新威斯頓
NewWestern

新威斯頓集團有限公司
New Western Group Limited

(Incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立之有限公司）
Stock Code 股份代號: 8242

2019 年報
ANNUAL REPORT

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Executive Directors

Mr. Zhang Qing *(Chairman)*
Mr. Gan Lin *(Chief Executive Officer) (appointed on 22 January 2020)*
Mr. Lau Mo *(passed away on 21 December 2019)*
Dr. Sung Tak Wing Leo *(resigned on 22 May 2019)*

Non-Executive Director

Mr. Liu Kam Lung

Independent Non-Executive Directors

Mr. Cheung Chi Man Dennis
Mr. Chiu Yu Wang
Dr. Gao Jinkang *(elected on 3 May 2019)*
Mr. Ko Yin Wai *(retired on 3 May 2019)*

COMPANY SECRETARY

Ms. Chan Lok Yin

COMPLIANCE OFFICER

Mr. Zhang Qing

AUTHORISED REPRESENTATIVES

Mr. Gan Lin *(appointed on 22 January 2020)*
Ms. Chan Lok Yin

AUDIT COMMITTEE

Mr. Cheung Chi Man Dennis *(Chairman)*
Mr. Chiu Yu Wang
Dr. Gao Jinkang *(elected on 3 May 2019)*
Mr. Ko Yin Wai *(retired on 3 May 2019)*

REMUNERATION COMMITTEE

Mr. Cheung Chi Man Dennis *(Chairman)*
Mr. Chiu Yu Wang
Dr. Gao Jinkang *(elected on 3 May 2019)*
Mr. Ko Yin Wai *(retired on 3 May 2019)*

董事會

執行董事

張慶先生*（主席）*
甘霖先生*（行政總裁）（於2020年1月22日獲委任）*
劉武先生*（於2019年12月21日離世）*
宋得榮博士*（於2019年5月22日辭任）*

非執行董事

廖金龍先生

獨立非執行董事

張志文先生
趙汝宏先生
高晉康博士*（於2019年5月3日獲選）*
高賢偉先生*（於2019年5月3日退任）*

公司秘書

陳樂燕女士

監察主任

張慶先生

授權代表

甘霖先生*（於2020年1月22日獲委任）*
陳樂燕女士

審核委員會

張志文先生*（主席）*
趙汝宏先生
高晉康博士*（於2019年5月3日獲選）*
高賢偉先生*（於2019年5月3日退任）*

薪酬委員會

張志文先生*（主席）*
趙汝宏先生
高晉康博士*（於2019年5月3日獲選）*
高賢偉先生*（於2019年5月3日退任）*

NOMINATION COMMITTEE

Mr. Cheung Chi Man Dennis *(Chairman)*
Mr. Chiu Yu Wang
Dr. Gao Jinkang *(elected on 3 May 2019)*
Mr. Ko Yin Wai *(retired on 3 May 2019)*

提名委員會

張志文先生*(主席)*
趙汝宏先生
高晉康博士*(於2019年5月3日獲選)*
高賢偉先生*(於2019年5月3日退任)*

AUDITOR

Baker Tilly Hong Kong Limited

核數師

天職香港會計師事務所有限公司

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Loeb & Loeb LLP

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樂博律師事務所有限法律責任合夥

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Grand Cayman KY1-1110
Cayman Islands

主要股份過戶登記處及轉讓辦事處

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Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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STOCK CODE

8242

股份代號

8242

COMPANY WEBSITE

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公司網站

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CHAIRMAN'S STATEMENT
主席報告書

On behalf of the board of directors (the "Board") of New Western Group Limited (the "Company"), I hereby present the annual report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2019.

本人謹代表新威斯頓集團有限公司(「本公司」)董事會(「董事會」),呈報本公司及其附屬公司(統稱「本集團」)截至2019年12月31日止年度的年報。

BUSINESS ENVIRONMENT AND DEVELOPMENT

The recent outbreak of coronavirus disease (COVID-19) has undoubtedly presented difficult challenges to the business environment of the Group in all business sectors. Nevertheless, with the signing of the first-phase trade agreement between China and the United States, the tensions resulting from the Sino-US trade situation and the external economic conditions are likely to be alleviated. As the Group expects challenging business prospects in 2020, it will strive to maintain a cost-effective operation.

During the year under review, due to Sino-US trade conflicts, downstream buyers of the IC industry became more prudent in procurement, market demand for standard ICs and ASIC ICs thus experienced relatively higher volatility. As a result, the overall market price of IC products gradually fell from their relatively higher levels in the year of 2019. This market condition inevitably exerted pressure on gross profit and affected the profit margins of the IC Segment. In face of the unfavorable market environment in integrated circuit ("IC") segment, the Group recorded a decrease in its overall revenue, driven by the decrease in the provision of tailor-made ASIC services and products. The Group is going to perform more persuasive research and development activities to retain and substain its IC products. A number of new ICs were introduced in 2018 to enrich the product portfolio of the Group, especially in ASIC power management IC and ASIC Motor Driver IC. As at 31 December 2019, the Group had 10 new IC models under development and customer evaluation, but 2 IC model had been terminated. Certain customers took prudent view in project investment and extended the process of evaluation, acceptance and modification, and the completion time of development was prolonged as a result.

In view of the market competition of the money lending business which remains fierce, loans receivables of the Group increased from approximately HK$98.7 million in December 2018 to approximately HK$153.1 million (before impairment loss on loan receivables) in December 2019. Looking forward, the Group will continue to focus on high net worth customers to minimize the overall credit risk.

業務環境與發展

最近爆發的冠狀病毒病(2019冠狀病毒病)無疑令本集團各業務領域的營商環境帶來嚴峻考驗。然而,隨著中美兩國正式簽署第一階段貿易協議,中美貿易形勢以至外圍經濟局勢的情緒有望緩和。預期2020年的業務前景將充滿挑戰,本集團將務求在該環境下穩守成本效益。

於回顧年度,受中美貿易摩擦影響,集成電路行業下游買家的採購取態轉趨審慎,標準集成電路及ASIC集成電路的市場需求因而具相對較高的波動。因此,集成電路產品整體市價亦由其於2019年相對較高的水平逐漸下降。該市況難免對毛利造成壓力並影響集成電路分部的利潤率。面對集成電路(「集成電路」)分部的不利市場環境,本集團的整體收入錄得下跌,此由本集團所提供的度身訂造ASIC服務及產品減少所帶動。本集團正進行更多保護研究及開發,以保留及維持其集成電路產品及使之更多元化,我們亦於2018年引入一系列新集成電路產品,令本集團的產品組合更豐富,特別是ASIC電源管理集成電路及ASIC電機驅動器集成電路。於2019年12月31日,本集團有10個屬開發中及處於客戶評估階段的新型號集成電路,但已終止2個集成電路型號。若干客戶對項目投資抱持審慎態度並延長評估、通過及修改的過程,因而令開發的完成時間被延遲。

鑑於放債業務的市場競爭仍然十分激烈,本集團的應收貸款由2018年12月的約98.7百萬港元增加至2019年12月的約153.1百萬港元(未計應收貸款減值虧損前)。展望未來,本集團將繼續專注於高淨值客戶以使整體信貸風險最小化。

As a result of the continuing business operation of property management business in the People's Republic of China (the "PRC"), it had recorded a segment profit for the year of the year of 2019. Further details of the Group's performance, financial position and other information for the year 2019 with shareholders can be found in the following section of "Management Discussion and Analysis".

由於中華人民共和國(「中國」)物業管理業務的持續業務營運，其於2019年錄得年內分部溢利。有關本集團2019年表現、財務狀況及其他資料的進一步詳情，股東可參閱下文「管理層討論及分析」一節。

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance and all board committees have effectively supported the Board in carrying out its responsibilities. The Board will persist to explore new business opportunity to maximize the long term interest for the shareholders as a whole.

企業管治

董事會致力保持高水平的企業管治，並由各董事會委員會有效協助董事會執行職務。董事會將致力發掘商機，盡量提升股東整體的長期利益。

PROSPECTS

Due to various factors including the continued trade dispute between the US and China as well as social unrest in Hong Kong during the second half of 2019, Hong Kong's economy experienced negative growth and the IC market was affected. In early 2020, the outbreak of coronavirus disease (COVID-19) together with the challenges posed by the social events in Hong Kong in the past months mean a double blow to the Hong Kong economy and further contribute to a downward trend in the IC market. Despite the above uncertainties, the Group remains preservative about the IC market due to Hong Kong's as well as PRC's economic base.

前景

由於中美之間持續的貿易糾紛及於2019年下半年香港社會動盪等各種因素，香港經濟出現負增長，集成電路市場受到影響。於2020年年初，冠狀病毒病(2019冠狀病毒病)爆發以及過去幾個月香港社會事件帶來的挑戰，對香港經濟造成雙重打擊並進一步使集成電路市場呈下滑趨勢。儘管有上述不明朗因素，但因香港及中國的經濟基礎，本集團仍對集成電路市場保持保守態度。

APPRECIATION

The Board is deeply shocked and saddened by the passing of Mr. Lau Mo, the former executive Director, on 21 December 2019. With this tragic event the Group loses not only its good adviser, but also a friend to all colleagues and business partners. The management and staff will always remember and thank Mr. Lau for his enormous contributions to the Group.

On a separate note, on behalf of the Board, I would like to express my sincere thanks to the valuable contribution from the management team. I would also like to express my gratitude to all staff for their hard work in the execution of the Group's strategies and operations during the past year. Last but not least, I wish to thank all shareholders, customers, suppliers, business partners and bankers for their continuous support and confidence in the Group.

Mr. Zhang Qing
Chairman
Hong Kong, 23 March 2020

感謝

董事會對前執行董事劉武先生於2019年12月21日離世深感震驚及遺憾。此憾事不單使本集團失去其良好顧問，更使所有同事及業務夥伴失去一位朋友。管理層及員工將永遠懷念並感謝劉先生為本集團所作的巨大貢獻。

同時，本人謹代表董事會，對管理層團隊的寶貴貢獻致以衷心謝意。本人亦非常感謝全體同事在過去一年為實行本集團的策略及營運而努力工作。最後，非常重要的是，本人要感謝全體股東、客戶、供應商、業務夥伴和銀行一直以來對本集團的支持與信任。

張慶先生
主席
香港，2020年3月23日

During the year ended 31 December 2019, the principal activities of the Group are: (1) the provision of IC solutions and the design, development and sales of ICs; (2) money lending business in Hong Kong through the provision of unsecured and secured loans to customers, including individuals and corporations under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong); and (3) the provision of investment and planning consulting service, real estate agent, property management services and car parking management services in the PRC.

於截至2019年12月31日止年度，本集團主要活動為：(1)提供集成電路的解決方案，並從事集成電路的設計、開發及銷售；(2)根據放債人條例(香港法例第163章)於香港從事放債業務，向客戶，包括個人及公司，提供無抵押及有抵押貸款；及(3)於中國提供投資及策劃諮詢服務、房地產經紀、物業管理服務及停車場管理服務。

BUSINESS REVIEW

Continuing Operations

IC Business

The Group sells IC under its own brand name “MiniLogic” and provides application specific IC service (the “ASIC Service”) in the design and development of tailor-made IC to its customers. The Group also provides tailor-made IC solutions and sells tailor-made ICs to customers under the ASIC Service business section (the “ASIC Section”); and independently develops and sells generically-applicable ICs for sale in the market under the MiniLogic Brand IC business section (the “Standard IC Section”).

Over the past year, the research and development (the “R&D”) team completed and launched 8 new models included 1 Standard LCD Driver IC, 5 ASIC Power Management ICs, 1 ASIC Motor Driver and 1 ASIC general function in Electronic Toothbrush.

The R&D team terminated 2 IC models during the year. As at 31 December 2019, the Group had 10 new IC models under development and customer evaluation. The completion of the development of several new IC models has been extended as the process was prolonged due to customer evaluation, acceptance and modification work. Developing IC products with suitable technology that appeal to the market is essential for the growth of IC business. This can also expand the range of the IC products and maintain the competitiveness of the Group.

ASIC Section

Under the ASIC Section, the major products are DVD Player ICs, Power Management ICs and Electronic Cigarette ICs. 7 new IC models were launched in 2019. Due to the stagnant demand in the IC industry, revenue and margin from DVD Player ICs, Power Management ICs and Electronic Cigarettes ICs decreased when compared to the same period last year. Revenue from the ASIC products decreased from approximately HK$9.8 million for the year of 2018 to approximately HK$3.4 million for the year of 2019.

業務回顧

持續經營業務

集成電路業務

本集團以「MiniLogic」自主品牌銷售集成電路並向其客戶提供設計和開發度身訂造集成電路的特定用途集成電路服務(「ASIC服務」)。本集團亦提供度身訂造的集成電路解決方案以及向ASIC服務業務分部(「ASIC分部」)的客戶銷售度身訂造的集成電路；另外，在MiniLogic品牌集成電路業務分部(「標準集成電路分部」)獨立開發及銷售普遍適用的集成電路以在市場銷售。

過去一年，研究及開發(「研發」)團隊完成並推出8款新型號，包括1款標準LCD驅動器集成電路、5款ASIC電源管理集成電路、1款ASIC電機驅動器及1款電動牙刷的ASIC一般功能。

年內，研發團隊終止2個集成電路型號。於2019年12月31日，本集團有10個新集成電路型號正在開發中並接受客戶評估。由於開發過程因客戶評估、驗收及修改工作而有所延長，數個新集成電路型號之開發工作亦因而延遲完成。以合適技術開發吸引市場的集成電路產品對集成電路業務增長尤為重要，而這亦有助增加集成電路產品種類及保持本集團的競爭力。

ASIC分部

ASIC分部之主要產品為DVD播放器集成電路、電源管理集成電路及電子煙集成電路。7個新型號集成電路於2019年推出。由於集成電路行業的需求停滯不前，DVD播放器集成電路、電源管理集成電路及電子煙集成電路的收益及利潤率均較去年同期下跌。ASIC產品的收益由2018年的約9.8百萬港元下跌至2019年的約3.4百萬港元。

At the same time, revenue from the provision of ASIC Service decreased significantly from approximately HK$2.6 million in 2018 to approximately HK$0.5 million in 2019. Due to the decrease in revenue from the ASIC products, particularly in DVD Player ICs, Power Management ICs and Electronic Cigarettes ICs, the overall revenue from the ASIC Section dropped by 69.0% from approximately HK$12.4 million in 2018 to approximately HK$3.8 million in 2019.

同時，提供ASIC服務所得的收益由2018年的約2.6百萬港元大幅下跌至2019年的約0.5百萬港元。由於ASIC產品(尤其是DVD播放器集成電路、電源管理集成電路及電子煙集成電路)帶來的收益有所下跌，ASIC分部的整體收益由2018年的約12.4百萬港元下跌69.0%至2019年的約3.8百萬港元。

Standard IC Section

Under the Standard IC Section, the major products are LCD Driver ICs for instrument panel and Power Management ICs. 1 new IC model was launched in 2019. The overall revenue from the Standard IC Section decreased by 16.8% from approximately HK$4.2 million in 2018 to approximately HK$3.5 million in 2019.

標準集成電路分部

標準集成電路分部項下之主要產品為供儀器板使用的LCD驅動器集成電路及電源管理集成電路。於2019年推出1款新型號集成電路。標準集成電路分部的整體收益由2018年的約4.2百萬港元減少16.8%至2019年的約3.5百萬港元。

Money Lending Business

The Group engages in the money lending business, such as providing secured and unsecured loans to customers comprising individuals and corporations to earn interest income. The revenue from the money lending business for the year 2019 was approximately HK$19.1 million, which accounted for 30.6% of the Group's total revenue for the year. There was a decrease of approximately HK$1.3 million or 6.5% as compared to that of approximately HK$20.4 million for the year 2018. The outstanding principal amount of loan receivables as at 31 December 2019 was approximately HK$153.1 million. The slightly decrease in revenue was mainly attributable to the decrease in average interest rate in the money lending business. While the loans and interest receivables balance (before impairment loss on loan receivables) increased by approximately 55.1% to approximately HK$153.1 million for the year 2019 as compared to approximately HK$98.7 million for the year 2018.

放債業務

本集團從事放債業務，例如向客戶(包括個人及公司)提供有抵押及無抵押貸款以賺取利息收入。2019年的放債業務收益約為19.1百萬港元，佔本集團年度收益總額的30.6%。其較2018年的約20.4百萬港元減少約1.3百萬港元或6.5%。於2019年12月31日的未償還應收貸款本金金額約為153.1百萬港元。收益輕微減少主要由於放債業務的平均利率下降。貸款及應收利息結餘(未計應收貸款減值虧損前)較2018年的約98.7百萬港元增加約55.1%至2019年的約153.1百萬港元。

Impairment Loss on Loan Receivables

The Group's impairment loss mainly relates to expected credit loss allowance for loan receivables.

For the year of 2019, the Group recorded an impairment loss on loan receivables of approximately HK$30.2 million as compared to HK$ Nil for 2018. The significant increase in impairment loss on loan receivables is principally due to an increase in loan receivables which have indication of impairment.

應收貸款減值虧損

本集團的減值虧損主要與應收貸款的預期信貸虧損撥備有關。

於2019年，本集團錄得應收貸款減值虧損約30.2百萬港元，而2018年為零港元。應收貸款減值虧損大幅增加主要由於有減值跡象的應收貸款增加。

Property Management Business in the PRC

The Group has entered into the property management industry in the PRC since January 2017 and provides a broad range of property management services to property developers and property owners.

於中國之物業管理業務

本集團自2017年1月起進軍中國物業管理行業，並向物業發展商及業主提供廣泛物業管理服務。

Property Management Services

The revenue of this business segment is generated through provision of property management services to property owners and residents such as predelivery services, move-in assistance services, security, cleaning, gardening, repair and maintenance. The revenue of this segment slightly decreased by 1.4% from approximately HK$29.0 million in 2018 to approximately HK$28.6 million in 2019.

As at 31 December 2019, the Group managed residential and non-residential properties with an aggregate contracted gross floor area ("GFA") of approximately 57,000 square meters and 155,000 square meters respectively. By comparison, as at 31 December 2018, the Group managed residential and non-residential properties with an aggregate contracted GFA of approximately 57,000 square meters and 155,000 square meters respectively. The total contracted GFA means the sum of revenue-bearing GFA, undelivered GFA and common area GFA.

Revenue-bearing GFA represented contracted GFA in relation to which the collection of property management fees has started when a property has been delivered or is ready to be delivered. For properties that have been delivered or are ready to be delivered after delivery notices have been given to the first group of property owners in such properties, property developers would pay property management fees on unsold units until such units are sold.

Undelivered GFA means contracted GFA in relation to which the collection of property management fees has not started because the relevant property is not ready to be delivered.

Common area GFA includes pathways, garden, parking lots, and advertisement bulletin boards.

Property Real Estate Agency Services

The property management team provides property management and real estate agency services in respect of commercial and residential buildings in the PRC. The revenue of this segment increased by 92.7% from approximately HK$1.4 million in 2018 to approximately HK$2.7 million in 2019.

Property Consulting Services

The property management team also provides property management consultancy services to other property management companies such as standardised operation, cost control and consultation. The revenue of this segment decreased by 48.9% from approximately HK$8.8 million in 2018 to approximately HK$4.5 million in 2019.

物業管理服務

此業務部門的收益透過向業主及住戶提供物業管理服務而產生，如交付前服務、協助入伙服務、保安、清潔、園藝、維修及保養。此分部的收益由2018年的約29.0百萬港元輕微減少1.4%至2019年的約28.6百萬港元。

於2019年12月31日，本集團已管理住宅及非住宅物業，總訂約建築面積(「建築面積」)分別為約57,000平方米及155,000平方米。相比起來，於2018年12月31日，本集團已管理住宅及非住宅物業，總訂約建築面積分別為約57,000平方米及155,000平方米。總訂約建築面積指計算收益建築面積、未交付建築面積及公共空間建築面積的總和。

計算收益建築面積指物業管理費於物業交付或準備交付後開始收取的已訂約建築面積。物業發展商會於物業交付或準備交付後(此乃於交付通知交予首批業主時發生)就待售單位支付物業管理費，直至該等單位售出為止。

未交付建築面積指因相關物業尚未準備交付而未有開始收取物業管理費的已訂約建築面積。

公共空間建築面積包括小徑、花園、停車位及廣告宣傳板。

房地產經紀服務

物業管理團隊就中國的商業及住宅樓宇提供物業管理及房地產經紀服務。此分部的收益由2018年的約1.4百萬港元增加92.7%至2019年的約2.7百萬港元。

物業諮詢服務

物業管理團隊亦向其他物業管理公司提供物業管理諮詢服務，如標準化運作、成本控制及諮詢。此分部的收益由2018年的約8.8百萬港元減少48.9%至2019年的約4.5百萬港元。

FINANCIAL REVIEW

Below is an analysis of the key financial indicators including, but not limited to revenue, cost of sales and services, gross profit and cost to income ratio, which reflected the financial position of the business.

Revenue, Cost of Sales and Services and Gross Profit

The total revenue of the Group from continuing operations decreased by 18.3% from approximately HK$76.3 million in 2018 to approximately HK$62.3 million in 2019. The decrease in revenue was mainly attributed to the net effect of (i) a decrease in revenue from the IC business of approximately HK$9.2 million as a consequence of the shrinkage in the scale of IC industry; and (ii) a decrease in revenue of approximately HK$4.3 million from property consulting services as a result of decrease in demand of property consulting services.

Cost of sales and services of the Group mainly incurred from the IC business and the property management business amounting to approximately HK$26.4 million in 2018 to approximately HK$23.2 million in 2019.

The Group's gross profit margin as a percentage of revenue decreased from 65.4% for the year 2018 to 62.8% for that of 2019. The Group's gross profit for the year 2019 was approximately HK$39.2 million, down from approximately HK$49.9 million recorded in 2018.

Administrative Expenses and Finance Cost

Staff costs of the Group decreased from approximately HK$20.8 million in 2018 to approximately HK$16.9 million in 2019, which was mainly due to a decrease in number of staff of the Group.

Depreciation of the Group increased from approximately HK$1.5 million in 2018 to approximately HK$2.5 million in 2019, which was mainly due to the depreciation on right-of-use assets after the coming into effect of HKFRS 16.

Operating lease rental of the Group decreased from approximately HK$2.5 million in 2018 to approximately HK$0.3 million in 2019, which was mainly due to the change in accounting policies. Details of changes in accounting policies are disclosed in Note 2.1.

Administrative expenses of the Group slightly increased from approximately HK$7.8 million in 2018 to approximately HK$8.0 million in 2019. The increase was mainly attributable to the increase in spending on expansion and development of the business, such as legal and professional fee.

財務回顧

以下是主要財務指標的分析，其中包括但不限於收益、銷售及服務成本、毛利和成本收入比率，反映了業務的財務狀況。

收益、銷售及服務成本及毛利

本集團來自持續經營業務的總收益由2018年的約76.3百萬港元減少18.3%至2019年的約62.3百萬港元。收益減少主要由於(i)因集成電路行業規模縮小導致集成電路業務收益減少約9.2百萬港元；及(ii)因物業諮詢服務需求減少導致物業諮詢服務收益減少約4.3百萬港元的淨影響所致。

本集團的銷售及服務成本主要自集成電路業務及物業管理業務產生，由2018年的約26.4百萬港元至2019年的約23.2百萬港元。

本集團的毛利率佔收益的百分比由2018年的65.4%降至2019年的62.8%。本集團於2019年的毛利約為39.2百萬港元，較於2018年錄得的約49.9百萬港元有所下跌。

行政開支及財務費用

本集團的員工成本由2018年的約20.8百萬港元減少至2019年的約16.9百萬港元，主要由於本集團員工人數減少。

本集團的折舊由2018年的約1.5百萬港元增加至2019年的約2.5百萬港元，主要由於香港財務報告準則第16號生效後帶來的使用權資產折舊。

本集團的經營租賃租金由2018年的約2.5百萬港元減少至2019年的約0.3百萬港元，其主要由於會計政策變動所致。會計政策變動的詳情披露於附註2.1。

本集團的行政開支由2018年的約7.8百萬港元輕微增加至2019年的約8.0百萬港元。該增加主要由於業務擴展及發展的開支(例如法律及專業費用)增加。

The finance costs of the Group for the year 2019 mainly comprise interest on the lease liabilities after the coming into effect of HKFRS 16. Finance costs increased by approximately HK$0.4 million for the year 2019, increased from HK$Nil as recorded in 2018.

本集團於2019年的財務費用主要包括香港財務報告準則第16號生效後帶來的租賃負債利息。從2018年錄得的零港元增加至2019年的財務費用增加約0.4百萬港元。

(Loss)/Profit Attributable to Owners of the Company

The consolidated loss attributable to owners of the Company for the year 2019 was approximately HK$18.7 million, down from the consolidated profit attributable to owners of the Company approximately HK$15.5 million recorded in 2018. The decrease was mainly attributable to (i) the shrinkage in the scale of IC industry; (ii) a decrease in demand of property consulting services; and (iii) an increase in allowance of expected credit losses on trade receivables and loans receivables respectively.

本公司擁有人應佔(虧損)╱溢利

於2019年,本公司擁有人應佔綜合虧損約為18.7百萬港元,較於2018年錄得的本公司擁有應佔綜合溢利約15.5百萬港元有所下跌。該下跌乃主要歸因於(i)集成電路行業規模縮小;(ii)物業諮詢服務的需求減少;及(iii)應收貿易賬款及應收貸款的預期信貸虧損撥備分別增加。

Cost to Income Ratio

The cost to income ratio of the Group (expenses/revenue) was 99.0% in 2019, representing an increase of 51.1 percentage points from 47.9% in 2018. The increase in its ratio was mainly attributable to the decrease in revenue generated from the IC business and property management business and an impairment loss on trade receivables and loan receivables of approximately HK$31.4 million in aggregation.

成本收入比率

於2019年,本集團的成本收入比率(開支╱收益)為99.0%,較2018年的47.9%增加51.1個百分點。其比率增加乃主要由於自集成電路業務及物業管理業務所產生的收益減少及應收貿易賬款及應收貸款減值虧損合共約31.4百萬港元所致。

RISKS RELATING TO THE GROUP AND ITS BUSINESS

與本集團及其業務相關的風險

Reliance on a Few Key Customers

The Group's ability to maintain close relationships with its customers is important to its ongoing growth and profitability. Although the Group's revenue from specific customers vary from period to period, a significant portion of the Group's total revenue was derived from a few major customers for the year ended 31 December 2019 and the corresponding period in last year. The five largest customers accounted for approximately 33.0% and 25.0% of the Group's revenue while the largest customer accounted for approximately 9.2% and 7.6% of the Group's revenue for the years ended 31 December 2019 and 2018 respectively. The Group has established its business relationship with the largest customer, which is an independent third party (as defined in the GEM Listing Rules) principally engaged in property management and consulting services, since 2017. However, as the Group does not enter into long term or master services contracts with its major customers, there is no assurance that they will continue to use the services from the Group at the same level as they have done in the past. The Group believes that, it has maintained a close relationship with its major customers and it is also the Group's priority to work with reputable customers, which in turn tend to undertake sizeable projects. Working with these customers can allow the Group to secure future business opportunities with them and bolster the Group's job reference.

依賴少數主要客戶

本集團與其客戶維持緊密關係的能力對其持續的增長及盈利能力而言甚為重要。儘管本集團來自特定客戶之收益於每個期間均有所不同,於截至2019年12月31日止年度及去年同期,本集團總收益中的主要部分乃來自少數主要客戶。截至2019年及2018年12月31日止年度,五大客戶分別佔本集團收益約33.0%及25.0%,而最大客戶則分別佔本集團收益約9.2%及7.6%。本集團自2017年開始與最大客戶(為獨立第三方(定義見GEM上市規則),其主要從事物業管理及諮詢服務)建立起業務關係。然而,本集團並無與其主要客戶訂立長期或主服務合同,故並不保證彼等將繼續向本集團使用與其過往同等程度的服務。本集團相信其已與主要客戶保持緊密關係,且本集團亦首選與知名客戶合作,從而或會承接大規模項目。與該等客戶合作可確保本集團未來與彼等的業務機會以及獲得更多工作轉介。

Besides that, the Group has no intention to limit itself to serve its major customers and, with its presence in the industry, the Group believes that it will be able to extend its services to other customers.

此外，本集團無意限制自身為主要客戶提供服務，且憑藉其於業界的地位，本集團相信其可將服務擴展至其他客戶。

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

本公司董事或彼等之任何緊密聯繫人或任何就董事所知擁有本公司股本逾5%之股東概無擁有於本集團五大客戶的任何實益權益。

May not be able to grow the Portfolio of Properties as planned

可能無法按計劃擴大物業組合

The Company's GFA for properties under management remains unchanged for the year ended 31 December 2018 and 2019 respectively. The Company have been expanding its portfolio of properties under management primarily through tender and new property management engagements from independent property developers and other property owners. The Company seeks to continue to grow its portfolio of properties under management. However, there is no assurance that the Company can grow its portfolio of properties under management as planned, in such case that may have a material adverse effect on the Group's business, financial performance and results of operations. The Company's growth may be affected by various factors beyond its control, such as China's general economic condition, developments in the real estate market, any change in laws and regulation for the Group's operation and its ability to obtain sufficient financing for its growth. In addition, the Company's ability to grow also depends on the Company's ability to successfully hire, train and retain its employees, manage its relationships with the Company's customers, subcontractors and other suppliers.

截至2018年及2019年12月31日止年度，本公司管理項下物業的總建築面積均維持不變。本公司主要通過投標及自獨立物業發展商及其他業主獲得委聘新物業管理業務來擴大其管理項下的物業組合。本公司仍尋求擴大管理項下的物業組合。然而，無法保證本公司可以按計劃擴大管理項下的物業組合，其可能會對本集團的業務、財務表現及經營業績造成重大不利影響。本公司的增長可能受其無法控制的各種因素影響，例如中國整體經濟狀況、房地產市場的發展、與本集團經營相關的法律及法規的任何變動及其為增長而獲取足夠融資的能力。此外，本公司的增長能力亦取決於其能否成功聘用、培訓及保留僱員及管理本公司與其客戶、分包商及其他供應商的關係。

In circumstances where the Company expand into a new market or location, the Company may have limited knowledge of the local property management service market, which could be substantially different from those in the Company's established market in Chengdu Province. In addition, the Company may not have established relationships or connections with local subcontractors and other suppliers as it does in its established market in Chengdu Province. The Company may also be unable to leverage its brand equity in a new market and may face intense competition from the local property management companies.

本公司拓展至新市場或地點時，對當地物業管理服務市場的認識可能有限，其可能與本公司於成都省已建立的市場存在重大差異。此外，本公司可能無法如其於成都省已建立的市場般，與當地分包商及其他供應商建立關係或連繫。本公司亦可能無法於新市場發揮品牌優勢，並可能面臨來自當地物業管理公司的激烈競爭。

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2019, the Group had bank and cash balances of approximately HK$42.1 million (31 December 2018: approximately HK$89.8 million) and did not have any borrowings, banking facilities or any loan arrangement. The current ratio of the Group as at 31 December 2019 was 1,829% (31 December 2018: 1,424%), reflecting the fact that the liquidity of the Group remained healthy. The gearing ratio calculated as the ratio of total interest-bearing debt to total asset was 0.01 as at 31 December 2019 (31 December 2018: Nil). The Group's financial position is healthy, and that enables the Group to expand its core business and achieve its business objectives.

流動資金、財務資源及資本架構

於2019年12月31日，本集團的銀行及現金結餘約為42.1百萬港元（2018年12月31日：約89.8百萬港元）及並無任何借款、銀行融資或任何貸款安排。於2019年12月31日，本集團的流動比率為1,829%（2018年12月31日：1,424%），反映本集團的流動性維持健康。於2019年12月31日，本集團的資產負債比率（即總計息債務對總資產的比率）為0.01（2018年12月31日：無）。本集團的財務狀況健康，讓本集團能夠擴充其核心業務並達成其業務目標。

CHARGES ON ASSETS

As at 31 December 2019, the Group did not have any charges on its assets (31 December 2018: Nil).

資產抵押

於2019年12月31日，本集團並無任何資產抵押（2018年12月31日：無）。

FOREIGN EXCHANGE EXPOSURE

The Group's transactions are mainly denominated in United States dollars, Hong Kong dollars and Renminbi. Therefore, the Group is exposed to foreign currency exchange risk. The Group has not implemented any foreign currency hedging policy at the moment. The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks and therefore, no hedging arrangements were made during the year of 2019. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

外匯風險

本集團的交易主要以美元、港元及人民幣計值。因此，本集團承受外匯風險。本集團現時並無實行任何外幣對沖政策。董事認為，本集團的經營現金流量及流動資金毋須承受重大匯率風險，因此，於2019年度並無作出對沖安排。然而，本集團將按業務發展需要不時審視及監察有關外匯風險，並可能適時訂立外匯對沖安排。

CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

Save for those disclosed in this report, the Group did not have any material contingent liabilities or capital commitment as at 31 December 2019 (31 December 2018: Nil).

或然負債及資本承擔

除本報告所披露者外，本集團於2019年12月31日並無任何重大或然負債或資本承擔（2018年12月31日：無）。

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in the paragraph headed "MAJOR TRANSACTION – ACQUISITION FOR PROPERTY MANAGEMENT BUSINESS" and "DISCLOSEABLE TRANSACTION – ACQUISITION OF 49% EQUITY INTEREST IN TIAN CHENG INVESTMENT LIMITED" in this report, there were no significant investments held by the Group as at 31 December 2019, nor were there other material acquisitions and disposals of subsidiaries by the Group during the year 2019. Apart from those disclosed in this report, there was no other plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

所持重大投資、附屬公司、聯營公司及合營企業的重大收購及出售以及未來重大投資或資本資產計劃

除本報告「主要交易－有關物業管理業務之收購事項」及「須予披露交易－收購TIAN CHENG INVESTMENT LIMITED之49%股權」各段所披露者外，於2019年12月31日，本集團並無持有重大投資，於2019年本集團亦無附屬公司的其他重大收購及出售。除本報告所披露者外，董事會於本報告日期並無批准任何其他重大投資或購入資本資產的其他計劃。

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

股息

董事會並不建議就截至2019年12月31日止年度派付末期股息(2018年：無)。

EMPLOYEES AND REMUNERATION POLICIES

The Group has approximately 31 (31 December 2018: 46) employees as at 31 December 2019. The remuneration packages of the Group's employees include basic salary, allowances, medical schemes, mandatory provident fund scheme, commission and bonuses. The remuneration policies of the Group, including promotion, bonus, salary increment and other benefits, are based on the Group's operating results, employees' individual performance, working experience, respective responsibilities, qualifications and competence, as well as those benefits comparable to the prevailing market practice, standards and statistics. The remuneration policies of the Group are reviewed by the management of the Group regularly.

In addition, the Company adopted a share option scheme (the "Scheme"). In the year of 2019, no options have been granted or agreed to be granted pursuant to the Scheme and, no options have been exercised, cancelled or lapsed. As such, there were no outstanding options as at 31 December 2019 (2018: Nil). The Group also provides and arranges on-the-job trainings for the employees.

僱員及薪酬政策

於2019年12月31日，本集團約有31名(2018年12月31日：46名)僱員。本集團僱員的薪酬待遇包括基本薪金、津貼、醫療計劃、強制性公積金計劃、佣金及花紅。本集團的薪酬政策(包括晉升、花紅、加薪及其他福利)乃根據本集團的經營業績、僱員個人表現、工作經驗、相關職責、資歷及能力，以及可與現行市場慣例、標準及數據比較的福利制定。本集團的薪酬政策由本集團管理層定期檢討。

此外，本公司已採納購股權計劃(「該計劃」)。於2019年，概無根據該計劃已經或同意授出購股權，且概無選擇權已獲行使、遭取消或失效。因此，於2019年12月31日並無尚未行使的購股權(2018年：無)。本集團亦會為其僱員提供及安排在職培訓。

RISK MANAGEMENT

The Group has established and maintained risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures in the best interest of the Group and its shareholders.

風險管理

本集團已建立及保持風險管理程序，輔以管理層積極參與及有效的內部監控程序，以識別及控制組織內部及外部環境的各類風險，符合本集團及其股東的最佳利益。

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has minimised the operation impact on the environment and natural resource. During 2019, the Group encourages every staff to turn off the computers, photocopiers and other electronic equipment when they are off duty or on leave. The Group is going to review the environmental practices from time to time and will consider measures and practices to enhance the long term sustainability of the environment.

Detailed discussion of the environmental policies and performance will be included in the Environmental, Social and Governance Report which will be separately published within three months after the publication of this annual report.

環境政策及成效

本集團已將營運對環境及天然資源的影響減至最低。於2019年內，本集團鼓勵每名員工於下班或休假時應關閉電腦、影印機及其他電子設備的電源。本集團會不時檢討環境常規，並將考慮提高環境長遠可持續性的措施及常規。

環境政策及表現之詳細討論將載於環境、社會及管治報告內，而該報告將於刊發本年報後三個月內獨立刊發。

COMPLIANCE WITH THE APPLICABLE LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance, for instance, the operating licences may be terminated. The Group has been allocating system and staff resources to ensure ongoing compliance with the applicable rules and regulations and to maintain cordial working relationships with regulators effectively through effective communications.

During the year under review, to the best of knowledge of the Board, the Group has complied with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and the GEM Listing Rules and other applicable rules and regulations.

遵守適用法律及法規

本集團深明遵守監管要求的重要及未能遵守之風險，如可予終止營運牌照。本集團已分配系統及人手資源，以確保一直遵守適用規則及法規，以及透過有效溝通有效地與監管機構維持良好工作關係。

於回顧年間，就董事會所知悉，本集團已遵守證券及期貨條例(香港法例第571章)(「證券及期貨條例」)及GEM上市規則以及其他相關適用規則及法規。

MAJOR TRANSACTION – ACQUISITION FOR PROPERTY MANAGEMENT BUSINESS

On 17 October 2019, Chengdu Wanlifeng Investment Co., Ltd.* ("Wanlifeng"), and, Sichuan Western Asset Management Co., Ltd.* ("Sichuan Western"), an indirect wholly-owned subsidiary of the Company, entered into the second memorandum of understanding (the "Second MOU") in relation to the acquisition (the "Acquisition"). Pursuant to the Second MOU, a new exclusivity period of 90 days from 18 October 2019 up to and including 15 January 2020 was granted and during such exclusivity period, Sichuan Western shall have a sole and exclusive right to conduct due diligence investigation on the target group and to negotiate with Wanlifeng on the Acquisition with a view to entering into a definitive and binding agreement in respect of the Acquisition. The consideration for the Acquisition is expected to be not more than RMB30 million. The actual terms for the Acquisition shall be subject to agreement by Wanlifeng and Sichuan Western and is to be set out in the formal agreement to be signed by Wanlifeng and Sichuan Western.

