例第XV部第2及3分部向本公司披露的任何權益或淡倉，或直接或間接持有附有權利可於任何情況下於本集團任何其他成員公司股東大會上投票的任何類別股本面值10%或以上的權益。



Name of Shareholder	Capacity/Nature	Number of Shares and underlying Shares held/interested in	Approximate percentage of shareholding
股東名稱	身份／性質	所持有／擁有權益的股份及相關股份數目	概約持股百分比
Huang Cheng 黃成	Beneficial owner 實益擁有人	188,620,000	18.66%
Zhu Zhou 朱洲	Beneficial owner 實益擁有人	129,000,000	12.76%

MAJOR CUSTOMERS

During the Reporting Period, the Group's five largest customers accounted for approximately 37.6% (2018: approximately 47.8%) of the total revenue of the Group and the largest customer of the Group accounted for approximately 21.3% (2018: approximately 15.6%) of the total revenue.

None of the Directors or any of their close associates (as defined under the GEM Listing Rules), or any Shareholder (which to the knowledge of the Directors own 5% or more of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

MAJOR SUPPLIERS

During the Reporting Period, the Group's five largest suppliers accounted for approximately 63% (2018: approximately 35.6%) of the total purchases of the Group and the largest supplier of the Group accounted for approximately 24% (2018: approximately 10.9%) of the total purchases.

None of the Directors or any of their close associates (as defined under the GEM Listing Rules), or any Shareholder (which to the knowledge of the Directors own 5% or more of the Company's issued share capital) had any beneficial interest in the Group's five largest suppliers.

主要客戶

於報告期內，本集團五大客戶佔本集團總收入約37.6%（二零一八年：約47.8%），而本集團最大客戶則佔總收入約21.3%（二零一八年：約15.6%）。

概無董事或彼等任何緊密聯繫人（定義見GEM上市規則）或任何股東（據董事所知擁有本公司已發行股本5%或以上）於本集團五大客戶中擁有任何實益權益。

主要供應商

於報告期內，本集團五大供應商佔本集團總採購額約63%（二零一八年：約35.6%），而本集團最大供應商則佔總採購額約24%（二零一八年：約10.9%）。

概無董事或彼等任何緊密聯繫人（定義見GEM上市規則）或任何股東（據董事所知擁有本公司已發行股本5%或以上）於本集團五大供應商中擁有任何實益權益。



MAJOR SUBCONTRACTORS

During the Reporting Period, the Group's five largest subcontractors accounted for approximately 87% (2018: approximately 70.6%) of the total subcontracting of the Group and the largest subcontractor of the Group accounted for approximately 33% (2018: approximately 20.0%) of the total purchases.

None of the Directors or any of their close associates (as defined under the GEM Listing Rules), or any Shareholder (which to the knowledge of the Directors own 5% or more of the Company's issued share capital) had any beneficial interest in the Group's five largest subcontractors.

DIRECTORS' INTEREST IN CONTRACTS

Save for the related party transactions disclosed in note 32 to the consolidated financial statements, no contract of significance to which the Company or any of its subsidiaries, holding company or fellow subsidiaries was a party and in which a Director had a material interests directly or indirectly subsisted at the end of the Reporting Period or at any time during the Reporting Period.

MANAGEMENT CONTRACTS

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

主要分包商

於報告期內，本集團五大分包商佔本集團總分包費約87%（二零一八年：約70.6%），而本集團最大分包商則佔總採購額約33%（二零一八年：約20.0%）。

概無董事或彼等任何緊密聯繫人（定義見GEM上市規則）或任何股東（據董事所知擁有本公司已發行股本5%或以上）於本集團五大分包商中擁有任何實益權益。

董事合約權益

除綜合財務報表附註32所披露的關連方交易外，於報告期末或報告期內任何時間概無存續本公司或其任何附屬公司、控股公司或同系附屬公司為訂約方及董事於當中直接或間接擁有重大權益的重大合約。

管理合約

於報告期內並無訂立或存在涉及本公司全部或任何大部分業務的管理合約。

董事收購股份或債權證的權利

於報告期內任何時間，概無董事或彼等各自的聯繫人獲授任何權利，可藉收購本公司股份或債權證而獲得利益，亦無行使有關權利；而本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何安排，以使董事獲得任何其他法人團體的有關權利。



RELATED PARTY TRANSACTIONS

Details of the significant related party transactions of the Group are set out in note 32 to the consolidated financial statements.

The related party transactions set out in note 32 to the consolidated financial statements do not fall under the definition of “connected transaction” or “continuity connected transaction” under Chapter 20 of the GEM Listing Rules and are fully exempted from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

INTERESTS IN COMPETING BUSINESS

Having made specific enquiry of all Directors, all of them have confirmed that neither themselves nor their respective close associates (as defined in the GEM Listing Rules) had held any position or had interest in any businesses or companies that were or might be competing with the business of the Group, or gave rise to any concern regarding conflict of interests during the Reporting Period.

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

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

CORPORATE GOVERNANCE CODE

Throughout the Reporting Period, the Company has complied with the applicable code provisions of the Code except for the deviations from code provision A.2.1 of the Code which is explained in the section headed “Compliance with the Corporate Governance Code” of the Corporate Governance Report.

關連方交易

本集團的重大關連方交易詳情載於綜合財務報表附註32。

載於綜合財務報表附註32的關連方交易並非GEM上市規則第20章項下之「關連交易」或「持續關連交易」，且悉數豁免GEM上市規則第20章項下申報、年度審閱、公告及獨立股東批准之規定。

於競爭業務中的權益

經向全體董事作出特定查詢後，彼等均已確認，於報告期內，彼等或彼等各自的緊密聯繫人(定義見GEM上市規則)並無於與本集團業務構成或可能構成競爭的任何業務或公司出任任何職務，或於當中擁有權益，或產生任何有關利益衝突的疑慮。

購買、出售或贖回本公司的上市證券

於報告期內，本公司及其任何附屬公司概無已購買、出售或贖回本公司的任何上市證券。

企業管治守則

於報告期內，本公司一直遵守企業管治守則的適用守則條文，惟偏離企業管治報告中「遵守企業管治守則」一節所述守則的守則條文第A.2.1條則除外。



CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company (the “Code of Conduct”). Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct throughout the Reporting Period.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Reporting Period. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors.

EVENTS AFTER THE REPORTING PERIOD

Details of important events affecting the Group after the end of the Reporting Period are set out in the paragraph headed “Events after the Reporting Period” in the Management Discussion and Analysis section of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information that is publicly available to the Company, at least 25% of the Company’s issued share capital were held by the public as at the date of this report.

AUDITOR

ZHONGHUI ANDA CPA Limited (“ZHONGHUI ANDA”) was the auditor of the Company, which shall retire in the forthcoming AGM and, being eligible, offer itself for reappointment. A resolution for the re-appointment of ZHONGHUI ANDA as auditors of the Company will be proposed at the forthcoming AGM.

On behalf of the Board
Liu Yingjie
Chairman

Hong Kong, 27 March 2020

有關董事進行證券交易的操守守則

本集團已採納GEM上市規則第5.48條至第5.67條載列的規定買賣準則，作為董事就本公司股份進行證券交易的操守守則（「操守守則」）。經向董事作出特定查詢後，全體董事已確認，彼等於整個報告期內一直遵守操守守則載列的規定準則。

獲准許的彌償條文

惠及董事的獲准許彌償條文目前已生效及於整個報告期有效。本公司已採取及維持合適保險，為有關針對其董事的可能法律行動提供保障。

報告期後事項

於報告期後影響本集團的重要事項之詳情載於本年報管理層討論與分析一節「報告期後事項」一段。

足夠公眾持股量

據董事所知及基於有關本公司的公開資料，於本報告日期，本公司已發行股本中最少25%由公眾人士持有。

核數師

中匯安達會計師事務所有限公司（「中匯安達」）為本公司核數師，將於應屆股東週年大會退任，惟彼符合資格並願意於周年大會上應聘連任。本公司將於應屆股東週年大會提呈有關重新委任中匯安達為本公司核數師的決議案。

代表董事會
主席
劉英杰

香港，二零二零年三月二十七日

**TO THE SHAREHOLDERS OF
Glory Flame Holdings Limited**

朝威控股有限公司

*(Incorporated in the Cayman Islands with limited liability)***OPINION**

We have audited the consolidated financial statements of Glory Flame Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 102 to 175, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

致朝威控股有限公司各股東

*(於開曼群島註冊成立的有限公司)***意見**

吾等已完成審核列載於第102至175頁朝威控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)之綜合財務報表，此綜合財務報表包括於二零一九年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表的附註(包括主要會計政策概要)。

吾等認為，綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈之香港財務報告準則(「**香港財務報告準則**」)真實而公平地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況，及 貴集團截至該日止年度之財務表現及現金流量，並按照香港公司條例之披露規定妥為編製。

意見的基礎

吾等已根據香港會計師公會頒佈的《香港審計準則》(「**香港審計準則**」)進行審計。吾等在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「**守則**」)，吾等獨立於 貴集團，並已履行守則中的其他專業道德責任。吾等相信，吾等所獲得的審計憑證能充足及適當地為吾等的審計意見提供基礎。



KEY AUDIT MATTERS

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

TRADE AND OTHER RECEIVABLES

Refer to Note 21 to the consolidated financial statements.

The Group tested the amount of trade and other receivables for recoverability. This recoverability review is significant to our audit because the balance of trade and other receivables of approximately HK\$76,706,000 as at 31 December 2019 is material to the consolidated financial statements. In addition, the Group's recoverability review involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's procedures on granting credit limits and credit periods to customers and debtors;
- Assessing the Group's relationship and transaction history with the customers and debtors;
- Evaluating the Group's recoverability assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the customers and debtors;
- Checking subsequent settlements from the customers and debtors; and
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's recoverability review for trade and other receivables is supported by the available evidence.

關鍵審核事項

關鍵審核事項為吾等的專業判斷中，審核本期綜合財務報表中最重要的事項。吾等於審核整體綜合財務報表處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。

貿易及其他應收款項

請參閱綜合財務報表附註21。

貴集團對貿易及其他應收款項金額之可收回程度進行測試。此可收回程度審查可能出現的結果對吾等之審計尤其重要，由於截至二零一九年十二月三十一日的貿易及其他應收款項結餘約76,706,000港元為綜合財務報表重要的部分。另外，貴集團之可收回程度測試涉及有關判斷之應用並以估計為基礎。

吾等採用之審計程序包括(其中包括)：

- 評估 貴集團授予客戶及債權人信貸額度及信貸期限之程序；
- 評估 貴集團與客戶及債權人之關係與交易記錄；
- 評估 貴集團之可收回程度評估；
- 評估債務之賬齡；
- 評估客戶及債權人之信譽；
- 評估客戶及債權人之期後結算事宜；及
- 評估 貴集團在綜合財務報表有關信貸風險之披露。

吾等認為 貴集團就貿易及其他應收款項之可收回程度審查有憑證支持。



OTHER INFORMATION

The directors of the Company (the “**Directors**”) are responsible for the other information. The other information comprises all the information in the Company’s annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

其他信息

貴公司董事(「**董事**」)需對其他信息負責。其他信息包括刊載於 貴公司年報內的全部信息，但不包括綜合財務報表及吾等的核數師報告。

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

結合吾等對綜合財務報表的審計，吾等的責任為閱覽其他資料，在此過程中，考慮其他信息是否與綜合財務報表或吾等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。基於吾等已執行的工作，如果吾等認為其他信息存在重大錯誤陳述，吾等需要報告該事實。就此方面，吾等沒有任何報告。

董事就綜合財務報表須承擔的責任

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

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



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.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Pang Hon Chung

Audit Engagement Director

Practising Certificate Number P05988

Hong Kong, 27 March 2020

核數師就審計綜合財務報表承擔的責任

吾等之目標是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等之意見的核數師報告。吾等僅向整體成員報告。除此以外，吾等的報告不可用作其他用途。吾等概不就本報告的內容，對任何其他人士負責或承擔法律責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴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。

吾等就審計綜合財務報表須承擔的責任之進一步闡述，登載於香港會計師公會的網站：

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

該闡述構成吾等的核數師報告的一部分。

中匯安達會計師事務所有限公司

執業會計師

彭漢忠

審核項目董事

執業證書編號：P05988

香港，二零二零年三月二十七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

綜合損益及 其他全面收入表

截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	6	93,341	133,631
Cost of sales	銷售成本		(66,237)	(105,088)
Gross profit	毛利		27,104	28,543
Interest revenue	利息收入		63	7
Other income and other gains or losses	其他收入及其他收益或虧損	7	(1,412)	595
Loss on investments at fair value through profit or loss	按公平值計入損益之投資虧損		-	(35,651)
Share-based payments	以股份為基準的付款		-	(20,798)
Impairment losses on various assets	各項資產的減值虧損		(21,789)	(104,302)
Administrative and other operating expenses	行政及其他營運開支		(47,826)	(64,811)
Operating loss	營運虧損		(43,860)	(196,417)
Finance costs	融資成本	9	(4,026)	(3,000)
Loss before income tax	除所得稅前虧損		(47,886)	(199,417)
Income tax	所得稅	11	(400)	(164)
Loss for the year	年內虧損	12	(48,286)	(199,581)
Other comprehensive loss: <i>Item that may be reclassified to profit or loss:</i>	其他全面虧損： 或會重新列入損益的 項目：			
Exchange differences on translating foreign operations	換算海外營運的 匯兌差異		(992)	(3,220)
Total other comprehensive loss for the year	年內其他全面虧損總額		(992)	(3,220)
Total comprehensive loss for the year	年內全面虧損總額		(49,278)	(202,801)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度



		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the year attributable to:	以下人士應佔年內虧損：			
Owners of the Company	本公司擁有人		(44,411)	(194,804)
Non-controlling interests	非控股權益		(3,875)	(4,777)
			(48,286)	(199,581)
Total comprehensive loss for the year attributable to:	以下人士應佔年內全面虧損：			
Owners of the Company	本公司擁有人		(45,035)	(198,507)
Non-controlling interests	非控股權益		(4,243)	(4,294)
			(49,278)	(202,801)
Loss per share	每股虧損	15		
Basic (HK cents per share)	基本(每股以港仙計)		(4.39)	(19.93)
Diluted (HK cents per share)	攤薄(每股以港仙計)		(4.39)	(19.93)

CONSOLIDATED
STATEMENT OF
FINANCIAL POSITION

At 31 December 2019

綜合財務狀況表

於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	15,490	16,529
Right-of-use assets	使用權資產	17	12,753	–
Goodwill	商譽	18	938	2,877
Intangible assets	無形資產	19	–	–
			29,181	19,406
Current assets	流動資產			
Inventories	存貨	20	2,359	6,048
Trade and other receivables	貿易及其他應收款項	21	76,706	65,727
Bank and cash balances	銀行及現金結餘	22	30,492	39,169
			109,557	110,944
Disposal group classified as held for sale	分類為持作待出售之出售組別		–	31,128
			109,557	142,072
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	23	13,640	17,064
Borrowings	借款	24	45,800	40,000
Lease liabilities	租賃負債	25	4,607	–
Amount due to a director	應付一名董事之款項	26	10,450	–
Tax payable	應付稅項		156	232
			74,653	57,296
Liabilities directly associated with disposal group classified as held for sale	直接分類為持作待出售之出售組別有關之負債		–	13
			74,653	57,309
Net current assets	流動資產淨值		34,904	84,763
Total assets less current liabilities	總資產減流動負債		64,085	104,169

