



恆泰裕集團控股有限公司

HANG TAI YUE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(於開曼群島註冊成立並於百慕達存續之有限公司)

(Stock Code 股份代號: 8081)

ANNUAL REPORT

2019

年報



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*This Annual Report, for which the directors (the “**Directors**”, and each a “**Director**”) of Hang Tai Yue Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Annual Report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Annual Report misleading.*

This Annual Report will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company’s website at <http://www.hangtaiyue.com>.

香港聯合交易所有限公司（「聯交所」）GEM 的特色

GEM 之定位，乃為中小型公司提供一個上市之市場，此等公司相比起其他在主板上市的公司帶有較高投資風險。有意投資者應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。

由於在 GEM 上市的公司普遍為中小型公司，在 GEM 買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在 GEM 買賣之證券會有高流通量之市場。

香港交易及結算所有限公司及聯交所對本年報之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本年報全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

*本年報之資料乃遵照《GEM 證券上市規則》（「**GEM 上市規則**」）而刊載，旨在提供有關恆泰裕集團控股有限公司（「**本公司**」）之資料；本公司之董事（「**董事**」，及各為一名「**董事**」）願就本年報之資料共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，就彼等所深知及確信，本年報所載資料在各重要方面均屬準確完備，並無誤導或欺詐成分，且並無遺漏其他事項，足以令致本年報或其所載任何陳述產生誤導。*

本年報將自其刊發日期起計最少七天載於 GEM 網站 <http://www.hkgem.com> 「最新公司公告」一頁及本公司網站 <http://www.hangtaiyue.com>。

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EXECUTIVE DIRECTORS

Mr. Hui Chun Sum (*Chairman*)
Ms. Lam Ching Yee
(appointed as an executive Director and
Chief Executive Officer with effect from 5 June 2019)
Ms. Pauline Lam

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Siu Keung, Joe
Mr. Lee King Fui
Mr. Ho Kin Wai
(appointed with effect from 10 January 2019)
Mr. Leung Ting Yuk
(resigned with effect from 10 January 2019)

COMPLIANCE OFFICER

Ms. Pauline Lam

AUTHORISED REPRESENTATIVES

Ms. Lam Ching Yee
Ms. Pauline Lam

COMPANY SECRETARY

Ms. Lam Ching Yee, CPA

AUDIT COMMITTEE

Mr. Wong Siu Keung, Joe (*Committee Chairman*)
Mr. Lee King Fui
Mr. Ho Kin Wai
(appointed with effect from 10 January 2019)
Mr. Leung Ting Yuk
(resigned with effect from 10 January 2019)

REMUNERATION COMMITTEE

Mr. Wong Siu Keung, Joe (*Committee Chairman*)
Mr. Lee King Fui
Mr. Ho Kin Wai
(appointed with effect from 10 January 2019)
Mr. Leung Ting Yuk
(resigned with effect from 10 January 2019)

NOMINATION COMMITTEE

Mr. Wong Siu Keung, Joe (*Committee Chairman*)
Mr. Lee King Fui
Mr. Ho Kin Wai
(appointed with effect from 10 January 2019)
Mr. Leung Ting Yuk
(resigned with effect from 10 January 2019)

執行董事

許峻森先生 (*主席*)
林靜儀女士
(於二零一九年六月五日
獲委任為執行董事兼行政總裁)
林佳慧女士

獨立非執行董事

黃兆強先生
李勤輝先生
何建偉先生
(於二零一九年一月十日獲委任)
梁廷育先生
(已於二零一九年一月十日辭任)

監察主任

林佳慧女士

授權代表

林靜儀女士
林佳慧女士

公司秘書

林靜儀女士 · CPA

審核委員會

黃兆強先生 (*委員會主席*)
李勤輝先生
何建偉先生
(於二零一九年一月十日獲委任)
梁廷育先生
(已於二零一九年一月十日辭任)

薪酬委員會

黃兆強先生 (*委員會主席*)
李勤輝先生
何建偉先生
(於二零一九年一月十日獲委任)
梁廷育先生
(已於二零一九年一月十日辭任)

提名委員會

黃兆強先生 (*委員會主席*)
李勤輝先生
何建偉先生
(於二零一九年一月十日獲委任)
梁廷育先生
(已於二零一九年一月十日辭任)

CORPORATE INFORMATION 公司資料

AUDITOR

PKF Hong Kong Limited
Certified Public Accountants (resigned with effect from
27 November 2019)
Ascenda Cachet CPA Limited
Certified Public Accountants (appointed with effect from
27 November 2019)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11 Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit B, 19/F, Centre Mark II
305-313 Queen's Road Central
Sheung Wan, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11 Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
Room 1712-1716, 17/F., Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of Communications
China CITIC Bank International
China Construction Bank (Asia)
National Australia Bank

WEBSITE ADDRESS

www.hangtaiyue.com

核數師

大信梁學濂(香港)會計師事務所有限公司
執業會計師(自二零一九年十一月二十七日起辭任)
天健德揚會計師事務所有限公司
執業會計師(自二零一九年十一月二十七日起獲委任)

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11 Bermuda

總辦事處及主要營業地點

香港上環
皇后大道中305-313號
永業中心19樓B室

主要股份過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11 Bermuda

香港股份過戶登記分處

香港證券登記有限公司
香港
皇后大道東183號
合和中心17樓1712-1716室

主要往來銀行

交通銀行
中信銀行(國際)
中國建設銀行(亞洲)
澳洲國民銀行

網址

www.hangtaiyue.com

Dear Shareholders,

On behalf of the board of Directors (the “**Board**”), I hereby present the annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2019. During the year under review, the Group recorded revenue of approximately HK\$641,261,000 (2018: HK\$471,479,000), representing an increase of 36.0% as compared with that in last year. The net loss attributable to the shareholders (the “**Shareholders**”) of the Company was approximately HK\$127,582,000 (2018: HK\$144,945,000).

OVERVIEW

During the year under review, the Group continued to adopt a diversified business development strategy. Under the rapid development of mobile internet technologies in recent years, revenue generated by the mobile internet cultural business and provision of information technology (“**IT**”) services segment of the Group continued to grow during the year under review.

The revenue generated by the Group from its provision of hospitality and related services in Australia through its three venues located in Victoria, namely the Balgownie Estate Vineyard Resort & Spa Yarra Valley, Bellinzona Resort Cellar Door & Dining and Cleveland Winery Resort & Events (collectively, the “**Resorts**”), declined compared to last year due to the drop in average occupancy rate of the Resorts. The decline in average occupancy rate of the Resorts was mainly attributable to the decrease in the number of domestic visitations to regional Australia due to the bushfires since October 2019 and the demand for domestic travel has been adversely affected by the declining economic growth in Australia.

The Group's assets investment business turned from a profit into a loss this year and the change was primarily attributable to the combined effect of (i) the absence of gain on disposal of subsidiaries which amounted to approximately HK\$17,795,000 for the year ended 31 December 2018; (ii) the provision for the litigations which amounted to approximately HK\$32,796,000 (2018: HK\$7,176,000) for the year under review; and (iii) the decrease in the fair value loss on financial assets at fair value through profit or loss (“**FVTPL**”) from HK\$7,404,000 during the year ended 31 December 2018 to approximately HK\$579,000 during the year ended 31 December 2019.

各位股東：

本人謹代表董事會（「**董事會**」）謹此呈報本公司及其附屬公司（統稱「**本集團**」）截至二零一九年十二月三十一日止年度之全年業績。於回顧年度，本集團錄得收入約641,261,000港元（二零一八年：471,479,000港元），較去年上升36.0%。本公司股東（「**股東**」）應佔虧損淨額為約127,582,000港元（二零一八年：144,945,000港元）。

概覽

於回顧年度內，本集團繼續採用多元化業務發展策略。近年來，隨著移動互聯網技術的迅速發展，來自本集團移動互聯網文化業務及提供資訊科技（「**資訊科技**」）服務分部的收入於回顧年度內持續增長。

本集團在澳洲透過位於維多利亞的三處物業（即博爾基尼酒莊水療度假村、貝林佐納度假村及克里夫蘭酒莊度假村（統稱為「**度假村**」））提供酒店及相關服務產生的收入較去年有所下降，乃由於度假村的平均入住率下降。度假村的平均入住率下降主要是由於自二零一九年十月起的澳洲森林大火導致到澳洲地區的國內遊客數量下降及國內旅遊需求因澳洲經濟增長下降而受到不利影響所致。

於年內，本集團資產投資業務由溢利轉為虧損，該變動乃主要由於(i)並無截至二零一八年十二月三十一日止年度確認的出售附屬公司收益約17,795,000港元；(ii)於回顧年度的訴訟撥備約32,796,000港元（二零一八年：7,176,000港元）；及(iii)按公平值透過損益列賬（「**按公平值透過損益列賬**」）之金融資產的公平值虧損由截至二零一八年十二月三十一日止年度的7,404,000港元減至截至二零一九年十二月三十一日止年度的約579,000港元之綜合影響。

PROSPECTS

The Hong Kong economy weakened substantially in 2019 as rising trade tensions between the United States of America (“USA”) and the People’s Republic of China (“PRC”) and heightened uncertainty took a toll on exports and investment while private expenditure and visitor arrivals have declined due to the social unrest in the second half of 2019. With current global events such as the trade dispute, the continued normalisation of monetary policy in advanced economies and the recent volatilities in the global financial markets, the global economy is facing challenges as effects of these events are beginning to surface.

In addition, following the recent outbreak of the Coronavirus Disease 2019 (“COVID-19”), the negative impact on the global economy is enormous. The operation and financial performance of the Group’s businesses of mobile internet cultural business and provision of IT services and provision of hospitality and related services in Australia during the first quarter of 2020 have been adversely affected by the COVID-19.

As a result of the COVID-19, there is a significant pressure on the cashflow of the Group’s business of mobile internet cultural business and provision of IT services owing to (1) the operation of some of the customers of this business segment have been suspended, which led to a decrease in demand for the Group’s IT services; and (2) the operation efficiency of this business segment has been adversely affected given that some of the staff under this business segment had been under quarantine in their hometown and could not return to office to work or need to work at home which adversely affects the ability of the Group to deliver its services to meet with customers’ orders. The Group is considering different means to raise fund for maintaining the operations of this business segment.

前景

於二零一九年，香港經濟大幅削弱，原因是美利堅合眾國（「美國」）及中華人民共和國（「中國」）之間的貿易緊張局勢加劇並為出口及投資增添變數，而於二零一九年下半年社會動盪致使私人開支及遊客到訪下降。隨著當前貿易爭端、發達經濟體貨幣政策持續正常化及近期全球金融市場波動等全球事件，全球經濟由於該等事件的影響已初露端倪而正面臨挑戰。

此外，近期爆發新型冠狀病毒（「新型冠狀病毒」），對全球經濟造成巨大負面影響。於二零二零年第一季度，本集團的移動互聯網文化業務及提供資訊科技服務以及於澳洲提供酒店及相關服務業務的經營及財務表現已因新型冠狀病毒受到不利影響。

受新型冠狀病毒影響，本集團的移動互聯網文化業務及提供資訊科技服務業務的現金流量面臨巨大壓力，原因為(1)該業務分部之部分客戶的運營已暫停，導致對本集團資訊科技服務的需求減少；及(2)該業務分部之部分員工已接受居家隔離，無法返回辦公室工作或需要在家工作，對本集團提供服務以滿足客戶訂單的能力造成不利影響，從而對該業務分部的運營效率造成不利影響。本集團正考慮採用不同方式籌集資金以維持該業務分部的運營。

In light of the declining economic growth in Australia and the global outbreak of the COVID-19, the demand for the services of the Resorts has decreased and is expected to continue to decrease until the third quarter of 2020. In particular, it is expected that the performance of Bellinzona Resort Cellar Door & Dining and Cleveland Winery Resort & Events, which offer conference facilities and mainly target corporate clients, will be more adversely affected as a result of the restrictions of meetings or conferences implemented by the Australian government due to the outbreak of the COVID-19 pandemic. In March 2020, the Australian government has taken strict measures to combat the outbreak of the COVID-19 including new social distancing rules which discourage people from gathering at certain places and situations such as restaurants, cafes, pubs and clubs and weddings and close pubs, casinos, restaurants and other venue from 23 March 2020. In view of the policies of the Australian government to combat the COVID-19, the operation of the Resorts has been temporarily suspended with effect from 30 March 2020 until further notice, subject to the development of the COVID-19 in Australia and the policies of the Australian government.

Going forward, the Group will closely take note of its development and its impact on the Group's businesses. The Group will proactively take preventive measures to mitigate the impact of the COVID-19 on its businesses.

APPRECIATION

I would like to take this opportunity to express my gratitude to all valuable Shareholders, investors and clients for their support, and also my thanks to all the staff for their efforts and contributions to the Group.

Hui Chun Sum
Chairman

23 April 2020

鑒於澳洲經濟增長下滑及全球爆發新型冠狀病毒，度假村的服務需求已下降並預計直至二零二零年第三季度繼續下降。尤其是，預計貝林佐納度假村及克里夫蘭酒莊度假村（其提供會議設施及主要面向企業客戶）的表現將受到更加不利影響，此乃由於澳洲政府因爆發新型冠狀病毒疫情而實施會議或研討會限制。於二零二零年三月，澳洲政府已採取嚴厲措施應對新型冠狀病毒爆發，其中包括新的社會隔離規定，自二零二零年三月二十三日起，人們不得於下列地點及情況下聚集，例如餐館、咖啡廳、酒吧及俱樂部、婚禮以及私家酒吧、娛樂場、餐廳及其他場所等。鑒於澳洲政府對抗新型冠狀病毒的政策，受限於澳洲新型冠狀病毒的發展及澳洲政府的政策，度假村的運營已臨時暫停，由二零二零年三月三十日起直至進一步通知。

未來，本集團將密切注意其發展及其對本集團業務的影響。本集團將積極採取預防措施以緩解新型冠狀病毒對其業務的影響。

致謝

本人謹藉此機會向各位尊貴股東、投資者及客戶的支持表示衷心謝意，並且感謝全體員工為本集團之成功作出之努力和貢獻。

主席
許峻森

二零二零年四月二十三日

BUSINESS AND FINANCIAL REVIEW

For the year ended 31 December 2019, the principal activities of the Group were (i) mobile internet cultural business and provision of IT services; (ii) provision of hospitality and related services in Australia; (iii) money lending business; and (iv) assets investments business.

For the year under review, the Group recorded revenue of approximately HK\$641,261,000 (2018: HK\$471,479,000), representing an increase of approximately 36.0%. The net loss attributable to the Shareholders was approximately HK\$127,582,000 for the year under review (2018: HK\$144,945,000). The decrease in net loss attributable to the Shareholders as compared to that of last year was mainly attributable to combined effect of (i) the provision for the litigations which amounted to approximately HK\$32,796,000 (2018: HK\$7,176,000) was recognised for the year under review; (ii) the absence of compensation claim which amounted to approximately HK\$52,777,000 for the year ended 31 December 2018 in relation the compensation payable by the Group to one of its customers; (iii) the absence of gain on disposal of subsidiaries which amounted to approximately HK\$17,795,000 for the year ended 31 December 2018; (iv) the absence of impairment loss on goodwill which amounted to approximately HK\$19,877,000 for the year ended 31 December 2018 in relation to the Group's provision of hospitality and related services in Australia segment; (v) the impairment loss on property, plant and equipment of approximately HK\$23,616,000 (2018: Nil) in relation to the Group's provision of hospitality and related services in Australia segment for the year ended 31 December 2019; and (vi) the deemed disposal of 49% interest in the holding company of 上海易寶軟件有限公司 (for identification purpose only, Shanghai EPRO Software Company Limited) ("**EPRO**") on 27 May 2019 as set out in the following paragraph, which resulted in only 51% of the loss of EPRO being consolidated in the Group's consolidated financial statements for the year ended 31 December 2019 from 27 May 2019 to 31 December 2019, as contrasted with 100% of the loss of EPRO being consolidated throughout the year in 2018. The Group also recorded a loss arising from total comprehensive income of approximately HK\$72,085,000 (2018: HK\$232,906,000) for the year under review, and the decrease in the loss arising from the total comprehensive income in 2019 was mainly due to the fair value gains on financial assets at fair value through other comprehensive income ("**FVTOCI**") of approximately HK\$77,329,000 for the year under review, as compared with the fair value losses on financial assets at FVTOCI of approximately HK\$76,880,000 for the year ended 31 December 2018.

業務及財務回顧

截至二零一九年十二月三十一日止年度，本集團之主要業務為(i) 移動互聯網文化業務及提供資訊科技服務；(ii) 於澳洲提供酒店及相關服務；(iii) 借貸業務；及(iv) 資產投資業務。

於回顧年度，本集團錄得收入約641,261,000港元（二零一八年：471,479,000港元），增幅約為36.0%。於回顧年度，股東應佔虧損淨額約為127,582,000港元（二零一八年：144,945,000港元）。股東應佔虧損淨額較去年減少主要由於以下各項之綜合影響：(i) 於回顧年度確認訴訟撥備約32,796,000港元（二零一八年：7,176,000港元）；(ii) 並無截至二零一八年十二月三十一日止年度就本集團應付予其中一名客戶的賠償錄得賠償申索約52,777,000港元；(iii) 並無截至二零一八年十二月三十一日止年度確認的出售附屬公司收益約17,795,000港元；(iv) 並無截至二零一八年十二月三十一日止年度有關本集團於澳洲分部提供酒店及相關服務的商譽減值虧損約19,877,000港元；(v) 截至二零一九年十二月三十一日止年度，有關本集團於澳洲分部提供酒店及相關服務的物業、廠房及設備的減值虧損約23,616,000港元（二零一八年：無）；及(vi) 下段所載於二零一九年五月二十七日，下段視作出售於上海易寶軟件有限公司（「易寶」）控股公司的49% 股權，其導致易寶自二零一九年五月二十七日至二零一九年十二月三十一日僅有51% 的虧損併入本集團截至二零一九年十二月三十一日止年度的綜合財務報表，而二零一八年易寶有100% 的虧損併入整個年度。於回顧年度，本集團亦錄得全面收益總額產生虧損約72,085,000港元（二零一八年：232,906,000港元），而全面收益總額產生虧損於二零一九年減少乃主要由於回顧年度錄得按公平值透過其他全面收益列賬（「按公平值透過其他全面收益列賬」）之金融資產的公平值收益約77,329,000港元，而截至二零一八年十二月三十一日止年度錄得按公平值透過其他全面收益列賬之金融資產的公平值虧損約76,880,000港元。

Mobile internet cultural business and provision of IT services

During the year under review, the Group's mobile internet cultural business and provision of IT services recorded a revenue of approximately HK\$544,544,000 (2018: HK\$360,813,000), representing a growth of approximately 51%, and segment loss (other than the losses arising from investment in associates) of approximately HK\$45,941,000 (2018: segment loss of HK\$95,834,000). Such increase in revenue was mainly due to the increase in the demand for the Group's IT services, while the decrease in such segment loss (other than the losses arising from investment in associates) for the year under review was mainly caused by the absence of the net provision of approximately HK\$52,777,000 for the year ended 31 December 2018 in relation to the compensation payable by the Group to one of its customers.

The core IT businesses of the Group include enterprise software applications, mobile internet applications, mainframe downsizing, application localisation and systems integration. The Group has experienced significant growth in its provision of IT services business during 2018 and it was able to record growth during the year ended 31 December 2019 as a result of the increase in the demand for the Group's IT services. However, the growth of the Group's revenue from its provision of IT services business segment during the year under review was smaller than the increase in the costs of this business segment incurred for coping with the increasing demand, which is attributable to, among others, the breach (the "**Breach**") by EPRO, a then wholly-owned subsidiary of the Company, of the Honesty and Integrity Undertaking dated 22 December 2014 executed by EPRO in favour of Huawei Technologies Co. Ltd. (華為技術有限公司) ("**HW**"), a major customer of EPRO.

移動互聯網文化業務及提供資訊科技服務

於回顧年度，本集團自其移動互聯網文化業務及提供資訊科技服務錄得收入約544,544,000港元（二零一八年：360,813,000港元），增幅為約51%，及分部虧損（於聯營公司投資產生的虧損除外）約為45,941,000港元（二零一八年：分部虧損為95,834,000港元）。相關收入增加乃主要由於對本集團資訊科技服務需求增加，相關分部虧損（除於聯營公司投資產生的虧損外）於回顧年度減少乃主要由於並無截至二零一八年十二月三十一日止年度有關本集團應付予其中一名客戶的賠償撥備淨額約52,777,000港元所致。

本集團的核心資訊科技業務包括企業級應用軟件、移動互聯網應用軟件、大型機小型化、應用本地化及系統集成。本集團於二零一八年錄得提供資訊科技服務業務的重大增長，而該業務於截至二零一九年十二月三十一日止年度錄得增長，原因為本集團資訊科技服務的需求增加。然而，於回顧年度，本集團來自其提供資訊科技服務業務分部的收益增長低於本業務分部為應對日益增長的需求所產生的成本的增幅，此乃由於（其中包括）本公司當時之全資附屬公司易寶違反易寶於二零一四年十二月二十二日簽署的以華為技術有限公司（「華為」，易寶的主要客戶）為受益人的誠信廉潔承諾書（「違反」）。

As disclosed in the Company's announcements dated 21 February 2019, 28 February 2019 and 12 March 2019, on 12 March 2019, EPRO completed the execution process of an agreement (the "**Agreement**") with HW, pursuant to which EPRO shall pay approximately RMB48,088,000 (inclusive of tax) (the "**HW Compensation**") to HW, due to the Breach. The HW Compensation shall be set off against the accounts receivable due from HW to EPRO (the "**Accounts Receivable**") by 36 equal monthly instalments (the "**Monthly Instalments**") commencing on 1 April 2019. It is also provided in the Agreement that (i) to ensure the settlement of the HW Compensation by EPRO, EPRO shall agree that the amount of the Accounts Receivable shall exceed the amount of the HW Compensation, and HW shall have the right to set off the HW Compensation against the Accounts Receivable; and (ii) EPRO shall provide its preceding year's annual audited financial report to HW every year. Subject to the mutual agreement between HW and EPRO and the profitability of EPRO as disclosed in its annual audited financial report, the amount of the Monthly Instalments to be set off against the Accounts Receivable for the year may be increased. HW had ceased engaging EPRO in new business activities from December 2018 until the execution of the Agreement on 12 March 2019, while the then existing business activities between the parties continued, which led to the growth of the Group's revenue generated from its provision of IT services business during the year under review. Notwithstanding the HW Compensation (and the Agreement) which had a negative impact on the Group's cashflow, the aggregate amount of revenue generated by the Group from HW for the year ended 31 December 2019 is more than that for the year ended 31 December 2018.

In addition, as disclosed in the Company's announcement dated 21 May 2019 and the circular of the Company dated 28 June 2019, on 21 May 2019, Concord-Linked Limited ("**Target**", together with its subsidiaries, the "**Target Group**"), a then wholly-owned subsidiary of the Company holding the entire share capital of EPRO, entered into a subscription agreement (the "**Subscription Agreement**") with Mr. Wong Jing Shong (the "**Subscriber**"), pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Target has conditionally agreed to allot and issue, the subscription shares (the "**Subscription Shares**") (representing 49% of the issued share capital of the Target as enlarged by the issue of the Subscription Shares) at the subscription price of HK\$22,000,000, upon and subject to the terms and conditions of the Subscription Agreement (the "**Subscription**").

誠如本公司日期為二零一九年二月二十一日、二零一九年二月二十八日及二零一九年三月十二日之公佈所披露，於二零一九年三月十二日，易寶與華為完成協議（「該協議」）之執行程序，據此，易寶應就違反向華為支付約人民幣48,088,000元（含稅）（「華為賠償」）。華為賠償可自二零一九年四月一日起分36期每月等額分期付款（「每月分期付款」）以抵銷易寶應收華為的應收賬款（「應收賬款」）。該協議亦規定(i) 易寶應同意應收賬款金額始終大於華為賠償金額，以確保易寶償付華為賠償，且華為有權從應收賬款中抵扣華為賠償；及(ii) 易寶應每年向華為提供其上一年度的年度經審核財務報告。根據華為與易寶訂立的雙方協議及易寶於其年度經審核財務報告內披露之盈利能力，本年度用於抵扣應收賬款之每月分期付款金額或會增加。自二零一八年十二月至二零一九年三月十二日簽訂該協議期間，華為並無委聘易寶進行新業務活動，惟雙方之間的現有業務活動繼續，此舉導致本集團於回顧年度提供資訊科技服務業務的收入增長。儘管華為賠償（及協議）對本集團現金流量產生負面影響，但截至二零一九年十二月三十一日止年度本集團自華為產生的收益總額超過截至二零一八年十二月三十一日止年度的收益總額。

此外，誠如本公司日期為二零一九年五月二十一日之公佈及本公司日期為二零一九年六月二十八日之通函所披露，Concord-Linked Limited（協盟有限公司）（「目標公司」，連同其附屬公司統稱「目標集團」）（為本公司當時之全資附屬公司，持有易寶全部股本）與黃靖淳先生（「認購人」）於二零一九年五月二十一日訂立認購協議（「認購協議」），據此，認購人有條件同意認購而目標公司有條件同意配發及發行認購股份（「認購股份」）（相當於經發行認購股份擴大後目標公司已發行股本49%），認購價為22,000,000港元，惟須受認購協議的條款及條件所限（「認購事項」）。

After the completion of the Subscription on 27 May 2019, the Target is owned as to 51% by the Company and 49% by the Subscriber, and the Target continues to be a subsidiary of the Company. Accordingly, the assets, liabilities and financial results of the Target Group continue to be consolidated into the consolidated financial statements of the Group. It was anticipated that the net proceeds from the Subscription would provide the Target Group with relief to the cash shortage caused by its settlement of the HW Compensation and allow the Target Group to raise funds to meet its own operating expenses in the short run, which would reduce its financial reliance on the Group. The Subscription constituted a connected transaction for the Company for the purpose of the GEM Listing Rules because, as at the date of the Subscription Agreement, the Subscriber was a director of a number of subsidiaries of the Target Group, which were also subsidiaries of the Company, and accordingly the Subscriber was a connected person of the Company at subsidiary level. Further details of this transaction are set out in the Company's announcement dated 21 May 2019 and the circular of the Company dated 28 June 2019.

As at 31 December 2019, the net proceeds from the Subscription had been fully utilised. During the year under review, there was great pressure on the cashflow of the Target Group, mainly attributable to (1) the additional costs incurred for hiring additional staff for coping with increasing demand for the IT services and such increase being more than the increase in the revenue generated from such increasing demands; and (2) the increase in the Accounts Receivable due to the increase in sales and the arrangement in relation to the HW Compensation as mentioned above. In the first two months of 2020 with the outbreak of the COVID-19 in the PRC, there was even greater pressure on the Target Group's cashflow because (1) the operation of some of the customers of the Target Group have been suspended, which led to a decrease in demand for the Group's IT services; and (2) the operation efficiency of the Target Group has been adversely affected given that some of the staff of the Target Group had been under quarantine in their hometown and could not return to office to work or need to work at home which adversely affects the ability of the Target Group to deliver its services to meet with customers' orders. The Target Group is considering different means to raise fund for maintaining its operations and optimise its operational efficiency.

於二零一九年五月二十七日完成認購事項後，目標公司由本公司及認購人分別持有51%及49%，而目標公司繼續為本公司的附屬公司。因此，目標集團的資產、負債及財務業績繼續併入本集團的綜合財務報表。預計認購事項所得款項淨額將使目標集團得以緩解其償付華為賠償導致的現金短缺並讓目標集團能籌措資金應付其自身的短期經營開支，此將減少其對本集團的財務依賴。就GEM上市規則而言，認購事項構成本公司關連交易，乃因為於認購協議日期，認購人為目標集團多間附屬公司（亦為本公司之附屬公司）之董事，因此，認購人為本公司於附屬公司層面之關連人士。有關該交易的進一步詳情載於本公司日期為二零一九年五月二十一日之公佈及本公司日期為二零一九年六月二十八日之通函。

於二零一九年十二月三十一日，認購事項所得款項淨額已悉數動用。於回顧年度，目標集團的現金流量存有重大壓力，乃主要由於(1)僱用新增員工以應對資訊科技服務日益增長的需求而產生的額外成本，且此增長高於該等日益增長的需求產生的收益的增長；及(2)由於銷售增加及有關上文所述華為賠償的安排導致應收賬目增加所致。於二零二零年首兩個月，中國爆發新型冠狀病毒，此對目標集團的現金流量的壓力更甚，因為(1)目標集團的部分客戶已暫停營運，此導致對本集團的資訊科技服務需求；及(2)鑒於目標集團部分員工於彼等家鄉進行隔離而無法返回辦公室進行工作或需要在家辦公，此舉對目標集團交付其服務以達成客戶訂單的能力造成不利影響，從而致使目標集團的運營效率已受到不利影響。目標集團正考慮不同的集資方法以維持其營運及優化其營運效率。

In addition to the provision of IT services above, the Group has also invested in the mobile-online game business. As at the date of this Annual Report, the Group held 28.8% issued share capital of Something Big Technology Holdings Limited (“**Something Big**”, together with its subsidiaries and controlled companies, “**Something Big Group**”), which is principally engaged in the design, development, marketing, distribution and operation of mobile-online games. During the year under review, the Group’s share of the loss from Something Big Group amounted to approximately HK\$6,745,000 (2018: HK\$3,161,000). During the year under review, Something Big Group has been making a loss with a decrease in revenue generated from its development and operation of mobile games business due to the fierce competition in the mobile-online game market in the PRC and lack of new innovative games for launch by Something Big Group. The Group will continue to closely monitor the operations and performance of Something Big Group, in particular, control on its expenditure in order to minimise its losses and cash outflow.

Provision of Hospitality and Related Services in Australia

The Group is engaged in the provision of hospitality and related services in Australia through the Resorts.

The Balgownie Estate Vineyard Resort & Spa Yarra Valley, which is located in the Yarra Valley, is a popular winery and tourism destination in Victoria, Australia. It is a 4.5-star rated resort and the winner of Tourism Accommodation Australia (TAA) for Best Resort Style Accommodation four years in a row from 2016 to 2019. It consists of a piece of freehold land of approximately 29 hectares with a 7-hectare vineyard growing Pinot and Chardonnay wine grapes, and offers 70 luxury accommodation rooms, day spa, health club facilities, cellar door, restaurant and conference facilities. The resort is one of the few in the Yarra Valley region offering such comprehensive services and facilities, which give it a strong competitive advantage.

Bellinzona Resort Cellar Door & Dining is located in Hepburn Springs, Daylesford, the heart of the Victoria’s spa region. The resort includes a piece of freehold land of approximately one hectare and comprises 43 elegant hotel rooms, including deluxe spa suites, an indoor swimming pool, a wine bar, a heritage restaurant and purposely built conference facilities catered for small to large conferences.

除提供上述資訊科技服務外，本集團亦已投資移動網絡遊戲業務。於本年報日期，本集團持有大事科技控股有限公司（「**大事科技**」，連同其附屬公司及受控制公司統稱為「**大事科技集團**」）28.8%的已發行股本，大事科技主要從事設計、開發、營銷、分銷及運營移動網絡遊戲。於回顧年度，本集團分佔大事科技集團虧損約6,745,000港元（二零一八年：3,161,000港元）。於回顧年度，大事科技集團錄得虧損，乃主要由於中國移動網上遊戲市場競爭激烈及大事科技集團新的創新遊戲推出不足而令其移動遊戲業務發展及營運所得收入減少。本集團將繼續密切監察大事科技集團之運營及表現，尤其是控制其開支以將其虧損及現金流出降至最低。

於澳洲提供酒店及相關服務

本集團通過以下度假村在澳洲從事提供酒店及相關服務。

博爾基尼酒莊水療度假村位於亞拉河谷，該地區為澳洲維多利亞受人青睞之釀酒廠及旅遊勝地。這是一個4.5星級的度假村，於二零一六年至二零一九年連續四年獲澳洲旅遊住宿協會頒授「年度度假村住宿獎」。其包括一幅面積約為29公頃之永久業權土地，擁有種植比諾及霞多麗葡萄酒葡萄的7公頃葡萄園，並提供70間豪華客房、水療、健身俱樂部設施、酒窖、餐廳及會議設施。該度假村是亞拉河谷地區少數幾個擁有如此全面的服務及設施的度假村，具有強大的競爭優勢。

貝林佐納度假村位於維多利亞水療區的中心戴爾斯福德的赫本溫泉。此度假村包括一幅面積約為1公頃之永久業權土地，擁有43間優雅的酒店客房，包括豪華水療套房、室內游泳池、酒吧、傳統餐廳以及適合小型至大型會議的功能性會議設施。

Cleveland Winery Resort & Events is located in Lancefield, Macedon Ranges. The resort includes a piece of freehold land of approximately 40 hectares comprising a 3-hectare vineyard growing cool climate Pinot, Chardonnay and a sparkling wine grape, 50 ensuite rooms, a restaurant and extensive conference facilities, including several lounges and breakout areas.

During the year under review, the Group recorded revenue of approximately HK\$95,043,000 (2018: HK\$107,195,000) and loss of approximately HK\$33,437,000 (2018: HK\$3,549,000) for the segment of provision of hospitality and related services in Australia.

The decline in revenue generated from this segment was due to the drop in average occupancy rate of the resorts from approximately 60% for the year ended 31 December 2018 to approximately 49% for the year ended 31 December 2019, which is mainly attributable to the decrease in the number of domestic visitations to regional Australia due to the bushfires in Australia. The demand for domestic travel has been adversely affected by the declining economic growth in Australia, given the GDP growth issued by the Australian Bureau of Statistics was only 0.5% for the December quarter 2019 (December quarter 2018: 2.0%). Furthermore, the bushfires in Australia since October 2019 also led to a decrease in the number of visitations to Australia. According to the Australian Tourism Industry Council, it is estimated that the impact of the Australian bushfires on the nation's tourism sector will be at least AUD4.5 billion by the end of 2020. In addition, impairment loss on property, plant and equipment of approximately HK\$23,616,000 (2018: Nil) was recognised during the year under review as the recoverable amount of the buildings was lower than the carrying amount. The recoverable amount of the buildings as at 31 December 2019 was arrived at on the basis of a valuation carried out by an independent qualified professional valuer not connected to the Group, by making reference to the prices of recent market transactions for similar properties near the respective locations of the Resorts, which is a generally accepted approach in the industry. Assumptions used in the valuation include: (i) recent market prices of the Resorts, (ii) locations of the Resorts; and (iii) types of the Resorts. There was neither significant change in the value of the inputs and assumptions from those used in the valuation in the prior year nor subsequent change to the valuation method adopted.

克里夫蘭酒莊度假村位於馬其頓山脈的蘭斯菲爾德。這個度假村包括一幅面積約為40公頃之永久業權土地，擁有種植涼爽氣候的比諾、霞多麗和起泡葡萄酒葡萄的3公頃葡萄園、50間套房、餐廳及寬敞的會議設施，包括幾個休息室及休息區。

於回顧年度，本集團就在澳洲提供酒店及相關服務分部錄得收入約95,043,000港元（二零一八年：107,195,000港元）及虧損約33,437,000港元（二零一八年：3,549,000港元）。

此分部產生的收益下降是由於截至二零一八年十二月三十一日止年度度假村的平均入住率約60%降至截至二零一九年十二月三十一日止年度的約49%，其主要是由於澳洲森林大火導致到澳洲地區的國內遊客數量下降。國內旅遊需求因澳洲經濟增長下降而受到不利影響，此鑒於澳洲統計局發佈的國內生產總值增長於二零一九年第四季度僅為0.5%（二零一八年第四季度：2.0%）。此外，自二零一九年十月起，澳洲森林大火亦導致訪澳人次減少。根據澳洲旅遊理事會，預計澳洲森林大火於二零二零年末將影響澳洲旅遊業損失至少45億澳元。此外，於回顧年度確認之物業、廠房及設備減值虧損約23,616,000港元（二零一八年：無），乃由於樓宇的可收回金額低於賬面值。於二零一九年十二月三十一日，樓宇的可收回金額乃根據與本集團無關連之獨立合資格專業估值師所作之估值，並參考度假村各自地理位置附近的類似物業之近期市場交易價達致，此乃行業內公認的方法。估值時所用的假設包括：(i) 度假村之近期市價；(ii) 度假村的位置；及(iii) 度假村的類型。估值時所採用的輸入數據價值及假設與上一年度的所用者並無重大變化，與隨後採納的估值方法亦無發生變化。

The Group will continue to closely monitor the operation and performance of the Resorts and tighten control on its expenditure, especially reducing marketing expenditure, focusing more on digital marketing which will extend the Group's marketing more cost-effectively and controlling the employee benefits expenses in order to minimise its losses and cash outflow. Going forward, the Group will implement the following strategies to improve the performance of the Resorts: (i) to restructure its manpower allocation by downsizing its marketing team and consider outsourcing its digital marketing which will significantly reduce the overall marketing costs; (ii) to continue to focus on staff training to improve efficiency which in turn reduce overall manpower cost; and (iii) to be more proactive in tailoring products and promotions to increase visitations to improve its overall occupancy rate of the Resorts and further capitalising from the increased visitation by focusing on growth on ancillary revenues stream.

Money Lending Business

The Group is engaged in the money lending business in Hong Kong through its wholly-owned subsidiary, Mark Profit Finance Limited, which is a holder of a money lender's licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). During the year under review, the Group recorded interest income of approximately HK\$1,642,000 from its money lending business (2018: HK\$1,598,000). The Group has been paying close attention to the market conditions and will monitor its resources to strive for the development of its money lending business with prudent credit procedures in accepting customers.

本集團將繼續密切監控度假村的運營及表現並加強控制其開支（尤其是削減市場營銷開支，更著重可更具成本效益地拓展本集團的市場營銷的數字市場營銷並控制僱員福利開支）以盡量降低其虧損及現金流出。未來，本集團將執行以下策略以改善度假村的表現：(i) 透過縮減其市場營銷團隊來重構其人力分配，並考慮外包其數字市場營銷，其將大幅削減整體市場營銷成本；(ii) 繼續著重員工培訓以提升效率，進而削減整體人力成本；及(iii) 更積極地推出量身定制的產品及促銷活動以增加到訪人次，從而提升度假村的整體入住率並透過著重配套服務收益流增加到訪以進一步資本化。

借貸業務

本集團透過其全資附屬公司百利財務有限公司在香港從事借貸業務。該公司乃根據放債人條例（香港法例第163章）持有放債人牌照。於回顧年度，本集團自其借貸業務錄得約1,642,000港元之利息收入（二零一八年：1,598,000港元）。本集團一直密切關注市場狀況，並將監控其資源努力實現其借貸分部的發展，同時於先客戶時會應用審慎的信貸程序。

Assets Investments Business

During the year under review, the Group recorded a segment loss from its assets investment business of approximately HK\$28,388,000 (2018: segment profit of approximately HK\$3,258,000), the change was primarily attributable to the combined effect of (i) the absence of gain on disposal of subsidiaries which amounted to approximately HK\$17,795,000 for the year ended 31 December 2018; (ii) the provision for the litigations which amounted to approximately HK\$32,796,000 (2018: HK\$7,176,000) for the year under review; and (iii) the decrease in the fair value loss on financial assets at FVTPL from HK\$7,404,000 during the year ended 31 December 2018 to approximately HK\$579,000 during the year ended 31 December 2019, which were mainly attributable to the Group's investments in Town Health International Medical Group Limited ("Town Health") (the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3886) and approximately 1.25% of the total issued shares of which were held by the Group as at 31 December 2019) of approximately HK\$38,534,000 (2018: HK\$39,288,000). Given the trading of the shares of Town Health on the Stock Exchange was suspended as at 31 December 2019, the fair value of the Group's investment in Town Health as at 31 December 2019 was arrived at on the basis of a valuation carried out by an independent qualified professional valuer not connected to the Group, using the index return method, which is a generally accepted approach in the industry, where the last trading price of the shares of Town Health was adjusted by the return of a synthetic index. Assumptions used in the valuation include: (a) no material change in the existing conditions which might adversely affect the business of Town Health; (b) prospective earnings would provide a reasonable estimate on the fair market value of the assets held by Town Health; (c) reliance by the valuer on the assistance and information provided by the Company; and (d) information related to the valuation would be made available to and reviewed by the valuer. Inputs including (a) the return of other comparable publicly listed companies ranging from -23.91% to -61.90% from the last trading date to their year-end dates; (b) business nature and financial reports of Town Health; (c) publication and research reports of the related industry; and (d) reliable sources of market data were applied in the valuation. There was neither significant change in the value of the inputs and assumptions from those used in the valuation in the prior year nor subsequent change to the valuation method adopted.

資產投資業務

於回顧年度，本集團錄得其資產投資業務分部虧損約28,388,000港元（二零一八年：分部溢利約3,258,000港元），該變動乃主要由於(i)並無截至二零一八年十二月三十一日止年度確認的出售附屬公司收益約17,795,000港元；(ii)於回顧年度的訴訟撥備約32,796,000港元（二零一八年：7,176,000港元）；及(iii)按公平值透過損益列賬之金融資產的公平值虧損由截至二零一八年十二月三十一日止年度的7,404,000港元減至截至二零一九年十二月三十一日止年度的約579,000港元，主要由於本集團於康健國際醫療集團有限公司（「康健」）（其股份於聯交所主板上市（股份代號：3886）及於二零一九年十二月三十一日其已發行股份總數約1.25%由本集團持有）的投資約38,534,000港元（二零一八年：39,288,000港元）的合併影響所致。鑒於康健的股份於二零一九年十二月三十一日於聯交所暫停買賣，於二零一九年十二月三十一日，本集團於康健之投資的公平值乃根據由與本集團並無關連之獨立合資格專業估值師進行估值達致。該估值使用指數回報法，而該方法為業內公認方法，故康健股份最後成交價經綜合指數的回報調整。估值中使用的假設包括：(a) 現狀並無出現或會對康健業務造成不利影響的重大變動；(b) 預期盈利將就康健所持資產的公平市值作出合理的估計；(c) 估值師對本公司提供的協助及資料的倚賴；及(d) 與是次估值有關的資料將可供估值師閱覽並由估值師審閱。應用於估值的輸入數據包括(a) 其他可資比較公眾上市公司於康健之最後交易日至年度結算日介乎-23.91%至-61.90%的回報；(b) 康健的業務性質及財務報告；(c) 有關行業的公佈及研究報告；及(d) 可靠市場數據來源。過往年度估值所用之輸入數據及假設的價值及隨後已應用的估值方法均無發生重大變動。

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In addition to financial assets at FVTPL, the Group recorded fair value gain on financial assets at FVTOCI of approximately HK\$77,329,000 during the year under review (2018: fair value loss on financial assets at FVTOCI of approximately HK\$76,880,000).

As at 31 December 2019, the Group recorded financial assets at FVTPL of approximately HK\$41,289,000 (2018: HK\$41,932,000) and financial assets at FVTOCI of approximately HK\$169,309,000 (2018: HK\$97,712,000). The Directors consider securities investments with a carrying amount that accounts for more than 5% of the Group's total assets as at 31 December 2019 as significant securities investments of the Group. Details of the significant securities investments of the Group as at 31 December 2019 are as follows:

除按公平值透過損益列賬之金融資產以外，本集團於回顧年度錄得按公平值透過其他全面收益列賬之金融資產之公平值收益約77,329,000港元（二零一八年：按公平值透過其他全面收益列賬之金融資產之公平值虧損約76,880,000港元）。

於二零一九年十二月三十一日，本集團錄得按公平值透過損益列賬之金融資產約41,289,000港元（二零一八年：41,932,000港元）及按公平值透過其他全面收益列賬之金融資產約169,309,000港元（二零一八年：97,712,000港元）。董事認為面值超過本集團於二零一九年十二月三十一日資產總值5%的證券投資為本集團的重大證券投資。本集團於二零一九年十二月三十一日的重大證券投資詳情載列如下：

| Name 名稱 | Principal activity 主要業務 | Interest held 所持權益 | Investment cost 投資成本 HK\$'000 千港元 | Fair value 公平值 HK\$'000 千港元 | Percentage to the Group's total assets 佔本集團 資產總值之 百分比 | Fair value change for the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度之公平值變動 |
|---|--|--------------------------------------|---|--------------------------------------|--|--|
| Financial assets at FVTOCI | | | | | | |
| 按公平值透過其他全面收益 | | | | | | |
| 列賬之金融資產 | | | | | | |
| LEO Group Co., Ltd ("LEO"), the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 002131) | Manufacturing and sale of industrial and domestic water pumps and internet services | 45,779,220 shares (i.e. 0.69%) | 282,718 | 151,926 | 15.9% | Unrealised gain on investment in equity instrument designated at FVTOCI of approximately HK\$81,013,000. No realised gain was recorded and no dividend was received during the year. 指定為按公平值透過其 他全面收益列賬之 股本工具投資 未變現收益 約81,013,000港元。 於年內並無錄得已變現 收益及已收股息。 |
| 利歐集團有限公司（「利歐」） （其股份於深圳證券交易所 上市，股份代號：002131） | 工業及家用水泵生產及 銷售以及網絡服務 | 45,779,220 股股份 （即0.69%） | | | | |

Prospects of the Group's significant securities investments

LEO is a company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 002131). LEO is principally engaged in the manufacturing and sale of industrial and domestic pumps and internet services including digital marketing business, marketing strategy and innovation, media delivery and execution, monitoring and optimisation of marketing results and precise marketing, etc. Since the listing of the shares of LEO on the Shenzhen Stock Exchange, the business scope of LEO has gradually expanded from a purely domestic pumps business in the PRC to an industrial pump business in the PRC, covering almost all the pump products in the entire pump industry in the country. Given that the growth of the traditional pump manufacturing business has stabilised, LEO has been actively seeking for a new breakthrough in its strategic development and striving to explore growth opportunities beyond the traditional pump industry, so as to improve its profitability and develop new profit growth. In 2014, LEO successfully expanded its principal business into the internet service business through a series of acquisitions. The internet services LEO provides include digital marketing services and digital media agency services. Based on the preliminary unaudited 2019 annual result announcement of LEO, it has recorded a net profit attributable to its owners of approximately RMB312 million for the year ended 31 December 2019, representing an increase of approximately 117% compared to the previous year. The increase was mainly attributable to (i) the change in its corporate strategies which focuses on improving its internal management and qualities of its product through product development which improves its profitability; and (ii) significant decrease in goodwill impairment provision and bad debt impairment provision for the year ended 31 December 2019 compared to the previous year.

With regards to the prospects of LEO based on the published information, the Directors noted that LEO has been actively expanding its digital marketing services through both vertical and horizontal integrations in recent years to capture the business opportunities arising from the new internet-based interactive entertainment pattern, which resulted in a growth in its revenue. The Directors noted that LEO has received recognitions in the market in recent years, being a sign of the success of LEO in its business development.