The English translation of names or any descriptions in Chinese which are marked with "*" is for identification purpose only.

主要交易－有關物業管理業務之收購事項

於2019年10月17日，成都萬利豐投資有限公司(「萬利豐」)與本公司之間接全資附屬公司四川威斯頓資產管理有限公司(「四川威斯頓」)就收購事項(「收購事項」)訂立第二份諒解備忘錄(「第二份諒解備忘錄」)。根據第二份諒解備忘錄，已授出一段新的獨家期間，為期90日，由2019年10月18日直至及包括2020年1月15日，而於該獨家期間，四川威斯頓具有全權獨有權利對目標集團進行盡職調查及與萬利豐商討收購事項，以就收購事項訂立正式及具約束力之協議。收購事項的代價預期將不多於人民幣30百萬元。收購事項的實際條款將由萬利豐與四川威斯頓協定及將於萬利豐與四川威斯頓將簽立之正式協議中列載。

標有「*」的英文翻譯名稱或任何中文描述乃僅供識別。

On 20 November 2019, Sichuan Western, and the vendor, entered into the acquisition agreement in relation to the sale and purchase of the equity interests (together with the settlement of the outstanding balance) at a consideration of RMB25,000,000. Completion of the acquisition agreement is conditional upon, among others, the conditions precedent as set out in the acquisition agreement being satisfied.

於2019年11月20日，四川威斯頓與賣方訂立收購協議，內容有關買賣股權(連同結付未償還結餘)，代價為人民幣25,000,000元。收購協議須待(其中包括)收購協議所載之先決條件達成後，方告完成。

The target company is principally engaged in the provision of property management, car park management and related services in the PRC. Up to the date of this report, the acquisition has not yet been completed pending for the conditions precedent to be satisfied. Details of the Second MOU for proposed acquisition and major transaction for Acquisition were disclosed in the Company's announcements dated 17 October 2019 and 20 November 2019 and the Company's circular dated 24 December 2019 respectively.

目標公司主要於中國從事提供物業管理、停車場管理及相關服務。直至本報告日期，收購事項尚未完成，尚待達成先決條件。有關建議收購事項之第二份諒解備忘錄及收購事項之主要交易之詳情已分別於本公司日期為2019年10月17日及2019年11月20日之公告以及本公司日期為2019年12月24日之通函中披露。

DISCLOSEABLE TRANSACTION – ACQUISITION OF 49% EQUITY INTEREST IN TIAN CHENG INVESTMENT LIMITED

須予披露交易－收購TIAN CHENG INVESTMENT LIMITED之49%股權

Mr. Wong Siu Piu, an individual and an independent third party (the "Vendor"), entered into a sale and purchase agreement on 16 March 2020 (the "S&P Agreement") to sell certain of its shareholdings, being 49% equity interest in Tian Cheng Investment Limited, to Easy Loan Finance Limited, a limited company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company (the "Purchaser"). The Vendor, entered into a loan agreement with the Purchaser on 17 January 2019 as borrower for a loan of HK$30.0 million, details of the loan as set out in the Company's announcement dated 17 January 2019. Prior to entering into the S&P Agreement, all interest accrued during the 12-month term of the loan under the loan agreement had been settled by the Vendor. In addition, on 18 January 2020, the Purchaser had agreed to waive all interest accrued on the loan balance from 18 January 2020 onwards. As such, the outstanding amount as at the date of the S&P Agreement was HK$30.0 million, being the principal amount of the loan under the loan agreement. The consideration under the S&P Agreement was settled by way of set off against the outstanding amount of HK$30.0 million due and payable by the Vendor to the Purchaser under the loan agreement.

黃小彪先生，一名個人及獨立第三方(「賣方」)，於2020年3月16日訂立買賣協議(「買賣協議」)，向易按財務有限公司(一間於香港註冊成立的有限公司，亦為本公司的間接全資附屬公司)(「買方」)出售其若干股份，即Tian Cheng Investment Limited的49%股權。賣方(作為借款人)於2019年1月17日與買方就貸款30.0百萬港元訂立貸款協議(貸款詳情載於本公司日期為2019年1月17日的公告)。在訂立買賣協議前，根據貸款協議在貸款的12個月期限內應計的所有利息均已由賣方結清。此外，於2020年1月18日，買方同意免除貸款結餘自2020年1月18日起的所有應計利息。因此，於買賣協議日期的未償還金額為30.0百萬港元，即貸款協議項下貸款的本金金額。買賣協議項下的代價應以與賣方根據貸款協議到期應付予買方的未償還金額30.0百萬港元抵銷的方式結清。

As it became evident that the Vendor was unable to repay the outstanding amount under the loan agreement as it fell due, the Board is of the view that the investment in Chengdu Yihe Tiancheng Real Estate Development Co., Ltd, through the Target Company presented a good opportunity for the Group to invest in the real estate development and property sales business as such business complements the Group's business in the provision of investment and planning consulting service, real estate agent, property management services and car parking management services in the PRC.

由於賣方顯然無法如期償還貸款協議下的未償還金額，董事會認為透過目標公司投資成都怡和天成房地產開發有限公司為本集團提供投資房地產開發及物業銷售業務的良機，因為有關業務與本集團於中國從事投資與策劃諮詢服務、房地產經紀、物業管理服務及停車場管理服務的業務起相輔相成之效。

Up to the date of this report, the acquisition has not yet been completed pending for the conditions precedent to be satisfied. Details of the loan agreement and the S&P Agreement were disclosed in the Company's announcement dated 17 January 2019 and 16 March 2020 respectively.

直至本報告日期，收購事項尚未完成，尚待達成先決條件。有關貸款協議及買賣協議的詳情分別披露於本公司日期為2019年1月17日及2020年3月16日的公告。

OUTLOOK

展望

Looking ahead, certain unfavourable factors such as fluctuation of the global financial markets and the outbreak of the coronavirus disease (COVID-19) may exert pressure in Hong Kong in general.

展望未來，環球金融市場動盪及冠狀病毒病(2019冠狀病毒病)等若干不利因素可能對香港金融市場造成壓力。

The epidemic has undoubtedly presented difficult challenges to the business environment of domestic enterprises in virtually all sectors. Nevertheless, with the signing of the first-phase trade agreement between China and the United States, the tensions resulting from the Sino-US trade situation and the external economic conditions are likely to be alleviated. As the Group expects challenging business prospects in 2020, it will strive to maintain a cost-effective operation while exploring sources of business growth.

該疫情無疑令本地幾乎所有行業的企業的營商環境帶來嚴峻考驗。然而，隨著中美兩國正式簽署第一階段貿易協議，中美貿易形勢以至外圍經濟局勢的情緒有望緩和。預期2020年的業務前景將充滿挑戰，本集團將在探索業務增長來源的同時，務求穩守成本效益。

On one hand, supply chain management of construction material have begun in the fourth quarter of 2019, which effectively contribute to the diversification of the Group's business development. However, it is expected that the internally-developed supply chain management of construction material may suspend by first quarter of 2020 or mid-2020, depends on the development of the epidemic. On the other hand, the Group will also continue its dedication to the property management in PRC.

一方面，建築材料的供應鏈管理已於2019年第四季度開始，其有效地為本集團業務發展多元化作出貢獻。然而，因應疫情發展，內部開發的建築材料供應鏈管理預期將於2020年第一季度或2020年年中暫停。另一方面，本集團亦將繼續致力於中國的物業管理。

It has been the Group's objective to explore possible investment opportunities, including but not limited into, property investment in overseas, with an aim to deliver reasonable returns for shareholders. The Directors considers that the possible acquisition, may or may not enter into, which in line with the overall business direction of the Group and is a good investment opportunity to step into the property investment industry in the property market.

本集團的目標一直為探索潛在投資機會，包括但不限於外國物業投資，旨在為股東帶來合理回報。董事認為可能進行或可能不會進行的潛在收購事項與本集團的整體業務方向一致，並為進入物業市場的物業投資行業的良好投資機會。

In view of the increased strengthening of the industrial safety and environmental protection requirements of the PRC government, the Group will be committed to improving internal control standards, so as to achieve sustainable development. Moreover, the Group will strive to promote the concept of green management, and to practice a clean, efficient and low-carbon development management, in order to be socially responsible through energy conservation and emission reduction, and deliver sustainable and promising returns to shareholders.

鑑於中國政府對工業安全及環保要求日趨嚴格，本集團將致力提升內部控制標準，以達可持續發展。此外，本集團將致力推行綠色管理原則，實行整潔、高效及低碳的發展管理，履行節能減排的社會責任，並為股東帶來持續而理想的回報。

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 December 2019.

根據GEM上市規則第18.44條，董事會欣然呈報截至2019年12月31日止年度的企業管治報告。

CORPORATE GOVERNANCE PRACTICES

企業管治常規

The Group is committed to upholding high standards of corporate governance. The Board considers that enhanced public accountability and corporate governance are beneficial for the healthy growth of the Group, improving customer and supplier confidence and safeguarding the interests of shareholders of the Group.

本集團致力維持高水平的企業管治。董事會認為，加強公眾問責性及企業管治有利於本集團的穩健增長，可提升客戶及供應商信心，並保障本集團股東的利益。

The Board has continued to monitor and review the corporate governance principles and practices to ensure compliance. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules as its own code and has complied with the CG Code throughout the year ended 31 December 2019, except the following deviations:

董事會繼續監察及檢討企業管治原則及常規，以確保合規。本公司已採納GEM上市規則附錄15所載之《企業管治守則》(「企業管治守則」)作為其本身的守則，並已於截至2019年12月31日止年度內，一直遵守企業管治守則，惟下列偏離事項除外：

Under code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the period from 22 May 2019 to 22 January 2020, in light of the resignation of Dr. Sung Tak Wing, Leo, Mr. Zhang Qing served as both the chairman and the chief executive officer. To comply with the code provision, the Board appointed a new Director on 22 January 2020, Mr. Gan Lin, who also assumed the role of chief executive officer of the Company therefrom.

根據守則條文A.2.1，主席及行政總裁的角色應分開，並且不應由同一人出任。於2019年5月22日至2020年1月22日期間，由於宋得榮博士辭職，故張慶先生兼任主席及行政總裁。為遵守守則條文，董事會於2020年1月22日委任新董事甘霖先生，彼亦從此開始擔任本公司行政總裁一職。

Under code provision A.6.7, independent non-executive directors and other non-executive directors should generally attend general meetings to gain and develop a balanced understanding of the views of shareholders.

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事通常應出席股東大會，以獲得並增進對股東意見的公正了解。

Mr. Ko Yin Wai* (a former independent non-executive Director) was unable to attend the annual general meeting of the Company held on 3 May 2019 as he was obliged to be away for his business matter.

前獨立非執行董事高賢偉先生因其個人公務事宜而無法出席本公司於2019年5月3日召開之股東週年大會。

* Mr. Ko has retired an independent non-executive Director on 3 May 2019.

* 高先生於2019年5月3日退任獨立非執行董事。

DIRECTORS' SECURITIES TRANSACTIONS

董事的證券交易

The Company has adopted a code of conduct regarding securities transactions by Directors (the "Model Code") on terms no less exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules.

本公司已採納一套條款不寬鬆於GEM上市規則第5.48至5.67條所載的交易必守標準之董事進行證券交易之行為守則(「標準守則」)。

Upon the specific enquiry made to all the Directors, the Company was not aware of any non-compliance with the Model Code regarding securities transactions by the Directors during the year ended 31 December 2019.

經向所有董事作出特定查詢後，而本公司並不知悉截至2019年12月31日止年度內有任何未符合董事進行證券交易之標準守則之情況。

BOARD OF DIRECTORS

Composition

The Board currently comprises six directors including two executive Directors, namely Mr. Zhang Qing (Chairman) and Mr. Gan Lin (Chief Executive Officer), one non-executive Director namely Mr. Liu Kam Lung and three independent non-executive Directors, namely Mr. Cheung Chi Man Dennis, Mr. Chiu Yu Wang and Dr. Gao Jinkang. An updated list of Directors identifying their roles and functions and whether they are independent non-executive Directors has been published on the websites of the Company and the Stock Exchange respectively. The profiles of the Directors are set out in the section "Profiles of Directors and Senior Management" of this annual report. At the date of this annual report, there is no relationship, including financial, business, family or other material/relevant relation(s) among members of the Board and between the Chairman and the Chief Executive Officer of the Company.

During the year ended 31 December 2019, four regular Board meetings and four other Board meetings were held in addition to circulation of written resolution. The attendance record of individual Directors to the Board and the committee meetings during the year ended 31 December 2019 are shown below:

董事會

組成

董事會現時由六名董事組成，包括兩名執行董事，即張慶先生(主席)及甘霖先生(行政總裁)、一名非執行董事，即廖金龍先生以及三名獨立非執行董事，即張志文先生、趙汝宏先生及高晉康博士。最新一份董事會成員名單(列明其角色和職能以及彼等是否為獨立非執行董事)已分別刊載於本公司及聯交所網站。董事的履歷詳情載於本年報「董事及高級管理人員的履歷」一節。於本年報日期，董事會成員之間以及本公司主席及行政總裁之間概無任何關係，包括財務、業務、家庭或其他重大／相關關係。

截至2019年12月31日止年度，除傳閱書面決議案外，共舉行了四次董事會常規會議及四次其他董事會會議。截至2019年12月31日止年度，個別董事於董事會及委員會會議的出席記錄如下：

	Attendance record of meetings held in 2019 於2019年內舉行的會議出席記錄				
Name of member 成員名稱	**Annual General Meeting 股東週年大會** In number (in %) 次數(百分比)	**Board 董事會** In number (in %) 次數(百分比)	**Audit Committee 審核委員會** In number (in %) 次數(百分比)	**Remuneration Committee 薪酬委員會** In number (in %) 次數(百分比)	**Nomination Committee 提名委員會** In number (in %) 次數(百分比)
Total Number of Meetings 會議次數總數	1	8 (Note 1) (附註1)	7	1	1
Number of Meetings attended/Total 出席會議次數／總數					
Executive Directors 執行董事					
Mr. Zhang Qing *(Chairman)* 張慶先生*(主席)*	1/1 (100%)	8/8 (100%)	N/A 不適用	N/A 不適用	N/A 不適用
Dr. Sung Tak Wing Leo (Note 2) 宋得榮博士(附註2)	1/1 (100%)	4/4 (100%)	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Lau Mo (Note 3) 劉武先生 (附註3)	1/1 (100%)	6/7 (87.5%)	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Gan Lin *(Chief Executive Officer)* (Note 4) 甘霖先生*(行政總裁)*(附註4)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

Name of member 成員名稱	Annual General Meeting 股東週年大會 In number (in %) 次數(百分比)	Board 董事會 In number (in %) 次數(百分比)	Audit Committee 審核委員會 In number (in %) 次數(百分比)	Remuneration Committee 薪酬委員會 In number (in %) 次數(百分比)	Nomination Committee 提名委員會 In number (in %) 次數(百分比)
	Attendance record of meetings held in 2019 於2019年內舉行的會議出席記錄				
Non-Executive Director 非執行董事					
Mr. Liu Kam Lung 廖金龍先生	1/1 (100%)	8/8 (100%)	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-Executive Directors 獨立非執行董事					
Mr. Cheung Chi Man Dennis 張志文先生	1/1 (100%)	8/8 (100%)	7/7 (100%)	1/1 (100%)	1/1 (100%)
Mr. Chiu Yu Wang 趙汝宏先生	1/1 (100%)	8/8 (100%)	7/7 (100%)	1/1 (100%)	1/1 (100%)
Mr. Ko Yin Wai (Note 5) 高賢偉先生(附註5)	0/1 (0%)	2/2 (100%)	2/2 (100%)	1/1 (100%)	1/1 (100%)
Dr. Gao Jinkang (Note 6) 高晉康博士(附註6)	1/1 (100%)	6/6 (100%)	5/5 (100%)	N/A 不適用	N/A 不適用

Notes:

1. The Board held four regular Board meetings and three other full Board meetings during the year ended 31 December 2019.
2. Dr. Sung Tak Wing Leo resigned as an executive Director and chief executive officer on 22 May 2019.
3. Mr. Lau Mo passed away on 21 December 2019.
4. Mr. Gan Lin was appointed as an executive Director and chief executive officer on 22 January 2020.
5. Mr. Ko Yin Wai has retired as an independent non-executive Director on 3 May 2019.
6. Dr. Gao Jinkang was elected as an independent non-executive Director in the annual general meeting of the Company held on 3 May 2019.

附註：

1. 截至2019年12月31日止年度內，董事會舉行了四次董事會常規會議及三次其他全體董事會會議。
2. 宋得榮博士於2019年5月22日辭任執行董事及行政總裁。
3. 劉武先生於2019年12月21日離世。
4. 甘霖先生於2020年1月22日獲委任為執行董事及行政總裁。
5. 高賢偉先生於2019年5月3日退任獨立非執行董事。
6. 高晉康博士於本公司2019年5月3日舉行的股東週年大會上獲選為獨立非執行董事。

THE RESPONSIBILITIES OF THE BOARD

The Board is responsible for the control and leadership of management of the Company's business and is collectively responsible for the Company's affair under the Board's direction and supervision. All the Directors should make decision objectively in the interests of the Company.

董事會的職責

董事會負責監控及領導本公司業務之管理，並於董事會的指導及監察下共同負責本公司事務。全體董事應以本公司之利益為依歸，客觀作出決策。

The overall responsibilities of the Board include considering and making decisions on the following matters:

(i) Setting the corporate goals of the Group and formulating the Group's strategy and monitoring the implementation;

(ii) Diversification and extension of activities into new business area;

(iii) Approving the annual, half year and quarterly results;

(iv) Formulating and implementing dividend policy;

(v) Formulating and implementing material acquisitions and disposal;

(vi) Reviewing and monitoring the Group's internal control systems;

(vii) Monitoring the performance of the Management; and

(viii) Determining and reviewing the composition and diversity of the Board.

董事會的整體職責包括就下列事項進行審議並作出決定：

(i) 制定本集團的企業目標，並制定本集團的策略，並監控其執行情況；

(ii) 作多元化和擴展至新的業務領域；

(iii) 批准年度、半年度及季度業績；

(iv) 製定並實行股息政策；

(v) 製定並實行重大收購及出售事項；

(vi) 檢討及監察本集團之內部監控系統；

(vii) 監控管理層的表現；及

(viii) 決定及審閱董事會的組成及多元性。

BOARD COMPOSITION AND DIVERSITY POLICY

The Company has adopted the board diversity policy since 30 August 2013. The policy sets out the approach to achieve diversity in the Board that should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business and compliance with policies. The composition and diversity policies of the Board is reviewed annually and regularly. The Board should ensure that its changes in composition will not result in any undue interference. The Board members should possess appropriate professionalism, experience and trustworthiness in performing duties and functions. The Board would diversify its composition according to the Company's situations and need. While participating in nomination and recommendation of director candidates during the year, each member of the Board may consider a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, or professional experience in achieving diversity for the benefit of the Company's various business development and management. The Board is to review the policy concerning diversity of Board members, and to disclose the policy or a summary of the policy in the corporate governance report, including any quantitative targets and standards and its progress with policy implementation.

During the year of 2019, the Board has reviewed the diversity of the Board and considered the Board composition and diversity policy appropriate.

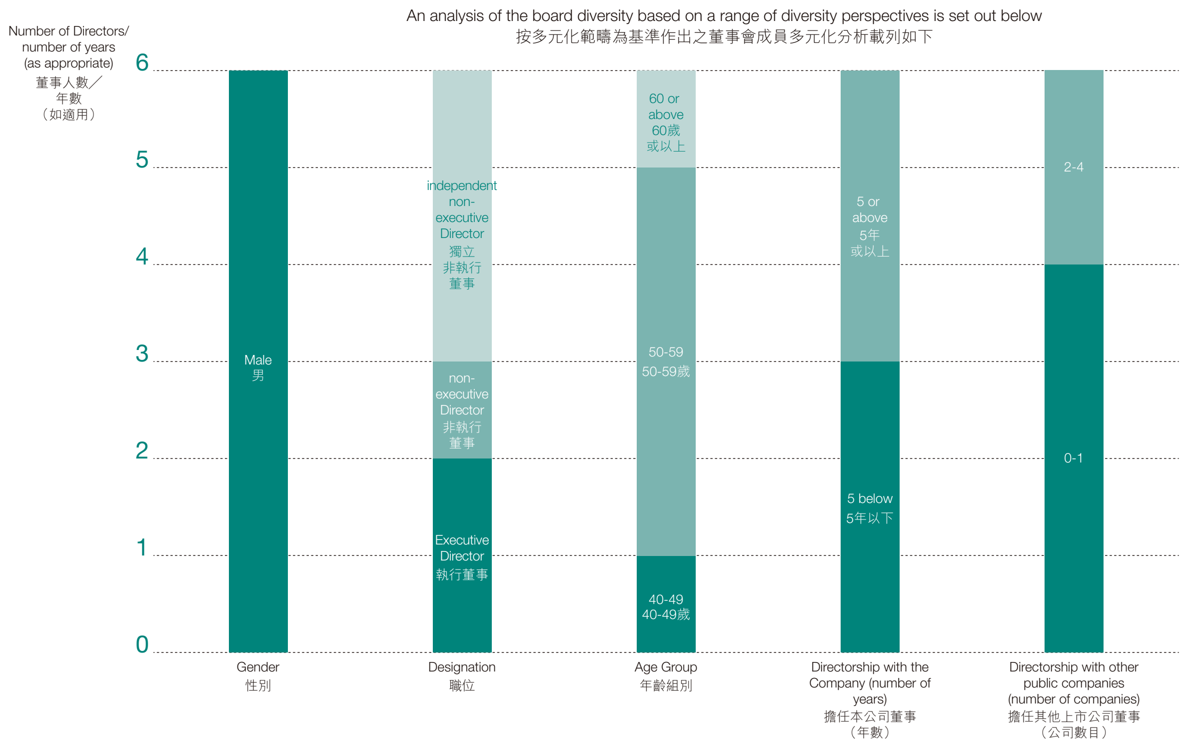
董事會的組成及成員多元化政策

本公司自2013年8月30日起採納董事會成員多元化政策。政策載列董事會成員多元化的方法，董事會應具備本集團業務及政策合規要求的適當技術、經驗及多元化的觀點。董事會的組成及成員多元化政策將每年及定期予以審閱。董事會應確保其組成人員的變動將不會帶來任何不適當的干擾。董事會成員應具備合適的專業、經驗及誠信，以履行其職責及效能。董事會應視乎本公司情況及需要，對其組成予以多元化。董事會各成員參與年內就董事候選人的提名及推薦時，可透過考慮多項多元化因素，包括(但不限於)性別、年齡、文化及教育背景或專業經驗，有利於本公司各項業務的發展及管理。董事會檢討涉及董事會成員多元化的政策，於企業管治報告內披露其政策或政策摘要，包括為執行政策的任何可計量目標及達標及其進度。

於2019年，董事會已檢討董事會成員的多元性及認為董事會的組成及成員多元化政策合適。

The Board will review the policy from time to time to ensure its continued effectiveness.

董事會將不時審閱政策以確保其持續有效。



NOMINATION POLICY

The Board formulated the nomination policy on 30 January 2019, under the nomination policy, the Company adopts fair, formal, rigorous and transparent criteria and procedures for the selection and appointment of new Directors.

Selection Criteria

The nomination committee of the Company (the "Nomination Committee") will recommend, and the Board will approve the appointment or reappointment of Directors through thorough consideration of a number of factors, including but not limited to gender, age, race, ethnicity, cultural, educational background, professional experience and length of service.

Also, in making a recommendation to the Board on the appointment or reappointment of independent non-executive Directors, the Nomination Committee shall ensure the proposed independent non-executive Directors meet the criteria of independence as laid down in the GEM Listing Rules. In addition, the Nomination Committee specifically considers the time commitment of the proposed independent non-executive Directors especially if the proposed independent non-executive Directors will be holding their seventh (or more) listed issuer directorship. Independent non-executive Directors sitting on multiple boards will need to ensure they devote sufficient time to the each board and board committees.

提名政策

董事會於2019年1月30日制定提名政策，根據提名政策，本公司對遴選及委任新董事採納公平正式嚴格透明的標準及程序。

遴選標準

本公司提名委員會(「提名委員會」)將推薦，而董事會將透過全面考慮多項因素後批准委任或重新委任董事，有關因素包括但不限於性別、年齡、種族、文化、教育背景、專業經驗及服務年限。

此外，提名委員會在就委任或重新委任獨立非執行董事向董事會提出推薦建議時，提名委員會須確保擬任獨立非執行董事符合GEM上市規則所載的獨立標準。另外，提名委員會特別考慮擬任獨立非執行董事的時間承諾，特別是倘擬任獨立非執行董事將持有其第七(或更多)上市發行人董事職位。在多個董事會任職的獨立非執行董事需確保彼等為各個董事會和董事委員會投入足夠時間。

Procedures for Appointment of New Directors

1. Before making an appointment, the Nomination Committee assesses the structure, size and composition of the current Board in order to consider the range of backgrounds, qualifications, skills, experience, expertise, knowledge, independence, attributes, diversities and perspectives of the Board that are required to constitute a balanced Board to contribute to the decision-making capabilities of the Board to avoid groupthink and to enhance the effectiveness of the Board so as to achieve better corporate governance results.

2. In view of this assessment, the Nomination Committee will draw up a description of the role and competencies needed. Based on such description, the Nomination Committee will select from a broad range of candidates who are in and outside the Board's circle of contacts in accordance with the Company's diversity policy, with a view to appointing the best-placed individual for the role. During this process, the Nomination Committee may consult any source it deems appropriate in identifying suitable candidates, such as by advertising, referral or through recruitment consultants.

3. The Nomination Committee will access candidates thoroughly with a rigorous appraisal of the candidates' track record and abilities against the defined selection criteria in view of the Board's agreed strategies and objectives to the challenges and opportunities that the Company is facing.

4. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment. The Nomination Committee will provide the relevant information of the selected candidate to the remuneration committee for consideration of remuneration package of such selected candidate.

5. Chairman of the Board may perform interview and assess the selected candidate's character, integrity, judgement, independence, potential conflicts of interest and time commitment to the Company. The candidate may be asked to give presentation on his/her proposals for the Company's strategy and his/her visions about the Company's future. Chairman of the Board will report to the Board for the approval of appointment.

6. If the candidate does not match the Board's criteria, a new round of recruitment will take place.

委任新董事的程序

1. 於委任新董事之前,提名委員會評估現任董事會的架構、規模和組成,以考慮董事會的背景、資格、技能、經驗、專業知識、知識、獨立性、屬性、多元化及觀點的範圍,務必組建一個平衡的董事會,從而促進董事會的決策能力,以避免群體思維,並提高董事會的效率,進而實現更佳的企業管治結果。

2. 鑑於該評估,提名委員會將擬定所需角色和能力的説明。根據該説明,提名委員會將根據本公司的多元化政策從董事會聯繫人範圍內外的眾多候選人中進行遴選,以期任命最佳人選擔任該職位。在此過程中,提名委員會可諮詢其認為適當的任何來源(例如通過廣告、推薦或通過招聘顧問)以確定合適的候選人。

3. 鑑於董事會的議定策略及挑戰目標以及本公司面臨的機遇,提名委員會將按所定義的遴選標準對候選人的往績記錄和能力進行嚴格評估,全面接觸候選人。

4. 此後,提名委員會將就建議委任向董事會提出推薦建議。提名委員會將向薪酬委員會提供所遴選候選人的相關資料,以供考慮所遴選候選人的薪酬待遇。

5. 董事會主席可以面試並評估所遴選候選人的性格、誠信、判斷力、獨立性、與本公司的潛在利益衝突以及對本公司的時間承諾。候選人或會獲要求介紹彼對本公司策略的建議以及彼對本公司未來的願景。董事會主席將向董事會報告批准委任事項。

6. 如果候選人不符合委員會的標準,將展開新一輪招聘。

Procedures for Re-appointment of Directors

1. All Directors should be subject to re-elect at regular interval. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

2. If an independent non-executive Director serves more than nine years, his/her further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying that resolution should include the reasons why the Board believe the independent non-executive Director is still independent and should be re-elected.

3. In re-appointment of Directors, the Board shall follow the same procedure as the appointment of new Directors, except for the need to identify suitable candidates. The Board shall especially consider the independence of the proposed Directors since the independence of the proposed Directors is likely to diminish over time as the Directors become familiar with the Company and the executives or the Board.

重新委任董事的程序

1. 全體董事均應定期重選。每位董事(包括具有特定任期的董事)應至少每三年輪席退任一次。

2. 如果獨立非執行董事的任期超過九年，該董事的進一步委任應受限於股東擬批准的單獨決議案。隨同該決議案的股東文件應包括董事會認為獨立非執行董事仍然獨立並應獲重選的原因。

3. 於重新委任董事時，董事會將遵循與委任新董事相同的程序，惟需要識別合適的候選人除外。董事會應特別考慮擬任董事的獨立性，由於董事熟悉本公司及高級人員或董事會，擬任董事的獨立性可能會隨著時間的推移而減少。

Objectives

All appointments to the Board are made on merit and within this context, the Board continues to view diversity in the widest sense, including the global trend of gender diversity so the Board will consider to increase the number of women on Board during the nomination process of Directors, with a view to appointing the best-placed individual for the role which is critical to the long term success of the Company. Thus the Board will continue to attract, retain, develop and motivate the right talents from time to time.

The Board should also include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement. Non-executive Directors should be of sufficient caliber and number for their views to carry weight.

目標

董事會的所有委任均以用人唯才為原則，在此背景下，董事會繼續從最廣泛的角度考慮多元化，包括性別多元化的全球性趨勢，因此董事會將考慮在董事提名過程中增加女性董事的人數，務求委任最佳人選擔任對本公司長期成功至關重要的職務。因此，董事會將會持續吸引、挽留、發展以及不時激勵合適的人才。

董事會亦應包括執行董事和非執行董事(包括獨立非執行董事)的均衡組合，以便董事會上有強大的獨立元素，可以有效地行使獨立判斷。非執行董事應有足夠才幹及人數，以使其意見具有影響力。

Review

The Board has the ultimate responsibility to select and appoint Directors and to periodically review the succession planning to key positions of the Company as well as the nomination policy to ensure the policy is remain relevant to the Company's need and reflect both current regulatory requirements and good corporate governance practice.

審查

董事會的最終責任是遴選及委任董事，並定期審查本公司關鍵職位的繼任計劃以及提名政策，以確保政策與本公司的需求保持相關，並反映當前的監管要求和良好的企業管治常規。

MANAGEMENT

The daily management, administration and operation of the Company are delegated to the Chief Executive Officer and senior management (the "Management"). The delegated functions and assignments are periodically reviewed. Approval has to be obtained from the Board prior to entering into any significant transactions by the above mentioned officers.

The overall responsibilities of the Management include considering and making decisions on the following matters:

(i) Implementing the Group's policy and strategies as set by the Board;

(ii) Strategic planning of different business and functions;

(iii) Closely monitoring operational and financial results in accordance with plans and budgets;

(iv) Putting adequate operational, planning and financial control systems in place; and

(v) Managing the Group's day to day business.

管理人員

本公司日常管理、行政及經營委派予行政總裁及高級管理人員(「管理人員」)。所委派職能及工作任務獲定期檢討。上述高級職員於訂立任何重大交易前須獲得董事會批准。

管理層的整體責任包括就下列事項進行審議並作出決定：

(i) 實行由董事會制定的本集團政策和策略；

(ii) 策劃不同的業務及職能；

(iii) 按照計劃和預算密切監察營運及財務業績；

(iv) 建立適當的營運，規劃和財務控制制度；及

(v) 管理本集團的日常業務。

CONFIRMATION OF INDEPENDENCE

In compliance with Rules 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed three independent non-executive Directors; and at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. Each of the independent non-executive Directors has made an annual confirmation in writing of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers that all the independent non-executive Directors were independent.

All independent non-executive Directors are identified as such in all corporate communications by the Company containing the names of the Directors.

確認獨立性

本公司已委任三名獨立非執行董事，其中至少一名具備適當的專業資格或會計或相關的財務管理專長，以遵守GEM上市規則第5.05(1)及(2)條。各獨立非執行董事已根據GEM上市規則第5.09條之規定，以書面確認其年度之獨立性，且本公司認為所有獨立非執行董事均為獨立人士。

本公司於所有刊載董事姓名的公司通訊中，皆說明所有獨立非執行董事身份。

CONTINUOUS PROFESSIONAL DEVELOPMENT

持續專業發展

All Directors, including independent non-executive Directors, should keep abreast of their collective responsibilities as Directors and of the businesses and activities of the Group. The Group also provides briefings and other training materials to develop and refresh the Directors' knowledge and skills, and updates all Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices. To further ensure that all Directors are adequately informed about the Company's business and operations as well as his/her responsibilities under relevant laws, rules and regulations, the company secretary of the Company provides all Directors with regular updates regarding the Company's performance as well as updates on latest amendments and developments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

所有董事(包括獨立非執行董事)應及時了解作為董事的集體職責及本集團的業務及動向。本集團亦提供簡報及其他培訓資料以增進及更新董事的知識和技能，並提供有關GEM上市規則及其他適用監管規定之最新訊息予全體董事，確保遵守及提升彼等對良好企業管治常規之警覺性。為進一步確保全體董事充份認識本公司的業務及營運以及彼於相關法律、規則及法規下的責任，本公司的公司秘書向全體董事提供有關本公司表現的定期更新，亦不時提供有關上市規則及其他相關法律及監管規定的最新修訂及發展的更新。

During the year ended 31 December 2019 and up to date of this report, the independent non-executive Directors provided their training records to the Company. The Directors received the following training materials for the year ended 31 December 2019 according to the records provided by the Directors:

截至2019年12月31日止年度內及直至本報告日期，獨立非執行董事向本公司提供彼等的培訓記錄。根據董事提供的記錄，董事於截至2019年12月31日止年度收取以下培訓資料：

	Reading materials relevant to director's duties and responsibilities 閱讀有關董事職責及責任之資料
Executive Directors 執行董事	
Mr. Zhang Qing *(Chairman)* 張慶先生*(主席)*	✓
Dr. Sung Tak Wing, Leo 宋得榮博士	✓
Mr. Lau Mo (Note 3) 劉武先生(附註3)	✓
Mr. Gan Lin *(Chief Executive Officer)* (Note 1) 甘霖先生*(行政總裁)*(附註1)	✓
Non-Executive Director 非執行董事	
Mr. Liu Kam Lung 廖金龍先生	✓

	Reading materials relevant to director's duties and responsibilities 閱讀有關董事職責及責任之資料
Independent Non-Executive Directors 獨立非執行董事	
Mr. Cheung Chi Man Dennis 張志文先生	✓
Mr. Chiu Yu Wang 趙汝宏先生	✓
Mr. Ko Yin Wai (Note 4) 高賢偉先生(附註4)	✓
Dr. Gao Jinkang (Note 2) 高晉康博士(附註2)	✓

Notes:

1. Mr. Gan Lin was appointed as an executive Director and chief executive officer on 22 January 2020.
2. Dr. Gao Jinkang was elected as an independent non-executive Director in the annual general meeting of the Company held on 3 May 2019.
3. Mr. Lau Mo passed away on 21 December 2019.
4. Mr. Ko Yin Wai retired as an independent non-executive Director on 3 May 2019.

附註:

1. 甘霖先生於2020年1月22日獲委任為執行董事及行政總裁。
2. 高晉康博士於本公司2019年5月3日舉行的股東週年大會上獲選為獨立非執行董事。
3. 劉武先生於2019年12月21日離世。
4. 高賢偉先生於2019年5月3日退任獨立非執行董事。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board of the Company is Mr. Zhang Qing. The Chief Executive Officer of the Company is Mr. Gan Lin (appointed on 22 January 2020). The roles of the Chairman and the Chief Executive Officer are separated and not performed by the same individual to prevent power concentration on any one individual. The Chairman is primarily responsible for managing the Board, whereas the Chief Executive Officer is primarily responsible for overseeing the various businesses of the Group. Their respective roles and responsibilities are summarised as follows:

Responsibilities of the Chairman include:

(i) leading the Board and ensuring that the Board functions effectively and smoothly;

(ii) chairing the Board and shareholder's meetings;

(iii) approving the agenda for each Board meeting, taking into account, where appropriate, any matters proposed by the other Directors and the company secretary for inclusion in the agenda;

(iv) ensuring that all Directors receive all relevant information prior to each meeting and are properly briefed on issues arising at Board meetings;

主席及行政總裁

本公司董事會主席為張慶先生。本公司之行政總裁為甘霖先生(於2020年1月22日獲委任)。主席與行政總裁的角色有區分,並非由一人同時履行,以避免權力集中於任何一位人士。主席主要負責董事會的管理,而行政總裁之角色則主要負責監管本集團各項不同業務。彼等各自的角色及職責概述如下:

主席的職責包括:

(i) 領導董事會並確保董事會有效和平穩地運作;

(ii) 主持董事會和股東會議;

(iii) 批准每次董事會會議的議程,並考慮在適當的情況下,將其他董事及公司秘書提出的事項列入議程;

(iv) 確保每次會議前所有董事收到所有相關信息,且適當知悉在董事會會議上提出的問題;

(v) ensuring all key and appropriate issues are discussed by the Board in a timely and constructive manner;

(vi) encouraging all Directors, including the independent non-executive Directors, to actively participate in all Board and Board Committees meetings and promoting a culture of openness for the Directors to share and voice their concerns on all matters during each meeting;

(vii) ensuring good corporate governance practices and procedures are established and followed; and

(viii) taking appropriate steps to provide effective communication with shareholders and to ensure that shareholders' view are communicated to the Board as a whole.