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019

於二零一九年十二月三十一日



		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	25	8,813	–
Deferred tax liabilities	遞延稅項負債	27	433	33
			9,246	33
NET ASSETS	資產淨值		54,839	104,136
Capital and reserves	資本及儲備			
Share capital	股本	28	10,106	10,106
Reserves	儲備		49,056	94,091
Equity attributable to owners of the Company	本公司擁有人應佔權益		59,162	104,197
Non-controlling interests	非控股權益		(4,323)	(61)
TOTAL EQUITY	總權益		54,839	104,136

The consolidated financial statements on pages 102 to 175 were approved and authorised for issue by the Board of Directors on 27 March 2020 and are signed on its behalf by:

第102至175頁之綜合財務報表已於二零二零年三月二十七日獲董事會批准及授權刊發，並由下列董事代表簽署：

Liu Yingjie
劉英杰
Director
董事

Zhou Jin
周金
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

綜合權益變動表

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									
		Share capital	Share premium	Merger reserve	Share-based payment reserve 以股份支付	Foreign currency translation reserve 外匯換算儲備	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	合併儲備	款項之儲備	外匯換算儲備	其他儲備	累計虧損	總計	非控股權益	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January 2018	於二零一八年一月一日的結餘	9,297	230,122	15,800	10,707	414	(1,672)	(22,402)	242,266	(920)	241,346
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	(3,703)	-	(194,804)	(198,507)	(4,294)	(202,801)
Acquisition of a subsidiary	收購附屬公司	-	-	-	-	-	-	-	-	5,153	5,153
Issue of shares on placement	以配售方式發行股份	809	38,831	-	-	-	-	-	39,640	-	39,640
Share-based payments	以股份為基準之付款	-	-	-	20,798	-	-	-	20,798	-	20,798
Capital injection from non-controlling interests	非控股權益出資	-	-	-	-	-	-	-	-	-	-
Cancellation of share options	購股權註銷	-	-	-	(26,741)	-	-	26,741	-	-	-
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	10,106	268,953	15,800	4,764	(3,289)	(1,672)	(190,465)	104,197	(61)	104,136
Balance at 1 January 2019	於二零一九年一月一日的結餘	10,106	268,953	15,800	4,764	(3,289)	(1,672)	(190,465)	104,197	(61)	104,136
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	(624)	-	(44,411)	(45,035)	(4,243)	(49,278)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	(219)	(219)
Capital injection from non-controlling interests	非控股權益出資	-	-	-	-	-	-	-	-	200	200
Balance at 31 December 2019	於二零一九年十二月三十一日的結餘	10,106	268,953	15,800	4,764	(3,913)	(1,672)	(234,876)	59,162	(4,323)	54,839

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

綜合現金流量表

截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from operating activities	經營活動所得現金流量		
Loss before income tax	除所得稅前虧損	(47,886)	(199,417)
Adjustments for:	經以下調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,460	8,652
Depreciation of right-of-use assets	使用權資產折舊	6,092	-
Amortisation of intangible assets	攤銷無形資產	-	1,470
Interest income	利息收入	(63)	(7)
Loss on investments at fair value through profit or loss	按公平值計入損益之投資虧損	-	35,651
Reversal of impairment loss on trade and other receivables	撥回貿易及其他應收款項之減值虧損	(222)	(93)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	11	193
Loss on disposal of subsidiaries	出售附屬公司虧損	2,075	-
Share-based payments	以股份為基準之付款	-	20,798
Wavier of trade payables	豁免貿易應付賬款	(589)	-
Written-off of property, plant and equipment	物業、廠房及設備撇銷	114	835
Written-off of inventories	存貨撇銷	904	-
Impairment losses on various assets	各項資產的減值虧損	21,789	104,302
Interest expenses	利息開支	4,026	3,000
Operating loss before working capital changes	營運資金變動前經營虧損	(6,289)	(24,616)
Change in inventories	存貨增減	2,738	(1,430)
Change in trade and other receivables	貿易及其他應收款項增減	(33,357)	(5,279)
Change in investments at fair value through profit or loss	按公平值計入損益之投資增減	-	15,379
Change in trade and other payables	貿易及其他應付款項增減	(2,792)	(847)
Net cash used in operations	經營活動所用的現金淨額	(39,700)	(16,793)
Lease interest paid	已付租賃利息	(801)	-
Income tax (paid)/refund	(已付)/已退所得稅	(79)	612
Net cash used in operating activities	經營活動所用的現金淨額	(40,580)	(16,181)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from investing activities	投資活動所得現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	(6,663)	(8,631)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	12	877
Acquisition of a subsidiary	收購附屬公司	-	(8,410)
Proceeds from disposal of subsidiaries	出售附屬公司的所得款項	30,736	-
Net interest received	已收利息淨額	63	7
Net cash generated from/ (used in) investing activities	投資活動產生/(所用)現金淨額	24,148	(16,157)
Cash flows from financing activities	融資活動所得現金流量		
Net proceeds from issue of shares on placement	發行配售股份所得款項淨額	-	39,640
Repayment of lease liabilities	償還租賃負債	(5,421)	-
Proceeds from issue of bonds	發行債券的所得款項	5,800	-
Capital injection from non-controlling interests	非控股權益出資	200	-
Advance from a director	一名董事提供之墊款	10,450	-
Interest paid on other loan	其他貸款已付利息	(3,000)	(3,000)
Net cash generated from financing activities	融資活動產生現金淨額	8,029	36,640
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物的淨額(減少)/增加	(8,403)	4,302
Effect of foreign exchange rate changes	外匯利率變動之影響	(278)	(132)
Cash and cash equivalents at beginning of the year	年初的現金及現金等價物	39,173	35,003
Cash and cash equivalents at end of reporting period, Represented by bank and cash balances	以銀行及現金結餘呈列於報告期末之現金及現金等價物	30,492	39,173
Analysis of cash and cash equivalents	現金及現金等價物之分析		
Bank and cash balances	銀行及銀行結餘	30,492	39,169
Bank and cash balances included in disposal group classified as held for sale	計入分類為持作出售之出售組別的銀行及銀行結餘	-	4
		30,492	39,173

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

綜合財務報表附註

截至二零一九年十二月三十一日止年度



1. GENERAL INFORMATION

Glory Flame Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 25 April 2014 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company’s principal place of business in Hong Kong is Suite 3513, 35th Floor, Tower 6, the Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 31 to the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2019. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years except as stated below.

HKFRS 16 “Leases”

The Group was initially applied HKFRS 16 “Leases” with effect from 1 January 2019 and has taken transitional provisions and methods not to restate comparative information for prior period.

1. 一般資料

朝威控股有限公司(「**本公司**»)於二零一四年四月二十五日根據開曼群島公司法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位於Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。本公司香港主要營業地點位於香港九龍尖沙咀海港城港威大廈第6座35樓3513室。本公司股份於香港聯合交易所有限公司(「**聯交所**»)創業板上市。

本公司為一間投資控股公司。其附屬公司之主要業務載列於綜合財務報表附註31。

2. 採納新訂及經修訂香港財務報告準則

於年內，本集團已採納香港會計師公會(「**香港會計師公會**»)頒佈與其營運相關，並於二零一九年一月一日會計年度起生效的所有新訂及經修訂香港財務報告準則(「**香港財務報告準則**»)。香港財務報告準則包括香港財務報告準則(「**香港財務報告準則**»)、香港會計準則(「**香港會計準則**»)及詮釋。除以下所述者外，採納該等新訂及經修訂香港財務報告準則並無導致本集團於本年度及過往年度的會計政策、本集團綜合財務報表之呈列方式及所呈報金額出現重大變動。

香港財務報告準則第16號「租賃」

本集團自二零一九年一月一日起首次應用香港財務報告準則第16號「租賃」，並已採用過渡性條文及方法不重列過往期間之比較資料。

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued) HKFRS 16 “Leases” (Continued)

On adoption of HKFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under HKAS 17 “Leases”, resulted in changes in the consolidated amounts reported in the financial statements as follows:

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

		1 January 2019 二零一九年 HK\$'000 千港元
At 1 January 2019:	於二零一九年一月一日：	
Increase in right-of-use assets	使用權資產增加	17,570
Increase in lease liabilities	租賃負債增加	17,570

The operating lease commitments disclosed as at 31 December 2018 were HK\$19,965,000, while the lease liabilities recognised as at 1 January 2019 were HK\$17,570,000, of which HK\$5,223,000 were current lease liabilities and HK\$12,347,000 were non-current lease liabilities.

The differences between the operating lease commitments discounted using the lessee’s incremental borrowing rate of 5.125% and the total lease liabilities recognised in the consolidated statement of financial position at the date of initial application of HKFRS 16 comprised the exclusion of short-term leases recognised on a straight-line basis as expenses.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

2. 採納新訂及經修訂香港財務報告準則(續) 香港財務報告準則第16號「租賃」(續)

於採納香港財務報告準則第16號後，本集團就過往按香港會計準則第17號「租賃」分類為「經營租賃」之租賃確認使用權資產及租賃負債，並導致財務報表所呈報之綜合金額作出如下變動：

編製本綜合財務報表所應用之主要會計政策載列如下。

於二零一八年十二月三十一日披露之經營租賃承擔為19,965,000港元，而於二零一九年一月一日確認之租賃負債為17,570,000港元，其中5,223,000港元為流動租賃負債，12,347,000港元為非流動租賃負債。

採用承租人的遞增借款利率5.125%折現的經營租賃承擔與於初步應用香港財務報告準則第16號日期在綜合財務狀況表中確認的租賃負債總額之間的差異包括排除按直線法確認為開支的短期租賃。

本集團尚未採納已頒佈但尚未生效之新訂及經修訂香港財務報告準則。本集團已著手評估該等新訂及經修訂香港財務報告準則之影響，但尚無法確定該等新訂及經修訂香港財務報告準則是否會對其經營業績及財務狀況產生重大影響。



3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs issued by HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at fair value through profit or loss which is carried at its fair values. These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 4 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity’s returns.

3. 主要會計政策

本綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則、香港公認的會計原則及聯交所創業板證券上市規則及香港公司條例規定的適用披露編製。

本綜合財務報表乃根據歷史成本慣例編製，惟或然代價乃按重估公平值列賬。本綜合財務報表乃以港元（「港元」）呈列，除另有指明外，所有數值已四捨五入至最接近的千位數。

編製符合香港財務報告準則的綜合財務報表需要使用若干關鍵假設及估算。這亦需要管理層在應用會計政策過程中作出判斷。涉及批判性判斷的範疇以及涉及對綜合財務報表屬重大假設及估算的範疇，在附註4中披露。

編製本綜合財務報表所應用之主要會計政策載列如下。

綜合

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司指本集團擁有控制權之實體。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。當本集團之現有權力賦予其目前掌控有關業務（即大幅影響實體回報之業務）之能力時，則本集團對該實體擁有權力。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Consolidation (Continued)

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

3. 主要會計政策(續)

綜合(續)

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有之潛在投票權，以釐定其是否擁有控制權。僅在持有人能實際行使潛在投票權之情況下，方會考慮潛在投票權。

附屬公司之賬目由其控制權轉至本集團當日起綜合入賬，並於控制權終止當日起不再綜合入賬。

致使控制權喪失之出售一間附屬公司之盈虧為(i)出售代價公平值加於該附屬公司保留之任何投資之公平值，及(ii)本公司應佔該附屬公司之資產淨值加任何有關該附屬公司之餘下商譽以及任何有關累計外幣匯兌儲備兩者之間之差額。

集團內公司間之交易、結餘及未變現溢利予以對銷。除非交易提供已轉讓資產出現減值之憑證，否則未變現虧損亦予以對銷。附屬公司之會計政策已於必要時作出更改，以確保與本集團所採納之政策一致。

非控股權益指本公司不直接或間接應佔之附屬公司權益。非控股權益乃於綜合財務狀況表及綜合權益變動表之權益內呈列。於綜合損益及其他全面收入表內，非控股權益呈列為年內溢利或虧損及全面收入總額於非控股股東與本公司擁有人之間的分配。

損益及其他全面收入各成份歸屬於本公司擁有人及非控股股東，即使導致非控股權益出現赤字結餘。

本公司於不會導致失去控制權之附屬公司擁有權益變動按股權交易(即以擁有人身份與擁有人進行之交易)入賬。控股權益及非控股權益之賬面值已作調整，以反映於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認，並歸屬於本公司擁有人。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

3. 主要會計政策(續)

業務合併及商譽

本集團採用收購法為業務合併中所收購之附屬公司列賬。收購成本乃按所獲資產、所發行之股本工具、所產生之負債及或然代價於收購日期之公平值計量。收購相關成本於有關成本產生及接獲服務期間確認為開支。於收購時，附屬公司之可識別資產及負債，均按其於收購日期之公平值計量。

收購成本超出本公司應佔附屬公司可識別資產及負債之公平淨值之差額乃列作商譽。本公司應佔可識別資產及負債之公平淨值超出收購成本之差額乃於綜合損益內確認為本公司應佔之議價購買收益。

商譽會每年進行減值測試或當事件或情況改變顯示可能減值時則更頻繁地進行減值測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計量方法與下文會計政策內所述其他資產之計量方法相同。商譽之減值虧損於綜合損益確認，隨後不予撥回。就減值測試而言，商譽分配至預期會因收購協同效益而產生利益之現金產生單位。

於附屬公司的非控股權益初步以收購日期非控股股東應佔附屬公司可識別資產及負債之公平淨值的比例計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

3. 主要會計政策(續)

匯兌換算

(i) 功能及呈列貨幣

本集團各實體財務報表內所包括項目，均利用該實體經營的主要經濟環境的貨幣(「**功能貨幣**」)計量。綜合財務資料以港元呈列，港元為本公司之功能及呈列貨幣。

(ii) 於各實體財務報表中的交易及結餘

外幣交易於初始確認時使用交易日期之通行匯率換算為功能貨幣。以外幣為單位之貨幣資產及負債按各報告期末之匯率換算。此換算政策產生之盈虧於損益內確認。

(iii) 綜合換算

功能貨幣與呈列貨幣與本公司不同的所有集團實體的業績及財務狀況，均按以下方法換算為本公司的呈列貨幣：

- (i) 呈列於每份財務狀況表的資產及負債，均以財務狀況表的收市匯率換算；
- (ii) 每份損益及其他全面收入表的收入及支出，均按平均匯率換算(惟該平均值並非有關交易日通行匯率累積影響的合理近似值則作別論，在此情況收入及支出均按交易日匯率換算)；及
- (iii) 所有最終匯兌差額於其他全面收入內確認。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