本集團重大證券投資之前景

利歐為一間於中國註冊成立之有限公司，其股份於深圳證券交易所上市（股份代號：002131）。利歐主要從事工業用及家用水泵生產及銷售以及網絡服務（包括數字營銷業務、營銷策略與創意、媒介投放及執行、營銷效果監測及優化以及精準營銷等）。自利歐股份於深圳證券交易所上市以來，利歐業務範圍已逐漸由單純的中國家用水泵業務擴展至中國工業用水泵業務，幾乎覆蓋國內整個水泵行業所有水泵產品。鑒於中國傳統水泵生產業務增長已穩定，利歐已積極為其策略發展尋求新突破口，並致力於發現傳統水泵行業以外的增長機會，以改善其盈利能力以及開發新溢利增長。於二零一四年，利歐透過一系列收購，成功將其主要業務擴展至網絡服務業務。利歐提供之網絡服務包括數字營銷服務以及數字媒體代理服務。根據利歐初步未經審核二零一九年全年業績公佈，利歐於截至二零一九年十二月三十一日止年度錄得其擁有人應佔溢利淨額約人民幣312,000,000元，較上年增加約117%。該增加主要由於(i)變更其公司戰略，透過產品發展著重改善其內部管理及質素進而提升其盈利能力；及(ii)截至二零一九年十二月三十一日止年度的商譽減值撥備及壞賬減值撥備較上年大幅下降所致。

就根據已刊發資料所示利歐之前景而言，董事注意到利歐近年來一直透過縱向及橫向整合積極擴大其數字營銷業務，以捕捉網絡為基礎之新互動娛樂模式所產生的業務機會，這使得其收益增長。董事注意到利歐於近幾年內獲得市場認可，其表示利歐於其業務發展中取得成功。

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In addition, as at 31 December 2019, the Group held 10,650 ordinary shares of Luck Key Investment Limited (“**Luck Key**”), representing 48.33% of the equity interest of Luck Key, the investment cost of which was approximately HK\$56,511,000. As at 31 December 2019, the carrying amount of this investment was approximately HK\$78,444,000, representing approximately 8.19% of the total assets of the Group as at 31 December 2019. During the year under review, the share of total comprehensive income of the investment attributable to the Group amounted to approximately HK\$6,772,000, no realised gain was recorded and no dividend income was received from this investment. Luck Key together with its subsidiaries are principally engaged in the provision of medical diagnostic and health check services and operated 8 health check centres and 1 testing laboratory as at the date of this Annual Report. During the year under review, revenue of Luck Key amounted to approximately HK\$210,155,000 (2018: HK\$219,072,000), representing a decrease of approximately 4.1%. The profit for the year attributable to the shareholders of Luck Key for the year under review amounted to approximately HK\$14,012,000 (2018: HK\$15,798,000). The management of Luck Key will strive to improve the operational efficiency of its health check business so as to enhance its competitiveness in the market and its profitability.

The Group will continue to hold the investments in its portfolio, unless there are changes in its investment strategy or potential opportunities in realising its existing investments in securities arise, taking into account the prospects of the issuers of the securities investments and the Group’s objectives to optimise the returns from its investment portfolios and create value for the Shareholders.

PROSPECTS

The Hong Kong economy weakened substantially in 2019 as rising trade tensions between the USA and the PRC and heightened uncertainty took a toll on exports and investment while private expenditure and visitor arrivals have declined due to the social unrest in the second half of 2019. With current global events such as the trade dispute, the continued normalisation of monetary policy in advanced economies and the recent volatilities in the global financial markets, the global economy is facing challenges as effects of these events are beginning to surface.

In addition, following the recent outbreak of the COVID-19, the negative impact on the global economy is enormous. The operation and financial performance of the Group’s businesses of mobile internet cultural business and provision of IT services and provision of hospitality and related services in Australia during the first quarter of 2020 have been adversely affected by the COVID-19.

此外，於二零一九年十二月三十一日，本集團持有10,650股Luck Key Investment Limited（「**Luck Key**」）普通股，相當於Luck Key 48.33%的股權，投資成本約56,511,000港元。於二零一九年十二月三十一日，該投資賬面值約為78,444,000港元，相當於本集團於二零一九年十二月三十一日的資產總值的約8.19%。於回顧年度，本集團應佔全面收益總額約6,772,000港元，且並無錄得已變現收益及並無收到來自該投資的股息收入。Luck Key 連同其附屬公司主要從事提供醫學診斷及體檢服務，並於本年報日期運營著8個體檢中心及1間測試實驗室。於回顧年度，Luck Key 收益為約210,155,000港元（二零一八年：219,072,000港元），相當於減少約4.1%。於回顧年度Luck Key 股東應佔溢利約為14,012,000港元（二零一八年：15,798,000港元）。Luck Key 管理層致力提升其體檢業務的營運效能，以此提升其於市場的競爭力及其盈利能力。

經計及證券投資發行公司之前景以及本集團優化其投資組合回報及為股東創造價值的目標，除非其投資策略有變或出現變現其現有證券投資的潛在機會，否則本集團將繼續維持其現有投資組合。

前景

於二零一九年，香港經濟大幅削弱，原因是中美之間的貿易緊張局勢加劇並為出口及投資增添變數，而於二零一九年下半年社會動盪致使私人開支及遊客到訪下降。隨著當前貿易爭端、發達經濟體貨幣政策持續正常化及近期全球金融市場波動等全球事件，全球經濟由於該等事件的影響已初露端倪而正面臨挑戰。

此外，近期爆發新型冠狀病毒，對全球經濟造成巨大負面影響。於二零二零年第一季度，本集團的移動互聯網文化業務及提供資訊科技服務以及於澳洲提供酒店及相關服務業務的經營及財務表現已因新型冠狀病毒受到不利影響。

As a result of the COVID-19, there is a significant pressure on the cashflow of the Group's business of mobile internet cultural business and provision of IT services owing to (1) the operation of some of the customers of this business segment have been suspended, which led to a decrease in demand for the Group's IT services; and (2) the operation efficiency of this business segment has been adversely affected given that some of the staff under this business segment had been under quarantine in their hometown and could not return to office to work or need to work at home which adversely affects the ability of the Group to deliver its services to meet with customers' orders. The Group is considering different means to raise fund for maintaining the operations of this business segment.

In light of the declining economic growth in Australia and the global outbreak of the COVID-19, the demand for the services of the Resorts has decreased and is expected to continue to decrease until the third quarter of 2020. In particular, it is expected that the performance of Bellinzona Resort Cellar Door & Dining and Cleveland Winery Resort & Events, which offer conference facilities and mainly target corporate clients, will be more adversely affected as a result of the restrictions of meetings or conferences implemented by the Australian government due to the outbreak of the COVID-19 pandemic. In March 2020, the Australian government has taken strict measures to combat the outbreak of the COVID-19 including new social distancing rules which discourage people from gathering at certain places and situations such as restaurants, cafes, pubs and clubs and weddings and close pubs, casinos, restaurants and other venue from 23 March 2020. In view of the policies of the Australian government to combat the COVID-19, the operation of the Resorts has been temporarily suspended with effect from 30 March 2020 until further notice, subject to the development of the COVID-19 in Australia and the policies of the Australian government.

Going forward, the Group will closely take note of its development and its impact on the Group's businesses. The Group will proactively take preventive measures to mitigate the impact of the COVID-19 on its businesses.

受新型冠狀病毒影響，本集團的移動互聯網文化業務及提供資訊科技服務業務的現金流量面臨巨大壓力，原因為(1)該業務分部之部分客戶的運營已暫停，導致對本集團資訊科技服務的需求減少；及(2)該業務分部之部分員工已接受居家隔離，無法返回辦公室工作或需要在家工作，對本集團提供服務以滿足客戶訂單的能力造成不利影響，從而對該業務分部的運營效率造成不利影響。本集團正考慮採用不同方式籌集資金以維持該業務分部的運營。

鑒於澳洲經濟增長下滑及全球爆發新型冠狀病毒，度假村的服務需求已下降並預計直至二零二零年第三季度繼續下降。尤其是，預計貝林佐納度假村及克里夫蘭酒莊度假村（其提供會議設施及主要面向企業客戶）的表現將受到更加不利影響，此乃由於澳洲政府因爆發新型冠狀病毒疫情而實施會議或研討會限制。於二零二零年三月，澳洲政府已採取嚴厲措施應對新型冠狀病毒爆發，其中包括新的社會隔離規定，自二零二零年三月二十三日起，人們不得於下列地點及情況下聚集，例如餐館、咖啡廳、酒吧及俱樂部、婚禮以及私家酒吧、娛樂場、餐廳及其他場所等。鑒於澳洲政府對抗新型冠狀病毒的政策，受限於澳洲新型冠狀病毒的發展及澳洲政府的政策，度假村的運營已臨時暫停，由二零二零年三月三十日起直至進一步通知。

未來，本集團將密切注意其發展及其對本集團業務的影響。本集團將積極採取預防措施以緩解新型冠狀病毒對其業務的影響。

Strategic Update

Entering into 2020, both regional and global markets will unquestionably remain sensitive to geopolitical and macroeconomic uncertainties, as well as the pandemic situation of the COVID-19. The Group's focus will be on (i) maintaining operational resilience in times of unpredictability and challenges; (ii) remaining competitive and forward-thinking, skillfully executing on its strategy; and (iii) exploring new opportunities, experimenting, and moving steadily and boldly towards greater success.

The Group's focus will remain on the successful execution of the strategic plan and working together with the regulators and other stakeholders to support the prosperity and sustainability of the markets and communities where the Group operates. Also, the Group's commitment to strengthen its competitiveness will remain a core focus in the years ahead. The Group is confident that the efforts it is making will position it strongly for the next phase of its journey and generate value over a longer term.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2019, the total assets of the Group were approximately HK\$957,322,000 (2018: HK\$844,350,000) including cash and cash equivalents of approximately HK\$180,516,000 (2018: HK\$176,993,000), among which approximately 78% (2018: 90%) were denominated in Hong Kong dollars, 8% (2018: Nil) were denominated in United States dollars, 12% (2018: 5%) were denominated in Renminbi and 2% (2018: 5%) were denominated in Australian dollars. As at 31 December 2019, the Group had borrowings repayable within one year (or on demand) of approximately HK\$219,669,000 (2018: HK\$164,812,000). These borrowings bore interest at rates ranging from 3.7% to 6.0% per annum (2018: 3.8% to 6.0% per annum), among which approximately 67% (2018: 49%) were subject to fixed interest rates. Out of the total borrowings, approximately 33% (2018: 42%) were denominated in Australian dollars and the balance of approximately 67% (2018: 58%) were denominated in Renminbi. As at 31 December 2019, the Group had borrowing facilities to the extent of approximately HK\$333,032,000 (2018: HK\$240,701,000). As at 31 December 2019, approximately HK\$221,830,000 (2018: HK\$164,812,000) of the facilities had been utilised by the Group. There is no seasonality in relation to the borrowing requirements of the Group.

策略更新

步入二零二零年，地區及全球市場毫無疑問地均依然對地緣政治及宏觀經濟不確定性以及新型冠狀病毒疫情狀況保持敏感。本集團將聚焦於(i)在不可預測及充滿挑戰時期保持運營彈性；(ii)保持競爭力及前瞻性，巧妙實施策略；及(iii)探索新機會，勇敢嘗試，向更大的成功穩步大膽邁進。

本集團的重點將依然是成功實施策略計劃，並與監管機構及其他持份者共同努力，支持本集團營運所在市場及社區的繁榮與可持續發展。此外，本集團致力提高競爭力的承諾仍將是未來幾年的核心重點。本集團有信心，現正付出的努力將為下一征程的發展奠定堅實基礎及創造長遠價值。

財務資源及流動資金

於二零一九年十二月三十一日，本集團資產總值約為957,322,000港元（二零一八年：844,350,000港元），包括現金及等同現金項目約180,516,000港元（二零一八年：176,993,000港元），其中約78%（二零一八年：90%）乃以港元計值、8%（二零一八年：無）乃以美元計值、12%（二零一八年：5%）乃以人民幣計值及2%（二零一八年：5%）乃以澳元計值。於二零一九年十二月三十一日，本集團有於一年內（或按要求）償還的借貸約219,669,000港元（二零一八年：164,812,000港元）。該等借貸按年利率介乎3.7%至6.0%（二零一八年：年利率介乎3.8%至6.0%）計息，其中約67%（二零一八年：49%）按固定利率計息。借貸總額約33%（二零一八年：42%）按澳元計值，剩餘約67%（二零一八年：58%）按人民幣計值。於二零一九年十二月三十一日，本集團的借款額度為約333,032,000港元（二零一八年：240,701,000港元）。於二零一九年十二月三十一日，本集團已動用額度中約221,830,000港元（二零一八年：164,812,000港元）。本集團並無季節性的借貸需求。

As at 31 December 2019, the Group's gearing ratio (calculated on the basis of total liabilities to total assets) was 0.62 times (2018: 0.50 times) and its net debt-to-equity capital ratio (calculated as the total trade and other payables, accruals and provision, interest-bearing bank and other borrowings and lease liabilities less pledge time deposit and cash and cash equivalents, over equity attributable to the Shareholders) was 0.89 times (2018: 0.40 times).

Despite the fact that the Group had net current liabilities of approximately HK\$73,164,000 as at 31 December 2019, these consolidated financial statements have been prepared on the basis that the Group will continue to operate as a going concern. The Directors are of the opinion that the Group is able to continue as a going concern and to meet in full their financial obligations as (i) the Group had net assets of approximately HK\$368 million including financial assets at FVTOCI of approximately HK\$164 million as at 31 December 2019 classified as non-current assets which could be realised to satisfy the current liabilities obligations of the Group; (ii) the Group has been actively negotiating with its creditors and/or banker(s) to extend the repayment terms of its indebtedness, and as detailed in note 25(d) to the consolidated financial statements in April 2020, the Group has entered into a supplemental agreement with the lender for not demanding for the repayment of the Bailihong Loan (as defined in note 25(d)) of approximately HK\$55,233,000 within the next 12 months from the date of the supplemental agreement; and (iii) continuing financial support has been provided by a substantial shareholder of the Company, who has confirmed her willingness to continue financing the operation of the Group to meet its future obligations, and has also entered into a loan facility agreement with the Company in April 2020, pursuant to which, the substantial shareholder has agreed to provide a loan facility of up to HK\$70,000,000 (the "**Loan Facility**") to the Group for the purpose of its general working capital. As at the date of these consolidated financial statements, HK\$40,000,000 of the Loan Facility (the "**Shareholder's Loan**") has been drawn down by the Group which bears interest at a fixed rate of 10% per annum and is repayable 12 months after the drawdown provided that the substantial shareholder will not demand for repayment of the Shareholder's Loan upon maturity until the Group is in a position to do so. In light of all the measures adopted and arrangements implemented, the Directors are of the opinion that the Group will have sufficient cash resources to satisfy its future working capital and other financial requirements and it is reasonable to expect the Group to remain as a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

於二零一九年十二月三十一日，本集團資產負債比率（按總負債除以資產總值計算）為0.62倍（二零一八年：0.50倍）及債務淨額相對股本比率（按應付貿易款項及其他應付款項、應計費用及撥備、計息銀行及其他借款以及租賃負債減已抵押定期存款及現金及現金等同項目除以股東應佔股本計算）為0.89倍（二零一八年：0.40倍）。

儘管本集團於二零一九年十二月三十一日有流動負債淨額約73,164,000港元，但此等綜合財務報表已按本集團將持續經營的基準編製。董事認為，本集團能夠持續經營並全面履行其財務責任，原因為(i)於二零一九年十二月三十一日，本集團有資產淨值約368,000,000港元，包括分類為非流動資產之按公平值透過其他全面收益列賬之金融資產約164,000,000港元，其可變現以支付本集團的流動負債責任；(ii)本集團正積極與其債務人及／或銀行進行磋商，以延長其債務的償還期限，並且如綜合財務報表附註25(d)所詳述，本集團已於二零二零年四月與貸款人訂立一份補充協議，內容有關不要求於補充協議日期起計未來12個月內償還百利宏貸款（定義見附註25(d)）約55,233,000港元；及(iii)本公司主要股東持續提供財務支持，並確認願意繼續為本集團營運撥資以滿足其未來責任並亦於二零二零年四月與本公司訂立貸款融資（「**貸款融資**」），據此，主要股東已同意向本集團提供最高金額為70,000,000港元的貸款融資協議以作一般營運資金用途。於該等綜合財務報表日期，本集團已提取按固定年利率10%計息並須於提取後12個月內償還的貸款融資40,000,000港元（「**股東貸款**」），惟主要股東不會要求於到期時償還股東貸款，直至本集團情況許可為止。基於所有已採取的措施及已實施的安排，董事認為本集團將具備充足的現金資源以滿足其日後的營運資金及其他財務需求且合理預期本集團能維持商業上可行之經營。因此，董事信納按持續經營基準編製該等綜合財務報表屬適當。

CAPITAL STRUCTURE

As at 31 December 2019, the Group had shareholders' equity of approximately HK\$372,336,000 (2018: HK\$418,182,000).

As at 31 December 2019, the Group had borrowings of approximately HK\$221,830,000 (2018: HK\$164,812,000). Certain loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the draw down facilities would become repayable on demand. In addition, the Group's certain loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The exposure of the Group's borrowings is as follows:

資本架構

於二零一九年十二月三十一日，本集團擁有股東權益約372,336,000港元（二零一八年：418,182,000港元）。

於二零一九年十二月三十一日，本集團擁有借貸約221,830,000港元（二零一八年：164,812,000港元）。若干貸款須待滿足金融機構借貸安排常見契約的條件後方可獲得。倘本集團違反有關契約，所提取之融資將須按要求償還。此外，本集團之若干貸款協議包含可賦予貸方權利全權酌情要求隨時立刻還款之條款，而不論本集團是否已遵守有關契約及已履行預定還款責任。

本集團之借貸風險如下：

| | | 2019 二零一九年 HK\$'000 千港元 (Unaudited) (未經審核) | 2018 二零一八年 HK\$'000 千港元 (Audited) (經審核) |
|---|-------------------|---|--|
| Fixed-rate borrowings | 固定利率借貸 | 149,327 | 80,913 |
| Variable-rate borrowings | 浮動利率借貸 | 72,503 | 83,899 |
| | | 221,830 | 164,812 |
| Secured | 已抵押 | 162,089 | 161,359 |
| Unsecured | 無抵押 | 59,741 | 3,453 |
| | | 221,830 | 164,812 |
| The carrying amounts of the above borrowings are repayable: | 上述借貸之賬面值須於以下日期償還： | | |
| Within one year | 一年內 | 219,669 | 164,812 |
| Within a period of more than one year but not exceeding two years | 一年以上但不超過兩年期間 | 843 | - |
| Within a period of more than two years but not exceeding five years | 兩年以上但不超過五年期間 | 1,318 | - |
| | | 221,830 | 164,812 |

Note:

The ranges of effective interest rates per annum on the Group's borrowings are as follows:

附註：

本集團借貸之每年實際利率範圍如下：

| | | 2019 二零一九年 | 2018 二零一八年 |
|--------------------------|--------|---------------|---------------|
| Effective interest rate: | 實際利率： | | |
| Fixed-rate borrowings | 固定利率借貸 | 5.44-6.00% | 5.70-6.00% |
| Variable-rate borrowings | 浮動利率借貸 | 3.74-3.94% | 3.76-3.94% |

FOREIGN EXCHANGE

During the year under review, the Group mainly generated revenue and incurred costs in Hong Kong dollars, Renminbi, Australian dollars and Euro. The Group did not invest in any derivative product for hedging during the year under review. Nevertheless, the Group will keep monitoring its foreign currency risk and when there are uncertainties or material fluctuations in the foreign exchange rates, the Group will consider using appropriate hedging instruments, including futures and forward contracts in managing the Group's exposure in relation to fluctuations in the foreign exchange rates.

外匯

於回顧年度，本集團之收入及成本主要以港元、人民幣、澳元及歐元計值。本集團於回顧年度並無投資任何衍生工具產品以作對沖。雖然如此，本集團將繼續監察其外幣風險，外匯匯率如存有任何不確定性或出現重大波動，本集團將考慮使用適當之對沖工具（包括期貨及遠期合約），管理本集團有關外匯匯率波動之風險。

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2019, certain borrowing facilities of the Group were secured by freehold land and buildings of approximately HK\$143,624,000, financial assets at FVTOCI of approximately HK\$151,926,000, fixed deposit of approximately HK\$13,000,000 and financial assets at FVTPL of approximately HK\$33,284,000.

本集團之資產抵押

於二零一九年十二月三十一日，本集團若干借貸融資已以永久業權土地及樓宇約143,624,000港元、按公平值透過其他全面收益列賬之金融資產約151,926,000港元、固定存款約13,000,000港元及按公平值透過損益列賬之金融資產約33,284,000港元作抵押。

CAPITAL COMMITMENTS

As at 31 December 2019, the Group did not have any material capital expenditure commitments (2018: Nil).

資本承擔

於二零一九年十二月三十一日，本集團並無任何重大的資本支出承擔（二零一八年：無）。

DEEMED PARTIAL DISPOSAL OF SUBSIDIARIES

Pursuant to the Subscription Agreement, the Subscriber conditionally agreed to subscribe for, and the Target conditionally agreed to allot and issue, the Subscription Shares at the subscription price of HK\$22,000,000. After the completion of the Subscription on 27 May 2019, the Target is owned as to 51% by the Company and 49% by the Subscriber, and the Target continues to be a subsidiary of the Company. Further details of the Subscription are set out in pages 10 to 11 of this Annual Report.

視作出售部分附屬公司

根據認購協議，認購人有條件同意認購及目標集團有條件同意按認購價22,000,000港元配發及發行認購股份。於二零一九年五月二十七日完成認購事項後，目標集團由本公司擁有51%及認購人擁有49%，且目標集團繼續為本公司之一間附屬公司。有關認購事項的進一步詳情載於本年報第10至11頁。

DISPOSAL OF ZHIQU

On 7 December 2015, the Group, Mr. Xu Jialiang, Mr. Xu Xiaofeng (collectively with the Group, the “**Vendors**”), 上海智趣廣告有限公司 (in English, for identification purpose, Shanghai Zhiqu Advertisement Co., Ltd.) (“**Zhiqu**”) and LEO entered into a sale and purchase agreement (as amended and supplemented by a supplemental agreement dated 11 January 2016) (the “**Zhiqu SP Agreement**”), pursuant to which LEO agreed to acquire, and the Vendors agreed to sell, the entire equity interest of Zhiqu (the “**Zhiqu Disposal**”). The Vendors and LEO also entered into the performance compensation agreement (the “**Performance Compensation Agreement**”) in relation to the adjustments to the total consideration for the Zhiqu Disposal. The total consideration shall be subject to adjustments (the “**Adjustments**”, each an “**Adjustment**”) in accordance with the Performance Compensation Agreement in the manner as stipulated below:

For the purpose of the Adjustments, the “**Audited NOP**” is Zhiqu’s audited net operating profit after tax, after adjustments for, where applicable, any non-recurring and exceptional gains or losses, whichever is lower, that are not related to the ordinary business of Zhiqu, attributable to shareholders of the parent company of Zhiqu as deduced from the audited consolidated financial statements of Zhiqu for the relevant financial year ended 31 December 2016 (“**FY2016**”), financial year ended 31 December 2017 (“**FY2017**”) and financial year ended 31 December 2018 (“**FY2018**”) (each a “**Guaranteed FY**”). The Vendors severally (but among Mr. Xu Jialiang and Mr. Xu Xiaofeng, jointly and severally) undertook to LEO that:

- (i) the Audited NOP of Zhiqu for FY2016 shall be not less than RMB58,000,000 (the “**2016 Target NOP**”);
- (ii) the Audited NOP of Zhiqu for FY2017 shall be not less than RMB75,400,000 (the “**2017 Target NOP**”); and
- (iii) the Audited NOP of Zhiqu for FY2018 shall be not less than RMB98,020,000 (the “**2018 Target NOP**”).

出售智趣

於二零一五年十二月七日，本集團、徐佳亮先生、徐曉峰先生（連同本集團統稱為「賣方」）、上海智趣廣告有限公司（「智趣」）與利歐訂立一份買賣協議（經二零一六年一月十一日之補充協議修訂及補充）（「智趣買賣協議」），據此，利歐同意收購及賣方同意出售智趣之全部股權（「智趣出售事項」）。賣方與利歐亦就智趣出售事項總代價之調整訂立表現補償協議（「表現補償協議」）。總代價須根據表現補償協議按下文規定之方式予以調整（「調整」，各項「調整」）：

就調整而言，「經審核經營溢利淨額」指已就（倘適用）與智趣之日常業務並不相關之任何非經常性及特別收益或虧損（以較低者為準）（屬自智趣截至二零一六年十二月三十一日止財政年度（「二零一六財年」）、截至二零一七年十二月三十一日止財政年度（「二零一七財年」）以及截至二零一八年十二月三十一日止財政年度（「二零一八財年」）相關財政年度（「擔保財年」）之經審核綜合財務報表扣除之智趣母公司股東應佔項目）作出調整之智趣經審核除稅後經營溢利淨額。賣方個別（但徐佳亮先生及徐曉峰先生共同及個別）向利歐承諾：

- (i) 智趣二零一六財年之經審核經營溢利淨額不少於人民幣58,000,000元（「二零一六年目標經營溢利淨額」）；
- (ii) 智趣二零一七財年之經審核經營溢利淨額不少於人民幣75,400,000元（「二零一七年目標經營溢利淨額」）；及
- (iii) 智趣二零一八財年之經審核經營溢利淨額不少於人民幣98,020,000元（「二零一八年目標經營溢利淨額」）。

The Vendors and LEO agreed that the amount of Adjustment (the “**Adjustment Amount**”) for each Guaranteed FY shall be settled by the Vendors in the following order:

- (i) firstly, by the consideration shares allotted and issued to Mr. Xu Jialiang and Mr. Xu Xiaofeng, in proportion to the consideration shares allotted and issued to them (“**Xu’s Shares**”);
- (ii) if the Xu’s Shares shall be insufficient to settle the relevant Adjustment Amount, secondly, in cash by Mr. Xu Jialiang and Mr. Xu Xiaofeng in proportion to the cash consideration received by them (“**Xu’s Cash**”);
- (iii) if Mr. Xu Jialiang and Mr. Xu Xiaofeng have not fully compensated LEO, thirdly, by the consideration shares allotted and issued to the Group (“**Jixiang’s Shares**”);
- (iv) if the Xu’s Shares, the Xu’s Cash and the Jixiang’s Shares shall be insufficient to settle the relevant Adjustment Amount, fourthly, in cash by the Group, which is subject to a cap of RMB25,510,009 (“**Jixiang’s Cash**”); and
- (v) if the Xu’s Shares, the Xu’s Cash, the Jixiang’s Shares and the Jixiang’s Cash shall be insufficient to settle the relevant Adjustment Amount, finally, in cash by Mr. Xu Jialiang and Mr. Xu Xiaofeng to settle the balance.

賣方與利歐協定，各擔保財年的調整金額（「**調整金額**」）將由賣方以下列次序償付：

- (i) 首先，以配發及發行予徐佳亮先生及徐曉峰先生之代價股份根據彼等獲配發及發行之代價股份比例償付（「**徐之股份**」）；
- (ii) 倘徐之股份不足以償付相關調整金額，則第二，由徐佳亮先生及徐曉峰先生根據彼等收取之現金代價比例以現金償付（「**徐之現金**」）；
- (iii) 倘徐佳亮先生及徐曉峰先生未悉數補償利歐，則第三，以本集團獲配發及發行之代價股份償付（「**迹象之股份**」）；
- (iv) 倘徐之股份、徐之現金及迹象之股份不足以償付相關調整金額，則第四，由本集團以限額為人民幣25,510,009元之現金償付（「**迹象之現金**」）；及
- (v) 倘徐之股份、徐之現金、迹象之股份及迹象之現金不足以償付相關調整金額，則最後將由徐佳亮先生及徐曉峰先生以現金償付餘額。

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Upon the end of each Guaranteed FY and the issue of the special audit report of Zhiqu for FY2018, LEO shall engage qualified auditors to conduct asset impairment test and issue a report in respect of any asset impairment. Where the asset impairment of Zhiqu as reflected in such report shall be more than the total Adjustment Amount compensated by the Vendors to LEO, the Vendors shall compensate LEO a sum equal to the difference between such asset impairment and the Adjustment Amount then compensated by the Vendors to LEO, which shall be settled first by the consideration shares (the value of which shall be calculated by multiplying such number of consideration shares with the issue price), with payment of cash to settle the balance (if any). All liabilities of the Group under the Performance Compensation Agreement shall at all times be capped at the total consideration received by it.

Based on a special audit report of Zhiqu for FY2016 published by LEO on 30 August 2017, the Audited NOP of Zhiqu for FY2016 amounted to RMB32,239,594.87, which is less than the 2016 Target NOP. Accordingly, the Adjustment Amount for FY2016 shall be RMB83,931,144.53 and shall be settled by 18,166,915 Xu's Shares (the "**FY2016 Compensation**"). The Group is not required to pay any compensation to LEO in respect of the Audited NOP of Zhiqu for FY2016.

As disclosed in LEO's announcement dated 31 August 2017, Mr. Xu Jialiang and Mr. Xu Xiaofeng shall pay additional compensation which comprises (i) an aggregate of 21,993,909 LEO's shares to LEO; and (ii) cash in the aggregate amount of RMB80,000,000 to Zhiqu, on or before 31 December 2017 (the "**Additional Compensation**"). According to LEO's announcement dated 19 December 2017, such shares were returned to LEO for distribution to its shareholders in December 2017.

於各擔保財年年結日及出具二零一八財年智趣特別審核報告時，利歐將委聘合資格核數師進行資產減值測試並就任何資產減值出具報告。倘該等報告所反映之智趣資產減值超過賣方向利歐補償之總調整金額，賣方將補償利歐相當於有關資產減值與賣方當時向利歐補償之調整金額之間的差額之金額，該金額將首先以代價股份償付（其價值根據代價股份數目乘以發行價計算得出），而餘額（如有）則以現金支付。本集團於表現補償協議項下之所有負債在任何時間均以其收取之總代價為限。

根據利歐於二零一七年八月三十日刊發的二零一六財年智趣特別審核報告，智趣二零一六財年的經審核經營溢利淨額為人民幣32,239,594.87元，低於二零一六年目標經營溢利淨額。因此，二零一六財年的調整金額為人民幣83,931,144.53元並由18,166,915股徐之股份結算（「二零一六財年補償」）。本集團毋須就二零一六財年智趣的經審核經營溢利淨額向利歐支付任何補償。

誠如利歐日期為二零一七年八月三十一日的公佈所披露，徐佳亮先生及徐曉峰先生於二零一七年十二月三十一日或之前(i)以共計21,993,909股利歐股份向利歐作出額外補償；及(ii)向智趣支付共計人民幣80,000,000元（「額外補償」）。根據利歐日期為二零一七年十二月十九日的公佈，有關股份於二零一七年十二月歸還予利歐以供分派予其股東。

Based on a special audit report of Zhiqu for FY2017 published by LEO on 14 December 2018, the Audited NOP of Zhiqu for FY2017 amounted to RMB36,689,479.02, which is less than the 2017 Target NOP. Accordingly, the Adjustment Amount for FY2017 shall be RMB126,124,504.45 and shall be settled by 3,821,856 Xu's Shares and Xu's Cash in the amount of RMB108,467,529.73 (the "**FY2017 Compensation**") taking into consideration the Additional Compensation. However, as disclosed in the Company's announcement dated 15 March 2019, according to LEO's announcement dated 15 March 2019, given that the 3,821,856 Xu's Shares were not sufficient to settle the FY2017 Compensation and Mr. Xu Jialiang and Mr. Xu Xiaofeng were unable to provide the Xu's Cash in the amount of approximately RMB108,468,000, in accordance with the settlement mechanism above, the FY2017 Compensation shall be settled by 23,477,822 Jixiang's Shares and the Group shall also return the cash dividend in the amount of approximately RMB506,000 received from LEO to an account designated by LEO.

As disclosed in the announcement of the Company dated 29 April 2019, on 29 April 2019, the Group received a letter from the Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) ("**SHIAC**") that LEO had commenced arbitration proceedings against the Group to pursue the settlement of the portion of the FY2017 Compensation that Mr. Xu Jialiang and Mr. Xu Xiaofeng were unable to satisfy (the "**Unsettled FY2017 Compensation**"). As at 31 December 2018, the Company has been preliminarily advised by its legal advisers as to the laws of the PRC that the Group should have a good chance to argue in such arbitration proceeding that the demand from LEO for settlement of the Unsettled FY2017 Compensation should not be upheld. The hearing of the arbitration proceeding was held on 24 September 2019 before a panel of three arbitrators.

According to the announcement of LEO dated 8 November 2019, based on the special audit report in respect of the Audited NOP of Zhiqu for FY2018, the Audit NOP of Zhiqu for FY2018 amounted to RMB7,701,500, which is less than the 2018 Target NOP.

根據利歐於二零一八年十二月十四日刊發的二零一七財年智趣特別審核報告，智趣二零一七財年的經審核經營溢利淨額為人民幣36,689,479.02元，低於二零一七年目標經營溢利淨額。因此，二零一七財年的調整金額為人民幣126,124,504.45元，經計及額外補償，由3,821,856股徐之股份及金額為人民幣108,467,529.73元徐之現金結算（「**二零一七財年補償**」）。然而，誠如本公司於二零一九年三月十五日之公佈所披露，根據利歐於二零一九年三月十五日之公佈，鑒於3,821,856股徐之股份不足以償付二零一七財年補償及徐佳亮先生及徐曉峰先生未能提供金額約人民幣108,468,000元之徐之現金，根據上述之償付機制，二零一七財年補償將以23,477,822股迹象之股份作償付及本集團亦將退還自利歐收取之現金股息約人民幣506,000元至利歐指定之賬戶。

如本公司日期為二零一九年四月二十九日的公佈所披露，於二零一九年四月二十九日，本集團收到上海國際經濟貿易仲裁委員會（上海國際仲裁中心）（「**上海國仲**」）之函件，當中稱利歐已就尋求償付徐佳亮先生及徐曉峰先生未能償付的部分二零一七財年補償（「**未償付二零一七財年補償**」）提起針對本集團的仲裁程序。於二零一八年十二月三十一日，根據本公司中國法律顧問初步意見，本集團很有機會在相關仲裁程序中主張利歐要求清償未償付二零一七財年補償的要求不應獲得支持。於二零一九年九月二十四日，由三個裁員組成的小組進行聆訊程序。

根據利歐日期為二零一九年十一月八日之公佈，根據有關二零一八財年智趣經審核經營溢利淨額之特別審核報告，二零一八財年智趣之經審核經營溢利淨額為人民幣7,701,500元，少於二零一八年目標經營溢利淨額。

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According to the announcement of LEO dated 3 December 2019, in view of the Audited NOP of Zhiqu for FY2018 being RMB7,701,500, the Adjustment Amount for FY2018 shall be RMB402,738,466.59 accordingly. The Adjustment Amount for FY2018 shall be settled by the Xu's Shares, and where such shares are insufficient, by the Xu's Cash received by Mr. Xu Jialiang and Mr. Xu Xiaofeng. Given that Mr. Xu Jialiang and Mr. Xu Xiaofeng no longer hold any consideration shares, they will be required to compensate LEO in cash. LEO will issue a demand notice for compensation to Mr. Xu Jialiang and Mr. Xu Xiaofeng after the compensation proposal in respect of the Adjustment Amount for FY2018 has been approved by the shareholders of LEO. If Mr. Xu Jialiang and Mr. Xu Xiaofeng do not settle the Adjustment Amount for FY2018 in full within 30 days after the issue of the demand notice, the Group will be required to settle the Adjustment Amount for FY2018 by 45,779,220 Jixiang's Shares that it holds and, if such shares are insufficient, by Jixiang's Cash. In addition, the Group will also be required to return the cash bonus in relation to the Jixiang's Shares that it has received from LEO, the amount of which as determined in accordance with the amount of compensation that the Group is required to pay. If there is still a shortfall in the settlement of the Adjustment Amount for FY2018, Mr. Xu Jialiang and Mr. Xu Xiaofeng, who are jointly liable for such settlement, will be required to compensate LEO in cash. LEO will seek approval from its shareholders in respect of the above compensation proposal.

As disclosed in the announcement of the Company dated 6 December 2019, on 6 December 2019, the Group received a letter from SHIAC indicating that it has approved LEO's application ("**Application**") to make the following amendments ("**Amendments**") to certain demands made by LEO against the Group in relation to the settlement of the Unsettled FY2017 Compensation:

- (i) the transfer of 45,779,220 Jixiang's Shares (instead of 23,477,822 Jixiang's Shares) held by the Group to LEO;
- (ii) if the Group is unable to transfer the entire 45,779,220 Jixiang's Shares (instead of 23,477,822 Jixiang's Shares) to LEO, the shortfall shall be compensated to LEO by way of cash; and
- (iii) the return of the cash bonus in the amount of approximately RMB989,000 (instead of approximately RMB506,000) in relation to the 45,779,220 Jixiang's Shares (instead of 23,477,822 Jixiang's Shares) by the Group to LEO.

根據利歐日期為二零一九年十二月三日之公佈，鑒於智趣經審核經營溢利淨額於二零一八財年為人民幣7,701,500元，據此，二零一八財年調整金額應為人民幣402,738,466.59元。二零一八財年調整金額應由徐之股份結算，而倘相關股份不足，則透過徐佳亮先生及徐曉峰先生已接獲徐之現金結算。鑒於徐佳亮先生及徐曉峰先生不再持有任何代價股份，彼等將要求以現金賠償利歐。於利歐就賠償二零一八財年調整金額提交其股東審議後，利歐將向徐佳亮先生及徐曉峰先生發出要求補償通知。倘徐佳亮先生及徐曉峰先生並未於發出要求通知後30日內全數償付二零一八財年調整金額，本集團須以其持有之45,779,220股迹象股份及（倘相關股份不足）則以迹象現金償付二零一八財年調整金額。此外，本集團亦將須退還就迹象股份而已收利歐的現金紅利，有關金額根據本集團須支付的賠償金額釐定。倘仍未能足額償付二零一八財年調整金額，徐佳亮先生及徐曉峰先生（彼等就上述償付連帶責任）將須以現金補償利歐。利歐將就上述賠償建議提交其股東審議。

誠如本公司日期為二零一九年十二月六日之公佈所披露，於二零一九年十二月六日，本集團已接獲上海國仲之函件，當中表明已批准利歐就清償未償付二零一七財年補償針對本集團提出的若干要求而作出以下修訂（「**修訂**」）的利歐申請（「**申請**」）：

- (i) 向利歐轉讓本集團所持有之45,779,220股迹象之股份（而非23,477,822股迹象股份）；
- (ii) 倘本集團無法向利歐轉讓全部45,779,220股迹象之股份（而非23,477,822股迹象之象股份），則相關差額須以現金方式補償予利歐；及
- (iii) 本集團向利歐退還有關45,779,220股迹象股份（而非23,477,822股迹象股份）的現金紅利約人民幣989,000元（而非約人民幣506,000元）。

In the Application, further to the above amendments, LEO also demands the Group to pay LEO (i) cash compensation in the amount of approximately RMB25,510,000; and (ii) an amount which is calculated from the date of the Application, based on the amount of unsettled compensation due from the Group to LEO times the one-year loan prime rate published on 21 October 2019 as authorised by the People's Bank of China (i.e. 4.20% per annum), as compensation for the loss suffered by LEO.

It is stated in the Application that the Amendments are proposed taking into consideration that (i) the Audited NOP of Zhiqu for FY2018 as reported in the special audit report in respect of the Audited NOP of Zhiqu for FY2018 amounting to approximately RMB7,702,000, is less than the 2018 Target NOP (i.e. RMB98,020,000); and (ii) any party in breach of the Performance Compensation Agreement shall be liable for damages caused to the parties not in default. It is stated in the letter that the Group shall provide rebuttal opinion on evidence in respect of the supplemental information attached to the Application (“**Rebuttal**”) within five working days after the receipt of the letter.

On 10 December 2019, the Group has instructed its PRC legal adviser to provide the Rebuttal and an objection to the Application (“**Objection**”) to the SHIAC. In the Objection, the Group requested the SHIAC to reject the Application, taking into account that (i) the Application was made too late, which would severely affect the normal process of the arbitration; and (ii) the inclusion of the compensation for the Adjustment Amount for FY2018 into the amended demands under the Application would complicate the case and cause delay to the arbitration proceedings, and more importantly, the LEO's claims against the Group in relation to the Adjustment Amount for FY2018 are subject to (a) the LEO's claims against Mr. Xu Jialiang and Mr. Xu Xiaofeng after the shareholders of LEO have given their approval of the related compensation proposal; and (b) the failure of Mr. Xu Jialiang and Mr. Xu Xiaofeng to settle the 2018 Adjustment Amount in full within 30 days after the issue of the demand notice by LEO.

在申請中，除以上修訂外，利歐亦要求本集團支付利歐(i)現金補償金額約人民幣25,510,000元；及(ii)自申請日期起計，以本集團應付利歐的未償付補償金額為基數按中國人民銀行授權全國銀行間同業拆借中心於二零一九年十月二十一日公佈的一年期貸款市場報價利率(即每年4.20厘)計算的款項，以作為利歐遭受的虧損補償。

申請載述建議修訂乃考慮(i)根據智趣二零一八財年之經審核經營溢利淨額特別審核報告所載，智趣二零一八財年之經審核經營溢利淨額約為人民幣7,702,000元，低於二零一八年目標經營溢利淨額(即人民幣98,020,000元)；及(ii)任何違反表現補償協議的訂約方須承擔對未違反訂約方造成的損失。函件載述本集團應於接獲函件後五個工作日內對申請(「**駁回**」)所附的補充資料發表質證意見。

於二零一九年十二月十日，本集團已指示其中國法律顧問向上海國仲提供質證及有關申請的異議(「**異議**」)。於異議中，本集團要求上海國仲駁回申請，理由如下：(i)作出申請時間過遲，將嚴重影響仲裁的正常程序；及(ii)將二零一八財年調整金額之補償納入申請項下的經修訂要求將使得案情複雜並導致仲裁程序推遲，及更為重要的是，利歐就二零一八財年調整金額針對本集團提出的索償受限於下列情況：(a)利歐於其股東批准相關補償方案後向徐佳亮先生及徐曉峰先生提出索償；及(b)徐佳亮先生及徐曉峰先生於利歐發出要求通知後30日內未能全數償付二零一八財年調整金額。

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According to the announcement of LEO dated 27 December 2019, LEO issued a letter to Mr. Xu Jialiang and Mr. Xu Xiaofeng on 19 December 2019 demanding the settlement of the Adjustment Amount for FY2018. In response to the demand letter issued by LEO on 19 December 2019 as mentioned above, Mr. Xu Jialiang and Mr. Xu Xiaofeng informed LEO in writing on 20 December 2019 that they were unable to pay the Adjustment Amount for FY2018 due to their financial difficulties. If Mr. Xu Jialiang and Mr. Xu Xiaofeng do not settle the Adjustment Amount for FY2018 in full within 30 days after the issue of the demand letter, the Group will be required to settle the Adjustment Amount for FY2018 by way of the 45,779,220 Jixiang's Shares that it holds and, if such shares are insufficient, by way of cash, which is subject to a cap of approximately RMB25,510,000 (being the amount of cash consideration received by the Group in relation to the Zhiqu Disposal). In addition, the Group will also be required to return the cash dividend in relation to the Jixiang's Shares that it has received from LEO, the amount of which as determined in accordance with the amount of compensation the Group is required to pay. If there is still a shortfall in the settlement of the Adjustment Amount for FY2018, Mr. Xu Jialiang and Mr. Xu Xiaofeng, who are jointly liable for such settlement, will be required to compensate LEO in cash. As set out in LEO's announcement dated 14 January 2020, LEO has sought approval from its shareholders in respect of the proposal to repurchase and cancel the 45,779,220 Jixiang's Shares held by the Group as partial settlement of the Adjustment Amount for FY2018.

The Group has received a letter from the SHIAC indicating that, among others: (a) the SHIAC had received the Objection; and (b) the SHIAC would handle the Amendments in addition to LEO's existing demands in relation to the settlement of the FY2017 Compensation.

As at the date of this Annual Report, no arbitral award has been issued.

The Company will keep the Shareholders informed of any further material developments in connection with the above matter by way of further announcement(s) as and when appropriate.

Details of the Zhiqu Disposal and the calculation of the Adjustment Amount for each Guaranteed FY are set out in (i) the announcements of the Company dated 8 December 2015, 11 January 2016, 29 February 2016, 20 May 2016, 5 July 2016, 5 September 2016, 7 September 2016, 31 August 2017, 14 December 2018, 15 March 2019, 9 April 2019, 29 April 2019, 8 November 2019, 3 December 2019, 6 December 2019, 10 December 2019 and 27 December 2019; and (ii) the circular of the Company dated 11 February 2016.

根據利歐日期為二零一九年十二月二十七日之公佈，利歐於二零一九年十二月十九日向徐佳亮先生及徐曉峰先生發出函件要求償付二零一八財年調整金額。因應上述利歐於二零一九年十二月十九日發出之要求函件，徐佳亮先生及徐曉峰先生於二零一九年十二月二十日書面通知利歐，彼等因財務困難而未能支付二零一八財年調整金額。倘徐佳亮先生及徐曉峰先生並未於發出要求函件後30日內全數償付二零一八財年調整金額，本集團將須以其持有之45,779,220股迹象之股份及（倘有關股份不足）以現金（上限為約人民幣25,510,000元，即本集團就智趣出售事項收取之現金代價金額）償付二零一八財年調整金額。此外，本集團亦將須退還就迹象之股份而已收利歐之現金股息，有關金額乃根據本集團須支付之賠償金額釐定。倘仍未能足額償付二零一八財年調整金額，徐佳亮先生及徐曉峰先生（彼等就上述償付承擔連帶責任）將須以現金補償利歐。如利歐日期為二零二零年一月十四日之公佈所載，利歐將就建議回購及註銷本集團所持45,779,220股迹象之股份以償付部分二零一八財年調整金額提交其股東審議。

本集團已接獲一份來自上海國仲的函件，當中表明（其中包括）：(a) 上海國仲已接納異議；及(b) 上海國仲將處理有關買方現有有關結算二零一七財年賠償的要求的修訂。

於本年報日期，並無發出仲裁判決。

倘上述事項有任何進一步重大進展，本公司將適時進一步刊發公佈知會股東。

智趣出售事項及計算各擔保財年調整金額之詳情載於(i) 本公司日期分別為二零一五年十二月八日、二零一六年一月十一日、二零一六年二月二十九日、二零一六年五月二十日、二零一六年七月五日、二零一六年九月五日、二零一六年九月七日、二零一七年八月三十一日、二零一八年十二月十四日、二零一九年三月十五日、二零一九年四月九日、二零一九年四月二十九日、二零一九年十一月八日、二零一九年十二月三日、二零一九年十二月六日、二零一九年十二月十日及二零一九年十二月二十七日之公佈；及(ii) 本公司日期為二零一六年二月十一日之通函。

LITIGATION AND CLAIMS

The Group was involved in the following legal proceedings and claims:

- (a) On 19 December 2017, Ever Robust Holdings Limited (“**Ever Robust**”), an indirect wholly-owned subsidiary of the Company, received a writ of summons with a statement of claim (the “**Writ**”) issued in the Court of First Instance of the High Court of Hong Kong (the “**Court**”) by Convoy Global Holdings Limited (“**Convoy**”), Convoy Collateral Limited (the “**Second Plaintiff**”) and CSL Securities Limited (the “**Third Plaintiff**”, together with Convoy and the Second Plaintiff, collectively as the “**Plaintiffs**”) against, among other defendants, Ever Robust (together with the other defendants, collectively as the “**Defendants**”).

Based on the Writ, the orders sought by the Plaintiffs against Ever Robust are as follows: (i) Convoy sought an order as against, among others, Ever Robust, that the allotment of the shares in Convoy by Convoy to, among others, Ever Robust on 29 October 2015, be set aside; (ii) the Second Plaintiff and the Third Plaintiff sought an order that the financing facilities granted by them, including the loan (the “**Convoy Loan**”) in the amount of HK\$129,000,000 granted to Ever Robust by the Second Plaintiff on 9 November 2015, and the margin loan (the “**Margin Loan**”) granted to Ever Robust by the Third Plaintiff which amounted to HK\$67,574,473 as at 29 March 2016, be rescinded; and (iii) the Plaintiffs sought against, among others, Ever Robust for (a) general or special damages; (b) interests; (c) costs; and (d) further and/or other reliefs (the “**Convoy Proceedings**”). As at 19 December 2017, Ever Robust had fully repaid the Convoy Loan and the Margin Loan and did not hold any shares in Convoy.