Responsibilities of the Chief Executive Officer include:

(i) implementing the Group's policy and strategies as set by the Board;

(ii) strategic planning of different business and functions;

(iii) closely monitoring operational and financial results in accordance with plans and budgets;

(iv) assuming full accountability to the Board for all aspects of the Group's operations and performance;

(v) maintaining ongoing dialogue with the Chairman and the other Directors;

(vi) developing and leading an effective executive team;

(vii) putting adequate operational, planning and financial control systems in place; and

(viii) representing the Company and managing the Group's day to day business.

(v) 確保所有重要及適當事項於董事會適時和有建設性地進行討論；

(vi) 鼓勵所有董事(包括獨立非執行董事)積極參與所有董事會及董事會委員會會議，並向董事提倡公開文化以分享和表達彼等在每次會議期間關注的一切事項；

(vii) 確保良好的企業管治常規及程序得以建立和遵循；及

(viii) 採取適當步驟向股東提供有效之溝通並確保股東的整體意見傳達給董事會。

行政總裁的職責包括：

(i) 實行由董事會制定的本集團政策和策略；

(ii) 策劃不同的業務及職能；

(iii) 按照計劃和預算密切監察營運及財務業績；

(iv) 向董事會承擔對本集團各方面的業務和表現的全部責任；

(v) 保持與主席及其他董事經常性對話；

(vi) 發展和領導一支有效率的行政團隊；

(vii) 建立適當的營運、規劃和財務控制制度；及

(viii) 代表本公司及管理本集團的日常業務。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

董事委任及重選

All the Directors (including the independent non-executive Directors) are appointed for an initial term of one year which is automatically renewable for successive terms of one year upon the expiry of a term. Their appointment is also subject to retirement by rotation and eligible for re-election in accordance with the Company's articles of association (the "Articles"). At each annual general meeting, not less than one third of the Directors then in office shall retire and every Director is subject to retirement by rotation at least once every three years.

所有董事(包括獨立非執行董事)的委任初步任期為一年，其任期屆滿後可自動連續續期一年。彼等的委任亦須根據本公司細則(「細則」)輪席退任及符合資格重選。於各股東週年大會上，不少於三分之一當時在任的董事須退任，而每名董事須最少每三年輪席退任一次。

All existing Directors are entitled to a fixed remuneration per month or fee per annum respectively. The remuneration of each Director is subject to the annual review of the Board with reference to his contribution in terms of time, effort and his expertise.

目前所有董事均有權各自獲得固定月薪或年薪。每位董事的薪酬每年須由董事會經參考其所貢獻的時間、精力及其專業知識進行檢討。

Details of remuneration paid to each of the Directors during the year 2019 are disclosed in note 12 to the consolidated financial statements.

於2019年內，向各董事支付之薪酬詳情，於綜合財務報表附註12披露。

All Directors are entitled to be reimbursed for reasonable expenses incurred during the performance of their duties to the Company and are eligible for share options under the Share Option Scheme.

全體董事均有權因履行本公司職務期間產生合理的開支而獲得補償及符合資格根據購股權計劃獲授購股權。

BOARD COMMITTEES

董事會委員會

The Board has established three board committees, namely, the audit committee, the remuneration committee and the nomination committee, all with specific terms of reference clearly defining the powers and responsibilities of the respective board committees. All board committees are required by their terms of reference to report to the Board in relation to their decisions, findings or recommendations.

董事會設立三個董事會委員會，即審核委員會、薪酬委員會及提名委員會，均具備各董事會委員會特定的職權範圍，清楚列明其權力及責任。所有董事會委員會均須按照其職權範圍規定向董事會匯報其決定、發現及建議。

AUDIT COMMITTEE

審核委員會

The Company has established an audit committee ("Audit Committee") with written terms of reference that are in conformity with the requirements of the CG Code which are available on the websites of the Hong Kong Exchanges and Clearing Limited and the Company.

本公司已設立審核委員會(「審核委員會」)，並已制定符合企業管治守則規定的書面職權範圍，而該書面職權範圍可於香港交易及結算所有限公司及本公司之網站查閱。

The Audit Committee is currently composed of the three independent non-executive Directors, namely Mr. Cheung Chi Man Dennis, Mr. Chiu Yu Wang and Dr. Gao Jinkang, and chaired by Mr. Cheung Chi Man Dennis, with all members being independent non-executive Directors of the Company in full compliance with Rule 5.28 of the GEM Listing Rules.

審核委員會現由三名獨立非執行董事組成，即張志文先生、趙汝宏先生及高晉康博士，並由張志文先生擔任主席，而所有成員均為本公司之獨立非執行董事，充分遵守GEM上市規則第5.28條。

The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2019 and recommended approval to the Board.

審核委員會已審閱本集團截至2019年12月31日止年度的經審核財務報表，並推薦董事會批准。

For the year ended 31 December 2019, 7 audit committee meetings were held and the members' attendance is shown on pages 19 to 20 of this annual report.

截至2019年12月31日止年度，舉行了7次審核委員會會議及其與會成員出席記錄刊登於本年報第19至20頁。

The role and function of the Audit Committee include the following:

審核委員會的角色及職能包括以下各項：

(i) Relationship with the Company's auditors

(a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal;

(b) to review and monitor the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences; and

(c) to develop and implement policy on engaging the external auditors to supply non-audit services. For this purpose, "external auditors" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed.

(i) 與本公司核數師的關係

(a) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議，並批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；

(b) 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效。審核委員會應於核數工作開始前先與外聘核數師討論核數性質及範疇及有關申報責任；及

(c) 就外聘核數師提供非核數服務制定政策，並予以執行。就此規定而言，「外聘核數師」包括與負責審計的公司處於同一控制權、所有權或管理權之下的任何實體，或一個合理知悉所有有關資料的第三方，在合理情況下會斷定該機構屬於該負責審計的公司的本土或國際業務的一部分的任何實體。審核委員會應向董事會報告，識別必須採取的行動或改善的任何事項，並作出建議。

(ii) Review of the Company's financial information

(a) to monitor the integrity of the financial statements, annual report and accounts, half-year report and quarterly reports of the Company, and to review significant financial reporting judgments contained in them. In reviewing these reports and accounts before submission to the Board, the Audit Committee should focus particularly on:

(1) any changes in accounting policies and practices;

(2) major judgmental areas;

(ii) 監察本公司的財務資料

(a) 監察本公司的財務報表、年度報告及賬目、半年度報告及季度報告的完整性，並審核於其中所載的重大財務申報的判斷。於提交董事會前審核該等報告及賬目時，審核委員會應特別針對下列事項：

(1) 會計政策及實務的任何更改；

(2) 涉及重要判斷的地方；

(3) significant adjustments resulting from audit;

(4) the going concern assumptions and any qualifications;

(5) compliance with accounting standards; and

(6) compliance with GEM Listing Rules and legal requirements in relation to financial reporting.

Regarding (ii)(a) above,

(1) members of the Audit Committee should liaise with the Board and senior management, and the Audit Committee must meet, at least twice a year, with the external auditors; and

(2) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts and should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting, internal audit and financial reporting functions, compliance officer or the external auditors.

(3) 因核數而出現的重大調整；

(4) 持續經營的假設及任何保留意見；

(5) 是否遵守會計準則；及

(6) 是否遵守有關財務申報的GEM上市規則及法律規定。

就上述(ii)(a)項而言，

(1) 審核委員會成員須與董事會及高層管理層聯絡，而審核委員會每年須與外聘核數師開會至少兩次；及

(2) 審核委員會應考慮於該等報告及賬目中所反映或需反映的任何重大或不尋常事項，並須適當考慮任何由本公司屬下會計、內部審計及財務報告部門負責人、監察主任或外聘核數師提出的事項。

(iii) Oversight of the Company's financial reporting system, risk management and internal control systems

(a) to review the financial controls, and unless expressly addressed by a separate Board risk management and internal control committee, or by the Board itself, to review the risk management and internal control systems of the Company;

(b) to discuss the risk management and internal control systems with the management to ensure that the management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions;

(c) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the management's response to these findings;

(d) to ensure co-ordination between the internal and the external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(iii) 監察本公司財務申報系統、風險管理及內部監控制度

(a) 檢討本公司之財務控制及（除非由董事會轄下另設之風險管理及內部監控委員會，或由董事會本身明確處理）檢討風險管理及內部監控制度；

(b) 與管理層討論風險管理及內部監控制度，以確保管理層已履行職責建立有效制度。該討論應包括本公司會計、內部審計及財務報告部門之資源、員工資質及經驗、培訓計劃及預算之是否充足；

(c) 應董事會的委派或主動，就有關風險管理及內部監控事宜的重要調查結果及管理層的回應進行研究；

(d) 確保內部與外聘核數師的工作得到協調；也須確保內部審計功能在本公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察其有效性；

(e) to review the financial and accounting policies and practices of the Company and its subsidiaries;

(f) to review the management letter of the external auditors, any material queries raised by the external auditors to management about accounting records, financial accounts or systems of control and the management's response;

(g) to ensure that the Board will provide a timely response to the issues raised in the management letter of the external auditors;

(h) to report to the Board on the matters in the code provisions in the Corporate Governance Code and Corporate Governance Report set out in Appendix 15 to the GEM Listing Rules;

(i) to consider other topics, as defined by the Board;

(j) 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. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and

(k) to act as the key representative body for overseeing the Company's relations with the external auditors.

Major accomplishments in 2019 comprised the following:

(a) reviewed the quarterly, half-yearly and annually results of the Group as well as discussed and reviewed financial and other reports for the year;

(b) reviewed the external auditors' significant findings and management's response to the recommendation raised;

(c) reviewed the effectiveness of the risk management and internal control systems and the adequacy of the accounting, internal audit and financial reporting functions of the Group;

(d) reviewed and approved the external auditors' statutory audit scope for 2019 and the letter of representation to be given by the Board;

(e) considered and approved the 2019 external audit fees and engagement letters;

(e) 檢討本公司及其附屬公司的財務及會計政策及實務；

(f) 檢討外聘核數師給予管理層的函件、外聘核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；

(g) 確保董事會及時回應外聘核數師給予管理層的函件中提出的事宜；

(h) 向董事會報告GEM上市規則附錄15所載企業管治守則及企業管治報告之守則條文所述之事項；

(i) 研究其他由董事會界定的課題；

(j) 檢討本公司設定的以下安排：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。審核委員會應確保有適當安排，以對此等事宜作出公平獨立的調查及採取適當跟進行動；及

(k) 擔任負責監察本公司與外聘核數師之間的關係的主要代表。

於2019年主要達成事項包括以下各項：

(a) 審閱了本集團之季度、半年度及年度業績，並對年度內財務報告及其他報告作出討論及審閱；

(b) 審閱外聘核數師的主要結果，以及管理層對所提出建議的回應；

(c) 檢討本集團風險管理及內部監控系統的效能以及會計、內部審核及財務申報功能的充足程度；

(d) 審閱及批准外聘核數師2019年的法定審核範圍，以及由董事會給予的聲明書；

(e) 審議及批准2019年的外聘核數費用及聘任書；

(f) monitored the audit and non-audit services rendered to the Group by its external auditor and ensures their engagement in other non-audit services, if any, will not impair their audit independence or objectivity;

(f) 就外聘核數師對本集團提供的核數及非核數服務作出監察，及確保彼等的其他非核數服務委聘(如有)並不會削弱彼等之審核獨立性或客觀性；

(g) recommended to the Board in relation to the terms of reference of Audit Committee; and

(g) 就審核委員會之職權範圍向董事會提出建議；及

(h) recommended to the Board regarding the dividend policy.

(h) 就股息政策向董事會提出建議。

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors for the year ended 31 December 2019.

截至2019年12月31日止年度，董事會與審核委員會對甄選、委任、辭任或罷免外聘核數師之事宜並沒有意見分歧。

The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2019 and recommended approval to the Board.

審核委員會已審閱本集團截至2019年12月31日止年度的經審核財務報表，並推薦董事會批准。

REMUNERATION COMMITTEE

薪酬委員會

The Company has established a remuneration committee ("Remuneration Committee") with written terms of reference in accordance with the requirement of the CG Code. In accordance with provisions set out in the CG Code are available on the websites of the Hong Kong Exchanges and Clearing Limited and the Company.

本公司已根據企業管治守則之規定設立薪酬委員會(「薪酬委員會」)，並已制定書面職權範圍。根據企業管治守則載列的條文，其職權範圍可於香港交易及結算所有限公司及本公司之網站查閱。

The Remuneration Committee is currently composed of the three independent non-executive Directors, namely Mr. Cheung Chi Man Dennis, Mr. Chiu Yu Wang and Dr. Gao Jinkang, and chaired by Mr. Cheung Chi Man Dennis.

薪酬委員現由三名獨立非執行董事組成，即張志文先生、趙汝宏先生及高晉康博士，並由張志文先生擔任主席。

For the year ended 31 December 2019, one remuneration committee meeting was held and the members' attendance is shown on pages 19 to 20 of this annual report.

截至2019年12月31日止年度，舉行了一次薪酬委員會會議及其與會成員出席記錄刊登於本年報第19至20頁。

The role and function of the Remuneration Committee includes:

薪酬委員會之角色及職能包括：

(i) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

(i) 就本公司全體董事及高級管理人員的薪酬待遇政策及結構和建立一個規範及透明的釐定薪酬政策程序事宜，向董事會提出建議；

(ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goal and objectives;

(ii) 透過參照董事會的公司目標及宗旨，檢討及批准管理層的薪酬提議；

(iii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, person rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(iv) to make recommendations to the Board on the remuneration of non-executive Directors;

(v) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

(vi) 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;

(vii) to review and approve compensation arrangements relating to dismissal or remove of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

(viii) to ensure that no Director or any of his associates is involved in deciding his own remuneration.

(iii) 就各執行董事及高級管理人員的薪酬待遇向董事會提出建議。薪酬待遇包括實物福利、個人權利及補償款項，包括支付與喪失或終止職務或委任有關的任何賠償；

(iv) 向董事會提出非執行董事薪酬建議；

(v) 考慮同比公司薪酬、參與時間及責任、以及本集團內僱用條款；

(vi) 檢討及批准向執行董事及高級管理人員支付與喪失或終止職務或委任有關的賠償，以確保符合合約條約及於其他方面屬公平且並不過分；

(vii) 檢討及批准因董事行為失當而遭解僱或罷免所涉及的賠償安排，以確保符合合約條約及於其他方面屬合理合適；及

(viii) 確保任何董事或其任何聯繫人不得參與釐訂其自身薪酬。

Major accomplishments in 2019 comprised the following:

(i) reviewed matters relating to the existing remuneration packages and emoluments of Directors and senior management;

(ii) made recommendations to the Board on the remuneration packages of individual executive Directors and senior management; and

(iii) considered and reviewed the Group's remuneration policy with reference to time commitment and responsibilities of the Directors and the senior management, desirability of performance-based remuneration.

於2019年主要達成事項包括以下各項：

(i) 審閱董事及高級管理人員現行薪酬待遇和酬金的相關事宜；及

(ii) 就個別執行董事及高級管理層的薪酬待遇向董事會提出建議；

(iii) 根據董事及高級管理人員須付出的時間及職責、是否應該按表現釐訂薪酬，考慮及檢討本集團之薪酬政策。

ANNUAL REMUNERATION PAYABLE TO THE MEMBERS OF SENIOR MANAGEMENT

應支付予高級管理人員的年薪

The annual remuneration of the members of the senior management by band for the year ended 31 December 2019 is as follows:

截至2019年12月31日止年度按範圍劃分的高級管理人員的年薪如下：

Remuneration Bands 薪酬範圍	Number of Individuals 人員數目
Nil – HK$1,000,000 無 – 1,000,000港元	2
Total 總數	2

NOMINATION COMMITTEE

The Company has established a Nomination Committee with written terms of reference. The terms of reference of the Nomination Committee are in conformity with the requirements of the CG Code and are available on the websites of the Hong Kong Exchanges and Clearing Limited and the Company.

The Nomination Committee is currently composed of the three independent non-executive Directors, namely Mr. Cheung Chi Man Dennis, Mr. Chiu Yu Wang and Dr. Gao Jinkang, and chaired by Mr. Cheung Chi Man Dennis.

For the year ended 31 December 2019, one Nomination Committee meeting was held and the members' attendance is shown on pages 19 to 20 of this annual report.

The role and function of the Nomination Committee includes:

(i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

(iii) to assess the independence of independent non-executive Directors;

(iv) 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 of the Company; and

(v) where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why the Nomination Committee believes he should be elected and the reasons why the Nomination Committee considers him to be independent.

提名委員會

本公司設立提名委員會，並已制定書面職權範圍。提名委員會的職權範圍符合企業管治守則所載之規定，並可於香港交易及結算所有限公司及本公司之網站查閱。

提名委員會現由三名獨立非執行董事組成，即張志文先生、趙汝宏先生及高晉康博士，並由張志文先生擔任主席。

截至2019年12月31日止年度，舉行了一次提名委員會會議及其與會成員出席記錄刊登於本年報第19至20頁。

提名委員會之角色及職能包括：

(i) 檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何擬作出的變動應至少每年向董事會提出建議，以配合本公司企業策略；

(ii) 物色具備合適資格的人士為董事會成員，向董事會就甄選獲提名為董事的人士提出甄選或作出建議；

(iii) 評核獨立非執行董事的獨立性；

(iv) 就董事委任或重新委任以及董事(尤其是本公司主席及行政總裁)繼任計劃的有關事宜向董事會提出建議；及

(v) 當董事會於股東大會上提呈決議案委任個人為獨立非執行董事時，應就提名委員會相信為何彼獲得委任及考慮其獨立性事宜，需在股東通函及／或於有關股東大會的通知附註上說明。

Major accomplishments in 2019 comprised the following:

(i) recommended to the Board with respect to the retirement and re-election of Directors at the last annual general meeting held on 3 May 2019;

(ii) recommended to the Board in relation to the terms of reference of Nomination Committee; and

(iii) recommended to the Board regarding the nomination policy.

於2019年主要達成事項包括以下各項：

(i) 向董事會提出於2019年5月3日舉行之上屆股東週年大會上有關退任及重選董事的建議；

(ii) 就提名委員會職權範圍向董事會提出建議；及

(iii) 就提名政策向董事會提出建議。

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties set out in the code provision D.3.1 of the CG Code.

The Board held one meeting for the purpose of reviewing the compliance of corporate governance policies for the year ended 31 December 2019.

The duties of the Board include:

(i) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;

(ii) to review and monitor the training and continuous professional development of Directors and senior management;

(iii) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

(iv) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and

(v) to review the Group's compliance with the CG Code and disclosure in the CG Report.

Major accomplishments in 2019 comprised the following:

(i) evaluated the Group's policies and practices on corporate governance and made appropriate amendments;

(ii) arranged the training and continuous professional development of Directors and senior management; and

(iii) reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

企業管治職能

董事會負責執行企業管治守則之守則條文第D.3.1條所載之企業管治職責。

截至2019年12月31日止年度內，董事會就審閱企業管治政策之遵守情況舉行一次會議。

董事會之職責包括：

(i) 制定及檢討本集團的企業管治政策及常規，並向董事會提出建議；

(ii) 檢討及監察董事及高級管理人員的培訓及持續專業發展；

(iii) 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；

(iv) 制定、檢討及監察僱員及董事適用的操守準則及合規手冊；及

(v) 檢討本集團遵守企業管治守則的情況及在企業管治報告內的披露。

於2019年主要達成事項包括以下各項：

(i) 評估本集團的企業管治政策及常規，並作出合適修訂；

(ii) 安排董事及高級管理人員的培訓及持續專業發展；及

(iii) 審閱本公司遵守企業管治守則及企業管治報告內之披露。

AUDITORS

Auditors' Remuneration

During the year ended 31 December 2019, the consolidated financial statements of the Group contained in this report have been audited by Baker Tilly Hong Kong Limited. The service fees for auditing and non-auditing services provided by Baker Tilly Hong Kong Limited and the resigned auditor, CF Partners Limited, for the year ended 31 December 2019 are included in Note 11 to the consolidated financial statements of the Group respectively. The major non-audit services provided by our external auditor for the year ended 31 December 2019 mainly include services in connection with acting as a reporting accountants to report certain financial information included in the Group's circular dated 24 December 2019 and other professional services.

核數師

核數師薪酬

截至2019年12月31日止年度,本報告所載本集團的綜合財務報表已由天職香港會計師事務所有限公司審核。天職香港會計師事務所有限公司及已辭任核數師闊範會計師事務所有限公司於截至2019年12月31日止年度所提供的審核及非審核服務的服務費分別計入本集團綜合財務報表附註11。外部核數師於截至2019年12月31日止年度提供的主要非審核服務主要包括與作為申報會計師以報告本集團日期為2019年12月24日的通函中的若干財務資料有關的服務及其他專業服務。

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for the preparation and true and fair presentation of the Financial Statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern as at 31 December 2019. Accordingly, the Directors have prepared the Financial Statements for the year ended 31 December 2019 on a going concern basis.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statement is set out in the section of "Independent Auditor's Report" contained in this annual report.

董事承擔財務申報之責任

董事深明彼等須負責根據由香港會計師公會所頒佈的香港財務報告準則和公司條例(香港法例第622章)的披露規定編製及真實而公允地呈列財務報表。

此責任包括設計、實施和維護與編製及真實而公允地呈列財務報表有關的內部監控,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和運用恰當的會計政策;及於合理情況下作出會計估計。於2019年12月31日,董事並無發現任何可能對本公司持續經營的能力構成重大疑問的重大不明朗事件或情況。因此,董事已按持續基準編製截至2019年12月31日止年度的財務報表。

本公司外聘核數師就其對財務報表之申報責任之聲明載列於本年報內「獨立核數師報告」一節。

RISK MANAGEMENT AND INTERNAL CONTROL

The Company improves its business and operational activities by identifying the areas of significant business risks via a regular review and taking appropriate measures to control and mitigate these risks. The management of the Company reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee.

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's system of internal controls with a view to ensuring that shareholders' investments and the Group's assets are safeguarded. The Company has established internal audit department to monitor compliance with policies and procedures and the effectiveness of internal control structures of the Group. The internal audit department reports directly to the Audit Committee and ensure the internal controls are in place and functioning properly as intended. In the year under review, Infinity Concept Ripple Limited as an external professional firm, has reviewed the effectiveness of the internal control systems of the Group, covering material controls, including financial, operational and compliance controls and risk management functions. In addition, there is regular dialogue between the Audit Committee and the Group's external auditors so that both are aware of the significant factors which may affect their respective scope of work.

The Audit Committee reviewed the risk management and internal control systems as well as the effectiveness of the internal audit function in respect of the year ended 31 December 2019 with reference to the internal control review report issued by Infinity Concept Ripple Limited and considered the system effective and adequate. The Board conducted a review of the internal control system of the Company and its subsidiaries for the year ended 31 December 2019, including financial, operational and compliance control, and risk management functions. The Board assessed the effectiveness of risk management and internal control systems as well as the effectiveness of the internal audit function by considering the reviews performed by Infinity Concept Ripple Limited. The Board, having taken into account the recommendations of Infinity Concept Ripple Limited and the Audit Committee as well as its review results, considered the risk management and internal control systems effective and adequate. The systems of risk management and internal control are designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss. The Company complies with the code provisions relating to internal control contained in the CG Code for the year ended 31 December 2019.

風險管理及內部監控

本公司透過定期檢討以確定重大業務風險領域，以及採取適當措施控制和減低該等風險，從而改進其業務與營運活動。本公司管理層審閱所有重要監控政策及程序，並向董事會及審核委員會特別提出所有重大事件。

董事會確認其負責設立、維護及檢討本集團內部監控系統之有效程度，以確保股東之投資及本集團之資產得到保障。本公司已成立內部審計部門，以監察本集團對政策及程序之遵守及內部控制架構之成效。內部審計部門直接向審核委員會報告，確保內部控制一直有效及如預期般適當運作。於回顧年度，外部專業公司集思廣益有限公司已檢討本集團內部監控制度的效用，當中涵蓋重大監控方面(包括財務、運作及合規監控以及風險管理功能)。此外，審核委員會與本集團外聘核數師會定期進行對話以便雙方知悉可能影響對方工作範圍之重大因素。

審核委員會經參照集思廣益有限公司發出的內部監控審閱報告已審閱截至2019年12月31日止年度之風險管理及內部監控系統以及內部審核職能的有效性，並認為系統屬有效及足夠。董事會就本公司及其附屬公司截至2019年12月31日止年度之內部監控系統(包括財務、營運及合規監控以及風險管理職能)作出審閱。董事會透過集思廣益有限公司作出之審閱評核風險管理及內部監控系統是否有效以及內部審核職能的有效性。董事會經考慮集思廣益有限公司及審核委員會的建議及其審閱結果後，認為風險管理及內部控制系統屬有效且足夠。風險管理及內部控制系統旨在管理而非消除無法實現業務目標的風險，並且僅可就重大錯述或損失提供合理而非絕對的保證。本公司於截至2019年12月31日止年度符合載於企業管治守則內有關內部監控系統守則之條文。

COMPANY SECRETARY

As at 31 December 2019, the company secretary was Ms. Chan Lok Yin.

Details of backgrounds and qualification of the company secretary of the Company are set out in the section of "Profiles of Directors and Senior Management" of this annual report.

A written record had been received by the Company from Ms. Chan Lok Yin to confirm that she took not less than 15 hours of relevant professional training during the year ended 31 December 2019. The Company is of the view that Ms. Chan Lok Yin has complied with Rule 5.15 of the GEM Listing Rules.

公司秘書

於2019年12月31日,公司秘書為陳樂燕女士。

本公司之公司秘書的背景及資歷詳情載於本年報「董事及高級管理人員的履歷」一節。

本公司已收到陳樂燕女士發出之文書,彼確認截至2019年12月31日止年度內已參與不少於15小時的相關專業培訓。本公司認為陳樂燕女士符合GEM上市規則第5.15條之規定。

SHAREHOLDERS' RIGHTS TO CONVENE EXTRAORDINARY GENERAL MEETING

In order to safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting.

The following procedures for shareholders of the Company to convene an extraordinary general meeting are subject to the Articles, and the applicable legislation and regulation, in particular the GEM Listing Rules:

(i) any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company (the "Eligible Shareholder(s)") carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the "Company Secretary"), to require an extraordinary general meeting (the "EGM") to be called by the Board for the transaction of any business specified in such requisition pursuant to Article 58 of the Articles; and

(ii) if within 21 days of the deposit of the requisition, the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) by the Company.

召開股東特別大會之股東權利

為保障股東權益及權利,本公司就各重大事項(包括選舉個別董事)於股東大會提呈獨立決議案,以供股東考慮及投票。

本公司股東召開股東特別大會之程序乃受下列細則、適用法律及法規,特別是GEM上市規則所規限:

(i) 根據細則第58條,於遞呈要求日期持有不少於本公司繳足股本(賦予權利於本公司股東大會上投票)十分之一的任何一名或多名本公司股東(「合資格股東」)隨時有權向董事會或本公司之公司秘書(「公司秘書」)發出書面要求,要求董事會召開股東特別大會(「股東特別大會」),以處理有關要求中指明的任何事項;及

(ii) 倘董事會未能在要求書遞交後21天內召開股東特別大會,則合資格股東可自行以相同方式召開股東特別大會,而因董事會未能召開該大會令有關合資格股東產生的所有合理費用,本公司須向合資格股東進行償付。

PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

Apart from sending email to info@newwesterngroup.com.hk, shareholders may send their enquiries and concerns to the Board by addressing them to the headquarters and principal place of business of the Company in Hong Kong at Suite 2101, 21/F, Chinachem Century Tower, 178 Gloucester Road, Wan Chai, Hong Kong, by post or by fax to (852) 2539 0323, for the attention of the Company Secretary.

向董事會查詢的程序

股東可向本公司董事會寄發其查詢及關注事宜,除了電郵至info@newwesterngroup.com.hk外,可以郵寄方式將上述事項寄往本公司於香港的總辦事處及主要營業地點(地址為香港灣仔告士打道178號華懋世紀廣場21樓2101室)或傳真至(852) 2539 0323,收件人為公司秘書。

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands. However, pursuant to the Articles, shareholders who wish to move a resolution may by means of requisition convene an EGM following the procedures set out above.

股東於股東大會提呈建議的程序

根據開曼群島公司法第22章(1961年第3號法例,經綜合及修訂),概無條文批准股東於股東大會動議新決議案。然而,根據細則,有意動議決議案的股東可於依循上述程序以要求召開股東特別大會方式進行。

DIVIDEND POLICY

To allow shareholders of the Company to participate in the Company's profit whilst preserving the Company's liquidity to capture future growth opportunities. The Company formulates the dividend policy aims at enhancing transparency of the Company and facilitating the shareholders and investors to make informed investment decision relating to the Company. The Board of the Company shall consider the following factors of the Group before declaring or recommending dividends and any declaration of dividend will be subject to the approval of the shareholders:

(i) the Group's financial conditions;

(ii) the Group's actual and expected financial performance;

(iii) the Group's cash flow, working capital requirements, capital expenditure requirements and future expansion plans;

(iv) the Group's retained earnings and distributable reserves;

(v) the Group's liquidity position;

股息政策

允許本公司股東參與本公司的溢利,同時保留本公司的流動性以把握未來的增長機會。本公司制定股息政策,力求提升本公司的透明度,並協助股東及投資者作出有關本公司的知情投資決策。本公司董事會在宣派或建議派付股息前應考慮本集團的以下因素,且任何股息宣派均須經股東批准:

(i) 本集團的財務狀況;

(ii) 本集團的實際及預期財務表現;

(iii) 本集團的現金流、營運資金規定、資本開支規定及未來擴充計劃;

(iv) 本集團的保留盈利及可分派儲備;

(v) 本集團的流動資金狀況;

(vi) general economic conditions, future prospects of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;

(vii) applicable laws and regulations including the laws of the Cayman Islands and the Company's articles of association;

(viii) the contractual restrictions on the payment of dividends by the Company to its shareholders;

(ix) shareholders' interest of the Company; and

(x) other factors that the Board may consider appropriate.

The Board will review the dividend policy from time to time and may take any amendments that it deems necessary or desirable. The Company does not have any pre-determined dividend payout ratio and there is no assurance that a dividend will be proposed or declared in any specific periods.

(vi) 整體經濟環境、本集團的未來前景及可能對本集團的業務或財務表現及狀況造成影響的其他內部或外部因素;

(vii) 適用法律及法規,包括開曼群島法律及本公司的組織章程細則;

(viii) 本公司向其股東支付股息的合約限制;

(ix) 本公司股東的權益;及

(x) 董事會可能認為適當的其他因素。

董事會將不時檢討股息政策,並可採取其認為必要或可取的任何修訂。本公司並無任何預先釐定的股息支付比率,且無法保證在任何特定期間會提呈或宣派股息。

INVESTOR RELATIONS

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders. These include the annual general meeting, the annual, interim and quarterly reports, notices, announcements and circulars and the Company's website at www.newwesterngroup.com.hk.

投資者關係

本公司已就其與股東、投資者及其他利益相關者之間設立多個溝通渠道。當中包括股東週年大會、年報、中期及季度報告、通告、公佈及通函以及本公司網站www.newwesterngroup.com.hk。

CONSTITUTION DOCUMENTS

During the year, there was no change in the Company's constitutional documents.

憲章文件

於本年度,本公司之憲章文件並無變動。

DIRECTORS

Executive Directors

Mr. Zhang Qing ("Mr. Zhang"), aged 50, is an executive Director and Chairman of the Board of the Company with effect from 1 July 2014 and was appointed as the compliance officer of the Company with effect from 30 April 2015. He was appointed as an investor relations officer of the Company since 18 March 2014. Mr. Zhang is also a director of the certain subsidiaries of the Company. Mr. Zhang obtained a bachelor's degree in economics from Guangzhou Institute of Foreign Trade* (廣州對外貿易學院) (currently known as Guangdong University of Foreign Studies (廣東外語外貿大學)) in the People's Republic of China in July 1991 and further obtained a master's degree in business administration from San Diego State University in the United States in December 1998. From July 1991 to July 1996, he worked as the foreign sales staff of China National Light Industrial Products Import & Export Corporation*. From February 2000 to November 2003, Mr. Zhang worked as the manager of investment department of Sichuan Harmony Enterprises (Group) Limited*. From July 2006 to February 2013, he worked as the investment manager of Canada Shenghe Investment Inc. Besides, Mr. Zhang acted as the director of Sichuan Harmony Enterprises (Group) Limited* during the period from 8 March 2011 to 12 September 2013. Mr. Zhang is a brother-in-law of Mr. Lau Mo (passed away on 21 December 2019), a former executive Director and a substantial shareholder of the Company (as defined in the GEM Listing Rules).

Mr. Gan Lin ("Mr. Gan"), aged 41, is an executive Director of the Board of the Company and the chief executive officer of the Company with effect from 22 January 2020. He has solid experience in strategic planning, corporate finance and financial management in the PRC. Mr. Gan graduated with a bachelor's degree in logistics management in June 2001 from Beijing Technology and Business University (formerly known as Beijing Institute of Business) in the PRC. Prior to joining the Company, Mr. Gan served as a general manager of the capital operation and management centre at China City Property Management Company Limited* (中城建物業管理有限公司) from February 2014 to March 2016. From August 2006 to February 2014, Mr. Gan had served senior management positions in various corporations and financial institutions, including Mocon Inc., Roampond International Group Co., Limited and Guosen Securities. During the period from April 2016 to June 2019 and from December 2016 to June 2019 respectively, Mr. Gan served as an executive director and the chief executive officer of Forebase International Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 2310).

The English translation of names or any descriptions in Chinese which are marked with "*" is for identification purpose only.

董事

執行董事

張慶先生(「張先生」)，50歲，自2014年7月1日起為本公司之執行董事及董事會主席，以及自2015年4月30日獲委任為監察主任。他於2014年3月18日獲委任為本公司之投資者關係主任。張先生亦擔任本公司屬下某些附屬公司的董事。張先生於1991年7月獲中華人民共和國廣州對外貿易學院(現稱為廣東外語外貿大學)經濟學學士學位，並於1998年12月獲美國聖地亞哥州立大學*授予工商管理碩士學位。由1991年7月至1996年7月，他擔任中國輕工業品進出口總公司的外銷員。由2000年2月至2003年11月，張先生擔任四川怡和企業(集團)有限責任公司的投資部經理。由2006年7月至2013年2月，他擔任Canada Shenghe Investment Inc.的投資經理。此外，張先生於2011年3月8日至2013年9月12日期間出任四川怡和企業(集團)有限責任公司的董事。張先生是本公司之前執行董事及一位主要股東(定義見GEM上市規則)劉武先生(於2019年12月21日離世)的太太的弟弟。

甘霖先生(「甘先生」)，41歲，自2020年1月22日起為本公司之執行董事及行政總裁。他於中國策略規劃、企業財務及財務管理擁有扎實經驗。甘先生於2001年6月畢業於中國北京工商大學(前稱北京商學院)，獲得物流管理學士學位。在加入本公司之前，甘先生於2014年2月至2016年3月曾於中城建物業管理有限公司資金運營管理中心出任總經理。由2006年8月起至2014年2月止，甘先生於Mocon Inc.、榕邦國際集團有限公司及國信證券等多間企業及財務機構出任高級管理職位。甘先生於2016年4月至2019年6月及2016年12月至2019年6月期間，甘先生擔任在香港聯合交易所有限公司(「聯交所」)上市的申基國際控股有限公司(股份代號：2310)的執行董事兼行政總裁。

標有「*」的英文翻譯名稱或任何中文描述乃僅供識別。

Non-Executive Director

Mr. Liu Kam Lung ("Mr. Liu"), aged 56, previously an executive Director of the Company, was re-designated as a non-executive director of the Company on 16 October 2014. Mr. Liu obtained a Diploma of Business Administration from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in 1990. Mr. Liu was admitted as an associate of The Institute of Chartered Secretaries and Administrators of the United Kingdom, an associate of The Hong Kong Institute of Chartered Secretaries, an associate of Hong Kong Institute of Certified Public Accountants, a fellow of The Association of Chartered Certified Accountants, a full member of the Society of Registered Financial Planners and an associate of the Taxation Institute of Hong Kong in 1993, 1994, 1995, 1999, 2009 and 2010 respectively. Mr. Liu has over 28 years of experience in the financial industry. Mr. Liu is currently the chief executive officer of China Rise Finance Group Company Limited, a subsidiary of Symphony Holdings Limited (stock code: 1223.HK). He is currently also the independent non-executive director and a member of the audit committee, remuneration committee and nomination committee of Lamtex Holdings Limited (Stock code: 1041.HK) since 19 March 2020. Mr. Liu was the independent non-executive director of Pak Tak International Limited (stock code: 2668.HK) for the period from September 2014 to September 2019. Mr. Liu was the independent non-executive director of Enterprise Development Holdings Limited (stock code: 1808.HK) for the period from January 2015 to April 2017. Mr. Liu was a non-executive director of Kith Holdings Limited (stock code: 1201.HK) for the period from October 2010 to June 2013. In addition, from March 2011 to October 2014, Mr. Liu was an executive Director, finance director, company secretary and authorised representative of the Company.