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

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. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

- Plant and machinery	: 25%
- Furniture and fixtures	: 20%
- Motor vehicles	: 25%
- Decoration	: 20%
- Office equipment	: 20%-25%

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

3. 主要會計政策 (續)

匯兌換算 (續)

(iii) 綜合換算 (續)

於綜合賬目時，換算境外實體之投資淨額及借貸所產生之匯兌差額於外幣匯兌儲備內確認。當境外業務被出售時，有關匯兌差額作為出售之盈利或虧損之一部份於綜合損益內確認。

收購一間海外實體所產生的商譽及公平值被視為海外實體的資產及負債，並按收市匯率計算。

物業、廠房及設備

物業、廠房及設備乃以成本減累積折舊及減值虧損後入賬。

其後成本只有在與該資產有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在項目的賬面值或確認為獨立資產(按適用)。所有其他維修及保養成本在產生的財政期間內於損益內扣除。

物業、廠房及設備的折舊採用估計可使用年期將成本按直線法分攤至剩餘價值計算。主要年率如下：

- 廠房及機器	: 25%
- 傢俬及裝置	: 20%
- 汽車	: 25%
- 裝飾	: 20%
- 辦公設備	: 20%-25%

資產的剩餘價值、可使用年期及折舊方法在報告期末進行檢討，及在適當時調整。

出售物業、廠房及設備之收益或虧損為相關資產的出售所得款項淨額與賬面值之間的差額，並確認於綜合損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Land and buildings

- Offices	: 5%-50%
- Warehouse	: 50%
- Employee accommodation	: 20%

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method. The cost of finished goods comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3. 主要會計政策(續)

租賃

本集團作為承租人

租賃於租賃資產可供本集團使用時確認為使用權資產及相應租賃負債。使用權資產乃以成本減累積折舊及減值虧損後入賬。使用權資產折舊一般按照直線法在資產使用年期與租賃期兩者中較短者內以撇銷其成本的利率計算。主要年率如下：

土地及樓宇

- 辦公室	: 5%-50%
- 倉庫	: 50%
- 僱員宿舍	: 20%

使用權資產按成本計量，包括租賃負債的初步計量金額、預付租賃款項、初始直接成本及復原成本。租賃負債包括租賃隱含的使用實際利率貼現之租賃付款現值，條件為該利率可予釐定，否則按本集團之增量借貸利率計算。各項租賃付款在負債與財務成本之間分攤。財務成本在租賃期限內計入損益，以使租賃負債餘額產生的利息率保持一致。

與短期租賃及低價值資產租賃有關的付款在租賃期內按直線法於損益確認為開支。短期租賃為初始租賃期為12個月或更短的租賃。低價值資產為價值低於5,000美元的資產。

存貨

存貨按成本及可變現淨值兩者之間的較低者列賬。成本使用先進先出法釐定。成品之成本包括原材料、直接勞動力及所有生產間接開支的適當部分及(倘適用)分包費用。可變現淨值為日常業務過程中之估計售價減完工的估計成本與達致銷售所需的估計成本。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost; and
- Investments at fair value through profit or loss.

3. 主要會計政策(續)

確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文的訂約方時於財務狀況表內確認。

倘自資產收取現金流量的合約權利屆滿；本集團轉移資產所有權的絕大部分風險及回報；或本集團概無轉讓亦不保留資產所有權的絕大部分風險及回報但無保留對資產的控制權，則終止確認金融資產。於終止確認金融資產時，資產賬面值與已收代價總和之間的差額於損益內確認。

倘相關合約訂明的責任獲解除、取消或屆滿，則終止確認金融負債。已終止確認的金融負債的賬面值與已付代價的差額於損益內確認。

金融資產

倘根據要求在相關市場中約定的時間內交付該項資產的合約購買或出售資產，則有關金融資產會按交易日基準確認及終止確認，並初步按公平值加直接應佔交易成本確認，按公平值計入損益之投資除外。收購按公平值計入損益之投資直接應佔之交易成本，即時於損益中確認。

本集團將金融資產分類為以下類別：

- 按攤銷成本計量之金融資產；及
- 按公平值計入損益之投資。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

(i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

(ii) Investments at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

3. 主要會計政策(續)

金融資產(續)

(i) 按攤銷成本計量之金融資產

符合下列兩項條件的金融資產(包括貿易及其他應收款項)分類至此類別:

- 資產乃按目的為持有資產以收取合約現金流量的業務模式持有; 及
- 資產合約條款於特定日期產生現金流量, 有關現金流量僅為本金及尚未償還本金之利息付款。

有關項目其後以實際利率法按攤銷成本減去預期信貸虧損之虧損撥備計量。

(ii) 按公平值計入損益之投資

倘金融資產不符合按攤銷成本計量的條件及於其他全面收益按公平值計算的債務投資條件, 除非本集團於初步確認時將並非持作買賣的股本投資指定為於其他全面收益按公平值計量, 則金融資產分類至此類別。

按公平值計入損益之投資其後按公平值計量, 公平值變動產生之任何收益或虧損於損益中確認。於損益確認之公平值收益或虧損乃減去所有利息收入及股息收入。利息收入及股息收入於損益中確認。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“**lifetime expected credit losses**”) for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management are also included as a component of cash and cash equivalents.

3. 主要會計政策(續)

預期信貸虧損之虧損撥備

本集團按攤銷成本確認金融資產的預期信貸虧損之虧損撥備。預期信貸虧損乃加權平均信貸虧損，並以發生相關違約風險之金額作為加權數值。

於各報告期末，本集團計量金融工具的虧損撥備，金額等於該金融工具預計年期內所有可能違約事件所產生貿易應收款項、合約資產及應收租賃款項的預期信貸虧損(「**全期預期信貸虧損**」)，或自初步確認後該金融工具的信貸風險大幅增加。

倘於報告期末，金融工具(貿易應收款項除外)的信貸風險自初步確認後並無大幅增加，本集團會按相等於反映該金融工具可能於報告期後12個月內發生的違約事件所引致預期信貸虧損的全期預期信貸虧損部分的金額，計量該金融工具之虧損撥備。

於報告期末將虧損撥備調整至所需金額的預期信貸虧損或撥回金額，於損益中確認為減值收益或虧損。

現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行及手頭現金、銀行及其他金融機構的活期存款、以及可隨時兌換為已知數額現金且並無明顯變值風險的短期高流通性投資。須按要求償還並構成本集團現金管理組成部分的銀行透支亦入賬列作現金及現金等價物的一部分。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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 reporting period.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

3. 主要會計政策(續)

金融負債及股本工具

金融負債及股本工具按所訂立合約安排的內容及香港財務報告準則中金融負債和股本工具的定義分類。股本工具為證明本集團的資產於扣除其所有負債後的剩餘權益的任何合約。下文載列就特定金融負債及股本工具採納的會計政策。

借貸

借貸初步按公平值扣除所產生之交易成本確認，並其後以實際利率法按攤銷成本值計算。

除非本集團擁有無條件權利，可將負債之償還日期遞延至報告期後至少十二個月，否則借貸被分類為流動負債。

貿易及其他應付款項

貿易及其他應收款項按公平值初始確認，其後使用實際利率法按攤銷成本計量，但貼現影響不大，則以成本計量。

股本工具

本公司所發行的股本工具按已收所得款項(扣除直接發行成本)入賬。

客戶合約之收益

收益乃根據與客戶訂立的合約所指明的代價參考慣常業務慣例計量，並不包括代表第三方收取的金額。對於客戶付款及轉移協定產品或服務期間超過一年的合約，代價會就重大融資部分的影響進行調整。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other revenue

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

3. 主要會計政策(續)

客戶合約之收益(續)

本集團於完成向客戶轉讓產品或服務控制權的履約責任時確認收益。視乎合約條款及有關合約適用的法例，履約責任可隨時間或於某個時間點完成。倘屬以下情況，履約責任則可隨時間內達成：

- 客戶同時收取及消耗本集團履約所提供的利益；
- 本集團履約創建或提升一項於創建或提升時由客戶控制的資產；或
- 或本集團履約並無創建供本集團用於其他用途的資產，且本集團有權就迄今為止已完成的履約部分強制收回款項。

倘履約責任可隨時間內達成，收益乃根據完成有關履約責任的進度確認。否則，收益於客戶獲得產品或服務控制權的時間點確認。

其他收益

利息收入按時間比例採用實際利率法確認。

股息收入於確立股東收取股息之權利時確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service 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.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

3. 主要會計政策(續)

僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假期於僱員應享有時予以確認。截至報告期末，因僱員所提供的服務而產生的年假及長期服務假期的估計負債已計提撥備。

僱員享有的病假及產假於僱員休假時方會確認。

(ii) 退休金責任

本集團向為所有僱員提供的定額供款退休計劃進行供款。本集團及僱員對計劃的供款根據僱員基本薪金的百分比計算。在損益內扣除的退休福利計劃成本指本集團須向基金支付的供款。

(iii) 離職福利

離職福利於本集團不能取消提供該等福利時及本集團確認重組成本並涉及支付離職福利時(以較早者為準)予以確認。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

以股份為基礎的付款

本集團向若干董事、僱員及顧問發行按股本結算以股份為基礎的付款。

向董事及僱員作出的按股本結算以股份為基礎的付款乃於授出日期按股本工具的公平值計量(不包括非市場歸屬條件的影響)。按股本結算以股份為基礎的付款於授出日期釐定的公平值，乃根據本集團對最終將歸屬股份的估計及就非市場歸屬條件的影響作出調整，於歸屬期內以直線法支銷。

向顧問作出的按股本結算以股份為基礎的付款乃按所提供服務的公平值計量，或倘無法可靠計量所提供服務的公平值，則按所授出股本工具的公平值計量。公平值乃於本集團取得服務當日計量，並確認為開支。

借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借貸成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。在特定借貸撥作合資格資產的支出前暫時用作投資所賺取的投資收入，須從合資格資本化的借貸成本中扣除。

以一般性借入資金用於獲取一項合資格資產為限，可撥充資本之借貸成本數額乃透過該項資產之支出所採用之資本化率而釐定。資本化率乃適用於本集團借貸(於有關期間內尚未償還)之借貸成本之加權平均數，惟特別為獲取合資格資產而作出之借貸則除外。

所有其他借貸成本於產生期間在損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax represents the sum of the current tax and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

3. 主要會計政策(續)

稅項

所得稅指即期稅項及遞延稅項的總額。

即期應付稅項按本年度應課稅溢利計算。應課稅溢利與於損益內確認的溢利有所不同，原因是其不包括其他年度的應課稅或可扣稅收入或開支項目，亦不包括免稅或不可扣稅項目。本集團有關即期稅項的負債採用於報告期末前已實行或實際已實行的稅率計算。

遞延稅項就財務報表內資產及負債的賬面值與計算應課稅溢利所採用相應稅基之間的差額予以確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認。倘暫時差額乃因商譽或初步確認一項既不影響應課稅溢利亦不影響會計溢利的交易(業務合併除外)中的其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債就於附屬公司投資而產生的應課稅暫時差額予以確認，惟倘本集團可控制暫時差額的撥回，且該暫時差額可能不會於可見將來撥回者除外。

遞延稅項根據於報告期末前已實行或實際已實行的稅率，按預期在負債償還或資產變現期間適用的稅率計算。遞延稅項於損益內確認，惟倘遞延稅項與於其他全面收入內確認或直接於權益中確認的項目有關，則遞延稅項亦於其他全面收入內確認或直接於權益中確認。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is a person or entity that is related to the Group.

- (A) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

3. 主要會計政策(續)

稅項(續)

遞延稅項資產及負債的計量反映按照本集團預期於報告期末收回或結算其資產及負債賬面值的方式而產生的稅務影響。

當合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並且當與同一稅務機關所徵收的所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，遞延稅項資產及負債可予以對銷。

關連人士

關連人士為與本集團有關連之人士或實體。

- (A) 倘屬以下人士，即該人士或該人士的近親為本集團的關連方：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本公司或本公司母公司主要管理人員的其中一名成員。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(B) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

3. 主要會計政策(續)

關連人士(續)

(B) 倘符合下列任何條件，即該實體與本集團有關連：

- (i) 該實體與本公司屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (ii) 一間實體為另一實體的聯營公司或合營公司(或另一實體為成員公司的集團旗下成員公司的聯營公司或合營公司)。
- (iii) 兩間實體均為同一第三方的合營公司。
- (iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。
- (v) 實體為本集團或與本集團有關連的實體就僱員利益設立的離職福利計劃。如果本集團本身便是該計劃，提供資助的僱主亦與本集團有關聯。
- (vi) 實體受上文(A)所識別人士控制或受共同控制。
- (vii) 受上文(A)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 該實體或其所屬的集團的任何成員公司向本公司或本公司母公司提供主要管理人員服務。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except goodwill, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. 主要會計政策(續)

分部呈報

營運分部及財務報表內所呈報的各分部項目金額，取自就本集團各項業務分配資源及評估表現而定期向本集團最高行政管理層提供的財務資料。

個別重大營運分部不會為方便財務報告而合併，除非相關分部具有類似的經濟特徵，且產品及服務性質、生產流程性質、客戶類型或類別、分銷產品或提供服務所用方法及監管環境的性質相似。符合上述多數標準的非個別重大營運分部可合併。

資產減值

具有無限可使用年期或尚未可供使用的無形資產會每年進行減值檢討，並於出現事件或事況變化顯示賬面值可能無法收回時作出減值檢討。

於各報告期末，本集團審閱其有形及無形資產(商譽、存貨及應收款項除外)的賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何該等跡象，則估計資產的可收回金額以釐定減值虧損程度。倘無法估計個別資產的可收回金額，則本集團會估計資產所屬現金產生單位的可收回金額。

可收回金額為公平值減出售成本與使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量按反映金額時間價值的現行市場評估及資產特定風險的稅前貼現率，貼現至其現值。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of assets (Continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

3. 主要會計政策(續)

資產減值(續)

倘若估計資產或現金產生單位的可收回金額低於其賬面值，則資產或現金產生單位的賬面值會減至其可收回金額。減值虧損即時於損益內確認，除非相關資產按重估金額列賬，於此情況下，減值虧損被視為重估減值。

倘減值虧損於其後撥回，資產或現金產生單位的賬面值會增加至其經重新估計的可收回金額，惟已增加賬面值不得超過假設於過往年度並無確認資產或現金產生單位減值虧損而應釐定的賬面值(扣除攤銷或折舊)。減值虧損撥回即時於損益內確認，除非相關資產按重估金額列賬，於此情況下，減值虧損被視為重估增值。

撥備及或然負債

倘本集團因過往事件須承擔現有法律或推定責任，而履行責任有可能導致經濟利益流出，並能夠作出可靠估計時，須對時間或金額不確定的負債確認撥備。倘金額的時間價值重大，則撥備按預期用於履行該責任的支出現值列賬。

倘經濟利益流出的可能性較低，或金額無法可靠估計，則責任披露為或然負債，除非流出的可能性極低則另作別論。可能出現的責任(其存在與否僅取決於一項或多項未來事件的發生與否)亦披露為或然負債，除非流出的可能性極低則另作別論。