訴訟及申索

本集團牽涉下列法律訴訟及申索：

- (a) 於二零一七年十二月十九日，本公司之間接全資附屬公司連捷控股有限公司（「**連捷**」）接獲康宏環球控股有限公司（「**康宏**」）、康宏財務有限公司（「**第二原告人**」）及康證有限公司（「**第三原告人**」，統稱「**原告人**」）於香港高等法院（「**法院**」）原訟法庭向包括連捷在內的其他被告人（連同其他被告人統稱「**被告人**」）發出的傳訊令狀連同申索書（「**令狀**」）。

根據令狀，原告人對連捷尋求的命令如下：(i) 康宏向連捷尋求命令（其中包括）康宏於二零一五年十月二十九日向（其中包括）連捷配發的康宏股份予以撤銷；(ii) 第二原告人及第三原告人尋求有關廢止彼等授出的財務融資的命令，包括由第二原告人於二零一五年十一月九日向連捷授出的金額為129,000,000港元的貸款（「**康宏貸款**」），及由第三原告人於二零一六年三月二十九日向連捷授出的金額為67,574,473港元的孖展貸款（「**孖展貸款**」）；及(iii) 原告人向連捷尋求（其中包括）(a) 一般或特定損害賠償；(b) 利息；(c) 成本；及(d) 進一步及／或其他寬免（「**康宏訴訟**」）。於二零一七年十二月十九日，連捷已悉數償還康宏貸款及孖展貸款及並無持有任何康宏股份。

On 6 March 2018, a Case Management Conference Hearing was held before the Honourable Mr. Justice Harris on the Convoy Proceedings. On 9 July 2018, Ever Robust has received an amended writ of summons and an amended statement of claim (the “**Amended Statement of Claim**”). Pursuant to the Amended Statement of Claim, the reliefs sought by the Plaintiffs against Ever Robust are amended as follows: (i) a declaration and order as against among others, Ever Robust, that the allotment of the shares in Convoy by Convoy to, among others, Ever Robust, on 29 October 2015, is null and void, or has been rescinded and set aside (as sought by Convoy); (ii) an account of profits and an order for payment of any sums found to be due, equitable compensation to be assessed, and/or damages to be assessed for breach of fiduciary, common law and/or statutory duties, dishonest assistance, unlawful means conspiracy and/or lawful means conspiracy, as against, among others, Ever Robust (as sought by Convoy); (iii) an order against, among others, Ever Robust, for an account of profits and an order for payment of any sums found to be due, equitable compensation to be assessed, and/or damages to be assessed for breach of fiduciary, common law and/or statutory duties, dishonest assistance, unlawful means conspiracy and/or lawful means conspiracy (as sought by the Second Plaintiff and the Third Plaintiff); and (iv) against, among others, Ever Robust, for (a) general or special damages; (b) interests; (c) costs; and (d) further and/or other reliefs (as sought by all the Plaintiffs).

On 27 July 2018, Ever Robust received a sealed order (the “**Order**”) dated 28 June 2018 against, among other Defendants, Ever Robust, in which 11 parties are ordered to join the proceedings as additional defendants. Pursuant to the Order, it is further ordered, among other matters, as to between the Plaintiffs and Ever Robust (among certain other Defendants), that the Plaintiffs do have leave to file and serve the Amended Statement of Claim.

On 30 November 2018, Ever Robust received a copy sealed order dated 1 November 2018 against, among other defendants, Ever Robust, in which a party is ordered to join the proceedings as an additional defendant.

於二零一八年三月六日，法院夏利士法官就康宏訴訟進行了案件管理會議。於二零一八年七月九日，連捷已接獲經修訂傳訊令狀及經修訂申索書（「**經修訂申索書**」）。根據經修訂申索書，原告人尋求對連捷的寬免修訂如下：(i) 一項針對（其中包括）連捷的關於康宏於二零一五年十月二十九日向（其中包括）連捷配發康宏股份的聲明及命令為無效或已撤回及撤銷（如康宏所尋求）；(ii) 交出所得利潤令及一項就違反授信責任、普通法及／或法定責任、不誠實協助、非法及／或合法手段串謀而針對（其中包括）連捷作出的有關支付任何應付款項、將予評定之衡平補償及／或將予評定之損害賠償的命令（如康宏所尋求）；(iii) 對（其中包括）連捷頒令交出所得利潤及頒令其因違反授信責任、普通法及／或法定責任、不誠實協助、非法及／或合法手段串謀而須支付任何應付款項、將予評定之衡平補償及／或將予評定之損害賠償（如第二原告人及第三原告人所尋求）；及(iv) 針對（其中包括）連捷的(a) 一般或特定損害賠償；(b) 利息；(c) 成本；及(d) 進一步及／或其他寬免（如所有原告人所尋求）。

於二零一八年七月二十七日，連捷接獲一份針對包括連捷等被告人發出日期為二零一八年六月二十八日之蓋印命令（「**命令**」），當中頒令11名涉事方作為新增被告人加入有關法律程序。除有關原告人及連捷（包括若干其他被告人）間的其他事項外，該命令亦進一步頒令稱原告人已獲許可存檔及送達經修訂申索書。

於二零一八年十一月三十日，連捷接獲一份針對包括連捷等被告人發出日期為二零一八年十一月一日之蓋印命令副本，當中頒令一名涉事方作為新增被告人加入有關法律程序。

On 10 December 2018, Ever Robust filed its Defence (the “**Defence**”) to the Plaintiff’s claim in the Convoy Proceedings with the Court. Pursuant to the Defence, Ever Robust avers that the Plaintiffs are not entitled to any relief against Ever Robust in the Convoy Proceedings.

On 30 August 2019, Ever Robust filed its Amended Defence pursuant to the Order of Hon Harris J dated 12 July 2019.

Further details of the Convoy Proceedings are set out in the Company’s announcements dated 19 December 2017, 1 June 2018, 7 June 2018 and 25 July 2018.

After seeking the legal opinion, the Group considered that there was no assessed monetary claim by Plaintiffs and it is premature to give opinion on the probable outcome and estimate the ultimate liability.

- (b) On 2 January 2018, Ever Robust received a petition (the “**Petition**”) issued in the Court by Zhu Xiao Yan (the “**Petitioner**”) against, among other respondents, Ever Robust. Based on the Petition, the Petitioner has held and continues to hold 3,234,000 shares in Convoy since around mid-2015, and the Petitioner sought the following orders against, among others, Ever Robust: (i) a declaration that the placement of 3,989,987,999 shares in Convoy by Convoy to, among other places, Ever Robust, and/or such placed shares are void ab initio and of no legal effect or, alternatively, be set aside; (ii) damages for dilution of the Petitioner’s shareholding; (iii) interest; (iv) such further or other relief and all necessary and consequential directions as the Court may think fit; and (v) costs (the “**Zhu Proceedings**”). As at 2 January 2018, Ever Robust did not hold any shares in Convoy.

On 6 March 2018, a Case Management Conference was held on the Zhu Proceedings, in which the Honourable Mr. Justice Harris made an order that the Zhu Proceedings be stayed with liberty to restore, pending the outcome of the Convoy Proceedings.

Further details of the Zhu Proceedings are set out in the Company’s announcement dated 2 January 2018.

The Group has sought preliminary opinion on the above legal proceedings from its solicitors (or legal adviser) in Hong Kong, who, based on the information available as of the date of this Annual Report, is of the opinion that:

- there is no assessed monetary claim except the Plaintiffs’ claim and the Petitioner’s claims against Ever Robust for damages to be assessed;

於二零一八年十二月十日，連捷就康宏訴訟向法院遞交回應原告人索償之抗辯書（「**抗辯書**」）。根據抗辯書，連捷聲明原告人無權於康宏訴訟中向連捷索取任何寬免。

於二零一九年八月三十日，連捷根據日期為二零一九年七月十二日的Hon Harris J令狀遞交經修訂抗辯書。

有關康宏訴訟的進一步詳情載於本公司日期為二零一七年十二月十九日、二零一八年六月一日、二零一八年六月七日及二零一八年七月二十五日之公佈。

於尋求法律意見後，本集團認為原告人並無已評估金錢索償，目前仍無法就潛在結果作出意見及預測最終責任。

- (b) 於二零一八年一月二日，連捷接獲朱曉燕（「**呈請人**」）於法院向包括連捷在內的尋求其他被告人發出的呈請書（「**呈請書**」）。根據呈請書，呈請人約自二零一五年中起持有並將繼續持有康宏3,234,000股股份，呈請人對（其中包括）連捷尋求的命令如下：(i) 宣佈康宏向包括連捷在內的其他承配人配售的3,989,987,999股康宏股份，及／或該等配售股份自始無效且並無法律效力或予以撤銷；(ii) 就攤薄呈請人股權尋求損害賠償；(iii) 利息；(iv) 法院可能認為合適的進一步或其他寬免及所有必要及相應指示；及(v) 成本（「**朱氏訴訟**」）。於二零一八年一月二日，連捷並無持有康宏任何股份。

於二零一八年三月六日，就朱氏訴訟舉行了案件管理會議，於會上，夏利士法官頒令暫停朱氏訴訟，但有權回復，以待康宏訴訟判決結果。

有關朱氏訴訟的進一步詳情載於本公司日期為二零一八年一月二日之公佈。

本集團已就上述法律程序向其香港律師（或法律顧問）尋求初步意見，基於截至本年報可得之資料，其認為：

- 不存在已評估金錢索償，惟不包括原告人及呈請人就其待評估損害賠償而向連捷提出的索償；

- it is premature to give opinion on the probable outcome; and
 - it is premature to estimate the ultimate liability.
- (c) The litigation among, among others, the Group and LEO in relation to the Zhiqiu Disposal. Further details are set out in pages 24 to 30 of this Annual Report.
- (d) During the years ended 31 December 2018 and 2019, a subsidiary of the Company (the “**Borrower**”) had breached the covenant of a loan (the “**Loan**”) in the original principal amount of RMB79,868,600, which is secured by certain of the listed securities extended by Essence Securities Co., Limited (the “**Lender**”). Subsequent to the end of the reporting period on 17 January 2020, the Borrower received the summons (the “**Summons**”) issued by the Lender, as plaintiff, in Shenzhen Intermediate People’s Court (the “**SZ Court**”) against the Borrower as defendant. Pursuant to the Summons, the Lender demands the SZ Court to order the Borrower to: (i) repay to the Lender the outstanding principal amount of the Loan in the sum of approximately RMB70,893,000 (equivalent to approximately HK\$79,216,000); (ii) pay to the Lender interest at the rate of 6% per annum accrued on the outstanding principal amount of the Loan in the sum of approximately RMB70,893,000 (equivalent to approximately HK\$79,216,000) from 20 June 2019 to the date of repayment; (iii) pay to the Lender liquidated damages at the daily rate of 0.03%, including liquidated damages on the outstanding interest in the sum of approximately RMB1,042,000 (equivalent to approximately HK\$1,164,000) from 16 September 2019 to the date of repayment and liquidated damages on the principal from 19 June 2018 to the date of repayment; (iv) pay to the Lender its legal costs in making the claims in the sum of RMB76,000 (equivalent to approximately HK\$85,000); (v) use the proceeds from the realisation of certain of the listed securities pledged by the Borrower through discounting, sale or auction firstly to repay to the Lender the outstanding amount of the Loan, the interest, the liquidated damages and the legal costs; and (vi) bear all the litigation costs such as case acceptance fees and security fee of this case. As per the Summons, the aggregate amount of the claims under (i) to (iv) up to 18 November 2019 amounted to approximately RMB85,186,000 (equivalent to approximately HK\$95,187,000). As at 31 December 2019, the aggregate amount of the claims under (i) to (iv) was estimated to be approximately RMB86,660,000 (equivalent to approximately HK\$96,833,000).
- 目前仍無法就潛在結果作出意見；及
- 目前仍無法預測最終責任。
- (c) 本集團及利歐的訴訟包括（其中包括）智趣出售。有關進一步詳情載於本年報第24至第30頁。
- (d) 於截至二零一八年及二零一九年十二月三十一日止年度，本公司一間附屬公司（「**借款人**」）違反安信證券股份有限公司（「**貸款人**」）提供的原本金額為人民幣79,868,600元由若干上市證券作抵押的貸款（「**貸款**」）的契諾。於報告期末後，於二零二零年一月十七日，借款人已接獲深圳市中級人民法院（「**深圳法院**」）發出的由貸款人（作為原告）針對借款人（作為被告）的傳票（「**傳票**」）。根據傳票，貸款人要求深圳法院向借款人頒令：(i) 向貸款人償還未償還貸款本金總額約人民幣70,893,000元（相當於約79,216,000港元）；(ii) 自二零一九年六月二十日起至償還日期，向貸款人支付未償還貸款本金總額約人民幣70,893,000元（相當於約79,216,000港元）按年利率6%計算的利息；(iii) 向貸款人支付按日利率0.03%計算的違約賠償金，包括自二零一九年九月十六日起至償還日期的總額約人民幣1,042,000元（相當於約1,164,000港元）未償還利息的違約賠償金及自二零一八年六月十九日起至償還日期的本金違約賠償金；(iv) 向貸款人支付其於作出申索產生的法律費用人民幣76,000元（相當於約85,000港元）；(v) 使用由借款人抵押的若干上市證券經折現、變賣或拍賣變現的所得款項，優先向貸款人償還未償還貸款金額、利息、違約賠償金及法律費用；及(vi) 承擔本案的受理費及保證金等所有訴訟費用。根據該傳票，(i) 至(iv) 項下的申索總金額直至二零一九年十一月十八日為約人民幣85,186,000元（相當於約95,187,000港元）。於二零一九年十二月三十一日，(i) 至(iv) 項下的申索總金額為約人民幣86,660,000元（相當於約96,833,000港元）。

As a result, a provision for litigation of approximately RMB13,473,000 (equivalent to approximately HK\$15,054,000) (2018: RMB6,326,000 (equivalent to approximately HK\$7,176,000)), together with a provision for interest accrual of RMB2,294,000 (equivalent to approximately HK\$2,563,000) (2018: Nil) was made by the Borrower as at 31 December 2019.

Further details of the Summons are set out in the Company's announcement dated 18 January 2020.

After seeking legal advice on the legal proceedings, the Group has made provisions for the above legal proceedings except for items (a) and (b) above as the Group is not able to reliably assess the amount of potential liabilities under the cases in items (a) and (b) above. The Company will, in accordance with the applicable laws, make every effort to protect the interests of the Company and the Shareholders, proactively respond to the case and defend its position vigorously. The Company will closely monitor the development of these matters and make further announcements if and when there are any significant developments in relation to each of these legal proceedings.

CONTINGENT LIABILITIES

Save as disclosed in the paragraph headed "LITIGATION AND CLAIMS" in the Management Discussion and Analysis in this Annual Report, as at 31 December 2019, the Group did not have any material contingent liabilities (2018: Nil).

EMPLOYEES' REMUNERATION POLICIES

As at 31 December 2019, the Group had approximately 3,700 employees (2018 approximately 2,900). Staff costs (including the Directors' salaries, allowances and bonuses totaled approximately HK\$599,373,000 for the year under review (2018: HK\$376,531,000), of which approximately HK\$485,976,000 (2018: HK\$268,870,000) was included in the cost of services. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training.

Remuneration of employee is determined by reference to industry practices and performance, qualifications and experience of individual employees.

因此，借款人於二零一九年十二月三十一日作出訴訟撥備約人民幣13,473,000元（相當於約15,054,000港元）（二零一八年：人民幣6,326,000元（相當於約7,176,000港元）），連同應計利息撥備人民幣2,294,000元（相當於約2,563,000港元）（二零一八年：無）。

有關傳票的進一步詳情載於本公司日期為二零二零年一月十八日之公佈。

於就法律訴訟尋求法律意見後，本集團已針對上述法律訴訟（上文(a)項及(b)項除外）作出撥備，因為本集團未能根據上文(a)項及(b)項案件可靠評估潛在負債金額。本公司將根據適用法律全力維護本公司及其股東之利益，積極應訴及全力抗辯。本公司將密切留意該等事項的發展，如有任何與各法律程序有關的重大進展，將會另行刊發公佈。

或然負債

除本年報管理層討論及分析「訴訟及申索」一段所述外，於二零一九年十二月三十一日，本集團並無任何重大或然負債（二零一八年：無）。

僱員薪酬政策

於二零一九年十二月三十一日，本集團僱用約3,700名（二零一八年：約2,900名）僱員。回顧年度之僱員成本（包括董事之薪金、津貼及花紅）總額約為599,373,000港元（二零一八年：376,531,000港元），其中485,976,000港元（二零一八年：268,870,000港元）計入服務成本內。本集團通過向員工提供充足及定期培訓，繼續保持及提升員工能力。

僱員薪酬參照行業慣例以及僱員之個人表現、資歷及經驗而釐定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The emolument policy of the Directors are decided by the Board, taking into account the recommendations of the remuneration committee of the Board, having regard to merit, qualifications and competence of the Directors.

On top of regular remuneration, discretionary bonus and share options may be granted to employees and the Directors by reference to the Group's performance as well as individual performance of such employees and/or Directors, and other benefits including contributions to statutory mandatory provident fund scheme and medical scheme are also provided to the employees.

The Company adopted the share option scheme (the “**Scheme**”) pursuant to an ordinary resolution of all the then Shareholders passed on 10 November 2010, and the Board is authorised, at its absolute discretion, to grant options to eligible participants including any employee, contracted celebrity, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Group (including any director, whether executive or non-executive and whether independent or not, of the Group) who is in full-time or part-time employment with the Group at the time when an option is granted to such employee, or any person who, in the sole discretion of the Board, have contributed or may contribute to the Group. There was no share option outstanding as at 31 December 2019 (2018: Nil). Details of the share options outstanding during the year under review are set out in the paragraph headed “SHARE OPTION SCHEME” in the Directors' Report in this Annual Report.

董事之薪酬政策由董事會經考慮董事會轄下之薪酬委員會的推薦建議，並參照董事之專長、資歷及能力而釐定。

除定期薪酬以外，通過參考本集團及有關僱員及／或董事之個人表現後，本集團亦將支付僱員及董事酌情花紅及授予購股權，而其他福利包括為僱員作出法定強制性公積金計劃供款及提供醫療計劃。

本公司根據其時全體股東於二零一零年十一月十日通過之一項普通決議案採納購股權計劃（「**該計劃**」），董事會獲授權全權酌情向合資格參與人士（包括有關僱員獲授購股權時本集團之任何全職或兼職僱員、合約藝人、諮詢人、顧問、服務供應商、代理商、客戶、夥伴或合營夥伴（包括本集團任何董事，不論屬執行或非執行董事及不論其是否獨立董事），或董事會全權酌情認為已對或可能會對本集團作出貢獻之任何人士）授予購股權。於二零一九年十二月三十一日，並無尚未行使購股權（二零一八年：無）。於回顧年度尚未行使購股權之詳情載於本年報中董事會報告書「購股權計劃」一段。

EXECUTIVE DIRECTORS

Mr. Hui Chun Sum, aged 39, was appointed as an executive Director on 13 August 2018, and the chairman of the Board (the “**Chairman**”) on 1 December 2018. He has over 10 years of experience in corporate management and operation. He has been the director of Nation Land Investment Limited since August 2007, and the managing director of Chun Sum Property Development Limited since July 2007. Mr. Hui obtained a professional diploma in corporate governance and directorship from the Hong Kong Institute of Directors in June 2013, and an advanced diploma in finance from the University of Hong Kong School of Professional and Continuing Education in July 2004.

Ms. Lam Ching Yee, aged 38, was appointed as an executive Director and the chief executive officer (“**Chief Executive Officer**”) of the Company with effect from 5 June 2019. She has been appointed as the company secretary and the authorised representative of the Company since 2013. Ms. Lam was the financial controller of the Company from September 2013 to June 2019. Ms. Lam obtained her Bachelor of Business Administration (Honours) in Finance from the City University of Hong Kong in 2006 and she is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Lam has more than ten years of experience in the areas of corporate restructuring, financial management, merger and acquisition and auditing. With effect from 23 June 2016, Ms. Lam has been appointed as an executive director of Finsoft Financial Investment Holdings Limited, a company whose shares are listed on GEM (Stock Code: 8018).

Ms. Pauline Lam, aged 37, was appointed as an executive Director on 13 August 2018. She has also been an executive director of China Overseas Nuoxin International Holdings Limited (formerly known as Kenford Group Holdings Limited) (Stock Code: 464), the share of which are listed on the Main Board of the Stock Exchange, since August 2017. Ms. Lam worked at TAG Aviation Asia Limited from April 2013 to April 2017 and her last position was senior client responsible manager, and worked at China Point Enterprises Limited from Jan 2006 to July 2011 with her last position being sales and merchandising manager. She has extensive experiences in business strategy development and stakeholders networking. Ms. Lam obtained a bachelor’s degree in Business Administration from Pepperdine University, USA in December 2004.

執行董事

許峻森先生，39歲，於二零一八年八月十三日獲委任為執行董事，及於二零一八年十二月一日獲委任為董事會主席（「**主席**」）。彼於公司管理及營運方面擁有逾10年之經驗。彼自二零零七年八月起為國森土地投資有限公司之董事及自二零零七年七月起為峻森地產發展有限公司之常務董事。於二零一三年六月，許先生獲得香港董事學會頒發的企業管治及董事專業文憑，及於二零零四年七月獲得香港大學專業進修學院財務高級文憑。

林靜儀女士，38歲，獲委任為本公司執行董事兼行政總裁（「**行政總裁**」），自二零一九年六月五日起生效。彼自二零一三年起獲委任為本公司之公司秘書及法定代表。自二零一三年九月至二零一九年六月，林靜儀女士為本公司財務總監。林靜儀女士於二零零六年獲香港城市大學頒發工商管理榮譽學士（金融）學位，且彼為香港會計師公會成員。林靜儀女士於企業重組、財務管理、併購及審計方面擁有逾十年經驗。林靜儀女士已獲委任為匯財金融投資控股有限公司（其股份於GEM上市，股份代號：8018）之執行董事，自二零一六年六月二十三日起生效。

林佳慧女士，37歲，於二零一八年八月十三日獲委任為執行董事。彼亦自二零一七年八月起擔任中國海外諾信國際控股有限公司（前稱建福集團控股有限公司）（其股份於聯交所主板上市，股份代號：464）之執行董事。林佳慧女士於二零一三年四月至二零一七年四月任職於TAG Aviation Asia Limited，離職前之職位為高級客戶服務經理，並於二零零六年一月至二零一一年七月任職於中邦企業有限公司，離職前之職位為銷售及商品經理。彼於業務策略發展及持份者關係方面擁有豐富經驗。林佳慧女士於二零零四年十二月於美國佩柏戴恩大學取得工商管理學士學位。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Siu Keung, Joe, aged 55, was appointed as an independent non-executive Director on 15 December 2011. Mr. Wong holds a Degree of Master of Arts in International Accounting from the City University of Hong Kong and a Master of Corporate Governance from The Hong Kong Polytechnic University. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Wong has extensive experience in the taxation, accounting, financing, audit fields and public listed companies for many years. Mr. Wong is also an independent non-executive director of China Water Industry Group Limited (Stock Code: 1129), a company whose shares are listed on the Main Board of the Stock Exchange, and Worldgate Global Logistics Limited (Stock Code: 8292), a company whose shares are listed on GEM. He is the chairman of each of the audit committee, nomination committee and remuneration committee of the Board.

Mr. Lee King Fui, aged 41, was appointed as an independent non-executive Director on 13 August 2018. He has been a director of Visionwide Consultancy Limited since October 2017. Mr. Lee is also an independent non-executive director of China Creative Digital Entertainment Limited (Stock Code: 8078), the shares of which are listed on GEM, since July 2019, and Easy Repay Finance & Investment Limited (Stock Code: 8079), the share of which are listed on GEM, since July 2019. Mr. Lee has more than 18 years of experience in accounting, corporate finance and advisory services in Malaysia and Hong Kong. Mr. Lee served as a director of TTM Group where he was responsible for its financial management from June 2017 to December 2017. He worked at Enesoon Science and Technology Limited from January 2016 to December 2016, and his last position was vice president of strategic investment. Mr. Lee had been the chief financial officer of different companies in Hong Kong and the PRC namely, Legend Oilfield Services Limited, Aujet Industry Limited, and Wellable Marine Biotech Holding Limited for the period from August 2011 to April 2015. Prior to the above-mentioned positions, Mr. Lee worked in KPMG Hong Kong from October 2006 to March 2011 and the last position that he held was senior manager. Mr. Lee obtained a master's degree in accountancy from The Hong Kong Polytechnic University in October 2012. He was admitted as an associate member of the Hong Kong Institute of Certified Public Accountants since January 2012. Mr. Lee was admitted as a member of the Association of Chartered Certified Accountants in September 2003 and became a fellow member since September 2008. Mr. Lee was also admitted as a chartered accountant of the Malaysian Institute of Accountants since March 2004. He is a member of each of the audit committee, nomination committee and remuneration committee of the Board.

獨立非執行董事

黃兆強先生，55歲，於二零一一年十二月十五日獲委任為獨立非執行董事。黃先生持有香港城市大學頒發之國際會計文學碩士學位及香港理工大學頒發之企業管治碩士學位。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。黃先生於稅務、會計、財務及審計方面以及於公開上市公司擁有多年資深經驗。黃先生亦為中國水業集團有限公司（一間其股份於聯交所主板上市的公司，股份代號：1129）及盛良物流有限公司（一間其股份於GEM上市的公司，股份代號：8292）之獨立非執行董事。彼為董事會轄下審核委員會、提名委員會及薪酬委員會各自之主席。

李勤輝先生，41歲，於二零一八年八月十三日獲委任為獨立非執行董事。彼自二零一七年十月起為信宏諮詢服務有限公司之董事。李先生自二零一九年七月起亦為中國創意數碼娛樂有限公司（其股份於GEM上市，股份代號：8078）及易還財務投資有限公司（其股份於GEM上市，股份代號：8079）之獨立非執行董事。李先生於馬來西亞及香港之會計、公司財務及諮詢服務方面擁有逾18年經驗。自二零一七年六月至二零一七年十二月，李先生任職於天天快樂文化傳媒集團之董事，彼負責其財務管理。自二零一六年一月至二零一六年十二月，彼任職於愛能森科技有限公司，彼離職前之職位為策略投資之副主席。自二零一一年八月至二零一五年四月，李先生於香港及中國的多間公司（即Legend Oilfield Services Limited、澳捷實業有限公司及華寶海洋生物醫藥有限公司）擔任首席財務官。於擔任上述職位前，李先生自二零零六年十月至二零一一年三月任職於畢馬威會計師事務所香港分部，彼離職前之職位為高級經理。李先生於二零一二年十月取得香港理工大學會計碩士學位。彼自二零一二年一月起獲認可為香港會計師公會會員。李先生於二零零三年九月獲認可英國特許公認會計師公會會員並自二零零八年九月起成為資深會員。自二零零四年三月起，李先生亦成為馬來西亞會計師協會特許會計師。彼為董事會轄下審核委員會、提名委員會及薪酬委員會各自之成員。

Mr. Ho Kin Wai, aged 44, was appointed as an independent non-executive Director on 10 January 2019. He obtained a bachelor of science in management in August 1999 from the Royal Holloway and Bedford New College, University of London (currently known as Royal Holloway, University of London) in the United Kingdom and a master of science in interactive multimedia in June 2001 from the Middlesex University in the United Kingdom. Mr. Ho has over 12 years of experience in the footwear industry. From July 2003 to January 2009, he served as sales merchandiser of Betastar Trading Limited, the principal business of which was the trading of children's footwear, responsible for sourcing footwear manufacturers, developing footwear, and handling and monitoring order process. He has acted as a director of Ever Smart International Enterprise Limited, a wholly-owned subsidiary of Jimu Group Limited (Stock Code: 8187) ("**Jimu**"), the shares of which are listed on GEM, since January 2009. Mr. Ho is one of the founders of Jimu and he was appointed as a director of Jimu in February 2015. He was then redesignated as an executive director of Jimu and appointed as its chairman and chief executive officer in September 2015. He ceased to be the chairman of Jimu with effect from December 2017. He is responsible for the overall business development, sales, strategic planning and major decision-making of Jimu. With effect from June 2017, he has been an independent non-executive director of Lapco Holdings Limited (Stock Code: 8472), the shares of which are listed on GEM. Mr. Ho has also been a director and vice chairman of Fit Boxx Holdings Limited since 2 May 2018. He is a member of each of the audit committee, nomination committee and remuneration committee of the Board.

何建偉先生，44歲，於二零一九年一月十日獲委任為獨立非執行董事。彼於一九九九年八月獲得英國倫敦大學皇家哈洛威學院(Royal Holloway and Bedford New College, University of London) (現稱倫敦大學皇家哈洛威學院(Royal Holloway, University of London))的管理學理學學士學位及於二零零一年六月獲得英國密德薩斯大學(Middlesex University) 互動多媒體理學碩士學位。何先生於鞋履行業擁有逾12年的經驗。於二零零三年七月至二零零九年一月，彼於沛士達貿易有限公司(主要業務為兒童鞋履貿易)擔任高級跟單員，負責尋找鞋履製造商、開發鞋履以及處理及監督訂單流程。自二零零九年一月起，彼一直擔任積木集團有限公司(其股份於GEM上市，股份代號：8187) (「積木」)之全資附屬公司永駿國際企業有限公司之董事。何先生為積木創辦人之一，彼於二零一五年二月獲委任為積木之董事。其後於二零一五年九月，彼調任為積木之執行董事，同時獲委任為積木之主席兼行政總裁。於二零一七年十二月，彼終止擔任積木主席。彼主要負責積木的整體業務發展、銷售、策略規劃及作出主要決策。自二零一七年六月起，彼一直擔任立高控股有限公司(其股份於GEM上市，股份代號：8472)之獨立非執行董事。何先生亦自二零一八年五月二日起，一直出任偉博控股有限公司之董事及副主席。彼為董事會轄下審核委員會、提名委員會及薪酬委員會各自之成員。

The Directors present herewith their report together with the audited consolidated financial statements for the year ended 31 December 2019. The Management Discussion and Analysis in this Annual Report forms part of this Directors' Report.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in note 1 to the consolidated financial statements.

BUSINESS REVIEW

The Group's revenue for the year under review was derived from its business activities carried on in Hong Kong, Australia and the PRC. An analysis of the Group's performance for the year ended 31 December 2019 by operating segments is set out in note 4 to the consolidated financial statements.

The business review of the Group for the year ended 31 December 2019 is set out in the paragraph headed "BUSINESS AND FINANCIAL REVIEW" in the Management Discussion and Analysis on pages 8 to 18 in this Annual Report.

PRINCIPAL RISK AND UNCERTAINTIES

Risks which are relevant to the Group and its business

(i) *Mobile internet cultural business and provision of IT services*

The Group's mobile internet cultural business and provision of IT services is sensitive to the general economic conditions. A severe or prolonged downturn in the global economy or the Chinese economy could materially and adversely affect the Group's business, financial conditions, results of operations and prospects. Economic conditions in the PRC are sensitive to the global economic conditions. Since 84.9% of the Group's revenue for the year under review (2018: 76.5%) was derived from the mobile internet cultural business and provision of IT services in the PRC, the Group's business and prospects are substantially affected by the economic conditions in the PRC, especially following the recent outbreak of the COVID-19, the negative impact on the economy is enormous and the operation and financial performance of the Group's mobile internet cultural business and provision of IT services business during the first quarter of 2020 have been adversely affected by the COVID-19. As a result of the COVID-19, there is a significant pressure on the cashflow of the Group's business of mobile internet cultural business and provision of IT services owing to (1) the operation of some of the customers of this business segment have been suspended, which led to a decrease in demand

董事會謹此呈報其報告，連同截至二零一九年十二月三十一日止年度之經審核綜合財務報表。本年報之管理層討論及分析構成本董事會報告書的一部分。

主要業務

本公司之主要業務為投資控股。本公司主要附屬公司之業務載於綜合財務報表附註1。

業務回顧

於回顧年度，本集團之收入乃來自於香港、澳洲及中國進行之業務活動。本集團於截至二零一九年十二月三十一日止年度之按經營分部劃分之表現分析載於綜合財務報表附註4。

本集團截至二零一九年十二月三十一日止年度之業務回顧載於本年報第8至18頁管理層討論及分析「業務及財務回顧」一段。

主要風險及不確定因素

與本集團及其業務相關的風險

(i) *移動互聯網文化業務及提供資訊科技服務*

本集團的移動互聯網文化業務及提供資訊科技服務對整體經濟狀況較為敏感。全球經濟或中國經濟的嚴重或長期不振可能會對本集團的業務、財務狀況、經營業績及前景產生重大不利影響。中國的經濟狀況對全球經濟狀況非常敏感。於回顧年度，由於本集團84.9%（二零一八年：76.5%）收入來自於中國移動互聯網文化業務及提供資訊科技服務，因此本集團的業務及前景將在很大程度上受中國的經濟狀況影響，尤其是隨著近期新型冠狀病毒的爆發，對經濟產生巨大的負面影響，且本集團的移動互聯網文化業務及提供資訊科技服務於二零二零年第一季度的營運及財務表現受到新型冠狀病毒的不利影響。受新型冠狀病毒影響，本集團的移動互聯網文化業務及提供資訊科技服務業務的現金流量面臨巨大壓力，原因為(1)該業務分部之部分客戶的運營已暫停，導致對本集團資訊科技服務的需求減少；及(2)該業務分部之部分員工已接受居家隔離，無法返回辦公室工作或需要在家工作，對本集團提供服務以

for the Group's IT services; and (2) the operation efficiency of this business segment has been adversely affected given that some of the staff under this business segment had been under quarantine in their hometown and could not return to office to work or need to work at home which adversely affects the ability of the Group to deliver its services to meet with customers' orders. The Group is considering different means to raise fund for maintaining the operations of this business segment. The Group will closely take note of its development and its impact on the Group's businesses. The Group will proactively take preventive measures to mitigate the impact of the COVID-19 on its businesses.

The IT industry is characterised by rapid technological changes, changes in consumer preferences, quick development and enhancement of services and products and emerging industry standards. The introduction of services or products embodying new technologies and the emergence of new industry standards and practices can render existing services or products obsolete and unmarketable. The Group's future success will depend, in part, on its ability to: (i) develop new products and services that address the increasingly sophisticated and varied needs of prospective customers; and (ii) respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. If the Group is unable to develop and introduce new products in a timely manner in response to changing market conditions and/or customer requirements, or if its new products and services do not achieve market acceptance, the Group's business will be harmed. The Group's development of new products and services entail significant technological risks. The Group cannot assure that it will succeed in using new technologies effectively, adapting its services and products to emerging industry standards, developing, introducing and marketing enhancements of its services and products, or introducing its new products and services.

As the market for the IT business is highly competitive, when the Group develops new applications and software in the future, it may face further operating and marketing challenges. If the Group fails to successfully develop and launch new products in the competitive markets or if the products developed by the Group lack popularity, the Group may not be able to capture the growth opportunities associated with these new products or recover the costs associated with developing and marketing such products, which may materially and adversely affect the Group's business, financial conditions, results of operations and growth strategies. The Group manages its IT business through the adoption of cost controls, the establishment of an internal control system and the maintenance of a positive corporate culture that attracts and retains talents.

滿足客戶訂單的能力造成不利影響，從而對該業務分部的運營效率造成不利影響。本集團正考慮採用不同方式籌集資金以維持該業務分部的運營。本集團將密切注意其發展及其對本集團業務的影響。本集團將積極採取預防措施以緩解新型冠狀病毒對其業務的影響。

資訊科技行業的技術革新迅速、消費者偏好變動較快、服務及產品經常發展及升級且行業標準不斷推陳出新。推出使用新技術的服務或產品以及新興行業標準及慣例的出現可能會令已經存在的服務或產品被淘汰並失去市場。本集團未來的成就將部分取決於以下能力：(i)開發新產品及服務，以滿足潛在客戶日益複雜及多變的需求；及(ii)以具有成本效益的方式及時應對技術革新及行業準則與慣例的出現。若本集團無法及時開發及推出新產品，以應對瞬息萬變的市場狀況及／或客戶需求，或倘其新產品及服務無法為市場所接納，則本集團的業務將會受到不利影響。本集團開發新產品及服務須承擔重大的技術風險。本集團無法保證在有效應用新技術、令服務及產品符合新出現的行業慣例、開發、推出並升級其服務及產品或推出新產品及服務方面將卓有成效。

由於資訊科技業務市場競爭激烈，本集團於日後開發新應用及軟件時，可能面臨更多的經營及市場推廣挑戰。若本集團無法在這個競爭激烈的市場成功開發及推出新產品，或本集團開發的產品不受青睞，則本集團可能無法把握與上述新產品相關的增長機會或收回與該等產品開發及營銷相關的成本，這可能會對本集團的業務、財務狀況、經營業績及增長策略帶來重大不利影響。本集團透過採用成本控制、建立內部控制系統以及維持可吸引及留住人才的良好企業文化來管理其資訊科技業務。

In addition, as set out in the paragraph headed "INFORMATION ON THE CONTRACTUAL ARRANGEMENTS OF SOMETHING BIG GROUP" in this Directors' Report, the Group owns 28.8% equity interest of Something Big and does not have control over the Something Big Group. The Group will rely on PrimeVision (as defined in such paragraph) to exercise control over the Shanghai Group (as defined in such paragraph) through the Contractual Arrangements (as defined in such paragraph). If PrimeVision fails to exercise its right under the Contractual Arrangements or otherwise fails to exercise control and obtain the economic benefits from the Shanghai Group through the Contractual Arrangements, the financial results of Something Big could be materially and adversely affected. As a result, the Group's investment in Something Big could also be materially and adversely affected. In addition to ensuring that the operations of the Contractual Arrangements are sound and effective, the Group will from time to time seek advice from external professionals and relevant regulatory authorities in the PRC on any regulatory updates in relation to the Contractual Arrangements, so that the Group will be in compliance with the relevant regulations with respect to the Contractual Arrangements.

In addition, details of the concentration risk and credit risk associated with the major customer of the Group in relation to its provision of IT services business are discussed in the paragraph headed "RELATIONSHIPS WITH STAKEHOLDERS" in this Directors' Report.

(ii) Provision of hospitality and related services in Australia

The local business risks in Australia in relation to the Group's provision of hospitality and related services in Australia could have material impact on the businesses, financial conditions, results of operations and growth prospects of the Group's provision of hospitality and related services in Australia. The Group is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level in Australia. Also, new policies or measures introduced by the governments in Australia, whether fiscal, tax, regulatory or environmental, or other changes taking place which affect market competition, may lead to an increase in the Group's operating expenses and capital expenditures, an increase in market competition, a decrease in the overall investment return of the Group's businesses and may delay or disrupt the commercial operation of a business resulting in a loss of revenue and profit, which may adversely affect the Group's businesses, financial conditions, results of operations and growth prospects. Following the recent outbreak of the COVID-19, the Group's provision of hospitality and related services in Australia business during the first quarter of 2020 has been adversely affected by

此外，誠如本董事會報告書「有關大事科技集團合約安排的資料」一段所載，本集團擁有大事科技28.8%股權及無權控制大事科技集團。本集團將依賴帝覺（定義見相關段落）透過合約安排（定義見相關段落）對上海集團（定義見相關段落）行使控制權。倘帝覺未能行使其於合約安排項下的權利，或在其他方面未能行使控制權及透過合約安排取得上海集團的經濟利益，則大事科技之財務業績或會受到重大不利影響。因此，本集團於大事科技的投資亦可能遭受重大不利影響。除確保合約安排運營穩健有效外，本集團將不時尋求外部專家意見及中國相關監管機關就有關合約安排之任何監管最新進展，使本集團可就合約安排遵守相關規定。

此外，在提供資訊科技服務業務過程中與本集團主要客戶有關之集中風險及信貸風險詳情於本董事會報告書「與權益持有人之關係」一段論述。

(ii) 於澳洲提供酒店及相關服務

有關本集團於澳洲提供酒店及相關服務面臨的澳洲當地業務風險可能會對本集團於澳洲提供之酒店及相關服務之業務、財務狀況、經營業績及增長前景構成重大影響。本集團受澳洲當地、國內或國際方面不斷變化的各種政治、社會、法律、稅務、監管及環境規定所規限，且未來可能受到更多上述約束。此外，澳洲政府引進新的政策或措施（不論是財政、稅務、監管或環境，或其他影響市場競爭的變化）均可能會導致本集團經營開支及資本開支增加及市場競爭加劇，可能會減少本集團業務的整體投資回報，並可能會令業務的商業化經營推遲或中斷，從而導致收入及溢利有所損失，這可能會對本集團的業務、財務狀況、經營業績及增長前景帶來不利影響。隨著近期爆發的新型冠狀病毒，本集團於澳洲提供酒店及相關服務的業務已於二零二零年第一季度受到新型冠狀病毒的不利影響。鑒於澳洲經濟增長下滑及全球爆發新型冠狀病毒，對度假村服務的需求已下降並預計二零二零年第三季度前繼續下降。尤其

the COVID-19. In light of the declining economic growth in Australia and the global outbreak of the COVID-19, the demand for the services of the Resorts has decreased and is expected to continue to decrease until the third quarter of 2020. In particular, it is expected that the performance of Bellinzona Resort Cellar Door & Dining and Cleveland Winery Resort & Events, which offer conference facilities and mainly target corporate clients, will be more adversely affected as a result of the restrictions of meetings or conferences implemented by the Australian government due to the outbreak of the COVID-19 pandemic. In March 2020, the Australian government has taken strict measures to combat the outbreak of the COVID-19 including new social distancing rules which discourage people from gathering at certain places and situations such as restaurants, cafes, pubs and clubs and weddings and close pubs, casinos, restaurants and other venue from 23 March 2020. In view of the policies of the Australian government to combat the COVID-19, the operation of the Resorts has been temporarily suspended with effect from 30 March 2020 until further notice, subject to the development of the COVID-19 in Australia and the policies of the Australian government. The Group will closely take note of its development and its impact on the Group's businesses. The Group will proactively take preventive measures to mitigate the impact of the COVID-19 on its businesses.

The results of the Group are reported in Hong Kong dollars but its subsidiaries may receive revenue and incur expenses in other currencies. Any currency fluctuations arising from the translation of the accounts of these subsidiaries, and the repatriation of earnings, equity investments and loans may adversely affect the Group's businesses, financial conditions, results of operations and growth prospects. A depreciation or fluctuation in the currencies in which the Group conducts its operations relative to the Hong Kong dollar could adversely affect the Group's businesses, financial conditions, results of operations and growth prospects.

The Group is in the process of implementing its strategy of achieving a diversified business portfolio to reduce its reliance on revenue and income generated from one single segment or geographical location, so as to minimise the risks related to fluctuations in the foreign exchange rates. The Group may also consider to use appropriate hedging instruments, including futures and forward contracts in the management of exposure caused by fluctuations in the foreign exchange rates.

是，預計貝林佐納度假村及克里夫蘭酒莊度假村（其提供會議設施及主要面向企業客戶）的表現將受到更加不利影響，此乃由於澳洲政府因爆發新型冠狀病毒疫情而實施會議或研討會限制。於二零二零年三月，澳洲政府已採取嚴厲措施應對新型冠狀病毒爆發，其中包括新的社會隔離規定，自二零二零年三月二十三日起，人們不得於下列地點及情況下聚集，例如餐館、咖啡廳、酒吧及俱樂部、婚禮以及私家酒吧、娛樂場、餐廳及其他場所等。鑒於澳洲政府對抗新型冠狀病毒的政策，受限於澳洲新型冠狀病毒的發展及澳洲政府的政策，度假村的運營已臨時暫停，由二零二零年三月三十日起直至進一步通知。本集團將密切注意其發展及其對本集團業務的影響。本集團將積極採取預防措施以緩解新型冠狀病毒對其業務的影響。

本集團的業績乃以港元列賬，但其附屬公司可能會取得及產生以其他貨幣計值的收入及開支。因此，任何上述附屬公司賬目換算產生的貨幣匯率波動，及盈利匯回、股權投資及貸款可能會對本集團的業務、財務狀況、經營業績或增長前景產生不利影響。本集團經營所在地貨幣兌港元的貶值或波動可能會對本集團的業務、財務狀況、經營業績及增長前景產生不利影響。

本集團正落實其多元化業務組合政策，以減少其對單一分部或地理位置所產生收益及收入的依賴，藉以減低外匯匯率波動之風險。本集團亦可考慮使用適當之對沖工具（包括期貨及遠期合約），管理外匯匯率波動所產生之風險。

(iii) Money lending business

The money lending business of the Group is exposed to possible default from the customers, which involves the risk of loss due to the inability or unwillingness of customers to meet their contractual obligations. If the customers of the money lending business of the Group fail to meet their contractual obligations, the Company may need to incur additional costs to realise the collaterals for the relevant secured loans. The risks of losses will be higher for unsecured loans in the event of default. However, the Group has adopted prudent credit procedures in customers' acceptance so as to minimise the credit risk of the Group.

(iv) Assets investments business

For the Group's business of trading of securities in Hong Kong, the Group aims at maximising the profits of the Company for the Shareholders and will revamp its investment strategy and explore securities investment opportunities with due care and diligence. Due to the volatility and uncertainties of the securities market in Hong Kong, the Group may suffer losses on securities trading in the future if the investment strategy the Group has adopted does not fit the then market conditions. The Group will regularly review its investment portfolio and determine a suitable investment strategy to cater for the changes in the market conditions.

Risks which are relevant to the industry and market in which the Group operates

The Group's success will depend, in part, on its ability to respond to technological advances. The Group may not be successful in responding quickly, cost-effectively and sufficiently to these developments. If the Group is unable, for technical, financial or other reasons, to adapt in a timely manner in response to technological advances, it will not be able to compete effectively and the business of the Group will be adversely affected.

(iii) 借貸業務

本集團借貸業務存在本集團客戶違約的潛在風險，當中包括客戶無法或拒絕履行合約義務而造成損失的風險。若本集團借貸業務的客戶未履行彼等的合約義務，本公司可能需於變現相關有抵押貸款的抵押品時產生額外的成本。若無抵押貸款發生違約，將面臨更大的損失風險。然而，本集團於吸納客戶方面採納審慎信貸程序，以減低本集團信貸風險。

(iv) 資產投資業務

就本集團於香港進行證券交易的業務而言，本集團擬為本公司股東創造更多溢利，並將修訂其投資策略，同時審慎盡職地尋求證券投資機會。由於香港證券市場波動及前景不明朗，若本集團採取的投資策略不符合當時市況，本集團日後可能會因證券交易而蒙受損失。本集團將定期檢討其投資組合，並釐定合適投資策略以應對市況變動。

與本集團經營所在行業及市場相關的風險

本集團的成功將部分取決於其應對技術革新的能力。本集團可能無法快速地以具有成本效益的方式充分應對技術進步。若本集團由於技術、財務或其他原因無法及時應對技術進步，則將無法有效進行競爭，從而將令本集團的業務受到不利影響。

The Group may face risks and uncertainties posed by local political, regulatory and religious environments and failure to comply with country-specific regulatory restrictions may expose the Group to fines, penalties and liabilities. There is no assurance that the current government policies, economic and social conditions in the regions where the Group's business operates will not undergo significant changes in the future. Any new rules and regulations introduced and implemented in the future which regulate the provision of IT services (including the mobile internet cultural business), hospitality business and related services in Australia, money lending business and assets investments business, may adversely affect the business, international expansion and growth prospects of the Group. The Group will from time to time obtain updates on relevant rules and regulations from external professionals to review and ensure the Group is in compliance with the applicable regulations and requirements.