非執行董事

廖金龍先生（「廖先生」），56歲，先前為本公司之執行董事，自2014年10月16日調任為本公司之非執行董事。廖先生於1990年獲香港樹仁學院（現稱為香港樹仁大學）頒授工商管理文憑。廖先生於1993年、1994年、1995年、1999年、2009年及2010年分別獲認可為英國特許秘書及行政人員公會會員、香港特許秘書公會會員、香港會計師公會會員、特許公認會計師公會資深會員、註冊財務策劃師協會正式會員及香港稅務學會會員。廖先生於金融業積逾28年經驗。廖先生現為新灃集團有限公司（股份代號為1223.HK）之附屬公司華晉金融集團有限公司的首席執行官。自2020年3月19日起，彼現亦為林達控股有限公司（股份代號：1041.HK）的獨立非執行董事、審核委員會、薪酬委員會及提名委員會成員。廖先生由2014年9月至2019年9月期間，出任百德國際有限公司（股份代號為2668.HK）的獨立非執行董事。廖先生由2015年1月至2017年4月期間，出任企展控股有限公司（股份代號為1808.HK）的獨立非執行董事。廖先生由2010年10月至2013年6月期間，出任僑威集團有限公司（股份代號為1201.HK）的非執行董事。此外，於2011年3月至2014年10月，廖先生為本公司執行董事、財務總監、公司秘書及授權代表。

Independent Non-Executive Directors

Mr. Cheung Chi Man Dennis ("Mr. Cheung"), aged 52, was appointed as an independent non-executive Director of the Company on 30 April 2015. Mr. Cheung is also the independent non-executive Director of Sanbase Corporation Limited (stock code: 8501.HK), a chairman of audit committee, a member of remuneration committee and a member of the nomination committee. He is also the independent non-executive director of the Prosper Construction Holdings Limited (stock code: 6816.HK), the chairman of the audit committee, a member of the remuneration committee, nomination committee and risk management committee. He was a former independent non-executive director (from November 2005 to October 2008), executive director (from October 2008 to December 2013), chief financial officer (from October 2008 to December 2013) and company secretary (from October 2008 to September 2014) of Peace Map Holding Limited (formerly known as Ming Hing Waterworks Holdings Limited) (stock code: 0402.HK), a company listed on the Main Board of the Stock Exchange. He was also an independent non-executive director of Powerwell Pacific Holdings Limited (stock code: 8265.HK) from September 2010 to September 2014, a company listed on the GEM. Prior to taking up the above-mentioned post of the Company, he was the chief finance officer of the China division of Midland Holdings Limited (stock code: 1200.HK) from November 2004 to November 2008, a company listed on the Main Board of the Stock Exchange. Mr. Cheung has over 25 years of experience in accounting and financial management. He obtained a master's degree in commerce from the University of New South Wales, Australia in April 1993 and a bachelor's degree in mechanical engineering from the University of London, United Kingdom in August 1990. Mr. Cheung is a fellow member of the Hong Kong Institute of Certified Public Accountants and member of The Taxation Institute of Hong Kong.

Mr. Chiu Yu Wang ("Mr. Chiu"), aged 60, was appointed as an independent non-executive Director of the Company on 17 February 2014. He obtained a certificate in Business Studies (Banking) from Lee Wai Lee Technical Institute of the Vocational Training Council Hong Kong in August 1983. He has over 20 years of marketing experience in banking industry. Since May 2010, Mr. Chiu has become a shareholder and a director of Sparkle Well Environmental Lighting Company Limited, which is principally engaged in trading of environmental lighting products. Since 2019, Mr. Chiu has become the sole shareholder and director of Good Karma Marketing Promotion Company Limited, which is principally engaged in general trading business.

獨立非執行董事

張志文先生(「張先生」),52歲,於2015年4月30日獲委任為本公司之獨立非執行董事。張先生亦為莊皇集團公司(股份代號:8501.HK)的獨立非執行董事、審核委員會主席、薪酬委員會成員及提名委員會成員。彼亦為瑞港建設控股有限公司(股份代號:6816.HK)的獨立非執行董事、審核委員會主席、薪酬委員會成員、提名委員會成員及風險管理委員會成員。彼曾擔任天下圖控股有限公司(前稱明興水務控股有限公司)(股份代號為0402.HK,一間於聯交所主板上市的公司)之前獨立非執行董事(自2005年11月至2008年10月)、執行董事(自2008年10月至2013年12月)、財務總監(自2008年10月至2013年12月)及公司秘書(自2008年10月至2014年9月)。自2010年9月至2014年9月,彼亦曾擔任宏峰太平洋集團有限公司(股份代號為8265.HK,一間於GEM上市的公司)之獨立非執行董事。於擔任上述公司職務之前,彼曾自2004年11月至2008年11月擔任美聯集團有限公司(股份代號為1200.HK,一間於聯交所主板上市的公司)中國部財務總監。張先生於會計及財務管理領域擁有逾25年之經驗。彼於1993年4月取得澳洲新南威爾斯大學商學碩士學位,及於1990年8月取得英國倫敦大學機械工程學士學位。張先生為香港會計師公會資深會員及香港稅務學會會員。

趙汝宏先生(「趙先生」),60歲,於2014年2月17日獲委任為本公司之獨立非執行董事。彼於1983年8月取得香港職業訓練局李惠利工業學院商業學(銀行)證書。彼擁有超過20年在銀行業的業務經驗。自2010年5月起,趙先生成為耀佳環保照明有限公司的股東及董事,該公司主要從事環保照明產品的貿易業務。自2019年起,趙先生是善緣市場推廣有限公司唯一股東及董事,該公司主要從事一般貿易業務。

Dr. Gao Jinkang ("Dr. Gao"), aged 56, was appointed as an independent non-executive Director on 3 May 2019. Dr. Gao has over 34 years of experience in the legal field in the PRC. Dr. Gao joined Southwestern University of Finance and Economics in the PRC in July 1985, where he has successively served as an assistant lecturer, lecturer, vice professor and is currently serving as a professor. Dr. Gao also held the positions of deputy head of the faculty of law from March 1994 to May 2000, head of the faculty of law from May 2000 to October 2001, and dean of the school of law from October 2001 to August 2018 at Southwestern University of Finance and Economics. Dr. Gao obtained a bachelor's degree in law from Southwest College of Political Science and Law* (西南政法學院) (currently known as Southwest University of Political Science and Law) in the PRC in July 1985. Dr. Gao received from Southwestern University of Finance and Economics a master's degree in economics in June 1995 and graduated with a doctoral degree in political economy in September 2002. Dr. Gao has been appointed a member of the Advisory Committee in Professional Legal Teaching in Higher Education* (高等學校法學類專業教學指導委員會) of the Ministry of Education of the PRC in October 2018 for a term of four years. He is also a member of council of the China Law Society* (中國法學會) and an arbitrator of the China International Economic and Trade Arbitration Commission.

高晉康博士(「**高博士**」),56歲,於2019年5月3日獲委任為非執行董事。高博士於中國法律界擁有超過34年經驗。高博士於1985年7月加入中國西南財經大學,先後擔任助教、講師、副教授,而目前正擔任教授。高博士亦自1994年3月起至2000年5月於西南財經大學擔任法學系副主任、自2000年5月起至2001年10月擔任法學系主任,並自2001年10月起至2018年8月擔任法學院院長。高博士於1985年7月在中國西南政法學院(現稱西南政法大學)獲得法學學士學位。高博士於1995年6月獲得西南財經大學經濟學碩士學位,並於2002年9月畢業,獲得政治經濟學博士學位。高博士於2018年10月獲委任為中國教育部高等學校法學類專業教學指導委員會成員,為期四年。彼亦為中國法學會理事會成員及中國國際經濟貿易仲裁委員會的仲裁員。

The English translation of names or any descriptions in Chinese which are marked with "*" is for identification purpose only.

標有「*」的英文翻譯名稱或任何中文描述乃僅供識別。

SENIOR MANAGEMENT

Ms. Chan Lok Yin ("Ms. Chan"), aged 35, is an associate of Hong Kong Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Chartered Secretaries. She was the company secretary of Pak Tak International Limited (Stock Code: 2668) during the period from August 2015 to April 2017 and the joint Company Secretary and Authorised Representative of the Company during the period from April 2014 to April 2016 and October 2014 to April 2016 respectively. Ms. Chan is currently the financial controller and company secretary of the Company. She obtained a bachelor's degree of accounting from Edinburgh Napier University in United Kingdom in 2008. Ms. Chan has over 10 years of auditing, accounting, corporate governance and company secretarial experience.

高級管理層

陳樂燕女士(「**陳女士**」),35歲,為香港會計師公會會員及香港特許秘書公會會員。於2015年8月至2017年4月止期間,彼為百德國際有限公司(股份代號:2668)的公司秘書,而於2014年4月至2016年4月止期間及2014年10月至2016年4月止期間,彼分別為本公司的聯席公司秘書及授權代表。陳女士現任本公司財務總監及公司秘書。彼於2008年獲英國愛丁堡龍比亞大學頒授會計學學士學位。陳女士於審計、會計、企業管治及公司秘書方面擁有逾10年經驗。

COMPANY SECRETARY

Ms. Chan Lok Yin is the Company Secretary of the Company. For details of their profile, please refer to the paragraphs headed "Senior Management" under this section.

公司秘書

陳樂燕女士為本公司的公司秘書。有關彼等的履歷詳情，請參閱本節「高級管理層」一段。

COMPLIANCE OFFICER

Mr. Zhang Qing is the compliance officer of the Company. For details of his profile, please refer to the paragraph headed "Executive Directors" under this section.

監察主任

張慶先生為本公司的監察主任。有關其履歷詳情，請參閱本節「執行董事」段內。

DIRECTORS' REPORT
董事會報告

The directors ("Directors") of New Western Group Limited (the "Company") submit herewith their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2019.

新威斯頓集團有限公司(「本公司」)董事(「董事」)謹此呈報本公司及其附屬公司(統稱「本集團」)截至2019年12月31日止年度的年報及經審核綜合財務報表。

PRINCIPAL ACTIVITIES, GEOGRAPHICAL ANALYSIS OF OPERATION AND BUSINESS REVIEW

主要業務、業務的地域分析及業務回顧

The principal activity of the Company is investment holding. The principal activities and other particulars of the Company's subsidiaries are set out in note 38 to the consolidated financial statements. There were no other significant changes in the nature of the Group's principal activities during the year.

本公司的主要業務為投資控股。本公司的附屬公司的主要業務及其他詳情載於綜合財務報表附註38。年內，除上述者外，本集團的主要業務性質並無其他重大改變。

The analysis of geographical locations of the Company and its subsidiaries for the year are set out in note 1 to the consolidated financial statements.

年內，本公司及其附屬公司的地理位置分析載於綜合財務報表附註1內。

The business review of the Company and its subsidiaries for the year can be found in the section of "Management Discussion and Analysis" set out on pages 7 to 17 of this annual report. This discussion forms parts of this Directors' Report.

本公司及其附屬公司年內之業務回顧可參閱載於本年報第7至17頁之「管理層討論及分析」一節。此討論為本董事會報告之一部分。

RESULTS AND APPROPRIATION

業績及分派

The results of the Group for the year ended 31 December 2019 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 67 to 72 of this annual report.

本集團截至2019年12月31日止年度的業績以及本公司及本集團事務於該日的狀況載於本年報第67至72頁的綜合財務報表。

The Directors do not recommend the payment of any dividend for the year ended 31 December 2019.

董事不建議派發截至2019年12月31日止年度之任何股息。

SEGMENT INFORMATION

分部資料

Details of the segment information of the Group for the year ended 31 December 2019 are set out in note 5 to the consolidated financial statements.

本集團於截至2019年12月31日止年度之分部資料詳情載於綜合財務報表附註5。

PROPERTY, PLANT AND EQUIPMENT

物業、廠房及設備

Details of the movements in property, plant and equipment of the Group and the Company during the year are set out in note 16 to the consolidated financial statements.

有關本集團及本公司物業、廠房及設備於年內的變動詳情載於綜合財務報表附註16。

RESERVES

Details of the movements in reserves of the Group and the Company during the year are set out in the "Consolidated Statement of Changes in Equity", note 29(b), and note 37 to the consolidated financial statements respectively.

儲備

有關本集團及本公司儲備於年內的變動詳情分別載於綜合財務報表之「綜合權益變動表」、附註29(b)及附註37。

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 29(a) to the consolidated financial statements.

股本

有關本公司股本於年內的變動詳情載於綜合財務報表附註29(a)。

DISTRIBUTABLE RESERVES

The Company's reserve available for distribution as at 31 December 2019 was approximately HK$118,371,000.

可供分派儲備

本公司於2019年12月31日可供分派的儲備金額約為118,371,000港元。

PRE-EMPTIVE RIGHTS

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

優先購買權

細則或開曼群島法律並無載有優先購買權條文規定本公司須按比例向現有股東發售新股。

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 163 of this annual report.

五年財務概要

本集團最近5個財政年度之業績及資產與負債概要載於本年報第163頁。

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company during 2019 or existed as at 31 December 2019.

股權掛鈎協議

本公司並無於2019年訂立股權掛鈎協議或於2019年12月31日存續。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至2019年12月31日止年度概無購買、出售或贖回任何本公司上市證券。

SHARE OPTION SCHEME

Details of the Share Option Scheme are set out in note 30 to the consolidated financial statements.

購股權計劃

有關購股權計劃詳情載於綜合財務報表附註30。

DIRECTORS

The Directors of the Company during the year were:

Executive Directors

Mr. Zhang Qing *(Chairman)*
Dr. Sung Tak Wing Leo (Note 1)
Mr. Lau Mo (Note 2)

Non-Executive Director

Mr. Liu Kam Lung

Independent Non-Executive Directors

Mr. Cheung Chi Man Dennis
Mr. Chiu Yu Wang
Mr. Ko Yin Wai (Note 3)
Dr. Gao Jinkang (Note 4)

Notes:

1. Dr. Sung Tak Wing Leo resigned as an executive Director and Chief Executive Officer on 22 May 2019.

2. Mr. Lau Mo passed away on 21 December 2019.

3. Mr. Ko Yin Wai retired as an independent non-executive Director on 3 May 2019.

4. Dr. Gao Jinkang was elected as an independent non-executive Director in the annual general meeting of the Company held on 3 May 2019.

Subsequent to the end of the reporting period, on 22 January 2020, Mr. Gan Lin was appointed as an executive director and chief executive officer of the Company.

The Company has received annual confirmations of independence from Mr. Cheung Chi Man Dennis, Mr. Chiu Yu Wang and Dr. Gao Jinkang, and as at the date of this report still considers them to be independent.

董事

於年內,本公司的董事如下:

執行董事

張慶先生*(主席)*
宋得榮博士(附註1)
劉武先生(附註2)

非執行董事

廖金龍先生

獨立非執行董事

張志文先生
趙汝宏先生
高賢偉先生(附註3)
高晉康博士(附註4)

附註:

1. 宋得榮博士於2019年5月22日辭任執行董事及行政總裁。

2. 劉武先生於2019年12月21日離世。

3. 高賢偉先生於2019年5月3日退任獨立非執行董事。

4. 高晉康博士於本公司2019年5月3日舉行的股東週年大會上獲選為獨立非執行董事。

於報告期末後,甘霖先生於2020年1月22日獲委任為本公司執行董事及行政總裁。

本公司已收到來自張志文先生、趙汝宏先生及高晉康博士的年度獨立性確認,且於本報告日期,仍然相信彼等為獨立人士。

ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

Pursuant to article 83(3) of the Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to Article 84(1) of the Articles, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

Pursuant to Article 84(2) of the Articles, a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

In accordance with the above provisions of the Articles, Mr. Liu Kam Lung and Mr. Chiu Yu Wang shall retire from office as Directors by rotation at forthcoming annual general meeting ("the AGM") and being eligible, have agreed to offer themselves for re-election at the AGM. Mr. Gan Lin, who shall hold office until the AGM, being eligible, has also agreed to offer himself for re-election at the AGM.

於應屆股東週年大會上的董事輪任

根據細則第83(3)條，由董事會委任以加入現任董事會之任何董事之任期僅直至本公司下屆股東週年大會為止，並將合資格膺選連任。

根據細則第84(1)條，於本公司各股東週年大會上，當時在任之三分之一董事(或倘人數並非為三(3)之倍數，則為最接近但不少於三分之一之人數)須輪值告退，惟各董事須至少每三年輪值告退一次。

根據細則第84(2)條，退任董事將合資格膺選連任及須繼續於其退任之整個大會期間出任董事。輪值退任董事須包括(在所需範圍內，確定輪值退任董事之數目)有意退任及不願膺選連任之任何董事。其他須輪值退任之董事應為自上次膺選連任或獲委任以來在任時間最長之董事，而於同日獲委任或重選之董事則以抽籤決定退任之人選(除非彼等之間另有協議)。於釐定輪值退任之特定董事或董事數目時，根據細則第83(3)條獲董事會委任之任何董事不應考慮在內。

根據上述細則條文，廖金龍先生及趙汝宏先生應於股東週年大會上輪值退任董事，並符合資格且已同意於應屆股東週年大會(「股東週年大會」)膺選連任。甘霖先生將任職直至股東週年大會為止，並符合資格且已同意於股東週年大會膺選連任。

DIRECTORS' SERVICES CONTRACTS

Each of the independent non-executive Directors and non-executive Director is appointed for an initial term of one year commencing from their respective dates of appointment and shall continue thereafter from year to year until terminated by one month's notice in writing served by either party on the other party.

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

董事服務合約

各獨立非執行董事及非執行董事已獲委任，初始任期由各自的委任日期起計為期一年，並將於其後每年繼續生效，直至其中一方給予對方一個月的書面通知而終止。

擬於應屆股東週年大會上膺選連任之董事概無訂立任何不得於一年內在無需支付任何賠償(法定賠償除外)之情況下由本集團終止之服務合約。

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

Saved as disclosed in the sections headed "Connected Transactions" of this report, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its controlling shareholder or any of its subsidiaries or fellow subsidiaries was a party or in which a Director or the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

董事於有關本公司業務之重大交易、安排及合約的重大權益

除本報告「關聯交易」一節所披露者外，概無有關本集團業務而本公司、其控股股東或其任何附屬公司或同系附屬公司為其中一名訂約方或董事或董事之關連方於當中擁有重大利益(不論直接或間接)之其他重大交易、安排或合約，於年末或於截至2019年12月31日止年度內任何時間存續。

PROFILES OF DIRECTORS AND SENIOR MANAGEMENT

Profiles of the Directors and senior management of the Group are set out on pages 42 to 46 of this annual report.

董事及高級管理人員的履歷

本集團董事及高級管理人員的履歷資料載於本年報第42至46頁。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee which takes into account their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

Furthermore, the Company has adopted the share option scheme to reward participants for their contribution to the Group.

酬金政策

本集團僱員的酬金政策由薪酬委員會按其表現、資歷及能力而訂立。

董事的酬金由薪酬委員會經考慮本公司的經營業績、個人表現及可比較市場統計數據而釐定。

此外，本公司已採納購股權計劃以獎勵為本集團帶來貢獻的參與者。

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in note 12 to the consolidated financial statements.

董事及五名最高酬金人士的薪酬

有關董事及五名最高酬金人士的薪酬詳情載於綜合財務報表附註12。

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are set out in note 3 to the consolidated financial statements.

退休福利計劃

有關本集團的退休福利計劃詳情載於綜合財務報表附註3。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

董事及最高行政人員於本公司或任何相聯法團股份、相關股份及債權證的權益及淡倉

As at 31 December 2019, the interests and short position of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (b) to be and were entered in the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.68 of the GEM Listing Rules, were as follows:

於2019年12月31日，本公司董事及最高行政人員於本公司及其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中擁有(a)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該等條款彼等被當作或視為持有之權益及淡倉)，或(b)根據證券及期貨條例第352條須登記於由本公司存置之登記冊內的權益及淡倉；或(c)根據GEM上市規則第5.46至5.68條規定須另行知會本公司及聯交所的權益及淡倉如下：

Long and Short Positions

好倉及淡倉

Ordinary shares and underlying share of the Company

本公司的普通股股份及相關股份

Name of Directors 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of the Company's issued ordinary shares held (Note 1) 所持本公司已發行普通股股份數目(附註1)	Approximate percentage of total issued shares capital of the Company (Note 2) 佔本公司已發行股本總數的概約百分比(附註2)
Executive Directors **執行董事**			
Mr. Zhang Qing 張慶先生	Personal interest 個人權益	4,000,000 (L) 4,000,000(好)	0.29%

Notes:

1. The number of the Company's total issued ordinary shares as at 31 December 2019 was 1,397,782,400. The letter "L" denotes long positions in the shares and underlying shares of the Company.

2. The percentages are calculated on the basis of 1,397,782,400 ordinary shares of the Company in issues as at 31 December 2019.

附註：

1. 於至2019年12月31日，本公司已發行普通股總數為1,397,782,400股。「好」指於本公司股份及相關股份之好倉。

2. 百分比乃根據於2019年12月31日本公司已發行之1,397,782,400股普通股所計算。

Save as disclosed above, as at 31 December 2019, so far as is known to the Directors or Chief Executive Officer of the Company, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required 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 (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

除上文所披露外，於2019年12月31日，就本公司董事或行政總裁所知，概無本公司之董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份或債權證中擁有(a)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或淡倉(包括根據證券及期貨條例該等條款彼等被當作或視為持有之權益及淡倉)，或(b)根據證券及期貨條例第352條登記於該條所指登記冊內的權益或淡倉，或(c)根據GEM上市規則第5.46至5.68條規定須另行知會本公司及聯交所之權益或淡倉。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2019 was the Company or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

收購股份或債權證的安排

於截至2019年12月31日止年度內任何時間內，本公司或其任何附屬公司或同系附屬公司概無作為一方參與任何安排，致令董事可藉購入本公司或任何其他法團的股份或債權證而獲得利益。

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

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

As at 31 December 2019, so far as is known to the Directors or Chief Executive Officer of the Company, the following persons or corporations (other than a director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to 336 of the SFO:

就本公司任何董事或行政總裁所知,於2019年12月31日,如本公司根據證券及期貨條例第336條存置的登記冊記錄,以下人士或公司(除本公司的董事或最高行政人員外)擁有本公司股份及相關股份的權益或淡倉:

Long and Short Positions

好倉及淡倉

Ordinary shares of the Company

本公司的普通股股份

Name of shareholders 股東姓名/名稱	Capacity/Nature of interests 身份/權益性質	Total number of the Company's issued ordinary shares held (Note 1) 所持本公司已發行普通股股份總數(附註1)	Approximate percentage of total issued share capital of the Company 佔本公司已發行股本總數的概約百分比
Champsword Limited	Beneficial owner (Note 2) 實益擁有人(附註2)	810,400,526 (L) 800,400,526 (S) 810,400,526(好) 800,400,526(淡)	57.98% 57.26%
Mr. Lau Mo (passed away on 21 December 2019) 劉武先生(於2019年12月21日離世)	Interest of a controlled corporation (Note 2) 受控制法團權益(附註2)	810,400,526 (L) 800,400,526 (S) 810,400,526(好) 800,400,526(淡)	57.98% 57.26%
Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP) ("Qilu") Qilu International Funds SPC(為及代表Zhongtai Dingfeng Classified Fund SP行事)(「Qilu」)	Person having a security interest in shares (Note 3) 於股份擁有抵押權益的人士(附註3)	800,400,526 (L) 800,400,526(好)	57.26%
Zhongtai International Asset Management Limited 中泰國際資產管理有限公司	Investment manager (Note 4) 投資經理(附註4)	800,400,526 (L) 800,400,526(好)	57.26%

Notes:

1. The number of the Company's total issued ordinary shares as at 31 December 2019 was 1,397,782,400. The letter "L" denotes long positions in the shares and underlying shares of the Company and the letter "S" denotes short positions in the shares and underlying shares of the Company.

2. The percentages are calculated on the basis of 1,397,782,400 ordinary shares of the Company in issues as at 31 December 2019.

3. Mr. Lau Mo (passed away on 21 December 2019) is the beneficial owner of all of the issued share capital of Champsword Limited, and is therefore deemed to be interested in the 800,400,526 ordinary shares of the Company in which Champsword Limited is beneficially interested. As disclosed in the announcement of the Company dated 16 November 2019, Champsword Limited had executed on 13 November 2019 a charge over its 800,400,526 ordinary shares of the Company in favour of Zhongtai Financial Investment Limited as security for certain senior secured note issued by Champsword Limited and subscribed by Zhongtai Financial Investment Limited. Zhongtai Financial Investment Limited thus has security interest over these shares.

4. Zhongtai International Asset Management Limited is the fund manager of Qilu, as such it is deemed to be interested in all the shares Qilu is interested pursuant to the SFO.

Save as disclosed above, as at 31 December 2019, so far as is known to the Directors and Chief Executive Officer of the Company, and based on the public records filed on the website of Hong Kong Exchanges and Clearing Limited and records kept by the Company, no other persons or corporations (other than Directors and Chief Executive Officer of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

附註：

1. 於2019年12月31日，本公司已發行普通股總數為1,397,782,400股。「好」指於本公司股份及相關股份之好倉，「淡」指於本公司股份及相關股份之淡倉。

2. 百分比乃根據於2019年12月31日本公司已發行之1,397,782,400股普通股所計算。

3. 劉武先生(於2019年12月21日離世)為Champsword Limited全部已發行股本之實益擁有人，因此被視為擁有Champsword Limited實益擁有的800,400,526股本公司普通股之權益。誠如本公司日期為2019年11月16日之公告所披露，Champsword Limited於2019年11月13日以中泰金融投資有限公司為受益人簽立一項以本公司800,400,526股普通股作出的押記，作為Champsword Limited所發行並由中泰金融投資有限公司認購的若干優先有抵押票據的抵押品。因此，中泰金融投資有限公司於該等股份中擁有抵押權益。

4. 中泰國際資產管理有限公司為Qilu的基金經理，因此根據證券及期貨條例被視為於Qilu擁有的所有股份中擁有權益。

除上文所披露外，於2019年12月31日，就本公司董事及行政總裁所知，以及基於香港交易及結算所有限公司網站上備案的公共記錄及本公司保存的記錄，概無其他人士或法團(本公司董事或行政總裁除外)根據本公司按照證券及期貨條例第336條所存置之登記冊記錄於本公司股份或相關股份中擁有權益或淡倉。

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year are as follows:

主要客戶及供應商

本集團的主要客戶及供應商分別應佔年內銷售及採購的資料如下：

		Sales 銷售	Purchases 採購
The largest customer	最大客戶	9%	N/A不適用
Five largest customers in aggregate	五大客戶合計	33%	N/A不適用
The largest supplier	最大供應商	N/A不適用	35%
Five largest suppliers in aggregate	五大供應商合計	N/A不適用	70%

Save as disclosed in this annual report and to the best knowledge of the Directors, none of the Directors, their close associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) has any interest in the Group's five largest customers or suppliers during the year ended 31 December 2019.

除本年報所披露者外及據董事所深知，截至2019年12月31日止年度，董事、彼等之緊密聯繫人或任何就董事所知擁有本公司股本逾5%之股東概無擁有於本集團五大客戶或供應商的任何權益。

MANAGEMENT CONTRACTS

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

管理合約

本年度內，本公司並無就全盤或其中任何重大部分業務的管理及行政事宜訂立或存有任何合約。

CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2019 are disclosed in note 34 to the consolidated financial statements, which do not fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 20 of the GEM Listing Rules.

關連交易

本集團於截至2019年12月31日止年度訂立之重大關連人士之交易於綜合財務報表附註34披露，其並不符合GEM上市規則第20章的「關連交易」或「持續關連交易」的定義。

SUFFICIENCY OF PUBLIC FLOAT

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

足夠公眾持股量

根據本公司所獲得之公開資料及就董事所知，於本報告日期，本公司的總發行股本至少有25%由公眾持有。

INTEREST IN A COMPETING BUSINESS

During the year ended 31 December 2019, none of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group or any other conflicts of interest with the Group.

於競爭業務的權益

截至2019年12月31日止年度，董事、本公司的控股股東及彼等各自的緊密聯繫人(定義見GEM上市規則)概無於任何與本集團業務直接或間接構成或可能構成競爭的業務中擁有任何權益，或與本集團有任何其他利益衝突。

PERMITTED INDEMNITY PROVISION

The Company has taken out and maintained directors' liability insurance which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

At no time during the year 2019 and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors and directors of the subsidiaries of the Group.

獲准許彌償條文

本公司已投購及維持董事之責任保險，其為董事及本集團附屬公司之董事提供充分保障。

於2019年內所有時間及直至本報告日期，概無為任何董事及本集團附屬公司董事之利益而生效的任何獲准許彌償條文。

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

On 13 November 2018, Champsword Limited, the controlling shareholder of the Company which is wholly-owned by Mr. Lau Mo (passed away on 21 December 2019), a former executive Director who passed away on 21 December 2019, executed a charge over its 800,400,526 ordinary shares in the issued share capital of the Company (representing approximately 57.26% of the issue share capital of the Company) in favour of Zhongtai Financial Investment Limited as security for certain senior secured note issued by Champsword Limited and subscribed by Zhongtai Financial Investment Limited. Zhongtai Financial Investment Limited is an entity independent of the Company and its connected persons (as defined in the GEM Listing Rules). As at the date of this report, the said charge has not been released.

For further details of aforesaid transaction and Mr. Lau Mo (passed away on 21 December 2019), please refer to the announcement of the Company dated 16 November 2018 and dated 22 December 2019 respectively.

控股股東質押股份

於2018年11月13日，本公司控股股東Champsword Limited(由於2019年12月21日離世的前任執行董事劉武先生(於2019年12月21日離世)全資擁有)以中泰金融投資有限公司為受益人簽立一項以本公司已發行股本中800,400,526股普通股(相當於本公司已發行股本約57.26%)作出的押記，作為Champsword Limited所發行並由中泰金融投資有限公司認購的若干優先有抵押票據的抵押品。中泰金融投資有限公司為一間獨立於本公司及其關連人士(定義見GEM上市規則)的實體。於本報告日期，上述押記仍未獲解除。

有關上述交易及劉武先生(於2019年12月21日離世)的進一步詳情，請參閱本公司分別日期為2018年11月16日及2019年12月22日的公告。

SIGNIFICANT EVENTS AFTER REPORTING PERIOD

After the outbreak of Coronavirus Disease (COVID-19) in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country/region. The Group will pay close attention to the development of the epidemic and evaluate its impact on the financial position and operating results of the Group. As at the date of this report, the Group was not aware of any material adverse effects on the financial statements as a result of the epidemic. Except for disclosed, there were no significant events after the year ended 31 December 2019 and up to the date of this report.

報告期後重大事項

於2020年年初爆發2019冠狀病毒病(2019冠狀病毒病)之後，已於全國／地區實施並繼續實施一系列預防及控制措施。本集團將密切關注疫情的發展，並評估其對本集團財務狀況及經營業績的影響。於本報告日期，本集團並不知悉因疫情而對財務報表造成任何重大不利影響。除披露者外，截至2019年12月31日止年度後及直至本報告日期，並無發生任何重大事項。

CORPORATE GOVERNANCE REPORT

A corporate governance report is set out on pages 18 to 41 of this annual report. Mr. Zhang Qing whose biographical details are set out on page 42 of this report, is the Compliance Officer of the Company and Ms Chan Lok Yin whose biographical details are set out on page 45 of this annual report, is the Company Secretary of the Company.

企業管治報告

企業管治報告載於本年報第18至41頁。張慶先生(其履歷詳情刊載於本年報第42頁)為本公司之監察主任，而陳樂燕女士(其履歷詳情刊載於本年報第45頁)為本公司之公司秘書。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environmental, Social and Governance Report of the Company prepared in accordance with Appendix 20 to the GEM Listing Rules will be published within three months after the publication of this annual report.

環境、社會及管治報告

本公司根據GEM上市規則附錄20編製的本公司環境、社會及管治報告將於本年報刊發後的三個月內刊發。

AUDITOR

During the year of 2019, CF Partners Limited resigned as auditors of the Company with effect from 31 July 2019 and Baker Tilly Hong Kong Limited was appointed by the directors to fill the casual vacancy so arising. JH CPA Alliance Limited retired as auditors of the company at the annual general meeting 2018. Excepted for disclosed, there have been no other changes of auditors in the past three years. A resolution for the reappointment of Baker Tilly Hong Kong Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Mr. Zhang Qing
Chairman

Hong Kong, 23 March 2020

核數師

於2019年，闊範會計師事務所有限公司於2019年7月31日辭任本公司核數師一職，而天職香港會計師事務所有限公司獲董事委任為本公司核數師以填補空缺。晉華會計師事務所有限公司於2018年股東週年大會上退任本公司核數師。除所披露者外，核數師於過去三年間並無變動。有關重新委任天職香港會計師事務所有限公司為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

張慶先生
主席

香港，2020年3月23日

bakertilly
天職國際

TO THE MEMBERS OF NEW WESTERN GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

致新威斯頓集團有限公司股東
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of New Western Group Limited (the "Company") and its subsidiaries (collectively referred to as, the "Group") set out on pages 67 to 162, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

意見

吾等已審核列載於第67至162頁新威斯頓集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此等綜合財務報表包括於2019年12月31日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2019年12月31日的綜合財務狀況以及截至該日止年度的綜合財務表現和綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

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") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見基礎

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」)進行審核。根據該等準則，吾等的責任於本報告核數師就審核綜合財務報表的責任一節中進一步詳述。根據香港會計師公會專業會計師道德守則(「守則」)連同開曼群島有關審核綜合財務報表的任何道德要求，吾等獨立於 貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證足夠及能適當地為吾等的意見提供基礎。

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.

關鍵審核事項

關鍵審核事項為吾等的專業判斷中，審核本期間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。

Key Audit Matter

Impairment of Goodwill

Refer to significant accounting policies in note 3, key sources of estimation uncertainty in note 4 and disclosures of goodwill in note 18 to the consolidated financial statements.

As at 31 December 2019, the Group's goodwill amounted to approximately HKD137,448,000, allocated to the Group's Cash Generating Units ("CGUs") relating to the Group's PRC property management business in Note 18 to the consolidated financial statements.

Management has performed impairment assessments to determine the recoverable amounts of the goodwill at the end of the reporting period. The recoverable amounts of the goodwill is determined based on value-in-use calculations using the discounted cash flow model.

The calculation involved significant management judgements, estimates and assumptions on the future business plan of the PRC property management business, and sales price, operating cost, taxes and capital expenditures of the respective CGU to which the goodwill was allocated and also the applicable pre-tax discount rates.

We focused on this matter due to the significance of goodwill and also given the relevant key assumptions applied in the goodwill assessment involved significant management estimates and judgements.

關鍵審核事項

商譽減值

請參閱綜合財務報表附註3主要會計政策、附註4估計不確定因素的主要來源及附註18商譽披露。

於2019年12月31日， 貴集團的商譽約為137,448,000港元，其分配至 貴集團的現金產生單位（「現金產生單位」），與 貴集團於綜合財務報表附註18的中國物業管理業務有關。

管理層已進行減值評估，以釐定商譽於報告期末的可收回金額。商譽的可收回金額乃使用貼現現金流量模式按使用價值計算釐定。

該計算涉及商譽所獲分配的各現金產生單位的中國物業管理業務的未來業務計劃、銷售價格、經營成本、稅項及資本開支以及適用稅前貼現率的重大管理層判斷、估計及假設。

由於商譽的重要性以及鑒於商譽評估中應用的相關主要假設涉及重大管理層估計及判斷，故吾等專注於該事項。

Key Audit Matter	關鍵審核事項
How our audit addressed the Key Audit Matter	***吾等進行審核時如何處理關鍵審核事項***

Our audit procedures in relation to the impairment assessment of goodwill included:

- Evaluated the methodology and estimate used by management in the discounted cash flow models based on value-in-use of the respective CGU and tested the mathematical accuracy;
- Checked, on sample basis, the accuracy of the input data used by management in the impairment assessment by agreeing to the underlying supporting and source documents;
- Assessed the reasonableness of the key assumptions used in the discounted cash flow models (mainly including future business plan of the PRC property management business, sales price, operating cost, taxes and capital expenditures of the respective CGU) and comparing with market and historical data and approved budgets and growth rates for the respective CGU;
- Assessed the reasonableness of the discount rate used in the discounted cash flow models by comparing to the applicable range of discount rates being developed based on the financial information of certain comparable peer companies; and
- Evaluated the sensitivity analysis prepared by the Group on the key assumptions, and assessed the potential impact of a range of possible outcomes.

吾等有關商譽減值評估的審核程序包括：

- 根據各現金產生單位的使用價值評估管理層在貼現現金流量模式中使用的方法及估計及測試運算準確度；
- 通過抽樣方式對比管理層在減值評估中使用的輸入數據與相關支持及原始文件檢查其準確度；
- 與各現金產生單位的市場及歷史數據及經批准的預算及增長率進行比較，評估貼現現金流量模式使用的主要假設(主要包括各現金產生單位的中國物業管理業務的未來業務計劃、銷售價格、經營成本、稅項及資本開支)的合理性；
- 通過與基於若干可比較同類公司財務資料得出的適用貼現率範圍進行比較，評估貼現現金流量模式中使用的貼現率的合理性；及
- 評估　貴集團基於主要假設編製的敏感度分析，並評估可能結果範圍的潛在影響。

Key Audit Matter	關鍵審核事項
Impairment assessment of loan receivables	***應收貸款減值評估***
Refer to the significant accounting policies in note 3, key sources of estimation uncertainty in note 4 and disclosures of loan receivables in note 21 to the consolidated financial statements.	*請參閱綜合財務報表附註3主要會計政策、附註4估計不確定因素的主要來源及附註21應收貸款披露。*
Under the adoption of HKFRS 9, the measurement of forward-looking expected credit loss ("ECL") requires the application of significant judgement and increased complexity which include the identification of exposures with a significant deterioration in credit quality, and assumptions used in the ECL models for exposures assessed individually, such as the expected future cash flows and forward-looking macroeconomic factors.	根據採納香港財務報告準則第9號,計量前瞻性預期信貸虧損(「預期信貸虧損」)需要應用重大判斷且更高複雜性,其中包括識別信貸質素出現明顯惡化的風險及就個別評估的風險於預期信貸虧損模式所用的假設,例如預期未來現金流量及前瞻性宏觀經濟因素。
We focused on this area because the carrying amount of loans receivables amounted to approximately HK$122,876,000 (net of allowances) representing approximately 39% which is significant to the consolidated financial statements, the identification of whether exposures triggered deterioration in credit quality and the estimation of the individual impairment amount requires the use of significant judgments, estimates and forward looking information.	吾等專注於此範疇,乃由於應收貸款的賬面值約為122,867,000港元(扣除撥備),約佔39%對綜合財務報表而言屬重大,而識別風險是否觸發信貸質素惡化及估計個別減值金額均須使用重大判斷、估計及前瞻性資料。
How our audit addressed the Key Audit Matter	***吾等進行審核時如何處理關鍵審核事項***
Our audit procedures in relation to the impairment assessment of loan receivables included:	吾等有關應收貸款減值評估的審核程序包括:
– Understood, evaluated and validated the Group's internal controls over impairment assessment of loans receivables, which relates to management's identification of events that triggered the provision for ECL of loans receivables and estimation of the amount of provisions involved;	– 了解、評估及驗證本集團對應收貸款的減值評估的內部控制,其與管理層認為引致應收貸款預期信貸虧損撥備的事件及估計涉及撥備金額相關;
– Inspected the original loans and assets pledged agreements entered into between the Group and the borrowers, and other relevant information relating to the borrowers as assessed by the Group;	– 檢閱 貴集團與借款人訂立的原貸款及資產抵押協議以及 貴集團評估與借款人有關的其他相關資料;
– Circulated auditor's confirmations to test the existence of the loans receivables as at the end of the reporting period and checked the accuracy of the aging of loans receivables as at the end of the reporting period by tracing to loan agreements and the underlying accounting record; and	– 發出核數師確認函,以測試應收貸款於報告期末的存在情況及通過追查貸款協議及相關會計記錄,檢查應收貸款於報告期末賬齡的準確度;及
– Assessed the reasonableness of the Group's calculation of the ECL model and the criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL provision matrix model which includes the past overdue records, historical settlement patterns and assessment of the probability of the recoverability of the loans receivables with reference to borrowers' interest repayment records and principal repayment records subsequent to the year end date and up to the date of this report, and traced the repayments to the bank statements.	– 倘金融資產的信貸風險及虧損撥備明顯增加而應按生命週期預期信貸虧損撥備矩陣模式(包括過往逾期記錄、歷史結算模式及對應收貸款可收回能力的評估)計量,評估 貴集團計算預期信貸虧損模式及評估準則的合理性,及借款人於年度結算日後及直至本報告日期的利息償還記錄及本金償還記錄,評估應收貸款的可收回程度,並就還款追查銀行結單。

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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.