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

3. 主要會計政策(續)

報告期後事項

提供本集團於報告期末之額外資料或顯示持續經營假設並不適當之報告期後事項為調整事項，並反映於財務報表。並非調整事項之報告期後事項，如屬重大時乃於財務報表附註披露。

4. 重要判斷及主要估計

不確定估計之主要來源

下文詳述有關未來的主要假設及於報告期末的其他主要不確定估計來源，而該等假設及不確定估計存在導致下一財政年度的資產及負債賬面值須作出重大調整的重大風險。

(a) 呆壞賬減值虧損

本集團根據貿易應收款及應收保留金(包括各債務人目前信譽及過往收款記錄)的可收回程度計算呆壞賬減值虧損。減值於事件或情況變動顯示有可能無法收回餘額時產生。識別呆壞賬時需要運用判斷及估計。當實際結果與最初估計不同時，有關差額將對有關估計出現變動期間內的貿易及其他應收款和呆壞賬開支的賬面值造成影響。假若債務人的財政狀況轉壞，導致彼等還款能力受損，則可能需要作出額外撥備。



4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(b) Property, plant and equipment and depreciation and impairment

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

4. 重要判斷及主要估計(續)

不確定估計之主要來源(續)

(b) 物業、廠房及設備以及折舊與減值

本集團釐定物業、廠房及設備的估計可使用年期、剩餘價值以及相關折舊開支。該等估計乃根據性質及功能相近的物業、廠房及設備實際可使用年期及剩餘價值的過往經驗而作出。當可使用年期及剩餘價值與原先估計者不同時，本集團會對折舊開支進行相應調整，或將已報廢或出售之技術過時或非策略資產註銷或撇減。每當事件或情況變化表明資產的賬面價值超過其可收回金額時，對物業、廠房和設備進行減值測試。可收回金額參照預計未來現金流量的現值確定。未來現金流量少於預期情況或者有不利事件及變故導致對修訂未來預計現金流量，可能產生重大的減值損失。



5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate 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) Foreign exchange risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

The carrying amount of the cash and bank balances and trade and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

5. 財務風險管理

本集團經營活動面臨各種金融風險，包括外匯風險、格價風險、信貸風險、流動性風險及利率風險。本集團的整體風險管理乃專注於不可預測的金融市場，並努力降低對本集團財務表現的潛在不利影響。

(a) 外匯風險

由於本集團實體大部分業務交易、資產及負債主要以本集團的功能貨幣計值，故本集團承受輕微的外匯風險。本集團現時並無外匯交易、資產及負債之對沖政策。本集團將密切留意外幣風險，並將於有需要時考慮對沖重大外幣風險。

(b) 信貸風險

本集團就其財務資產所承受最高信貸風險為計入綜合財務狀況表之現金及銀行結餘以及貿易及其他應收款項之賬面值。

由於交易對手為獲國際信貸評級機構給予高度信貸評級之銀行，因此現金及銀行結餘的信貸風險有限。

5. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade and other receivables. In order to minimise credit risk, the Directors review the recoverable amount of each individual receivable regularly to ensure that adequate impairment losses are recognised for irrecoverable receivable. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- external credit rating (if available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

5. 財務風險管理(續)

(b) 信貸風險(續)

倘對手方未能於報告期末履行對各類別已確認金融資產的責任，本集團之最大信貸風險乃綜合財務狀況表所列該等資產的賬面值。本集團之信貸風險主要來自貿易及其他應收款項。為盡量減低信貸風險，董事會於各報告期末檢討各個別貿易應收款項的可收回金額，以確保就不可收回款項作出適當的減值虧損。就此，董事認為本集團的信貸風險已大幅降低。

本集團比較金融資產於報告日期之違約風險與於初始確認日期之違約風險，以評估金融資產之信貸風險有否於各報告期內按持續基準大幅增加。本集團亦考慮所得合理及有理據支持之前瞻性資料。尤其使用下列資料：

- 內部信貸評級；
- 外部信貸評級(如有)；
- 預期導致客戶履行責任能力出現重大變動之業務、財務或經濟狀況之實際或預期重大不利變動；
- 借款人經營業績之實際或預期重大變動；
- 同一借款人之其他金融工具之信貸風險顯著增加；及
- 借款人預期表現及行為之重大變動，包括借款人之付款狀況變動。

5. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follow:

5. 財務風險管理(續)

(b) 信貸風險(續)

倘涉及合約付款之客戶逾期超過30日，則假定信貸風險大幅增加。當交易對手無法於合約付款到期時60日內支付款項，則金融資產出現違約。

金融資產於合理預期無法收回(例如客戶無法與本集團達成還款計劃)時撇銷。倘債務人於逾期後360日未能履行合約付款，本集團通常會撇銷有關貸款或應收款項。倘貸款或應收款項撇銷，則本集團(在實際可行及符合經濟效益之情況下)繼續採取強制行動試圖收回到期應收款項。

(c) 流動風險

本集團之政策為定期監察目前及預期流動資金需要，以確保其維持足夠現金儲備，應付其短期及較長期之流動資金需要。

本集團金融負債之到期情況分析如下：

		Carrying amounts	Total undiscounted cash flow	Within 1 year or on demand
		賬面值	未貼現現金流量總額	1年內或按要
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 31 December 2019	於二零一九年十二月三十一日			
Trade and other payables	貿易及其他應付款項	13,640	13,640	13,640
Amount due to a director	應付一名董事款項	10,450	10,450	10,450
Borrowings	借貸	45,800	49,322	49,322
		69,890	73,412	73,412
At 31 December 2018	於二零一八年十二月三十一日			
Trade and other payables	貿易及其他應付款項	17,064	17,064	17,064
Borrowings	借貸	40,000	43,000	43,000
		57,064	60,064	60,064

5. FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk

As the Group's other loan bear interests at fixed interest rates, therefore the Group's operating cash flows are substantially independent of change in market interest rate.

(e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) Categories of financial instruments at 31 December

5. 財務風險管理(續)

(d) 利率風險

由於本集團前任董事貸款按固定利率計息，故本集團營運現金流量獨立於市場利率的變動。

(e) 公平值

於綜合財務狀況表所反映本集團之金融資產及金融負債之賬面值與彼等各自之公平值相若。

(f) 於十二月三十一日之金融工具類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets:	金融資產：		
Financial assets at amortised cost (including cash and cash equivalents)	按攤銷成本計量的金融資產 (包括現金及現金等價物)	105,493	95,401
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost:	按攤銷成本計量的 金融負債：		
Trade and other payables	貿易及其他應付款項	13,640	17,064
Borrowings	借貸	45,800	40,000
Amount due to a director	應付一名董事款項	10,450	–
		69,890	57,064

6. REVENUE

The Group's revenue is analysed as follows:

6. 收入

本集團之收入分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Provision of concrete demolition and construction engineering services	提供混凝土拆卸及建築工程服務	61,289	83,803
Manufacturing and trading of prefabricated precast construction	製造及買賣裝配式預製建築組件	29,413	4,510
Trading of LED Cultivation Cabinet	買賣LED生態種植櫃系統	-	878
Trading of clean coal	買賣清潔煤	1,055	38,206
Trading of air conditioners	買賣空調	-	5,681
Provision of insurance brokerage and consultancy services	提供保險經紀及諮詢服務	1,584	553
		93,341	133,631

Disaggregation of revenue from contracts with customers:

本集團之客戶合約收入分析如下：

Segments

2019

分部

二零一九年

		Construction 建築 HK\$'000 千港元	Agricultural equipment 農業設備 HK\$'000 千港元	Trading business 貿易業務 HK\$'000 千港元	Financial services 金融服務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Timing of revenue recognition	收入確認時間					
At a point in time	某一時間點	29,413	-	1,055	1,584	32,052
Over time	隨著時間的推移	61,289	-	-	-	61,289
		90,702	-	1,055	1,584	93,341

Segments

2018

分部

二零一八年

		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Timing of revenue recognition	收入確認時間					
At a point in time	某一時間點	-	878	43,887	553	45,318
Over time	隨著時間的推移	88,313	-	-	-	88,313
		88,313	878	43,887	553	133,631

6. REVENUE (Continued)

Construction service fee income

The Group provides construction service to the customers. When the progress towards complete satisfaction of the performance obligations of a construction contract can be measured reasonably, revenue from the contract and the contract costs are recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total contract costs for the contract. This method provides the most reliable estimate of the percentage of completion.

When the progress towards complete satisfaction of the performance obligations of a construction contract cannot be measured reasonably, revenue is recognised only to the extent of contract costs incurred that is expected to be recoverable.

The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts. If the service rendered by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

The contract price is allocated to the performance obligations based on the relative stand-alone selling prices of the performance obligations. The stand-alone selling prices are determined by applying the expected cost plus a margin approach.

6. 收入(續)

建築服務費收入

本集團向客戶提供建築服務。當建築合約履約責任完成的進展可被合理計量時，合約收入及合約成本乃使用完工百分比經參考迄今產生的合約成本佔合約之估計總合約成本計量。該方法可得出完工百分比最為可靠的估計。

當建築合約履約責任完成的進展不可被合理計量時，則僅確認預期可能收回之已產生合約成本的收入。

客戶根據合約訂明的付款時間表向本集團支付合同價格。倘本集團所提供的服務超出付款，將會確認合約資產。倘付款超出所提供的服務，則會確認合約負債。

合約價格按履約責任的相關獨立售價分配至履約責任。獨立售價乃應用預期成本加利潤方法釐定。

6. REVENUE (Continued)

Trading

The Group sells clean coal to the customers through its trading business. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 45 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

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

6. 收入(續)

貿易

本集團通過其貿易業務向客戶銷售清潔煤。銷售於產品的控制權已轉移(即產品已交付予客戶)、並無可能影響客戶接納產品的未履行責任及客戶取得產品的法定業權時確認。

向客戶的銷售一般獲授45日信貸期。新客戶或須支付按金或於交付產品時以現金付款。已收取按金確認為合約負債。

當產品交付予客戶後，並從那一刻開始，可以無條件收到代價(到期付款前的時間除外)，便可確認應收款項。

7. OTHER INCOME AND OTHER GAINS OR LOSSES

7. 其他收入及其他損益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Dividend income	股息收入	-	322
Reversal of impairment losses on trade and other receivables	撥回貿易及其他應收款項之減值虧損	222	93
Net foreign exchange (loss)/gain	匯兌(虧損)/收益淨額	(51)	70
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	(11)	(193)
Written off of inventory	存貨撇銷	(904)	-
Loss on disposals of subsidiaries	出售附屬公司虧損	(2,075)	-
Wavier of trade payables	豁免貿易應付賬款	589	-
Others	其他	818	303
		(1,412)	595

8. SEGMENT INFORMATION

The Group has four (2018: four) reportable segments as follows:

Construction	Provision of concrete demolition and construction engineering services; construction works, and manufacturing and trading of prefabricated precast construction
建築	提供混凝土拆卸及建築工程服務；建築工程以及製造及買賣裝配式預製建築組件
Agricultural equipment	Trading of Ecological LED Cultivation Cabinet System
農業設備	買賣環保LED生態種植櫃系統
Trading business	Trading of clean coal and others
貿易業務	買賣清潔煤及其他
Financial services	Provision of insurance brokerage and consultancy services
金融服務	提供保險經紀及諮詢服務

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the reportable and operating segments are the same as those described in note 3 to the consolidated financial statements. Segment profits or losses do not include interest revenue, income tax, gains or losses from investments and other unallocated corporate income and expenses. Segment assets do not include bank and cash balance and other unallocated corporate assets. Segment liabilities do not include other loan, tax payables, deferred tax liabilities and other unallocated corporate liabilities.

The segment of financial services were ceased from operation during the current year.

8. 分部資料

本集團四大(二零一八年：四大)可呈報分部如下：

本集團之可呈報分部乃提供不同產品及服務之策略業務單位，並因各項業務要求不同技術及市場推廣策略而單獨管理。

可呈報及經營分部的會計政策與綜合財務報表附註3所述的相同。分部損益不包括利息收入、所得稅、投資損益及其他未分配公司收入及開支。分部資產不包括銀行及現金結餘以及其他未分配公司資產。分部負債不包括其他貸款、應付稅項、遞延稅項負債及其他未分配公司負債。

金融服務分部已於本年度內終止營運。

8. SEGMENT INFORMATION (Continued)

Information about reportable segment profit or loss, assets and liabilities:

8. 分部資料(續)

有關可呈報分部損益、資產及負債之資料如下：

		Construction 建築	Agricultural equipment 農業設備	Trading business 貿易業務	Financial services 金融服務	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
Year ended 31 December 2019:	截至二零一九年十二月三十一日止年度：					
Revenue from external customers	來自外部客戶的收入	90,702	-	1,055	1,584	93,341
Segment loss	分部虧損	(1,515)	(2,170)	(7,014)	(11,156)	(21,855)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,459	-	1,445	-	4,904
Depreciation of right-of-use asset	使用權資產折舊	1,253	-	-	-	1,253
Impairment loss on trade receivables, net	貿易應收款項之減值虧損，淨額	508	1,142	3,509	-	5,159
Impairment loss on other receivables, net	其他應收款項之減值虧損，淨額	-	73	-	10,663	10,736
Impairment loss on prepayments and trade deposits, net	預付款項及貿易按金減值虧損，淨額	4,505	-	-	-	4,505
Additions to segment non-current assets	添置分部非流動資產	6,660	-	-	-	6,660
At 31 December 2019:	於二零一九年十二月三十一日：					
Segment assets	分部資產	91,081	83	5,088	83	96,335
Segment liabilities	分部負債	16,795	-	1,602	-	18,397
Year ended 31 December 2018:	截至二零一八年十二月三十一日止年度：					
Revenue from external customers	來自外部客戶的收入	88,313	878	43,887	553	133,631
Segment loss	分部虧損	(5,987)	(56,842)	(51,125)	(1,207)	(115,161)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,457	4,093	-	-	7,550
Amortisation of intangible assets	攤銷無形資產	-	1,470	-	-	1,470
Impairment loss on trade and other receivables, net	貿易應收款項之減值虧損，淨額	1,002	-	45,670	-	46,672
Impairment loss on prepayments and trade deposits	預付款項及貿易按金減值虧損	9,850	40,718	-	-	50,568
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	4,122	-	-	4,122
Impairment loss on intangible assets	無形資產減值虧損	-	2,940	-	-	2,940
Additions to segment non-current assets	添置分部非流動資產	3,183	777	4,495	-	8,455
At 31 December 2018:	於二零一八年十二月三十一日：					
Segment assets	分部資產	48,741	3,099	15,556	10,989	78,385
Segment liabilities	分部負債	7,223	112	4,572	209	12,116

8. SEGMENT INFORMATION (Continued)

Reconciliations of reportable segment profit or loss, assets and liabilities:

8. 分部資料(續)

可呈報分部損益、資產及負債之對賬：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit or loss:	損益：		
Total profit or loss of reportable segments	可呈報分部損益總額	(21,855)	(115,161)
Share-based payments	以股份為基準之付款	-	(20,798)
Loss on investments at fair value through profit or loss	按公平值計入損益之投資虧損	-	(35,651)
Corporate and unallocated profit or loss	公司及未分配損益	(26,031)	(27,807)
Consolidated profit or loss before tax	除稅前綜合損益	(47,886)	(199,417)
Assets:	資產：		
Total assets of reportable segments	可呈報分部資產總額	96,335	78,385
Bank and cash balances	銀行及銀行結餘	30,492	39,169
Disposal group classified as held for sale	分類為持作待出售之出售組別	-	31,128
Corporate and unallocated assets	公司及未分配資產	11,911	12,796
Consolidated total assets	綜合資產總額	138,738	161,478
Liabilities	負債		
Total liabilities of reportable segments	可呈報分部負債總額	18,397	12,116
Borrowings	借貸	45,800	40,000
Liabilities directly associated with disposal group classified as held for sale	直接與分類為持作待出售之出售集團有關之負債	-	13
Deferred tax liabilities	遞延稅項負債	433	33
Corporate and unallocated liabilities	公司及非分配負債	19,269	5,180
Consolidated total liabilities	綜合負債總額	83,899	57,342

8. SEGMENT INFORMATION (Continued)

Geographical information:

8. 分部資料(續)

地區性資料:

		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:		
Hong Kong	香港	62,873	84,285
The People's Republic of China	中華人民共和國	30,468	49,346
		93,341	133,631

In presenting the geographical information, revenue is based on the locations of the customers.