Financial Instrument Risks

The Group is subject to market risks, such as those in relation to currency fluctuations and volatility of interest rates, price risk, credit risk, and liquidity risk in the normal course of the Group's business. Particulars of the nature and extent of financial instrument risks of the Company are set out in note 43 to the consolidated financial statements.

EVENTS AFTER REPORTING PERIOD

Since the outbreak of the Coronavirus Disease 2019 ("COVID-19") in January 2020, the prevention and control of the COVID-19 has been implemented across the PRC and Australia. The COVID-19 has certain impacts on the business operation for various industries and overall global economy. It is expected that the COVID-19 has negative impact of the financial performance of the Group in the first quarter of 2020. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group.

As detailed in note 25(d) to the consolidated financial statements, the Group has entered into the supplemental agreement with Bailihong subsequent to the end of the reporting period in April 2020, pursuant to which, Bailihong agreed not to demand for repayment of the Bailihong Loans within the next 12 months after the date of the supplemental agreement.

As detailed in note 2.1 to the consolidated financial statements, the substantial shareholder of the Company has entered into a loan facility agreement with the Company in April 2020, pursuant to which, the substantial shareholder has agreed to provide the Loan Facility of up to HK\$70,000,000 to the Group for the purpose of its general working capital.

本集團可能會面臨當地政治、監管及宗教環境帶來的風險及不確定性，若無法遵守各國的監管限制，則本集團可能會受到處罰或被處以罰款及承擔責任的風險。並不保證本集團業務經營所在地目前的政策、經濟及社會狀況不會於未來發生重大變動。未來就監管提供資訊科技服務（包括移動互聯網文化業務）、於澳洲提供酒店業務及相關服務、借貸業務及資產投資業務出台及實施的任何新規則及法規，可能會對本集團的業務、全球擴張及增長前景帶來不利影響。本集團將不時自外部專業人員取得相關規則及法規的最新資料，以檢討及確保本集團符合適用法規及規定。

金融工具風險

本集團於本集團日常業務過程中承受市場風險（如貨幣波動及利率波動有關之風險）、價格風險、信貸風險及流動資金風險。本公司之金融工具風險之性質及程度詳情載於綜合財務報表附註43。

報告期後事項

自新型冠狀病毒疾病於二零二零年一月爆發以來，中國及澳洲各地均已實施新型冠狀病毒防控措施。新型冠狀病毒對各個行業的業務營運及全球整體經濟造成若干影響。於二零二零年第一季度，預計新型冠狀病毒將對本集團的財務表現產生負面影響。本集團將持續關注新型冠狀病毒的最新情況，評估其對本集團財務狀況及經營業績產生的影響並作出積極應對。

如綜合財務報表附註25(d)所詳述，於報告期末後二零二零年四月，本集團與百利宏訂立補充協議，據此，百利宏同意不會於補充協議日期後12個月內要求償還百利宏貸款。

誠如綜合財務報表附註2.1所詳述，本公司主要股東於二零二零年四月與本公司訂立貸款融資協議，據此，主要股東已同意向本集團提供最高金額為70,000,000港元的貸款融資以作一般營運資金用途。

FINANCIAL SUMMARY

The summary of the consolidated financial results and the consolidated assets and liabilities of the Group for the last five financial years are set out on page 296 in this Annual Report.

RESULTS AND DIVIDENDS

The results of the Group for the year under review are set out in the consolidated statement of profit or loss and other comprehensive income on page 147. The Board does not recommend the payment of a dividend for the year ended 31 December 2019 (2018: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 82.9% of the total sales for the year under review, and sales to the largest customer included therein amounted to approximately 80.1%. Purchases from the Group's five largest suppliers accounted for approximately 21.9% of the total purchases for the year under review, and purchases from the largest supplier included therein amounted to approximately 6.6%.

As far as the Directors are aware, none of the Directors, their close associates or any Shareholders (whom to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest at any time during the year under review in any of the Group's five largest customers or suppliers.

DONATIONS

Charitable donations made by the Group during the year under review and up to the date of this Annual Report amounted to approximately HK\$779,000 (2018: HK\$152,000).

SUBSIDIARIES

Details of the Group's acquisitions and disposals during the year under review and the particulars of the subsidiaries of the Company are set out in notes 12(c), 30 and 1 to the consolidated financial statements, respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year under review are set out in note 12 to the consolidated financial statements.

財務摘要

本集團過去五個財政年度之綜合財務業績以及綜合資產及負債概要載於本年報第296頁。

業績及股息

本集團於回顧年度之業績載於第147頁綜合損益及其他全面收益表。董事會並不建議派付截至二零一九年十二月三十一日止年度股息（二零一八年：無）。

主要客戶及供應商

向本集團五大客戶作出之銷售佔回顧年度銷售總額的約82.9%，當中計及向最大客戶作出之銷售約80.1%。向本集團五大供應商作出之採購佔回顧年度採購總額的約21.9%，當中計及向最大供應商作出之採購約6.6%。

據董事所知，概無董事、其緊密聯繫人士或任何股東（據董事所知持有本公司已發行股本超過5%）於回顧年度任何時間於本集團任何五大客戶或供應商擁有任何權益。

捐款

回顧年度內及截至本年報日期本集團所作之慈善捐款金額約為779,000港元（二零一八年：152,000港元）。

附屬公司

於回顧年度，本集團收購及出售本公司附屬公司及其資料詳情分別載於綜合財務報表附註12(c)、30及1。

物業、廠房及設備

本集團物業、廠房及設備於回顧年度之變動詳情載於綜合財務報表附註12。

SHARE CAPITAL

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

RESERVES

Movements in the reserves of the Group and the Company during the year under review are set out in the consolidated statement of changes in equity on page 150 in this Annual Report and note 29 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company had distributable reserve of approximately HK\$239,092,000 (2018: HK\$364,817,000) including accumulated losses of approximately HK\$964,449,000 (2018: approximately HK\$838,724,000). Under the Company's memorandum of association and the Bye-laws and the Company Act 1981 of Bermuda (as amended), the contributed surplus and share premium of the Company of approximately HK\$693,308,000 and approximately HK\$510,233,000, as at 31 December 2018 and 2019, respectively, are distributable to the Shareholders. However, the Company cannot declare or pay a dividend, or make distribution out of the distribution reserve if:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company would thereby be less than the aggregate of its liabilities, its issued share capital and share premium accounts.

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

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities during the year ended 31 December 2019.

股本

本公司股本變動詳情載於綜合財務報表附註27。

儲備

本集團及本公司於回顧年度之儲備變動分別載於本年報第150頁之綜合權益變動表及綜合財務報表附註29。

可供分派儲備

於二零一九年十二月三十一日，本公司擁有可供分派儲備約239,092,000港元（二零一八年：364,817,000港元）（包括累計虧損約964,449,000港元（二零一八年：約838,724,000港元））。根據本公司組織章程大綱及細則以及百慕達一九八一年公司法（修訂本），於二零一八年及二零一九年十二月三十一日，本公司的實繳盈餘及股份溢價分別約693,308,000港元及約510,233,000港元可供分派予股東。然而，在以下情況下，本公司不得宣派或派付股息，或從分派儲備中作出分派：

- (a) 本公司現時或派付股息後無法償還到期負債；或
- (b) 本公司之可變現價值將因此而少於其負債、已發行股本及股份溢價賬之總和。

購買、出售或贖回本公司之上市證券

截至二零一九年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors who held office during the year under review and up to the date of this Directors' Report were:

Executive Directors:

Mr. Hui Chun Sum
(Chairman)
Ms. Lam Ching Yee (appointed as an executive Director and the Chief Executive Officer with effect from 5 June 2019)
Ms. Pauline Lam

Independent non-executive Directors:

Mr. Wong Siu Keung, Joe
Mr. Lee King Fui
Mr. Ho Kin Wai (appointed with effect from 10 January 2019)
Mr. Leung Ting Yuk (resigned with effect from 10 January 2019)

In accordance with Bye-Law 84 of the Bye-Laws of the Company (the "Bye-Laws"), Mr. Hui Chun Sum and Ms. Pauline Lam will retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

In accordance with Bye-Law 83(2) of the Bye-Laws, Ms. Lam Ching Yee will retire and being eligible, will offer herself for re-election at the forthcoming annual general meeting of the Company.

None of the Directors who are being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

Each of Mr. Hui Chun Sum, Ms. Pauline Lam, Ms. Lam Ching Yee, Mr. Wong Siu Keung, Joe, Mr. Ho Kin Wai and Mr. Lee King Fui has been re-appointed for a term of 12 months commencing from 1 January 2020 to 31 December 2020 (both days inclusive).

董事及董事之服務合約

於回顧年度及截至本董事會報告書日期止之董事如下：

執行董事：

許峻森先生
(主席)
林靜儀女士 (於二零一九年六月五日獲委任為執行董事及行政總裁)
林佳慧女士

獨立非執行董事：

黃兆強先生
李勤輝先生
何建偉先生 (於二零一九年一月十日獲委任)
梁廷育先生 (已於二零一九年一月十日辭任)

根據本公司之細則(「細則」)第84條，許峻森先生及林佳慧女士將於本公司應屆股東週年大會輪值告退，並符合資格及願意重選連任。

根據細則第83(2)條，林靜儀女士將於本公司應屆股東週年大會退任，並符合資格及願意重選連任。

概無擬於本公司應屆股東週年大會膺選連任之董事與本公司訂有服務合約，而本公司或其任何附屬公司不能於一年內在毋須支付賠償(法定賠償除外)之情況下終止該服務合約。

許峻森先生、林佳慧女士、林靜儀女士、黃兆強先生、何建偉先生及李勤輝先生均獲重新委任，任期由二零二零年一月一日起至二零二零年十二月三十一日止十二個月(包括首尾兩日)。

CONFIRMATION OF INDEPENDENCE

Pursuant to the requirement of the GEM Listing Rules, the Company has received an annual written confirmation of his independence from each of the independent non-executive Directors. The Company considers that all of the independent non-executive Directors are independent in accordance with Rule 5.09 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

No Director or an entity connected with a Director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance subsisting during or at the end of the year under review.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Hui Chun Sum, an executive Director, is the ultimate sole shareholder of Chinese Financial Limited, which is a company principally engaged in the money lending business in Hong Kong.

Ms. Pauline Lam, an executive Director, is the director and sole shareholder of Jin Li Da Limited, which is a company principally engaged in the money lending business in Hong Kong.

Mr. Lee King Fui, an independent non-executive Director, is an independent non-executive director of Easy Repay Finance & Investment Limited (Stock Code: 8079), the shares of which are listed on GEM and is principally engaged in the money lending business in Hong Kong.

Save as disclosed above, none of the Directors, controlling shareholder of the Company or their respective close associates had an interest in any business, apart from the businesses of the Group, which competes or may compete either directly or indirectly, with the businesses of the Group during the year under review.

獨立性確認

根據GEM上市規則之規定，本公司已接獲各獨立非執行董事向本公司發出有關其獨立地位之年度書面確認書。遵照GEM上市規則第5.09條，本公司認為全體獨立非執行董事均屬獨立。

董事於合約之權益

概無董事或與董事有關連的實體於回顧年內或回顧年末仍存續之任何重大交易、安排或合約中直接或間接擁有重大權益。

董事於競爭業務之權益

執行董事許峻森先生為華人金融信貸有限公司（一間主要於香港從事借貸業務之公司）之最終唯一股東。

執行董事林佳慧女士為金力達有限公司（一間主要於香港從事借貸業務之公司）之董事及唯一股東。

獨立非執行董事李勤輝先生為易還財務投資有限公司（其股份於GEM上市並主要在香港從事放債業務，股份代號：8079）之獨立非執行董事。

除上文所披露者外，於回顧年度，概無董事、本公司控股股東或其各自之緊密聯繫人士於本集團業務以外之任何與本集團之業務可能構成直接或間接競爭之業務擁有權益。

MANAGEMENT CONTRACTS

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for those disclosed in the paragraph headed "SHARE OPTION SCHEME" in this Directors' Report, at no time during or at the end of the year under review was there any arrangement where rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

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

As at 31 December 2019, none of the Directors or chief executive of the Company had, or was deemed to have, any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

管理合約

於回顧年度，本公司概無訂立或存續有關於本公司全部或任何重大部分業務之管理及行政方面之合約。

董事購買股份或債券之權利

除本董事會報告書「購股權計劃」一段所披露者外，於回顧年度任何時間或年度末，概無向任何董事或彼等各自之配偶或18歲以下之子女授出可透過購買本公司股份或債券以獲取利益權利之任何安排，彼等亦無行使任何有關權利，而本公司及其任何附屬公司亦無訂立任何安排以令董事或彼等各自之配偶或未成年子女可於任何其他法人團體獲得有關權利。

董事及行政總裁於本公司股份、相關股份及債券之權益及淡倉

於二零一九年十二月三十一日，概無本公司董事及行政總裁各自於本公司或其任何相聯法團（按香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部之涵義）之股份、相關股份及債券中，擁有或視作擁有記錄於根據證券及期貨條例第352條須存置之登記冊之權益及淡倉；或根據GEM上市規則第5.48至5.67條所指的董事進行交易之規定準則知會本公司及聯交所之權益及淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2019, the following persons (other than Directors or chief executive of the Company) had, or was deemed to have, 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:

Substantial Shareholder – long position in the shares of the Company

| Name of Shareholder | Capacity | Number of ordinary shares (the "Shares") involved 涉及普通股份 〔股份〕數目 | Approximate percentage (Note) 概約百分比 (附註) |
|---------------------|---------------------------|---|--|
| 股東姓名 | 身份 | | |
| Cheng Hei Yu 鄭熹榆 | Beneficial owner 實益擁有人 | 3,765,987,973 | 70.57% |

Note:

The approximate percentage is calculated based on the total issued Shares as at 31 December 2019, i.e. 5,336,235,108 Shares.

Save as disclosed above, as at 31 December 2019, there were no Shareholders or other persons (other than Directors or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company recorded in the register as required to be kept under Section 336 of the SFO.

EMOLUMENT POLICY

Details of the emolument policy of the Company are set out in the paragraph headed "EMPLOYEES' REMUNERATION POLICIES" in the Management Discussion and Analysis on page 35 in this Annual Report.

主要股東之權益

於二零一九年十二月三十一日，下列人士（董事或本公司行政總裁除外）於本公司股份或相關股份中擁有或被視為擁有記入本公司根據證券及期貨條例第336條規定須存置之登記冊之權益或淡倉：

主要股東－於本公司股份之好倉

| Name of Shareholder | Capacity | Number of ordinary shares (the "Shares") involved 涉及普通股份 〔股份〕數目 | Approximate percentage (Note) 概約百分比 (附註) |
|---------------------|---------------------------|---|--|
| 股東姓名 | 身份 | | |
| Cheng Hei Yu 鄭熹榆 | Beneficial owner 實益擁有人 | 3,765,987,973 | 70.57% |

附註：

概約百分比乃根據於二零一九年十二月三十一日之已發行股份總數（即5,336,235,108股股份）計算。

除上述所披露者外，於二零一九年十二月三十一日，概無本公司股東或其他人士（董事或本公司主要行政人員除外）於股份或相關股份中擁有或視作擁有根據證券及期貨條例第336條規定須予存置之登記冊所載須向本公司披露之權益或淡倉。

薪酬政策

本公司薪酬政策之詳情載於本年報第35頁管理層討論及分析「僱員薪酬政策」一段。

SHARE OPTION SCHEME

Under the terms of the Scheme, the Board is authorised, at its absolute discretion, to grant options to eligible participants including any employee, contracted celebrity, advisor, consultant, service provider, agent, customer, partner or joint venture partner of the Group (including any director, whether executive or non-executive and whether independent or not, of the Group) who is in full time or part time employment with the Group at the time when an option is granted to such employee, or any person who, in the sole discretion of the Board, have contributed or may contribute to the Group.

The purpose of the Scheme is to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

The maximum entitlement of each participant under the Scheme would not exceed 1% of the aggregate number of shares for the time being issued and issuable in any 12-month period under the Scheme.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

The exercise price will be determined by the Directors, but may not be less than the highest of the closing price of the shares on the GEM on the date of the grant of the option or the average of the closing price of the shares on the GEM for the five trading days immediately preceding the date of the offer of grant of the option or the nominal value of the shares.

The Scheme shall remain in force for the period of 10 years commencing on the adoption date of the Scheme which was 12 November 2010.

The maximum number of shares of the Company which may be issued upon exercise of all options that may be granted under the existing Scheme limit is 533,623,510 shares of HK\$0.01 each (representing approximately 10% of the issued share capital of the Company as at the date of this Annual Report). During the year ended 31 December 2019, no options have been granted under the existing Scheme limit.

購股權計劃

根據該計劃之條款，董事會獲授權全權酌情向合資格參與人士（包括獲授購股權時為本集團全職或兼職僱員、合約藝人、諮詢人、顧問、服務供應商、代理商、客戶、夥伴或合營夥伴（包括本集團任何董事，不論屬執行或非執行董事及不論其是否獨立董事），或董事會全權酌情認為已對或可能會對本集團作出貢獻之任何人士）授出購股權。

該計劃之目的旨在提供獎勵及協助本集團留聘其現有僱員以及聘請其他僱員，並為彼等提供直接經濟利益，以達成本公司長遠業務目標。

根據該計劃，各參與人士在任何十二個月期間可享有之最高股份數目不得超過當時已發行及可發行之股份總數1%。

於接納所授出之購股權時，承授人須支付1港元之象徵式代價。

行使價將由董事釐定，但不可以低於在授出購股權當日股份在GEM所報收市價或於緊接建議授出購股權當日前五個交易日股份在GEM所報平均收市價或股份面值三者中之最高者。

該計劃由採納該計劃日期（即二零一零年十一月十二日）起計10年期間內維持有效。

於根據現有計劃上限可授出之購股權獲悉數行使後可予發行之本公司股份數目上限為533,623,510股每股0.01港元之股份（佔本公司於本年報日期之已發行股本約10%）。於截至二零一九年十二月三十一日止年度，概無根據現有計劃上限授出購股權。

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Scheme.

There is no minimum period for which an option must be held or no performance target which must be achieved before any of the options can be exercised.

As at 1 January 2019 and 31 December 2019, there were no share options outstanding, granted, exercised, cancelled or lapsed under the Scheme.

Details of the Scheme are set out in note 28 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Save that the related party transactions as disclosed in note 35(a) to the consolidated financial statements constituted continuing connected transaction or connected transaction as defined in Chapter 20 of the GEM Listing Rules of the Company, the related party transactions disclosed in note 35 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions of the Company.

The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries and fellow subsidiaries was a party and in which a Director and the Director's connected party or a controlling shareholder had a material interest, whether directly or indirectly, subsisted at any time during the year under review and up to the date of this Annual Report.

購股權可於董事會向各承授人提呈授出購股權時所釐定及確定之期間內隨時行使，惟無論如何不遲於授出日期起計10年，但可提早終止該計劃。

於任何購股權可獲行使前，並無任何必須持有購股權的最短期限或必須達致之表現目標。

於二零一九年一月一日及二零一九年十二月三十一日，該計劃項下概無已獲授出、行使、註銷或失效之尚未行使購股權。

有關該計劃詳情載於綜合財務報表附註28。

關聯人士交易及關連交易

除誠如綜合財務報表附註35(a)所披露關聯人士交易構成本公司持續關連交易或關連交易（定義見GEM上市規則第20章），而於綜合財務報表附註35所披露的關聯人士交易並不構成本公司關連交易或持續關連交易。

董事確認本公司遵守GEM上市規則第20章項下的披露規定。

董事及董事的關聯人士或控股股東概無於由本公司或任何附屬公司及同系附屬公司訂立並於回顧年度內任何時間及截至本年報日期仍然續存，對本集團業務而言屬重大之交易、安排及合約中，直接或間接擁有重大權益。

INFORMATION ON THE CONTRACTUAL ARRANGEMENTS OF SOMETHING BIG GROUP

The Group owns 28.8% equity interest of Something Big. A wholly-owned subsidiary of Something Big, Something Big Technology Company Limited (“**HK SBT**”), a company incorporated in Hong Kong and another wholly-owned subsidiary of HK SBT, 帝覺(上海)網絡科技有限公司(unofficial English translation being “**PrimeVision Tech Company Limited**”) (“**PrimeVision**”), a company incorporated in the PRC, have been operating their business through contract-based arrangements and/or structures (“**Contractual Arrangements**”) for the purpose of enabling the Something Big Group and the shareholders of Something Big, including the Company, as foreign investors to control and benefit from the PRC operating companies (“**OPCO**”) of the Something Big Group, i.e. Shanghai Wanjia (as defined below) and Shanghai SBT (as defined below), in the foreign restricted businesses in the PRC.

A summary of the information of the Contractual Arrangements and the OPCO is as follows:

1. 上海頑迦網絡科技有限公司(unofficial English translation being “**Shanghai Wanjia Network Technology Co., Ltd.**”) (“**Shanghai Wanjia**”) and its subsidiary, 上海顛視數碼科技有限公司(unofficial English translation being “**Shanghai Something Big Technology Co., Ltd.**”) (“**Shanghai SBT**”) (Shanghai Wanjia and Shanghai SBT collectively as “**Shanghai Group**”)

1.1 Particulars of the OPCO and their registered owners

Shanghai Wanjia is a limited liability company established in the PRC on 17 July 2012. As at the date of this Annual Report, Shanghai Wanjia held the entire equity interest in Shanghai SBT, which is a limited liability company established in the PRC.

The registered shareholders of Shanghai Wanjia are Mr. Lu Le (“**Mr. Lu**”) (50%) and Mr. Mao Yiqing (“**Mr. Mao**”) (50%).

有關大事科技集團合約安排的資料

本集團擁有大事科技之28.8%股權。大事科技之全資附屬公司大事科技有限公司(「**香港大事科技**」)為於香港註冊成立之公司，而香港大事科技之另一全資附屬公司帝覺(上海)網絡科技有限公司(「**帝覺**」)為於中國註冊成立之公司。該等公司透過合約安排及/或架構(「**合約安排**」)經營業務，旨在讓大事科技集團及大事科技股東(包括本公司)以外國投資者身份控制大事科技集團之中國經營公司(「**經營公司**」，即上海頑迦(定義見下文)及上海顛視(定義見下文))並於中國之海外受限制業務中獲益。

合約安排及經營公司之資料概要如下：

1. 上海頑迦網絡科技有限公司(「**上海頑迦**」)及其附屬公司上海顛視數碼科技有限公司(「**上海顛視**」)(上海頑迦及上海顛視統稱「**上海集團**」)

1.1 有關經營公司及其登記持有人的資料

上海頑迦為於二零一二年七月十七日在中國成立之有限公司。於本年報日期，上海頑迦持有上海顛視之全部股權，上海顛視為在中國成立之有限公司。

上海頑迦之登記股東為陸樂先生(「**陸先生**」)及毛奕青先生(「**毛先生**」)，各持有50%權益。

1.2 Description of the OPCO's business

Shanghai Wanjia is principally engaged in the development and operation of mobile online games business and is considered to be engaged in the provision of Internet culture business. Shanghai Wanjia holds certain network cultural operation licences issued by the relevant authority of the PRC government in relation to the operation of the Shanghai Group, including the value-added telecommunications business operating licence (增值電信業務經營許可證), which is generally known as the "Internet content provider licence" ("ICP Licence") and the Online Cultural Business Operation Licence.

Pursuant to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2019) (《外商投資准入特別管理措施(負面清單)(2019年版)》) jointly issued by the Ministry of Commerce of the PRC (中華人民共和國商務部) ("MOFCOM") and the National Development and Reform Commission of the PRC, the Internet culture business falls within the category of industries prohibiting foreign investment. On 15 December 2017, the Ministry of Culture of the PRC (中華人民共和國文化部), currently known as the Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅游部) ("MOC"), issued the revised Interim Provisions on the Administration of the Internet Culture (《互聯網文化管理暫行規定》) ("Internet Culture Interim Provisions"), effective from the same date. According to the Internet Culture Interim Provisions, "Internet cultural products" are defined as including the online games specially produced for Internet and games reproduced or provided through the Internet. Provision of Internet cultural products and related services is subject to the approval of the MOC or its provincial counterpart. The MOC issued the Circular on Implementation of the Newly Revised Interim Provisions on the Administration of Internet Culture (關於實施新修訂《互聯網文化管理暫行規定》的通知) on 18 March 2011, which provides that any competent government authorities of the PRC will not accept applications by foreign-invested Internet content providers for operation of Internet culture business (other than online music business) at the moment. Accordingly, Something Big cannot acquire equity interest in Shanghai Wanjia through PrimeVision, as the Something Big Group conducts operation of mobile-online games, which falls within the ambit of Internet culture business, a category of business in which foreign investors are prohibited to hold any equity interest.

1.2 經營公司之業務概況

上海頑迦主要從事開發及營運移動網絡遊戲業務，且被視為從事提供互聯網文化業務。上海頑迦持有中國政府相關部門就上海集團業務發出之若干網絡文化經營許可證，包括增值電信業務經營許可證（通常稱為「互聯網內容供應商許可證」（「ICP許可證」）及網絡文化經營許可證。

根據中華人民共和國商務部（「商務部」）及國家發展和改革委員會共同頒佈的《外商投資准入特別管理措施（負面清單）（2019年版）》，互聯網文化業務屬禁止外商投資的行業類別。於二零一七年十二月十五日，中華人民共和國文化部（現稱為中華人民共和國文化和旅游部）（「文化部」）發佈於同日生效的經修訂《互聯網文化管理暫行規定》（「互聯網文化暫行規定」）。根據互聯網文化暫行規定，「互聯網文化產品」界定為包括專門為互聯網而生產的網絡遊戲及通過互聯網複製或提供的遊戲。提供互聯網文化產品及其相關服務須取得文化部或其省級管理機構的批准。文化部於二零一一年三月十八日發佈《關於實施新修訂〈互聯網文化管理暫行規定〉的通知》，規定中國任何主管政府機關目前將不會受理外商投資互聯網內容提供商申請從事互聯網文化業務（網絡音樂業務除外）。因此，大事科技不能透過帝覺收購上海頑迦的股權，原因為大事科技集團經營移動網絡遊戲業務，而其屬於網絡文化業務（屬禁止外商投資的業務類別）範圍內。

As a result of the foregoing, Something Big, through PrimeVision, has entered into the Contractual Arrangements with Shanghai Wanjia to conduct the online games business in the PRC in order to comply with the applicable PRC laws and regulations and to assert management control over the operations of, and enjoy all of the economic benefits of, the Shanghai Group. The Contractual Arrangements are designed specifically to confer upon PrimeVision the right to enjoy all the economic benefits of Shanghai Group, to exercise management control over the operations of Shanghai Group, and to prevent leakages of assets and values of Shanghai Group to the registered shareholders of Shanghai Wanjia.

1.3 Summary of the major terms of the underlying contracts of the Contractual Arrangements

Exclusive Technology Services and Management Consulting Agreement

PrimeVision and Shanghai Wanjia entered into the Exclusive Technology Services and Management Consulting Agreement and its supplemental agreements, pursuant to which Shanghai Wanjia agrees to engage PrimeVision as its exclusive consultant and service provider. Accordingly, PrimeVision shall provide advice and recommendations to Shanghai Wanjia and its subsidiary in respect of, among others, (i) consulting services on the management and operations of Shanghai Wanjia; (ii) consulting services on professional training to the employees of Shanghai Wanjia; (iii) consulting services on market research; (iv) technical consulting services on research and development of computer and portable device software and games; (v) technical consulting services on development or design of webpages and websites; (vi) provision of relevant information management system; (vii) provision of technology supports and related consulting services; and (viii) hiring of relevant technical personnel and provision of training and field guidance.

Pursuant to the Exclusive Technology Services and Management Consulting Agreement, Shanghai Wanjia shall pay to PrimeVision a service fee that equals to the profit of Shanghai Wanjia, after offsetting the prior-year loss (if any), expenses and tax of Shanghai Wanjia, thus all economic benefits of Shanghai Wanjia will belong to PrimeVision. Shanghai Wanjia shall pay the service fee every six months.

因上文所述，為符合適用的中國法律及法規，大事科技已通過帝覺與上海頑迦訂立合約安排，以於中國從事網絡遊戲業務，並對上海集團之營運實施管控，並享有其全部經濟利益。特別制定合約安排乃旨在賦予帝覺權利，可享有上海集團的全部經濟利益、對上海集團營運行使管理控制權，以及避免上海集團之資產及價值流向上海頑迦之登記股東。

1.3 合約安排之相關合約之主要條款概要

獨家技術服務及管理諮詢協議

帝覺及上海頑迦已訂立獨家技術服務及管理諮詢協議及其補充協議，據此，上海頑迦同意委聘帝覺為其獨家諮詢及服務供應商。因此，帝覺將向上海頑迦及其附屬公司提供意見及建議，其中包括(i)就上海頑迦之管理及營運提供諮詢服務；(ii)就上海頑迦之員工專業培訓提供諮詢服務；(iii)就市場研究提供諮詢服務；(iv)就研發電腦及便攜設備軟件及遊戲提供技術諮詢服務；(v)就開發或設計網頁及網站提供技術諮詢服務；(vi)提供相關資訊管理系統；(vii)提供技術支援及相關諮詢服務；及(viii)聘請相關技術人員及提供培訓及行業指導。

根據獨家技術服務及管理諮詢協議，上海頑迦將向帝覺支付金額等同於上海頑迦溢利（經抵銷上海頑迦上個年度之虧損（如有）、開支及稅項）的服務費用，而上海頑迦之所有經濟利益將歸屬於帝覺。上海頑迦須每六個月支付服務費。

The Exclusive Technology Services and Management Consulting Agreement is for an indefinite term commencing from the date of the agreement (i.e. 31 January 2014), until it is terminated (i) by PrimeVision by giving a 30 days' prior notice of termination; or (ii) upon the acquisition of the entire equity interests in, and/or all assets of, Shanghai Wanjia by PrimeVision pursuant to the Exclusive Option Agreement (as defined below). Shanghai Wanjia is not contractually entitled to terminate the Exclusive Technology Services and Management Consulting Agreement.

Proxy Agreement

PrimeVision, Shanghai Wanjia and its shareholders entered into the proxy agreement (the "**Proxy Agreement**") and its supplemental agreements, pursuant to which Mr. Lu and Mr. Mao agreed to enter into powers of attorney to irrevocably authorise PrimeVision to exercise all of their rights and powers as shareholders of Shanghai Wanjia. PrimeVision will act on behalf of Mr. Lu and Mr. Mao on all matters pertaining to Shanghai Wanjia and, to the extent permissible under applicable PRC laws, exercise all of their respective rights as a shareholder thereof, including (i) rights to attend shareholders' meeting; (ii) rights to exercise voting rights in a shareholders' meeting; (iii) rights to convene extraordinary shareholders' meeting; (iv) rights to sign minutes or resolutions of shareholders' meetings or other legal documents; (v) rights to instruct directors or the legal representative of Shanghai Wanjia to act in accordance with all instructions of PrimeVision; (vi) other shareholders' rights and voting rights under the articles of association of Shanghai Wanjia; (vii) rights to file documents with relevant governmental authorities or regulatory bodies; (viii) rights to decide any transfer or otherwise disposal of the equity interest of Mr. Lu and Mr. Mao in Shanghai Wanjia; and (ix) such other shareholders' rights as stipulated under applicable PRC laws, rules and regulations and the articles of association of Shanghai Wanjia. No prior consent of Mr. Lu and Mr. Mao is required for the exercise of any of the aforesaid shareholders' rights by PrimeVision.

The Proxy Agreement is for an indefinite term commencing from the date of the agreement (i.e. 31 January 2014), until it is terminated (i) by PrimeVision by giving a 30 days' prior notice of termination; or (ii) upon the acquisition of the entire equity interests in, and/or all assets of, Shanghai Wanjia by PrimeVision pursuant to the Exclusive Option Agreement (as defined below). Mr. Lu, Mr. Mao and Shanghai Wanjia are not contractually entitled to terminate the Proxy Agreement.

獨家技術服務及管理諮詢協議並無限定年期，自協議日期（二零一四年一月三十一日）起計，直至(i)帝覺發出30日之事先終止通知；或(ii)於帝覺根據獨家購股權協議（定義見下文）收購上海頑迦之全部股權及／或上海頑迦之全部資產時予以終止為止。上海頑迦無權終止獨家技術服務及管理諮詢協議。

代表委任協議

帝覺、上海頑迦及其股東已訂立代表委任協議（「**代表委任協議**」）及其補充協議，據此，陸先生及毛先生同意訂立授權委託書，以不可撤回地授權帝覺行使其作為上海頑迦股東的一切權利及權力。帝覺將代表陸先生及毛先生就有關上海頑迦的所有事宜採取行動，並在適用中國法律許可的情況下行使彼等各自作為股東的一切權利，包括(i)出席股東大會的權利；(ii)於股東大會上行使投票權的權利；(iii)召開股東特別大會的權利；(iv)簽署股東大會的會議記錄或決議案或其他法律文件的權利；(v)指示上海頑迦的董事或法定代表遵照帝覺的所有指令行事的權利；(vi)上海頑迦組織公司細則項下的其他股東權利及投票權；(vii)向相關政府機關或監管機構呈交文件的權利；(viii)有權決定任何轉讓或以其他方式出售陸先生及毛先生於上海頑迦的股權；及(ix)適用中國法律、規則及法規，以及上海頑迦組織公司細則項下訂明的其他股東權利。帝覺行使上述任何股東權利，毋須取得陸先生及毛先生之事先同意。

代表委任協議並無限定年期，自協議日期（二零一四年一月三十一日）起計，直至(i)帝覺發出30日之事先終止通知；或(ii)於帝覺根據獨家購股權協議（定義見下文）收購上海頑迦之全部股權及／或上海頑迦之全部資產時予以終止為止。陸先生、毛先生及上海頑迦無權終止代表委任協議。

Business Cooperation Agreement

PrimeVision, Shanghai Wanjia and its shareholders entered into a business cooperation agreement (the “**Business Cooperation Agreement**”) and its supplemental agreements, pursuant to which Shanghai Wanjia and its shareholders agreed to appoint persons designated by PrimeVision to be the chairman (when applicable), directors/executive directors, general manager, chief financial controller and other senior management of Shanghai Wanjia and its subsidiaries. Mr. Lu and Mr. Mao, together with Shanghai Wanjia, have also agreed in the Business Cooperation Agreement that, unless there is a prior written consent from PrimeVision or its appointee, Mr. Lu, Mr. Mao and Shanghai Wanjia will not sell, transfer, lease or authorise any or all material assets of Shanghai Wanjia, including but not limited to intellectual property. In addition, under the Business Cooperation Agreement, PrimeVision shall have the right to obtain and review the business data, financial information and other information relevant to the operations and business of Shanghai Wanjia and its subsidiary. Pursuant to the Business Cooperation Agreement, in the event that there occur circumstances of dissolution, liquidation, bankruptcy or restructuring of PrimeVision, Shanghai Wanjia and its shareholders shall, as HK SBT so instructs, procure Shanghai Wanjia and its subsidiary to sell or otherwise dispose of the whole or part of their equity interest or assets and all the proceeds obtained therefrom shall be transferred, at nil consideration, to HK SBT or its nominee. The shareholders of Shanghai Wanjia undertake that in the event that there occurs circumstances of dissolution or liquidation of Shanghai Wanjia, all the proceeds from such dissolution or liquidation shall be transferred, at nil consideration, to PrimeVision’s or HK SBT’s nominee.

The Business Cooperation Agreement is for an indefinite term commencing from the date of the agreement (i.e. 31 January 2014), until it is terminated (i) by PrimeVision by giving a 30 days’ prior notice of termination; or (ii) upon the acquisition of the entire equity interests in, or all assets of, Shanghai Wanjia by PrimeVision pursuant to the Exclusive Option Agreement (as defined below). Shanghai Wanjia and its shareholders are not contractually entitled to terminate the Business Cooperation Agreement.

業務合作協議

帝覺、上海頑迦及其股東已訂立業務合作協議（「**業務合作協議**」）及其補充協議，據此，上海頑迦及其股東同意委任帝覺指派之人士為上海頑迦及其附屬公司之主席（倘適合）、董事／執行董事、總經理、財務總監及其他高級管理層。陸先生及毛先生連同上海頑迦亦於業務合作協議中協定，除非得到帝覺或其委託人之事先書面同意，否則陸先生、毛先生及上海頑迦將不會銷售、轉讓、租賃上海頑迦任何或全部重大資產（包括但不限於知識產權）或就此作出授權。此外，根據業務合作協議，帝覺將有權取得及審閱與上海頑迦及其附屬公司營運及業務有關的業務數據、財務資料及其他資料。根據業務合作協議，倘帝覺發生解散、清盤、破產或重組等情況，上海頑迦及其股東須按香港大事科技的指示，促使上海頑迦及其附屬公司出售或以其他方式處置該等公司全部或部分之股權或資產，並將由此所得之所得款項悉數無償轉讓予香港大事科技或其代名人。上海頑迦之股東須承諾，倘上海頑迦發生解散或清盤等情況，由該解散或清盤所得之所得款項將悉數無償轉讓予帝覺或香港大事科技之代名人。

業務合作協議並無限定年期，由協議日期（即二零一四年一月三十一日）起計，直至(i)帝覺發出30日之事先終止通知；或(ii)於帝覺根據獨家購股權協議（定義見下文）收購上海頑迦之全部股權或全部資產時予以終止為止。上海頑迦及其股東無權終止業務合作協議。

Appropriate arrangements have been made to protect Something Big's interest in the event of the death, bankruptcy or divorce of the registered shareholders of Shanghai Wanjia to avoid any practical difficulties in enforcing the Contractual Arrangements. Under the Business Cooperation Agreement, Mr. Lu and Mr. Mao warrant to PrimeVision that appropriate arrangements will be made to protect PrimeVision's interests in the event of their death, loss of civil capacity, bankruptcy or divorce to avoid any practical difficulties in enforcing the Business Cooperation Agreement. In this regard, the spouse of each of the registered shareholders of Shanghai Wanjia has executed an irrevocable undertaking on 5 June 2014, whereby the spouses expressly and irrevocably acknowledged that, among other things, they would not claim any rights including but not limited to communal property interests in the equity interests held by the shareholders of Shanghai Wanjia, would assume all the responsibilities and obligations under the Contractual Arrangements whenever they get the equity interests in Shanghai Wanjia as a result of any reason and would not take any actions or launch any suits in conflicts with the purposes of the Contractual Arrangements.

Exclusive Option Agreement

PrimeVision, Mr. Mao, Mr. Lu and Shanghai Wanjia entered into an exclusive option agreement (the "**Exclusive Option Agreement**") and its supplemental agreement, pursuant to which Mr. Mao and Mr. Lu irrevocably grant to PrimeVision or the person as designated by PrimeVision exclusive options to purchase, to the extent permitted by PRC laws and regulations, their equity interests in Shanghai Wanjia, entirely or partially, at an aggregate consideration of RMB1 for each option or a minimum purchase price permitted by PRC laws and regulations. In addition, pursuant to the Exclusive Option Agreement, Mr. Mao, Mr. Lu and Shanghai Wanjia irrevocably granted to PrimeVision or the person as designated by PrimeVision, exclusive options to acquire, to the extent permitted by PRC laws and regulations, all or part of the assets of Shanghai Wanjia which include intellectual property at an aggregate consideration of RMB1 for each option or a minimum purchase price permitted under PRC laws and regulations. PrimeVision may exercise such options at any time until it or person designated by it has acquired all equity interests or assets of Shanghai Wanjia or unilaterally terminated the Exclusive Option Agreement by giving 30 days' prior notice, subject to the applicable PRC laws and regulations.

現已作出適當安排，以在上海頑迦之登記股東身故、破產或離婚之情況下，保障大事科技之利益，避免在執行合約安排時遇上任何實質困難。根據業務合作協議，陸先生及毛先生亦向帝覺保證，將作出適當安排，以在彼等身故、失去民事行為能力、破產或離婚之情況下，保障帝覺之利益，避免在執行業務合作協議時遇上任何實質困難。就此，上海頑迦各登記股東之配偶於二零一四年六月五日簽署不可撤銷承諾，據此，配偶明確及不可撤銷地確認（其中包括），彼等不會申索任何權利，包括但不限於上海頑迦股東持有之股權涉及的共有財產權益，並會於彼等因任何原因取得上海頑迦之股權時承擔合約安排下的一切責任及義務，且不會採取或提出與合約安排有衝突的任何行動或訴訟。

獨家購股權協議

帝覺、毛先生、陸先生及上海頑迦訂立獨家購股權協議（「**獨家購股權協議**」）及其補充協議，據此，毛先生及陸先生不可撤回地向帝覺或帝覺所指定之人士授出獨家購股權，以購買（以中國法律及法規許可的數量為限）彼等於上海頑迦之全部或部分股權，總代價為每份購股權人民幣1元或中國法律及法規許可之購買價下限。此外，根據獨家購股權協議，毛先生、陸先生及上海頑迦不可撤回地向帝覺或帝覺所指定之人士授出獨家購股權，以購買（以中國法律及法規許可的數量為限）上海頑迦全部或部分資產，包括知識產權，總代價為每份購股權人民幣1元或中國法律及法規許可之購買價下限。帝覺可能隨時行使有關購股權，直至其或其指定之人士已收購上海頑迦全部股權或資產或透過發出30日的事先通知，單方面終止獨家購股權協議為止，惟須根據適用中國法律及法規進行。

In addition, Mr. Lu and Mr. Mao may not (i) dispose of or procure senior management of Shanghai Wanjia to dispose of any material assets of Shanghai Wanjia without prior written consent from PrimeVision, or (ii) pass or approve any resolution with respect to the liquidation and dissolution of Shanghai Wanjia. Based on this, the Contractual Arrangements encompass dealing with the assets of Shanghai Group, and not only the right to manage its business and the right to revenue. This is to ensure that the liquidator, acting on the Contractual Arrangements, can seize the assets of Shanghai Group in a winding up situation for the benefit of the shareholders and creditors of PrimeVision.

The Exclusive Option Agreement is for an indefinite term commencing from the date of the agreement (i.e. 31 January 2014), until it is terminated (i) by PrimeVision by giving a 30 days' prior notice of termination; or (ii) upon the acquisition of the entire equity interests or all assets of, Shanghai Wanjia by PrimeVision or person designated by it pursuant to the Exclusive Option Agreement. Shanghai Wanjia and its shareholders are not contractually entitled to terminate the Exclusive Option Agreement. In addition, Mr. Mao and Mr. Lu undertake under the Exclusive Option Agreement that they will return to PrimeVision or the person as designated by PrimeVision or HK SBT any proceeds, which exceed the aggregate consideration of RMB1 as agreed under the Exclusive Option Agreement, they will receive upon the exercise of the aforesaid exclusive options.

此外，陸先生及毛先生不得：(i)在未事先獲得帝覺之書面同意前，出售或促使上海頑迦高級管理層出售上海頑迦任何重大資產；或(ii)通過或批准任何有關上海頑迦清盤及解散之決議案。有見及此，合約安排涵蓋上海集團資產之處理方式，而不僅限於管理其業務及獲取收益之權利。此舉確保清盤人（為合約安排行事）可在清盤情況下，為帝覺之股東及債權人之利益，取得上海集團之資產。

獨家購股權協議並無定期限，由協議日期（即二零一四年一月三十一日）起計，直至(i)帝覺發出30日之事先終止通知；或(ii)於帝覺或其指定之人士根據獨家購股權協議收購上海頑迦之全部股權或上海頑迦之全部資產時予以終止為止。根據合約規定，上海頑迦及其股東無權終止獨家購股權協議。此外，毛先生及陸先生根據獨家購股權協議承諾，彼等將按獨家購股權協議之協定，向帝覺或帝覺或香港大事科技指定之人士退還彼等將於上述獨家購股權獲行使後，收取的任何超出總代價人民幣1元之所得款項。

Equity Pledge Agreement

PrimeVision, Mr. Mao, Mr. Lu and Shanghai Wanjia entered into an equity pledge agreement and its supplemental agreement (collectively, the “**Equity Pledge Agreement**”), pursuant to which Mr. Mao and Mr. Lu shall pledge all of their respective equity interests in Shanghai Wanjia to PrimeVision to secure the performance of all of their obligations and the obligations of Shanghai Wanjia under the Contractual Arrangements. Pursuant to the Equity Pledge Agreement, PrimeVision has a first priority pledge on all or any part of the equity interests in Shanghai Wanjia held by Mr. Lu and Mr. Mao. Under the Equity Pledge Agreement, if Mr. Mao and/or Mr. Lu and/or Shanghai Wanjia breach any obligation under the Contractual Arrangements, PrimeVision, as the pledgee, is entitled to request Mr. Mao and/or Mr. Lu to transfer the pledged equity interests, entirely or partially to PrimeVision and/or any entity or person as designated by PrimeVision. In addition, pursuant to the Equity Pledge Agreement, each of Mr. Mao and Mr. Lu undertakes to PrimeVision, among other things, not to transfer the interest in his respective equity interests in Shanghai Wanjia and not to create any pledge thereon without PrimeVision’s prior written consent.

The Equity Pledge Agreement is for an indefinite term commencing on the date of the agreement (i.e. 31 January 2014), until (i) all the relevant obligations under the Contractual Arrangements have been fulfilled; (ii) all the relevant debts under the Contractual Arrangements have been settled; or (iii) it is terminated by PrimeVision by giving a 30 days’ prior notice of termination. Shanghai Wanjia and its shareholders are not contractually entitled to terminate the Equity Pledge Agreement.

股權質押協議

帝覺、毛先生、陸先生及上海頑迦已訂立股權質押協議及其補充協議（統稱「**股權質押協議**」），據此，毛先生及陸先生須將彼等各自於上海頑迦之股權全部抵押予帝覺，以保證彼等將根據合約安排全面履行其責任及上海頑迦的責任。根據股權質押協議，帝覺就陸先生及毛先生所持有全部或任何部分上海頑迦股權之抵押擁有優先權。根據股權質押協議，倘毛先生及／或陸先生及／或上海頑迦違反任何合約安排下的責任，帝覺（為承押人）有權要求毛先生及／或陸先生轉讓全部或部分抵押股權予帝覺及／或帝覺指定之任何實體或個人。此外，根據股權質押協議，毛先生及陸先生各自向帝覺承諾，（其中包括）不會轉讓彼等各自於上海頑迦之股權，亦不會未經帝覺事先書面同意就此作出任何抵押。

股權質押協議並無限定年期，由協議日期（即二零一四年一月三十一日）起計，直至(i)合約安排項下之所有相關責任已告達成；(ii)合約安排項下之所有相關債務已獲結付；或(iii)帝覺發出30日之事先終止通知予以終止為止。根據合約規定，上海頑迦及其股東無權終止股權質押協議。

Power of Attorney

Mr. Lu and Mr. Mao has severally issued a power of attorney to PrimeVision, pursuant to which they irrevocably authorise PrimeVision to exercise all of their rights and powers as shareholders of Shanghai Wanjia, including (i) the rights to attend shareholders' meeting; (ii) the rights to exercise voting rights in a shareholders' meeting; (iii) the rights to convene extraordinary shareholders' meeting; (iv) the rights to sign minutes or resolutions of shareholders' meetings or other legal documents; (v) the rights to instruct directors or the legal representative of Shanghai Wanjia to act in accordance with all instructions of PrimeVision; (vi) the rights to file documents with relevant governmental authorities or regulatory bodies; and (vii) other shareholders' rights and voting rights under the articles of association of Shanghai Wanjia.

Spousal Consent

Each of the spouse of Mr. Lu and Mr. Mao has issued a spousal consent to PrimeVision and HK SBT, pursuant to which they irrevocably promised that they will observe the Contractual Arrangements in any case if they obtain any of the equity interests of Shanghai Wanjia or Shanghai SBT as a result of any reason and make best effort to ensure the obligations of Shanghai Wanjia and Shanghai SBT under the Contractual Arrangements will be observed.