綜合財務報表及核數師報告以外的資料

董事須對其他資料負責。其他資料包括年報所載資料，惟不包括綜合財務報表及吾等就此發出的核數師報告(「其他資料」)。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不會就其發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等無需報告任何事項。

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

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

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

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

董事及管治層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，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，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。

管治層須負責監督　貴集團的財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表須承擔的責任

吾等的目標是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。本報告僅向 閣下(作為整體)作出，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果按合理預期而錯誤陳述個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，吾等運用了職業判斷，保持了職業懷疑態度。吾等亦：

– 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及取得充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。

– 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對 貴集團內部控制的有效性發表意見。

– 評價董事所採用會計政策的合適性及作出會計估計及相關披露資料的合理性。

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對 貴集團持續經營的能力構成重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者關注綜合財務報表中的相關披露資料，或倘有關披露資料不足，則吾等須修訂吾等之意見。吾等的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。

- 評估綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事項。

- 就 貴集團實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行 貴集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

吾等與管治層溝通計劃審核範圍、審核時間安排、重大審核發現等事項，包括吾等於審核期間識別出內部控制的任何重大缺陷。

吾等亦向管治層提交聲明，說明吾等已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響吾等獨立性的關係及其他事項，以及(倘適用)相關的防範措施。

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

就與管治層溝通的事項而言，吾等釐定哪些事項對審核本期間綜合財務報表最為重要，因而構成關鍵審核事項。吾等於核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期於吾等報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，吾等將不會在此等情況下在報告中溝通該事項。

The engagement director on the audit resulting in this independent auditor's report is Choi Kwong Yu.

出具本獨立核數師報告的審核項目董事為蔡光裕。

Baker Tilly Hong Kong Limited
Certified Public Accountants
2nd Floor, 625 King's Road, North Point
Hong Kong, 23 March 2020

Choi Kwong Yu
Practising Certificate Number P05071

天職香港會計師事務所有限公司
執業會計師
北角英皇道625號2樓
香港，2020年3月23日

蔡光裕
執業證書編號P05071

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2019
截至2019年12月31日止年度

		Note 附註	2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Revenue	**收益**	6	**62,335**	76,328
Cost of sales and services	銷售及服務成本		**(23,161)**	(26,413)
Gross profit	**毛利**		**39,174**	49,915
Other income	其他收入	7	**2,235**	1,140
Other net gains/(losses)	其他收益／(虧損)淨額	8	**202**	(40)
(Impairment losses)/reversal of impairment losses of trade and loan receivables	應收貿易賬款及應收貸款的（減值虧損）／減值虧損撥回	9	**(31,422)**	13
Administrative expenses	行政開支		**(27,680)**	(32,569)
Finance cost	財務費用	10	**(429)**	–
(Loss)/profit before tax	**除稅前(虧損)／溢利**	11	**(17,920)**	18,459
Income tax expense	所得稅開支	13	**(2,164)**	(3,938)
(Loss)/profit for the year	**年內(虧損)／溢利**		**(20,084)**	14,521
Other comprehensive expenses, net of nil tax	**其他全面開支，扣除零稅項**			
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：			
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額		**(855)**	(1,237)
Total comprehensive (expense)/income for the year	**年內全面(開支)／收益總額**		**(20,939)**	13,284
(Loss)/profit for the year attributable to:	**應佔年內(虧損)／溢利：**			
– Owners of the Company	– 本公司擁有人		**(18,675)**	15,529
– Non-controlling interests	– 非控股權益		**(1,409)**	(1,008)
			(20,084)	14,521
Total comprehensive (expense)/income for the year attributable to:	**應佔年內全面(開支)／收益總額：**			
– Owners of the Company	– 本公司擁有人		**(19,525)**	14,305
– Non-controlling interests	– 非控股權益		**(1,414)**	(1,021)
			(20,939)	13,284

			2019 2019年 HK cents 港仙	2018 2018年 HK cents 港仙
(Loss)/earnings per share attributable to:	應佔每股(虧損)／盈利：			
– Owner of the Company	– 本公司擁有人			
– Basic and diluted	– 基本及攤薄	15	**(1.34)**	1.11

The accompanying notes are an integral part of these financial statements.　隨附的附註為此等財務報表的組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

AT 31 DECEMBER 2019
於2019年12月31日

		Note 附註	2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	16	**1,139**	3,444
Right-of-use assets	使用權資產	17	**4,591**	–
Goodwill	商譽	18	**137,448**	137,448
Loan receivables	應收貸款	21	**9,000**	–
			152,178	140,892
Current assets	**流動資產**			
Inventories	存貨	19	**816**	3,752
Trade receivables	應收貿易賬款	20	**6,253**	5,763
Loan receivables	應收貸款	21	**113,876**	98,678
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	22	**2,210**	1,908
Tax recoverable	可收回稅項		**305**	–
Bank balances and cash	銀行結餘及現金	23	**42,091**	89,835
			165,551	199,936
Current liabilities	**流動負債**			
Trade payables	應付貿易賬款	24	**392**	1,698
Other payables and accruals	其他應付及應計款項	25	**5,073**	3,615
Contract liabilities	合約負債	26	**1,691**	2,732
Lease liabilities	租賃負債	27	**1,894**	–
Amount due to a holder of non-controlling interests	應付一位非控股權益持有人之款項	28	**–**	1,300
Tax payables	應付稅項		**–**	4,691
			9,050	14,036
Net current assets	**流動資產淨額**		**156,501**	185,900
Total assets less current liabilities	**資產減流動負債總額**		**308,679**	326,792
Non-current liability	**非流動負債**			
Lease liabilities	租賃負債	27	**2,826**	–
Net assets	**資產淨額**		**305,853**	326,792

		Note 附註	**2019 2019年 HK$'000 千港元**	2018 2018年 HK$'000 千港元
Capital and reserves	**資本及儲備**	29		
Share capital	股本		**139,778**	139,778
Reserves	儲備		**165,636**	185,161
Equity attributable to owners of the Company	本公司擁有人應佔權益		**305,414**	324,939
Non-controlling interests	非控股權益		**439**	1,853
Total equity	**權益總額**		**305,853**	326,792

The consolidated financial statements were approved and authorised for issue by the board of directors on 23 March 2020 and are signed on its behalf by:

綜合財務報表已於2020年3月23日獲董事會批准及授權刊發，並由下列董事代表簽署：

Zhang Qing
張慶
Director
董事

Gan Lin
甘霖
Director
董事

The accompanying notes are an integral part of these financial statements.

隨附的附註為此等財務報表的組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2019
截至2019年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital 股本 HK$'000 千港元	Share premium 股份溢價 HK$'000 千港元	Merger reserve 合併儲備 HK$'000 千港元	Statutory reserve 法定儲備 HK$'000 千港元	Exchange reserve 匯兑儲備 HK$'000 千港元	Retained profits 保留溢利 HK$'000 千港元	Subtotal 小計 HK$'000 千港元	Non-controlling interests 非控股權益 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 31 December 2017	**於2017年12月31日**	139,778	148,287	17,941	508	546	3,582	310,642	2,699	313,341
Impact of adoption HKFRS 9	採納香港財務報告準則第9號之影響	–	–	–	–	–	(8)	(8)	(5)	(13)
At 1 January 2018 (restated)	於2018年1月1日（經重列）	139,778	148,287	17,941	508	546	3,574	310,634	2,694	313,328
Profit for the year	年內溢利	–	–	–	–	–	15,529	15,529	(1,008)	14,521
Other comprehensive expenses for the year:	年內其他全面開支：									
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兑差額	–	–	–	–	(1,224)	–	(1,224)	(13)	(1,237)
Total comprehensive (expense)/income for the year	年內全面(開支)／收益總額	–	–	–	–	(1,224)	15,529	14,305	(1,021)	13,284
Capital contributions from non-controlling interests	來自非控股權益之注資	–	–	–	–	–	–	–	180	180
At 31 December 2018 and 1 January 2019	**於2018年12月31日及2019年1月1日**	**139,778**	**148,287**	**17,941**	**508**	**(678)**	**19,103**	**324,939**	**1,853**	**326,792**
Loss for the year	年內虧損	**–**	**–**	**–**	**–**	**–**	**(18,675)**	**(18,675)**	**(1,409)**	**(20,084)**
Other comprehensive expenses for the year:	年內其他全面開支：									
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兑差額	**–**	**–**	**–**	**–**	**(850)**	**–**	**(850)**	**(5)**	**(855)**
Total comprehensive expense for the year	年內全面開支總額	**–**	**–**	**–**	**–**	**(850)**	**(18,675)**	**(19,525)**	**(1,414)**	**(20,939)**
Transfer to statutory reserve	轉移至法定儲備	**–**	**–**	**–**	**51**	**–**	**(51)**	**–**	**–**	**–**
At 31 December 2019	**於2019年12月31日**	**139,778**	**148,287**	**17,941**	**559**	**(1,528)**	**377**	**305,414**	**439**	**305,853**

The accompanying notes are an integral part of these financial statements. 隨附的附註為此等財務報表的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2019
截至2019年12月31日止年度

		Note 附註	2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Cash flows from operating activities	**來自經營活動之現金流量**			
(Loss)/profit before tax	除稅前(虧損)╱溢利		**(17,920)**	18,459
Adjustments for:	經調整下列各項：			
Bank interest income	銀行利息收入	7	**(8)**	(12)
Interest expense on lease liabilities	租賃負債之利息開支	10	**429**	–
Depreciation on property, plant and equipment	物業、廠房及設備折舊	11	**628**	1,508
Depreciation on right-of-use assets	使用權資產折舊	11	**2,874**	–
Loss/(gain) on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損╱(收益)淨額	8	**25**	(1)
Gain on lease modification and loss of termination of lease, net	租賃修訂收益及終止租賃虧損淨額	8	**(225)**	–
Provision for slow-moving and obsolete inventories	滯銷及過時存貨撥備	11	**6**	69
Impairment losses/(reversal of impairment losses) of trade and loan receivables	應收貿易賬款及應收貸款的減值虧損╱(減值虧損撥回)	9	**31,422**	(13)
Operating cash flows before working capital	**營運資金前經營現金流量**		**17,231**	20,010
Decrease/(increase) in inventories	存貨減少╱(增加)		**2,930**	(254)
Increase in trade receivables	應收貿易賬款增加		**(1,692)**	(1,656)
(Increase)/decrease in loan receivables	應收貸款(增加)╱減少		**(54,418)**	36,744
(Increase)/decrease in other receivables, deposits and prepayments	其他應收款項、按金及預付款項(增加)╱減少		**(302)**	705
(Decrease)/increase in trade payables	應付貿易賬款(減少)╱增加		**(1,306)**	406
Increase in other payables and accruals	其他應付及應計款項增加		**1,458**	461
(Decrease)/increase in contract liabilities	合約負債(減少)╱增加		**(1,041)**	231
(Decrease)/increase in amount due to a holder of non-controlling interest	應付一位非控股權益持有人之款項(減少)╱增加		**(1,300)**	1,300
Cash (used in)/generated from operations	(用於)╱來自經營之現金		**(38,440)**	57,947
Income tax paid	已付所得稅		**(7,170)**	(4,363)
Net cash (used in)/generated from operating activities	**(用於)╱來自經營活動之現金淨額**		**(45,610)**	53,584

		Note 附註	2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Cash flows from investing activities	**來自投資活動之現金流量**			
Payment for purchase of property, plant and equipment	購買物業、廠房及設備之付款		(854)	(1,703)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		2,504	1
Bank interest received	已收銀行利息		8	12
Net cash generated from/(used in) investing activities	**來自╱(用於)投資活動之現金淨額**		1,658	(1,690)
Cash flows from financing activities	**來自融資活動之現金流量**			
Capital contributions from non-controlling interests	非控股權益注資		–	180
Interest element of lease liabilities paid	已付租賃負債的利息部分	33	(429)	–
Capital element of lease rental paid	已付租賃租金的資本部分	33	(2,517)	–
Net cash (used in)/generated from financing activities	**(用於)╱來自融資活動之現金淨額**		(2,946)	180
Net (decrease)/increase in cash and cash equivalents	**現金及現金等價物(減少)╱增加淨額**		(46,898)	52,074
Cash and cash equivalents at 1 January	**於1月1日的現金及現金等價物**		89,835	39,013
Effect of foreign exchange rate changes, net	**外匯匯率變動之影響淨額**		(846)	(1,252)
Cash and cash equivalents at 31 December	**於12月31日的現金及現金等價物**		42,091	89,835

The accompanying notes are an integral part of these financial statements.

隨附的附註為此等財務報表的組成部分。

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 31 March 2011, as an exempted company with limited liability under the Companies Law Cap. 22 of the Cayman Islands. The address of its registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. The address of its principal place of business is Suite 2101, 21/F, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company referred to as the "Group") are: (1) the provision of integrated circuit ("IC") solutions and the design, development and sales of ICs; (2) money lending business in Hong Kong through the provision of unsecured and secured loans to customers, including individuals and corporations under the provisions of the Money Lenders Ordinance; and (3) the provision of investment and planning consulting service, real estate agent, property management services and car parking management services in the People's Republic of China (the "PRC").

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

1. 一般資料

本公司於2011年3月31日根據開曼群島第22章公司法在開曼群島註冊成立為一間獲豁免有限責任公司。本公司註冊辦事處地址為 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands。其主要營業地址為香港灣仔告士打道178號華懋世紀廣場21樓2101室。

本公司乃一間投資控股公司。其附屬公司(連同本公司合稱「本集團」)的主要業務為：(1)提供集成電路(「集成電路」)的解決方案，並從事集成電路的設計、開發及銷售；(2)根據放債人條例於香港從事放債業務透過向客戶，包括個人及公司，提供無抵押及有抵押貸款；及(3)於中華人民共和國(「中國」)從事投資與策劃諮詢服務、房地產經紀、物業管理服務及停車場管理服務。

綜合財務報表均以本公司的功能貨幣港元(「港元」)呈報，除另有所指明者外，所有金額均已調整至最接近千位。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs (the "New and Amendments to HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本

新訂香港財務報告準則及其修訂本於本年度強制生效

本集團已於本年度首次應用以下由香港會計師公會(「香港會計師公會」)頒佈的新訂香港財務報告準則及其修訂本(「新訂香港財務報告準則及其修訂本」):

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)-詮釋第23號	所得税處理的不確定性
香港財務報告準則第9號的修訂本	具有負補償的提前還款特性
香港會計準則第19號的修訂本	計劃修訂、縮減或結清
香港會計準則第28號的修訂本	於聯營公司及合營企業的長期權益
香港財務報告準則的修訂本	香港財務報告準則2015年至2017年週期年度改進

除下文所述者,於本年度應用新訂香港財務報告準則及其修訂本對本集團當前及過往年度的財務狀況及表現及/或此等綜合財務報表所載的披露並無重大影響。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1 HKFRS 16 *Leases*

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement date, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying HKFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

新訂香港財務報告準則及其修訂本於本年度強制生效(續)

2.1 香港財務報告準則第16號*租賃*

本集團於本年度首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號租賃(「香港會計準則第17號」)及相關詮釋。

租賃的定義

本集團選擇可行權宜方法,就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)-詮釋第4號釐定安排是否包括租賃識別為租賃的合約應用香港財務報告準則第16號,而並無對先前並未識別為包括租賃的合約應用此準則。因此,本集團並未重新評估於首次應用日期前已存在的合約。

就於2019年1月1日或之後訂立或修訂的合約而言,本集團根據香港財務報告準則第16號所載的規定應用租賃的定義,以評估合約是否包括租賃。

作為承租人

本集團已追溯應用香港財務報告準則第16號,而累計影響於首次應用日期2019年1月1日確認。

於2019年1月1日,本集團確認額外租賃負債及以賬面值計量使用權資產,猶如自開始日期起已應用香港財務報告準則第16號,惟透過應用香港財務報告準則第16.C8(b)(i)號的過渡方法使用於首次應用日期相關集團實體的增量借款利率貼現。首次應用日期的任何差異於期初保留溢利確認,且並無重列比較資料。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1 HKFRS 16 ***Leases*** (Continued)

As a lessee (Continued)

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

iv. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in PRC was determined on a portfolio basis, and

v. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

新訂香港財務報告準則及其修訂本於本年度強制生效(續)

2.1 香港財務報告準則第16號***租賃***(續)

作為承租人(續)

於過渡期間應用香港財務報告準則第16號項下的經修訂追溯法時，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

i. 依賴透過應用香港會計準則第37號撥備、或然負債及或然資產作為減值檢討替代方案，評估租賃是否屬繁重；

ii. 選擇不對租期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；

iii. 於首次應用日期計量使用權資產時扣除初始直接成本；

iv. 對類似經濟環境中類似類別的相關資產的類似剩餘租期的租賃組合應用單一貼現率。具體而言，中國若干物業租賃的貼現率乃按組合基準釐定；及

v. 根據於首次應用日期的事實及情況使用事後方式釐定本集團帶有延長及終止選擇權的租賃的租期。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

新訂香港財務報告準則及其修訂本於本年度強制生效(續)

2.1 HKFRS 16 ***Leases*** (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied by the relevant group entities range from 4.75% to 5.125%.

2.1 香港財務報告準則第16號***租賃***(續)

作為承租人(續)

就先前分類為經營租賃的租賃確認租賃負債時,本集團已於首次應用日期應用相關集團實體的增量借款利率。相關集團實體應用的加權平均增量借款利率介乎4.75%至5.125%。

		HK$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露的經營租賃承擔	6,982
Less: total future interest expenses	減:未來利息開支總額	(499)
Less: commitments relating to leases exempt from capitalisation:	減:與毋須撥充資本的租賃有關的承擔:	
– short term leases with remaining lease term ending on or before 31 December 2019	一 餘下租期於2019年12月31日或之前結束的短期租賃	(298)
Less: other – exchange realignment	減:其他一匯兑調整	(16)
Lease liabilities recognised as at 1 January 2019	於2019年1月1日確認的租賃負債	6,169
Analysed as:	分析為:	
Current	流動	1,888
Non-current	非流動	4,281
		6,169

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

於2019年1月1日的使用權資產賬面值包括如下:

		HK$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號後確認與經營租賃有關的使用權資產	6,169

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1 HKFRS 16 ***Leases*** (Continued)

As a lessor

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

(a) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

(b) Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied under trade and other payables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition.

(c) Effective on 1 January 2019, the Group has applied HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") to allocate consideration in the contract to each lease and non-lease components.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

新訂香港財務報告準則及其修訂本於本年度強制生效(續)

2.1 香港財務報告準則第16號***租賃***(續)

作為出租人

根據香港財務報告準則第16號的過渡條文，本集團毋須就本集團為出租人的租賃於過渡時作出任何調整，惟須根據香港財務報告準則第16號自首次應用日期起為該等租賃入賬，且並無重列比較資料。

(a) 應用香港財務報告準則第16號後，有關現有租約項下相同相關資產的已訂立但於首次應用日期後開始的新租約以猶如現有租賃於2019年1月1日經修訂般入賬。該應用對本集團於2019年1月1日的綜合財務狀況表並無影響。然而，於2019年1月1日生效，有關於修訂後經修訂租期的租賃付款乃按直線法於經延長租期內確認為收入。

(b) 應用香港財務報告準則第16號前，已收可退回租賃按金被視為獲應用香港會計準則第17號的租賃項下的權利及責任。根據香港財務報告準則第16號項下租賃付款的定義，有關按金並非為有關使用權資產的付款並已調整以反映於過渡時的貼現影響。

(c) 於2019年1月1日生效，本集團已應用香港財務報告準則第15號來自客戶合約的收益(「香港財務報告準則第15號」)，將合約代價分配至各租賃及非租賃組成部分。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

新訂香港財務報告準則及其修訂本於本年度強制生效(續)

2.2 Impacts on opening consolidated statement of financial position arising from the application of all new standards

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

2.2 應用所有新準則對期初綜合財務狀況表產生的影響

於2019年1月1日綜合財務狀況表確認的金額已作出以下調整。不受變動影響的項目並無包括在內。

		Carrying amounts previously reported at 31 December 2018 先前於2018年12月31日呈報的賬面值 HK$'000 千港元	Adjustments 調整 HK$'000 千港元	Carrying amounts under HKFRS 16 at 1 January 2019 於2019年1月1日根據香港財務報告準則第16號的賬面值 HK$'000 千港元
Non-current Assets	**非流動資產**			
Right-of-use assets	使用權資產	–	6,169	6,169
Current Liabilities	**流動負債**			
Lease liabilities	租賃負債	–	1,888	1,888
Non-current Liabilities	**非流動負債**			
Lease liabilities	租賃負債	–	4,281	4,281

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts[1]
Amendment to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and 8	Definition of Material[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]

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

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

3 Effective for annual periods beginning on or after a date to be determined

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

The application of all other new and amendment to HKFRS, and the new interpretations is not expected to have material impact on the financial statements in the foreseeable future.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

已頒佈但尚未生效的新訂香港財務報告準則及其修訂本

本集團並未提前應用下列已頒佈但尚未生效的新訂香港財務報告準則及其修訂本：

香港財務報告準則第17號	保險合約[1]
香港財務報告準則第3號修訂本	業務的定義[2]
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司及合營企業之間的資產出售或投入[3]
香港會計準則第1號及第8號修訂本	重大的定義[4]
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本	利率基準改革[4]

1 於2021年1月1日或之後開始的年度期間生效

2 於收購日期為於2020年1月1日或之後開始的首個年度期間的期初或之後的企業合併及資產收購期間生效

3 於待定日期或之後開始的年度期間生效

4 於2020年1月1日或之後開始的年度期間生效

應用所有其他新訂香港財務報告準則及其修訂本及新詮釋預期於可預見將來將不會對財務報表造成重大影響。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

In addition, the consolidated financial statements also comply with the applicable disclosures provisions of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of the Hong Kong Limited (the "GEM Listing Rules") and by the disclosure requirements of Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, unless it is stated the otherwise, that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Basis of consolidation

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

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

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

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之所有適用香港財務報告準則（此統稱包括所有適用之個別香港財務報告準則、香港會計準則及詮釋）、香港普遍採納之會計原則及香港公司條例之披露規定而編製。

此外，綜合財務報表亦符合香港聯合交易所有限公司GEM證券上市規則（「GEM上市規則」）之適用披露規定及香港公司條例之披露規定。

除根據下文載列之會計政策所述於各報告期末以公平值計量之所指者外，綜合財務報表已根據歷史成本基準而編製。

綜合基準

綜合財務報表包括本公司、由本公司控制的實體及其附屬公司的財務報表。倘屬以下情況，則本公司取得控制權：

- 對被投資公司擁有控制權；
- 因參與被投資公司業務而承受可變回報的風險或有權享有可變動回報；及
- 擁有使用其權力以影響回報的能力。

倘有事實及情況顯示上述三項控制因素中有一項或以上出現變動，本集團會重新評估其是否控制被投資公司。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

3. 主要會計政策(續)

綜合基準(續)

倘本集團於被投資公司的投票權未能佔大多數，則當投票權足以賦予本集團實際能力可單方面掌控被投資公司的相關業務時，本集團即對被投資公司擁有權力。本集團在評估其於被投資公司的投票權是否足以賦予其權力時，本集團考慮所有相關事實及情況，包括：

- 相較其他投票權持有人所持投票權的數量及分散情況，本集團持有投票權的數量；
- 本集團、其他投票權持有人或其他人士持有的潛在投票權；
- 其他合約安排產生的權利；及
- 表明於需要作出決定時，本集團目前能夠或不能掌控相關業務的任何其他事實及情況(包括於先前股東大會上的投票方式)。

本集團於取得附屬公司控制權時將附屬公司綜合入賬，並於喪失附屬公司控制權時終止綜合入賬。具體而言，於年內收購或出售附屬公司的收入及開支，按自本集團取得控制權當日起至本集團喪失附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

損益及其他全面收益的各項目歸屬於本公司擁有人及非控股權益。附屬公司全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

必要時，本集團將對附屬公司的財務報表作出調整，以確保其會計政策與本集團會計政策一致。

與本集團成員公司間交易有關的所有集團內公司間資產及負債、權益、收入、開支及現金流量於綜合入賬時全數對銷。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Change in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group losses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

Goodwill

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

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

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

On disposal of the relevant cash-generating unit, or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

3. 主要會計政策(續)

綜合基準(續)

於附屬公司的非控股權益與本集團於該附屬公司的權益分開呈列，非控股權益指賦予其持有人於清盤時按比例分佔相關附屬公司資產淨額的現時所有權權益。

倘本集團於附屬公司的權益變動並無導致失去控制權，則會入賬列為股權交易，即調整綜合股本權益內的控制及非控制權益金額以反映相關權益變動，惟不會調整商譽及不會確認盈虧。

當本集團喪失對一間附屬公司的控制權，其將入賬列為出售於該附屬公司的全部權益，而所產生的盈虧於損益內確認。

商譽

因收購一項業務產生的商譽乃按收購業務當日設立的成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽分配至預期受益於合併協同效應的本集團各現金產生單位(「現金產生單位」)(或現金產生單位組別)，而該單位或單位組別指就內部管理目的監控商譽的最低水平且規模不大於經營分部。

獲分配商譽的現金產生單位(或現金產生單位組別)會每年進行減值測試，或於單位出現減值跡象時增加測試次數。就於報告期間因收購產生的商譽而言，獲分配商譽的現金產生單位(或現金產生單位組別)於報告期末前進行減值測試。倘可收回金額少於其賬面值，則減值虧損會首先分配以減少任何商譽的賬面值，其後按各項資產所佔單位(或現金產生單位組別)的賬面值比例分配至其他資產。

出售相關現金產生單位或現金產生單位組別內的任何現金產生單位時，釐定出售損益金額時會計入商譽應佔金額。當本集團出售現金產生單位(或現金產生單位組別內現金產生單位)內的業務時，所出售商譽金額乃按所出售業務(或現金產生單位)及所保留現金產生單位(或現金產生單位組別)部分的相對價值計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsidiaries

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

Investments in subsidiaries presented in the statement of financial position included in note 37 are stated at cost less any impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; 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.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3. 主要會計政策(續)

附屬公司

附屬公司指本集團對其擁有控制權的所有實體(包括結構性實體)。倘本集團因參與實體營運而承擔風險或有權享有當中的可變動回報,且能夠透過其管理該實體業務的權力影響該等回報,則本集團控制該實體。附屬公司於控制權轉移至本集團之日起全面綜合入賬。其於控制權終止之日起停止綜合入賬。

載於附註37中財務狀況表所呈列的於附屬公司的投資乃按成本減任何減值虧損列示。附屬公司的業績由本公司按已收及應收股息入賬。

來自客戶合約的收益

本集團於完成履約責任時(或就此)(即與特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時)確認收益。

履約責任指個別貨品或服務(或一組貨品或服務)或一系列大致相同的個別貨品或服務。

控制權會隨時間轉移,倘符合以下其中一項標準,則收益乃參照完全達成相關履約責任的進度而隨時間確認:

- 客戶於本集團履約時同時取得並耗用本集團履約所提供的利益;
- 本集團的履約行為產生或提升客戶於本集團履約時已控制的資產;或
- 本集團的履約行為並無產生對本集團而言有其他用途的資產,且本集團擁有就迄今為止已完成的履約部分獲付款的可強制執行權利。

否則,收益於客戶取得個別貨品或服務控制權的時間點確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 Financial Instruments ("HKFRS 9"). In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

3. 主要會計政策(續)

來自客戶合約的收益(續)

合約資產指本集團就換取本集團已轉移至客戶的貨品或服務而收取代價的權利(尚非無條件)。其根據香港財務報告準則第9號金融工具(「香港財務報告準則第9號」)進行減值評估。相反,應收款項指本集團無條件收取代價的權利,即於該代價到期支付前僅需經過一段時間。

合約負債指本集團因已向客戶收取代價(或代價金額到期)而應向客戶轉移貨品或服務的責任。

與相同合約有關的合約資產及合約負債按淨額入賬及呈列。

隨時間轉移的收益確認:完全達成履約責任的進展計量

完全達成履約責任進展乃基於產出法計量,即按迄今為止轉移予客戶的貨品或服務相對於合約下承諾的剩餘貨品或服務的價值直接計量以確認收益,其最佳反映本集團於轉移貨品或服務控制權方面的履約行為。

委託人與代理人

當另一方參與向客戶提供貨品或服務時,本集團確定其承諾的性質是以自身提供特定貨品或服務(即本集團為委託人)或安排另一方向客戶提供貨品或服務(即本集團為代理人)的履約責任。

倘本集團在將特定貨品或服務轉移予客戶之前控制該貨品或服務,則本集團是為委託人。

倘履約責任是安排另一方提供特定貨品或服務,則本集團為代理人。在此情況下,本集團在特定貨品或服務轉移予客戶之前並無擁有由另一方提供的貨品或服務的控制權。當本集團為代理人時,其應當將預期於安排另一方提供特定貨品或服務而預期有權收取的任何手續費及佣金金額確認為收益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2.1)

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

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2.1)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. 主要會計政策(續)

租賃

租賃的定義(根據附註2.1的過渡條文應用香港財務報告準則第16號後)

倘合約為換取代價而給予於一段時間內控制已識別資產使用的權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修訂或業務合併所產生的合約而言，本集團根據香港財務報告準則第16號的定義於初始、修訂日期或收購日期(倘適用)評估合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人(根據附註2.1的過渡條文應用香港財務報告準則第16號後)

分配代價至合約組成部分

就包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將合約代價分配至各個租賃組成部分。

短期租賃及低價值資產租賃

對於租期自開始日期起計為期12個月或以內且並無包含購買選擇權的辦公室租賃，本集團應用短期租賃確認豁免。其亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款按直線法或另一個有系統的基準於租期內確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債的初始計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃獎勵；
- 本集團產生的任何初始直接成本；及
- 本集團於拆卸及移除相關資產、復原相關資產所在地或復原相關資產至租賃的條款及條件所規定的狀態而產生的成本估算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2.1) (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property or inventory in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned. Right-of-use assets that meet the definition of investment property are presented within "investment properties".

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liabilities at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(根據附註2.1的過渡條文應用香港財務報告準則第16號後)(續)

使用權資產(續)

本集團可合理確定在租期結束時取得相關租賃資產所有權的使用權資產乃自開始日期起至使用年期結束期間折舊。否則,使用權資產乃按直線法於其估計使用年期及租期(以較短者為準)內折舊。

本集團將不符合投資物業或存貨定義的使用權資產呈列於「物業、廠房及設備」,相應有關資產(倘擁有)會於同一項目內呈列。符合投資物業定義的使用權資產呈列於「投資物業」。

可退回租賃按金

已收可退回租賃按金乃根據香港財務報告準則第9號入賬並初步按公平值計量。於首次確認時對公平值作出的調整被視為額外租賃付款及包括使用權資產成本。

租賃負債

於租賃開始日期,本集團按該日未付的租賃付款現值確認及計量租賃負債。於計算租賃付款現值時,倘租賃隱含的利率難以釐定,則本集團使用租賃開始日期的增量借款利率計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2.1) (Continued)

Lease liabilities (Continued)

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review or expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(根據附註2.1的過渡條文應用香港財務報告準則第16號後)(續)

租賃負債(續)

租賃付款包括:

- 固定付款(包括實質的固定付款)減任何應收租賃獎勵;
- 取決於指數或利率的可變租賃付款,初步使用開始日期的指數或利率計量;
- 本集團根據剩餘價值保證預期應付的金額;
- 購買選擇權的行使價(倘本集團合理確定行使該選擇權);及
- 支付終止租賃的罰款(倘租賃條款反映本集團行使選擇權以終止租賃)。

於開始日期後,租賃負債乃按利息增長及租賃付款調整。

倘出現以下兩種情況之一,本集團重新計量租賃負債(及對相關使用權資產作出相應調整):

- 租期有所變動或行使購買選擇權的評估發生變動,在此情況下,相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 因市場租金審查後的市場租金比率或擔保剩餘價值的預期付款發生變動而導致租賃付款變動,在此情況下,相關租賃負債透過使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2.1) (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessee (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(根據附註2.1的過渡條文應用香港財務報告準則第16號後)(續)

租賃修訂

倘出現以下情況，本集團將租賃修訂作為單獨租賃入賬：

- 該修訂透過增加使用一項或以上相關資產的權利擴大租賃範圍；及
- 租賃代價增加的金額與就擴大範圍的單獨價格及為反映特定合約的實際情況對單獨價格作出的任何適當調整相稱。

就未作為一項單獨租賃入賬的租賃修訂而言，本集團透過使用修訂生效日期的經修訂貼現率貼現經修訂租賃付款，按經修訂租賃的租期重新計量租賃負債。

本集團透過對相關使用權資產作出相應調整，對租賃負債的重新計量入賬。當經修訂合約包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分時，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將經修訂合約代價分配至各個租賃組成部分。

本集團作為承租人(於2019年1月1日前)

凡租約條款將所有權的絕大部份所有風險及回報轉嫁予承租人的租賃乃分類為融資租賃。所有其他租賃分類為經營租賃。

根據融資租賃持有的資產乃按租賃開始時的公平值或最低租賃付款現值(以較低者為準)確認為本集團資產。出租人的相應負債於綜合財務狀況表列作融資租賃承擔。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (prior to 1 January 2019) (Continued)

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives relating to operating leases are considered as integral part of lease payments, the aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人(於2019年1月1日前)(續)

租賃付款在融資開支與扣減租賃承擔之間分配，以就餘下負債結餘達致固定利率。除非融資開支直接歸屬於合資格資產，否則融資開支即時於損益確認，在此情況下，融資開支會根據本集團有關借貸成本的一般政策(見下文會計政策)予以資本化。或然租金乃於產生期間確認為開支。

經營租賃付款(包括收購根據經營租賃持有的土地成本)於租期按直線法確認為開支。經營租賃所產生的或然租金於產生期間確認為開支。

與經營租賃有關的租賃獎勵被視為租賃付款不可或缺的部分，獎勵的利益總額乃按直線法確認為租金開支減少。

本集團作為出租人

租賃的分類及計量

凡租約條款將相關資產所有權的絕大部份所有風險及回報增加轉嫁予承租人時，該合約乃分類為融資租賃。所有其他租賃分類為經營租賃。

根據融資租賃應收承租人的款項於開始日期確認為應收款項，其金額等於租賃投資淨額，並使用各個租賃中隱含的利率計量。初始直接成本(不包括製造商或經銷商出租人產生的成本)包括在租賃投資淨額的初始計量內。利息收入被分配至會計期間，以反映本集團有關租賃的未償還投資淨額的固定定期回報率。

經營租賃的租金收入於相關租期內按直線法確認為損益。磋商及安排經營租賃時產生的初始直接成本會計入租賃資產的賬面值，故有關成本於租期內按直線法確認為開支。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessor (Continued)

Classification and measurement of leases (Continued)

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2.1)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

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

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策(續)

租賃(續)

本集團作為出租人(續)

租賃的分類及計量(續)

本集團一般業務產生的利息及租金收入乃呈列為收益。

本集團作為出租人(根據附註2.1的過渡條文應用香港財務報告準則第16號後)

分配代價至合約組成部分

當一份合約均包括租賃及非租賃組成部分時,本集團應用香港財務報告準則第15號,將合約代價分配至租賃及非租賃組成部分。非租賃組成部分乃根據其相對單獨價格與租賃組成部分分開。

可退回租賃按金

已收取可退回租賃按金根據香港財務報告準則第9號入賬,並初步按公平值計量。於首次確認時對公平值作出的調整被視為承租人額外租賃付款。

轉租

當本集團為中間出租人時,其就主租賃及分租入賬為兩份獨立合約。分租乃參考主租賃的使用權資產(非參考相關資產)分類為融資或經營租賃。

租賃修訂

自修訂生效日期起,本集團將經營租賃修訂列作為新租賃入賬,當中將與原有租賃相關的任何預付或應計租賃付款視作新租賃的租賃付款部分。

外幣

於編製個別集團實體的財務報表時,以該實體的功能貨幣以外貨幣(外幣)進行的交易均以各自的功能貨幣(即該實體經營所在的主要經濟環境的貨幣)按交易日的當時匯率確認。於報告期間末,以外幣列賬的貨幣項目按當日的當時匯率再換算。以外幣按歷史成本計量的非貨幣項目毋須再換算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. 主要會計政策（續）

外幣（續）

來自貨幣項目結算及於再換算貨幣項目時的匯兑差額於其發生期間於損益中確認，惟應收或應付海外業務的貨幣項目匯兑差額除外，其結算並非計劃及不大可能出現（因此組成海外業務投資淨額部分），該差額初步於其他全面收益確認並於出售或部分出售本集團於聯營公司／合營企業的權益時由權益重新分類至損益。

就呈列綜合財務報表而言，本集團業務資產及負債使用各報告期末的現行匯率換算為本集團的呈列貨幣（即港元）。收入及開支項目按該期間的平均匯率換算，除非該期間的匯率大幅波動，在此情況下，則使用交易日期的現行匯率換算。所產生的匯兑差額（如有）於其他全面收益確認並於匯兑儲備項下的權益中累計（歸屬於非控股權益（倘適用））。

於出售海外業務（即出售本集團於海外業務的全部權益、或出售涉及喪失包括海外業務的附屬公司控制權、或部份出售包括海外業務的合營安排或聯營公司的權益（其保留權益成為一項金融資產））時，本公司擁有人應佔該業務於權益累計的所有匯兑差額則重新分類至損益。

此外，就部份出售一間不會導致本集團喪失該附屬公司控制權的附屬公司而言，按比例分佔累計匯兑差額乃重新歸屬至非控股權益，且不會於損益確認。就所有其他部份出售（即部份出售不會導致本集團喪失重大影響力或共同控制權的聯營公司或合營安排）而言，按比列分佔累計匯兑差額乃重新分類至損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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

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 added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Effective 1 January 2019, any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. 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.