就呈報地區性資料而言，收入乃按客戶的位置呈列。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Hong Kong	香港	13,556	8,474
The People's Republic of China	中華人民共和國	15,625	10,932
		29,181	19,406

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8. SEGMENT INFORMATION (Continued)

Information about revenue from the Group's customer individually contributing over 10% of total revenue of the Group is as follows:

8. 分部資料(續)

來自個別為本集團總收入帶來10%以上貢獻之客戶資料如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A# — Construction business segment	客戶A# — 建築業務分部	19,877	—
Customer B* — Trading business segment	客戶B* — 貿易業務分部	—	20,857

Customer A did not contribute over 10% of the Group's revenue for the year ended 31 December 2018, the figure shown was for comparative purpose only.

客戶A於截至二零一八年十二月三十一日止年度並無為本集團收入帶來10%以上貢獻，所顯示數字僅供比較。

* Customer B did not contribute over 10% of the Group's revenue for the year ended 31 December 2019, the figure shown was for comparative purpose only.

* 客戶B於截至二零一九年十二月三十一日止年度並無為本集團收入帶來10%以上貢獻，所顯示數字僅供比較。

9. FINANCE COSTS

9. 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	801	—
Interest on other loan	其他貸款利息	3,000	3,000
Interest on bond payables	債券應付款項利息	225	—
		4,026	3,000



10. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2019

On 19 January 2019, the Group have completed the disposal of Hong Kong Xincheng Hi-Tech Co. Limited (the “**HK Xincheng**”), being a wholly-owned subsidiary to an independent third party for a cash consideration of HK\$3,000 (the “**HK Xincheng Disposal**”). The disposal was completed during the current year.

HK Xincheng was dormant.

On 13 March 2018, the Group had entered into disposal agreement with an independent third party, in which the Group would dispose 25,500 shares (the “**Mansion Point Disposal**”) among 50,000 ordinary shares, being the entire shares owned by the Group, in issue of Mansion Point Internation Limited and its subsidiaries (collectively referred to as the “**Mansion Point Group**”) at a total cash consideration of HK\$30,755,000. The disposal was completed during the current year.

Mansion Point Group was principally engaged in investment holding.

On 28 November 2019, the Group had entered into disposal agreement with independent third party, in which the Group would dispose 2,370,000 shares (the “**Yuanfeng Disposal**”) among 3,950,000 ordinary shares, being the entire shares owned by the Group, in issue of Hong Kong Yuanfeng Insurance Brokers Limited (the “**Yuanfeng**”) at a total consideration of HK\$122,422. The disposal was completed during the current year.

Yuanfeng was principally engaged in provision of insurance brokerage and consultancy services.

10. 出售附屬公司

截至二零一九年十二月三十一日止年度

於二零一九年一月十九日，本集團完成向一名獨立第三方出售全資附屬公司香港信誠高科技有限公司（「**香港信誠**」），現金代價為3,000港元（「**香港信誠出售事項**」）。出售事項已於本年度內完成。

香港信誠並無進行業務。

於二零一八年三月十三日，本集團與一名獨立第三方訂立出售協議，據此，本集團出售 Mansion Point Internation Limited 及其附屬公司（統稱「**Mansion Point 集團**」）50,000 股已發行普通股其中25,500股（即本集團擁有之全部股份）（「**Mansion Point 出售事項**」），總現金代價為30,755,000港元。出售事項已於本年度內完成。

Mansion Point 集團主要從事投資控股。

於二零一九年十一月二十八日，本集團與一名獨立第三方訂立出售協議，據此，本集團出售香港元豐保險經紀有限公司（「**元豐**」）3,950,000股已發行普通股其中2,370,000股（即本集團擁有之全部股份）（「**元豐出售事項**」），總現金代價為122,422港元。出售事項已於本年度內完成。

元豐主要從事提供保險經紀及諮詢服務。

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**10. DISPOSAL OF SUBSIDIARIES
(Continued)**
**For the year ended 31 December 2019
(Continued)**

Net assets at the date of disposal were as follows:

10. 出售附屬公司(續)

截至二零一九年十二月三十一日止年度(續)

於出售日期之資產淨值如下：

		HK Xincheng Disposal 香港信誠 出售事項 HK\$'000 千港元	Mansion Point Disposal Mansion Point 出售事項 HK\$'000 千港元	Yuanfeng Disposal 元豐出售事項 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Goodwill	商譽	-	-	1,939	1,939
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	-	-	211	211
Bank and cash balances	銀行及銀行結餘	3	-	15	18
Accruals and other payables	應計費用及其他應付款項	(16)	-	(23)	(39)
Asset of disposal group classified as held for sale	分類為持作待出售之出售組別資產	-	31,115	-	31,115
Liabilities directly associated with disposal group	直接與出售組別有關之負債	-	(72)	-	(72)
Net assets disposed of	已出售資產淨值	(13)	31,043	2,142	33,172
Release of foreign currency translation reserve	撥回外幣匯兌儲備	-	2	-	2
Non-controlling interests	非控股權益	6	(144)	(81)	(219)
Loss on disposal of subsidiaries	出售附屬公司之虧損	10	(146)	(1,939)	(2,075)
Total consideration – satisfied by cash	總代價 – 以現金支付	3	30,755	122	30,880
Net cash inflow arising on disposal:	出售產生之淨現金流入：				
Cash consideration received	已收現金代價	3	30,755	-	30,758
Cash and cash equivalents disposed of	已出售現金及現金等價物	(3)	(4)	(15)	(22)
		-	30,751	(15)	30,736



11. INCOME TAX

11. 所得稅

		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 —		
Hong Kong profits tax:	香港利得稅		
Provision for the year	年內撥備	—	1,049
Over-provision in prior years	過往年度超額撥備	—	(27)
		—	1,022
Current tax —	即期稅項 —		
PRC Enterprise Income Tax:	中國企業所得稅：		
Provision for the year	年內撥備	—	24
Deferred tax (Note 27)	遞延稅項(附註27)	400	(882)
Income tax expense	所得稅開支	400	164

Hong Kong Profits Tax is provided at 16.5% (2018: 16.5%) based on the assessable profit for the year.

香港利得稅根據年內應課稅溢利按稅率16.5% (二零一八年：16.5%) 計提。

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

其他國家之應課稅溢利之稅項開支已按本集團經營務所在國家之現行稅率及依據現行之相關法例、詮釋及慣例計算。

11. INCOME TAX (Continued)

The reconciliation between the income tax (credit)/ expense and loss before income tax is as follows:

11. 所得稅(續)

所得稅(抵免)/開支與除所得稅前虧損之對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(47,886)	(199,417)
Tax at Hong Kong Profit Tax rate of 16.5% (2018: 16.5%)	按香港所得稅率16.5%計算 (二零一八年：16.5%)	(7,901)	(32,904)
Tax effect of income is not taxable	毋須納稅收入之稅務影響	(78)	(66)
Tax effect of expenses are not deductible	不可扣稅開支之稅務影響	4,158	27,555
Tax effect of tax losses not recognised	未確認稅項虧損之 稅務影響	5,463	7,101
Tax effect of utilisation of tax losses not previously recognised	動用過往未經確認稅項 虧損之稅務影響	(717)	(20)
Tax effect of temporary differences not recognised	未確認暫時性差異之 稅務影響	(411)	(311)
Effect of different tax rates of subsidiaries	附屬公司不同稅率之 影響	(114)	(1,164)
Over-provision in prior years	過往年度超額撥備	-	(27)
Income tax expense	所得稅開支	400	164



12. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

12. 年內虧損

本集團年內虧損乃扣除/(計入)下列各項後列賬：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost of inventories sold/services provided	出售存貨／提供服務成本	66,237	105,088
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,460	8,652
Depreciation of right-of-use assets	使用權資產折舊	6,092	-
Amortisation of intangible assets	攤銷無形資產	-	1,470
Reversal of impairment loss on trade and other receivables	撥回貿易及其他應收款項之減值虧損	(222)	(93)
Loss on disposals of subsidiaries	出售附屬公司虧損	2,075	-
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	11	193
Written off of property, plant and equipment	物業、廠房及設備撇銷	114	835
Written off of inventories (included in cost of sales)	撇銷存貨(計入銷售成本)	904	-
Impairment losses on various assets	各項資產的減值虧損		
Trade receivables	貿易應收款項	5,379	46,672
Prepayments and trade deposits	預付款項及交易按金	5,672	50,568
Other receivables	其他應收款項	10,738	-
Property, plant and equipment	物業、廠房及設備	-	4,122
Intangible assets	無形資產	-	2,940
		21,789	104,302
Staff costs (including directors' remuneration — note 13)	員工成本(包括董事薪酬 — 附註13)		
Salaries, bonus and allowances	薪金、花紅及津貼	33,022	34,302
Share-based payments	以股份為基礎的付款	-	18,921
Retirement benefits scheme contributions	退休金計劃供款	465	610
		33,487	53,833
Share-based payments to consultant	向顧問支付以股份為基礎的付款	-	1,877
Operating lease rentals in respect of office premises	辦公室物業之經營租約租金	-	8,780
Expenses related to short-term lease	短期租賃相關開支	683	-
Auditor's remuneration	核數師薪酬	780	880

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13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

(a) The remuneration of each director for the year ended 31 December 2019 is set out below:

13. 董事及五名最高薪酬人士

(a) 截至二零一九年十二月三十一日止年度各董事薪酬載列如下：

	Notes	Fee	Salaries, allowances and benefits in kind	Share-based payment	Retirement benefits scheme contributions	Total
	附註	袍金	薪金、津貼及實物利益	以股份為基礎的付款	退休金計劃供款	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
<i>Executive Directors</i> 執行董事						
Mr. Liu Yingjei	1	-	110	-	-	110
Mr. Zhu Zhou	2	-	593	-	-	593
Ms. Jiao Fei	3	-	34	-	-	34
Ms. Zhou Jin	4	-	563	-	-	563
<i>Independent Non-executive Directors</i> 獨立非執行董事						
Mr. Liu Yang	5	7	-	-	-	7
Mr. Liu Yingjie	1	59	-	-	-	59
Mr. Chan Kam Wah	6	52	-	-	-	52
Mr. Cao Hongmin	7	113	-	-	-	113
Mr. Chan Chi Pan	8	54	-	-	-	54
Mr. Li Kar Fai	9	54	-	-	-	54
		339	1,300	-	-	1,639



13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

The remuneration of each director for the year ended 31 December 2018 is set out below:

13. 董事及五名最高薪酬人士 (續)

截至二零一八年十二月三十一日止年度各董事薪酬載列如下：

	Notes	Fee	Salaries, allowances and benefits in kind	Share-based payment	Retirement benefits scheme contributions	Total
	附註	袍金	薪金、津貼及實物利益	以股份為基礎的付款	退休金計劃供款	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
<i>Executive Directors</i> 執行董事						
Ms. Che XiaoYan	10	-	777	2,284	-	3,061
Mr. Man Wai Lun	11	-	345	2,284	13	2,642
Mr. Zhu Zhou	2	-	340	-	-	340
Mr. Li Shun Min	12	-	223	2,284	-	2,507
Mr. Chung Yuk Lun	13	-	159	-	-	159
Ms. Jiao Fei	3	-	120	2,284	-	2,404
Mr. Guan Jincheng	14	-	74	2,284	-	2,358
<i>Independent Non-executive Directors</i> 獨立非執行董事						
Mr. Liu Yang	5	36	-	-	-	36
Mr. Liu Yingjie	1	34	-	-	-	34
Mr. Chan Kam Wah	6	120	-	-	-	120
Mr. Bai Honghai	15	84	-	-	-	84
Mr. Li AnSheng	16	82	-	-	-	82
Mr. Chen YongQuan	17	82	-	-	-	82
Mr. Lin Hong Tong	18	78	-	-	-	78
		516	2,038	11,420	13	13,987

During the year ended 31 December 2019, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2018: Nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year ended 31 December 2019 (2018: Nil).

截至二零一九年十二月三十一日止年度，本集團並無向董事支付任何酬金，作為加入本集團或於加盟時的獎金或作為離職補償(二零一八年：無)。截至二零一九年十二月三十一日止年度，概無主要行政人員或任何董事放棄或同意放棄收取任何酬金(二零一八年：無)。

13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

Notes:

1. Transfer from independent non-executive directors to executive directors on 28 June 2019
2. Appointed on 19 August 2018 and resigned on 28 June 2019
3. Resigned on 12 April 2019
4. Appointed on 12 April 2019
5. Appointed on 13 September 2018 and resigned on 22 January 2019
6. Resigned on 5 June 2019
7. Appointed on 22 January 2019
8. Appointed on 19 July 2019
9. Appointed on 19 July 2019
10. Resigned on 24 August 2018
11. Resigned on 19 September 2018
12. Resigned on 13 August 2018
13. Resigned on 19 September 2018
14. Resigned on 13 August 2018
15. Resigned on 13 September 2018
16. Resigned on 6 September 2018
17. Resigned on 6 September 2018
18. Resigned on 24 August 2018

13. 董事及五名最高薪酬人士 (續)

附註：

1. 於二零一九年六月二十八日由非執行董事轉為執行董事
2. 於二零一八年八月十九日獲委任及於二零一九年六月二十八日辭任
3. 於二零一九年四月十二日辭任
4. 於二零一九年四月十二日獲委任
5. 於二零一八年九月十三日獲委任及於二零一九年一月二十二日辭任
6. 於二零一九年六月五日辭任
7. 於二零一九年一月二十二日獲委任
8. 於二零一九年七月十九日獲委任
9. 於二零一九年七月十九日獲委任
10. 於二零一八年八月二十四日辭任
11. 於二零一八年九月十九日辭任
12. 於二零一八年八月十三日辭任
13. 於二零一八年九月十九日辭任
14. 於二零一八年八月十三日辭任
15. 於二零一八年九月十三日辭任
16. 於二零一八年九月六日辭任
17. 於二零一八年九月六日辭任
18. 於二零一八年八月二十四日辭任



13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

(b) Five highest paid individuals

No director has been included as the five highest paid individuals in the Group during the year (2018: three directors whose emoluments are reflected in the analysis presented above). The emoluments of each of the individuals, two individuals falling within the band of HK\$2,500,001 to HK\$3,000,000 and the other individuals falling within the band of Nil to HK\$1,000,000 (2018: the remaining two individuals falling within the band of HK\$2,500,001 to HK\$3,000,000), for the year, are set out below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	7,458	5,164
Retirement benefits scheme contributions	退休福利計劃供款	90	36
		7,548	5,200

Same as disclosed above, for the two years ended 31 December 2019 and 2018, no other emoluments had been paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group.