2. Revenue and assets subject to the Contractual Arrangements

The revenue attributable to Shanghai Group (i.e. the Contractual Arrangements) amounted to approximately RMB911,000 for the year ended 31 December 2019. The total assets and net assets attributable to Shanghai Group (i.e. the Contractual Arrangements) amounted to approximately RMB27,065,000 and RMB17,620,000 respectively for the year ended 31 December 2019. As Something Big is an associate of the Company, the revenue and assets of the Shanghai Group have not been consolidated into the financial results of the Group for the year under review.

授權書

陸先生及毛先生已各自向帝覺發出授權書，據此，彼等不可撤回地授權帝覺行使其作為上海頑迦股東的一切權利及權力，包括(i)出席股東大會的權利；(ii)於股東大會上行使投票權的權利；(iii)召開股東特別大會的權利；(iv)簽署股東大會的會議記錄或決議案或其他法律文件的權利；(v)指示上海頑迦的董事或法定代表遵照帝覺的所有指令行事的權利；(vi)向相關政府機關或監管機構呈交文件的權利；及(vii)上海頑迦組織章程細則項下的其他股東權利及投票權。

配偶同意書

陸先生及毛先生各自之配偶已向帝覺及香港大事科技發出配偶同意書，據此，彼等不可撤回地承諾，倘彼等由於任何原因而獲得上海頑迦或上海顛視任何股權，彼等將在任何情況下遵守合約安排，並將盡力確保遵守上海頑迦及上海顛視於合約安排項下之責任。

2. 合約安排涉及之收入及資產

截至二零一九年十二月三十一日止年度，上海集團應佔之收益（即合約安排）約為人民幣911,000元。上海集團截至二零一九年十二月三十一日止年度應佔之資產總值及資產淨值（即合約安排）分別約為人民幣27,065,000元及人民幣17,620,000元。由於大事科技為本公司之聯營公司，故上海集團之收益及資產並無綜合計入本集團於回顧年度之財務業績。

3. Risks relating to the Contractual Arrangements

The PRC government may determine that corporate structure of the Something Big Group or the Contractual Arrangements are not in compliance with any existing or future applicable PRC laws or regulations.

If the PRC government finds that the agreements that establish the structure for operating the mobile-online game businesses of the Something Big Group in the PRC do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Something Big Group could be subject to severe consequences, including nullification of the Contractual Arrangements and relinquishment of PrimeVision's interests in Shanghai Wanjia.

Shanghai Wanjia is principally engaged in development, distribution, and operation of mobile-online games. Under the current PRC regulatory circumstances, PrimeVision as a wholly foreign owned enterprise would not be able to obtain the relevant business license(s) of such businesses and thus would be unable to provide the Internet culture business and mobile game publication in PRC directly. In compliance with the relevant laws, any direct or indirect acquisition by PrimeVision of the equity interests in Shanghai Wanjia would constitute a foreign investment in the value-added telecommunications industry in the PRC and would render PrimeVision or the acquired entity ineligible to obtain the business license(s).

The Contractual Arrangements enable PrimeVision to have substantial control of Shanghai Wanjia, under which all economic benefits and risks arising from the business, financial and operating activities of Shanghai Wanjia are transferred to PrimeVision by means of technical consulting services fees, and thus are fundamental to the Something Big Group's legal structure and business operations.

3. 與合約安排有關的風險

中國政府可能將大事科技集團公司架構或合約安排釐定為違反任何現有或未來適用中國法律或法規。

倘中國政府認定建立大事科技集團在中國經營移動網絡遊戲業務的架構的協議並不符合適用的中國法律及法規，或倘該等法規或其詮釋日後出現變動，大事科技集團可能會遭受嚴重後果，包括合約安排的廢除及放棄帝覺於上海頑迦的權益。

上海頑迦主要從事開發、分銷及營運流動網上遊戲。根據目前中國監管狀況，帝覺作為外商獨資企業將無法取得有關業務的相關營業執照，因此將無法在中國直接提供互聯網文化業務及經營流動遊戲發行業務。遵照相關法律，任何帝覺直接或間接收購上海頑迦之股權將構成外商於中國投資增值電信行業，並將令帝覺或所收購實體不符合資格取得營業執照。

合約安排使帝覺能於上海頑迦擁有重大控制權，據此上海頑迦業務、財務及經營活動所產生的所有經濟利益及風險亦會透過技術諮詢服務費轉移至帝覺，因此對大事科技集團的法律架構及業務營運十分重要。

On 13 July 2006, the MIIT issued the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value added Telecommunications Business (關於加強外商投資經營增值電信業務管理的通知) (“**MIIT Notice**”), which reiterated restrictions on foreign investment in telecommunications businesses. Under the MIIT Notice, a domestic company that holds an ICP License is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors to provide ICP services illegally in the PRC. Due to a lack of interpretative materials from the authorities, it cannot be assured that the MIIT will not consider the corporate structure of the Something Big Group and the Contractual Arrangements as a kind of foreign investment in telecommunication services, in which case the Something Big Group may be found in violation of the MIIT Notice.

Pursuant to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2019) (《外商投資准入特別管理措施(負面清單)(2019年版)》) jointly issued by the MOFCOM and the National Development and Reform Commission of the PRC, the Internet culture business falls within the category of industries prohibiting foreign investment. On 15 December 2017, the MOC issued the revised Interim Provisions on the Administration of Internet Culture (《互聯網文化管理暫行規定》) (“**Internet Culture Interim Provisions**”), effective on the same date. According to the Internet Culture Interim Provisions, “**Internet cultural products**” are defined as including the online games specially produced for the Internet and games reproduced or provided through the Internet. Provision of Internet cultural products and related services is subject to the approval of the MOC or its provincial counterpart. The MOC issued the Circular on Implementation of the Newly Revised Interim Provisions on the Administration of Internet Culture (《關於實施新修訂〈互聯網文化管理暫行規定〉的通知》) on 18 March 2011, which provides that the authorities will temporarily not accept applications by foreign invested Internet content providers for operation of Internet culture business (other than online music business).

於二零零六年七月十三日，工信部發出《關於加強外商投資經營增值電信業務管理的通知》(「**工信部通知**」)，重申對外商投資電信業務的限制。根據工信部通知，持有ICP許可證的內資公司被禁止以任何形式向外國投資者租賃、轉讓或出售許可證，及向外國投資者提供任何支援(包括提供資源、場地或基礎設施)以在中國非法提供互聯網內容供應商服務。由於缺乏有關部門提供的解釋資料，無法保證工信部不會將大事科技集團的公司架構及合約安排視為一類外商投資電信服務，在此情況下，大事科技集團可能被視為違反工信部通知。

根據商務部及國家發展和改革委員會共同頒佈的《外商投資准入特別管理措施(負面清單)(2019年版)》，互聯網文化業務屬禁止外商投資的行業類別。於二零一七年十二月十五日，文化部發佈於同日生效的經修訂《互聯網文化管理暫行規定》(「**互聯網文化暫行規定**」)。根據互聯網文化暫行規定，「**互聯網文化產品**」界定為包括專門為互聯網而生產的網絡遊戲及通過互聯網複製或提供的遊戲。提供互聯網文化產品及其相關服務須經文化部或其省級管理機構的批准。文化部於二零一一年三月十八日發佈《關於實施新修訂〈互聯網文化管理暫行規定〉的通知》，規定暫不受理外商投資互聯網內容提供商申請從事互聯網文化活動(網絡音樂業務除外)。

Something Big is a Cayman Islands company and its wholly-owned PRC subsidiary, PrimeVision is considered as a wholly foreign-invested enterprise. As stated above, the PRC government restricts foreign investment in telecommunications and online cultural businesses. Due to these restrictions, Something Big conducts its operations in the PRC through Shanghai Wanjia. Although Something Big does not have any equity interest in Shanghai Wanjia, Something Big is able to, through PrimeVision, exercise effective control over Shanghai Wanjia and its subsidiary, Shanghai SBT, and receive all of the economic benefits of its operations through the Contractual Arrangements with Shanghai Wanjia and its shareholders.

On 28 September 2009, the General Administration of Press and Publication of the PRC (中華人民共和國新聞出版總署), currently known as the National Radio and Television Administration (國家廣播電視總局) (“GAPP”), the National Copyright Administration of the PRC (中華人民共和國國家版權局) (“NCA”) and the National Office of Combating Pornography and Illegal Publications (國家掃黃打非辦公室) jointly published the Notice Regarding the Consistent Implementation of the Stipulations on Three Provisions of the State Council and the Relevant Interpretation of the State Commission Office for Public Sector Reform and the Further Strengthening of the Administration of Pre-examination and Approval of Internet Games and the Examination and Approval of Imported Internet Games (《關於貫徹落實國務院〈「三定」〉規定和中央編辦有關解釋，進一步加強網絡遊戲前置審批和進口網絡遊戲審批管理的通知》) (“GAPP Notice 13”). The GAPP Notice 13 prohibits foreign investors from participating in online game operating businesses through foreign-invested enterprises in the PRC, and from controlling and participating in such businesses of domestic companies indirectly through other forms of joint ventures or contractual or technical support arrangements. As no detailed interpretation of the GAPP Notice 13 has been issued to date, it is not clear how the GAPP Notice 13 will be implemented. Furthermore, as some other primary government regulators, such as the MOFCOM, the MOC and the MIIT, did not join the GAPP in issuing the GAPP Notice 13, the scope of the implementation and enforcement of the GAPP Notice 13 remains uncertain.

大事科技為開曼群島公司，其中國全資附屬公司帝覺被視為一家外商獨資企業。如上文所述，中國政府限制外商投資電信及網絡文化業務。由於該等限制，大事科技透過旗下上海頑迦在中國經營業務。儘管大事科技並無於上海頑迦擁有任何股權，但大事科技能夠透過帝覺對上海頑迦及其附屬公司上海顛視行使實際控制權，並透過與上海頑迦及其股東的合約安排收取其業務的全部經濟利益。

於二零零九年九月二十八日，中華人民共和國新聞出版總署（現稱為國家廣播電視總局）（「新聞出版總署」）、中華人民共和國國家版權局（「國家版權局」）及國家掃黃打非辦公室聯合刊發《關於貫徹落實國務院〈「三定」〉規定和中央編辦有關解釋，進一步加強網絡遊戲前置審批和進口網絡遊戲審批管理的通知》（「新聞出版總署通知第13條」）。新聞出版總署通知第13條禁止外國投資者透過中國的外商投資企業參與網絡遊戲經營業務，透過合營企業或合約或技術支援安排等其他形式間接控制及參與國內公司的有關業務。由於至今並無刊發新聞出版總署通知第13條的詳細解釋，新聞出版總署通知第13條的實施方式並不清晰。此外，由於部分其他主要政府監管部門（如商務部、文化部及工信部）並無參與新聞出版總署刊發的新聞出版總署通知第13條，新聞出版總署通知第13條的實施及強制執行的範圍仍未確定。

In or around September 2011, various media sources reported that the China Securities Regulatory Commission (中華人民共和國證券監督管理委員會) (“CSRC”) had prepared a report proposing regulating the use of the variable interest equity (“VIE”) structures, such as that of Something Big, in industry sectors subject to foreign investment restrictions in the PRC and overseas listings by China-based companies. However, it is unclear whether the CSRC officially issued or submitted such a report to a higher-level government authority or what any such report provides, or whether any new PRC laws or regulations relating to VIE structures will be adopted or if adopted, what they would provide.

In addition, several articles, including an article published in early June 2013 on The New York Times and another one on The Economic Observer (經濟觀察報), reported discussions that a recent PRC Supreme Court decision and two VIE structure-related arbitration decisions in Shanghai had cast doubt on the validity of the contractual arrangements for a VIE structure. According to these articles, the PRC Supreme Court ruled in late 2012 that an entrustment agreement entered into by and between a Hong Kong company and a PRC domestic entity, which was purported to enable such Hong Kong company to make equity investment in a PRC bank through the proxy PRC domestic entity, was void on the ground that this agreement established an entrustment relationship meant to circumvent the PRC laws and regulations that prohibit foreign investment in PRC financial institutions and as such, constituted an act of concealing illegal intentions with a legitimated form. These articles argued that as the contractual arrangement in a VIE structure and the entrustment agreement in the cited case were similar in that the contractual arrangements in the VIE structure were also designed to “get around” the regulatory restrictions on foreign investment in certain industries. As such, the articles noted that this Supreme Court decision might increase the uncertainties relating to the PRC government’s view on the validity of the contractual arrangements used in a VIE structure. These articles also reported, without providing sufficient details, two arbitration decisions by the then Shanghai CIETAC which invalidated the contractual arrangements used in a VIE structure in 2010 and 2011.

於二零一一年九月或前後，多家媒體資源報導，中華人民共和國證券監督管理委員會（「中國證監會」）已編製一份監管須受中國外商投資限制及中國公司的海外上市所規限行業內使用可變利益實體（「可變利益實體」）架構（如大事科技的架構）的報告。然而，中國證監會是否官方發出或向上級政府部門提交有關報告或有關報告提供的內容或是否會採用任何與可變利益實體架構有關的中國新法律或法規，或如採用，新法律或法規的內容並不清晰。

此外，多份報章（包括《紐約時報》於二零一三年六月初刊登的一篇文章及於《經濟觀察報》刊登的另一篇文章）報導中國最高人民法院近期的決定以及上海兩宗有關可變利益實體架構的仲裁決定導致可變利益實體架構合約安排的有效性成疑的討論。根據該等文章，中國最高人民法院於二零一二年底裁定由一間香港公司與一間中國內地實體兩者之間訂立的代表委任協議（本意是使有關香港公司透過有關中國內地實體代理於中國的銀行作出股本投資）為無效，理由為該協議確立委託關係，意圖規避禁止外國投資於中國金融機構的中國法律法規以及構成以合法形式隱瞞非法意圖的行為。該等文章爭辯可變利益實體架構的合約安排及上述代表委任協議與有關相關協議類似為「規避」對外商投資若干行業的監管限制而制定的可變利益實體架構合約安排。因此，該等文章提出最高人民法院的決定可能增加中國政府對可變利益實體架構所用的合約安排的有效性的觀點的不確定性。該等文章（並無提供足夠詳情）亦報導其時上海經貿仲裁委員會所作的兩個仲裁決定，於二零一零年及二零一一年使可變利益實體架構所用的合約安排無效。

It cannot be assured that the PRC government or judicial authorities would agree that the corporate structure of the Something Big Group or the Contractual Arrangements comply with PRC licensing, registration, other regulatory requirements or policies that may be adopted in the future. If the PRC government or judicial authorities determines that the Something Big Group does not comply with applicable laws and regulations, it could have broad discretion in dealing with such incompliance, including:

1. requiring the nullification of the Contractual Arrangements;
2. levying fines and/or confiscating the proceeds generated from the operations under the Contractual Arrangements;
3. revocation of the business licenses or operating licenses of Shanghai Wanjia and/or PrimeVision;
4. discontinuing or placing restrictions or onerous conditions on the business operations of Shanghai Wanjia and/or PrimeVision;
5. imposing conditions or requirements which the Something Big Group may not be able to comply with or satisfy;
6. requiring the Something Big Group to undergo a costly and disruptive restructuring; and
7. taking other regulatory or enforcement actions that could be harmful to or even shut down the business of the Something Big Group.

The imposition of any of the above-mentioned consequences could result in a material and adverse effect on the Something Big Group's ability to conduct its business. In addition, if the imposition of any of these consequences causes PrimeVision to lose the rights to direct the activities of Shanghai Wanjia or its right to receive economic benefits of Shanghai Wanjia, Something Big would no longer be able to consolidate the financial results of Shanghai Wanjia and thus would affect the financial results of Something Big as well as the Group's investment in Something Big.

無法保證中國政府或司法機關將同意大事科技集團之公司架構或合約安排符合中國許可、登記、其他監管規定或日後可能採用的政策。倘中國政府或司法機關確定大事科技集團違反適用法律及法規，其可酌情處理有關不合規，包括：

1. 要求取消合約安排；
2. 徵收罰款及／或沒收根據合約安排經營產生的所得款項；
3. 吊銷上海頑迦及／或帝覺的營業執照或經營許可證；
4. 終止或限制上海頑迦及／或帝覺的業務經營或對其實施苛刻條件；
5. 施加大事科技集團可能不能夠遵守或達成的條件或規定；
6. 要求大事科技集團進行花費巨大及擾亂經營的重組；及
7. 採取其他可能造成損害或甚至關閉大事科技集團業務的監管或強制性行動。

施加任何上述後果均可能對大事科技集團經營業務的能力產生重大不利影響。此外，倘施加任何該等後果導致帝覺失去指導上海頑迦業務的權利或收取上海頑迦經濟利益的權利，大事科技將不再能夠合併上海頑迦的財務業績，因而將影響大事科技之財務業績及本集團對大事科技之投資。

Substantial uncertainties exist with respect to the enactment timetable, interpretation and implementation of the draft PRC Foreign Investment Law and how it may impact the viability of the current corporate structure of the Shanghai Group, and its corporate governance, business operations and financial results.

The Ministry of Commerce, or the MOFCOM, published a discussion draft of the proposed Foreign Investment Law in January 2015 aiming to, upon its enactment, replace the trio of existing laws regulating foreign investment in the PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The draft Foreign Investment Law embodies an expected PRC regulatory trend to rationalise its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. While the MOFCOM has solicited comments on this draft earlier in 2015, substantial uncertainties exist with respect to its enactment timetable, interpretation and implementation. The draft Foreign Investment Law, if enacted as proposed, may materially impact the entire legal framework regulating the foreign investments in the PRC and may also impact the viability of the current corporate structure of the Shanghai Group, and its corporate governance, business operations and financial results to some extent.

《中國外國投資法草案》之頒佈時間表、詮釋及實施，以及其可能如何影響上海集團現時的公司架構可行性、及其企業管治、業務營運及財務業績均存在重大不明朗因素。

商務部於二零一五年一月公佈《外國投資法(草案徵求意見稿)》，藉此在頒佈後取代規管外商於中國投資的三部現行法例，即《中外合資經營企業法》、《中外合作經營企業法》及《外資企業法》以及其實施條例及補充條例。《外國投資法草案》體現預計的中國監管趨勢乃完善其外商投資規管制度，使之符合當前國際慣例及立法措施，統一內外資的公司法律法規。商務部於二零一五年年初時曾就草案公開徵求意見，故其頒佈時間表、詮釋及實施仍存在重大不明朗因素。《外國投資法草案》一旦頒佈，可能對中國規管外商投資的整個法律框架造成重大影響，在某程度上亦可能影響上海集團現時的公司架構的可行性及其企業管治、業務營運及財務業績。

Among other things, the draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of “actual control” in determining whether a company is considered a foreign invested enterprise (a “FIE”). The draft Foreign Investment Law specifically provides that entities established in the PRC but “controlled” by foreign investors will be treated as FIEs, whereas an entity set up in a foreign jurisdiction would nonetheless be, upon market entry clearance by the MOFCOM, treated as a PRC domestic investor provided that the entity is “controlled” by PRC entities and/or citizens. In this connection, “control” is broadly defined in the draft law to cover any of the following summarised categories (i) holding 50% or more of the voting rights or similar equity interest of the subject entity; (ii) holding less than 50% of the voting rights or similar equity interest of the subject entity but having the power to secure at least 50% of the seats on the board or other equivalent decision making bodies, or having the voting power to material influence on the board, the shareholders’ meeting or other equivalent decision making bodies; or (iii) having the power to exert decisive influence, via contractual or trust arrangements, over the subject entity’s operations, financial matters or other key aspects of business operations. Once an entity is determined to be an FIE, and its investment amount exceeds certain thresholds or its business operation falls within a “negative list” to be separately issued by the State Council in the future, market entry clearance by the MOFCOM or its local counterparts would be required. Otherwise, all foreign investors may make investments on the same terms as Chinese investors without being subject to additional approval from the government authorities as mandated by the existing foreign investment legal regime.

此外，《外國投資法草案》擴闊外商投資的定義，並就釐定公司是否被視為外資企業（「外資企業」）引入「實際控制」原則。《外國投資法草案》特別規定於中國成立但由外國投資者「控制」的實體將被視作外資企業，而於境外司法權區成立的實體在獲得商務部的市場准入許可後，被視為中國境內投資者，惟前提是該實體由中國實體及／或居民「控制」。就此，「控制權」在草案中具有廣泛的定義，並涵蓋任何下列概述類別：(i) 持有目標實體50%或以上表決權或類似股權；(ii) 持有目標實體少於50%表決權或類似股權但擁有權力可取得董事會或其他同等決策團體最少50%議席，或擁有對董事會、股東大會或其他同等決策團體構成重大影響力的表決權；或(iii) 擁有權力可透過合約或信託安排對目標實體的營運、財務事宜或其他主要業務營運方面施加決定性影響。實體一旦被釐定為外資企業，而其投資額超出若干門檻或其業務營運符合國務院日後另行公佈的「負面清單」範圍，則須獲得商務部或其地方機構之市場准入許可。除此以外，所有外國投資者可按與中國投資者相同的條款進行投資，而毋須取得現有外商投資法律制度所規定的政府部門的額外審批。

The “variable interest entity” structure, or VIE structure, has been adopted by many PRC-based companies, including Shanghai Wanjia, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in the PRC. Under the draft Foreign Investment Law, variable interest entities that are controlled via contractual arrangements would also be deemed as FIEs, if they are ultimately “controlled” by foreign investors. Therefore, for any companies with a VIE structure in an industry category that is on the “negative list”, the existing VIE structure may be deemed legitimate only if the ultimate controlling person(s) is/are of PRC nationality (either PRC state owned enterprises or agencies, or PRC citizens). Conversely, if the actual controlling person(s) is/are of foreign nationalities, then the variable interest entities will be treated as FIEs and any operation in the industry category on the “negative list” without market entry clearance may be considered as illegal.

The draft Foreign Investment Law has not taken a position on what will happen to the existing companies with a VIE structure, although a few possible options were proffered at the comment solicitation stage. Under these options, a company with VIE structures and in the business on the “negative list” at the time of enactment of the new Foreign Investment Law has either the option or the obligation to disclose its corporate structure to the authorities, while the authorities, after reviewing the ultimate control structure of the company, may either permit the company to continue its business by maintaining the VIE structure (when the company is deemed ultimately controlled by PRC citizens), or require the company to dispose of its businesses and/or VIE structure based on circumstantial considerations. Moreover, it is uncertain whether the current businesses that Shanghai Group operates or plans to operate through Shanghai Wanjia and Shanghai SBT, will be subject to the foreign investment restrictions or prohibitions set forth in the “negative list” to be issued. If the enacted version of the Foreign Investment Law and the final “negative list” mandate further actions, such as the MOFCOM market entry clearance, to be completed by companies with existing VIE structure like the Shanghai Group, the Shanghai Group face uncertainties as to whether such clearance can be timely obtained, or at all. Furthermore, it cannot be assured that Shanghai Wanjia and Shanghai SBT will still be controlled. If such corporate structure is required to be changed, further actions required to be taken by the Shanghai Group under the enacted Foreign Investment Law may materially and adversely affect the business and financial condition of the Shanghai Group.

「可變利益實體」架構已獲多間中國公司（包括上海頑迦）採納，以取得目前受限於中國外商投資限制的行業所需的必要牌照及許可。根據《外國投資法草案》，可透過合約安排控制的可變利益實體如最終由外國投資者「控制」，亦將被視為外資企業。因此，就任何屬於「負面清單」上所列行業之可變利益實體架構的公司，現有可變利益實體架構可能僅在最終控制人士為由中國居民（即中國國企或代理或中國居民）的情況下方被視為合法。反之，倘實際控制人士為外藉居民，則可變利益實體將被視為外資企業，而在並無獲得市場准入許可的情況下經營「負面清單」上所列任何行業類別可能被視為違法。

《外國投資法草案》未有列明擁有可變利益實體架構的現有公司將出現的變動，雖然在徵求意見階段已提出少數可能的選擇。根據該等選擇，擁有可變利益實體架構且於新《外國投資法》頒佈時正在經營「負面清單」上的業務的公司可選擇或必須向有關部門披露其公司架構，而有關部門在審閱該公司的最終控制權架構後，可允許該公司透過維持可變利益實體架構（在該公司被視為由中國居民最終控制時）繼續經營業務，或要求該公司根據當時情況等考慮因素，出售其業務及／或可變利益實體架構。此外，上海集團目前透過上海頑迦及上海顛視經營或計劃經營的業務會否受限於即將頒佈的「負面清單」所載的外商投資限制或禁止尚不確定。倘《外國投資法》的頒佈版本及最終「負面清單」規定上海集團等現時擁有可變利益實體架構的公司採取進一步行動，如完成中華人民共和國商務部的市場准入許可審批，則無法確定上海集團能否及時取得有關許可或可能無法取得該許可。此外，概不保證上海頑迦及上海顛視將繼續受本公司控制。倘須改變有關公司架構，則上海集團根據已頒佈之《外國投資法》須採取的進一步行動可能對上海集團業務及財務狀況造成重大不利影響。

The draft Foreign Investment Law is a draft without any legal effect, and a number of legislative procedures have to be undergone before its promulgation and implementation. The draft Foreign Investment Law, if enacted as proposed, may also materially impact the corporate governance practice and increase the compliance costs of the Shanghai Group. For instance, the draft Foreign Investment Law imposes stringent ad hoc and periodic information reporting requirements on foreign investors and the applicable FIEs. Aside from investment implementation report and investment amendment report that are required at each investment and alteration of investment specifics, an annual report is mandatory, and large foreign investors meeting certain criteria are required to report on a quarterly basis. Any company found to be non-compliant with these information reporting obligations may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible may be subject to criminal liabilities.

In addition, on 15 March 2019, the National People's Congress published the Foreign Business Investment Law, which became effective on 1 January 2020 and replaced the trio of existing laws regulating foreign investment in the PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. On 26 December 2019, the State Council promulgated the Regulation on the Implementation of the Foreign Business Investment Law, which came into effect on 1 January 2020. The Foreign Business Investment Law does not provide for the concept of "actual control" or "control arrangements through contracts", nor does it stipulate regulations on control through contractual arrangements. Furthermore, the Foreign Business Investment Law does not specify the regulations for industries in which Shanghai Wanjia and Shanghai SBT operate.

According to the Foreign Business Investment Law, the "foreign investment" refers to investment activities carried out directly or indirectly by foreign natural persons, enterprises or other organisations ("**Foreign Investors**"), including the following: (i) Foreign Investors establishing foreign-invested enterprises in the PRC alone or collectively with other investors; (ii) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (iii) Foreign Investors investing in new projects in the PRC alone or collectively with other investors; and (iv) Foreign Investors investing through other methods prescribed by laws and regulations or the State Council.

《外國投資法草案》尚未生效，在頒佈和實施前需要經過一系列立法程序。《外國投資法草案》一經頒佈，亦可能對上海集團的企業管治常規造成重大影響，及增加其合規成本。例如，《外國投資法草案》就外國投資者及適用外資企業施加嚴格的特定及定期資料申報規定。除須對每項投資及投資詳情變更提交投資實施報告及投資變更報告外，亦強制規定須出具年報，而符合若干標準的大型外國投資者須每季作出報告。一經發現違反該等資料申報責任的任何公司可能被徵收罰款及／或承擔行政或刑事責任，且直接負責人士可能須承擔刑事責任。

此外，於二零一九年三月十五日，全國人民代表大會發佈《外商投資法》並於二零二零年一月一日生效，藉此取代規管外商於中國投資的三部現有法例，即《中外合資經營企業法》、《中外合作經營企業法》及《外資企業法》以及其實施條例及補充條例。於二零一九年十二月二十六日，國務院發布《外商投資法實施條例》並於二零二零年一月一日生效。《外商投資法》並無提及「實際控制」及「透過合約控制安排」等概念，亦無訂明有關透過合約安排控制的法規。此外，《外商投資法》並無具體列明上海頑迦及上海顛視營運所在行業的規則。

根據《外商投資法》，「外商投資」指外國的自然人、企業或其他組織（「**外國投資者**」）直接或間接在中國境內進行的投資活動，包括下列情形：(i) 外國投資者單獨或者與其他投資者共同在中國境內設立外商投資企業；(ii) 外國投資者取得中國境內企業的股份、股權、財產份額或者其他類似權益；(iii) 外國投資者單獨或者與其他投資者共同在中國境內投資新建項目；及(iv) 法律法規或者國務院規定的其他方式的投資。

However, it does not explicitly stipulate the Contractual Arrangements as a form of foreign investment, nor does it explicitly prohibit or restrict a foreign investor to rely on Contractual Arrangements to control the majority of its business that is subject to foreign investment restrictions or prohibitions in the PRC. Notwithstanding the above, the Foreign Business Investment Law stipulates that foreign investment includes Foreign Investors investing in the PRC through "other methods prescribed by laws and regulations or the State Council". Although the Regulation on the Implementation of the Foreign Business Investment Law does not expressly stipulate the Contractual Arrangements as a form of foreign investment, there are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard Contractual Arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the Contractual Arrangements will be handled.

PrimeVision relies on the Contractual Arrangements to control and obtain the economic benefits from Shanghai Group, the operating entities in the PRC, which may not be as effective in providing operational control as direct ownership.

Due to the PRC's legal restrictions on foreign investment in mobile-online game operators, Something Big, through PrimeVision, controls, through the Contractual Arrangements rather than equity ownership, Shanghai Group, the operating entities in the PRC and the holder of the key licenses required to operate online game business in the PRC.

However, the Contractual Arrangements may still may not be as effective in allowing PrimeVision to exercise control over Shanghai Wanjia as equity ownership. For example, Shanghai Wanjia and its shareholders could breach or fail to perform their obligations under the Contractual Arrangements. If PrimeVision had direct ownership of Shanghai Wanjia, PrimeVision would be able to exercise its rights as a shareholder to effect changes in its board of directors, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management and operational level. Under the Contractual Arrangements, PrimeVision would need to rely on its rights under the Business Cooperation Agreement, the Exclusive Technology Services and Management Consulting Agreement and the Proxy Agreement to effect such changes, or designate new shareholders to Shanghai Wanjia under the Exclusive Option Agreement.

但《外商投資法》並未明確將合約安排納入外商投資的一種形式，亦未明確禁止或限制外國投資者依賴合約安排控制其受中國外商投資限制或禁止規限的大部分業務。儘管上文有所規定，《外商投資法》規定外商投資包括外國投資者根據「法律、行政法規或者國務院規定的其他方式」於中國進行投資。儘管《外商投資法實施條例》並無明確規定合約安排為外商投資的一種形式，但未來的法律、行政法規或國務院規定的條文可能將合約安排視為一種外商投資的形式，在此種情況下，合約安排是否被視為違反外商投資準入規定及如何處理合約安排將為不確定。

帝覺依賴合約安排控制中國營運實體上海集團並從中取得經濟利益，而這在經營控制權方面未必會如直接擁有權一樣有效。

由於中國法律對外商投資移動網絡遊戲運營商進行限制，大事科技藉帝覺透過合約安排（而非透過擁有股權）控制中國營運實體上海集團（為在中國經營網絡遊戲業務所需主要牌照的持有者）。

然而，在允許帝覺對上海頑迦實行控制方面，合約安排或仍未必如擁有股權般有效。例如，上海頑迦及其股東可能違反或未能履行其於合約安排項下的責任。倘帝覺擁有上海頑迦的直接所有權，帝覺將能夠作為股東行使權利改變其董事會，從而在任何適用的受信責任的規限下在管理及營運層面作出改變。根據合約安排，帝覺需要依賴其在業務合作協議、獨家技術服務及管理諮詢協議及代表委任協議下的權利促成有關改變，或根據獨家購股權協議，為上海頑迦委派新股東。

If Shanghai Wanjia or its shareholders breach their obligations under the Contractual Arrangements or if PrimeVision loses the effective control over Shanghai Wanjia for any reason, PrimeVision would need to bring a claim against them under the terms of the Contractual Arrangements. The Contractual Arrangements are governed by the PRC law and provide that any dispute arising from these arrangements will be submitted to the Shanghai International Economic and Trade Arbitration Commission (“SIETAC”) for arbitration, the ruling of which will be final and binding. Furthermore, personal liabilities of the shareholders of Shanghai Wanjia may also subject the equity interest they hold in Shanghai Wanjia to court preservation actions or enforcement. The legal framework and system in the PRC, particularly those relating to arbitration proceedings, is not as developed as other jurisdictions such as Hong Kong or the United States. As a result, significant uncertainties relating to the enforcement of legal rights through arbitration, litigation and other legal proceedings remain in the PRC, which could limit PrimeVision’s ability to enforce the Contractual Arrangements and exert effective control over Shanghai Wanjia. If Shanghai Wanjia or any of its shareholders fails to perform its respective obligations under the Contractual Arrangements, and PrimeVision is unable to enforce the Contractual Arrangements, or suffers significant delay or there are other obstacles in the process of enforcing the Contractual Arrangements, then Something Big Group’s business and operations could be severely disrupted, which could materially and adversely affect its results of operations. As a result, the Group’s investment in Something Big could also be materially and adversely affected.

倘上海頑迦或其股東違反其於合約安排項下的責任或倘帝覺因任何理由而失去對上海頑迦的實際控制權，帝覺將需要根據合約安排的條款向彼等提出申索。合約安排受中國法律規管並規定因該等安排出現的任何糾紛將提交至上海國際經濟貿易仲裁委員會（「上海貿仲委」）進行仲裁，其裁決將為最終決定且具約束力。此外，上海頑迦股東的個人責任亦可能使彼等於上海頑迦持有的股權受到法院保護行動或強制執行所限。中國的法律框架及制度（尤其是與仲裁程序有關者）並不像香港或美國等其他司法管轄區般完善。因此，中國仍存在與透過仲裁、訴訟及其他法律程序強制執行合法權利有關的重大不確定因素，這可能會限制帝覺強制執行合約安排及對上海頑迦實行有效控制的能力。倘上海頑迦或其任何股東未能履行其各自於合約安排項下的責任，且帝覺無法強制執行合約安排，或在強制執行合約安排過程中遭受重大延誤或出現其他阻礙，則大事科技集團的業務及營運或會遭受嚴重干擾，繼而可能對其經營業績產生重大不利影響。因此，本集團於大事科技之投資亦可能遭受重大不利影響。

Pursuant to the Exclusive Option Agreement, Mr. Mao and Mr. Lu irrevocably grant to PrimeVision or the person as designated by PrimeVision exclusive options to purchase, to the extent permitted by PRC laws and regulations, their equity interests in Shanghai Wanjia, entirely or partially, at an aggregate consideration of RMB1 for each option or a minimum purchase price permitted by PRC laws and regulations. In addition, Mr. Mao and Mr. Lu undertake under the Exclusive Option Agreement that they will return to PrimeVision or the person as designated by PrimeVision or HK SBT any proceeds, which exceed the aggregate consideration of RMB1 as agreed under the Exclusive Option Agreement, they will receive upon the exercise of the aforesaid exclusive options. If the final purchase price permitted by PRC laws is substantially more than RMB1 and Mr. Mao and Mr. Lu fails to return to PrimeVision or the person as designated by PrimeVision or HK SBT any proceeds, which exceed the aggregate consideration of RMB1 as agreed under the Exclusive Option Agreement, they will receive upon the exercise of the aforesaid exclusive options, the financial conditions of PrimeVision or its subsidiaries may be materially and adversely affected. As a result, the Group's investment in Something Big could also be materially and adversely affected.

Certain terms of the Contractual Arrangements may not be enforceable under PRC laws.

The Contractual Arrangements provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the SIETAC in the PRC. The Contractual Arrangements contain provisions to the effect that the arbitral body may award remedies over the shares and/or assets of Shanghai Wanjia, injunctive relief and/or winding up of Shanghai Wanjia. In addition, the Contractual Arrangements contain provisions to the effect that courts in Hong Kong and Samoa are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal.

根據獨家購股權協議，毛先生及陸先生不可撤回地向帝覺或帝覺所指定之人士授出獨家購股權，以購買（以中國法律及法規許可的數量為限）彼等於上海頑迦之全部或部分股權，總代價為每份購股權人民幣1元或中國法律及法規許可之購買價下限。此外，毛先生及陸先生於獨家購股權協議中承諾，彼等將按獨家購股權協議之協定，向帝覺或由帝覺或香港大事科技指定之人士退還彼等將於上述獨家購股權獲行使後，收取的任何超出總代價人民幣1元之所得款項。倘中國法律許可之最終購買價遠高於人民幣1元及毛先生和陸先生未能按獨家購股權協議之協定，向帝覺或由帝覺或香港大事科技指定之人士退還彼等將於上述獨家購股權獲行使後，收取的任何超出總代價人民幣1元之所得款項，則帝覺或其附屬公司之財務狀況或會受到重大不利影響。因此，本集團於大事科技之投資亦可能受到重大不利影響。

合約安排的若干條款未必可根據中國法律強制執行。

合約安排規定，糾紛須在中國根據上海貿仲委的仲裁規則以仲裁方式解決。合約安排載有條文訂明仲裁機構可就上海頑迦的股份及／或資產予以補救、發出禁令救濟及／或頒令上海頑迦清盤。此外，合約安排載有條文訂明香港及薩摩亞的法院有權在仲裁法庭成立之前授出臨時補救措施以支持仲裁。

However, the Group has been advised by PRC legal advisor that the abovementioned provisions contained in the Contractual Arrangements may not be enforceable. Under PRC laws, an arbitral body does not have the power to grant any injunctive relief or provisional or final liquidation order to preserve the assets of or any equity interest in Shanghai Wanjia in case of disputes. Therefore, such remedies may not be available to PrimeVision, notwithstanding the relevant contractual provisions contained in the Contractual Arrangements. PRC laws allow an arbitral body to award the transfer of assets of or an equity interest in Shanghai Wanjia in favour of an aggrieved party. In the event of non-compliance with such award, enforcement measures may be sought from the court.

However, the court may or may not support the award of an arbitral body when deciding whether to take enforcement measures. Under PRC laws, courts of judicial authorities in the PRC generally would not grant injunctive relief or winding-up order against Shanghai Wanjia as interim remedies to preserve the assets or shares in favour of any aggrieved party. Even though the Contractual Arrangements provide that courts in Hong Kong and Samoa may grant and/or enforce interim remedies or in support of arbitration, such interim remedies (even if so granted by courts in Hong Kong or Samoa in favour of an aggrieved party) may not be recognised or enforced by PRC courts. As a result, in the event that Shanghai Wanjia or any of its shareholders breaches any of the Contractual Arrangements, PrimeVision may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over Shanghai Wanjia and conduct its business could be materially and adversely affected and the financial performance of Something Big could be materially and adversely affected. As a result, the Group's investment in Something Big could also be materially and adversely affected.

The Contractual Arrangements between PrimeVision and Shanghai Wanjia may be subject to the scrutiny by the PRC tax authorities and any finding that PrimeVision or Shanghai Wanjia owes additional taxes could substantially reduce the consolidated net income of Something Big and the value of the Group's investment in Something Big.

然而，本集團獲中國法律顧問告知，合約安排所載的上述條文未必可強制執行。根據中國法律，倘出現糾紛，仲裁機構無權就保障上海頑迦的資產或任何股權授出任何禁令救濟或臨時或最終清盤令。因此，儘管合約安排載有相關合約條文，帝覺未必可採用該等補救措施。中國法律允許仲裁機構向受害方作出轉讓上海頑迦的資產或股權的裁決。倘未遵循該裁決，可向法院尋求強制執行措施。

然而，法院於裁決是否採取強制執行措施時，未必會支持仲裁機構作出的裁決。根據中國法律，中國司法機關的法院一般不會就上海頑迦授出禁令救濟或發出清盤令作為臨時補救措施，以保障任何受害方的資產或股份。即使合約安排規定香港及薩摩亞的法院可授出及／或執行臨時補救措施或支持仲裁，有關臨時補救措施（即使由香港或薩摩亞的法院向受害方授出）可能不會獲中國的法院認可或強制執行。因此，倘上海頑迦或其任何股東違反任何合約安排，帝覺未必能夠及時取得足夠補救措施，其對上海頑迦實行有效控制及經營業務的能力可能會受到重大不利影響，而大事科技的財務表現亦可能受到嚴重不利影響。因此，本集團於大事科技之投資亦可能遭受重大不利影響。

帝覺與上海頑迦之間的合約安排須受中國稅務機關審查，而倘結果認定帝覺或上海頑迦需繳納額外稅款或會大幅降低大事科技的綜合淨收入及本集團於大事科技投資的價值。

Under the Contractual Arrangements among PrimeVision and Shanghai Wanjia and its equity holders, Shanghai Wanjia will transfer all of its profits to PrimeVision less any accumulated loss, working capital requirements, expenses and tax of Shanghai Wanjia, which will substantially reduce Shanghai Wanjia's taxable income. These arrangements and transactions are related-party transactions which must be conducted on an arm's length basis under the applicable PRC tax rules. In addition, under PRC laws and regulations, arrangements and transactions among related parties may generally be subject to the audit or scrutiny by the PRC tax authorities within ten years after the taxable year when the arrangements or transactions are conducted. As a result, the determination of service fees and other payments to PrimeVision by Shanghai Wanjia under the Contractual Arrangements may be challenged and deemed not to be in compliance with such tax rules. Something Big Group could face material and adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangements were not entered into on an arm's length basis and therefore adjust the taxable income of Shanghai Wanjia in the form of a transfer pricing adjustment which refers to the prices that one member of a group of an affiliated corporation charges to another member of the group for goods, assets, services, financing or the use of intellectual property. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by Shanghai Wanjia, which could in turn increase Shanghai Wanjia's tax liabilities. Any such adjustment could result in a higher overall tax liability of the Something Big Group. In addition, the PRC tax authorities may impose late payment fees and other penalties on Shanghai Wanjia for any unpaid taxes. The consolidated net income of Something Big may be materially and adversely affected if Shanghai Wanjia's tax liabilities increase or if it is subject to late payment fees or other penalties. As a result, the value of the Group's investment may be materially and adversely affected.

4. Material change

Save as disclosed above, as at the date of this Annual Report, there is no material change in the Contractual Arrangements and/or the circumstances under which they were adopted.

根據帝覺與上海頑迦及其股權持有人之間的合約安排，上海頑迦將其全部溢利（扣除上海頑迦的任何累計虧損、營運資金需求、開支及稅項）轉至帝覺，這將大幅減少上海頑迦的應課稅收入。該等安排及交易為必須根據適用中國稅務規則按公平基準進行的關聯人士交易。此外，根據中國法律及法規，關聯人士之間的安排及交易一般於進行安排或交易的應課稅年度後十年內受到中國稅務機關審計或審查。因此，上海頑迦根據合約安排向帝覺確定的服務費及其他付款可能會受到質疑並被視為違反有關稅務規則。倘中國稅務機關認定合約安排並非按公平基準訂立，因而須以轉讓定價調整（指一組聯屬企業的成員公司就貨物、資產、服務、融資或使用知識產權向另一成員公司收取的價格）形式調整上海頑迦的應課稅收入，則大事科技集團或會承受重大不利的稅務後果。就中國稅務而言，轉讓定價調整可導致（其中包括）上海頑迦錄得的開支扣減減少，繼而可能增加上海頑迦的稅項負債。任何有關調整均可能會導致大事科技集團的整體稅項負債增加。此外，中國稅務機關可能就任何未繳稅項向上海頑迦徵收滯納金及其他罰款。倘上海頑迦的稅項負債增加或倘其被徵收滯納金或其他罰款，大事科技的綜合淨收入可能會受到重大不利影響。因此，本集團之投資價值可能遭受重大不利影響。

4. 重大變動

除上述所披露者外，於本年報日期，合約安排及／或就此採用合約安排的情況概無出現重大變動。

5. Other requirements

Pursuant to the Administrative Measures on Licensing of Telecommunication Business (《電信業務經營許可管理辦法》) promulgated by the MIIT on 3 July 2017, applicants for value-added telecommunication business operation shall satisfy certain requirements, among which, the company, or its major equity owner or major business management should not be included in the list of dishonesty in telecommunication business operations. The Group, its major equity owner and major business management have not been included in the list of dishonesty in telecommunication business operations.

6. Unwinding of Contractual Arrangements

It is the intention of the Something Big Group to unwind the Contractual Arrangements when foreign investment in the development and operation of mobile-online games business is no longer restricted in the PRC.

However, as at the date of this Annual Report, there is no unwinding of any of the Contractual Arrangements or failure to unwind when the restrictions that led to the adoption of the Contractual Arrangements are removed.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group encourages environmental protection and promotes awareness towards environmental protection to its employees. The Group has adopted paperless systems and practices in its daily operations, such as human resources and procurement, as appropriate. Creating a paperless working environment not only alleviates environmental damages but also fits the commercial goals of the Group, which saves physical space, facilitates information sharing via IT networks, and reduces complicated documentation procedures for the Group. Moreover, duplex printing and copying have become the norm within the Group, greatly reducing paper consumption and saving costs. Data on printing is regularly collected and assessed, in order to monitor the efficacy of the Group's paperless environment. Details of the Group's commitments and efforts are summarised in the section headed "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT" in this Annual Report.

5. 其他規定

根據工信部於二零一七年七月三日頒佈的《電信業務經營許可管理辦法》，申請電信增值業務營運須符合若干規定：(其中包括)本公司或其主要權益擁有人或主要業務管理人員未被列入電信業務經營失信名單。本集團、其主要權益擁有人及主要經營管理人員並未被列入電信業務業務失信名單。

6. 廢除合約安排

大事科技集團有意在中國解除對外商投資開發及營運移動網絡遊戲業務的限制時廢除合約安排。

然而，於本年報日期，概無廢除任何合約安排，或於該等導致採用合約安排的限制被移除時未能廢除任何合約安排。

環境政策與表現

本集團鼓勵環保並推動其僱員提升環保意識。本集團亦於人力資源及採購(倘適用)等日常營運中，採用無紙化系統及措施。營造無紙化之工作環境可為本集團節省空間、透過資訊科技促進資訊互享及削減繁複文書程序，既能減輕對環境造成破壞，亦合乎本集團商業考慮。另外，雙面列印及複製已成為本集團之慣常做法，大大減少紙張消耗及節省成本。本集團定時收集及評估有關列印之數據，藉此監控本集團無紙化環境之成效。本集團之承擔及投入之詳情概述於本年報所載之「環境、社會及管治報告」一節。

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises that employees are valuable assets of the Group. The Group ensures all employees are reasonably remunerated, and continues to improve, regularly review and update its policies on remuneration and benefits, training, occupational health and safety. Employees are encouraged to devote their time to participate in local fund-raising activities.

The Group understands the importance of maintaining a good relationship with its suppliers, customers and business partners to meet its immediate and long-term goals. Based on the Group's business nature, most of the customers are occasional and non-routine, except for the major customer in relation to the Group's provision of IT services, which is a sizable corporate client which has over ten years of relationship with the Group. To minimise credit risk, the Group in general does not allow credit sales for individual customers. On the other hand, credit terms ranging from 30 days to 180 days are given to sizable corporate customers and major customers with long-term business relationships with the Group. The Group values the feedback from its customers and always tries to understand their needs through regular communication and business updates.