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)

外幣(續)

收購海外業務產生的已收購可識別資產的商譽及公平值調整乃視作該海外業務的資產及負債，並按各報告期末的現行匯率換算。所產生的匯兑差額於其他全面收益確認。

借貸成本

收購、興建或生產需要長時間籌備方可供作其擬定用途或銷售的合資格資產應佔的直接借貸成本乃加入至為該等資產的成本，直至資產大致可供作其擬定用途或銷售之時為止。

自2019年1月1日起生效，於相關資產可供作其擬定用途或銷售後仍未償還的任何特定借款均計入一般借款中，以計算一般借款的資本化率。因特定借款短暫投資所賺取的投資收入於減除合資格資產開支後從可作資本化的借貸成本內扣除。

所有其他借貸成本乃於產生期間於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits

Short term employee benefits and contributions to defined contribution retirement plan

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Group participates in a Mandatory Provident Fund Scheme ("the MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the Group and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the MPF scheme vest immediately. The assets of the MPF Scheme are held separately from those of the Group, in fund under the control of trustees.

The PRC subsidiary of the Group also participates in a defined contribution retirement benefit scheme ("the PRC Scheme") organised by the PRC municipal and provincial government authorities whereby the PRC subsidiary is required to contribute a certain percentage of their payroll to the retirement benefit scheme. The Group has accrued for the required contributions which are remitted to the respective local government authorities when the contributions become due. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the PRC Schemes.

The total expenses recognised in profit or loss represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. The Group has no other material obligation for payment of retirement benefits beyond the contributions as described above.

Termination benefit

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

3. 主要會計政策(續)

僱員福利

短期僱員福利及向定額供款退休計劃作出的供款

薪金、年度獎金、有薪年假、定額供款退休計劃供款及非金錢福利的成本，均在僱員提供相關服務的年度內累計。倘付款或結算延遲而影響屬重大，則上述數額會按其現值列賬。

本集團為所有香港合資格僱員參與根據香港強制性公積金計劃條例設立的強制性公積金計劃(「強積金計劃」)。強積金計劃乃由獨立信託人管理的定額供款退休計劃。根據強積金計劃，本集團和其僱員分別須按僱員有關收入的5%向該計劃作出供款，而有關收入以每月30,000港元為上限。向強積金計劃作出的供款即時歸屬。強積金計劃資產乃與本集團資產分開持有，放置於受託人控制的基金內。

本集團中國附屬公司亦參與一項由中國市級及省級政府部門組織的定額供款退休福利計劃(「該中國計劃」)，中國附屬公司被要求將其若干比例的工資貢獻予退休福利計劃。本集團已產生規定供款，該等供款乃於供款到期時匯寄予各地方政府部門。地方政府部門負責應付予該中國計劃所覆蓋之退休僱員的退休金義務。

於損益確認之開支總額指本集團應按計劃規則指定比例向該等計劃支付之供款。本集團除上述供款外，並無其他重大的支付退休福利責任。

離職福利

離職福利於本集團不再能取消提供該等福利時及本集團確認涉及支付離職福利的重組成本時(以較早者為準)確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments whereby employees render services as consideration for equity instruments ("equity-settled transactions").

For share options granted under the share option scheme, the fair value of the employee's services rendered in exchange for the grant of the options is recognised as an expense and credited to share option reserve under equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the grant date. At the end of each reporting period, the Group revises its estimates of the number of options that is expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the consolidated statement of profit or loss and other comprehensive income, and a corresponding adjustment to share option reserve over the remaining vesting period.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified if the original terms of the award are met. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share, if any.

3. 主要會計政策(續)

僱員福利(續)

購股權計劃

本公司設有一項購股權計劃，其旨在向為本集團營運的成功作出貢獻的合格參與者提供激勵和獎勵。本集團僱員(包括董事)以股份為基礎付款之方式收取報酬，而僱員則提供服務作為權益工具之代價(「權益結算交易」)。

就根據購股權計劃授出之購股權而言，僱員所提供服務換取獲授購股權之公平值確認為開支，並計入權益內的購股權儲備。歸屬期間支銷之總額參照授出日期所授出購股權之公平值釐定。於各報告期末，本集團修訂預計成為可予行使購股權數目之估計。其於綜合損益及其他全面收益表內確認修訂原有估計(若有)之影響及餘下歸屬期間內對購股權儲備之相應調整。

倘若權益結算報酬的條款有所變更，所確認開支最少須達到猶如條款並無任何變更的水平(倘獎勵的原有條件已達成)。此外，倘若按變更日期計量，任何變更導致以股份為基礎付款的總公平值有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

倘權益結算報酬被註銷，則被視為於註銷當日已歸屬，而尚未就該報酬確認的任何費用須即時予以確認。然而，倘有一項新報酬取代已經註銷報酬，及於授出當日被指定為該報酬的替代品，則該已註銷報酬及新報酬均被視為原有報酬的改動(見上段所述)。

尚未行使購股權的攤薄影響已反映於計算每股盈利(如有)時的額外股份攤薄。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and 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 temporary differences between the carrying amounts of assets and liabilities in the consolidated 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. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

3. 主要會計政策(續)

所得税

所得税開支即現時應付税項及遞延税項的總和。

現時應付税項根據本年度應課税溢利計算。應課税溢利與除税前溢利不同，因其於其他年度應課税或可扣減的收入或開支及從不應課税或從不可扣減的項目所致。本集團的即期税項負債使用於各報告期末已制訂或實質上已制訂的税率計算。

遞延税項就綜合財務報表內資產及負債的賬面值與計算應課税溢利所採用相應税基的暫時差額予以確認。遞延税項負債一般就所有應課税暫時差額確認。遞延税項資產則一般於可扣減暫時差額有可能用以抵銷應課税溢利時就所有可扣減暫時差額予以確認。倘暫時差額由首次確認一項不影響應課税溢利或會計溢利的交易的資產及負債(業務合併除外)所產生，有關遞延税項資產及負債不予確認。此外，倘暫時差額由首次確認商譽所產生，則遞延税項負債不予確認。

遞延税項負債就投資於附屬公司及聯營公司以及投資於合營企業相關的應課税暫時差額予以確認，除非本集團可控制暫時差額的回撥，且暫時差額不大可能在可見將來回撥。與該等投資及權益相關的可扣減暫時差額所產生的遞延税項資產，僅於有足夠應課税溢利可用抵銷暫時差額並預期於可見將來回撥的情況下，方予以確認。

本集團會於各報告期末審閱遞延税項資產的賬面值，並於不再可能有足夠應課税溢利可收回全部或部份資產時扣減其賬面值。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

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

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

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 to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

3. 主要會計政策(續)

所得税(續)

遞延税項資產及負債乃根據於各報告期末已制訂或實質上已制訂的税率(及税法),按預期於清償負債或變現資產期間應用的税率計量。

遞延税項負債及資產的計量反映本集團預期於報告期末收回或清償其資產及負債賬面值的方法所帶來的税項後果。

當有合法可強制執行權利以即期税項資產抵銷即期税項負債時及當其與同一税務機關就同一應課税實體徵收的所得税相關時,方會抵銷遞延税項資產及負債。

即期及遞延税項均於損益確認,惟與於其他全面收益或直接於權益確認的項目有關者除外,在此情況下,即期及遞延税項分別於其他全面收益或直接於權益確認。倘因業務合併的初步會計方法而產生即期或遞延税項,該税項影響會計入業務合併的會計方法。

就計算本集團確認使用權資產及相關租賃負債的租賃交易的遞延税項而言,本集團首先釐定税項扣減是否由使用權資產或租賃負債所產生。

就歸屬於租賃負債的税項扣減的租賃交易而言,本集團就使用權資產及租賃負債分別應用香港會計準則第12號所得税規定。由於應用首次確認豁免,與使用權資產及租賃負債相關的暫時差額不會於首次確認時或租期內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

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

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 financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated at rates sufficient to write off their cost less their estimated residual value over the estimated useful lives on a straight-line basis. The principal annual rates used for this purpose during the reporting period are as follows:

Computer equipment	30%–31.7%
Instruments	20%
Office equipment	19%–30%
Motor vehicles	25%–30%
Furniture and fixtures	20%
Leasehold improvement	Over the lease term

The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備，包括持作生產或供應貨品或服務用途或作行政用途之樓宇及租賃土地(歸類為融資租約)，乃按成本減其後之累計折舊及其後之累計減值虧損(如有)於綜合財務狀況表內列賬。

其後成本只在與該項目有關的日後經濟利益很可能會流向本集團及該項目的成本能可靠地計量時，方會計入該資產的賬面值內或確認為另一項資產(倘適用)。所有其他維修及保養於其發生的財政期間在損益表內確認。

物業、廠房及設備的折舊按足以撇銷其成本的數值減其估計可使用期內估計剩餘價值以直線法計算。於報告期間就此目的所用的主要年率如下：

電腦設備	30%–31.7%
工具	20%
辦公室設備	19%–30%
汽車	25%–30%
傢俱及裝置	20%
租賃物業裝修	於租賃期內

估計可使用年期及折舊方法於各報告期末檢討，而估計變動之影響乃按預提基準入賬。

物業、廠房及設備項目於出售時或預期日後繼續使用該資產不會再產生經濟利益時即終止確認。出售或棄用一項物業、廠房及設備所產生之盈虧以按出售所得款項及資產賬面值之差額計算，並於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible assets

Impairment on tangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives 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 relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When 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.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策(續)

有形資產

商譽以外的有形資產減值

於報告期末，本集團審閱其附有限使用年期的有形資產賬面值，以釐定是否存在任何跡象顯示該等資產已出現減值虧損。倘存在任何有關跡象，則會對相關資產的可收回金額作出估計，以釐定減值虧損(如有)的程度。

本集團個別估計物業、廠房及設備及使用權資產的可收回金額。倘不可能估計個別資產可收回金額，則本集團將估計資產所屬現金產生單位的可收回金額。

此外，本集團對是否存在跡象顯示公司資產可能出現減值進行評估。倘存在有關跡象，當可識別合理一致的分配基準時，公司資產亦會分配至個別現金產生單位或分配至可識別合理一致分配基準的最小現金產生單位組別。

可收回金額為公平值減去出售成本及使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量以稅前貼現率貼現至其現值，該貼現率反映市場現時所評估的金錢時間值及並未就其調整估計未來現金流量的資產(或現金產生單位)特定風險。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible assets (Continued)

Impairment on tangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Impairment on tangible assets other than goodwill (see the accounting policy in respect of goodwill above)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or the group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

有形資產(續)

商譽以外的有形資產減值(續)

倘估計資產(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)的賬面值將被調低至其可收回金額。就未能按合理一致的基準分配至現金產生單位的公司資產或部分公司資產而言，本集團會比較一個組別的現金產生單位賬面值(包括已分配至該組現金產生單位的公司資產或部分公司資產的賬面值)與該組現金產生單位的可收回金額。於分配減值虧損時，減值虧損會先獲分配以減少任何商譽(倘適用)的賬面值，及後按該單位各項資產的賬面值所佔比例分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(倘可計量)、其使用價值(倘可釐定)及零之中的最高值。已另行分配至資產的減值虧損金額按比例分配至該單位或一組現金產生單位的其他資產。減值虧損即時於損益確認。

商譽以外的有形資產減值(見上文有關商譽的會計政策)

倘減值虧損其後撥回，則資產(或現金產生單位或一組現金產生單位)的賬面值將上調至其經修訂估計可收回金額，惟經上調賬面值不得超出資產(或現金產生單位或一組現金產生單位)於以往年度並無確認減值虧損時已釐定的賬面值。減值虧損撥回即時於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the first-in-first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. 主要會計政策(續)

存貨

存貨以成本及可變現淨值之較低者列賬。成本乃按先進先出基準計算，並包括所有採購成本、加工成本及其他使存貨達致其現時地點及狀況而產生之成本。可變現淨值指存貨的估計售價減所有估計完成成本及進行銷售所需成本。

倘售出存貨，則該等存貨之賬面值在相關收益確認之期間確認為支出。任何撇減存貨至可變現淨值之金額及存貨之所有虧損於撇減或出現虧損之期間內確認為支出。轉回任何撇減存貨之金額於出現撥回之期間沖減確認為支出之存貨金額。

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。

金融資產及金融負債按公平值初步計量，惟客戶合約產生的應收貿易賬款根據香港財務報告準則第15號初步計量。收購或發行金融資產及金融負債(除了按公平值計入損益(「按公平值計入損益」)的金融資產及金融負債)直接應佔的交易成本，於首次確認時計入金融資產或金融負債的公平值或自金融資產或金融負債的公平值扣除(倘適用)。收購按公平值計入損益的金融資產及金融負債直接應佔交易成本即時於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

3. 主要會計政策(續)

金融工具(續)

實際利率法乃於相關期間計算金融資產或金融負債攤銷成本及分配利息收入及利息開支的方法。實際利率乃於首次確認時按金融資產或金融負債的預期年期或(倘適用)較短期間準確貼現估計未來現金收款及付款(包括構成實際利率不可或缺部分的所有已付或已收費用及點子、交易成本及其他溢價或折讓)至賬面淨值的利率。

債務工具的利息收入乃按實際利率基準確認。

金融資產

金融資產的分類及其後計量

滿足以下條件的金融資產其後按攤銷成本計量:

- 該金融資產按以收取合約現金流量為目的的業務模式持有;及
- 該合約條款令於特定日期產生的現金流量僅為支付本金及未償還本金金額的利息。

滿足以下條件的金融資產其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量:

- 該金融資產按同時以出售及收取合約現金流量為目的的業務模式持有;及
- 該合約條款令於特定日期產生的現金流量僅為支付本金及未償還本金金額的利息。

所有其他金融資產其後按公平值計入損益計量,惟於首次應用香港財務報告準則第9號/首次確認金融資產當日,本集團或會不可撤回地選擇於其他全面收益呈列股本投資公平值的其後變動,前提是該等股本投資並非持作買賣,亦非收購方於香港財務報告準則第3號業務合併所應用的業務合併中確認的或然代價。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

倘出現下列情況，則金融資產為持作買賣：

- 購入的主要目的為於不久將來出售；
- 於首次確認時其為本集團聯合管理的已識別金融工具組合的一部分，而近期實際具備短期獲利的模式；或
- 其為不指定及實際作為對沖工具的衍生工具。

此外，倘能夠消除或大幅減少會計錯配，則本集團或會不可撤回地將須以攤銷成本計量或按公平值計入其他全面收益的金融資產指定為按公平值計入損益計量。

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產及其後按公平值計入其他全面收益的債務工具／應收款項的利息收入乃按實際利率法確認。利息收入按金融資產賬面總值應用實際利率計算，惟其後出現信貸減值的金融資產(見下文)除外。就其後出現信貸減值的金融資產而言，自下一個報告期起，利息收入按金融資產攤銷成本應用實際利率確認。倘信貸減值金融工具的信貸風險有所改善，令金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，利息收入自報告期初起按對金融資產賬面總值應用實際利率確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other net gains/(losses) line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, loan receivables, other receivables and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(ii) 按公平價值計入損益的金融資產

不符合按攤餘計量成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益的金融資產乃按公平值計入損益計量。

按公平值計入損益的金融資產按各報告期末的公平值計量,而任何公平值收益或虧損於損益確認。於損益確認的收益或虧損淨額不包括自金融資產賺取的任何股息或利息,並計入「其他淨額收益╱(虧損)」項目。

金融資產減值

本集團對根據香港財務報告準則第9號須予減值(包括應收貿易賬款、應收貸款、其他應收款項及銀行結餘)及根據香港財務報告準則第9號須予減值的金融資產以預期信貸虧損(「預期信貸虧損」)模式進行減值評估。預期信貸虧損金額於各報告日期更新,以反映信貸風險自首次確認以來的變動。

生命週期預期信貸虧損指相關工具於預期年期內所有可能違約事件產生的預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)指預期於報告日期後12個月內可能發生的違約事件產生的生命週期預期信貸虧損部份。評估乃根據本集團歷史信貸虧損經驗完成,並就債務人的特定因素、一般經濟狀況及對於報告日期當時狀況及未來狀況預測的評估作出調整。

本集團一直就應收貿易賬款確認生命週期預期信貸虧損。該等資產的預期信貸虧損就重大結餘的債務人個別評估及╱或使用適當組別的撥備矩陣共同評估。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就所有其他工具而言，本集團計量相等於12個月預期信貸虧損的虧損撥備，除非信貸風險自首次確認以來大幅上升，則本集團會確認生命週期預期信貸虧損。評估應否確認生命週期預期信貸虧損乃根據自首次確認以來發生違約的可能性或風險大幅上升而定。

(i) 信貸風險大幅上升

評估信貸風險自首次確認以來是否大幅上升時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於首次確認日期發生違約的風險。於作出此項評估時，本集團會考慮合理可靠的定量及定性資料，包括歷史經驗或毋須過多成本或努力即可取得的前瞻性資料。

具體而言，評估信貸風險是否大幅上升時會考慮以下資料：

- 金融工具外部(倘適用)或內部信貸評級的實際或預期嚴重轉差；
- 信貸風險的外部市場指標嚴重轉差，例如信貸息差、債務人信貸違約掉期價格大幅上升；
- 目前或預測業務、金融或經濟情況有不利變動，預期導致大幅削弱債務人履行其債務責任的能力；
- 債務人經營業績實際上或預期嚴重轉差；
- 債務人的監管、經濟或技術環境實際上或預期出現重大不利變動，導致大幅削弱債務人履行其債務責任的能力。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險大幅上升(續)

不論上述評估的結果，當合約付款已逾期超過90日時，本集團會假定信貸風險自首次確認以來已大幅增加，除非本集團具有合理及有理據支持的資料顯示情況並非如此。

本集團定期監察識別信貸風險是否大幅上升所用準則的成效，並作出合適的修訂，以確保有關準則能夠於金額逾期前識別已大幅上升的信貸風險。

(ii) 違約的定義

除非本集團有合理可靠資料說明較滯後的違約標準更為合適，否則金融資產逾期超過90日時，本集團認為已發生違約事件。

(iii) 信貸減值金融資產

倘發生一項或多項對金融資產估計未來現金流量有不良影響的違約事件，則金融資產出現信貸減值。金融資產信貸減值的證據包括下列事件的可觀察數據：

(a) 發行人或借款人面臨重大財政困難；

(b) 違約，例如欠繳或逾期事件；

(c) 借款人的放款人基於與借款人財務困難相關的經濟或合約理由，向借款人作出在其他情況下不會考慮的讓步；

(d) 借款人有可能破產或訂立其他財務重組；或

(e) 該金融資產之活躍市場因財政困難而消失。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(iv) 撇銷政策

於有資料顯示對手方陷入嚴重財政困難且並無實際收回款項的可能時(例如對手方已遭清盤或進入破產程序,本集團會撇銷金融資產。經考慮法律意見(倘適用)後,已撇銷的金融資產仍可根據本集團的收回程序進行強制執行行動。撇銷構成終止確認事件。任何其後收回款項乃於損益確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量取決於違約概率、違約損失率(即出現違約時的虧損程度)及違約風險。評估違約概率及違約損失率基於按前瞻性資料進行調整的歷史數據得出。預期信貸虧損的估計反映根據加權的相應違約風險而確定的無偏頗及概率加權金額。

一般而言,預期信貸虧損乃按根據合約應付本集團的所有合約現金流量與本集團預期按首次確認時釐定的實際利率貼現而收取的現金流量之間的差額。

倘預期信貸虧損按整體基準計量或迎合個別工具水平證據未必存在的情況,則金融工具按以下基準歸類:

- 金融工具的性質;
- 逾期狀況;
- 債務人的性質、規模及行業;及
- 外部信貸評級(倘適用)。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each financial assets of the Group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

歸類由管理層定期審閱以確保本集團各金融資產成份繼續分擔類似信貸風險特性。

利息收入按金融資產的賬面總值計算，除非該金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本計算。

終止確認金融資產

本集團僅在資產所產生現金流量的合約權利屆滿或於其轉讓金融資產以及資產擁有權絕大部分風險及回報予另一實體時終止確認該金融資產。倘本集團並無轉讓或保留所有權絕大部分風險及回報，並繼續控制已轉讓資產，則本集團確認其於該資產的保留權益及其可能需要支付的金額的相關負債。倘本集團保留已轉讓金融資產所有權絕大部分風險及回報，則本集團將繼續確認該金融資產，及亦確認已收所得款項的有擔保借款。

於終止確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收代價的總和之間的差額將於損益確認。

金融負債及股本

分類為債務或股本

債務及股本工具乃按照合約安排內容及金融負債及股本工具的定義而分類為金融負債或股本。

股本工具

股本工具是證明某實體的資產(於扣除所有負債後)有剩餘權益的合約。由本公司發行的股本工具以所收取的所得款項扣除直接發行成本後列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables and accruals, contract liabilities, lease liabilities and amount due to a holder of non-controlling interests are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本(續)

金融負債

所有金融負債其後使用實際利率法按攤銷成本計量。

按攤銷成本計量的金融負債

金融負債(包括應付貿易賬款、其他應付及應計款項、合約負債、租賃負債及應付一位非控股權益持有人的款項)其後使用實際利率法按攤銷成本計量。

終止確認金融負債

本集團僅於本集團的責任獲解除、取消或屆滿時終止確認金融負債。已終止確認金融負債賬面值與已付及應付代價之間的差額於損益確認。

現金及現金等價物

就綜合現金流量表而言,現金及現金等價物包括庫存現金及活期存款,及流動性極高的短期投資(其可以容易地轉換為已知現金金額、所須承受的價值變動風險甚小,且一般於購入後三個月內到期)減須按要求償還且構成本集團現金管理一部分的銀行透支。

就綜合財務狀況表而言,現金及現金等價物包括手頭現金及銀行存款。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control of the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

3. 主要會計政策(續)

撥備及或然負債

當本集團因過往事件而承擔現有責任(法律或推定)及倘可可靠地估計該項責任之金額時本集團可能須履行該項責任,則會確認撥備。

確認為撥備的金額為清償報告期末的現時責任並計入該責任的風險及不確定因素所需代價的最佳估計。倘使用估計用以清償現時責任的現金流量計量撥備,其賬面值為該等現金流量的現值(倘貨幣時間價值的影響屬重大)。

倘用以償還撥備之部分或全部經濟利益預期將由第三方收回,則當實質上確認將收到償款且應收金額能可靠計量時,應收款項方確認為資產。

關連人士

(a) 該名人士須符合以下條件時,該名人士或其家族的近親方與本集團有關連:

- (i) 擁有本集團控制權或聯合控制權;
- (ii) 對本集團擁有重大影響;或
- (iii) 為本集團或本集團母公司的主要管理層成員。

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 Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any members of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. 主要會計政策(續)

關連人士(續)

(b) 符合以下任何條件的實體與本集團有關連：

(i) 實體與本集團為同一集團公司成員(即各母公司、附屬公司及同系附屬公司彼此間有關連)。

(ii) 某一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企業)。

(iii) 實體均為同一第三方的合營企業。

(iv) 某一實體為第三方實體的合營企業，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的實體的僱員福利設立離職後福利計劃。

(vi) 實體受(a)所界定人士控制或聯合控制。

(vii) (a)(i)所界定人士對實體擁有重大影響或為實體(或該實體母公司)的主要管理層成員。

(viii) 實體或組成集團其中一部分的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

一名人士的近親家庭成員指預期可影響或受該人士影響彼等與該實體交易的家庭成員。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment report

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

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.

3. 主要會計政策(續)

分部報告

經營分部及綜合財務報表所呈報各分部項目的金額，乃從為向本集團各項業務及地理位置進行資源分配及表現評估而定期向本集團最高級管理層提供的財務資料當中識別出來。

除非分部具備相似的經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分銷產品或提供服務的方法及監管環境的性質方面相似，否則各個重大經營分部不會進行合併計算(就財務呈報而言)。倘個別非重大的經營分部符合上述大部分標準，則可能進行合併計算。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss/further impairment loss may arise. As at 31 December 2019, the carrying amount of goodwill is HK$137,448,000 (2018: HK$137,448,000) (net of accumulated impairment loss). Details of the recoverable amount calculation are disclosed in note 18.

4. 估計不確定因素的主要來源

以下是關係到日後的主要假設，以及於報告期末估計不確定因素的其他主要來源，其可能導致須對下一個財政年度資產與負債賬面值作出重大調整的重大風險。

商譽的估計減值

釐定商譽是否出現減值須估計獲分配商譽的現金產生單位(或一組現金產生單位)的可收回金額(為使用價值或公平值減出售成本中的較高者)。計算使用價值時要求本集團估計預期將從該現金產生單位(或一組現金產生單位)產生的未來現金流量及適用貼現率以計算現值。倘實際未來現金流量低於預期，或事實及情況變動導致下調未來現金流量，則可能產生重大減值虧損╱未來減值。於2019年12月31日，商譽的賬面值為137,448,000港元(2018年：137,448,000港元)(扣減累計減值虧損)。可收回金額計算的詳情披露於附註18。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Provision of ECL for trade receivables and loan receivables

Loan receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivable and the ECL are disclosed in notes 20 and 35(b).

Impairment loss on loan receivables represent management's best estimate of losses incurred in the loan portfolio at the reporting date under ECL models. Management assesses whether the credit risk of loan receivables have increased significantly since their initial recognition and apply a three-stage impairment model to calculate their ECL. The Group is required to exercise judgement in making assumptions and estimates when calculating loan impairment loss, including any observable data indicating that there is a measurable decrease in the estimated future cash flows from loans portfolio and historical loss experience on the basis of the relevant observable data that reflects current economic conditions. The provision of ECL is sensitive to changes in estimates. The information about the Group's loan receivables and the ECL are disclosed in notes 21 and 35(b).

4. 估計不確定因素的主要來源(續)

應收貿易賬款及應收貸款的預期信貸虧損撥備

具重大結餘且出現信貸減值的應收貸款乃就預期信貸虧損單獨進行評估。此外，本集團使用撥備矩陣計算應收貿易賬款的預期信貸虧損。撥備率乃根據內部信貸評級將具有類似虧損模式的各債務人歸類。撥備矩陣乃基於本集團的歷史違約率，並加以考慮合理可靠且毋須過多成本或努力即可取得的前瞻性資料。於各報告日期，本集團重新評估歷史觀察所得違約率，並考慮前瞻性資料的變動。

預期信貸虧損撥備易受估計變動影響。有關本集團應收貿易賬款及預期信貸虧損的資料披露於附註20及附註35(b)。

應收貸款的減值虧損指管理層根據預期信貸虧損模式對報告日期的貸款組合產生的虧損的最佳估計。管理層評估應收貸款的信貸風險自其首次確認以來是否顯著上升，並應用三個階段減值模式計算其預期信貸虧損。於計算貸款減值虧損(包括任何顯示貸款組合的估計未來現金流量出現可計量減少的可觀察數據及反映當前經濟狀況的相關可觀察數據為基準的歷史虧損經驗)時，本集團須進行判斷以作出假設及估計。預期信貸虧損撥備易受估計變動影響。有關本集團應收貸款及預期信貸虧損的資料披露於附註21及35(b)。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Allowance for slow-moving and obsolete inventories

Allowance for slow-moving and obsolete inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgment and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and the allowance charge/write-back in the period in which such estimate has been changed.

4. 估計不確定因素的主要來源(續)

對滯銷及過時存貨的撥備

對滯銷及過時存貨的撥備乃根據存貨的賬齡及估計變現淨值而作出。評估撥備額涉及判斷和估計。倘日後的實際結果與原來估計不同,有關差異將會對有關估計已改變期間的存貨賬面值和扣除/撥回撥備有影響。

5. SEGMENTAL INFORMATION

(i) Segment results

Information reported to the board of directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group's reportable segments under HKFRS 8 are as follows:

– IC business – design development services income and sales of ICs;

– Money lending business – interest income; and

– Property management business – management services income and rental income.

5. 分部資料

(i) 分部業績

向本公司董事會(即主要營運決策者(「主要營運決策者」))呈報以分配資源及評估分部表現的資料,著重所付運貨品或提供服務的類別。

本集團根據香港財務報告準則第8號的可呈報分部如下:

– 集成電路業務 – 設計、開發服務收入和銷售集成電路;

– 放債業務 – 利息收入;及

– 物業管理業務 – 管理服務收入及租金收入。

5. SEGMENTAL INFORMATION (Continued)

5. 分部資料(續)

(i) Segment results (Continued)

(i) 分部業績(續)

The following is an analysis of the Group's revenue, profit, assets and liabilities by reportable operating segments:

以下為按可呈報經營分部劃分的本集團收益、溢利、資產及負債之分析：

		For the year ended 31 December 2019 截至2019年12月31日止年度			
		IC 集成電路 HK$'000 千港元	Money Lending 放債 HK$'000 千港元	Property Management 物業管理 HK$'000 千港元	Total 合計 HK$'000 千港元
Reportable segment revenue	可呈報分部收益				
Revenue from external customers	來自外界客戶的收益	7,363	19,093	35,879	62,335
Reportable segment (loss)/profit	可呈報分部(虧損)/溢利	(3,756)	(15,602)	13,186	(6,172)
Bank interest income and unallocated gains/(losses)	銀行利息收入及未分配收益/(虧損)				363
Corporate and other unallocated expenses	企業及其他未分配開支				(12,107)
Finance cost	財務費用				(4)
Loss before tax	除税前虧損				(17,920)
Segment assets	分部資產	2,946	127,929	186,137	317,012
Corporate and unallocated assets	企業及未分配資產				717
Total assets	總資產				317,729
Segment liabilities	分部負債	437	1,603	8,604	10,644
Corporate and unallocated liabilities	企業及未分配負債				1,232
Total liabilities	總負債				11,876
Other segment information	其他分部資料				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	470	114	35	619
Unallocated depreciation	未分配折舊				9
					628
Depreciation on right-of-use assets	使用權資產折舊	473	966	1,331	2,770
Unallocated depreciation	未分配折舊				104
					2,874
Additions to property, plant and equipment	添置物業、廠房及設備	559	295	–	854
Impairment loss on loan receivables	應收貸款減值虧損	–	30,220	–	30,220
Impairment loss on trade receivables	應收貿易賬款減值虧損	147	–	1,055	1,202
Provision for slow-moving and obsolete inventories	滯銷及過時存貨撥備	6	–	–	6
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	15	9	1	25

5. SEGMENTAL INFORMATION (Continued) 5. 分部資料(續)

(i) Segment results (Continued) (i) 分部業績(續)

		For the year ended 31 December 2018 截至2018年12月31日止年度			
		IC 集成電路 HK$'000 千港元	Money Lending 放債 HK$'000 千港元	Property Management 物業管理 HK$'000 千港元	Total 合計 HK$'000 千港元
Reportable segment revenue	可呈報分部收益				
Revenue from external customers	來自外界客戶的收益	16,611	20,430	39,287	76,328
Reportable segment (loss)/profit	可呈報分部(虧損)/溢利	(2,553)	15,638	16,911	29,996
Bank interest income and unallocated gains/(losses)	銀行利息收入及未分配收益/(虧損)				42
Corporate and other unallocated expenses	企業及其他未分配開支				(11,579)
Profit before tax	除税前溢利				18,459
Segment assets	分部資產	9,090	158,173	171,231	338,494
Corporate and unallocated assets	企業及未分配資產				2,334
Total assets	總資產				340,828
Segment liabilities	分部負債	3,824	5,916	3,982	13,722
Corporate and unallocated liabilities	企業及未分配負債				314
Total liabilities	總負債				14,036
Other segment information	其他分部資料				
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,132	296	57	1,485
Unallocated depreciation	未分配折舊				23
					1,508
Additions to property, plant and equipment	添置物業、廠房及設備	1,605	44	54	1,703
Reversal of impairment losses on trade receivables	應收貿易賬款減值虧損撥回	(13)	–	–	(13)
Provision for slow-moving and obsolete inventories	滯銷及過時存貨撥備	69	–	–	69
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	–	–	(1)	(1)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represent the profit earned by each segment without allocation of corporate administration costs, directors' emoluments, other gains and losses, and income tax expenses. This is the measure reported to the CODM for the purposed of resources allocation and assessment of segment performance.

營運分部的會計政策與本集團的會計政策相同。分部溢利指自各分部賺取的溢利,不計分配企業行政成本、董事酬金、其他收益及虧損以及所得税開支。此乃向主要營運決策者呈報以分配資源及評估分部表現的數據。

5. SEGMENTAL INFORMATION (Continued)

(i) Segment results (Continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year ended 31 December 2019 (2018: Nil).

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated assets. Goodwill is allocated to operating segments; and
- all liabilities are allocated to operating segments other than unallocated liabilities.

(ii) Information about major customers

No information about major customers is presented as no single customer individually contributed to over 10% of the Group's revenue for the years ended 31 December 2019 and 2018.

(iii) Geographic information

The Group's operations are located in Hong Kong and the PRC. The geographical location of customers is based on the location of the customers, irrespective of the origin of the goods or services. The geographical location of the non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and right-of-use assets. The Group's revenue from external customers by geographical location of customers and information about its non-current assets (other than loan receivables) by geographical location of the assets are set out below:

5. 分部資料(續)

(i) 分部業績(續)

以上呈報的分部收益指外界客戶產生的收益。截至2019年12月31日止年度並無分部間銷售(2018年:無)。

為監察分部表現及分配資源至各分部:

- 全部資產分配至營運分部,惟未分配資產除外。商譽分配至營運分部;及
- 全部負債分配至營運分部,惟未分配負債除外。

(ii) 主要客戶的資料

由於截至2019年及2018年12月31日止年度,並無單一客戶個別貢獻本集團收益超過10%,因此並無呈列有關主要客戶的資料。

(iii) 地理信息

本集團的業務位於香港及中國。客戶的地域位置乃根據客戶的所在地而定,而不論貨物或服務的來源地。就物業、廠房及設備以及資產使用權而言,非流動資產的地域位置乃根據資產的實際地點而定。本集團按客戶地域位置劃分來自外界客戶的收益及按資產地域位置劃分有關其非流動資產(應收貸款除外)的資料如下:

Revenue information from external customers

來自外界客戶的收益資料

		2019 **2019年** **HK$'000** **千港元**	2018 2018年 HK$'000 千港元
Hong Kong (place of domicile)	香港(居駐地)	**18,135**	25,979
The PRC, excluding Hong Kong and Taiwan	中國,不包括香港及台灣	**38,085**	48,093
Korea	韓國	**21**	94
Taiwan	台灣	**97**	159
Russia	俄羅斯	**1,037**	1,378
The United States of America	美國	**1,398**	624
Canada	加拿大	**3,562**	–
Others	其他	**–**	1
		62,335	76,328

5. SEGMENTAL INFORMATION (Continued)

5. 分部資料(續)

(iii) Geographic information (Continued)

(iii) 地理信息(續)

Non-current assets information (excluding loan receivables)

非流動資產資料(應收貸款除外)

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Hong Kong (place of domicile)	香港(居駐地)	1,565	213
The PRC, excluding Hong Kong and Taiwan	中國,不包括香港及台灣	140,873	137,675
Taiwan	台灣	740	3,004
		143,178	140,892

6. REVENUE

6. 收益

Revenue represents the net invoice value of goods sold after allowances for returns and trade discounts, the value of services rendered, and interest income from money lending business during the year. An analysis of the Group's revenue is as follows:

收益指年內經扣除退貨及買賣折扣撥備後已售貨物的發票淨值、所提供服務的價值及來自放債業務的利息收入。本集團的收益分析如下:

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Revenue from contracts with customers	**來自客戶合約的收益**		
Sales of ICs	銷售集成電路	6,880	14,023
Provision of ASIC services	提供ASIC服務	483	2,588
Provision of property management services	提供物業管理服務	35,879	39,287
Revenue from other sources	**來自其他來源的收益**		
Interest from money lending business	放債業務的利息	19,093	20,430
		62,335	76,328
Timing of revenue recognition	**收益確認時間**		
A point of time	某一個時間點	6,880	14,023
Over time	隨時間	55,455	62,305
		62,335	76,328

7. OTHER INCOME 7. 其他收入

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Interest income from:	利息收入：		
– Bank deposit	– 銀行存款	**8**	12
– Others	– 其他	**1,320**	774
Disbursement income from waste disposal	廢物處理的支出收入	**265**	118
Compensation income	補償收入	**120**	74
Income from sourcing and distribution of construction materials	採購及分銷建築材料收入	**348**	–
Sundry income	雜項收入	**174**	162
		2,235	1,140

8. OTHER NET GAINS/(LOSSES) 8. 其他收益／(虧損)淨額

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
(Loss)/gain on disposal of property, plant and equipment, net	出售物業、廠房及設備之(虧損)／收益淨額	**(25)**	1
Gain on lease modification and loss of termination of lease, net	租賃修訂收益及終止租賃虧損淨額	**225**	–
Exchange gain/(loss), net	匯兑收益／(虧損)淨額	**2**	(41)
		202	(40)

9. (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES OF TRADE AND LOAN RECEIVABLES 9. 應收貿易賬款及應收貸款的(減值虧損)／減值虧損撥回

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Impairment losses (recognised)/reversed on:	就以下各項(確認)／撥回減值虧損：		
– trade receivables (note 20)	– 應收貿易賬款(附註20)	**(1,202)**	13
– loan receivables (note 21)	– 應收貸款(附註21)	**(30,220)**	–
		(31,422)	13

10. FINANCE COST 10. 財務費用

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Interest expense on lease liabilities	租賃負債利息開支	429	–

11. (LOSS)/PROFIT BEFORE TAX 11. 除稅前(虧損)╱溢利

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
(Loss)/profit before tax has been arrived at after charging/(crediting):	除稅前(虧損)╱溢利經扣除╱(計入)以下各項得出：		
Depreciation on property, plant and equipment	物業、廠房及設備折舊	628	1,508
Depreciation on right-of-use assets#	使用權資產折舊#	2,874	–
		3,502	1,508
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
– Salaries, allowances and benefits in kind	– 薪金、津貼及實物福利	15,858	19,584
– Retirement benefits contributions	– 退休福利計劃供款	995	1,221
		16,853	20,805
Auditor's remuneration	核數師薪酬		
– audit services	– 審計服務	700	650
– other services	– 其他服務	711	60
Cost of inventories	存貨成本	5,529	9,706
Design and development costs	設計及開發成本	522	1,008
Impairment losses/(reversal of impairment losses) on	以下各項的減值虧損╱(減值虧損撥回)		
– trade receivables	– 應收貿易賬款	1,202	(13)
– loan receivables	– 應收貸款	30,220	–
Exchange (gain)/loss, net	匯兑(收益)╱虧損淨額	(2)	41
Loss/(gain) on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損╱(收益)淨額	25	(1)
Provision for slow-moving and obsolete inventories	滯銷及過時存貨撥備	6	69

Cost of sales and services included approximately HK$1,023,000 for the year ended 31 December 2019 relating to depreciation on right-of-use assets which amount is also included in the total amount disclosed separately in above expenses.