13. 董事及五名最高薪酬人士 (續)

(b) 五名最高薪酬人士

本集團年內五名最高薪酬人士中不包含董事(二零一八年:三名董事,其薪酬披露於上文)。年內,各人士(兩名人士薪酬介乎2,500,001港元至3,000,000港元及其他人士薪酬介乎無至1,000,000港元(二零一八年:其餘兩名人士薪酬介乎2,500,001港元至3,000,000港元))之薪酬如下:

除上述披露者外,截至二零一九年及二零一八年十二月三十一日止兩個年度,本集團概無向五名最高薪酬人士支付其他酬金作為加入本集團或加入本集團後的獎勵。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

14. DIVIDEND

The Directors do not recommend the payment of an final dividend for the year ended 31 December 2019 (2018: nil).

15. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$44,411,000 (2018: approximately HK\$194,804,000) and the weighted average number of ordinary shares of 1,010,605,000 (2018: 977,581,000) in issue during the year.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 December 2019 and 2018.

14. 股息

董事不建議就截至二零一九年十二月三十一日止年度支付末期股息(二零一八年：無)。

15. 每股虧損

每股基本虧損

本公司擁有人應佔每股基本虧損乃按本公司擁有人應佔本年度虧損約44,411,000港元(二零一八年：約194,804,000港元)及本年度已發行普通股之加權平均數1,010,605,000股(二零一八年：977,581,000股)計算。

每股攤薄虧損

截至二零一九年及二零一八年十二月三十一日止年度的所有潛在攤薄普通股之影響屬反攤薄。



16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Plant and machinery 廠房及機械	Furniture and fixtures 傢俬及裝置	Motor vehicles 汽車	Decoration 裝飾	Office equipment 辦公室設備	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	HK\$'000 千港元
Cost	成本						
At 1 January 2018	於二零一八年一月一日	44,431	1,713	9,895	11,425	1,424	68,888
Additions	添置	1,757	48	983	1,118	4,725	8,631
Acquisition of a subsidiary	收購一間附屬公司	3,666	-	2	-	4	3,672
Disposal	出售	(289)	-	(641)	(332)	(54)	(1,316)
Written off	撇銷	-	(30)	-	(134)	(1,187)	(1,351)
Exchange differences	匯兌差異	(336)	-	(13)	(46)	(16)	(411)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 於二零一九年一月一日	49,229	1,731	10,226	12,031	4,896	78,113
Additions	添置	5,984	3	61	70	600	6,718
Disposal	出售	-	-	(31)	-	-	(31)
Written off	撇銷	-	-	-	-	(120)	(120)
Exchange differences	匯兌差異	(96)	-	(7)	(20)	(88)	(211)
At 31 December 2019	於二零一九年十二月三十一日	55,117	1,734	10,249	12,081	5,288	84,469
Accumulated depreciation	累計折舊						
At 1 January 2018	於二零一八年一月一日	35,108	1,643	8,325	4,181	348	49,605
Charge for the year	年內支出	4,261	19	911	2,700	761	8,652
Disposal	出售	(63)	-	(80)	(86)	(17)	(246)
Write back on written-off	轉回撇銷	-	(7)	-	(36)	(473)	(516)
Impairment loss (note)	減值虧損(附註)	4,122	-	-	-	-	4,122
Exchanges differences	匯兌差異	(32)	-	-	-	(1)	(33)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及於二零 一九年一月一日	43,396	1,655	9,156	6,759	618	61,584
Charge for the year	年內支出	2,511	19	642	2,691	1,597	7,460
Disposal	出售	-	-	(8)	-	-	(8)
Write back on written-off	轉回撇銷	-	-	-	-	(6)	(6)
Exchange differences	匯兌差異	(16)	-	(1)	(2)	(32)	(51)
At 31 December 2019	於二零一九年十二月三十一日	45,891	1,674	9,789	9,448	2,177	68,979
Net book value	賬面淨值						
At 31 December 2019	於二零一九年十二月三十一日	9,226	60	460	2,633	3,111	15,490
At 31 December 2018	於二零一八年十二月三十一日	5,833	76	1,070	5,272	4,278	16,529

Note: The Group carried out reviews of the recoverable amount of its plant and machinery in 2018 as a result of the deterioration of the markets of the Group's products. These assets are used in the Group's trading segment. The reviews led to the recognition of an impairment loss of approximately HK\$4,122,000, that has been recognised in profit or loss. The recoverable amount of the related assets has been determined on the basis of their value in use using discounted cash flow methods (level 3 fair value measurements). The discount rate used was 16%.

附註: 由於本集團產品之市場萎縮，故本集團於二零一八年對其廠房及機器之可收回金額進行審閱。該等資產乃用於本集團之貿易業務分部。有關審閱導致於損益確認減值虧損約4,122,000港元。相關資產之可收回金額乃根據利用貼現現金流量法(第三級公平值計量)計算其使用價值釐定。使用之貼現率為16%。

17. LEASES AND RIGHT-OF-USE ASSETS**Disclosures of lease-related items:****17. 租賃及使用權資產****租賃相關項目之披露：**

		2019 二零一九年 HK\$'000 千港元
At 31 December:	於十二月三十一日：	
Right-of-use assets	使用權資產	
Land and buildings	土地及樓宇	
– Offices	– 辦公室	10,510
– Warehouse	– 倉庫	138
– Employee accommodation	– 僱員宿舍	2,105
		12,753

The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:

本集團租賃負債基於未貼現現金流量之到期情況分析如下：

– Within one year	– 一年內	5,156
– In the second to fifth years, inclusive	– 第二年至第五年(包括首尾兩年)	4,330
– Over five years	– 五年以上	7,962
		17,448
Year ended 31 December:	截至十二月三十一日止年度：	
Depreciation charge of right-of-use assets	使用權資產折舊費用	
Land and buildings	土地及樓宇	
– Offices	– 辦公室	5,348
– Warehouse	– 倉庫	183
– Employee accommodation	– 僱員宿舍	561
		6,092
Lease interests	租賃利息	801
Expenses related to short-term leases	與短期租賃有關的開支	683
Additions to right-of-use assets	添置使用權資產	1,402

The Group leases various land and buildings. Lease agreements are typically made for fixed periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

本集團租賃若干土地及樓宇。租賃協議一般固定為期2至20年。租賃條款乃根據個別基準商定，包含各種不同條款及條件。租賃協議並無施加任何契諾，且租賃資產不得用作接待抵押。



18. GOODWILL

18. 商譽

		HK\$'000 千港元
Cost:	成本：	
At 1 January 2018	於二零一八年一月一日	54,604
Arising on acquisition of a subsidiary	來自收購附屬公司	938
Reclassified as disposal group classified as held for sale	分類為持作出售之出售組別之重新分類	(52,665)
At 31 December 2018	於二零一八年十二月三十一日	2,877
Disposal of subsidiary (note 10)	出售附屬公司(附註10)	(1,939)
At 31 December 2019	於二零一九年十二月三十一日	938
Accumulated impairment losses:	累計減值虧損：	
At 1 January 2018	於二零一八年一月一日	21,910
Reclassified as disposal group classified as held for sale	分類為持作出售之出售組別之重新分類	(21,910)
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	-
Carrying amount	賬面值	
At 31 December 2019	於二零一九年十二月三十一日	938
At 31 December 2018	於二零一八年十二月三十一日	2,877

18. GOODWILL (Continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Provision of insurance brokerage and consultancy service (“CGU A”)	提供保險經紀及諮詢服務 (「現金產出單元A」)	-	1,939
Manufacturing and trading of prefabricated precast construction components (“CGU B”)	製造及買賣装配式預製建築組件(「現金產出單元B」)	938	938
		938	2,877

CGU A

The recoverable amounts of CGU A is determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

18. 商譽(續)

於商業合併方式收購的商譽在收購時分配至預計將受益於該業務合併的現金產出單元。商譽的賬面值分配如下：

現金產出單元A

現金產出單元A的可收回金額根據其使用貼現現金流量法計算之使用價值確定。貼現現金流量法的主要假設為與貼現率、增長率以及期內預算毛利率及收入有關者。本集團使用稅前利率估算貼現率，該利率反映當前市場對貨幣時間價值的評估及特定於現金產出單元的風險。增長率基於現金產出單元業務運營所在地理區域的長期平均經濟增長率。預算毛利潤及收入基於過去的做法及對市場發展的期望。



18. GOODWILL (Continued)

CGU A (Continued)

2018

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 5.0%. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the Group's provision of insurance brokerage and consultancy service activities is 16%.

2019

During the year of 2019, CGU A was disposed. At 28 November 2019, the Group has disposed 60% of the issued shares capital of Yuanfeng Insurance Brokers Limited to an independent third party (note 10).

CGU B

The recoverable amounts of CGU B is determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate in the range of 15% to 30% (2018: 10%-25%). This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the Group's manufacturing and trading of prefabricated precast construction components is 18% (2018:18%).

18. 商譽(續)

現金產出單元 A (續)

二零一八年

本集團準備未來五年董事會通過的最新財務預算派發的現金流量預測，剩餘期使用增長率為5.0%。這一比例不超過相關市場的平均長期增長率。

本集團提供保險經紀及諮詢服務活動的預測現金流量貼現率為16%。

二零一九年

於二零一九年度內，現金產出單元 A 已被出售。於二零一九年十一月二十八日，本集團將香港元豐保險經紀有限公司60%已發行股本出售予一名獨立第三方(附註10)。

現金產出單元 B

現金產出單元B的可收回金額根據其使用貼現現金流量法計算之使用價值確定。貼現現金流量法的主要假設為與貼現率、增長率以及期內預算毛利率及收入有關者。本集團使用稅前利率估算貼現率，該利率反映當前市場對貨幣時間價值的評估及特定於現金產出單元的風險。增長率基於現金產出單元業務運營所在地理區域的長期平均經濟增長率。預算毛利潤及收入基於過去的做法及對市場發展的期望。

本集團準備未來五年董事會通過的最新財務預算派發的現金流量預測，剩餘期使用增長率介乎15%至30% (二零一八年：10%至25%)。這一比例不超過相關市場的平均長期增長率。

本集團製造及買賣裝配式預製建築組件的預測現金流量貼現率為18% (二零一八年：18%)。

19. INTANGIBLE ASSETS

19. 無形資產

		Internally generated technology 內部產生技術 HK\$'000 千港元
Cost:	成本：	
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、二零一八年十二月三十一日、二零一九年一月一日及二零一九年十二月三十一日	5,880
Accumulated amortisation and impairment losses:	累計攤銷及減值虧損：	
At 1 January 2018	於二零一八年一月一日	1,470
Charge for the year	年內開支	1,470
Impairment loss	減值虧損	2,940
At 31 December 2018 and 31 December 2019	於二零一八年十二月三十一日及二零一九年十二月三十一日	5,880
Carrying amount	賬面值	
At 31 December 2019	於二零一九年十二月三十一日	-
At 31 December 2018	於二零一八年十二月三十一日	-

The Group carried out reviews of the recoverable amount of its intangible assets in 2018 as a result of the deterioration of the markets of the Group's products. These assets are used in the Group's trading business segment. The review led to the recognition of an impairment loss of HK\$2,940,000 for internally generated technology for the trading of LED Cultivation Cabinet business that have been recognised in profit or loss. The recoverable amount of the relevant assets of HK\$2,940,000 has been determined on the basis of their value in using discounted cash flow method (level 3 fair value measurements). The discount rate used was 16%.

由於本集團產品之市場萎縮，故本集團於二零一八年對其無形資產之可收回金額進行審閱。該等資產乃用於本集團之貿易業務分部。有關審閱導致於損益確認就內部技術之LED種植櫃業務貿易減值虧損2,940,000港元。相關資產之可收回金額乃根據利用貼現現金流量法(第三級公平值計量)計算其使用價值釐定。使用之貼現率為16%。

20. INVENTORIES

20. 存貨

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Raw materials and consumables	原材料及消耗品	1,243	5,047
Finished goods	製成品	1,116	1,001
		2,359	6,048

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	貿易應收款項	87,680	78,776
Less: allowance for impairment of trade receivables	減：貿易應收款項減值撥備	(51,777)	(47,022)
Trade receivables, net	貿易應收款項，淨額	35,903	31,754
Retention receivables	保留應收款項	2,911	3,398
Less: allowance for impairment of retention receivables	減：保留應收款項減值撥備	(28)	(54)
Retention receivables, net	保留應收款項，淨額	2,883	3,344
Prepayments and trade deposits	預付款項及交易按金	57,861	60,063
Less: allowance for impairment of prepayments and trade deposits (note)	減：預付款項及交易按金減值撥備(附註)	(56,156)	(50,568)
		1,705	9,495
Other deposits and receivables	其他按金及應收款項	46,793	21,134
Less: allowance for impairment of other receivables	減：其他應收款項減值撥備	(10,578)	–
		36,215	21,134
		76,706	65,727

21. TRADE AND OTHER RECEIVABLES (Continued)

Note: The amount mainly represents the impairment loss on prepayment to suppliers in trading of Ecological LED Cultivation Cabinet System business segment amounted to approximately HK\$40,719,000. During the year ended 31 December 2018, due to the unfavourable performance of this business segment, the management was unable to well utilize the prepayment for production of Ecological LED Cultivation Cabinet System. The management is in progress on negotiating with the supplier in order to agree the refund arrangement, yet up to the end of reporting period, no formal agreement have been signed between the Group and the supplier. As advised by the Group's legal adviser, the Group may not be able to collect the refund by supplier, hence, impairment losses of approximately HK\$40,719,000 have been recognised during the year ended 31 December 2018.