In particular, the largest customer in relation to the Group's IT services business has accounted for approximately 94.4% (2018: 90.1%) of the total revenue of the Group from the corresponding business and 80.1% (2018: 69.0%) of the total revenue of the Group during the year ended 31 December 2019. Such customer is a leading Chinese multinational networking and telecommunications equipment and services company. As at 31 December 2019, accounts receivable (comprising trade receivables and contract assets) due from such customer amounted to approximately HK\$162,432,000. As at the date of this Directors' Report, more than half of these accounts receivable have been settled. The contractual credit period agreed with such customer was generally 90 days, whereas the maximum extension of credit period was 6 months. During the year ended 31 December 2018, the Group changed its accounting policies in relation to the assessment of the recoverability of accounts receivable following the initial adoption of Hong Kong Financial Reporting Standard ("HKFRS") 9 "Financial instruments". The expected credit loss model requires an ongoing measurement of credit risk associated with a financial asset. Under this model, the Group has made a reversal of impairment of contract assets of approximately HK\$8,000; and an impairment loss of approximately HK\$383,000 (2018: HK\$133,000) on accounts receivables, loan and interest receivables for the year ended 31 December 2019. In consideration of the size and reputation of the major customer as well as its sound payment history, the Board considers that there is a low risk in accounts receivables, loan and interest receivables recoverability. The Board is satisfied with the subsequent settlement of this major customer and is of the view that its credit quality has not deteriorated.

與權益持有人之關係

本集團認識到員工是本集團之寶貴財富。本集團確保給予全體僱員合理待遇，不斷完善及定期檢討和更新其薪酬福利、培訓、職業健康與安全政策。本集團鼓勵僱員投放彼等時間參與地方籌款活動。

本集團了解與其供應商、客戶及業務夥伴保持良好關係對達到其短期及長期目標之重要性。根據本集團業務性質，除本集團提供資訊科技服務之主要客戶為與本集團有著逾十年客戶關係之大型企業客戶之外，其餘大部分客戶乃非經常性及非固定客戶。為減低信貸風險，本集團一般不會允許個別客戶進行除銷。另一方面，本集團會向與本集團有著長期業務關係之大型企業客戶及主要客戶授予30日至180日之信貸期。本集團重視其顧客之反饋意見，並總是試著透過定期溝通及更新業務資訊了解他們之需求。

尤其是，本集團資訊科技服務業務之最大客戶佔本集團相應業務總收益約94.4%（二零一八年：90.1%），並佔本集團截至二零一九年十二月三十一日止年度總收益80.1%（二零一八年：69.0%）。該客戶為中國一家領先的跨國網絡工程及電信設備及服務公司。於二零一九年十二月三十一日，應收該名客戶之賬款（包括應收貿易賬款及合約資產）約為162,432,000港元。於本董事會報告書日期，該等應收賬款中超過一半已結算。與該名客戶協定之合約信貸期一般為90天，而信貸期最高可延長至6個月。於截至二零一八年十二月三十一日止年度，本集團於首次應用香港財務報告準則（「香港財務報告準則」）第9號「金融工具」後，就應收賬款可回收性評估更改其會計政策。預期信貸虧損模式要求對金融資產的相關信貸風險持續計量。在此模式下，於截至二零一九年十二月三十一日止年度，本集團已作出合約資產減值撥回約8,000港元；及應收賬款、應收貸款及利息之減值虧損約383,000港元（二零一八年：133,000港元）。經考慮主要客戶之規模、聲譽及良好付款記錄，董事會認為應收賬款、應收貸款及利息存在較低的可收回性風險。董事會信納主要客戶後續結算，並認為其信貸質素並未惡化。

The Group anticipates that it will continue to derive a significant portion of its revenue from this major customer in the near future. Nevertheless, there can be no assurance that the Group will be able to retain this major customer or secure purchase orders on favorable terms to the Group, to maintain the current level of business with this major customer, or to renew the co-operation framework agreement with this major customer in the long run on terms that are favourable to the Group. Any significant reduction in the volume of business with this major customer, any significant restriction in pricing terms with this customer, or any cancellation, delay or reduction in the scope of sales from this major customer, could have a material adverse effect on the operating results and profitability of the Group. The Directors considered that the Group's reliance on its major customer will be reduced as the Group's customer base has been diversified through the Group's provision of hospitality and related services business in Australia with the Group's revenue being less concentrated during the year under review.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year under review, there was no material breach of or non-compliance with the applicable laws and regulations such as the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**"), the GEM Listing Rules, and other applicable local laws and regulations in various jurisdictions that has a significant impact on the business and operations of the Group.

本集團預料，短期內其大部分收益將繼續來自該主要客戶。然而，概不保證本集團將因此挽留該主要客戶或按對本集團有利的條款接收任何採購訂單，以維持與該主要客戶現時的業務水平，或與該主要客戶按較長期間對本集團有利的條款重續合作框架協議。倘與該主要客戶的業務量出現任何顯著減少，或與該客戶的定價條款遭受任何重大限制，或與本集團該主要客戶的現有銷售範疇有任何取消、延誤或縮減，或會對本集團之經營業績及盈利能力造成重大不利影響。董事認為，本集團對其主要客戶之依賴程度將逐漸降低，因為本集團客戶基礎已透過本集團於澳洲提供酒店及相關服務業務以實現多元化，而回顧年度本集團的收益集中程度亦有所下降。

遵守法例及法規

於回顧年度，本公司並無嚴重違反或不遵守適用法律法規，如公司條例（香港法例第622章）（「**公司條例**」）、GEM上市規則及會對本集團業務及經營產生重大影響的各司法權區的其他適用當地法律法規。

In addition, the Group is subject to the requirements under various laws in relation to its different business segments. The laws and regulations that have significant impacts on the business and operations of the Group are as follows.

此外，本集團須受與其不同業務分部相關之不同法例之規定所規限。對本集團業務及經營有重大影響之法例及法規如下。

| Business 業務 | Primary legislation/regulations 主要法律／法規 | Implication 詮釋 |
|--|--|--|
| Provision of hospitality and related services in Australia | Competition and Consumer Act 2010 (Australia) | The Competition and Consumer Act 2010 covers most areas of the business market in the Australia including the relationships between suppliers, wholesalers, retailer, and consumers by promoting fair trading and competition and through the provision of consumer protections. |
| 於澳洲提供酒店及相關服務 | 《2010年競爭及消費者法案》(澳洲) | 《2010年競爭及消費者法案》涵蓋澳洲商業市場的大多數領域，包括與供應商、批發商、零售商及消費者之間的關係，旨在促進公平貿易及競爭，並為消費者提供保護。 |
| Money lending business | Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) | The Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (i) provides for the control and regulation of money lenders and money-lending transactions and the licensing of persons carrying on business as money lenders; and (ii) provides protection and relief against excessive interest rates and extortionate stipulations in respect of loans. The Group has to carry on its money lending business in compliance with this ordinance, such as the requirements on entering into loan transactions and the restriction on the interest rates of the loans. |
| 借貸業務 | 《放債人條例》(香港法例第163章) | 香港法例第163章《放債人條例》(i)提供了放債人及借貸交易以及及經營放債人業務之人士領牌事宜之管理及規章之規定；及(ii)就貸款利率過高及敲詐提供保護及救濟之規定。本集團須根據本條例從事其借貸業務，如訂立貸款交易及限制貸款利率之規定。 |

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision that meets the requirements specified in section 469(2) of the Companies Ordinance for the benefit of the Directors is currently in force and was in force throughout the year under review. The Company has taken out and maintained directors' liability insurance during the year under review, which provides appropriate cover for the directors of the Group.

獲准許彌償條文

基於董事利益並滿足公司條例第469(2)條規定之獲准許彌償條文目前已生效且於整個回顧年度一直有效。於回顧年度，本公司已為董事投購及維持董事責任保險，為本集團董事提供適當保障。

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the date of this Annual Report, the Company has maintained sufficient public float under the GEM Listing Rules as at the date of this Annual Report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws, or the laws of Bermuda, which would oblige the Company to offer new shares of the Company on a pro-rata basis to existing Shareholders.

AUDITOR

The Company engaged PKF as its auditor from 2000 until PKF resigned as the auditor of the Company with effect from 11 December 2017 due to PKF's internal reorganisation, which resulted in a change in PKF's entity status from a partnership to a limited company under the name of PKF Hong Kong Limited. The Board has resolved, with the recommendation of the audit committee of the Company, to appoint PKF Hong Kong Limited as the new auditor of the Company with effect from 11 December 2017 to fill the casual vacancy left by the resignation of PKF.

PKF Hong Kong Limited resigned as the auditor of the Company with effect from 27 November 2019 as the Company was unable to reach an agreement with PKF Hong Kong Limited on the auditor's remuneration for the year ended 31 December 2019. The Board has resolved that, with the recommendation of the audit committee of the Company, to appoint Ascenda Cachet CPA Limited as the new auditor of the Company with effect from 27 November 2019 to fill the causal vacancy left by the resignation of PKF Hong Kong Limited.

Ascenda Cachet CPA Limited will retire and being eligible, offer itself for re-appointment. A resolution for the re-appointment of Ascenda Cachet CPA Limited as the auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Hui Chun Sum
Chairman

23 April 2020

足夠公眾持股量

根據本公司獲得之公開資料及據董事所知，於本年報日期前的最後實際可行日期，本公司於本年報日期仍維持GEM上市規則規定之足夠公眾持股量。

優先購買權

細則或百慕達法例並無對優先購買權作出任何規定，致使本公司須按比例向現有股東提呈發售本公司新股份。

核數師

本公司已委聘大信梁學濂作為其核數師，自二零零零年起直至大信梁學濂於二零一七年十二月十一日辭任本公司核數師，原因乃大信梁學濂的內部重組，此導致大信梁學濂實體地位根據大信梁學濂（香港）會計師事務所有限公司的名稱由合夥人變更為有限公司。董事會議決委任大信梁學濂（香港）會計師事務所有限公司作為本公司新核數師（本公司審核委員會的推薦建議），自二零一七年十二月十一日起生效，以填補大信梁學濂辭任後的職位空缺。

由於本公司與大信梁學濂（香港）會計師事務所有限公司未能就截至二零一九年十二月三十一日止年度的核數師酬金達成協議，大信梁學濂（香港）會計師事務所有限公司已辭任本公司核數師，自二零一九年十一月二十七日起生效。經本公司審核委員會推薦，董事會已議決委任天健德揚會計師事務所有限公司為本公司新任核數師，自二零一九年十一月二十七日起生效，以填補大信梁學濂（香港）會計師事務所有限公司辭任後之臨時退任空缺。

天健德揚會計師事務所有限公司將辭任並符合資格接受續聘。本公司將於即將召開之本公司股東週年大會上提呈決議案以重新委任天健德揚會計師事務所有限公司為本公司核數師。

代表董事會

主席
許峻森

二零二零年四月二十三日

INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

Hang Tai Yue Group Holdings Limited (the “**Company**”, together with its subsidiaries, “**the Group**”) adopts a diversified business development strategy and has established its firm footing in four business segments, namely (i) mobile internet cultural business and provision of information technology (“**IT**”) services; (ii) provision of hospitality and related services in Australia; (iii) money lending business; and (iv) assets investments business during the financial year ended 31 December 2019 (“**FY2019**”).

This Environmental, Social and Governance Report (the “**ESG Report**”) summarises the environmental, social and governance (“**ESG**”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

The ESG Governance Structure

The Group conducts a top-down management approach regarding its ESG issues. The board of Directors (the “**Board**”) oversees and sets out ESG strategies for the Group. The Board is also responsible for ensuring the effectiveness of the Group’s risk management and internal controls.

The Group has designated personnel to systematically identify and cater ESG issues. The said personnel are responsible for collecting and analysing relevant ESG data and identifying the Group’s ESG issues. In addition, these designated personnel will periodically report to the Board for the evaluation and subsequent implementation or revision of the Group’s ESG strategies.

序言，環境、社會及管治政策

恆泰裕集團控股有限公司（「**本公司**」，連同其附屬公司統稱「**本集團**」）採取多元化業務發展策略，並於截至二零一九年十二月三十一日止財政年度（「**二零一九財年**」）穩步發展其四個業務分部，分別為(i)移動互聯網文化業務及提供資訊科技（「**資訊科技**」）服務；(ii)於澳洲提供酒店及相關服務；(iii)借貸業務；及(iv)資產投資業務。

本環境、社會及管治報告（「**本環境、社會及管治報告**」）概述本集團於環境、社會及管治（「**環境、社會及管治**」）方面的舉措、計劃及表現，及彰顯其可持續發展承諾。

環境、社會及管治結構

本集團對其環境、社會及管治問題採取自上而下的管理方法。董事會（「**董事會**」）監督及制定本集團的環境、社會及管治策略。董事會亦負責確保本集團的風險管理及內部監控成效。

本集團已指定人員系統性地識別及應對環境、社會及管治問題。該等人員負責收集及分析相關環境、社會及管治數據，及識別本集團的環境、社會及管治問題。此外，該等指定人員將定期向董事會匯報，以便對本集團環境、社會及管治策略作出評價及後續實施或修訂。

SCOPE OF REPORTING

The ESG Report only covers the Group's businesses in relation to the provision of hospitality and related services in Australia, money lending business and assets investments business in Hong Kong. Three sites in Australia, namely i) Balgownie Estate Vineyard Resort & Spa Yarra Valley ("Balgownie"), ii) Bellinzona Resort Cellar Door & Dining ("Bellinzona") and iii) Cleveland Winery Resort & Events ("Cleveland") (collectively, the "Resorts") and a general administrative office in Hong Kong will therefore be included in the ESG Report.

The key performance indicators ("KPIs") gathered are shown in the ESG Report and are supplemented by explanatory notes to establish benchmarks. The Group will extend the scope of disclosure when and where possible.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix 20 of the GEM Listing Rules of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

Information relating to the Group's corporate governance practices can be found in the Corporate Governance Report on page 113 to page 129 of this Annual Report.

REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures taken by the Group during FY2019.

報告範圍

本環境、社會及管治報告僅涵蓋本集團於澳洲提供酒店及相關服務以及於香港的借貸業務及資產投資業務。因此，澳洲的三處物業，分別為i)博爾基尼酒莊水療度假村(「博爾基尼」)，ii)貝林佐納度假村(「貝林佐納」)及iii)克里夫蘭酒莊度假村(「克里夫蘭」)(統稱為「度假村」)，及香港的一般行政管理辦公室會被包括於本環境、社會及管治報告內。

收集到的關鍵績效指標(「關鍵績效指標」)已載入本環境、社會及管治報告，並由解釋性附註加以補充，以建立基準。本集團將盡可能延伸披露範圍。

報告框架

本環境、社會及管治報告乃根據香港聯合交易所有限公司(「聯交所」)GEM上市規則附錄20所載環境、社會及管治報告指引(「環境、社會及管治報告指引」)而編製。

有關本集團企業管治常規的資料可參閱本年年報第113頁至第129頁所載企業管治報告。

報告期間

本環境、社會及管治報告載列本集團二零一九財年進行的環境、社會及管治活動、所面對的挑戰及採取的措施。

STAKEHOLDER ENGAGEMENT

Stakeholders' opinions are pertinent to the continuous growth of the Group. Therefore, the Group endeavours to provide an open communication channel to understand and address concerns of key stakeholders, including but not limited to shareholders and investors, customers, employees, suppliers, loan and debt holders, media and the public as well as government and regulatory authorities. The following table shows the Group's engagement with stakeholders and their expectations through diversified engagement methods.

持份者參與

持份者的意見與本集團的持續增長息息相關。因此，本集團努力提供公開的溝通渠道，以了解及解決主要持份者的關注，包括及不限於股東及投資者、客戶、僱員、供應商、貸款及債務持有人、媒體和公眾以及政府及監管機構。下表載列本集團透過各種參與方式接觸持份者及彼等的期望。

| Stakeholders 持份者 | Communication Channel 溝通渠道 | Expectations 期望 |
|--|--|--|
| Shareholders and investors 股東及投資者 | <ul style="list-style-type: none"> Annual general meeting and other shareholders' meetings 股東週年大會及其他股東大會 Financial reports 財務報告 Announcements and circulars 公佈及通函 Company website 公司網站 | <ul style="list-style-type: none"> Sustainable economic performance 可持續的經濟表現 Risk management 風險管理 Sound corporate governance practices 良好的企業管治常規 Long-term growth of business 業務長期增長 |
| Customers 客戶 | <ul style="list-style-type: none"> Front desk manager 前台經理 Customer satisfaction survey 客戶滿意度調查 | <ul style="list-style-type: none"> Good customer service 優質的客戶服務 Customer privacy protection 客戶私隱保護 |
| Employees 僱員 | <ul style="list-style-type: none"> Trainings, seminars, and briefing sessions 培訓、研討會及簡報會 Performance reviews 績效考核 Emails 電郵 | <ul style="list-style-type: none"> Remuneration and benefits 薪酬及福利 Good employment practices 良好的僱傭常規 Safe and healthy work environment 安全及健康的工作環境 |
| Suppliers 供應商 | <ul style="list-style-type: none"> Supplier management meetings and events 供應商管理會議及活動 Supplier audit 供應商審核 | <ul style="list-style-type: none"> Fair procurement 公平採購 Sustainable development of supply chain 供應鏈可持續發展 |
| Loan and debt holders 貸款及債務持有人 | <ul style="list-style-type: none"> Regular meetings 定期會議 | <ul style="list-style-type: none"> Regular discussions 定期討論 Compliant operation 合規經營 |
| Media and the public 媒體和公眾 | <ul style="list-style-type: none"> ESG reports 環境、社會及管治報告 | <ul style="list-style-type: none"> Transparent information disclosure 透明的信息披露 |
| Government and regulatory authorities 政府及監管機構 | <ul style="list-style-type: none"> Written or electronic correspondences 書面或電子通訊 | <ul style="list-style-type: none"> Compliance with local laws and regulations 遵守地方法律法規 |

MATERIALITY ASSESSMENT

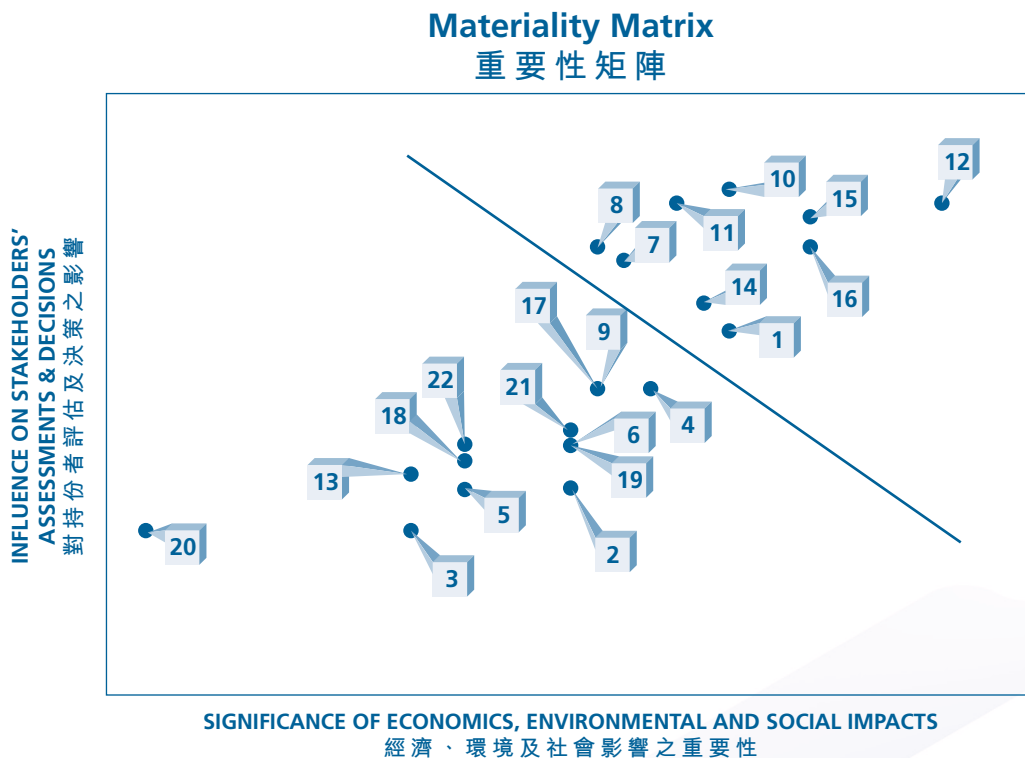
The Group has compiled a questionnaire according to the identified material ESG aspects and has asked various groups of stakeholders to complete the said questionnaire in order to fully reflect different stakeholders' opinions.

9 out of 22 ESG aspects have been found to bear significant weight and are therefore considered to be more material to the Group (dots towards the upper right-hand corner), the materiality matrix is as follows:

重要性評估

本集團已根據已被識別的重大環境、社會及管治議題編製一份調查問卷，並邀請各個持份者組別填寫該調查問卷，以便充分反映不同持份者的意見。

在22個環境、社會及管治議題中，有9個被發現具有重要影響力，因而被視為對本集團較為重要（指向右上角的點），重要性矩陣如下：



MATERIALITY ASSESSMENT (CONT'D)

重要性評估 (續)

Environmental

環境

- | | | |
|---|---|-------------------|
| * | 1. Greenhouse Gas ("GHG") Emissions | 1. 溫室氣體(「溫室氣體」)排放 |
| | 2. Waste Management | 2. 廢棄物管理 |
| | 3. Water Consumption | 3. 水源消耗 |
| | 4. Energy Consumption | 4. 能源消耗 |
| | 5. Use of Other Resources | 5. 其他資源使用 |
| | 6. Climate Change Mitigation and Adaptation | 6. 減緩及適應氣候變化 |

Social

社會

- | | | |
|---|---|-----------------|
| * | 7. Talent Attraction and Retention | 7. 人才吸引及挽留 |
| * | 8. Employees' Rights and Welfare | 8. 僱員權利及福利 |
| | 9. Equal Opportunities, Diversity and Anti-discrimination | 9. 平等機會、多元化及反歧視 |
| * | 10. Occupational Health and Safety | 10. 職業健康與安全 |
| * | 11. Training and Development | 11. 培訓及發展 |
| * | 12. Prevention of Child and Forced Labour | 12. 禁止童工及強制勞工 |
| | 13. Supply Chain Management | 13. 供應鏈管理 |
| * | 14. Product Quality and Safety | 14. 產品質量及安全 |
| * | 15. Customer Health and Safety | 15. 客戶健康及安全 |
| * | 16. Business Ethics | 16. 商業道德 |
| | 17. Customer Services and Complaint Management | 17. 客戶服務及投訴管理 |
| | 18. Customer Data Protection and Privacy | 18. 客戶數據保護及私隱 |
| | 19. Protection of Intellectual Property Rights | 19. 知識產權的保護 |
| | 20. Marketing and Labelling | 20. 營銷及標籤 |
| | 21. Anti-corruption | 21. 反貪污 |
| | 22. Community Engagement | 22. 社區參與 |

* ESG aspects that have been found to bear significant weight and are considered to be more material to the Group.

* 被發現具有重要影響力及被視為對本集團較為重要的環境、社會及管治議題

For FY2019, the Group confirms that it has established appropriate and effective management policies and internal control systems for ESG issues and confirms that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

於二零一九財年，本集團確認其已就環境、社會及管治問題制定適當及有效的管理政策及內部監控制度，並確認所披露內容符合環境、社會及管治報告指引規定。

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide your valuable advice with regard to the ESG Report or the Group's performances in sustainable development by writing to: Unit B, 19/F, Centre Mark II, 305-313 Queen's Road Central, Sheung Wan, Hong Kong.

A. ENVIRONMENTAL

A1. Emissions

General Disclosure and KPIs

The provision of hospitality and related services in Australia is subject to certain environmental requirements pursuant to Australian laws. In addition to complying with legally binding regulations, the Group is committed to minimising any adverse impacts on the environment as a result of its business activities. The Group realises that environmental protection relies on both collective and individual efforts. Thus, the Group continuously improves existing policies and incorporates new policies to mitigate potential direct and indirect negative environmental impacts arising from its business operations.

The Group was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group during FY2019. The said laws and regulations include but are not limited to Road Traffic Ordinance, Waste Disposal Ordinance, Water Pollution Ordinance of Hong Kong, State Environment Protection Policy (Ambient Air Quality) and Environment Protection Act 2017 of Victoria, Australia.

聯絡我們

本集團歡迎持份者提供意見及建議。閣下可將有關本環境、社會及管治報告或本集團可持續發展表現的寶貴意見以書面方式郵寄至以下地址：香港上環皇后大道中305-313號永業中心19樓B室。

A. 環境

A1. 排放物

一般披露及關鍵績效指標

根據澳洲法律，在澳洲提供酒店及相關服務必須遵守若干環境要求。除遵守具有法律約束力的法規外，本集團亦致力於將其業務活動對環境造成的任何不利影響降至最低。本集團意識到環境保護有賴於集體及個人的共同努力。因此，本集團不斷完善現有政策，並納入新政策以減輕因其業務營運而可能對環境造成的直接及間接負面影響。

於二零一九財年，本集團並不知悉任何嚴重違反有關廢氣及溫室氣體排放、向水及土地的排污以及有害及無害廢棄物的產生而對本集團產生重大影響的事宜。上述法律法規包括但不限於香港的《道路交通條例》、《廢物處置條例》、《水污染管制條例》、澳洲維多利亞州的《環境保護政策（環境空氣質量）》及《二零一七年環境保護法》。

A. ENVIRONMENTAL (CONT'D)

A1. Emissions (Cont'd)

General Disclosure and KPIs (Cont'd)

Air Emissions

Due to the Group's business nature, an insignificant amount of air emissions is generated principally through the use of company vehicles. Description of mitigation measures of emissions will be provided in the following section – GHG Emissions.

GHG Emissions

The principal GHG emissions of the Group are generated from the petrol and diesel consumption by vehicles and yachts (Scope 1), purchased electricity (Scope 2) and air travel and office paper (Scope 3).

Scope 1 – Direct GHG Emissions

To reduce fuel usage and thus air emission, the Group has provided the following guideline to its business operations:

- Plan routes ahead of time to optimise fuel consumption;
- Switch off the engine when any vehicle is idling;
- Examine and obtain certification for the vehicles; and
- Provide regular maintenance service for the vehicles to ensure optimal engine performance and fuel use.

Scope 2 – Indirect GHG Emissions

Electricity consumption accounts for the largest indirect GHG emissions within the Group. The Group has implemented measures to reduce energy consumption, said measures will be mentioned in Aspect A2 Use of Resources. As a result of these measures, employees' awareness of GHG emissions reduction has been increased.

A. 環境 (續)

A1. 排放物 (續)

一般披露及關鍵績效指標 (續)

廢氣排放

由於本集團的業務性質，本集團主要透過使用公司車輛產生少量的廢棄排放。下一節－溫室氣體排放將介紹減排措施。

溫室氣體排放

本集團的主要溫室氣體排放乃來自車輛及遊艇的汽油及柴油消耗(範圍1)、外購電力(範圍2)以及航空旅行及辦公用紙(範圍3)。

範圍1－直接溫室氣體排放

為減少燃料使用量並因此減少廢氣排放，本集團規定了以下業務營運準則：

- 提前規劃路線，以優化油耗；
- 於任何車輛空轉時關掉引擎；
- 進行車輛檢查並取得認證；及
- 為車輛提供定期維護服務，以確保最佳的發動機性能及燃料使用。

範圍2－間接溫室氣體排放

電力消耗佔本集團內最大的間接溫室氣體排放量。本集團已採取措施降低能源消耗，該等措施將在層面A2資源使用中提及。由於採取了該等措施，僱員對減少溫室氣體排放的意識有所提高。

A. ENVIRONMENTAL (CONT'D)

A1. Emissions (Cont'd)

General Disclosure and KPIs (Cont'd)

GHG Emissions (Cont'd)

Scope 3 – Other Indirect GHG Emissions

During FY2019, the employees of the Group have only taken 2 business trips by air travel, down from 14 business trips by air travel in the year ended 31 December 2018 (“FY2018”). The significant decrease in business trips by air travel is contributed by encouraging web conferences or tele-conferences to replace unnecessary air travels.

Summary of GHG emissions performances:

| Indicator ¹ 指標 ¹ | Unit 單位 | FY2019 二零一九財年 |
|---|--|------------------|
| Scope 1 – Direct GHG emissions 範圍1 – 直接溫室氣體排放 | | |
| • Petrol and diesel consumption 汽油及柴油消耗 | tCO ₂ e ² 噸二氧化碳當量 ² | 40.21 |
| Scope 2 – Indirect GHG emissions 範圍2 – 間接溫室氣體排放 | | |
| • Purchased electricity 外購電力 | tCO ₂ e 噸二氧化碳當量 | 3,005.37 |
| Scope 3 – Other indirect GHG emissions 範圍3 – 其他間接溫室氣體排放 | | |
| • Air travel and paper waste disposed at landfills 航空旅行及垃圾填埋場中的廢紙 | tCO ₂ e 噸二氧化碳當量 | 14.06 |
| Total GHG emissions 溫室氣體總排放量 | tCO ₂ e 噸二氧化碳當量 | 3,059.64 |
| Intensity 密度 | tCO ₂ e/million revenue ³ (HK\$) 噸二氧化碳當量/百萬收入 ³ (港元) | 31.63 |

Note:

- GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG report – Appendix II: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, the “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5), the “Sustainability Report 2018” issued by Hong Kong Electric and the “National Greenhouse Accounts Factors” issued by the Department of the Environment and Energy of Australia.

A. 環境 (續)

A1. 排放物 (續)

一般披露及關鍵績效指標 (續)

溫室氣體排放 (續)

範圍3 – 其他間接溫室氣體排放

於二零一九財年，本集團僱員僅乘飛機出差2次，低於截至二零一八年十二月三十一日止年度（「二零一八財年」）的14次。本集團鼓勵進行網絡會議或電話會議，以代替不必要的航空旅行，從而大大減少乘飛機出差次數。

溫室氣體排放表現摘要：

附註：

- 溫室氣體排放數據按二氧化碳當量呈列，並以（包括但不限於）世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、聯交所刊發的《如何準備環境、社會及管治報告 – 附錄二：環境關鍵績效指標匯報指引》、二零一四年政府間氣候變化專門委員會(IPCC)第五次評估報告(AR5)的「全球升溫潛能值」、港燈發佈的《二零一八年可持續發展報告》及澳洲環境與能源部發佈的《國家溫室氣體排放係數管理表》為基準。

A. ENVIRONMENTAL (CONT'D)

A1. Emissions (Cont'd)

General Disclosure and KPIs (Cont'd)

GHG Emissions (Cont'd)

Note: (Cont'd)

2. tCO₂e is defined as tonnes of carbon dioxide equivalent.
3. During FY2019, the Group recorded a revenue of approximately HK\$96,717,000 under the reported segments. The data is also used for calculating other intensity data.

Sewage Discharge

Sewage discharge is covered by the water bill. The Group did not note a significant and disproportional consumption of water through business activities.

Waste Management

Hazardous Waste Handling Method

Due to the Group's business nature, no material hazardous waste, according to the list of waste considered as being hazardous under the Hazardous Waste (Regulation of Exports and Imports) Act 1989 of Australia and Waste Disposal Ordinance of Hong Kong, has been generated during FY2019.

Non-hazardous Waste Handling Method

The Group's non-hazardous wastes came from the office and the Resorts. Wastes were primarily office paper. The Group proactively commits to reducing waste by upcycling. A policy on reducing wastage can also be found in the respective Employee Handbook for both the Group's head office in Hong Kong and the Resorts in Australia, it reminds employees to take extra care during normal duties when handling tools, equipment, supplies and food.

A. 環境 (續)

A1. 排放物 (續)

一般披露及關鍵績效指標 (續)

溫室氣體排放 (續)

附註：(續)

2. tCO₂e 界定為噸二氧化碳當量。
3. 於二零一九財年，本集團報告分部項下錄得收益約96,717,000港元。該數據亦用作計算其他密度數據。

污水排放

污水排放由水費支付。本集團業務活動概無發現大量和不成比例的用水量。

廢棄物管理

有害廢棄物處理方法

由於業務性質使然，根據澳洲的《一九八九年有害廢物進出口管制法》及香港《廢物處置條例》被視為有害廢棄物清單，本集團於二零一九財年概無產生任何重大的有害廢棄物。

無害廢棄物處理方法

本集團的無害廢棄物來自辦公室及度假村。廢棄物主要是辦公用紙。本集團積極致力於透過升級再造實踐減廢。此外，本集團香港總部及澳洲度假村各自的員工手冊均設有有關減廢的政策，提醒僱員在日常工作中處理工具、設備、用品及食物要格外小心。

A. ENVIRONMENTAL (CONT'D)

A1. Emissions (Cont'd)

General Disclosure and KPIs (Cont'd)

Waste Management (Cont'd)

Non-hazardous Waste Handling Method (Cont'd)

In the office, a number of green measures are encouraged:

- Use double-sided printing or photocopying;
- Print electronic correspondences only when necessary; and
- Reuse one-sided printed paper.

At the Resorts, the Group stresses the importance of environmental sustainability. Bottles and paper are recycled through one of the Australia's largest recyclers. The Group also endeavours to minimise the use of single-use disposable items where possible.

Through these implementations, the employees' awareness of waste management has been increased.

Summary of major non-hazardous waste discharge performance:

| Categories of waste 廢棄物類別 | Unit 單位 | FY2019 二零一九財年 |
|--|--|------------------|
| Office paper ⁵ 辦公用紙 ⁵ | Kg 千克 | 2,279.68 |
| Total non-hazardous waste 無害廢棄物總量 | Kg 千克 | 2,279.68 |
| Intensity 密度 | Kg/million revenue (HK\$) 千克/百萬收入(港元) | 23.57 |

Note:

5. Approximately 456,136 sheets of office paper were consumed.

A. 環境 (續)

A1. 排放物 (續)

一般披露及關鍵績效指標 (續)

廢棄物管理 (續)

無害廢棄物處理方法 (續)

在辦公室內，我們鼓勵採取多項綠色措施：

- 雙面列印或影印；
- 僅於需要時列印電子文件；及
- 重複使用單面打印紙。

在度假村內，本集團強調環境可持續性的重要性。瓶子及紙張乃透過澳洲最大的回收商之一進行回收。本集團亦致力於在可能的情況下盡量減少使用一次性用品。

透過推行的該等措施，僱員的廢棄物管理意識有所提高。

主要無害廢棄物排放表現概要：

附註：

5. 消耗了約456,136張辦公用紙。

A. ENVIRONMENTAL (CONT'D)

A2. Use of Resources

General Disclosure and KPIs

The Group takes initiatives to introduce measures to increase energy and resource efficiency and adopts eco-friendly approaches in the Group's business operations.

Water Consumption

The Group is committed to reducing water usage by promoting awareness of water conservation amongst its employees. Water conservation measures have been enforced.

To nurture the habit of water conservation, a number of green measures have been adopted in the Group's business operations:

- Water collected from the roofs of the Resorts will be reused for various purposes to reduce reliance on external water supply;
- Effluent treatment systems are installed at the Resorts to capture and treat all waste on-site, water is then reused on all irrigation to the vines and landscaping – over 7 million litres of water has been saved per year;
- Water-saving slogans and posters are displayed as reminders; and
- Dual flush water cisterns are installed in toilets and water-saving thimble in sinks are installed in washrooms.

Water usage in FY2019 amounted to approximately 18,517m³, a decrease of approximately 7.4% from approximately 20,000m³ in FY2018. It is believed that these measures have been effective in raising employees' awareness of water conservation.

Due to the business nature, the Group did not encounter any problem in sourcing water that is fit for purpose.

A. 環境 (續)

A2. 資源使用

一般披露及關鍵績效指標

本集團主動推出措施以提高能源及資源效益，並在本集團的業務營運採取環保方針。

水源消耗

本集團致力提高僱員節約用水的意識，藉此減少用水。節約用水措施已予執行。

為培養節約用水習慣，本集團的業務營運已採取多項環保措施：

- 從度假村屋頂收集的水將循環用於多項途徑，以減少對外部供水的依賴；
- 度假村安裝了污水處理系統收集及處理現場的所有廢物，隨後用於葡萄園的灌溉和景觀美化—每年節省超過7百萬升水；
- 張貼節約用水的標語及海報以作溫馨提示；及
- 於衛生間安裝雙沖水水箱及於洗手間的銻盆安裝節流器。

於二零一九財年水源消耗約為18,517立方米，較二零一八財年約20,000立方米減少約7.4%。本集團堅信該等措施在提高僱員節約用水意識方面已顯示成效。

由於業務性質使然，本集團在求取合適水源方面並無遇到任何問題。

A. ENVIRONMENTAL (CONT'D)

A2. Use of Resources (Cont'd)

General Disclosure and KPIs (Cont'd)

Water Consumption (Cont'd)

Summary of water consumption performance:

| Indicator 指標 | Unit 單位 | FY2019 二零一九財年 |
|--|--|------------------|
| Total water consumption ⁶ 總水源消耗 ⁶ | m ³ 立方米 | 18,517.00 |
| Intensity 密度 | m ³ /million revenue (HK\$) 立方米/百萬收益(港元) | 191.46 |

Note:

6. Data excludes water consumption in Hong Kong office and Cleveland as water usage is included in the management fee in the Hong Kong office and water tanks are used in Cleveland, no meter reading is therefore available.

Energy Consumption

The Group aims to minimise environmental impacts by identifying and adopting appropriate measures in the Group's operations. Related policies and initiatives on energy conservation and resources utilisation have been developed. All employees are duly notified of the implementation of such policies and measures. Regular review is conducted on the Group's energy objectives and targets for continuous improvement in the Group's energy consumption performance. Should the energy usage in any of the Group's operations increase unreasonably, the Group will send reminders via email to remind relevant departments of energy conservation.

In the office, a number of green measures have been encouraged:

- Purchase energy-efficient equipment on replacement of retired equipment;
- Switch off unnecessary lightings and electrical appliances when not in use; and
- Set all computer screens and printers to standby mode after a certain period of idling.

A. 環境 (續)

A2. 資源使用 (續)

一般披露及關鍵績效指標 (續)

水源消耗 (續)

用水表現概要：

| Indicator 指標 | Unit 單位 | FY2019 二零一九財年 |
|--|--|------------------|
| Total water consumption ⁶ 總水源消耗 ⁶ | m ³ 立方米 | 18,517.00 |
| Intensity 密度 | m ³ /million revenue (HK\$) 立方米/百萬收益(港元) | 191.46 |

附註：

6. 數據不包括香港辦公室和克里夫蘭的水源消耗，因為香港辦公室用水已包括在管理費內和克里夫蘭使用水缸，所以不能提供儀表讀數。

能源消耗

本集團旨在透過於本集團業務營運中識別及採用適當措施，以對環境造成的影響減至最低。我們已制定相關節能及資源使用政策及措施，並就推行有關政策及措施知會全體僱員。本集團定期審閱能源宗旨及目標，務求持續改善本集團的能源消耗表現。倘本集團任何業務的能源使用有不合理增加，本集團將以電郵方式提醒相關部門要注意節能。

於辦公室鼓勵多項環保措施：

- 購買節能設備替換老化設備；
- 不使用時關掉不必要的照明及電器；及
- 將所有電腦屏幕和打印機在閒置一段時間後設置為待機模式。

A. ENVIRONMENTAL (CONT'D)

A2. Use of Resources (Cont'd)

General Disclosure and KPIs (Cont'd)

Energy Consumption (Cont'd)

At the Resorts, the Group stresses the importance of environmental sustainability; sustainable designs can be observed throughout the Resorts. A number of elements have been incorporated to reduce energy usage, as shown below:

- Power-saving devices have been installed to all units which automatically de-activate all air-conditioning and lighting when the units are left unattended;
- Appropriate insulation and shading to the building have been added to optimise temperature control;
- Skylights and glazing are installed to bring more natural light into the facilities;
- Solar heating systems are installed to complement gas heating systems and electric efficient heat pumps; and
- Natural flow through ventilation to all units reduces the reliance on air-conditioning usage.

Electricity consumption has decreased by approximately 6.35% from approximately 3,149,000 kWh in FY2018 to approximately 2,948,931 kWh in FY2019. The Group believes that these measures are effective in raising employees' awareness of energy efficiency and conservation.

A. 環境 (續)

A2. 資源使用 (續)

一般披露及關鍵績效指標 (續)

能源消耗 (續)

在度假村方面，本集團強調環境可持續性的重要性；在整個度假村均可觀察到可持續性的設計。為降低能源消耗，已加入若干元素，如下文所示：

- 所有房間都安裝了節電裝置，當房間無人使用時，所有的空調和照明設備都會自動斷電；
- 建築添置了適當的隔熱和遮陰材料以優化溫度控制；
- 安裝天窗和玻璃，為設施帶來更多的自然光；
- 安裝太陽能加熱系統，以補充氣體加熱系統和電動高效熱泵；及
- 所有房間自然通風，減少對空調使用的依賴。

於二零一九財年的耗電量約2,948,931千瓦時，較二零一八財年約3,149,000千瓦時減少約6.35%。本集團認為該等措施在提高僱員能源效益及節能意識方面顯示成效。

A. ENVIRONMENTAL (CONT'D)

A2. Use of Resources (Cont'd)

General Disclosure and KPIs (Cont'd)

Energy Consumption (Cont'd)

Summary of energy consumption performance:

| Types of energy 能源類別 | Unit 單位 | FY2019 二零一九財年 |
|--|--|------------------|
| Direct Energy Consumption 直接能源消耗 | kWh 千瓦時 | 155,825.06 |
| Diesel ⁷ 柴油 ⁷ | kWh 千瓦時 | 121,201.06 |
| Petrol ⁸ 汽油 ⁸ | kWh 千瓦時 | 34,624.00 |
| Indirect Energy Consumption 間接能源消耗 | kWh 千瓦時 | 2,948,931.00 |
| Electricity 電力 | kWh 千瓦時 | 2,948,931.00 |
| Total Energy Consumption 能源消耗總量 | kWh 千瓦時 | 3,104,756.06 |
| Total Energy Consumption Intensity 能源消耗總量密度 | kWh/million revenue (HK\$) 千瓦時／百萬收益(港元) | 32,101.45 |

Note:

7. Actual diesel consumption was approximately 11,909.70 litres.
8. Actual petrol consumption was approximately 3,583.00 litres.

A. 環境 (續)

A2. 資源使用 (續)

一般披露及關鍵績效指標 (續)

能源消耗 (續)

能源消耗績效概要：

附註：

7. 實際消耗柴油約11,909.70升。
8. 實際消耗汽油約3,583.00升。

A. ENVIRONMENTAL (CONT'D)

A2. Use of Resources (Cont'd)

General Disclosure and KPIs (Cont'd)

Use of Packaging Material

Though the Group owns vineyards in some of the Resorts, the wine production has been subcontracted to a company. Therefore, the use of packaging material for the said wine production is not under the direct operational control of the Group. Having considered all the reported segments, the use of packaging material is not considered as a material ESG aspect of the Group.

A3. The Environment and Natural Resources

General Disclosure and KPIs

The Group is committed to minimising negative environmental impacts occasioned by the Group's business operations.

The business activities of the Group do not significantly impact the environment and natural resources. The Group does, however, continue to be vigilant to the potential environmental impacts arising from its business operations.

Use of Other Resources

Where possible, the Group endeavours to procure furniture and amenities that are environmentally friendly and/or from organisations that offer responsibly sourced goods. For the provision of hospitality and related services in Australia, the Group intends to further minimise the use of single-use disposable items, consider the environmental impacts and life cycle of the products to be purchased and explore more environmentally friendly alternatives.

A. 環境 (續)

A2. 資源使用 (續)

一般披露及關鍵績效指標 (續)

包裝材料使用

儘管本集團在部分度假村擁有葡萄園，但葡萄酒生產已分包給一家公司。因此，上述葡萄酒生產的包裝材料的使用不受本集團的直接營運控制。考慮到所有報告分部後，包裝材料的使用不被視為本集團重要的環境、社會及管治層面。

A3. 環境及天然資源

一般披露及關鍵績效指標

本集團致力將本集團業務營運對環境造成的不利影響減至最低。

本集團的業務活動不會對環境及天然資源造成重大影響。然而，本集團繼續警惕其業務運營對環境的潛在影響。

其他資源利用

於可能情況下，本集團努力採購環保家具及設施及／或向提供負責任採購商品的組織採購。就澳洲提供酒店及相關服務而言，本集團計劃進一步盡量減少使用一次性用品，採購產品時考慮其環境影響及可用年期，並探尋更環保的替代品。

A. ENVIRONMENTAL (CONT'D)

A3. The Environment and Natural Resources (Cont'd)

General Disclosure and KPIs (Cont'd)

Climate Change Mitigation and Adaptation

The Group attaches great importance to lowering its reliance on energy produced through conventional, non-renewable energy sources and its responsibility in reducing its carbon footprint. Therefore, the Group actively participates in energy transition and has already engaged a leading Australian commercial energy efficiency company to implement a 200kW and a 99.54kW solar photovoltaic ("PV") systems at Balgownie and Cleveland respectively in 2020. GHG emissions are forecasted to reduce in the following financial years. Subject to the performance of the soon-to-be installed solar PV panels, the Group will consider installing more solar PV panels to increase percentage uptake of solar energy in the future.

Noise Control

The Group recognises that entertainment venue noise may be generated at some of the Resorts. The Group abides by the State Environment Protection Policy (Control of Music Noise from Public Premises) No. N-2 which is incorporated in the venues' current liquor licences. The Resorts actively control the music level and limit loud music at the prescribed hours to ensure that other guests and neighbours will not be severely disrupted.

A. 環境 (續)

A3. 環境及天然資源 (續)

一般披露及關鍵績效指標 (續)

減緩及適應氣候變化

本集團尤為重視降低其對來源於傳統、不可再生能源來源所產生的能源的依賴及其減少碳足跡的責任。因此，本集團積極參與能源轉型，並已委聘澳洲一家領先商業能源效率公司於二零二零年分別在博爾基尼及克里夫蘭安裝200千瓦及99.54千瓦的太陽能光伏(「光伏」)系統。預期未來財政年度的溫室氣體排放將減少。視乎即將安裝的太陽能光伏板的表現而定，本集團將考慮於日後安裝更多太陽能光伏板，提高使用太陽能百分比。

噪音控制

本集團深知部分度假村或會產生娛樂場所噪音。本集團遵守《州份環保政策(控制公共場所音樂噪音)第N-2號》，該政策已納入現時場所酒類許可證規定。度假村積極控制音樂聲量，並在規定的時間限制音量，確保其他來賓及近鄰不會遭受嚴重滋擾。

B. SOCIAL

B1. Employment

General Disclosure

Human resources are the cornerstone of the Group. Sustainable growth of the Group relies on good recruitment and retention practices. As at 31 December 2019, the Group had 184 employees working in the reported segments.

Employment policies are formally documented in the comprehensive Employee Handbook for the respective locations, covering recruitment and remuneration, compensations, working hours and rest periods, diversity and equal opportunities, etc. The Group reviews these policies and employment practices periodically to ensure continuous improvement of the Group's employment standards and competitiveness against companies in a similar industry.

During FY2019, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Fair Work Act 2009 and Workplace Gender Act 2012 of Australia, Equal Opportunity Act 2010 of Victoria, Australia and Employment Ordinance, Minimum Wage Ordinance, Employees' Compensation Ordinance, Sex Discrimination Ordinance and Disability Discrimination Ordinance of Hong Kong.

Talent Attraction and Retention

The Group's employees are recruited via a robust, transparent and non-discriminatory recruitment process based on their merits and their merits to fulfil the Group's current and future needs. All employees involved in the recruitment process will periodically review the selection criteria to ensure that existing policies remain relevant and that they do not unlawfully discriminate. Recruitment interviews will also be carried out by more than one person where possible.