截至2019年12月31日止年度，銷售及服務成本包括與使用權資產折舊有關的約1,023,000港元，該金額亦包括上述開支分別披露的總額內。

12. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

12. 董事及五名最高薪酬人士的酬金

(a) Remuneration of Directors

Directors' remuneration for the year disclosed pursuant to the GEM Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

(a) 董事酬金

根據GEM上市規則及香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露本年度的董事薪酬如下：

Name of Director 董事姓名		Directors' fee 董事袍金 HK$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 HK$'000 千港元	Retirement benefits contributions 退休福利計劃供款 HK$'000 千港元	Total 合計 HK$'000 千港元
		Year ended 31 December 2019 截至2019年12月31日止年度			
Executive Directors	**執行董事**				
ZHANG Qing *(Chairman)*	張慶*(主席)*	–	2,439	18	2,457
SUNG Tak Wing Leo *(Chief Executive Officer)* (Note (i))	宋得榮*(行政總裁)*(附註(i))	–	993	8	1,001
LAU Mo (Note (ii))	劉武(附註(ii))	–	1,232	18	1,250
Non-Executive Director	**非執行董事**				
LIU Kam Lung	廖金龍	152	–	–	152
Independent Non-Executive Directors	**獨立非執行董事**				
CHEUNG Chi Man Dennis	張志文	197	–	–	197
KO Yin Wai (Note (iii))	高賢偉(附註(iii))	47	–	–	47
CHIU Yu Wang	趙汝宏	152	–	–	152
GAO Jinkang (Note (iv))	高晉康(附註(iv))	48	–	–	48
Total	合計	596	4,664	44	5,304

12. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

12. 董事及五名最高薪酬人士的酬金(續)

(a) Remuneration of Directors (Continued)

(a) 董事酬金(續)

		Year ended 31 December 2018 截至2018年12月31日止年度			
Name of Director 董事姓名		Directors' fee 董事袍金 HK$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 HK$'000 千港元	Retirement benefits contributions 退休福利計劃供款 HK$'000 千港元	Total 合計 HK$'000 千港元
Executive Directors	**執行董事**				
ZHANG Qing *(Chairman)*	張慶*(主席)*	–	2,392	18	2,410
SUNG Tak Wing Leo *(Chief Executive Officer)* (Note (i))	宋得榮*(行政總裁)*(附註(i))	–	2,386	18	2,404
LAU Mo (Note (ii))	劉武(附註(ii))	–	1,342	18	1,360
Non-Executive Director	**非執行董事**				
LIU Kam Lung	廖金龍	138	–	–	138
Independent Non-Executive Directors	**獨立非執行董事**				
CHEUNG Chi Man Dennis	張志文	178	–	–	178
KO Yin Wai (Note (iii))	高賢偉(附註(iii))	138	–	–	138
CHIU Yu Wang	趙汝宏	138	–	–	138
Total	合計	592	6,120	54	6,766

Note:

(i) Resigned on 22 May 2019

(ii) Passed away on 21 December 2019

(iii) Resigned on 3 May 2019

(iv) Appointed on 3 May 2019

附註:

(i) 於2019年5月22日辭任

(ii) 於2019年12月21日離世

(iii) 於2019年5月3日辭任

(iv) 於2019年5月3日獲委任

The emoluments shown above for executive directors were mainly for their services in connection with the management of the affairs of the Company and the Group. The fees for the non-executive director and independent non-executive directors were mainly for their services as directors of the Company.

上文所示的執行董事酬金主要與彼等管理本公司及本集團的事務有關。非執行董事及獨立非執行董事袍金主要與彼等擔任本公司董事有關。

12. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

12. 董事及五名最高薪酬人士的酬金(續)

(a) Remuneration of Directors (Continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the years ended 31 December 2018 and 2019. No inducement payments to join or upon joining the Group or as compensation for loss of office were paid or payable to any director or the chief executive officer for the years ended 31 December 2018 and 2019.

During the years ended 31 December 2018 and 2019, no share options were granted to the directors, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme and basis are set out in note 30.

(a) 董事酬金(續)

於截至2018年及2019年12月31日止年度，概無董事或最高行政人員放棄或同意放棄任何酬金的安排。於截至2018年及2019年12月31日止年度，概無向任何董事或最高行政人員支付或應付作為加入本集團或加入本集團的獎賞或作為離職的補償。

於截至2018年及2019年12月31日止年度，概無就董事根據本公司購股權計劃為本集團提供服務而向彼等授予購股權。購股權計劃及基準的詳情載於附註30。

(b) Five highest paid individuals' remuneration

The five highest paid individuals of the Group during the year included 3 (2018: 3) directors of the Company, details of whose remuneration are set out in note 12(a) above. Details of the remuneration for the year of the remaining 2 (2018: 2) highest paid individuals are as follows:

(b) 五名最高薪酬人士的酬金

年內，本集團的五名最高薪酬人士當中，包括本公司3名(2018年：3名)董事，其薪酬詳情列入上文附註12(a)中。年內餘下2名(2018年：2名)最高薪酬人士的薪酬詳情如下：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,109	1,516
Retirement benefits contributions	退休福利計劃供款	25	34
		1,134	1,550

The remuneration of 2 (2018: 2) non-director highest paid individuals with the highest were all within the band HK$1,000,000.

During the years ended 31 December 2018 and 2019, no share options were granted to these non-director and non-chief executive highest paid employees, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 30 to the Group's consolidated financial statements.

該2名(2018年：2名)最高薪酬的非董事最高薪酬人士的薪酬在1,000,000港元範圍內。

於截至2018年及2019年12月31日止年度，概無就這些非董事及非最高行政人員最高薪酬僱員根據本公司購股權計劃為本集團提供服務而向彼等授予購股權。購股權計劃的詳情載於本集團綜合財務報表附註30。

13. INCOME TAX EXPENSE 13. 所得稅開支

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Current tax:	即期稅項：		
– Hong Kong Profit Tax	– 香港利得稅	–	1,198
– PRC Enterprise Income Tax ("EIT")	– 中國企業所得稅(「企業所得稅」)	2,184	2,655
(Over)/under provision in prior year	過往年度(超額撥備)╱撥備不足	(20)	85
Income tax expenses for the year	年內所得稅開支	2,164	3,938

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

於2018年3月21日，香港立法會通過2017年稅務(修訂)(第7號)條例草案(「條例草案」)，引入兩級利得稅稅率制度。條例草案於2018年3月28日簽署成為法律並於翌日刊憲。根據兩級利得稅稅率制度，合資格集團實體的首2百萬港元溢利將按8.25%的稅率徵稅，而超過2百萬港元的溢利則按16.5%的稅率徵稅。不符合兩級利得稅稅率制度資格的集團實體的溢利將繼續沿用16.5%的統一稅率徵稅。

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

故此，合資格集團實體的香港利得稅乃以首2百萬港元估計應課稅溢利按8.25%稅率計算及超過2百萬港元的估計應課稅溢利按16.5%稅率計算。

Under the Law of the PRC on Enterprise Income Tax ("EIT") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2018: 25%) except that 四川威斯頓資產管理有限公司("四川威斯頓") is entitled to a preferential tax rate of 15% according to the 西部大開發企業所得稅優惠政策 which is applied to 四川威斯頓 during the year until 31 December 2020.

根據中國企業所得稅(「企業所得稅」)法及企業所得稅法實施條例，中國附屬公司之稅率為25%(2018年：25%)，四川威斯頓資產管理有限公司(「四川威斯頓」)除外。於年內，四川威斯頓可根據西部大開發企業所得稅優惠政策享有其適用的15%的優惠稅率直至2020年12月31日。

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

其他地區應課稅溢利的稅項按本集團經營所在司法權區的現行稅率計算。

13. INCOME TAX EXPENSE (Continued)

13. 所得稅開支(續)

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates are as follows:

按照適用於本公司及其大部分附屬公司註冊司法權區之除稅前(虧損)／溢利法定稅率計算之稅項開支,與按實際稅率計算之稅項開支的對賬如下:

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
(Loss)/profit before tax	除稅前(虧損)／溢利	**(17,920)**	18,459
Tax at the applicable tax rate of 16.5% (2018: 16.5%)	按適用稅率16.5%(2018年:16.5%)計算的稅項	**(2,957)**	3,046
Tax effect of non-deductible expenses	不可扣減開支的稅項影響	**832**	419
Tax effect of non-taxable income	非課稅收入的稅項影響	**(38)**	–
Tax effect of temporary differences not recognised	未確認暫時差額的稅項影響	**67**	(281)
Tax effect of tax losses not recognised	未確認稅項虧損的稅項影響	**4,607**	968
(Over)/under-provision in respect of prior years	過往年度的(超額撥備)／撥備不足	**(20)**	85
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營的附屬公司的不同稅率的稅項影響	**(327)**	(299)
Income tax expenses for the year	年內所得稅開支	**2,164**	3,938

As at 31 December 2019, the Group has unused tax loss arising in Hong Kong of approximately HK$73,644,000 (2018: HK$45,723,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax loss due to the unpredictability of future profit streams.

於2019年12月31日,本集團在香港產生的尚未動用稅項虧損約為73,644,000港元(2018年:45,723,000港元),可用以抵銷未來溢利並可無限期結轉。因未能預測未來溢利來源,故並未就稅項虧損確認遞延稅項資產。

14. DIVIDENDS

14. 股息

No dividends were declared or paid during the year ended 31 December 2019 (2018: Nil).

於截至2019年12月31日止年度,並無宣派或派付任何股息(2018年:無)。

15. (LOSS)/EARNINGS PER SHARE

15. 每股(虧損)╱盈利

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

本公司擁有人應佔每股基本(虧損)╱盈利乃按以下數據計算：

(Loss)/earnings

(虧損)╱盈利

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
(Loss)/earnings for the purpose of calculating basic and diluted per share ((loss)/profit for the year attributable to owners of the Company)	為計算每股基本及攤薄(本公司擁有人應佔年內(虧損)╱溢利))的(虧損)╱溢利	**(18,675)**	15,529

Number of shares

股數

		2019 2019年 '000 千股	2018 2018年 '000 千股
Weighted average number of ordinary shares for purpose of basic earnings per share	每股基本盈利的普通股加權平均數	**1,397,782**	1,397,782

For the year ended 31 December 2018 and 2019, dilutive earnings/(loss) per share has not been calculated as there is no potential dilutive shares outstanding.

截至2018年及2019年12月31日止年度，由於並無發行在外的潛在攤薄股份，故並無計算每股攤薄盈利╱(虧損)。

16. PROPERTY, PLANT AND EQUIPMENT 16. 物業、廠房及設備

		Computer Equipment 電腦設備 HK$'000 千港元	Instruments 工具 HK$'000 千港元	Office Equipment 辦公室設備 HK$'000 千港元	Motor Vehicles 汽車 HK$'000 千港元	Furniture and Fixtures 傢俱及裝置 HK$'000 千港元	Leasehold Improvement 租賃物業裝修 HK$'000 千港元	Total 合計 HK$'000 千港元
Cost	**成本**							
At 1 January 2018	於2018年1月1日	522	13,418	187	120	199	1,111	15,557
Additions	添置	56	1,591	34	–	22	–	1,703
Disposal	出售	–	–	(9)	–	–	–	(9)
Exchange realignment	匯兑調整	(1)	–	(2)	(6)	–	(2)	(11)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	577	15,009	210	114	221	1,109	17,240
Additions	添置	–	559	5	–	6	284	854
Disposal	出售	(294)	(7,184)	(20)	–	(86)	(150)	(7,734)
Exchange realignment	匯兑調整	(2)	–	(1)	(2)	–	(1)	(6)
At 31 December 2019	於2019年12月31日	281	8,384	194	112	141	1,242	10,354
Accumulated depreciation	**累計折舊**							
At 1 January 2018	於2018年1月1日	438	10,762	108	25	108	862	12,303
Charge for the year	年內支出	58	1,110	57	28	38	217	1,508
Written back on disposals	於出售時撥回	–	–	(9)	–	–	–	(9)
Exchange realignment	匯兑調整	(1)	–	(2)	(2)	–	(1)	(6)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	495	11,872	154	51	146	1,078	13,796
Charge for the year	年內支出	37	461	35	27	27	41	628
Written back on disposals	於出售時撥回	(284)	(4,689)	(13)	–	(69)	(150)	(5,205)
Exchange realignment	匯兑調整	(1)	–	(1)	(1)	–	(1)	(4)
At 31 December 2019	於2019年12月31日	247	7,644	175	77	104	968	9,215
Net carrying amount	**賬面淨值**							
At 31 December 2019	於2019年12月31日	34	740	19	35	37	274	1,139
At 31 December 2018	於2018年12月31日	82	3,137	56	63	75	31	3,444

17. RIGHT-OF-USE ASSETS 17. 使用權資產

		Leased properties 租賃物業 HK$'000 千港元
Cost	**成本**	
At 1 January 2018 and 31 December 2018	於2018年1月1日及2018年12月31日	–
Adjustment upon application of HKFRS16 (note 2.1)	應用香港財務報告準則第16號後調整(附註2.1)	6,169
At 1 January 2019	於2019年1月1日	6,169
Additions	添置	4,118
Adjustment upon termination of lease	終止租賃後調整	(3,267)
Adjustment upon modification of lease	修訂租賃後調整	(145)
Exchange realignment	匯兑調整	(118)
At 31 December 2019	於2019年12月31日	6,757
Accumulated depreciation	**累計折舊**	
At 1 January 2018, 31 December 2018 and 1 January 2019	於2018年1月1日、2018年12月31日及2019年1月1日	–
Charge for the year	年內費用	2,874
Written back upon termination of lease	終止租賃後調整撥回	(681)
Exchange realignment	匯兑調整	(27)
At 31 December 2019	於2019年12月31日	2,166
Net carrying amount	**賬面淨值**	
At 31 December 2019	於2019年12月31日	4,591
At 31 December 2018	於2018年12月31日	–

17. RIGHT-OF-USE ASSETS (Continued)

17. 使用權資產(續)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

於損益中確認的租賃相關費用項目分析如下：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Depreciation charge of right-of-use assets by class of underlying assets:	按類別劃分的相關資產使用權資產之折舊費用		
Other properties leased for own use	出租自用的其他物業：	2,874	–
Interest on lease liabilities (note 10)	租賃負債利息(附註10)	429	–
Expenses relating to short-term leases with remaining lease term ending on or before 31 December 2019	餘下租期於2019年12月31日或之前結束的短期租賃之開支	298	–
Total minimum lease payments for leases previously classified as operating leases under HKAS 17	根據香港會計準則第17號歸類為經營租賃的租賃之最低租賃支出總額	–	2,493

Details of total cash outflow for leases are set out in consolidated statement of cash flows.

租賃的現金流量總額詳情載入綜合現金流量表。

18. GOODWILL

18. 商譽

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Cost and carrying amount	成本及賬面值		
– Goodwill on business combination in the PRC	– 於中國業務合併的商譽		
At 1 January and 31 December	於1月1日及12月31日	**137,448**	137,448

Impairment testing of goodwill

Goodwill in relation to the acquisition through business combination in the PRC CGU incurred in 2017 which is allocated to property management business in the PRC and is subject to annual impairment test. This balance comprised of the goodwill arose on the Group's acquisition of a direct wholly owned subsidiary, Quick Wit Ventures Limited and its subsidiaries. ("Quick Wit") on 6 January 2017 of approximately HK$140,000,000 and the goodwill as taken up upon the acquisition of Quick Wit on 20 January 2017 (an acquisition which has been accounted for as a business combination by acquisition).

Property management business in the PRC CGU

The directors of the Company have performed impairment assessments on the aforesaid goodwill and concluded that no impairment charge has to be recognised. The recoverable amount of the property management CGU has been determined based on a value in use calculation using cash flow projections from financial budgets covering a five-year period approved by directors of the Company. The discount rate applied to the cash flow projections is 24.2% (2018: 25.2%) and cash flow beyond the five-year period are extrapolated using a growth rate of 3.0% (2018: 2.6%).

商譽減值測試

與通過於2017年在中國現金產生單位內進行業務合併的收購有關的商譽已分配至中國物業管理業務，並須進行年度減值測試。該項結餘包括本集團於2017年1月6日收購直接全資附屬公司Quick Wit Ventures Limited及其附屬公司(「Quick Wit」)約140,000,000港元產生的商譽及於2017年1月20日收購Quick Wit(該收購已作為通過收購進行的業務合併予以入賬)後承接的商譽。

中國之物業管理業務現金產生單位

本公司董事已就上述商譽進行減值評估，並認為毋須確認減值虧損。物業管理現金產生單位之可收回金額乃根據使用價值計算方法釐定。該計算方法基於由本公司董事批准且涵蓋五年期間之財務預算所制定之現金流量預測。現金流量預測採用之貼現率為24.2%(2018年：25.2%)，而五年期間後之現金流量則採用3.0%(2018年：2.6%)之增長率作出推斷。

18. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Property management business in the PRC CGU (Continued)

Assumptions were used in the value in use calculation of the property management CGU as at 31 December 2019. The key assumptions as adopted by the directors in the impairment assessment are summarised as below:

Budgeted turnover – Budgeted turnover is based on the expected growth rate of the market in which the CGU operates and the expected market share of the CGU.

Budgeted gross margin – The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year immediately before the budget year, increased for expected efficiency improvements and expected market development.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the CGU in PRC.

The values assigned to key assumptions are consistent with external information sources.

The Group performed its annual impairment test in December 2019. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. This included factors such as the overall increase in demand in property management in PRC in recent years, amongst the ongoing economic uncertainty, still managed to have led to an increased demand in property management business in PRC CGU.

Based on the annual impairment test performed by the Company, no impairment loss has been provided in relation to the property management CGU. The recoverable amount of the CGU is higher than its carrying amount.

18. 商譽(續)

商譽減值測試(續)

中國之物業管理業務現金產生單位(續)

於2019年12月31日，計算物業管理現金產生單位之使用價值時已作出假設。董事於減值評估採納的主要假設概述如下：

預算營業額－預算營業額根據現金產生單位所在經營市場的預期增長率及現金產生單位的預期市場佔有率而定。

預算毛利率－預算毛利率乃根據緊接預算年度前的年內平均毛利率計算，並根據預期效率提高及預期市場發展而增加。

貼現率－所用貼現率屬税前並可反映有關於中國現金產生單位的特定風險。

分配至主要假設之價值與外部資料來源一致。

本集團於2019年12月進行其年度減值測試。本集團於審閱減值跡象時，考慮到(其中包括)其市值及其賬面值之間的關係。其包括若干因素，如雖然有持續經濟不明朗因素，但近年來中國物業管理需求的整體增加，仍導致中國現金產生單位對物業管理業務的需求增加。

根據本公司所進行之年度減值測試，本公司毋須就物業管理之現金產生單位計提減值虧損。現金產生單位之可收回金額大於其賬面值。

19. INVENTORIES

19. 存貨

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Raw materials	原材料	**492**	1,285
Work in progress	在製品	**243**	1,513
Finished goods	成品	**842**	2,203
		1,577	5,001
Less: Provision for slow-moving and obsolete inventories	減：滯銷及過時存貨撥備	**(761)**	(1,249)
		816	3,752

During the year ended 31 December 2019, the Group made a provision of approximately HK$6,000 for slow-moving and obsolete inventories (2018: provision of approximately HK$69,000).

截至2019年12月31日止年度，本集團作出滯銷及過時存貨撥備約為6,000港元（2018年：撥備約69,000港元）。

The above amounts were included in "cost of inventories" for the respective years.

上述金額計入各年度的「存貨成本」。

20. TRADE RECEIVABLES

20. 應收貿易賬款

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Trade receivables	應收貿易賬款	**7,455**	5,750
Less: (allowance)/reversal of provision for credit losses (note 35(b))	減：信貸虧損（撥備）／撥備撥回（附註35(b)）	**(1,202)**	13
		6,253	5,763

The Group has implemented policies that require appropriate credit checks on potential customers before granting credit. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and credit ratings of its counterparties are monitored by management. The maximum credit risk of such financial assets is represented by the carrying value of asset.

本集團已制定政策，要求授出信貸前對潛在客戶進行適當信貸審查。本集團的政策為僅與信譽良好的對手方進行交易，而管理層亦會注意本集團所面對的風險及其對手方的信貸評級。相關金融資產的最高信貸風險為資產的賬面值。

20. TRADE RECEIVABLES (Continued)

20. 應收貿易賬款(續)

Before accepting any new customer, the Group uses an internal credit assessment process to assess the potential customer's credit quality and defines credit limits of the customer. Credit limits attributed to customers are reviewed by the management regularly. In determining recoverability of a trade receivable, the Group considers any change in credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

於接納任何新客戶之前，本集團運用內部信貸評估程序以評估潛在客戶的信貸質素及界定客戶的信貸限額。給予客戶的信貸限額由管理層定期檢討。釐定應收貿易賬款的可收回程度時，本集團考慮自初次授出信貸當日至報告期末應收貿易賬款信貸質素的任何轉變。

The following is an ageing analysis of trade receivables at the end of each reporting period, presented based on the invoice date and net of allowance for credit losses:

以下是於各報告期末按發票日期及扣除信貸虧損撥備呈列的應收貿易賬款的賬齡分析：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
0–30 days	0–30日	4,767	3,911
31–60 days	31–60日	255	909
61–90 days	61–90日	411	705
More than 90 days	超過90日	820	238
		6,253	5,763

The Group seeks to maintain strict control over its outstanding trade receivables. Past due balances are reviewed by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and expected to be recovered within one year.

本集團對未收回之應收貿易賬款實施嚴格控制。高級管理層會審閱逾期結餘。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他信貸提升措施。應收貿易賬款為不計息，並預期可於一年內收回。

The Group normally allows a credit period within 30 days to its trade customers. Further details on the credit policy and credit risk of trade receivables are set out in note 35(b).

本集團通常給予其貿易客戶30天內的信貸期。關於應收貿易賬款的信貸政策及信貸風險的進一步詳情載於附註35(b)。

21. LOAN RECEIVABLES 21. 應收貸款

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Loan to customers	貸款予多名客戶	**151,600**	97,995
Accrued interest receivables	應收應計利息	**1,496**	683
Less: allowance for credit losses (note 35(b))	減：信貸虧損撥備（附註35(b)）	**(30,220)**	–
		122,876	98,678
Analysed as:	分析為：		
Non-current assets	非流動資產	**9,000**	–
Current assets	流動資產	**113,876**	98,678
		122,876	98,678

The Group has implemented policies that require appropriate credit check on potential customers before granting loans so as to minimise credit risk. The granting of loans is subject to approval by the credit committee and repayable according to repayment schedules, whilst overdue balances are reviewed regularly for recoverability. At 31 December 2019, loans receivables are charging on effective interest rates mutually agreed with the contracting parties, ranging from approximately 12% to 18% (2018: 6.5% to 18%) per annum.

本集團已實施政策，於授出貸款前須對潛在客戶進行適當信貸審查，以將信貸風險減至最低。授出貸款須獲信貸委員會批准，並應按照還款時間表償還，且將定期檢討收回逾期結餘的可能性。於2019年12月31日，應收貸款按與訂約方共同協定的實際利率收取，該年利率介乎約12%至18%（2018年：6.5%至18%）。

At 31 December 2019, loan receivables of approximately HK$70,403,000 were secured by shares of companies and a property in Hong Kong. All loan receivables were unsecured as at 31 December 2018.

於2019年12月31日，應收貸款約70,403,000港元由各公司股份及香港物業作抵押。所有應收貸款於2018年12月31日均為無抵押。

The following is an ageing analysis of loan receivables at the end of each reporting period, presented based on the remaining period to contractual maturity date, net of allowance for credit losses:

以下為各報告期末按餘下期數至合約到期日呈列之應收貸款（扣除信貸虧損撥備）賬齡分析：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Within 1 year	1年內	**113,876**	98,678
Over 1 year and up to 5 years	超過1年至5年	**9,000**	–
		122,876	98,678

Further details on the credit policy and credit risk of loan receivables are set out in note 35(b).

關於應收貸款的信貸政策及信貸風險的進一步詳情載於附註35(b)。

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

22. 其他應收款項、按金及預付款項

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Deposit for purchase of raw materials	採購原材料之按金	**152**	392
Rental and utilities deposits	租金及水電按金	**420**	738
Prepaid legal and professional fees	已預付法律及專業費用	**–**	104
Prepaid utilities and insurance	已預付水電及保險	**350**	405
Advanced payment to a subcontractor	預付分包商款項	**1,068**	–
Others	其他	**220**	269
		2,210	1,908

The amounts are non-interest bearing. None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there are no recent history of default.

該款項不計息。上述金融資產概無逾期或減值。計入上述結餘的財務資產與近期歷史並無拖欠記錄的應收款項有關。

Further details on the credit policy and credit risk of other receivables, deposits and prepayments are set out in note 35(b).

關於其他應收款項、按金及預付款項的信貸政策及信貸風險的進一步詳情載於附註35(b)。

23. BANK BALANCES AND CASH

23. 銀行結餘及現金

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Cash at banks and in hand	銀行及庫存現金	**42,091**	89,835

At the end of the reporting period, the bank balances and cash of the Group denominated in RMB amounted to approximately HK$38,197,000 (2018: HK$24,613,000). The RMB is not freely convertible into other currencies.

於報告期末，本集團以人民幣計值的銀行結餘及現金約為38,197,000港元（2018年：24,613,000港元）。人民幣不可自由兑換為其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rate. The bank balances are deposited with creditworthy banks with no recent history of default.

存放於銀行的現金按基於每日銀行存款利率的浮動利率計息。銀行結餘存放於近期並無違約歷史且信譽良好的銀行。

24. TRADE PAYABLES

24. 應付貿易賬款

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Trade payables	應付貿易賬款	**392**	1,698

All of the trade payable are non-interest bearing and are repayable on demand.

所有應付貿易賬款不計息，並須應要求償還。

An ageing analysis of the Group's trade payables, presented based on the invoice date at the end of each reporting period, is as follows:

本集團於各報告期末按發票日期呈列的應付貿易賬款的賬齡分析如下：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
0–30 days	0–30日	**388**	1,348
31–60 days	31–60日	**–**	275
61–90 days	61–90日	**1**	75
More than 90 days	超過90日	**3**	–
		392	1,698

The trade payables are non-interest bearing and are normally settled within 90 days.

應付貿易賬款不計息及一般須於90日內清償。

25. OTHER PAYABLES AND ACCRUALS

25. 其他應付及應計款項

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Accrued expenses	應計費用	**2,955**	2,522
Other payables	其他應付款項	**2,118**	1,053
Amount due to a former director	應付一位前任董事之款項	**–**	40
		5,073	3,615

All of the other payables and accruals are non-interest bearing and are repayable on demand.

所有其他應付及應計款項不計息，並須應要求償還。

26. CONTRACT LIABILITIES

26. 合約負債

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Short-term advances received from customers	收取來自客戶之短期預付款項		
Property management services	物業管理服務	**1,360**	1,189
Sales of ICs and provision of ASIC services	銷售集成電路及提供ASIC服務	**331**	1,543
		1,691	2,732

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

影響已確認合約負債金額的一般付款條款如下：

Property management service

When the Group receives the prepaid property management service fees from customers in advance, it will give rise to contract liabilities, until the revenue recognised on the relevant contract upon provision of property management services over time, which are expected to be completed within one year. The Group typical receives 3–6 months (2018: 3–6 months) prepayment for the property management services.

物業管理服務

當本集團提前收到來自客戶的預付物業管理服務費，則承擔合約負債，直至隨時間提供物業管理服務後於相關合約確認收益為止，其預期於一年內完成。就物業管理服務而言，本集團通常收取3–6個月（2018年：3–6個月）的預付款項。

Sales of ICs and provision of ASIC services

When the Group receives deposits from the customers in advance, this will give rise to contract liabilities, until the revenue recognised (i) based on the services performed to date as a percentage of the total services to be performed under the relevant contract; or (ii) when the customer has accepted the goods and the related risks and rewards.

銷售集成電路及提供ASIC服務

當本集團提前收到來自客戶的按金，則承擔合約負債，直至(i)根據相關合約截至該日止已提供的服務佔將予提供的全部服務的百分比；或(ii)當客戶接收貨物及相關風險及回報時確認收益為止。

Movement in contract liabilities:

合約負債變動：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Balance at 1 January	於1月1日之結餘	**2,732**	78
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	於年內確認收益（於年初計入合約負債）導致合約負債減少	**(2,635)**	(78)
Increase in contract liabilities as a result of property management activities in the year	年內物業管理活動導致合約負債增加	**1,360**	1,189
Increase in contract liabilities as a result of receiving sales and services deposits in the year	年內收取銷售及服務按金導致合約負債增加	**234**	1,543
Balance at 31 December	於12月31日之結餘	**1,691**	2,732

All of the contract liabilities are expected to be recognised as income within one year.

所有合約負債預期於一年內確認為收益。

27. LEASE LIABILITIES

27. 租賃負債

The following table shows the remaining contractual maturities of the Company's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

下表乃本公司的租賃負債於即期及先前報告期末以及過渡至香港財務報告準則第16號之日的餘下合約到期日：

		31 December 2019 2019年12月31日		1 January 2019 (note 2.1) 2019年1月1日(附註2.1)		31 December 2018 2018年12月31日	
		Present value of the minimum lease payments 最低租賃總付款之現值 HK$'000 千港元	Total minimum lease payments 最低租賃總付款 HK$'000 千港元	Present value of the minimum lease payments 最低租賃總付款之現值 HK$'000 千港元	Total minimum lease payments 最低租賃總付款 HK$'000 千港元	Present value of the minimum lease payments 最低租賃總付款之現值 HK$'000 千港元	Total minimum lease payments 最低租賃總付款 HK$'000 千港元
Within 1 year	1年內	1,894	2,080	1,888	2,168	–	–
After 1 year but within 4 years	1年後但於4年內	2,826	2,953	4,281	4,500	–	–
		4,720	5,033	6,169	6,668	–	–
Less: total future interest expenses	減：未來利息開支總額		(313)		(499)		–
Present value of lease liabilities	租賃負債之現值		4,720		6,169		–

28. AMOUNT DUE TO A HOLDER OF NON-CONTROLLING INTERESTS

28. 應付一位非控股權益持有人之款項

The amount was unsecured, interest-free and repayable on demand.

該款項為無抵押、免息並須應要求償還。

29. SHARE CAPITAL AND RESERVES

29. 股本及儲備

(a) Share capital

(a) 股本

		Number of shares 股份數目 '000 千股	Nominal value 面值 HK$'000 千港元
Ordinary shares of HK$0.1 each	**每股0.1港元的普通股**		
Authorised:	**法定:**		
At 31 December 2018 and 31 December 2019	於2018年12月31日及2019年12月31日	10,000,000	1,000,000
Issued and fully paid:	**已發行及繳足:**		
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於2018年1月1日、2018年12月31日、2019年1月1日及2019年12月31日	1,397,782	139,778

29. SHARE CAPITAL AND RESERVES (Continued)

(b) Movements in components of equity

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 70 of the consolidated financial statements.

Merger reserve arose as a result of the reorganisation taken place on 20 December 2011 which represents the differences between the issued shares and share premium of MiniLogic Device Corporation Limited upon group reorganisation and the nil-paid issued of 380,000 shares of the Company which was credited as fully paid.

The statutory reserve represents the appropriation of 10% of profit after tax determined based on the relevant accounting rules and regulations of the PRC in accordance with the relevant PRC laws until the PRC statutory reserve reaches 50% of the registered capital of the relevant subsidiaries. The statutory reserve can be applied either to set off accumulated losses or to increase capital.

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

29. 股本及儲備（續）

(b) 權益組成變動

本集團於本年度及往年的儲備金額及其變動呈列於綜合財務報表第70頁的綜合權益變動表內。

2011年12月20日因重組而產生的合併儲備指集團重組後微創高科有限公司的已發行股份及股份溢價與本公司以未繳股款方式發行的380,000股入賬列為繳足的股份之間的差額。

法定儲備指根據相關中國法律按中國的相關會計規則及規例劃撥除稅後溢利的10%，直至中國法定儲備到達相關附屬公司註冊股本的50%為止。法定儲備可用於撇銷累計虧損或增資。

匯兑儲備包括包括所有換算海外業務財務報表產生的匯兑差額。

30. SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 16 May 2012 ("the Adoption Date"). Share Option Scheme will remain in force for a period of 10 years effective from 10 July 2012 of the scheme and will expire on 9 July 2022.

The purpose of the Share Options Scheme is to provide incentive to the participants. The participants of the Share Option Scheme, as absolutely determined by the Board, include:

(a) any employee (whether full time or part time employee, including any executive directors) of any member of the Group or any entity in which the Group holds any equity interest ("Invested Entity");

(b) any non-executive directors (including independent non-executive directors) of any member of the Group or any Invested Entity;

(c) any supplier of goods or services to any member of the Group or any Invested Entity;

(d) any customer of any member of the Group or any Invested Entity;

(e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and

(g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity.

30. 購股權計劃

本公司於2012年5月16日(「採納日期」)採納一項購股權計劃(「購股權計劃」)。購股權計劃由2012年7月10日起10年內有效,直至2022年7月9日屆滿。

購股權計劃之目的以激勵彼等為本集團的業務及營運所作的貢獻。購股權計劃之參與者(均由董事會全權決定)包括:

(a) 本集團任何成員公司或本集團持有任何股權之任何實體(「受投資實體」)之任何僱員(不論全職或兼職僱員,包括任何執行董事);

(b) 本集團任何成員公司或任何受投資實體之任何非執行董事(包括獨立非執行董事);

(c) 向本集團任何成員公司或任何受投資實體提供貨物或服務之任何供應商;

(d) 本集團任何成員公司或任何受投資實體之任何客戶;

(e) 向本集團任何成員公司或任何受投資實體提供研究、開發或其他技術支援之任何人士或實體;

(f) 本集團任何成員公司或任何受投資實體之任何股東或本集團任何成員公司或任何受投資實體所發行任何證券之任何持有人;及

(g) 本集團任何成員公司或任何受投資實體之任何領域業務或業務發展方面之任何顧問(專業或其他)或諮詢者。

30. SHARE OPTION SCHEME (Continued)

The maximum number of shares in respect to which options may be granted under the Share Option Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Share Option Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the GEM Listing Rules. A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

Options may be exercised at any time from the date of grant of the option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share.

The refreshment of the Share Option Scheme mandate limit was approved at the annual general meeting held on 3 May 2019, based on 1,397,782,400 shares in issue as at 3 May 2019, the Company was allowed to grant further options under the Share Option Scheme at up to a total of 139,778,240 shares, representing 10.0% of the shares in issue as at 3 May 2019 and representing 10.0% of the issue share capital of the Company as at 31 December 2019 and the date of this annual report respectively, and representing 10.0% of the issued share capital of the Company, as at the date of 2018 annual report.

No share option was granted, exercised, cancelled, expired or lapsed since 1 January 2019 and the refreshment of the scheme mandate limit on 3 May 2019 and up to 31 December 2019. Since the date of adoption of the Share Option Scheme, a total of 29,030,400 share options were granted (the "Granted Share Options"), of which 15,382,400 share options were exercised and 13,648,000 share options were lapsed. Save and except for aforesaid, there was no other option granted, exercised, cancelled or lapsed since the date of adoption of the Share Option Scheme, and there was no outstanding share options under the Share Option Scheme during the period from 10 November 2016, being the date which all outstanding Granted Share Options lapsed, to 31 December 2019.

30. 購股權計劃(續)

根據購股權計劃可能授出之購股權所涉及的股份數目，最多不得超過採納購股權計劃當日本公司已發行股本之10%。該上限可隨時更新，惟新限額合共不得超過股東於股東大會批准當日本公司已發行股本之10%。然而，根據購股權計劃及本公司任何其他計劃已授出但尚未行使之全部購股權獲行使時，可予發行之股份數目合共不得超過當時已發行股份之30%。於任何12個月期間內，向任何個別人士授出之購股權獲行使時，可予發行之股份數目不得超過該12個月期間最後一天已發行股份之1%，除非按照GEM上市規則經由本公司股東批準則作別論。接納授出之購股權時，應付象徵性代價1港元。

購股權可在授出當日起至授出日之10周年為止期間內隨時行使，而期限由董事釐定。行使價將由董事釐定，但不會低於下列之最高者：(i)每股股份在購股權授出當日在聯交所每日報價表上所列之收市價；(ii)緊接授出購股權日期前五個營業日每股股份在聯交所每日報價表上所列之平均收市價；或(iii)股份面值。

更新購股權計劃授權上限已於2019年5月3日舉行的股東週年大會上獲批准，按於2019年5月3日已發行1,397,782,400股股份計，本公司獲允許根據購股權計劃進一步授出購股權，最多合共達139,778,240股股份，代表於2019年5月3日已發行股份的10.0%及代表本公司分別於2019年12月31日及本年報日期已發行股本的10.0%，以及代表本公司於2018年年報日期已發行股本的10.0%。

自2019年1月1日及於2019年5月3日更新計劃授權上限起及直至2019年12月31日止，概無任何購股權已獲授出、行使、取消、到期或失效。自採納購股權計劃日期起，合共授出29,030,400份購股權(「授出購股權」)，其中15,382,400份購股權獲行使，而13,648,000份購股權已失效。除上述者外，自採納購股權計劃日期起，概無其他購股權已獲授出、行使、取消或失效，且於2016年11月10日(即所有尚未行使的授出購股權失效之日)至2019年12月31日期間，購股權計劃項下概無尚未行使的購股權。

31. OPERATING LEASE COMMITMENTS

31. 經營租賃承擔

The Group as lessee

本集團作為承租人

The Group leased certain of its offices under operating lease arrangements. Leases for office were negotiated for terms ranging from 1 to 3 years. At the end of the reporting period, the total future minimum lease payments under non-cancellable operating lease in respect of leased properties are payable as follows:

本集團根據經營租賃安排租賃其若干辦公室。辦公室租期協定為1至3年。於報告期末，根據不可撤銷經營租賃持有的租賃物業之日後最低租賃總付款如下：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Within 1 year	1年內	–	2,467
After 1 year but within 5 years	1年後但5年內	–	4,515
		–	6,982

Operating lease payments mainly represent rentals payable by the Group for its office premises and a warehouse in Hong Kong. Lease payments are fixed throughout the lease term agreed. None of the leased includes contingent rentals.