The Group allows an average credit period of 45 days to its trade customers. The following is ageing analysis of trade receivables based on invoice date is as follows:

21. 貿易及其他應收款項(續)

附註： 該金額主要指環保LED生態種植櫃系統業務分部於貿易時向供應商預付的減值虧損約40,719,000港元。截至二零一八年十二月三十一日止年度，由於該業務分部的表現不佳，管理層未能很好地動用生產環保LED生態種植櫃系統的預付款項。管理層正與供應商進行磋商，以協定退款安排，但直至報告期末，本集團與供應商之間尚未訂立正式協議。誠如本集團法律顧問所建議，本集團可能無法向供應商收回退款，因此，截至二零一八年十二月三十一日止年度，本集團已確認減值虧損約40,719,000港元。

本集團授予客戶的信貸期一般為45日。根據發票日期的貿易應收款項的賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 ~ 30 days	0-30日	6,305	8,054
31 ~ 60 days	31-60日	4,909	4,650
61 ~ 90 days	61-90日	6,499	2,384
91 ~ 365 days	91-365日	12,909	10,855
Over 365 days	超過365日	5,281	5,811
		35,903	31,754

21. TRADE AND OTHER RECEIVABLES (Continued)

Reconciliation of loss allowance for trade receivables:

21. 貿易及其他應收款項(續)

貿易應收款項虧損撥備的對賬：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At the beginning of the year	年初	47,022	428
Increase in loss allowance for the year	年內虧損撥備增加	5,379	46,672
Reversal of loss allowance for the year	年內虧損撥備撥回	(220)	(93)
Receivables written off during the period as uncollectable	期內撇銷之不可收回應收款項	(326)	-
Exchange difference	匯兌差異	(78)	15
At the end of the year	年末	51,777	47,022

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

本集團應用香港財務報告準則第9號項下的簡易方法就所有貿易應收款項使用預期虧損撥備期限計算預期信貸虧損。為計算預期信貸虧損，貿易應收款項已根據共享信貸風險特徵及逾期日數分類。預期信貸虧損亦包含前瞻性資料。

		Current 即期	Over 30 days past due 逾期超過30日	Over 60 days past due 逾期超過60日	Over 90 days past due 逾期超過90日	Over 365 days past due 逾期超過365日	Total 總計
At 31 December 2019	於二零一九年十二月三十一日						
Weighted average expected loss rate	加權平均預期虧損率	3%	3%	3%	3%	91%	59%
Receivable amount (HK\$'000)	可收回金額(千港元)	11,193	2,969	5,707	12,179	55,632	87,680
Loss allowance (HK\$'000)	虧損撥備(千港元)	336	89	171	399	50,782	51,777
At 31 December 2018	於二零一八年十二月三十一日						
Weighted average expected loss rate	加權平均預期虧損率	3%	3%	4%	3%	89%	60%
Receivable amount (HK\$'000)	可收回金額(千港元)	12,539	2,250	1,765	10,262	51,960	78,776
Loss allowance (HK\$'000)	虧損撥備(千港元)	373	67	77	311	46,194	47,022

22. BANK AND CASH BALANCES

As at 31 December 2019, the bank and cash balances of the Group denominated in RMB amounted to approximately HK\$684,000 (2018: HK\$3,074,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

At the end of the reporting period, bank and cash balances comprise cash held by the Group and short-term bank deposits with an original maturity period of three months or less. Bank balance carried interest at market rates ranging from 0.001% to 0.35% per annum (2018: 0.001% to 0.35%).

22. 銀行及現金結餘

於二零一九年十二月三十一日，本集團以人民幣計值的銀行及現金結餘約為684,000港元(二零一八年：3,074,000港元)。人民幣兌換外幣須遵守中國外匯管制條例。

於報告期末，銀行及現金結餘包含本集團持有的現金以及原到期日為三個月或以內之短期銀行存款。銀行結餘按市場年利率0.001%至0.35%(二零一八年：0.001%至0.35%)計息。

23. TRADE AND OTHER PAYABLES**23. 貿易及其他應付款項**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables	貿易應付款項	5,560	6,245
Accruals	應計費用	3,940	4,773
Other payables	其他應付款項	4,140	6,046
		13,640	17,064

Note:

Payment terms granted by suppliers are 30 days from the invoice date of the relevant purchases.

The aging analysis of trade payables based on the invoice date is as follows:

附註：

供應商授予的付款期限為自有關採購的發票日期起計30日。

貿易應付款項基於發票日期的賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 ~ 30 days	0-30日	1,378	3,738
31 ~ 60 days	31-60日	324	79
61 ~ 90 days	61-90日	587	-
Over 90 days	超過90日	3,271	2,428
		5,560	6,245

24. BORROWINGS

24. 借貸

	附註 Note	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other loan	(a)	40,000	40,000
Bonds payables	(b)	5,800	-
		45,800	40,000

(a) The other loan was an interest-bearing portion of HK\$40,000,000 which was unsecured, interest bearing at 7.5% per annum and repayable on 25 November 2020.

(b) As at 31 December 2019, the Company issued a number of HK\$-denominated bonds with an aggregate principal of HK\$5,800,000 (2018: Nil). The bonds are unsecured, bearing interest rates at 9% (2018: Nil) per annum and repayable during the period from July 2020 to August 2020.

(a) 其他貸款有40,000,000港元屬計息部分，為無抵押、年利率為7.5%並須於二零二零年十一月二十五日償還。

(b) 於二零一九年十二月三十一日，本公司發行一系列港元計值債券，總本金額為5,800,000港元(二零一八年：無)。該等債券為無抵押、按利率9%計息(二零一八年：無)及須於二零二零年七月起至二零二零年八月止期間償還。

25. LEASE LIABILITIES

25. 租賃負債

		Lease payments 租賃付款 As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	Present value of lease payments 租賃付款之現值 As at 31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元
Within one year	一年內	5,156	4,607
In the second to fifth years, inclusive	第二年至第五年(包括 首尾兩年)	4,330	2,885
After five years	五年後	7,962	5,928
		17,448	
Less: Future finance charges	減：日後融資開支	(4,028)	N/A 無
Present value of lease liabilities	租賃負債之現值	13,420	13,420
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於12個月內到期 結算之款項(於流動 負債項下呈列)		(4,607)
Amount due for settlement after 12 months	於12個月後到期結算之 款項		8,813

25. LEASE LIABILITIES (Continued)

At 31 December 2019, the average effective borrowing rate was 5.125% (2018: Nil). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

26. AMOUNT DUE TO A DIRECTOR

The advance is unsecured, non-interest bearing and repayable on demand.

27. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities during the year are as follows:

25. 租賃負債(續)

於二零一九年十二月三十一日，平均實際借貸利率為5.125%（二零一八年：無）。利率於合約日期釐定，因此本集團承受公平值利率風險。

26. 應付一名董事款項

該墊款為無抵押、免息並須按要求的償還。

27. 遞延稅項負債

年內遞延稅項負債的變動如下：

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元
At 1 January 2018 Credit to profit or loss (Note 11)	於二零一八年一月一日 計入損益(附註11)	915 (882)
At 31 December 2018 Changed to profit or loss (Note 11)	於二零一八年十二月三十一日 於損益扣除(附註11)	33 400
At 31 December 2019	於二零一九年十二月三十一日	433

At the end of 31 December 2019 and 2018, the Group has unused tax losses of HK\$32,512,000 (2018: HK\$32,370,000) available for offset against future profits.

截至二零一九年及二零一八年十二月三十一日，本集團有未動用稅項虧損約32,512,000港元(二零一八年：32,370,000港元)可供抵銷未來溢利。



28. SHARE CAPITAL

28. 股本

	附註 Note	Number of shares 股份數目	Ordinary shares 普通股 HK\$'000 千港元
Authorised: <i>Ordinary shares of HK\$0.01 each:</i>	法定股本： 每股面值0.01港元之 普通股：		
As at 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月 三十一日、二零一九年 一月一日及二零一九年 十二月三十一日	2,000,000,000	20,000
		Number of shares 股份數目	Ordinary shares 普通股 HK\$'000 千港元
Issued and fully paid: <i>Ordinary shares of HK\$0.01 each:</i>	已發行及繳足： 每股面值0.01港元之 普通股：		
As at 1 January 2018	於二零一八年一月一日	929,707,000	9,297
Issue of shares on placement	以配售方式發行股份	(a) 80,898,000	809
As at 31 December 2018 and 31 December 2019	於二零一八年十二月 三十一日及二零一九年 十二月三十一日	1,010,605,000	10,106

Notes:

- (a) Completion of the share placement took place on 30 May 2018 pursuant to which 80,898,000 placement shares were issued under the placement agreement at the placement price of HK\$0.5 per placing share at an aggregate consideration of approximately HK\$40,449,000, of which approximately HK\$809,000 was credited to share capital and the remaining balance of approximately HK\$38,831,000 (net of issuing expenses of approximately HK\$809,000) was credited to share premium. Details of the placement were set out in the Company's announcements dated 30 May 2018.

附註：

- (a) 股份配售已於二零一八年五月三十日完成，據此，80,898,000股配售股份已根據配售協議按配售價每股配售股份0.5港元予以發行，總代價約為40,449,000港元，其中約809,000港元計入股本及餘額約38,831,000港元(扣除發行開支約809,000港元)計入股份溢價賬。配售事項的詳情載於本公司日期為二零一八年五月三十日的公告。

29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY**(a) Statement of financial position****29. 本公司財務狀況表及儲備變動****(a) 財務狀況表**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,758	4,251
Right-of-use assets	使用權資產	2,852	-
Investments in subsidiaries	於附屬公司的投資	10,580	41,514
		15,190	45,765
Current assets	流動資產		
Trade and other receivables	貿易及其他應收款項	3,738	3,641
Amounts due from subsidiaries	應收附屬公司款項	52,049	48,640
Bank and cash balances	銀行及銀行結餘	5,416	8,364
		61,203	60,645
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	2,379	1,751
Amounts due to directors	應付董事款項	10,450	-
Borrowing	借貸	5,800	-
Lease liabilities	租賃負債	2,925	-
		21,554	1,751
Net current assets	流動資產淨值	39,649	58,894
Total assets less current liabilities	總資產減流動負債	54,839	104,659
NET ASSETS	資產淨值	54,839	104,659
EQUITY	權益		
Capital and reserves	資本及儲備		
Share capital	股本	10,106	10,106
Reserve	儲備	44,733	94,553
Total equity	總權益	54,839	104,659

29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement

29. 本公司財務狀況表及儲備變動(續)

(b) 儲備變動

		Share-based Premium	Share-based payment reserve	Special reserve	Accumulated losses	Total
		股份溢價	以股份為基礎 之付款儲備	特別儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
			(Note i) (附註i)	(Note ii) (附註ii)		
Balance as at 1 January 2018	於二零一八年一月一日 之結餘	230,122	10,707	30,577	(39,857)	231,549
Loss for the year	年內虧損	-	-	-	(196,625)	(196,625)
Issue of shares on placement	以配售方式發行股份	38,831	-	-	-	38,831
Share-based payments	以股份為基礎之付款	-	20,798	-	-	20,798
Cancellation of share options	註銷購股權	-	(26,741)	-	26,741	-
Balance as at 31 December 2018	於二零一八年十二月三十一 日的結餘	268,953	4,764	30,577	(209,741)	94,553
Balance as at 1 January 2019	於二零一九年 一月一日之結餘	268,953	4,764	30,577	(209,741)	94,553
Loss for the year	年內虧損	-	-	-	(49,820)	(49,820)
Balance as at 31 December 2019	於二零一九年十二月 三十一日的結餘	268,953	4,764	30,577	(259,561)	44,733

Note i: The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and a consultant of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 30 to the financial statements.

Note ii: Special reserve represents the difference between the fair value of the shares of Ultimate Expert acquired pursuant to the Reorganisation on 8 May 2014 over the nominal value of the Company's share issued in exchange therefore.

附註i: 以股份為基礎的付款儲備指按照財務報表附註30就以權益結算並以股份為基礎的付款採納的會計政策所確認，授予本集團董事、僱員及顧問的未行使購股權的實際或估計數目的公平值。

附註ii: 特別儲備指根據於二零一四年五月八日之重組所收購通才股份之公平值與本公司因此為交換所發行股份之面值之差額。

30. SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company’s subsidiaries. The Scheme became effective on 2 August 2014 and refreshed on 2 June 2017 and 8 June 2018, respectively, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 0.1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

30. 購股權計劃

本公司實行購股權計劃(「該計劃」)旨在向合資格參與者提供額外獎勵以及推動本集團業務創出佳績。合資格參與者包括本公司及本公司附屬公司的僱員(全職及兼職)、行政人員、高級人員、董事、業務顧問、代理、法律及財務顧問。該計劃於二零一四年八月二日生效及分別於二零一七年六月二日及二零一八年六月八日更新，除非另有取消或修訂，否則自該日起十年內仍然有效。

根據該計劃，現時可授出之尚未行使購股權數目最多可相等於其獲行使時佔本公司任何時間之已發行股份之10%。於任何十二個月期間內，根據該計劃每位合資格參與者獲授的購股權可予發行的股份最高數目，任何時候須以本公司已發行股份的0.1%為限。任何額外授出超逾此限額的購股權須在股東大會上獲股東批准。

授予本公司董事、行政總裁或主要股東或彼等任何聯繫人士之購股權須經獨立非執行董事事先批准。此外，於任何十二個月期間內，任何向本公司主要股東或獨立非執行董事，或其任何聯繫人授予的任何購股權，超過本公司任何時間股份的0.1%或總值(根據本公司於授出日期之股份價格)超過5,000,000港元，須於股東大會事先經股東批准。



30. SHARE OPTION SCHEME (Continued)

The offer of a grant of share options may be accepted within 7 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

30. 購股權計劃(續)

授出購股權的要約可在收到通知之日起七日內由承授人支付名義代價總額為1港元而接納。授出購股權的行使期可由董事確定，並於某一歸屬期後開始，且自提出購股權或計劃到期日期起計五年(以較早者為準)為止。

購股權行使價可由董事確定，但不得低於以下最高者(i)本公司股份於提出購股權當日之聯交所收市價；(ii)緊接要約日期之前五個交易日本公司股票的平均聯交所收市價；及(iii)要約當日本公司股份面值。

購股權不賦予持有人股利或在股東大會上投票權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

30. SHARE OPTION SCHEME (Continued)

The following tables disclose the movements in the Company's number of share options during the years:

2019

30. 購股權計劃(續)

以下表格披露了本年度本公司購股權數量的變動：

二零一九年

	Outstanding at 1 January 2019 於二零一九年 一月一日未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed/ cancelled during the year 年內失效/註銷	Outstanding at 31 December 2019 於二零一九年 十二月三十一日 未行使	Grant date 授出日期	Vesting Period 歸屬期間	Exercisable period 行使期間	Exercise price 行使價
Directors 董事									
Mr. Liu Zhong Ping 2016A 劉中平先生	6,200,000	-	-	-	6,200,000	14 June 2016 二零一六年 六月十四日	14 June 2016 - 15 June 2016 二零一六年 六月十四日至 二零一六年 六月十五日	15 June 2016 - 14 June 2026 二零一六年六月十五日至 二零二六年六月十四日	HK\$0.83 0.83港元
Ms. Che XiaoYan 2018 車曉豔女士	10,106,050	-	-	-	10,106,050	19 June 2018 二零一八年 六月十九日	19 June 2018 - 20 June 2018 二零一八年 六月十九日至 二零一八年 六月二十日	21 June 2018 - 20 June 2020 二零一八年 六月二十一日至 二零二零年 六月二十日	HK\$0.63 0.63港元
	16,306,050	-	-	-	16,306,050				