B. 社會

B1. 僱傭

一般披露

人力資源乃本集團的基石。本集團的可持續增長依賴良好的招聘及挽留常規。於二零一九年十二月三十一日，本集團報告分部共有184名僱員。

僱傭政策已正式明文載入各地的《員工手冊》，涵蓋招聘及薪酬、補償、工作時間及休息時間、多元化及平等機會等方面。本集團定期檢討該等政策及僱傭常規，確保持續改善本集團的僱傭標準及提高與同類行業公司的競爭力。

於二零一九財年，本集團並不知悉任何嚴重違反僱傭相關法律法規而對本集團造成重大影響的情況，包括但不限於澳洲的《二零零九年公平工作法》及《二零一二年職場性別平等法》、澳洲維多利亞州的《二零一零年平等機會法》及香港的《僱傭條例》、《最低工資條例》、《僱員補償條例》、《性別歧視條例》及《殘疾歧視條例》。

人才吸引及挽留

本集團根據僱員才能及其可滿足本集團現時及未來需要的能力，以健全、透明及無歧視的招聘流程招聘僱員。招聘流程涉及的所有僱員將定期審閱甄選標準，確保現行政策仍然適用及彼等不會受到非法歧視。於可能情況下招聘面試將由超過一人進行。

B. SOCIAL (CONT'D)

B1. Employment (Cont'd)

General Disclosure (Cont'd)

Talent Attraction and Retention (Cont'd)

Promotion and advancement will be made based on merits and in line with the Recruitment and Selection Policy that is formally documented in the Employee Handbook. The Group will conduct annual performance and salary review to determine any salary adjustments and/or promotion opportunities. Written and verbal performance evaluations will be given to all employees at least once a year, such evaluations are intended to give recognition to the hard work of the employees and provide any comments for improvement.

Employees' Rights and Welfare

The Group's basis for remuneration is job-related skills, qualifications and performances. Remuneration packages include annual leave, maternity leave, compassionate leave and community service leave, etc. Also, the Group has formulated policies in determining the working hours and rest periods for employees according to local employment laws.

Compensation and Dismissal

The Group compensates employees based on the provision of Workmen's Injury Compensation Insurance Policy under the Workplace Injury Rehabilitation and Compensation Act 2013 of Victoria, Australia and Employees' Compensation Ordinance of Hong Kong which cover the rehabilitation of injured workers and compensation in relation to injuries or deaths arising out of accidents and diseases in the workplace.

Unreasonable dismissal under any circumstances is prohibited. A detailed list of major offences regarded as just reasons for immediate dismissal can be found in the Employee Handbook.

B. 社會 (續)

B1. 僱傭 (續)

一般披露 (續)

人才吸引及挽留 (續)

晉升及提拔將任人唯賢，按《員工手冊》明文規定的招聘及甄選政策進行。本集團將進行年度表現及薪金檢討，以確定任何薪金調整及／或晉升機會。每年至少對所有員工進行一次書面及口頭表現評估，評估旨在表彰僱員的辛勤工作及提出可加改進的意見。

僱員權益及福利

本集團以工作相關技能、資格及表現為基準釐定薪酬。薪酬待遇包括年假、產假、陪產假及社區服務假等。此外，本集團已制定政策，根據當地就業法決定僱員的工作時間及休息時間。

補償與解僱

本集團按澳洲維多利亞州的《二零一三年工傷康復賠償法》下的《工傷賠償保險政策》規定及香港的《僱員賠償條例》給予僱員補償，該政策涵蓋因工作場所發生事故及疾病而導致傷亡的受傷工人康復及賠償。

嚴禁在任何情況下不合理的解僱。屬於可作為立即解僱的正當理由的重大違反行為之詳細列表可於《員工手冊》查閱。

B. SOCIAL (CONT'D)

B1. Employment (Cont'd)

General Disclosure (Cont'd)

Equal Opportunities, Diversity and Anti-discrimination

The Group is committed to creating and maintaining an inclusive workplace culture and to providing equal opportunities in all aspects of employment and protecting the Group's employees from discrimination, physical or verbal harassment based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. Deliberate acts of unlawful discrimination or harassment are considered as one of the serious misconducts that may result in termination of the contract without notice. The Group does not tolerate sexual harassment or abuse in the workplace of any form.

B2. Health and Safety

General Disclosure

The Group places high priority in providing employees with a safe and healthy working environment. Therefore, a comprehensive policy on occupational health and safety is in place to safeguard the interest of the employees.

During induction training, relevant policies and procedures will be explained and/or provided to the employees to mitigate the occurrence of accidents. Relevant policies are reviewed annually, or soon after an incident arises, to make sure that the said policies continue to be of relevance.

During FY2019, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group including but not limited to the Occupational Health and Safety Act 2004 and the Occupational Health and Safety Regulations 2007 of Victoria, Australia and Occupational Safety and Health Ordinance of Hong Kong.

B. 社會 (續)

B1. 僱傭 (續)

一般披露 (續)

平等機會、多元化及反歧視

本集團致力營造及維持包容的工作場所文化，於僱傭的各方面提供平等機會，保護本集團的僱員免受種族、宗教、膚色、性別、身體或精神殘疾、年齡、籍貫、婚姻狀況及性取向等方面的歧視、身體或言語騷擾。蓄意的非法歧視或騷擾行為被視為嚴重的不當行為之一，可能會導致不予通知即終止合約。本集團概不容忍任何形式的工作場所內的性騷擾或性虐待行為。

B2. 健康與安全

一般披露

本集團高度重視為僱員提供安全健康的工作環境。因此，全面的職業健康及安全政策已落實，以保障僱員的利益。

於入職培訓期間，僱員將獲解釋及／或提供相關政策及程序，以減少事故的發生。每年或在事件發生後不久均會審查相關政策，以確保所述政策繼續具相關性。

於二零一九財年，本集團並不知悉任何嚴重違反健康及安全相關法律及法規而對本集團造成重大影響的情況，包括但不限於澳洲維多利亞州的《二零零四年職業健康與安全法》、《二零零七年職業健康與安全條例》及香港的《職業安全及健康條例》。

B. SOCIAL (CONT'D)

B2. Health and Safety (Cont'd)

General Disclosure (Cont'd)

Occupational Health and Safety

The Group recognises that employees are its most valuable assets, therefore the Group is keen on providing a safe and healthy working environment to retain talents and ensure that their well-being is taken care of. At the Resorts, a front office training session has been held to familiarise its employees with various emergency scenarios such as gas leak, wildlife or bomb threats. Relevant health and safety policies are indicated in the Employee Handbook. Uniform and/or personal protective equipment are provided for relevant employees.

Safety Training and Inspections

The Group's employees are made aware of the importance of strict compliance with safety requirements. At the commencement of the employment, the employees will be receiving applicable training for their particular positions. Personnel, whether employed directly or indirectly by the Group, is required to abide by all applicable laws, regulations and safety requirements imposed by relevant government authorities.

Occupational health and safety meetings are held regularly to address concerns and identify possible alternatives or solutions in an expedited manner. Regular meetings were held in FY2019 and minutes have been taken during all these meetings. Meetings are considered crucial to the improvement of the health and safety of guests and its employees as issues are directly dealt with and persons-in-charge are designated to ensure that the actions or plans are followed through.

B. 社會 (續)

B2. 健康與安全 (續)

一般披露 (續)

職業健康與安全

本集團認同僱員是其最寶貴的資產，故此，本集團致力提供安全及健康的工作環境，以挽留人才並確保其福祉得到保障。在度假村，本集團舉辦前台培訓課程，令僱員熟悉各種緊急情況的處理，如煤氣洩漏、野生動物或炸彈威脅。員工手冊上亦列有相關健康及安全政策。相關僱員均獲提供制服及／或個人防護設備。

安全培訓及檢查

本集團會提醒僱員嚴格遵守安全規定的重要性。於僱傭開始時，僱員將接受適用於彼等特定崗位的培訓。不論是本集團直接或間接僱用的人員，均須遵守相關政府機構規定的所有適用法律、法規及安全要求。

本集團定期舉行職業健康及安全會議，儘快解決問題及找出可行的替代方法或解決方案。我們於二零一九財年定期舉行會議，並在所有該等會議中作會議記錄。在會議上，問題獲直接處理，並指定負責人來確保行動或計劃得到貫徹落實，這對改善客人及僱員的健康及安全至關重要。

B. SOCIAL (CONT'D)

B3. Development and Training

General Disclosure

Training and Development

The Group aspires to unleash the potential of its employees. Training and continuous development are indispensable to the Group's staff to keep abreast of the latest trend in the industry.

Thus, the Group takes a proactive approach to provide employees with opportunities to advance their careers. The Group has established a policy to encourage its employees to pursue training for the advancement of their careers that will both benefit the Group and the employees. The training cost may be covered by the Group subject to the approval of the Group.

At the Resorts, the Group provides its employees with workshops such as fire prevention training, first aid and cardiopulmonary resuscitation to raise employees' awareness towards emergency situations.

In the office, the Group has arranged its employees to participate in seminars organized by ListcoPRO, a leading services provider for listed companies in Hong Kong in the area of continuing professional development. Seminars participated by the employees pertain to topics such as corporate fraud, effective internal control and new enforcement trend of the Stock Exchange and Securities and Futures Commission.

Training contents are regularly updated to be in line with the industrial standards and provide maximum benefit to the employees.

B. 社會 (續)

B3. 發展及培訓

一般披露

培訓及發展

本集團積極釋放僱員潛力。為跟上行業最新發展趨勢，培訓及持續的發展對本集團員工而言必不可少。

因此，本集團積極為僱員提供職業發展機會。本集團已制定一項政策，鼓勵僱員持續接受職業發展培訓，這將使本集團及員工均受益。經本集團批准，培訓費用可由本集團承擔。

在度假村，本集團為僱員舉辦防火培訓、急救及心肺復甦工作坊，以提高僱工對緊急情況的意識。

在辦公室，本集團已安排員工參加由ListcoPRO舉辦的研討會，ListcoPRO為在持續專業發展領域為香港上市公司提供服務的領先服務提供商。僱員參加的研討會涉及公司欺詐、有效的內部監控以及聯交所和證券及期貨事務監察委員會的新執法趨勢等主題。

培訓內容會定期更新，以符合行業標準，為僱員提供最大利益。

B. SOCIAL (CONT'D)

B4. Labour Standards

General Disclosure

Prevention of Child and Forced Labour

Child and forced labour are strictly prohibited during the recruitment process as prescribed by laws and regulations. The Group strictly complies with local laws and does not provide job opportunities to children before they reach the legal age to work.

Personal data such as identification cards information will be collected during the recruitment process. If violation is involved, it will be dealt with according to circumstances. No employee shall be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work.

During FY2019, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group including but not limited to the Child Employment Act 2003, Fair Work Act 2009 of Victoria, Australia and Employment Ordinance of Hong Kong.

B5. Supply Chain Management

General Disclosure

Supply Chain Management

The Group takes into account suppliers' job references, prevailing market price, delivery time and reputation. Non-compliance with laws, regulations and standards in connection with environmental and social matters are one of the Group's key considerations in engaging a new supplier or renewing a contract with existing suppliers. Preferential consideration will be given to suppliers who utilise recycled or reused material in their production process. The Group strives not to over-rely on a specific supplier in order to ensure the stability of the supply chain. The Group is keen on supporting the local economies, where possible, the procurement is sourced locally in Australia and Hong Kong.

B. 社會 (續)

B4. 勞工準則

一般披露

防止僱用童工及強制勞工

在法律法規規定的招聘過程中嚴禁僱用童工及強制勞工。本集團嚴格遵守當地法例，不為未達到法定工作年齡的兒童提供就業機會。

在招聘過程中會收集個人數據，如身份證資料。倘涉及違規，將根據具體情況予以處理。不得通過任何形式的武力或恐嚇，或任何與工作有關的體罰或脅迫以強迫任何員工違背其意願工作。

於二零一九財年，本集團並不知悉任何嚴重違反防止僱用童工及強制勞工相關法律及法規而對本集團造成重大影響的情況，包括但不限於可能對本集團產生重大影響的澳洲維多利亞州的《二零零三年兒童僱用法》、《二零零九年公平工作法》及香港的《僱傭條例》。

B5. 供應鏈管理

一般披露

供應鏈管理

本集團會考慮供應商的工作基準、現行市價、交付時間及聲譽。本集團在委聘新供應商或與現有供應商續約時，會重點考慮其在環境及社會事宜方面有否違反法例、規例及準則。生產過程中使用循環再用材料的供應商將獲優先考慮。本集團盡力不過度依賴某一特定供應商，以確保供應鏈穩定。本集團竭力支持當地經濟發展，盡可能於澳洲及香港本地進行採購。

B. SOCIAL (CONT'D)

B5. Supply Chain Management (Cont'd)

General Disclosure (Cont'd)

Supply Chain Management (Cont'd)

Procurement policy is present within the Group. Where possible, competitive quotes should be obtained from at least two suppliers. For procurement of a higher value, an additional analysis should be run through beforehand, such as its cost and benefit, presence of other alternatives and implications if the said purchase is not made.

Regular assessment will be conducted on existing suppliers from time to time to monitor the actual and potential environmental and social impacts. Contracts with suppliers may be terminated if the expectation of the Group is not met.

B6. Product Responsibility

General Disclosure

The Group is committed to providing the highest quality of service to its customers, not only because it is crucial to the health and safety of its customers and clients, but also the potential of attracting future business opportunities.

During FY2019, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group, including but not limited to Privacy and Data Protection Act 2014, Liquor Control Reform Act 1998 of Victoria, Australia and Personal Data (Privacy) Ordinance of Hong Kong, concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress.

Business Ethics

The Group advocates ethical practices and is determined to mitigate any potential misconduct or poor services in all its business segments. Therefore, the Group has established different policies, as shown below, to better guide its employees and nurture them the importance of upholding ethical practices from the beginning of their professional career.

B. 社會 (續)

B5. 供應鏈管理 (續)

一般披露 (續)

供應鏈管理 (續)

本集團內部訂有採購政策。於可能情況下，應向至少兩名供應商獲取競爭報價。對於價值較高的採購，應事先就其成本及利益、是否存在其他替代方案及不進行上述採購的影響等因素進行額外分析。

本集團將不時對現有供應商進行定期評估，以監察其實際及可能對環境及社會造成的影響。如未達到本集團期望，本集團可能會與供應商終止合約。

B6. 產品責任

一般披露

本集團致力於向客戶提供最高質量的服務，這不僅關乎顧客及客戶的健康與安全，而且有可能吸引未來的商業機會。

於二零一九財年，本集團並不知悉任何嚴重違反與產品及服務相關的健康與安全、廣告、標籤及私隱事宜以及補救方法有關的法律及法規而對本集團造成重大影響的情況，包括但不限於澳洲維多利亞州的《二零一四年私隱及數據保護法案》、《一九九八年酒類管制改革法案》及香港的《個人資料(私隱)條例》。

商業道德

本集團提倡符合道德規範的實踐活動並致力於減少其所有業務分部的任何潛在不當行為或不佳服務。因此，本集團已制定不同的政策(見下文)，以更好地指導僱員並於其職業生涯開展時教導彼等恪守道德規範的重要性。

B. SOCIAL (CONT'D)

B6. Product Responsibility (Cont'd)

General Disclosure (Cont'd)

Product Quality and Safety

Quality is often emphasised by the Group as some of the Resorts maintain vineyards. To ensure the quality of the products, strict requirements have been imposed on the storage environment and the production facilities. The Group also conducts quality control inspection upon receiving wine from its subcontractor. The winery in Cleveland has obtained a Liquor Licence pursuant to the Liquor Control Reform Act 1998 of Victoria, Australia and strictly complies with the requirements prescribed in the said Licence.

Customer Health and Safety

The Group places great emphasis on ensuring customers' health and safety. Detailed policies and guidelines have been in place to ensure employees provide the highest quality and safe services to the Group's customers and guests. In doing so, occurrence of unfortunate accidents or illnesses can be avoided. On the other hand, disciplinary actions will be taken against employees who participate in activities that would threaten the health and safety of concerned parties, his/her colleagues or others.

Marketing and Labelling

The Group conforms with wine labelling guidelines pursuant to the Wine Australia Act 2013. As for alcohol marketing, the Group abides by the requirements set out in the ABAC Responsible Alcohol Marketing Code. Relevant guidelines have been provided to the relevant employees.

Advertising Management

Guidelines on the special requirements in money lending business advertisement are formally documented. In addition, the Group abides by the stipulated legal requirements that pertain to the Money Lending Licence under the Money Lenders Ordinance.

B. 社會 (續)

B6. 產品責任 (續)

一般披露 (續)

產品質量及安全

本集團經常強調質量問題，因為部分度假村設有葡萄園。為確保產品質量，我們對儲存環境及生產設施有嚴格規定。本集團亦會於收到來自分包商的葡萄酒後對質量控制進行監督。於克里夫蘭的酒莊已根據澳洲維多利亞州的《一九九八年酒類管制改革法案》取得酒類牌照並嚴格遵守上述牌照訂明的要求。

客戶健康及安全

本集團十分重視保證客戶的健康及安全。本集團已制定詳盡的政策及指引，確保僱員為本集團的顧客及客人提供最高質量及安全的服務。此舉可避免不幸事故或疾病的發生。另一方面，倘僱員參與危及有關人士、其同事或其他人士健康及安全的活動，將對僱員進行紀律處分。

營銷及標籤

本集團遵守根據《二零一三年澳洲葡萄酒法案》制定的葡萄酒標籤指引。關於酒類營銷，本集團遵照ABAC負責任酒類營銷守則所載規定。本集團已向有關僱員提供相關指引。

宣傳管理

本集團已正式制定有關放債業務廣告的特殊要求指引文件。此外，本集團遵守與放債人條例項下放債牌照相關的規定法律要求。

B. SOCIAL (CONT'D)

B6. Product Responsibility (Cont'd)

General Disclosure (Cont'd)

Customer Services and Complaint Management

Feedbacks and complaints from the Group's customers and guests are welcomed as it is the key to enhancing the Group's services. Procedures for handling complaints are detailed in the Service Handbook for the reference of relevant employees. Should the Group receive any complaints, the Group will strive to act immediately to resolve the issue with effective corrective actions.

Customer Data Protection and Privacy

The Group respects the values and rights of customers' information. The Group's employees are trained to respect the confidentiality of the Group's customers' information and have been advised that highly confidential data should not be transmitted through the use of electronic communications as it is not completely private. The Group has also implemented firewall, anti-virus, and anti-spam solutions for the Group's IT systems to safeguard confidential information and are routinely upgraded.

Protection of Intellectual Property Rights

Policies and measures regarding the protection of intellectual property rights are in place. For any infringement of the Group's intellectual property rights, the Group will urge infringers to cease such action. The Human Resources Department of the Group shall take further action should infringement continue.

B7. Anti-corruption

General Disclosure

Anti-corruption

The Group affirms its zero-tolerance policy towards corruption, fraud and all other behaviours that severely violates professionalism and work ethics. The Group places high priority on integrity, honesty and fairness. Policies on corruption, bribery, extortion, fraud and money laundering are clearly stated within the Employee Handbook.

During FY2019, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the Criminal Code Act 1995 of Australia and Prevention of Bribery Ordinance of Hong Kong that would have a significant impact on the Group.

B. 社會 (續)

B6. 產品責任 (續)

一般披露 (續)

客戶服務及投訴管理

本集團歡迎客戶及賓客的反饋及投訴，乃由於這是提升本集團服務水平的關鍵。服務手冊中詳細列明有關投訴處理程序，以供有關僱員參考。倘本集團收到任何投訴，本集團將努力立刻採取行動以有效地糾正措施解決問題。

客戶數據保護及私隱

本集團尊重客戶資料的價值及權利。本集團在培訓僱員時要求彼等對本集團客戶資料保密，由於網絡並非完全保密，本集團告知僱員機密資料不應使用電子傳輸方式發送。本集團的資訊科技系統亦安裝防火牆、殺毒及防垃圾郵件解決方案以保護機密資料，並定期對其進行更新。

知識產權的保護

本集團訂有保護知識產權的政策及措施。本集團的知識產權如遭任何侵犯，本集團將敦促侵權者停止侵權行為。倘侵權行為持續，本集團的人力資源部將採取進一步行動。

B7. 反貪污

一般披露

反貪污

本集團重申對貪污、欺詐及所有其他嚴重違反專業性及職業道德的行為採取零容忍政策。本集團高度重視誠信、誠實及公平。員工手冊中載明貪污、賄賂、敲詐、欺詐及洗錢的相關政策。

於二零一九財年，本集團並不知悉任何嚴重違反賄賂、勒索、欺詐及洗錢的相關法律法規，包括但不限於澳洲的《一九九五年刑事法典》及香港的《防止賄賂條例》而對本集團造成重大影響的情況。

B. SOCIAL (CONT'D)

B7. Anti-corruption (Cont'd)

General Disclosure (Cont'd)

Anti-money Laundering and Counter-financing of Terrorism

Engaging in the money lending business, the Group is particularly sensitive to any signs of money laundering and financial crimes. Apart from the compliance with laws and guidelines set up by regulatory authorities, the Group recognises that the responsibility to help protect the integrity of the financial system lies within the Group. Therefore, a number of guidelines are in place to safeguard the interests of the Group, such as a background investigation, due diligence and loan approvals for loan financing applications.

Whistle-blowing Mechanism

The Group has a whistle-blowing policy in place to encourage employees to report any suspicious fraudulent activities. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. Therefore, the employee(s) reporting in good faith under this procedure shall be assured of the protection against unfair termination or victimisation, even if the reports are subsequently proved to be unsubstantiated.

B8. Community Investment

General Disclosure

Community Engagement

The Group believes in giving back to the society where the Group operates through social participation and encourages its staff to participate in charitable activities including charity runs and other volunteer activities. The associated costs of such activities taking into consideration the communities' interests shall be borne by the Group in order to increase participation rate. The Board is responsible for monitoring and evaluating the Group's effectiveness in community engagement and considers the existing policy to be adequate.

B. 社會 (續)

B7. 反貪污 (續)

一般披露 (續)

打擊洗錢及恐怖分子資金籌集

鑒於從事放債業務，本集團對任何洗錢及金融犯罪跡象尤其敏感。除遵守規管機構制定的法律及指引外，本集團意識到自身於幫助保護金融體系完整性的責任。因此，本集團已就保護自身利益制定數項指引，如對貸款融資申請進行背景調查、盡職審查及貸款審批。

舉報機制

本集團已制定舉報政策，以鼓勵僱員報告任何疑似欺詐活動。本集團擬保護舉報人免受常見憂慮，如機密性及潛在報復。因此，根據此程序真誠匯報的僱員將獲保證免受不公平解僱或迫害的侵害，即使其後證實該等報告並無根據。

B8. 社區投資

一般披露

社區參與

本集團相信透過社會參與有助回饋本集團營運所在的社會，並鼓勵員工參與慈善活動，包括慈善義跑及其他志願者活動。為增加員工參與率，該等活動有關成本經計及社區利益後將由本集團支付。董事會負責監察及評估本集團對社區參與的成效，並認為現有政策屬適切。

THE ESG REPORTING GUIDE CONTENT INDEX
OF THE STOCK EXCHANGE OF HONG KONG
LIMITED

香港聯合交易所有限公司《環
境、社會及管治報告指引》內容
索引

Subject Areas, Aspects,
General Disclosures and
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主要範疇、層面、一般披露
及關鍵績效指標

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章節／聲明

Aspect A1: Emissions

層面 A1：排放物

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Section/Declaration |
|---|--|--|
| 主要範疇、層面、一般披露及關鍵績效指標 | 描述 | 章節／聲明 |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Emissions |
| 一般披露 | 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及法規的資料。 | 排放物 |
| KPI A1.1 ("comply or explain") 關鍵績效指標 A1.1 （「不遵守就解釋」） | The types of emissions and respective emissions data. 排放物種類及相關排放數據。 | Emissions – GHG Emissions, Sewage Discharge, Waste Management 排放物－溫室氣體排放、污水排放及廢棄物管理 |
| KPI A1.2 ("comply or explain") 關鍵績效指標 A1.2 （「不遵守就解釋」） | GHG emissions in total (in tonnes) and intensity. 溫室氣體總排放量（以噸計算）及密度。 | Emissions – GHG Emissions 排放物－溫室氣體排放 |
| KPI A1.3 ("comply or explain") 關鍵績效指標 A1.3 （「不遵守就解釋」） | Total hazardous waste produced (in tonnes) and intensity. 所產生有害廢棄物總量（以噸計算）及密度。 | Emissions – Waste Management Not applicable – Explained 排放物－廢棄物管理 不適用－已解釋 |
| KPI A1.4 ("comply or explain") 關鍵績效指標 A1.4 （「不遵守就解釋」） | Total non-hazardous waste produced (in tonnes) and intensity. 所產生無害廢棄物總量（以噸計算）及密度。 | Emissions – Waste Management 排放物－廢棄物管理 |
| KPI A1.5 ("comply or explain") 關鍵績效指標 A1.5 （「不遵守就解釋」） | Description of reduction initiatives and results achieved. 描述減低排放量的措施及所得成果。 | Emissions – Air Emissions, GHG Emissions, Waste Management 排放物－氣體排放、溫室氣體排放及廢棄物管理 |
| KPI A1.6 ("comply or explain") 關鍵績效指標 A1.6 （「不遵守就解釋」） | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。 | Emissions – Waste Management 排放物－廢棄物管理 |

**Subject Areas, Aspects,
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主要範疇、層面、一般披露
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Aspect A2: Use of Resources

層面 A2：資源使用

General Disclosure

一般披露

KPI A2.1 (“comply or
explain”)

關鍵績效指標 A2.1
（「不遵守就解釋」）

KPI A2.2 (“comply or
explain”)

關鍵績效指標 A2.2
（「不遵守就解釋」）

KPI A2.3 (“comply or
explain”)

關鍵績效指標 A2.3
（「不遵守就解釋」）

KPI A2.4 (“comply or
explain”)

關鍵績效指標 A2.4
（「不遵守就解釋」）

KPI A2.5 (“comply or
explain”)

關鍵績效指標 A2.5
（「不遵守就解釋」）

Policies on the efficient use of resources, including energy, water and other raw materials.

有關有效使用資源（包括能源、水及其他原材料）的政策。

Direct and/or indirect energy consumption by type in total and intensity.

按類型劃分的直接及／或間接能源總耗量及密度。

Water consumption in total and intensity.

總耗水量及密度。

Description of energy use efficiency initiatives and results achieved.

描述能源使用效益計劃及所得成果。

Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.

描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。

Total packaging material used for finished products (in tonnes) and with reference to per unit produced.

製成品所用包裝材料的總量（以噸計算），及每生產單位估量。

Use of Resources

資源使用

Use of Resources – Energy
Consumption

資源使用－能源消耗

Use of Resources – Water
Consumption

資源使用－水源消耗

Use of Resources – Energy
Consumption

資源使用－能源消耗

Use of Resources – Water
Consumption

資源使用－水源消耗

Use of Resources – Use of
Packaging Material

Not applicable – Explained

資源使用－包裝材料使用
不適用－已解釋

**Subject Areas, Aspects,
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Aspect A3: The Environment and Natural Resources

層面 A3：環境及天然資源

| | | |
|--------------------------------|---|---|
| General Disclosure | Policies on minimizing the issuer's significant impact on the environment and natural resources. | The Environment and Natural Resources |
| 一般披露 | 有關減低發行人對環境及天然資源造成重大影響的政策。 | 環境及天然資源 |
| KPI A3.1 ("comply or explain") | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | The Environment and Natural Resources – Use of Other Resources, Climate Change Mitigation and Adaptation, Noise Control |
| 關鍵績效指標 A3.1 （「不遵守就解釋」） | 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。 | 環境及天然資源－其他資源使用、減緩及適應氣候變化、噪音控制 |

Aspect B1: Employment

層面 B1：僱傭

| | | |
|--------------------|---|------------|
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Employment |
| 一般披露 | 有關薪酬及解僱、招聘及晉升、工作時間、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及法規的資料。 | 僱傭 |

**Subject Areas, Aspects,
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主要範疇、層面、一般披露
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Aspect B2: Health and Safety

層面 B2：健康與安全

General Disclosure

Information on:
(a) the policies; and
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.

Health and Safety

一般披露

有關提供安全工作環境及保障僱員避免職業性危害的：
(a) 政策；及
(b) 遵守對發行人有重大影響的相關法律及法規的資料。

健康與安全

Aspect B3: Development and Training

層面 B3：發展及培訓

General Disclosure

Policies on improving employees' knowledge and skills for discharging duties at work.
Description of training activities.

Development and Training

一般披露

有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。

發展及培訓

Aspect B4: Labour Standards

層面 B4：勞工準則

General Disclosure

Information on:
(a) the policies; and
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.

Labour Standards

一般披露

有關防止童工及強制勞工的：
(a) 政策；及
(b) 遵守對發行人有重大影響的相關法律及法規的資料。

勞工準則

**Subject Areas, Aspects,
General Disclosures and
KPIs**

主要範疇、層面、一般披露
及關鍵績效指標

Description

描述

Section/Declaration

章節／聲明

Aspect B5: Supply Chain Management

層面 B5：供應鏈管理

General Disclosure

Policies on managing environmental and social risks of the supply chain.

Supply Chain Management

一般披露

有關管理供應鏈的環境及社會風險的政策。

供應鏈管理

Aspect B6: Product Responsibility

層面 B6：產品責任

General Disclosure

Information on:
(a) the policies; and
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

Product Responsibility

一般披露

有關所提供產品及服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：

產品責任

(a) 政策；及
(b) 遵守對發行人有重大影響的相關法律及法規的資料。

Aspect B7: Anti-corruption

層面 B7：反貪污

General Disclosure

Information on:
(a) the policies; and
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.

Anti-corruption

一般披露

有關防止賄賂、勒索、欺詐及洗黑錢的：

反貪污

(a) 政策；及
(b) 遵守對發行人有重大影響的相關法律及法規的資料。

Aspect B8: Community Investment

層面 B8：社區投資

General Disclosure

Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.

Community Investment

一般披露

有關以社區參與來了解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策。

社區投資

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving and upholding good corporate governance practices that promote greater transparency and quality of disclosure as well as more effective internal control.

The Company has adopted the code provisions (the “**Code Provisions**”) set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules as its code of corporate governance. The Board is responsible for performing corporate governance duties including (a) developing and reviewing the Company’s policies and practices on corporate governance; (b) reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements; (c) reviewing and monitoring the training and continuous professional development of Directors and senior management; and (d) reviewing the Company’s compliance with the Code Provisions. The Board had carried out the said corporate governance functions during the year under review. Save as disclosed in the section headed “CHAIRMAN AND CHIEF EXECUTIVE OFFICER” on page 117 in this Annual Report, the Company has complied with all the Code Provisions then in force throughout the year ended 31 December 2019.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are determined by the remuneration committee of the Company with reference to their relevant qualifications, experience, competence and the prevailing market conditions.

The remuneration of the Group’s senior management during the year ended 31 December 2019 falls within the following bands:

| | No. of individuals |
|--------------------------------|---------------------------|
| HK\$1,000 to HK\$1,500,000 | 12 |
| HK\$1,500,001 to HK\$2,500,000 | 0 |

Details of the emoluments of the Directors and the five highest paid individuals during the year ended 31 December 2019 are set out in note 11 to the consolidated financial statements.

企業管治常規

本公司致力達致及確保良好之企業管治常規，藉以提升更大透明度及披露質素以及更有效之內部監控。

本公司已採納GEM上市規則附錄15所載之企業管治守則列載之守則條文（「**守則條文**」）為其企業管治守則。董事會負責履行企業管治職責，範疇包括：(a) 制定及檢討有關本公司企業管治之政策及常規；(b) 檢討及監察本公司於法律及監管規定合規方面之政策及常規；(c) 檢討及監察董事及高級管理層之培訓及持續專業發展；及(d) 檢討本公司對守則條文之合規情況。於回顧年度，董事會已履行上述企業管治職能。除本年報第117頁「主席及行政總裁」一節所披露者外，截至二零一九年十二月三十一日止年度，本公司一直遵守當時有效的所有守則條文。

董事及高級管理層薪酬

本集團的董事及高級管理層的酬金，由本公司薪酬委員會經參考其相關專業資質、經驗、能力及現行市況後釐定。

本集團高級管理層於截至二零一九年十二月三十一日止年度之薪酬介乎下列範圍：

| | 人數 |
|-------------------------|-----------|
| 1,000港元至1,500,000港元 | 12 |
| 1,500,001港元至2,500,000港元 | 0 |

董事及五名最高薪酬人士於截至二零一九年十二月三十一日止年度的酬金詳情載於綜合財務報表附註11。

DIRECTORS' SECURITIES TRANSACTIONS

The Company had adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors, that the Directors have complied with the required standard of dealings and the code of conduct regarding the Directors' securities transactions during the year ended 31 December 2019.

BOARD OF DIRECTORS

Board composition

As at the date of this Annual Report, the Board comprises six members, three of which are executive Directors, namely Mr. Hui Chun Sum, Ms. Lam Ching Yee who has been appointed as an executive Director and the Chief Executive Officer with effect from 5 June 2019, and Ms. Pauline Lam. Three other members of the Board are independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Ho Kin Wai, who has been appointed as an independent non-executive Director with effect from 10 January 2019. Mr. Leung Ting Yuk resigned as an independent non-executive Director with effect from 10 January 2019.

The members of the Board, who come from different backgrounds, provide a diverse range of business and professional expertise to the Company. The biographical details of the Directors are set out in the section headed "DIRECTORS PROFILE" on pages 37 to 39 in this Annual Report. All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the Bye-Laws. The Company has arranged appropriate insurance cover for the Directors. As at the date of this Annual Report, none of the Directors has any relationship (including financial, business, family or other material/relevant relationship) with each other.

董事之證券交易

本公司已採納有關董事證券交易之操守守則，其條款不遜於GEM上市規則第5.48至5.67條所載之買賣規定標準。於截至二零一九年十二月三十一日止年度，本公司亦已向所有董事作出具體查詢，董事已遵守買賣規定標準及有關董事進行證券交易之操守守則。

董事會

董事會組成

於本年報日期，董事會由六名成員組成，其中三名為執行董事，分別為許峻森先生、林靜儀女士（彼於二零一九年六月五日獲委任為執行董事及行政總裁）及林佳慧女士。董事會另外三名成員為獨立非執行董事，即為黃兆強先生、李勤輝先生及何建偉先生（彼於二零一九年一月十日獲委任為獨立非執行董事）。梁廷育先生於二零一九年一月十日辭任獨立非執行董事。

董事會成員具有不同背景，向本公司提供廣泛業務範疇及專業知識。董事之簡歷詳情載於本年報第37至39頁之「董事簡介」一節。全體董事須根據細則規定，最少每三年於本公司股東週年大會上輪值退任及重選連任。本公司已為董事投購適當保險。於本年報日期，董事彼此之間概無任何關係（包括彼此間的財務、業務、家庭或其他重大／有關關係）。

Roles and responsibilities of the Board and delegation to the management

The Board is responsible for the leadership and control of the Company and oversees the Group's business, strategic decisions and performance, and is responsible for promoting the success of the Company by directing and supervising its affairs. In practice, the Board takes responsibilities for decision making in all major matters of the Company which include approving and monitoring all policy matters, overall strategies, material transactions, appointment of directors and other significant financial and operational matters. The day-to-day management, administration and operation of the Company are delegated to the senior executives who are responsible for implementing the decisions of the Board, the coordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board. Approval has to be obtained from the Board prior to the entering by the Group into any significant transactions. These senior executives provide full support to the Board in order for the Board members to discharge their responsibilities.

Practices and conduct of board meetings

The company secretary (the "Company Secretary") of the Company is responsible to the Board for providing Board papers and related materials, for ensuring that all Board procedures and all applicable laws, rules and regulations are followed, and for reporting to the Chairman on governance matters. All Directors have unrestricted access to the advice and services of the Company Secretary. The Company Secretary also keeps minutes of all meetings of the Board which are available for inspection at any reasonable time on reasonable notice given by any Director.

The Board meets regularly and held 27 board meetings during the year ended 31 December 2019. The Directors attended the meetings in person or through other means of electronic communication in accordance with the Bye-Laws. During the regular Board meetings, the Directors discussed and formulated the overall strategies of the Group, reviewed and approved the annual, interim and quarterly results, as well as discussed and decided on other significant matters of the Group. All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board. The Company will, upon request, provide separate independent professional advice to the Directors to assist them to discharge their duties to the Company.

董事會之角色及責任及管理層之授權

董事會負責領導及監控本公司以及監管本集團之業務、策略方針及表現，並透過指導及監督本公司事務，負責引領本公司邁向成功。實質上，董事會負責本公司所有主要事務之決策，包括批准及監察所有政策事項、整體策略、重大交易、董事任命及其他重要財務及營運事宜。本公司之日常管理、行政及經營事務乃委派予高級行政人員處理。高級行政人員負責實行董事會決策、根據董事會審批之管理層策略及計劃協調及指引本公司日常營運及管理。本集團於訂立任何重要交易前均須獲得董事會之批准，而董事會於履行董事會成員職責時亦獲該等高級行政人員全力支持。

董事會會議之常規及舉行

本公司之公司秘書（「公司秘書」）負責向董事會提供董事會文件及相關資料以及確保遵照所有董事會程序及一切適用之法例、規則及規例，並就管治事宜向主席匯報。所有董事均可不受限制地獲公司秘書提供意見及服務。公司秘書亦就所有董事會會議作出會議記錄，任何董事可在任何合理時段內作出合理通知查閱該等會議記錄。

董事會定期舉行會議，並於截至二零一九年十二月三十一日止年度舉行27次董事會會議。董事親自或根據細則透過其他電子通訊方式出席會議。董事會定期會議舉行期間，董事討論及制定本集團之整體策略，並審閱及通過年度、中期及季度業績，以及就本集團之其他重要事宜進行討論及予以決策。全體董事可全面及適時地取得一切相關資料，以及公司秘書之意見及服務，以確保遵守董事會程序和所有適用法例及規例。各董事一般可於適當情況下向董事會要求尋求獨立專業意見，費用由本公司承擔。本公司將應要求向董事提供獨立專業意見，以協助彼等向本公司履行職務。

In case where a conflict of interest arises involving a substantial Shareholder or a Director, such matter will be discussed through an actual meeting and will not be dealt with by written resolutions. Independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues. The Board committees, including the audit committee, the remuneration committee and the nomination committee, have all adopted the applicable practices and procedures used in Board meetings for all committee meetings. If considered to be necessary and appropriate by the Directors, they may retain independent professional advisors at the Group's expense.

Individual attendance records of each Director at the respective Board and committee meetings are set out in the table on page 122 of this Annual Report.

Directors' continuing professional development

All Directors have been updated from time to time on the latest developments and changes in the GEM Listing Rules and other applicable regulatory requirements to ensure the Company's compliance and to enhance the Directors' awareness of good corporate governance practices. The Directors understand the importance of continuous professional development and are committed to participating in any suitable training or to studying relevant materials in order to develop and refresh their knowledge and skills.

Mr. Hui Chun Sum, Ms. Lam Ching Yee, Ms. Pauline Lam, Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Ho Kin Wai had confirmed that they have complied with Code Provision A.6.5 during the year ended 31 December 2019 by participating in continuous professional development to develop and refresh their knowledge and skills. During the year under review, the Company has provided trainings and relevant materials regarding the GEM Listing Rules to the Directors.

倘主要股東或董事在將予考慮之事宜中存有利益衝突，有關事宜將於實際會議上討論，且將不會以書面決議案處理。在有關事宜中並無利益衝突之獨立非執行董事將會出席處理有關利益衝突事宜之會議。所有董事委員會（包括審核委員會、薪酬委員會及提名委員會）均已就所有委員會會議採納董事會會議之適用常規及程序。倘董事認為有需要及適當，則彼等可尋求獨立專業顧問之意見，費用由本集團支付。

各董事就相關董事會及委員會會議之個別出席記錄載於本年報第122頁之表格。

董事持續專業發展

本公司不時就GEM上市規則及其他適用監管規定的最新發展及變動向全體董事提供最新資訊，以確保本公司符合良好企業管治常規，並提升董事對良好企業管治常規之了解。董事知悉持續專業發展之重要性，並致力參與任何適合的培訓課程或研讀相關資料，以發展及更新其知識及技能。

許峻森先生、林靜儀女士、林佳慧女士、黃兆強先生、李勤輝先生及何建偉先生均已確認，彼等於截至二零一九年十二月三十一日止年度已遵守守則條文第A.6.5條，透過參與持續專業發展以發展及更新其知識及技能。於回顧年度內，本公司已為董事提供培訓及有關GEM上市規則的相關材料。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman provides leadership to the Board, manages the Board and oversees the strategic planning of the Group, whereas the Chief Executive Officer is responsible for the Group's business development and daily management generally. According to Code Provision A.2.1, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. With effect from 1 December 2018, Mr. Hui Chun Sum became the Chairman. The office of the Chief Executive Officer was vacant from 22 November 2017 until 4 June 2019, during which the Board was identifying candidates with the suitable knowledge, skill and experience to fill the vacancy. The Board believed that the balance of power and authority of the Board was adequately ensured under the existing arrangement and operations of the Board, as the Board comprised experienced and high caliber individuals, half of whom being independent non-executive Directors. Ms. Lam Ching Yee was appointed as the Chief Executive Officer with effect from 5 June 2019.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has been in compliance with Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules during the year under review, with the appointment of the three independent non-executive Directors representing at least one-third of the Board and at least one of whom having appropriate professional qualifications, or accounting or related financial management expertise. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with each and the various guidelines set out in Rule 5.09 of the GEM Listing Rules.

Each of Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Leung Ting Yuk (who resigned with effect from 10 January 2019) was appointed for a term of 12 months commencing from 1 January 2019 to 31 December 2019 (both days inclusive). Mr. Ho Kin Wai was appointed for a term commencing from 10 January 2019 to 31 December 2019 (both days inclusive). Each of Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Ho Kin Wai was re-appointed for a term of 12 months commencing from 1 January 2020 to 31 December 2020 (both days inclusive).

主席及行政總裁

主席領導董事會、管理董事會及監督本集團的戰略規劃，而行政總裁整體負責本集團之業務發展及日常管理。根據守則條文第A.2.1條，主席及行政總裁職務須區分，不得由同一人士擔任。許峻森先生自二零一八年十二月一日起擔任主席。由二零一七年十一月二十二日至二零一九年六月四日，行政總裁的職位一直空缺，董事會於此期間已識別具備合適知識、技能及經驗的候選人已填補空缺。董事會認為，因由經驗豐富及卓越才智的成員（半數為獨立非執行董事）組成之董事會運作下，足以確保董事會權力及職權得到平衡。林靜儀女士於二零一九年六月五日獲委任為行政總裁。

獨立非執行董事

本公司已遵守GEM上市規則第5.05(1)及(2)條及第5.05A條，於回顧年度委任三名獨立非執行董事，佔董事會人數最少三分之一，而其中最最少一名人士具備適當專業資格或會計或相關財務管理專業知識。本公司已接獲各獨立非執行董事之年度獨立性身份確認，而本公司認為就GEM上市規則第5.09條所載每項及各項指引而言，該等董事為獨立人士。

黃兆強先生、李勤輝先生及梁廷育先生（彼於二零一九年一月十日辭任）已獲委任，由二零一九年一月一日起計至二零一九年十二月三十一日（包括首尾兩日）止為期十二個月。何建偉先生已獲委任，任期由二零一九年一月十日起計至二零一九年十二月三十一日（包括首尾兩日）為止。黃兆強、李勤輝先生及何建偉先生均獲重新委任，由二零二零年一月一日起計至二零二零年十二月三十一日（包括首尾兩日）止為期十二個月。

BOARD COMMITTEES

The Board has established three committees, namely the audit committee, the remuneration committee, and the nomination committee, each with its specific terms of reference. Their terms of reference have been approved and reviewed by the Board and have been posted on the websites of the Stock Exchange and the Company. During the year under review, these committees have adhered to their principles, procedures and arrangements set out in their respective terms of reference. The respective committee secretaries took full minutes of the meetings of these committees and the work of these committees was reported to the Board regularly during the year under review.

Audit Committee

An audit committee of the Board (the “**Audit Committee**”) was established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and Code Provision C.3.3. The Audit Committee must consist of a minimum of three members, all of whom must be non-executive Directors, at least one of whom must have appropriate professional qualification or accounting or related financial management expertise. From 1 January 2019 to 9 January 2019, the Audit Committee comprised three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Leung Ting Yuk. From 10 January 2019 to the date of this Annual Report, the Audit Committee comprised three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Ho Kin Wai. Mr. Wong Siu Keung, Joe has been the chairman of the Audit Committee during the year under review and as at the date of this Annual Report. The primary duties of the Audit Committee are mainly to review the Group’s financial information, reporting process, internal control procedures, risk management system, audit plan, relationship with external auditors and to review arrangements to enable employees of the Group, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Group.

董事委員會

董事會已成立審核委員會、薪酬委員會及提名委員會三個委員會，其各有特定職權範圍。董事會已批准及檢討職權範圍，並於聯交所及本公司網站刊載。於回顧年度內，該等委員會已貫徹其各自之職權範圍所載之原則、程序及安排。委員會相關秘書負責為該等委員會撰寫完整的會議記錄，而該等委員會則於回顧年度定期向董事會作出工作匯報。

審核委員會

董事會已成立審核委員會（「**審核委員會**」），其書面職權範圍符合 GEM 上市規則第 5.28 及 5.29 條以及守則條文第 C.3.3 條。審核委員會必須最少包括三名成員，而全部成員必須為非執行董事，當中最少一名成員須具備合適專業資格或會計或相關財務管理專業知識。由二零一九年一月一日至二零一九年一月九日，審核委員會由三名獨立非執行董事組成，分別為黃兆強先生、李勤輝先生及梁廷育先生。由二零一九年一月十日至本年報日期，審核委員會由三名獨立非執行董事組成，分別為黃兆強先生、李勤輝先生及何建偉先生。於回顧年度及於本年報日期，黃兆強先生為審核委員會主席。審核委員會之主要職務主要為審閱本集團財務資料、申報程序、內部監控程序、風險管理制度、審核計劃、與外聘核數師之關係，以及檢討相關安排，以讓本集團僱員可在保密情況下就本集團財務報告、內部監控或其他方面可能發生之不當行為提出關注。

During the year ended 31 December 2019, the Audit Committee held six meetings to review and provide supervision over the financial reporting system and internal control procedures of the Group and to review the Company's annual report and accounts, half-year report and quarterly reports and to provide advice and comments to the Board as to whether such reports were prepared in accordance with the applicable accounting standards and requirements. The Audit Committee also met with the external auditors to discuss auditing, internal control, statutory compliance and financial reporting matters of the Group before recommending the annual financial reports to the Board for approval.

The Group's quarterly, half-yearly and annual results for the year under review have also been reviewed by the Audit Committee.

Remuneration Committee

A remuneration committee of the Board (the "**Remuneration Committee**") was established with written terms of reference in compliance with Code Provision B.1.2. From 1 January 2019 to 9 January 2019, the Remuneration Committee comprised three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Leung Ting Yuk. From 10 January 2019 to the date of this Annual Report, the Remuneration Committee comprised three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Ho Kin Wai. Mr. Wong Siu Keung, Joe has been the chairman of the Remuneration Committee during the year under review and as at the date of this Annual Report. The principal responsibilities of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure in relation to the remuneration of all Directors and senior management of the Company and to review and approve management's remuneration proposals with reference to the goals and objectives set by the Board for the Company.

During the year ended 31 December 2019, the Remuneration Committee held four meetings and adopted the approach under Code Provision B.1.2(c)(ii) to make recommendations to the Board on the remuneration packages of the Directors and senior management of the Company. The Remuneration Committee had reviewed the policy for the remuneration of the executive Directors, assessed the performance of the executive Directors and had reviewed and approved the appointment letters of the Directors and the terms thereof as well as the remuneration and the discretionary bonus of the Directors during the year under review. No Director was involved in deciding his/her own remuneration.