經營租賃付款主要指本集團就其位於香港的辦公室單位及倉庫應付的租金。租賃付款乃根據協定的租期釐定。已租賃項目不包括或然租金。

The Group as lessor

本集團作為出租人

The Group leases out certain carparks and premises in PRC under operating leases. The leases typically run for a period of 1 to 5 years. None of the leases under contingent rentals. At the end of the reporting period, the Group's aggregate future minimum rental income receivables under non-cancellable operating leases is as follows:

本集團根據經營租賃租出其若干位於中國的停車場及物業。該等租賃通常為期1至5年。概無租賃低於或然租金。於報告期末，本集團根據不可撤銷經營租賃的未來最低租金收入應收款項總額如下：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Within 1 year	1年內	2,012	1,340
After 1 year but within 5 years	1年後但5年內	1,688	536
		3,700	1,876

32. CAPITAL COMMITMENTS

32. 資本承擔

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Commitments in respect of the acquisition of a subsidiary	收購一間附屬公司的承擔		
– Contracted for but not provided in the consolidated financial statements	– 已訂約但未於綜合財務報表撥備	14,989	–

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

33. 來自融資活動所產生負債之對賬

The table below details the changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

下表載列本集團來自融資活動所產生負債之變動詳情，包括現金及非現金變動。融資活動所產生的負債為已或將於本集團的綜合現金流量表中分類為來自融資活動之現金流量的現金流量或未來現金流量。

		Lease liabilities 租賃負債 HK$'000 千港元
At 31 December 2018	於2018年12月31日	–
Adjustment upon application of HKFRS 16	應用香港財務報告準則第16號後調整	6,169
At 1 January 2019	於2019年1月1日	6,169
Leases terminated	已終止租賃	(2,811)
Leases modified	已修訂租賃	(145)
New lease entered	已訂立新租賃	4,118
Exchange difference	匯兑差額	(94)
Interest expenses	利息開支	429
Interest element of lease liabilities paid	已付租賃負債的利息部分	(429)
Capital element of lease rental paid	已付租賃租金的資本部分	(2,517)
At 31 December 2019	於2019年12月31日	4,720

34. RELATED PARTY DISCLOSURES

34. 關連人士披露

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 12(a) to the consolidated financial statements and certain of the highest paid employees as disclosed in note 12(b) to the consolidated financial statements, is as follows:

(a) 主要管理人員的薪酬

本集團主要管理人員的酬金，包括如載於綜合財務報表附註12(a)所披露已支付予本公司董事的金額及已支付如載於綜合財務報表附註12(b)所披露的若干最高薪酬僱員的金額如下：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Directors' fee	董事袍金	596	592
Salary and other short-term employee benefits	薪金及其他短期僱員福利	5,773	7,636
Post-employment benefits	離職後福利	69	88
		6,438	8,316

(b) Loans to related parties

The following tables disclose the loan interest income and loans advanced to related parties for the years ended 31 December 2019 and 2018:

(b) 借予關連方的貸款

下表披露截至2019年及2018年12月31日止年度貸款利息收入及預付關連方貸款：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Loan interest income from:	來自下列各方的貸款利息收入：		
– Key management personnel	– 主要管理人員	–	647
– A controlling shareholder	– 一名控股股東	1,047	246
Loans advanced to:	墊付予下列各方的貸款：		
– Key management personnel	– 主要管理人員	–	15,500
– A controlling shareholder	– 一名控股股東	9,000	11,900

During the year ended 31 December 2019, loans advanced to related parties are repayable according to repayment schedules, with contractual maturity within 13 months (2018: 3 months to 1 year) and bear interest rates is at 12% per annum (2018: 12% per annum). None of the loans were neither past due nor impaired.

截至2019年12月31日止年度，墊付予關連方的貸款根據還款時間表償還，合約到期日於13個月內(2018年：3個月至1年)到期，並按年利率12%(2018年：每年12%)率計息。其概無貸款已逾期或減值。

(c) Related party balance

Details of the Group's outstanding balances with related parties are set out in notes 25 and 28 to the consolidated financial statements.

(c) 關連方結餘

有關本集團與關連方之未償還結餘詳情載於綜合財務報表附註25及28。

(d) Applicability of the GEM Listing Rules relating to connected transactions

None of above related party transactions falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 20 of GEM Listing Rules.

(d) GEM上市規則對關連交易的適用性

根據GEM上市規則第20章，概無上述關連方交易符合關連交易或持續關連交易的定義。

35. FINANCIAL INSTRUMENTS

35. 金融工具

(a) Categories of financial instruments

(a) 金融工具的分類

The carrying amounts of the Group's financial assets and liabilities as at the end of each reporting year are as follows:

本集團於各報告年末的金融資產與負債賬面值如下:

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Financial assets	**金融資產**		
Financial assets at amortised cost	按攤銷成本計量的金融資產		
– Trade receivables	– 應收貿易賬款	**6,253**	5,763
– Loan receivables	– 應收貸款	**122,876**	98,678
– Deposit and other receivables	– 按金及其他應收款項	**578**	867
– Bank balances and cash	– 銀行結餘及現金	**42,091**	89,835
		171,798	195,143
Financial liabilities	**金融負債**		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債		
– Trade payables	– 應付貿易賬款	**392**	1,698
– Other payables and accruals	– 其他應付及應計款項	**5,073**	3,615
– Lease liabilities	– 租賃負債	**4,720**	–
– Amount due to a holder of non-controlling interests	– 應付一位非控股權益持有人之款項	**–**	1,300
		10,185	6,613

(b) Financial risk management objectives and policies

(b) 財務風險管理目標及政策

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are described below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The risk associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

本集團的活動面對多種財務風險:市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。如何減低這些風險的政策載於下文。管理層管理及監察這些風險以確保及時及有效地實施適當的措施。與這些金融工具相關的風險及如何減低這些風險的政策載於下文。管理層管理及監察這些風險以確保及時及有效地實施適當的措施。

35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(i) Foreign currency risk management

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk include United States dollars ("USD") and Renminbi ("RMB"). In addition, certain bank balances of the Group are also denominated in USD. The Group currently does not have a foreign currency hedging policy with respect to its foreign exchange exposure. However, management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(i) 外幣風險管理

本集團面對的外幣風險，主要透過以相關業務的功能貨幣以外的貨幣進行銷售和採購。帶來此項風險的貨幣包括美元(「美元」)及人民幣(「人民幣」)。此外，本集團之若干銀行結餘亦以美元計值。本集團目前並無就其外匯風險訂立外幣對沖政策。然而，管理層會監察外匯風險及在有需要時考慮對沖重大外匯風險。

本集團於各報告期間末以外幣計值的貨幣資產及貨幣負債的賬面值如下：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Assets	**資產**		
USD	美元	**678**	1,167
RMB	人民幣	**44,970**	33,399
Liabilities	**負債**		
USD	美元	**3**	703
RMB	人民幣	**7,255**	3,598

35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(i) Foreign currency risk management (Continued)

Foreign currency sensitivity analysis

The Group mainly exposes to foreign exchange fluctuation of the currencies of USD and RMB against the currency of Hong Kong dollar ("HK$"). The directors consider that the Group's exposure to USD does not give rise to significant foreign currency risk on the ground that HK$ is pegged to USD. Therefore, no sensitivity analysis of USD against the functional currency of the respective group entity is disclosed.

As at 31 December 2019, if the HK$ had weakened 5% against the RMB with all other variables held constant, consolidated loss after tax for the year would have been approximately HK$1,575,000 (2018: the consolidated net profit after tax would increase by HK$1,244,000) lower, arising mainly as a result of the foreign exchange gain on translation of bank balances, loan receivables and trade receivables denominated in RMB. If the HK$ had strengthened 5% against the RMB with all other variables held constant, consolidated loss after tax for the year would have been approximately HK$1,575,000 (2018: the consolidated net profit after tax would decrease by HK$1,244,000) higher, arising mainly as a result of the foreign exchange loss on translation of bank balances, loan receivables and trade receivables denominated in RMB.

(ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing financial assets and financial liabilities. The Group are exposed to cash flow interest rate risk in relation to variable-rates bank deposits and fair value interest rate risk in relation to fixed rate loans receivables and lease liabilities. The directors continue to monitor the interest rate exposure of the Group.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(i) 外幣風險管理(續)

外幣敏感度分析

本集團主要承受美元和人民幣兑港元(「港元」)的外匯波動。董事認為,由於港元與美元掛鈎,本集團所承受由美元引起的外幣風險並不重大。因此,概無披露美元兑相關集團實體之功能貨幣之敏感度分析。

於2019年12月31日,倘港元兑人民幣貶值5%,而所有其他變量保持不變,則本年度的綜合除税後虧損將減少約1,575,000港元(2018年:綜合除税後純利將增加1,244,000港元),主要由於換算以人民幣計值的銀行餘額、應收貸款及應收貿易賬款而產生的外匯收益所致。倘港元兑人民幣升值5%,而所有其他變量保持不變,則本年度的綜合除税後虧損將增加約1,575,000港元(2018年:綜合除税後純利將減少1,244,000港元),主要由於換算以人民幣計值的銀行餘額、應收貸款及應收貿易賬款而產生的外匯虧損所致。

(ii) 利率風險

本集團面臨的市場利率變動風險主要與本集團的計息金融資產及金融負債有關。本集團面臨與浮動利率銀行存款有關的現金流量利率風險及與固定利率應收貸款及租賃負債有關的公平值利率風險。董事繼續監察本集團的利率風險。

35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Interest rate risk (Continued)

All of the Group's loans receivables are based on fixed interest rates with original maturities in range of 12 to 27 months (2018: 4 to 12 months). The Group prices these loans receivables strategically to reflect market fluctuations and achieve a reasonable interest-rate spread.

The fixed rate instruments of the Group are insensitive to any change in market interest rates.

Interest rates on bank deposits and lease liabilities are relatively low and not expected to change significantly.

Management does not anticipate significant impact on interest-bearing financial assets resulted from the changes in interest rates and considers the risk is insignificant to the Group.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

(iii) Credit risk and impairment assessment

As at 31 December 2019, the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position best represents the Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of the reporting period.

In order to minimise the credit risk in relation to trade receivables, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(ii) 利率風險(續)

本集團所有應收貸款均按固定利率計算，原到期日介乎12至27個月(2018年：4至12個月)。本集團策略性地就此等應收貸款定價，以反映市場波動及達致合理的利差。

本集團的固定利率工具對市場利率的任何變動並不敏感。

銀行存款及租賃負債的利率相對較低，並預期不會發生重大變動。

管理層預期利率變動不會對計息金融資產造成重大影響，並認為該風險對本集團而言並不重大。

本集團目前並無利率對沖政策。然而，管理層會監察利率風險，並將於有需要時考慮對沖重大利率風險。

(iii) 信貸風險及減值評估

於2019年12月31日，倘對手方未能於報告期末履行其責任，則綜合財務狀況表中所載的各項已確認金融資產賬面值最能代表本集團須面臨的最大信貸風險。

為盡量減低與應收貿易賬款有關的信貸風險，管理層已委託一組團隊負責釐定信貸額度、信貸審批及其他監控程序，確保就收回逾期債務採取跟進行動。此外，本集團根據預期信貸虧損模式就貿易結餘按撥備矩陣進行減值評估。就此而言，本公司董事認為本集團的信貸風險已大幅降低。

35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iii) Credit risk and impairment assessment (Continued)

In order to minimise credit risk in relation to loan receivables, loan limits and loan terms offered to customers are approved by delegated officers and follow-up action is taken to recover overdue debts. Individual credit evaluations are performed on all customers. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to individual customers as well as pertaining to the economic environment in which the customers operate. Ongoing evaluation is performed on the financial condition of customers. In addition, management of the Group reviews the recoverable amount of each individual receivable regularly to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider that the credit risk of the Group is significantly reduced.

The credit risk on deposit and other receivables is limited because the counterparties have no history of default record and the directors expect that the general economic conditions will not significantly changed for the 12 months after the reporting date.

The credit risk on bank balance is limited because the counterparties are banks with good credit rating.

The Group has concentration of credit risk as 95.2% (2018: 86.1%) of the total gross trade receivables was due from the five largest debtors.

The Group has 13 (2018:11) loans receivables as at 31 December 2019, concentration of credit risk as 79.5% (2018: 64.7%) of the total gross loan receivables was due from the five largest borrowers.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iii) 信貸風險及減值評估(續)

為盡量減低與應收貸款有關的信貸風險，向客戶提供的信貸額度及貸款期限乃經委託人員批准，並就收回逾期債務採取跟進行動。所有客戶均要進行單獨信貸評估。該等評估集中於客戶過往支付到期款項的記錄及當前支付的能力，並計及個別客戶的具體資料以及與客戶經營所在地的經濟環境相關的具體資料。對客戶的財務狀況進行持續評估。此外，本集團的管理層定期審閱各項個別應收款項的可收回金額，確保已就不可收回金額計提足額減值虧損。就此而言，本集團董事認為本集團的信貸風險已大幅降低。

由於對手方過往並無違約紀錄，故按金及其他應收款項的信貸風險有限，而董事預期於報告日期後12個月的整體經濟狀況將不會顯著改變。

由於對手方為具良好信貸評級好的銀行，故銀行結餘的信貸風險有限。

由於應收貿易賬款總額有95.2%(2018年：86.1%)來自五大債務人，故本集團有信貸集中風險。

於2019年12月31日，本集團有13項(2018年：11項)應收貸款，由於應收貸款總額有79.5%(2018年：64.7%)來自五大借款人，故本集團有信貸集中風險。

35. FINANCIAL INSTRUMENTS (Continued)

35. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

(iii) Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

(iii) 信貸風險及減值評估(續)

本集團的內部信貸風險級別評估包括以下類別:

Internal credit rating 內部信貸評級	Description 說明	Trade receivables 應收貿易賬款	Other financial assets 其他金融資產
Group A 組別A	The counterparty has low risk of default based on historical repayment records and has a good reputation. 根據過往還款記錄,對手方違約風險低並且信譽良好。	Lifetime ECL – not credit impaired 生命週期預期信貸虧損-無信貸減值	12-month ECL – not credit impaired 12個月預期信貸虧損-無信貸減值
Group B 組別B	The counterparty has higher credibility but sometimes repays after due dates. 對手方具有較高信譽,惟有時會於到期日後還款。	Lifetime ECL – not credit impaired 生命週期預期信貸虧損-無信貸減值	12-month ECL – not credit impaired 12個月預期信貸虧損-無信貸減值
Group C 組別C	The counterparty usually settles after due dates with a higher risk of default. 對手方通常會於到期日後結清,具較高違約風險。	Lifetime ECL – not credit impaired 生命週期預期信貸虧損-無信貸減值	Lifetime – not credit impaired 生命週期-無信貸減值
Group D 組別D	There is evidence indicating the asset balance is credit-impaired. 有證據指出該資產結餘存在信貸減值。	Lifetime ECL – credit impaired 生命週期預期信貸虧損-信貸減值	Lifetime – credit impaired 生命週期-信貸減值
Group E 組別E	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery. 有證據指出債務人陷入嚴重的財務困境,而本集團可收回款項的機會渺茫。	Amount is written off 金額會被撇銷	Amount is written off 金額會被撇銷

35. FINANCIAL INSTRUMENTS (Continued)

35. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

(iii) Credit risk and impairment assessment (Continued)

The table below details the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

(iii) 信貸風險及減值評估(續)

下表詳列本集團須進行預期信貸虧損評估的金融資產的信貸風險：

Financial assets at amortised cost 按攤銷成本計量的金融資產	Note 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或生命週期預期信貸虧損
Trade receivables 應收貿易賬款	20	N/A 不適用	(Note 1) (附註1)	Lifetime ECL – provision matrix 生命週期預期信貸虧損 – 撥備矩陣
Loan receivables 應收貸款	21	N/A 不適用	Group A 組別A	12-month ECL – not credit impaired 12個月預期信貸虧損 – 無信貸減值
			Group B 組別B	12-month ECL – not credit impaired 12個月預期信貸虧損 – 無信貸減值
			Group C 組別C	Lifetime ECL – not credit impaired 生命週期預期信貸虧損 – 無信貸減值
			Group D 組別D	Lifetime ECL – credit-impaired 生命週期預期信貸虧損 – 信貸減值
Deposits and other receivables 按金及其他應收款項	22	N/A 不適用	(Note 2) (附註2)	12-month ECL 12個月預期信貸虧損
Bank balances 銀行結餘	23	A — A+	N/A 不適用	12-month ECL 12個月預期信貸虧損

35. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iii) Credit risk and impairment assessment (Continued)

Note 1: For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors which are credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by internal credit rating based on historical repayment records and reputation.

Note 2: For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

Trade receivables

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL (not credit-impaired).

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iii) 信貸風險及減值評估(續)

附註1： 就應收貿易賬款而言，本集團已應用香港財務報告準則第9號的簡化法計量生命週期預期信貸虧損的虧損撥備。除出現信貸減值的債務人外，本集團使用撥備矩陣釐定此等項目的預期信貸虧損，並根據過往還款記錄及聲譽按內部信貸評級分組。

附註2： 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自首次確認以來是否顯著增加。

應收貿易賬款

作為本集團信貸風險管理的一部分，本集團就其營運對其客戶應用內部信貸評級。下表提供有關應收貿易賬款信貸風險的資料，該等資料根據生命週期預期信貸虧損(無信貸減值)的提列矩陣評估。

			2019 2019年		
		Average loss rate 平均虧損率	Gross carrying amount 總賬面值 HK$'000 千港元	Loss allowance 虧損撥備 HK$'000 千港元	Net carrying amount 賬面淨值 HK$'000 千港元
Due date	**到期日**				
0–30 days	0–30日	1.60%	4,845	(78)	4,767
31–60 days	31–60日	2.67%	262	(7)	255
61–90 days	61–90日	3.75%	427	(16)	411
More than 90 days	超過90日	57.31%	1,921	(1,101)	820
			7,455	(1,202)	6,253

35. FINANCIAL INSTRUMENTS (Continued)

35. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

(iii) Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

In the opinion of the directors of the Company, the trade receivables at the end of the reporting period which have been past due over 90 days are not considered as in default based on good repayment records for those customers and continuous business with the Group.

No loss allowance for impairment of trade receivables as at 31 December 2018 as the amount involved is immaterial.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

(iii) 信貸風險及減值評估(續)

應收貿易賬款(續)

估計虧損比率按過往觀察所得於債務人預期年期內之拖欠比率估計，並就毋須花費過多成本或精力即可獲得之前瞻性資料作出調整。管理層定期檢討分組以確保有關特定債務人之相關資料為最新資料。

本公司董事認為，於報告期末過期超過90日的應收貿易賬款並不被視為違約，因該等客戶過往還款記錄良好及其與本集團有的持續業務往來。

於2018年12月31日，由於應收貿易賬款減值涉及的金額不屬重大，故並無就其作出虧損撥備。

下表顯示根據簡單方法就已確認的貿易應收款項的生命週期預期信貸虧損變動。

		Lifetime ECL (non credit-impaired) 生命週期預期信貸虧損(無信貸減值) HK$'000 千港元
At 1 January 2018	於2018年1月1日	13
(Reversal) of impairment loss	減值虧損(撥回)	(13)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	–
Impairment losses recognised	確認減值虧損	1,202
At 31 December 2019	於2019年12月31日	1,202

35. FINANCIAL INSTRUMENTS (Continued)

35. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

(iii) Credit risk and impairment assessment (Continued)

Loan receivables

The Group applies general approach to measure ECL on loan receivables.

In determining the ECLs for these assets, the directors of the Company have taken into account the historical default experience, the financial position and security held of the borrower, and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of loans receivables occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The aging analysis of loan receivables (net of allowance) that are not considered to be impaired is as follows:

(iii) 信貸風險及減值評估(續)

應收貸款

本集團應用一般方法計量應收貸款的預期信貸虧損。

於釐定該等資產的預期信貸虧損時，本公司董事於估計按相關虧損評估時間範圍內產生的應收貸款的違約概率時已計及過往違約經驗及借款人的財務狀況及所持有的抵押品並考慮各種實際及預測經濟資料的外部來源(如適用)以及在每種情況下的違約虧損。

並不視為減值的應收貸款(扣除撥備)的賬齡分析如下：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Neither past due nor impaired	未逾期或未減值	122,876	98,678
Past due but not impaired	已逾期但未減值	–	–
		122,876	98,678

As at 31 December 2018 and 2019, loan receivables that were neither past due nor impaired relate to diversified customers for whom there were no recent history of default. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of these loan receivables as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

於2018年及2019年12月31日，並無逾期且無減值的應收貸款與多元化客戶有關，而該等客戶於近期歷史並無拖欠記錄。本公司董事認為，由於信貸質素並無重大變化且餘額仍被視為可全數收回，故毋須就此等應收貸款計提減值撥備。

35. FINANCIAL INSTRUMENTS (Continued)

35. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

(iii) Credit risk and impairment assessment (Continued)

Loan receivables (Continued)

Movements in the Group's impairment loss recognised of loans receivables are as follows:

(iii) 信貸風險及減值評估(續)

應收貸款(續)

本集團就應收貸款確認的減值虧損變動如下：

		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
At 1 January 2019	於2019年1月1日	–	–
Impairment loss recognised	確認減值虧損	30,220	–
At 31 December 2019	於2019年12月31日	30,220	–

(iv) Liquidity risk management

The Group's liquidity position is monitored closely by the management of the Group. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to meet its liquidity requirements in the short and longer term.

During the reporting periods, the Group financed its working capital requirements principally by funds generated from operations and/or issue of shares.

(iv) 流動資金風險管理

本集團之管理層會密切監察本集團之流動資金狀況。在管理流動資金風險方面，本集團監控及維持管理層視為充足之現金及現金等價物水平，以為本集團之營運撥資及應付其短期及較長期的流動資金需求。

於報告期內，本集團主要透過營運產生的資金及／或發行股份提供所需營運資本。

35. FINANCIAL INSTRUMENTS (Continued)

35. 金融工具(續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策(續)

(iv) Liquidity risk management (Continued)

The following table details the Group's contractual maturities at the end of each reporting period for its financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

(iv) 流動資金風險管理(續)

下表詳列本集團於各報告期末金融負債之合約到期分析。下表是根據金融負債之未貼現現金流量，並以本集團須付款的最早日期為基準編製。表內包括利息及主要的現金流量。

		Repayable on demand or within 1 year 須按要求或於1年內償還 HK$'000 千港元	After 1 year but within 2 years 1年後但2年內 HK$'000 千港元	After 2 years but within 5 years 2年後但5年內 HK$'000 千港元	Total undiscounted cash flows 未貼現現金流量合計 HK$'000 千港元	Carrying amount 賬面值 HK$'000 千港元
At 31 December 2019	**於2019年12月31日**					
Financial liabilities	**金融負債**					
Trade and other payables	應付貿易及其他應付賬款	5,465	–	–	5,465	5,465
Lease liabilities	租賃負債	2,080	1,791	1,162	5,033	4,720
		7,545	1,791	1,162	10,498	10,185
At 31 December 2018	**於2018年12月31日**					
Financial liabilities	**金融負債**					
Trade and other payables	應付貿易及其他應付賬款	5,313	–	–	5,313	5,313
Amount due to a holder of non-controlling interest	應付一位非控股權益持有人之款項	1,300	–	–	1,300	1,300
		6,613	–	–	6,613	6,613

(v) Fair value measurements of financial instruments

The carrying amounts of the Group financial instruments are reasonably approximate to their fair values.

(v) 金融工具的公平值計量

本集團金融工具的賬面值為與其公平值合理相若。

36. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2018 and 2019.

36. 或然負債

於2018年及2019年12月31日，本集團並無任何重大或然負債。

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

37. 本公司之財務狀況表

		Note 附註	2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備		–	2
Investments in subsidiaries	於附屬公司的投資	(a)	150,000	150,000
			150,000	150,002
Current assets	**流動資產**			
Amounts due from subsidiaries	應收附屬公司款項		109,083	113,269
Deposits and prepayments	按金及預付款項		64	–
Bank balances and cash	銀行結餘及現金		78	1,532
			109,225	114,801
Current liabilities	**流動負債**			
Other payables and accruals	其他應付及應計款項		1,076	177
			1,076	177
Net current assets	**淨流動資產**		108,149	114,624
Net assets	**淨資產**		258,149	264,626
Capital and reserves	**資本及儲備**			
Share capital	股本		139,778	139,778
Reserves	儲備	(b)	118,371	124,848
Total equity	**權益總額**		258,149	264,626

(a) A list of the Company's subsidiaries is shown in note 38 to the consolidated financial statements.

(a) 本公司之附屬公司名單於綜合財務報表附註38顯示。

(b) Movement of the Company's reserves

(b) 本公司儲備之變動

		Share premium 股份溢價 HK$'000 千港元	Accumulated losses 累計虧損 HK$'000 千港元	Total 合計 HK$'000 千港元
At 1 January 2018	於2018年1月1日	148,287	(19,056)	129,231
Loss and total comprehensive expense for the year	虧損及年度全面開支總額	–	(4,383)	(4,383)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	148,287	(23,439)	124,848
Loss and total comprehensive expense for the year	虧損及年度全面開支總額	–	(6,477)	(6,477)
At 31 December 2019	於2019年12月31日	148,287	(29,916)	118,371

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

38. 本公司之附屬公司詳情

Details of the Company's subsidiaries are as follows:

本公司附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立及經營地點	Issued and fully paid share capital/registered capital 已發行及繳足之股本及實繳資本	Proportion of ownership interest 所有權權益比例 Held by the Company 由本公司持有 2019 2019年 %	Held by the Company 由本公司持有 2018 2018年 %	Held by a subsidiary 由一間附屬公司持有 2019 2019年 %	Held by a subsidiary 由一間附屬公司持有 2018 2018年 %	Principal activities 主要業務
Megalogic Business Limited	British Virgin Islands ("BVI") 英屬處女群島(「英屬處女群島」)	US$1 1美元	100	100	–	–	Investment holding 投資控股
Megalogic Investment Limited	BVI 英屬處女群島	US$1 1美元	100	100	–	–	Investment holding 投資控股
Minilogic Investment Limited	BVI 英屬處女群島	US$10 10美元	60	60	–	–	Investment holding 投資控股
Excellence Steps Limited	BVI 英屬處女群島	US$1 1美元	100	100	–	–	Investment holding 投資控股
Quick Wit Ventures Limited	BVI 英屬處女群島	US$100 100美元	100	100	–	–	Investment holding 投資控股
Megalogic Business Management Consultant Limited 宏創企業管理顧問有限公司	Hong Kong 香港	HK$10,000,000 10,000,000港元	100	100	–	–	Business consultant 業務顧問
Megalogic Investments Group Limited 宏創投集團有限公司	Hong Kong 香港	HK$1 1港元	100	100	–	–	Inactive 暫無經營
Megalogic Technology Holdings Limited 宏創高科集團有限公司	Hong Kong 香港	HK$1 1港元	100	100	–	–	Inactive 暫無經營
Easy Loan Finance Limited 易按財務有限公司	Hong Kong 香港	HK$80,000,000 80,000,000港元	–	–	100	100	Money lending 放債

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

38. 本公司之附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立及經營地點	Issued and fully paid share capital/registered capital 已發行及繳足之股本及實繳資本	Proportion of ownership interest 所有權權益比例 Held by the Company 由本公司持有 2019 2019年 %	 Held by the Company 由本公司持有 2018 2018年 %	 Held by a subsidiary 由一間附屬公司持有 2019 2019年 %	 Held by a subsidiary 由一間附屬公司持有 2018 2018年 %	Principal activities 主要業務
Easy Finance Assets Management Limited 融通易資產管理有限公司	Hong Kong 香港	HK$10,000,000 10,000,000港元	–	–	100	100	Investment holding 投資控股
MiniLogic Device Corporation Limited ("MiniLogic HK") 微創高科有限公司(「微創高科香港」)	Hong Kong 香港	HK$18,321,554 18,321,554港元	–	–	60	60	Design, development and sales of ICs 設計、開發及銷售集成電路
Megalogic China Development Limited 宏創中國發展有限公司	Hong Kong 香港	HK$1 1港元	–	–	100	100	Investment holding 投資控股
成都宏創投企業管理有限公司(Note (i)(v)) 成都宏創投企業管理有限公司(附註(i)(v))	PRC 中國	HK$3,400,000 3,400,000港元	–	–	100	100	Inactive 暫無營業
Western Property Management (HK) Limited 威斯頓物業管理(香港)有限公司	Hong Kong 香港	HK$1 1港元	–	–	100	100	Investment holding 投資控股
四川威斯頓(Note (ii)(v)) 四川威斯頓(附註(ii)(v))	PRC 中國	RMB1,000,000 人民幣1,000,000元	–	–	100	100	Property management services 物業管理服務
四川威斯頓華陸(Note (iii)(vi)) 四川威斯頓華陸(附註(iii)(vi))	PRC 中國	RMB300,000 人民幣300,000元	–	–	51	51	Property management services 物業管理服務

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

38. 本公司之附屬公司詳情（續）

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立及經營地點	Issued and fully paid share capital/registered capital 已發行及繳足之股本及實繳資本	Proportion of ownership interest 所有權權益比例				Principal activities 主要業務
			Held by the Company 由本公司持有		Held by a subsidiary 由一間附屬公司持有		
			2019 2019年 %	2018 2018年 %	2019 2019年 %	2018 2018年 %	
成都凱德潤商貿有限公司 (Note (iv)(v)) 成都凱德潤商貿有限公司（附註(iv)(v)）	PRC 中國	Nil 零	–	–	100	–	Supply chain business 供應鏈業務

Notes:

(i) The registered capital was HK$50,000,000. As of 31 December 2019, the paid-up capital was HK$3,400,000 and the remaining registered capital to be injected on or before 30 March 2026.

(ii) The registered capital was increased from RMB1,000,000 to RMB5,000,000 during the year ended 31 December 2018. As of 31 December 2019, the paid-up capital was RMB1,000,000 and the remaining registered capital to be injected on or before 31 December 2035.

(iii) The registered capital was RMB2,000,000. As of 31 December 2019, the paid-up capital was RMB300,000 and the remaining registered capital to be injected on or before 2 May 2028.

(iv) The registered capital was RMB10,000,000. As of 31 December 2019, the paid-up capital was Nil and the remaining registered capital to be injected on or before 31 December 2040.

(v) These subsidiaries are wholly foreign-owned enterprise under PRC law.

(vi) This subsidiary is sino-foreign equity joint venture under PRC law.

附註：

(i) 註冊資本為50,000,000港元。於2019年12月31日，已付資本為3,400,000港元及餘下增資應於2026年3月30日或之前注入。

(ii) 註冊資本於2018年12月31日止年度由人民幣1,000,000元增加至人民幣5,000,000元。截至2019年12月31日，已付資本為人民幣1,000,000元及餘下增資應於2035年12月31日或之前注入。

(iii) 註冊資本為人民幣2,000,000元。截至2019年12月31日，已付資本為人民幣300,000元及餘下增資應於2028年5月2日或之前注入。

(iv) 註冊資本為人民幣10,000,000元。截至2019年12月31日，已付資本為零及餘下增資應於2040年12月31日或之前注入。

(v) 根據中國法律，該等附屬公司為外商獨資企業。

(vi) 根據中國法律，該附屬公司為中外合資企業。

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

38. 本公司附屬公司詳情（續）

		四川威斯頓華陸		Minilogic Investment Limited and its subsidiary (MiniLogic HK) Minilogic Investment Limited及其附屬公司（微創高科香港）	
		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元	**2019 2019年 HK$'000 千港元**	2018 2018年 HK$'000 千港元
NCI percentage	非控股權益百分比	**49%**	49%	**40%**	40%
Current assets	流動資產	**642**	486	**2,207**	5,919
Non-current assets	非流動資產	**2**	4	**740**	3,171
Current liabilities	流動負債	**(96)**	(122)	**(2,521)**	(4,909)
Net assets	資產淨值	**548**	368	**426**	4,181
Carrying amount of NCI	非控股權益之賬面值	**269**	180	**170**	1,673
Revenue	收益	**629**	357	**7,363**	16,611
Profit/(loss) for the year	年內溢利／（虧損）	**191**	27	**(3,755)**	(2,553)
Total comprehensive income/(expense)	全面收益／（開支）總額	**181**	1	**(3,755)**	(2,553)
Profit/(loss) allocated to NCI	分配予非控股權益之溢利／（虧損）	**93**	13	**(1,502)**	(1,021)
Dividend paid to NCI	支付予非控股權益之股息	**–**	–	**–**	–
Cash flows from operating activities	來自經營活動之現金流量	**154**	119	**1,462**	1,054
Cash flows from investing activities	來自投資活動之現金流量	**1**	(5)	**(559)**	(1,605)
Cash flows from financing activities	來自融資活動之現金流量	**–**	367	**(373)**	–

39. COMPARATIVE FIGURES

The Group initially applied HKFRS 16 as at 1 January 2019. Under the transition methods chosen, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2.1.

In addition, certain comparative figures have been amended in order to conform with the current year's presentation.

39. 比較數據

本集團已於2019年1月1日首次應用香港財務報告準則第16號。根據所選擇的過渡方法，並無對比較資料進行重列。有關會計政策變動的進一步詳情載於附註2.1。

此外，為與本年度的呈列方式一致，若干比較數字已被修改。

40. EVENTS AFTER THE END OF REPORTING PERIOD

On 20 November 2019, the Group has entered into sale and purchase agreement with Chengdu Wanlifeng Investment Co., Ltd (the "Chengdu Wanlifeng"), pursuant to which the Group has agreed to acquire the entire equity interest of 成都威斯頓經營管理有限責任公司 (together with the settlement of the amount due from the Chengdu Wanlifeng to the 成都威斯頓經營管理有限責任公司) at a consideration of RMB25,000,000. Upon the completion, 成都威斯頓經營管理有限責任公司 will become a subsidiary of the Group. Details of this is disclosed in the Company's announcement dated 24 December 2019.

On 16 March 2020, the Group has entered into a sales and purchase agreement with an independent third party, pursuant to which both parties agreed to transferred 49% equity interest in Tian Cheng Investment Limited from an independent third party to the Group. The consideration shall be settled by way of set off against the outstanding amount due by the independent third party to the Group under the existing loan agreement, which amounted to HK$30,000,000 as at the date of the sale and purchase agreement. Up to the date of this consolidated financial statement, the acquisition has not yet been completed. Details of this is disclosed in the Company's announcement dated 16 March 2020.

40. 報告期末後事項

於2019年11月20日,本集團已與成都萬利豐投資有限公司(「成都萬利豐」)訂立買賣協議,據此,本集團同意收購成都威斯頓經營管理有限責任公司的全部股權(連同結清成都萬利豐結欠成都威斯頓經營管理有限責任公司的款項),代價為人民幣25,000,000元。完成後,成都威斯頓經營管理有限責任公司將成為本集團的附屬公司。有關詳情於本公司日期為2019年12月24日的公告中披露。

於2020年3月16日,本集團已與獨立第三方訂立買賣協議,據此,雙方同意從一名獨立第三方轉讓Tian Cheng Investment Limited 49%的股權予本集團。代價應以與獨立第三方根據現有貸款協議應付予本集團的未償還金額(於買賣協議日期為30,000,000港元)抵銷的方式結清。直至本綜合財務報表日期,收購事項尚未完成。有關詳情於本公司日期為2020年3月16日的公告中披露。

SUMMARY OF FIVE YEAR FINANCIAL INFORMATION
五年財務資料概要

The following is a summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate:

以下為摘自已刊發經審核財務報表及經恰當重列／重新歸類之本集團過去五個財政年度之業績、資產及負債概要：

RESULTS

業績

		Year ended 31 December 截至12月31日止年度				
		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元	2017 2017年 HK$'000 千港元	2016 2016年 HK$'000 千港元	2015 2015年 HK$'000 千港元
Continuing operations	**持續經營業務**					
Revenue	收益	**62,335**	76,328	75,925	50,920	29,244
(Loss)/profit for the year from continuing operations	年內來自持續經營業務的(虧損)／溢利	**(20,084)**	14,521	9,865	6,827	(8,858)
Discontinued operations	**已終止經營業務**					
Profit from discontinued operation	來自已終止經營業務的溢利	**–**	–	462	3,765	–
(Loss)/profit for the year	年內(虧損)／溢利	**(20,084)**	14,521	10,327	10,592	(8,858)
(Loss)/profit per share (HK cents)	每股(虧損)／溢利（港仙）	**(1.34)**	1.11	0.70	0.64	(1.87)

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於12月31日				
		2019 2019年 HK$'000 千港元	2018 2018年 HK$'000 千港元	2017 2017年 HK$'000 千港元	2016 2016年 HK$'000 千港元	2015 2015年 HK$'000 千港元
Total assets	總資產	**317,729**	340,828	325,424	313,143	286,762
Total liabilities	總負債	**11,876**	14,036	12,083	11,208	2,161
Net assets	資產淨值	**305,853**	326,792	313,341	301,935	284,601