30. SHARE OPTION SCHEME (Continued) 2018

30. 購股權計劃(續) 二零一八年

		Outstanding at 1 January 2018 於二零一八年 一月一日未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed/ cancelled during the year 年內失效/註銷	Outstanding at 31 December 2018 於二零一八年 十二月三十一日 未行使	Grant date 授出日期	Vesting Period 歸屬期間	Exercisable period 行使期間	Exercise price 行使價
Directors 董事										
Mr. Liu Zhong Ping 劉中平先生	2016A	6,200,000	-	-	-	6,200,000	14 June 2016 二零一六年六月十四日	14 June 2016 - 15 June 2016 二零一六年六月十四日至 二零一六年六月十五日	15 June 2016 - 14 June 2026 二零一六年六月十五日至 二零一六年六月十四日	HK\$0.83 0.83港元
Mr. Guan Jin Cheng 管錦程先生	2017B	8,089,800	-	-	(8,089,800)	-	15 June 2017 二零一七年 六月十五日	15 June 2017 - 16 June 2017 二零一七年六月十五日至 二零一七年六月十六日	16 June 2017 - 15 June 2027 二零一七年六月十六日至 二零一七年六月十五日	HK\$0.63 0.63港元
Mr. Man Wai Lun 文偉麟先生	2017B	8,089,800	-	-	(8,089,800)	-	15 June 2017 二零一七年 六月十五日	15 June 2017 - 16 June 2017 二零一七年六月十五日至 二零一七年六月十六日	16 June 2017 - 15 June 2027 二零一七年六月十六日至 二零一七年六月十五日	HK\$0.63 0.63港元
Ms. Wu Chun Ping 吳純平女士	2017B	8,089,800	-	-	(8,089,800)	-	15 June 2017 二零一七年 六月十五日	15 June 2017 - 16 June 2017 二零一七年六月十五日至 二零一七年六月十六日	16 June 2017 - 16 June 2027 二零一七年六月十六日至 二零一七年六月十五日	HK\$0.63 0.63港元
Ms. Che XiaoYan 車曉豔女士	2018	-	10,106,050	-	-	10,106,050	19 June 2018 二零一八年 六月十九日	19 June 2018 - 20 June 2018 二零一八年六月十九日至 二零一八年六月二十日	21 June 2018 - 20 June 2020 二零一八年六月二十一日至 二零二零年六月二十日	HK\$0.63 0.63港元
Mr. Li Shunmin 李順民先生	2018	-	10,106,050	-	(10,106,050)	-	19 June 2018 二零一八年 六月十九日	19 June 2018 - 20 June 2018 二零一八年六月十九日至 二零一八年六月二十日	21 June 2018 - 20 June 2020 二零一八年六月二十一日至 二零二零年六月二十日	HK\$0.63 0.63港元
Mr. Guan Jincheng 管錦程先生	2018	-	10,106,050	-	(10,106,050)	-	19 June 2018 二零一八年 六月十九日	19 June 2018 - 20 June 2018 二零一八年六月十九日至 二零一八年六月二十日	21 June 2018 - 20 June 2020 二零一八年六月二十一日至 二零二零年六月二十日	HK\$0.63 0.63港元
Mr. Man Wai Lun 文偉麟先生	2018	-	10,106,050	-	(10,106,050)	-	19 June 2018 二零一八年六月十九日	19 June 2018 - 20 June 2018 二零一八年六月十九日至 二零一八年六月二十日	21 June 2018 - 20 June 2020 二零一八年六月二十一日至 二零二零年六月二十日	HK\$0.63 0.63港元
Ms. Jiao Fei 焦飛女士	2018	-	10,106,050	-	(10,106,050)	-	19 June 2018 二零一八年六月十九日	19 June 2018 - 20 June 2018 二零一八年六月十九日至 二零一八年六月二十日	21 June 2018 - 20 June 2020 二零一八年六月二十一日至 二零二零年六月二十日	HK\$0.63 0.63港元
Sub-total 小計		30,469,400	50,530,250	-	(64,693,600)	16,306,050				

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30. SHARE OPTION SCHEME (Continued)
2018

30. 購股權計劃(續)
二零一八年

		Outstanding at 1 January 2018	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Outstanding at 31 December 2018	Grant date	Vesting Period	Exercisable period	Exercise price
		於二零一八年 一月一日未行使	年內授出	年內行使	年內失效/註銷	於二零一八年 十二月三十一日 未行使	授出日期	歸屬期間	行使期間	行使價
Consultant	2017B	8,000,000	-	-	(8,000,000)	-	15 June 2017	15 June 2017 - 16 June 2017	16 June 2017 - 15 June 2027	HK\$0.63
顧問							二零一七年六月十五日	二零一七年六月十五日 至 二零一七年六月十六日	二零一七年六月十六日 至 二零一七年六月十五日	0.63港元
Consultant	2018	-	10,106,050	-	(10,106,050)	-	19 June 2018	19 June 2018 - 21 June 2018	21 June 2018 - 20 June 2020	HK\$0.63
顧問							二零一八年六月十九日	二零一八年六月十九日 至 二零一八年六月二十一日	二零一八年六月二十一 日至 二零二零年六月二十日	0.63港元
Other employee	2017B	5,089,800	-	-	(5,089,800)	-	15 June 2017	15 June 2017 - 16 June 2017	16 June 2017 - 15 June 2027	HK\$0.63
其他僱員							二零一七年六月十五日	二零一七年六月十五日 至 二零一七年六月十六日	二零一七年六月十六日 至 二零一七年六月十五日	0.63港元
Other employee	2017B	3,709,800	-	-	(3,709,800)	-	15 June 2017	15 June 2017 - 16 June 2017	16 June 2017 - 15 June 2027	HK\$0.63
其他僱員							二零一七年六月十五日	二零一七年六月十五日 至 二零一七年六月十六日	二零一七年六月十六日 至 二零一七年六月十五日	0.63港元
Other employee	2018	-	10,106,050	-	(10,106,050)	-	19 June 2018	19 June 2018 - 20 June 2018	21 June 2018 - 20 June 2020	HK\$0.63
其他僱員							二零一八年六月十九日	二零一八年六月十九日 至 二零一八年六月二十日	二零一八年六月二十一 日至 二零二零年六月二十日	0.63港元
Other employee	2018	-	10,106,050	-	(10,106,050)	-	19 June 2018	19 June 2018 - 20 June 2018	21 June 2018 - 20 June 2020	HK\$0.63
其他僱員							二零一八年六月十九日	二零一八年六月十九日 至 二零一八年六月二十日	二零一八年六月二十一 日至 二零二零年六月二十日	0.63港元
Other employee	2018	-	10,106,050	-	(10,106,050)	-	19 June 2018	19 June 2018 - 20 June 2018	21 June 2018 - 20 June 2020	HK\$0.63
其他僱員							二零一八年六月十九日	二零一八年六月十九日 至 二零一八年六月二十日	二零一八年六月二十一 日至 二零二零年六月二十日	0.63港元
Other employee	2018	-	10,106,050	-	(10,106,050)	-	19 June 2018	19 June 2018 - 20 June 2018	21 June 2018 - 20 June 2020	HK\$0.63
其他僱員							二零一八年六月十九日	二零一八年六月十九日 至 二零一八年六月二十日	二零一八年六月二十一 日至 二零二零年六月二十日	0.63港元
Sub-total		16,799,600	50,530,250	-	(67,329,850)	-				
小計										
Total		47,269,000	101,060,500	-	(132,023,450)	16,306,050				
總計										

The options outstanding at the end of the year have a weighted average remaining contractual life of 2.75 years (2018: 3.75 years).

年末未行使購股權平均加權合約期限為2.75年(二零一八年: 3.75年)。



31. RELATED PARTY TRANSACTIONS

(a) Other than as disclosed transaction and balance elsewhere in note 13 to the consolidated financial statements, during the year, the Group had no other related party transactions.

(b) Compensation of key management personnel

The emoluments of the Company's Directors, who are also identified as members of key management of the Group, are set out in note 13.

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follow:

31. 關連方交易

(a) 年內，除綜合財務報表附註13所披露之交易及結餘外，本集團概無其他關連方交易。

(b) 主要管理人員的酬金

本公司董事(即本集團主要管理層人員)的酬金載於附註13。

32. 本公司主要附屬公司名單

以下為於報告期末本公司主要附屬公司名單：

Name 名稱	Place of incorporation 註冊成立地點	Legal status 法律身分	Issued and Paid-up capital 已發行及繳足股本	Percentage of ownership interest/voting power 所持權益/投票權百分比		Principal activities and place of operation 主要業務及經營地點
				Direct 直接	Indirect 間接	
Ultimate Expert Holdings Limited 通才控股有限公司	BVI 英屬處女群島	Limited liability company 有限公司	USD2,000/ USD2,000 2,000美元/2,000美元	100%	-	Investment holding 投資控股
Leisure Peace Limited Leisure Peace Limited	BVI 英屬處女群島	Limited liability company 有限公司	USD1/USD1 1美元/1美元	100%	-	Investment holding 投資控股
Drillcut Limited 鑽威工程有限公司	Hong Kong 香港	Limited liability company 有限公司	HK\$5,000,000/ HK\$5,000,000 5,000,000港元/ 5,000,000港元	-	100%	Provision of concrete demolition 提供混凝土拆卸服務

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**32. PARTICULARS OF PRINCIPAL
SUBSIDIARIES OF THE COMPANY
(Continued)**

**32. 本公司主要附屬公司名單
(續)**

Name 名稱	Place of incorporation 註冊成立地點	Legal status 法律身分	Issued and Paid-up capital 已發行及繳足股本	Percentage of ownership interest/voting power 所持權益/投票權百分比		Principal activities and place of operation 主要業務及經營地點
				Direct 直接	Indirect 間接	
Forever Rise Investment Limited 長昇投資有限公司	Hong Kong 香港	Limited liability company 有限公司	HK\$1/HK\$1 1港元/1港元	-	100%	Trading of LED Products 買賣LED產品
深圳市億平米農業科技發展 有限公司	PRC	Limited liability company	RMB20,000,000/ RMB20,000,000	-	51%	Research and sales of LED Cultivation Cabinet
深圳市億平米農業科技發展 有限公司	中國	有限公司	人民幣20,000,000元/ 人民幣20,000,000元			研發及銷售LED生態種植櫃
鄂爾多斯市智華清潔能源有限公司	PRC	Limited liability company	RMB500,000/ RMB500,000	-	51%	Trading of clean coal
鄂爾多斯市智華清潔能源有限公司	中國	有限公司	人民幣500,000元/ 人民幣500,000元			買賣清潔煤
惠州普瑞康建築材料有限公司	PRC	Limited liability company	RMB43,000,000/ RMB12,138,000	-	61%	Manufacturing and trading of prefabricated precast costruction components
惠州普瑞康建築材料有限公司	中國	有限公司	人民幣43,000,000元/ 人民幣43,000,000元			製造及買賣裝配式預製建築 組件



33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

		Amount due to a director	Lease liabilities	Borrowings	Total
		應付一名 董事款項	租賃負債	借貸	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	-	-	40,000	40,000
Changes in cash flows	現金流量變動	-	-	-	-
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	-	-	40,000	40,000
Changes in cash flows	現金流量變動	10,450	(5,421)	5,800	10,829
Non-cash changes	非現金變動				
- initial adoption of HKFRS 16	- 初次採納香港財務報告準則 第16號	-	17,570	-	17,570
- addition	- 添置	-	1,402	-	1,402
- exchange differences	- 匯兌差異	-	(131)	-	(131)
At 31 December 2019	於二零一九年十二月三十一日	10,450	13,420	45,800	69,670

33. 綜合現金流量表附註

融資活動產生負債之變動

下列顯示本集團於年內融資活動產生負債之變動：

34. EVENT AFTER THE REPORTING PERIOD

The coronavirus disease 2019 outbreak since early 2020 has brought additional uncertainties in the global macroeconomic situation. The Group expects the event may potentially affect the Group's business performance in the first half year of 2020. The degree of impact could not be reasonably estimated at this stage. The Group will closely monitor the development of the epidemic and assess its impact on the financial position and operating results of the Group.

35. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 March 2020.

34. 報告期後事項

二零二零年初爆發的2019冠狀病毒為全球宏觀經濟環境增添額外不明朗因素。本集團預期該事件可能對本集團於二零二零年上半年的業績造成潛在影響，惟現階段無法合理估計受影響程度。本集團將密切關注疫情發展，從而評估其對本集團財政狀況及營運業績造成的影響。

35. 批准綜合財務報表

董事會於二零二零年三月二十七日批准及授權發佈綜合財務報表。

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements in this annual report, is as follows.

本集團於過往五個財政年度之業績及資產與負債概要(摘錄自本年報之經審核綜合財務報表)如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入	93,341	133,631	183,283	128,964	90,260
Cost of sales	銷售成本	(66,237)	(105,088)	(154,632)	(101,504)	(59,627)
Gross profit	毛利	27,104	28,543	28,651	27,460	30,633
Other income and net gains	其他收入及收入淨額	(1,349)	(35,049)	101,922	542	393
Administrative and other operating expenses	行政及其他營運開支	(69,615)	(189,911)	(111,719)	(93,006)	(17,055)
Operating (loss)/profit	營運(虧損)/溢利	(43,860)	(196,417)	18,854	(65,004)	13,971
Finance costs	融資成本	(4,026)	(3,000)	(2,006)	(1,998)	(308)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(47,886)	(199,417)	16,848	(67,002)	13,663
Income tax expense	所得稅開支	(400)	(164)	(1,016)	(2,241)	(3,049)
(Loss)/profit for the year	年內(虧損)/溢利	(48,286)	(199,581)	15,832	(69,243)	10,614
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	(44,411)	(194,804)	18,138	(68,092)	10,614
Non-controlling interests	非控股權益	(3,875)	(4,777)	(2,306)	(1,151)	-
		(48,286)	(199,581)	15,832	(69,243)	10,614
Asset and liabilities	資產及負債					
Total assets	總資產	138,738	161,478	295,527	204,087	146,783
Total liabilities	總負債	(83,899)	(57,342)	(54,181)	(93,884)	(65,190)
Net assets	資產淨值	54,839	104,136	241,346	110,203	81,593
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	59,162	104,197	242,266	111,188	81,593
Non-controlling interests	非控股權益	(4,323)	(61)	(920)	(985)	-
		54,839	104,136	241,346	110,203	81,593

The financial summary does not form part of the audited consolidated financial statements.

本財務摘要並不構成綜合財務報表的一部份。



Glory Flame Holdings Limited
朝威控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)