於截至二零一九年十二月三十一日止年度，審核委員會舉行六次會議，以檢討及監察本集團之財務申報制度及內部監控程序，以及審閱本公司之年度報告及賬目、半年度報告及季度報告，並就有關報告是否根據適用會計準則及規定而編製，向董事會提供建議及意見。審核委員會亦與外聘核數師會面，以於向董事會提呈批准全年財務報告前討論有關本集團審核、內部監控、法定合規及財務報告事宜。

本集團於回顧年度的季度、半年度及年度業績已由審核委員會進行審閱。

薪酬委員會

董事會已成立薪酬委員會（「**薪酬委員會**」），其書面職權範圍符合守則條文第B.1.2條。由二零一九年一月一日至二零一九年一月九日，薪酬委員會由三名獨立非執行董事組成，分別為黃兆強先生、李勤輝先生及梁廷育先生。由二零一九年一月十日至本年報日期，薪酬委員會由三名獨立非執行董事組成，分別為黃兆強先生、李勤輝先生及何建偉先生。於回顧年度及於本年報日期，黃兆強先生為薪酬委員會主席。薪酬委員會之主要職責為就本公司有關全體董事及高級管理層之薪酬政策及架構向董事會提供意見，並參考本公司董事會目標及宗旨檢討及批准管理層之薪酬建議。

截至二零一九年十二月三十一日止年度，薪酬委員會舉行四次會議，採納守則條文第B.1.2(c)(ii)條項下之方式就本公司董事及高級管理層之薪酬組合向董事會作出推薦建議。於回顧年度內，薪酬委員會已檢討執行董事之薪酬政策，已評估執行董事之表現，並已審閱及批准董事委任函及其條款以及董事之薪酬及酌情花紅。概無董事參與決定其本身之薪酬。

Nomination Committee

A nomination committee of the Board (the “**Nomination Committee**”) was established with written terms of reference in compliance with Code Provision A.5.2. From 1 January 2019 to 9 January 2019, the Nomination Committee comprised three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Leung Ting Yuk. From 10 January 2019 to the date of this Annual Report, the Nomination Committee comprised three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Ho Kin Wai. Mr. Wong Siu Keung, Joe has been the chairman of the Nomination Committee during the year under review and as at the date of this Annual Report. The principal responsibilities of the Nomination Committee are to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

During the year ended 31 December 2019, the Nomination Committee held three meetings to review the policy for the nomination of Directors, the procedures, process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship, the structure, size and composition of the Board, to recommend candidates for directorship and to assess the independence of the independent non-executive Directors.

The process for the nomination of Directors, which is on merit basis, is led by the Nomination Committee. The Company has adopted a board diversity policy (the “**Policy**”) in August 2013 which sets out the approach to achieve and maintain diversity of the Board in order to ensure good governance.

提名委員會

董事會已成立提名委員會（「**提名委員會**」），其書面職權範圍符合守則條文第A.5.2條。由二零一九年一月一日至二零一九年一月九日，提名委員會由三名獨立非執行董事組成，分別為黃兆強先生、李勤輝先生及梁廷育先生。由二零一九年一月十日至本年報日期，提名委員會由三名獨立非執行董事組成，分別為黃兆強先生、李勤輝先生及何建偉先生。於回顧年度及於本年報日期，黃兆強先生為提名委員會主席。提名委員會之主要職責為就董事委任或重新委任以及董事繼任計劃向董事會作出推薦建議。

截至二零一九年十二月三十一日止年度，提名委員會舉行三次會議，以檢討董事提名政策、提名委員會就甄選及推薦董事候選人而採納之程序、過程及標準、有關董事會之結構、規模及組成，以推薦董事候選人及評估獨立非執行董事之獨立身份。

董事之提名程序由提名委員會領導。本公司已於二零一三年八月採納董事會多元化政策（「**該政策**」），其載列達致及維持董事會多元化之方法，以確保良好管治。

In designing the Board's composition, Board diversity has been considered from a wide range of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enables the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Company and support succession planning and development of the Board. For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness.

Selection of candidates will be based on the Policy and will take into account this Policy. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect.

The Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity. With effect from 5 June 2019, Ms. Lam Ching Yee was appointed as an executive Director whereby gender parity of the Board has been improved. The Board also aspires to having an appropriate proportion of directors who have direct experience in the Group's core markets, with different ethnic backgrounds, and reflecting the Group's strategy.

The Nomination Committee reviews this Policy at least once annually to ensure its effectiveness. The Nomination Committee will discuss any revisions to the Policy that may be required and make recommendation to the Board for approval. The Nomination Committee also monitors the implementation of this Policy by conducting review of the Board's composition at least once annually taking into account the benefits of all relevant diversity aspects and adhering to the Policy when making recommendation on any Board appointments. The Nomination Committee also ensures that Board diversity is considered as part of the evaluation of the Board's effectiveness. During the year ended 31 December 2019, relevant trainings were provided to the Directors from time to time to equip themselves with the attributes and competencies required for the Board in light of the strategic needs of the Group and the environment in which it operates.

於設計董事會之組成時，董事會多元化已從多方面考慮，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期，以及董事會可能不時認為相關及適用之任何其他因素。確保董事會內技能及經驗的平衡為重點強調，以提供一系列觀點、見解及考驗，使董事會能有效履行其職責、支持本公司核心業務及策略的良好決策及董事會的繼任計劃及發展。為達致理想的董事會，本集團或會不時制定及檢討額外可計量目標／特定多元化目標，以確保其恰當性。

甄別董事人選將會根據政策進行，並同時會考慮本政策。最終決定將會根據相關人選的長處及其可為董事會作出的貢獻，當中會考慮對董事會多元化的裨益以及董事會的需要，不會只側重單一的多元化層面。

董事會將會藉着甄別及推舉適當董事人選時的機會逐步提高女性董事的比例。董事會將因應持份者的期望及參考國際和本地的建議最佳常規以確保董事會男女成員組合取得適當平衡，並以董事會邁向性別均等為最終目標。自二零一九年六月五日起，林靜儀女士獲委任為執行董事，從而董事會的性別均等得以改善。董事會亦期望有適當比例的董事（於本集團的核心市場有直接經驗，各有不同種族背景），並反映本集團的策略。

提名委員會每年至少審閱該政策一次以確保其有效性。提名委員會將談論該政策的任何修訂或會需要向董事會作出建議並獲董事會批准。提名委員會亦透過至少每年進行一次審閱董事會之組成以監察該政策的執行，於向董事會任何委任作出建議時經考慮所有相關多元化方面的利益及遵守該政策。提名委員會亦確保董事會多元化作為評估董事會有效性的部分。截至二零一九年十二月三十一日止年度，鑒於本集團所需策略及營運所在地的環境，本公司不時向董事提供相關培訓以使彼等具備董事會所需的特質及能力。

DIRECTORS' ATTENDANCE RECORD AT MEETINGS

Details of the attendance of the Directors at the meetings of the Board and its respective committees and general meetings of the Company during the year ended 31 December 2019 are as follows:

| Name of Directors | 董事姓名 | Board Meeting Attended/ Eligible to attend 出席／合資格 出席董事會 會議 | Audit Committee Meeting Attended/ Eligible to attend 出席／合資格 出席審核 委員會會議 | Remuneration Committee Meeting Attended/ Eligible to attend 出席／合資格 出席薪酬 委員會會議 | Nomination Committee Meeting Attended/ Eligible to attend 出席／合資格 出席提名 委員會會議 | General Meeting Attended/ Eligible to attend 出席／合資格 出席股東大會 |
|--|-----------------------|--|--|---|---|--|
| Number of meetings held during the financial year | 於財政年度內舉行之會議次數 | 27 | 6 | 4 | 3 | 1 |
| Executive Directors | 執行董事 | | | | | |
| Mr. Hui Chun Sum | 許峻森先生 | 24/27 | 0/0 | 0/0 | 0/0 | 1/1 |
| Ms. Lam Ching Yee (appointed with effect from 5 June 2019) | 林靜儀女士 (於二零一九年六月五日獲委任) | 14/14 | 0/0 | 0/0 | 0/0 | 0/0 |
| Ms. Pauline Lam | 林佳慧女士 | 25/27 | 0/0 | 0/0 | 0/0 | 1/1 |
| Independent non-executive Directors | 獨立非執行董事 | | | | | |
| Mr. Wong Siu Keung, Joe (Committee Chairman) | 黃兆強先生 (委員會主席) | 25/27 | 6/6 | 4/4 | 3/3 | 1/1 |
| Mr. Lee King Fui | 李勤輝先生 | 27/27 | 6/6 | 4/4 | 2/3 | 1/1 |
| Mr. Ho Kin Wai (appointed with effect from 10 January 2019) | 何建偉先生 (於二零一九年一月十日獲委任) | 23/25 | 6/6 | 3/3 | 2/2 | 1/1 |
| Mr. Leung Ting Yuk (resigned with effect from 10 January 2019) | 梁廷育先生 (已於二零一九年一月十日辭任) | 1/2 | 0/0 | 0/1 | 1/1 | 0/0 |

Note: Attendances of the Director who resigned during the year ended 31 December 2019 were made by reference to the number of such meetings held during their respective tenures.

董事出席會議記錄

截至二零一九年十二月三十一日止年度內各董事於董事會及其各委員會會議及本公司股東大會之出席記錄詳情如下：

| Name of Directors | 董事姓名 | Board Meeting Attended/ Eligible to attend 出席／合資格 出席董事會 會議 | Audit Committee Meeting Attended/ Eligible to attend 出席／合資格 出席審核 委員會會議 | Remuneration Committee Meeting Attended/ Eligible to attend 出席／合資格 出席薪酬 委員會會議 | Nomination Committee Meeting Attended/ Eligible to attend 出席／合資格 出席提名 委員會會議 | General Meeting Attended/ Eligible to attend 出席／合資格 出席股東大會 |
|--|-----------------------|--|--|---|---|--|
| Number of meetings held during the financial year | 於財政年度內舉行之會議次數 | 27 | 6 | 4 | 3 | 1 |
| Executive Directors | 執行董事 | | | | | |
| Mr. Hui Chun Sum | 許峻森先生 | 24/27 | 0/0 | 0/0 | 0/0 | 1/1 |
| Ms. Lam Ching Yee (appointed with effect from 5 June 2019) | 林靜儀女士 (於二零一九年六月五日獲委任) | 14/14 | 0/0 | 0/0 | 0/0 | 0/0 |
| Ms. Pauline Lam | 林佳慧女士 | 25/27 | 0/0 | 0/0 | 0/0 | 1/1 |
| Independent non-executive Directors | 獨立非執行董事 | | | | | |
| Mr. Wong Siu Keung, Joe (Committee Chairman) | 黃兆強先生 (委員會主席) | 25/27 | 6/6 | 4/4 | 3/3 | 1/1 |
| Mr. Lee King Fui | 李勤輝先生 | 27/27 | 6/6 | 4/4 | 2/3 | 1/1 |
| Mr. Ho Kin Wai (appointed with effect from 10 January 2019) | 何建偉先生 (於二零一九年一月十日獲委任) | 23/25 | 6/6 | 3/3 | 2/2 | 1/1 |
| Mr. Leung Ting Yuk (resigned with effect from 10 January 2019) | 梁廷育先生 (已於二零一九年一月十日辭任) | 1/2 | 0/0 | 0/1 | 1/1 | 0/0 |

附註：截至二零一九年十二月三十一日止年度內已辭任董事出席記錄乃參考於彼等各自任期內所舉行會議次數作出。

AUDITOR'S REMUNERATION

For the year ended 31 December 2019, the fees paid/payable to the Group's external auditor, Ascenda Cachet CPA Limited, for the audit and non-audit services provided to the Group amounted to approximately HK\$1,030,000 and approximately HK\$20,000 respectively. The total amount of fees paid/payable to other audit firms for providing audit and non-audit services for the year ended 31 December 2019 amounted to approximately HK\$600,000 and approximately HK\$379,000 respectively. The non-audit service fees incurred consist of fees of approximately HK\$379,000 for taxation review.

核數師酬金

截至二零一九年十二月三十一日止年度，就向本集團提供審核及非審核服務已／應支付予本集團之外聘核數師天健德揚會計師事務所有限公司的費用分別約為1,030,000港元及約20,000港元。截至二零一九年十二月三十一日止年度，就提供審核及非審核服務而已／應支付予其他審計公司的費用金額總計分別約為600,000港元及約379,000港元。非審核服務產生之費用包括約379,000港元之稅務審查。

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare the accounts of the Group and other disclosures required under the GEM Listing Rules, and management will provide information and explanations to the Board to enable it to make an informed assessment of the financial and other Board decisions.

A statement by the Company's external auditor, Ascenda Cachet CPA Limited, about their reporting responsibilities is included in the Independent Auditor's Report in this Annual Report.

Despite the fact that the Group had net current liabilities of approximately HK\$73,164,000 as at 31 December 2019, these consolidated financial statements have been prepared on the basis that the Group will continue to operate as a going concern. The Directors are of the opinion that the Group is able to continue as a going concern and to meet in full their financial obligations as (i) the Group had net assets of approximately HK\$368 million including financial assets at FVTOCI of approximately HK\$164 million as at 31 December 2019 classified as non-current assets which could be realised to satisfy the current liabilities obligations of the Group; (ii) the Group has been actively negotiating with its creditors and/or banker(s) to extend the repayment terms of its indebtedness, and as detailed in note 25(d) to the consolidated financial statements in April 2020, the Group has entered into a supplemental agreement with the lender for not demanding for the repayment of the Bailihong Loan (as defined in note 25(d)) of approximately HK\$55,233,000 within the next 12 months from the date of the supplemental agreement; and (iii) continuing financial support has been provided by a substantial shareholder of the Company, who has confirmed her willingness to continue financing the operation of the Group to meet its future obligations, and has also entered into a loan facility agreement with the Company in April 2020, pursuant to which, the substantial shareholder has agreed to provide the Loan Facility to the Group for the purpose of its general working capital. As at the date of these consolidated financial statements, the Shareholder's Loan has been drawn down by the Group which bears interest at a fixed rate of 10% per annum and is repayable 12 months after the drawdown provided that the substantial shareholder will not demand for repayment of the Shareholder's Loan upon maturity until the Group is in a position to do so. In light of all the measures adopted and arrangements implemented, the Directors are of the opinion that the Group will have sufficient cash resources to satisfy its future working capital and other financial requirements and it is reasonable to expect the Group to remain as a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

董事及核數師就財務報表之責任

董事確認彼等負責根據GEM上市規則編製本集團賬目及其他披露資料，而管理層將向董事會提供資料及解釋，以使其可作出知情的財務評核及其他董事會決策。

本公司外聘核數師天健德揚會計師事務所有限公司就彼等之申報責任所作出之聲明已載入本年報的獨立核數師報告書。

儘管本集團於二零一九年十二月三十一日有流動負債淨額約73,164,000港元，但此等綜合財務報表已按本集團將持續經營的基準編製。董事認為，本集團能夠持續經營並全面履行其財務責任，原因為(i)於二零一九年十二月三十一日，本集團有資產淨值約368,000,000港元，包括分類為非流動資產之按公平值透過其他全面收益列賬之金融資產約164,000,000港元，其可變現以支付本集團的流動負債責任；(ii)本集團正積極與其債務人及／或銀行進行磋商，以延長其債務的償還期限，並且如綜合財務報表附註25(d)所詳述，本集團已於二零二零年四月與貸款人訂立一份補充協議，內容有關不要求於補充協議日期起計未來12個月內償還百利宏貸款（定義見附註25(d)）約55,233,000港元；及(iii)本公司主要股東持續提供財務支持，並確認願意繼續為本集團營運撥資以滿足其未來責任並亦於二零二零年四月與本公司訂立貸款融資協議，據此，主要股東已同意向本集團提供貸款融資以作一般營運資金用途。於該等綜合財務報表日期，本集團已提取按固定年利率10%計息並須於提取後12個月內償還的貸款融資，惟主要股東不會要求於到期時償還股東貸款，直至本集團情況許可為止。基於所有已採取的措施及已實施的安排，董事認為本集團將具備充足的現金資源以滿足其日後的營運資金及其他財務需求且合理預期本集團能維持商業上可行之經營。因此，董事信納按持續經營基準編製該等綜合財務報表屬適當。

COMPANY SECRETARY

The Company Secretary is an employee of the Group and has day-to-day knowledge of the Group's affairs. The Company Secretary is responsible to the Board for ensuring the Board procedures are followed and that the Board is briefed on legislative, regulatory and corporate governance developments. During the year under review, the Company Secretary has taken not less than 15 hours of relevant professional training as required by the GEM Listing Rules.

INTERNAL CONTROL

The Board is responsible for establishing and maintaining the Group's systems of risk management and internal control and for reviewing the effectiveness of these systems. The risk management and internal control systems are designed to meet the particular needs of the Group and to mitigate the risks which it is exposed to. By their nature, however, such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable but not absolute assurance against material misstatement or loss. The Board has engaged an independent advisor to review the effectiveness of the risk management and internal control systems of the Group, covering all material financial, operating and compliance controls for the year ended 31 December 2019. Such review is conducted annually. The scope of the review has been previously determined and approved by the Board and the Audit Committee. The independent advisor has reported major findings and areas of improvement to the Board. All the recommendations have been properly followed up by the Group to ensure that they will be implemented within a reasonable period of time. The Board is of the view that the Group's current risk management and internal control systems are adequate and effective.

As might be expected of a Group of its size, a key control procedure is the day-to-day supervision of the business by the executive Directors, supported by managers responsible for operations and the key central and divisional support provided by the Group's financial information systems and human resources. Key elements of the risk management and internal control systems of the Group as described below have all been in place throughout the year under review and up to the date of this Annual Report and are reviewed regularly by the Board:

公司秘書

公司秘書為本集團僱員，彼對本集團日常事務有深入認識。公司秘書向董事會負責確保已遵從董事會程序且董事會已了解法例、規例及企業管治發展。於回顧年度，公司秘書已接受不少於GEM上市規則所規定之十五小時之有關專業培訓。

內部監管

董事會負責建立及維護本集團之風險管理及內部監管系統，並檢討該等監管系統之有效性。風險管理及內部監管系統之設計乃為應付本集團之特別需要以及減輕所面對之風險。然而，鑒於該等風險管理及內部監管系統之性質，其設計乃為管理而非消滅出錯風險，以達致業務目標，並僅就避免重大錯誤陳述或虧損提供合理而非絕對之保證。董事會已聘用獨立顧問，審閱本集團截至二零一九年十二月三十一日止年度之風險管理及內部監管系統之有效性，包含所有重大財務、運營及合規監控。相關審閱每年進行一次。審閱範圍由董事會及審核委員會先前釐定及批准。獨立顧問已向董事會呈報重大發現及待改進領域。本集團已適當遵從所有建議，以確保彼等於合理時期落實。董事會認為，本集團目前之風險管理及內部監管系統屬充分及有效。

誠如與本集團規模相近之集團所預期，一項重點監管程序乃由執行董事監察日常業務，並由本集團負責營運及中央及分部之財務資訊系統及人力資源等各支援部門之經理給予支援。下文所載本集團風險管理及內部監管系統之主要元素於整個回顧年度及直至本年報日期已全面到位，並由董事會進行定期審查：

- clearly defined management structure, lines of responsibilities and delegation of authority;
 - high recruitment standards and formal career development and training to ensure the integrity and competence of the staff;
 - regular and comprehensive information provided to management, covering financial performance and non-financial measures;
 - procedures for the approval of capital expenditure, investments and acquisitions;
 - detailed budgeting process in which top management is involved in budget setting, constant monitoring of key statistics and review of management accounts on a monthly basis, noting and investigating major variances; and
 - consideration of progress made against significant business risks at monthly management review meetings, with quarterly briefings to the Board.
- 界定清晰之管理架構、職責分工及權限授予；
 - 高標準招聘以及正規職業發展及培訓，以確保員工之誠信及能力；
 - 向管理層定期提供完備資料，涵蓋財務表現及非財務措施；
 - 資本開支、投資及收購之批准程序；
 - 詳盡制定預算流程，當中高級管理層參與制定預算，持續監察重要數據及每月審閱管理賬目，留意及調查主要歧異之處；及
 - 於每月舉行之管理檢討會議上省覽針對主要業務風險之進展，並向董事會簡介每季情況。

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

本集團用於識別、評估及管理重大風險的程序概述如下：

Risk Identification

風險識別

- Identifies risks that may potentially affect the Group's business and operations.

- 識別可能對本集團業務及營運構成潛在影響之風險。

Risk Assessment

風險評估

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impacts of the risks on the business caused by the adverse events associated with the risks and the likelihood of occurrence of these adverse events.

- 使用管理層建立之評估標準，評估已識別之風險；及
- 就與風險有關之不利事件導致的業務風險影響以及發生該等不利事件之可能性加以考慮。

Response to Risks

- Prioritises the risks by comparing the results of the risk assessments; and
- Determines the risk management strategies and internal control processes to prevent, avoid and mitigate the risks.

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risks and ensures that appropriate internal control processes are in place and resolve material internal control defects (if any);
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to management and the Board regularly.

Inside Information

- The Group has in place, as an element of its risk management and internal control systems, a policy on disclosure of inside information, to ensure that inside information is handled and disseminated properly and in accordance with the applicable laws and regulations. The finance manager of the Company and the department heads within the Group are responsible for monitoring the changes and developments in their respective areas of operation and report any potential or suspected inside information events to the Board. Based on the information obtained through internal reporting, the Board assesses whether any of the information constitutes inside information which needs to be released to the public. Should public disclosure be required, the Board will determine the scope of information to be disclosed and the timing of disclosure. If and when appropriate, the Board may seek independent professional advice to ensure that the Company complies with the disclosure requirements.

The Board has considered the need for an internal audit function, and concluded that, given the size of the Group and its risk management and internal control systems in place, it is not necessary at present. The Board will review this issue on an annual basis.

風險應對

- 透過比較風險評估之結果，排列風險優先次序；及
- 釐定風險管理策略及內部監控程序，以防止、避免或降低風險。

風險監察及匯報

- 持續並定期監察風險，以及確保設有適當以及可解決重大內部監管錯誤（倘有）的內部監管程序；
- 於出現任何重大變動時，修訂風險管理策略及內部監管程序；及
- 向管理層及董事會定期匯報風險監察的結果。

內幕消息

- 作為其風險管理及內部監管系統之一部分，本集團已制定披露內幕消息之政策，以確保內幕消息妥為處置及發佈，且符合適用法律及規例。本公司之財務經理及本集團之部門主管負責監察彼等各自營運區域之變動及發展，並向董事會匯報任何潛在及疑似內幕消息之事項。根據內部匯報獲得之資料，董事會評估任何該等資料是否構成內幕消息而須向公眾公佈。倘須向公眾披露，董事會將釐定將予披露之資料範圍及披露時間。董事會將於適當時候尋求獨立專業意見，以確保本公司遵守披露規定。

董事會省覽內部審核職能之必要性，經考慮本集團之規模及其風險管理及內部監管系統設立後，確定目前並無設立之必要。董事會將每年就此事宜進行檢討。

DIVIDEND POLICY

The Company has adopted a dividend policy with effect from 1 January 2019. Dividends may be paid out by means of cash or by other means that the Directors consider appropriate. Declaration and payment of any dividends would require the recommendation of the Board and will be at its discretion. In addition, any dividends for a financial year will be subject to the approval of the Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividends, depends on a number of factors, including the financial performance and future funding needs of the Company and other factors the Board may deem relevant.

Declaration and payment of dividends by the Company is subject to compliance with the Bye-laws and the laws of Bermuda.

The Board will review the dividend policy from time to time and may exercise its sole and absolute discretion to update, amend and/or modify the dividend policy at any time as it deems fit and necessary.

There is no assurance that dividends will be declared or paid in any particular amount for any given period.

COMMUNICATION WITH SHAREHOLDERS

Communication with the Shareholders is given a high priority by the Company. The Company aims to provide the Shareholders with high standards of disclosure and financial transparency through the publication of annual, interim and quarterly reports, announcements and circulars made through the websites of the Company and of the Stock Exchange.

The Board also maintains an on-going dialogue with the Shareholders and use general meetings to communicate with the Shareholders. The Company encourages all the Shareholders to attend general meetings of the Company which provide a useful forum for the Shareholders to exchange their views with the Board. The Chairman and members of the relevant Board committees and senior management of the Company are also available to answer the Shareholders' questions in the general meetings.

股息政策

本公司已採納一項自二零一九年一月一日起生效的股息政策。股息可以現金或董事認為合適的其他方式支付。宣派及支付任何股息應由董事會建議並將由彼等酌情而定。此外，任何財政年度股息均須獲得股東批准。未來宣派或支付任何股息的決定及任何股息金額視乎多項因素，包括本公司的財務表現及未來資金需求以及董事會可能視作相關的其他因素。

本公司宣派及支付股息須遵守細則及百慕達法律。

董事會將不時審查股息政策，並可在其認為合適及必要的任何時間，全權酌情更新、修訂及/或修改股息政策。

概不保證將在任何指定期間宣派或支付任何特定金額的股息。

與股東溝通

本公司與股東溝通相當重要。本公司透過在本公司及聯交所的網站刊登年度、中期及季度報告、公佈及通函，力求為股東提供高水平的披露資料及財務透明度。

董事會亦維持與股東持續對話，並且利用股東大會的機會與股東溝通。本公司鼓勵全體股東出席本公司股東大會，而股東大會是股東與董事會交換意見的有用平台。本公司主席及相關董事會委員會成員與高級管理層亦會出席股東大會，於會上解答股東的問題。

To safeguard the Shareholders' interests and rights, a separate resolution is proposed for each substantially independent issue at general meetings of the Company, including the election of individual Directors. All resolutions put forward at general meetings of the Company will be voted by poll pursuant to the GEM Listing Rules and the poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting of the Company.

INVESTOR RELATIONS

The Company keeps on promoting investor relations and enhancing communication with the existing Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

During the year ended 31 December 2019, there was no significant change in the Company's memorandum of association and the Bye-Laws.

SHAREHOLDERS' RIGHT

Procedures for Shareholders to convene a general meeting

Pursuant to Bye-Law 58 of the Bye-Laws, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

Such written requisition (i) must state the object of business to be transacted at the meeting; and (ii) must be signed by the requisitionists; and (iii) must be deposited at the Company's principal place of business in Hong Kong in hard copy form for the attention of the Board or the Company Secretary. The requisition may consist of several documents in like form, each signed by one or more of the requisitionist(s).

為保障股東權益及權利，本公司將就各重大獨立事宜（包括選舉個別董事）於本公司股東大會提呈獨立決議案。於本公司股東大會上提呈之所有決議案將根據GEM上市規則以投票方式表決，且投票表決之結果將於本公司各股東大會結束後在本公司及聯交所網站上刊載。

投資者關係

本公司不斷促進與投資者之關係，並加強與現有股東及有意投資者之溝通。本公司歡迎投資者、權益持有人及公眾人士提供意見。向董事會或本公司作出之查詢可郵寄至本公司於香港之主要營業地點。

截至二零一九年十二月三十一日止年度，本公司之組織章程大綱及細則概無重大變動。

股東權利

股東召開股東大會之程序

根據細則第58條，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本（附有於本公司股東大會上投票權）十分之一的股東於任何時候有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何業務交易；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自發根據百慕達一九八一年公司法第74(3)條之條文作出此舉。

有關書面要求(i)須列明大會上將處理之事務；及(ii)須由遞呈要求人士簽署；及(iii)須以印本形式交回本公司香港主要營業地點，註明董事會或公司秘書收。要求可以由若干類似形式的文件組成，而各份文件須由一名或以上遞呈要求人士簽署。

Putting forward proposals at general meetings

Save for the procedures for the Shareholders to convene a general meeting as set out above and for the Shareholders to nominate a person for election as a Director pursuant to Bye-Law 85 of the Bye-Laws, there are no other provisions allowing the Shareholders to put forward proposals at a general meeting of the Company under the Bye-Laws or under the laws of Bermuda. Shareholders may follow the procedures set out above to convene a special general meeting of the Company for any business specified in such written requisition.

Shareholders' enquiries

Shareholders may send their enquiries requiring the Board's attention to the Company Secretary at the Company's principal place of business in Hong Kong. Questions about the procedures for convening or putting forward proposals at an annual general meeting or a special general meeting of the Company may also be put to the Company Secretary by the same means.

於股東大會上提呈建議

除上文所載股東召開股東大會及股東根據細則第85條提名他人競選董事之程序外，根據細則或根據百慕達法律，並無其他條文允許股東於本公司股東大會上提呈建議。股東可依照上文所載的程序就該書面要求中列明的任何事項召開本公司股東特別大會。

股東查詢

股東可將彼等之查詢寄發至本公司之香港主要營業地點，註明公司秘書收，再代為轉交董事會。有關召開本公司股東週年大會或股東特別大會或於大會上提呈建議之程序之查詢，亦可透過同一方法寄發予公司秘書。



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**TO THE MEMBERS OF
HANG TAI YUE GROUP HOLDINGS LIMITED**

(Incorporated in the Cayman Islands and re-domiciled and continued on 1 December 2015 in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Hang Tai Yue Group Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 147 to 295, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

**致恆泰裕集團控股有限公司
各股東**

(於開曼群島註冊成立並於二零一五年十二月一日遷冊至百慕達及於百慕達存續之有限公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第147至295頁恆泰裕集團控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)之綜合財務報表,此綜合財務報表包括於二零一九年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,綜合財務報表已按照香港會計師公會(「**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 貴集團於二零一九年十二月三十一日之綜合財務狀況以及其截至該日止年度之綜合財務表現及綜合現金流量,並已按照香港公司條例之披露規定妥為編製。

BASIS FOR OPINION

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

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

意見基礎

我們已根據香港會計師公會頒佈的香港審計準則（「**香港審計準則**」）進行審核。我們於該等準則項下的責任於本報告「核數師就審核綜合財務報表須承擔之責任」一節中進一步詳述。根據香港會計師公會頒佈的職業會計師道德守則（「**守則**」），我們獨立於貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證充分及適當地為我們之審核意見提供基礎。

關鍵審核事項

關鍵審核事項為我們的專業判斷中，審核本期綜合財務報表中最重要的事項。我們於審核整體綜合財務報表及就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。我們的審核如何處理下述每一事項的描述亦以此為背景。

我們已履行本報告「核數師就審核綜合財務報表須承擔之責任」一節中闡述的責任，包括與該等事項相關的責任。因此，我們的審核工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的程序。我們執行審核程序的結果，包括處理下述事項所執行的程序，為隨附的綜合財務報表發表審核意見提供了基礎。

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(i) Revenue recognition from contracts with customers in relation to provision of information technology ("IT") contract services

(i) 有關提供資訊科技(「資訊科技」)合約服務之客戶合約收入確認

Reference is made to notes 2.4 and 3 to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and note 5 to the consolidated financial statements for further information.

請參閱綜合財務報表附註2.4及3有關董事對相關會計政策、判斷及估計之披露及綜合財務報表附註5之進一步資料。

During the year ended 31 December 2019, the Group recognised revenue from contract with customers in relation to provision of IT contract services and maintenance services of approximately HK\$544,544,000, of which, as to approximately HK\$488,564,000 for provision of IT contract services which were recognised progressively over time using the input method.

截至二零一九年十二月三十一日止年度，貴集團就提供資訊科技合約服務及維護服務確認客戶合約收入約544,544,000港元，其中提供資訊科技合約服務的約488,564,000港元使用輸入法隨時間按進度確認。

Contract revenue recognised progressively over time using the input method is based on the Group's efforts or inputs to the satisfaction of the performance obligation, with reference to the total cost incurred up to the end of the period as a percentage of estimated total contract cost.

使用輸入法隨時間按進度確認的合約收入乃基於貴集團為完成履約責任而付出的努力或投入，並經參考截至期末產生的總成本佔估計總合約成本的百分比計算。

關鍵審核事項(續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our procedures in relation to management's assessment of the revenue recognition from contracts with customers in relation to provision of IT contract services included:

就管理層對有關提供資訊科技合約服務之客戶合約收入確認的估算，我們所採取的程序包括：

- Obtaining an understanding of how management estimated the budget cost and how management determined the progress;
- 了解管理層如何估算預算成本以及管理層如何釐定進度；
- Obtaining a detailed breakdown of the total estimated costs to completion for all IT contracts in progress during the year and comparing, on a sample basis, actual costs incurred to the reporting date and future cost (i.e. labour cost or labour hours) to be further incurred and estimated by management in its assessment of the estimated costs to completion;
- 取得年內所有進行中資訊科技合約的估計完成成本總額的詳盡明細，並抽樣將截至報告日期止所產生的實際成本比對管理層評估達致完成的估計成本時所估算將進一步產生的未來成本(即人工成本或工時)；

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(i) Revenue recognition from contracts with customers in relation to provision of information technology ("IT") contract services (cont'd)

(i) 有關提供資訊科技(「資訊科技」)合約服務之客戶合約收入確認(續)

Management reviewed and revised the estimates of revenue and contract costs for each IT contract by comparing the most current budgeted amounts with corresponding actual amounts as the contract work progresses.

管理層會按合約工程進度，通過比較最近期的預算金額及相應的實際金額，審閱及修訂每份資訊科技合約的收入及合約成本的估算。

For this reason, we identified the revenue recognition from contracts with customers in relation to provision of IT contract services as a key audit matter.

因此，我們識別有關提供資訊科技合約服務之客戶合約收入確認為一項關鍵審核事項。

關鍵審核事項(續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

- Discussing with management the performance of IT contract in progress during the year, on a sample basis, and challenging the key estimates and assumptions adopted in the forecasts for budget costs by management based on the past experience, including estimated costs (i.e. labour cost and labour hours) to completion, the adequacy of contingency provisions and extra costs incurred for work behind schedule, by obtaining and evaluating relevant information in connection to the assumptions adopted, including checking with the corresponding services orders, subsequent issued invoices and subsequent settlement for contract assets, the correspondence with customers regarding the subsequent confirmation of services orders; and by considering historical outcomes for similar contracts; and
- 根據抽樣基準與管理層討論年內正在進行中的資訊科技合約表現，並質疑管理層基於過往經驗就預算成本預測所採用的關鍵估計及假設，包括達致完成的估計成本(即人工成本或工時)、應急撥備金的充足性及因工作延誤而產生的額外成本，方式為獲取及評估與所採納的假設有關的相關資料，包括核查相應的服務訂單、後續已開具的發票以及後續合約資產的結算、有關後續服務訂單確認書與客戶之間的對應關係；並考慮類似合約的歷史結果；及

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(i) Revenue recognition from contracts with customers in relation to provision of information technology ("IT") contract services (cont'd)

(i) 有關提供資訊科技（「資訊科技」）合約服務之客戶合約收入確認（續）

關鍵審核事項（續）

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

- Inspecting on a sample basis of agreements and/or services orders with customers to identify key terms and conditions, including the contracting parties, the contract period, the contract sum, the scope of work, the methodology for calculating liquidated and ascertained damages, and evaluating whether these key terms and conditions had been appropriately reflected in the total estimated revenue and costs to completion in the forecast of the outcome of the contracts.
- 抽樣核查與客戶的協議及／或服務訂單，以識別主要條款及條件，包括訂約人士、合約期限、合約金額、工作範圍、用於計算違約及確定損害賠償的方法，並評估該等主要條款及條件是否已適當地在合約結果預測內的總估計收入及達致完成的成本中反映。

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(ii) Allowance for impairment of contract assets, accounts receivable, loan and interest receivables

(ii) 合約資產、應收賬款、應收貸款及利息之減值撥備

Reference is made to notes 2.4 and 3 to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and notes 19(a) and 20 to the consolidated financial statements for further information.

請參閱綜合財務報表附註2.4及3有關董事對相關會計政策、判斷及估計之披露及綜合財務報表附註19(a)及20之進一步資料。

The carrying amount of the Group's contract assets, accounts receivable, loan and interest receivables were approximately HK\$130,561,000, HK\$59,464,000 and HK\$11,301,000, respectively, as at 31 December 2019.

於二零一九年十二月三十一日，貴集團合約資產、應收賬款、應收貸款及利息之賬面值分別約為130,561,000港元、59,464,000港元及11,301,000港元。

During the year, the Group recognised (i) a reversal of impairment of contract assets of approximately HK\$8,000; and (ii) an allowance for impairment of accounts receivable, loan and interest receivables of approximately HK\$383,000 and nil respectively, in accordance with HKFRS 9.

年內，貴集團已根據香港財務報告準則第9號確認(i)合約資產減值撥回約8,000港元；及(ii)就應收賬款、應收貸款及利息計提減值撥備分別約383,000港元及零。

關鍵審核事項 (續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our procedures in relation to management's assessment of allowance for impairment on contract assets, accounts receivable, loan and interest receivables included:

我們就管理層對合約資產、應收賬款、應收貸款及利息之減值撥備評估執行的程序包括：

- Obtaining an understanding of how management estimated the allowance for impairment on contract assets, accounts receivable, loan and interest receivables and evaluating the historical accuracy of the impairment estimation by management, including revision of the purchase orders from customers and loan agreements, the controls over the approval, recording and monitoring of contract assets, accounts receivable, loan and interest receivables and assessment of the collectability of the debtors and the borrowers;
- 了解管理層如何評估合約資產、應收賬款、應收貸款及利息之減值撥備，並評估管理層過往作出的減值評估（包括修訂來自客戶的採購訂單及貸款協議、對批准、記錄及監控合約資產、應收賬款、應收貸款及利息的內部控制及評估債務人及借款人可收回性）之準確性；
- Assessing the reasonableness of the Group's expected credit losses ("ECLs") models, including the model input, model design, model performance for significant portfolios. We assessed the reasonableness of the Group's criteria for impairment by assessing if there has been a significant increase in credit risk that allowances for impairment of contract assets, accounts receivable, loan and interest receivables should be measured on a lifetime ECLs basis. We also assessed whether historical experience is representative of current circumstances and of the recent losses incurred in the portfolios and assessed the reasonableness of forward-looking adjustments;
- 評估貴集團預期信貸虧損（「預期信貸虧損」）模式的合理性，包括重要組合的模式輸入、模式設計、模式表現。我們評估貴集團所用的減值準則是否合理，方法為評估信貸風險是否有顯著增加，而致使合約資產、應收賬款、應收貸款及利息之減值撥備應按全期預期信貸虧損基準進行計量。我們亦評估歷史經驗是否代表了當前的情況以及組合中最近的損失，及評估前瞻性調整的合理性；

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(ii) Allowance for impairment of contract assets, accounts receivable, loan and interest receivables (cont'd)

(ii) 合約資產、應收賬款、應收貸款及利息之減值撥備 (續)

The measurement of impairment loss, based primarily on ECLs, requires the application of judgment and estimation by the management. The Group's policy for recognition of an allowance for impairment on contract assets, accounts receivable, loan and interest receivables is based on the evaluation of recoverability, ageing analysis and on management's judgement. A considerable amount of judgement is required in assessing the recoverability of the contract assets, accounts receivable, loan and interest receivables including the current creditworthiness and the past collection history of the debtors and the borrowers. 主要根據預期信貸虧損進行減值虧損的計量要求管理層運用判斷及估計。貴集團有關合約資產、應收賬款、應收貸款及利息之減值撥備確認政策乃基於可收回性評估、賬齡分析及管理層判斷而釐定。評估合約資產、應收賬款、應收貸款及利息的可收回性需要作出大量判斷(包括債務人及借款人的現時信譽及過往收款記錄)。

For this reason, we identified the allowance for impairment of contract assets, accounts receivable, loan and interest receivables as a key audit matter.

因此，我們已識別合約資產、應收賬款、應收貸款及利息之減值撥備為關鍵審核事項。

關鍵審核事項 (續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

- Assessing the basis of management's assessment of recoverability of the contract assets, accounts receivable, loan and interest receivables with reference to the management's evaluation of the debtors or borrowers' creditworthiness, debtors or borrowers' credit history including default or delay in payments, debtors or borrowers' settlement records, subsequent settlements from debtors or borrowers and ageing analysis of each individual debtors or borrowers; and
- 評估管理層就合約資產、應收賬款、應收貸款及利息之可回收性之評估基準，並參考管理層就債務人或借款人的信譽、債務人或借款人的信貸記錄(包括拖欠或延付款項)、債務人或借款人的結算記錄、債務人或借款人的其後結算情況、各獨立債務人或借款人的賬齡分析之評估；及
- Recalculating the amount of the allowance for impairment under ECLs approach on the contract assets, accounts receivable, loan and interest receivables and assessing the sufficiency of the allowance for impairment as at 31 December 2019.
- 根據預期信貸虧損方法重新計算合約資產、應收賬款、應收貸款及利息之減值撥備金額，並評估於二零一九年十二月三十一日的減值撥備是否足夠。

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(iii) Provision for litigations

(iii) 訴訟撥備

Reference is made to notes 2.4 and 3 to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and notes 24, 25 and 36 to the consolidated financial statements for further information.

請參閱綜合財務報表附註2.4及3有關董事對相關會計政策、判斷及估計之披露及綜合財務報表附24、25及36之進一步資料。

As at 31 December 2019, the Group was involved in certain litigations (the "**Litigations**") either in Hong Kong or the PRC.

於二零一九年十二月三十一日，貴集團於香港及中國牽涉若干訴訟（「**訴訟**」）。

Included in the carrying amount of the Group's trade and other payables, accruals and provision were provision for litigations of approximately HK\$47,172,000 (the "**Provision for Litigations**"), as at 31 December 2019.

於二零一九年十二月三十一日，訴訟撥備約47,172,000港元（統稱「**訴訟撥備**」）計入貴集團貿易及其他應付款項、應計費用及撥備賬面值。

關鍵審核事項（續）

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our procedures in relation to management's assessment of the Provision for Litigations included:

我們就管理層對訴訟撥備評估執行的程序包括：

- Discussing with management and the Company's legal advisors to understand the updated status of the Litigations and the possible outcome of the Litigations;
- 與管理層及貴公司的法律顧問進行討論，以了解訴訟的最新情況及訴訟可能出現的結果；
- Reviewing the related correspondences between the Group and its legal advisors as well as correspondence with the courts (including but not limited to obtain and review legal opinions from its legal advisors);
- 審閱貴集團與其法律顧問之相關信函以及與法院的信函（包括但不限於獲取並審閱來自其法律顧問的法律意見）；

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(iii) Provision for litigations (cont'd)

(iii) 訴訟撥備 (續)

The measurement of the Provision for Litigations requires the application of judgement and estimation by management. The Group's policy for recognition of the Provision for Litigations is based on the prior experience, legal advices and management's judgement. A considerable amount of judgement is required in assessing the possible outcome of the Litigations.

訴訟撥備須由管理層運用判斷及估計進行計算。貴集團有關訴訟撥備確認政策乃基於過往經驗、法律意見及管理層判斷而釐定。評估訴訟可能出現的結果需要作出大量判斷。

For this reason, we identified the Provision for Litigations as a key audit matter.

因此，我們已識別訴訟撥備為關鍵審核事項。

關鍵審核事項 (續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

- Performing legal search to ensure the completeness of the legal cases involved by the Group as at 31 December 2019;
- 進行法律調查以確保本集團於二零一九年十二月三十一日所牽涉的法律案件的完整性；
- Understanding and observing in practice the actions that management has taken in response to the Litigations; and
- 實際了解及觀察管理層對訴訟採取的行動；及
- Challenging and recalculating the amount of the Provision for Litigations and assessing the sufficiency of the Provision for Litigations as at 31 December 2019.
- 質疑及重新計算訴訟撥備金額，並評估於二零一九年十二月三十一日的訴訟撥備是否足夠。

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(iv) Determination of the fair value of financial assets at fair value through profit or loss

(iv) 釐定按公平值透過損益列賬之金融資產的公平值

Reference is made to notes 2.4 and 3 to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and note 22 to the consolidated financial statements for further information.

請參閱綜合財務報表附註2.4及3有關董事對相關會計政策、判斷及估計之披露及綜合財務報表附註22之進一步資料。

Included in the carrying amount of the Group's financial assets at fair value through profit or loss was an equity investment in a company listed in Hong Kong (the "**HK Listed Securities**") of approximately HK\$38,534,000, as at 31 December 2019.

於二零一九年十二月三十一日，計入 貴集團按公平值透過損益列賬之金融資產之賬面值為於香港上市的一間公司之股權投資（「香港上市證券」）約38,534,000港元。

During the year ended 31 December 2019, the Group recorded a fair value loss on financial assets at fair value through profit or loss of approximately HK\$754,000 regarding the HK Listed Securities.

於截至二零一九年十二月三十一日止年度， 貴集團錄得有關香港上市證券的按公平值透過損益列賬之金融資產的公平值虧損約為754,000港元。

關鍵審核事項（續）

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our procedures in relation to the determination of the fair value of the HK Listed Securities included:

我們就釐定香港上市證券之公平值的程序包括：

- Discussing with management and the independent valuer to understand the basis of valuation approach and methodology;
- 與管理層及獨立估值師討論以了解估值方法及技巧的基準；
- Challenging the management and the valuer on the adoption of the assumptions and estimations in the valuation;
- 就估值時採納的假設及估計盤問管理層及估值師；
- Checking and challenging the valuer the relevance of the comparable publicly listed companies;
- 盤問估值師以確保採用適當的可資比較對象；

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(iv) Determination of the fair value of financial assets at fair value through profit or loss (cont'd)

(iv) 釐定按公平值透過損益列賬之金融資產的公平值 (續)

Given the trading of the HK Listed Securities was suspended as at 31 December 2019, for the purpose of assessing the fair value of the HK Listed Securities, the management engaged an independent professional valuer to perform a valuation (the “**Shares Valuation**”) regarding the HK Listed Securities based on management’s assumptions. Significant management judgement was used to determine the key assumptions underlying the Shares Valuation, including (a) the return of other comparable publicly listed companies from the last trading date to their year end dates; (b) business nature and financial reports of the HK Listed Securities; (c) publication and research reports of the related industry; (d) reliable sources of market data; and (e) the liquidity discount for the uncertainty of the length of suspension, which involves significant unobservable inputs.

鑒於香港上市證券於二零一九年十二月三十一日已暫停買賣，為評估香港上市證券的公平值，管理層已委聘一名獨立專業估值師，根據管理層之假設就香港上市證券進行估值（「**股份估值**」）。貴集團使用重大管理層判斷以釐定相關股份估值之主要假設，包括(a)其他可資比較公眾上市公司於最後交易日至年度結算日的回報；(b)香港上市證券的業務性質及財務報告；(c)有關行業的公佈及研究報告；(d)可靠市場數據來源；及(e)因停牌期限不明朗的流動資金貼現率（涉及重大不可觀察輸入數據）。

For this reason, we identified the determination of the fair value of the HK Listed Securities as a key audit matter.

就此而言，我們將香港上市證券之公平值釐定識別為關鍵審核事項。

關鍵審核事項 (續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

- Evaluating the independence, professionalism and the accuracy of the work performed by the valuer;
- 評估估值師所進行之工作的獨立性、專業性及準確性；
- Comparing the basis of assumptions and estimations and valuation methodology with prior year; and
- 將假設及估計以及估值技巧的基準與過往年度進行比較；及
- Recalculating the amount of the fair value of the HK Listed Securities as at 31 December 2019.
- 重新計算香港上市證券於二零一九年十二月三十一日的公平值金額。

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(v) Impairment assessment for property, plant and equipment relating to the provision of hospitality and related services in Australia

(v) 與於澳洲提供酒店及相關服務有關的物業、機器及設備之減值評估

Reference is made to notes 2.4 and 3 to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and note 12 to the consolidated financial statements for further information.

請參閱綜合財務報表附註2.4及3有關董事對相關會計政策、判斷及估計之披露及綜合財務報表附註12之進一步資料。

Included in the carrying amount of the Group's property, plant and equipment of approximately HK\$196,899,000 as at 31 December 2019 were freehold land and buildings with carrying amount of approximately HK\$143,624,000 for the provision of hospitality and related services in Australia (collectively, the "Estate Resorts").

於二零一九年十二月三十一日，計入 貴集團物業、機器及設備之賬面值約196,899,000港元，而為位於澳洲提供酒店及相關服務之永久業權土地及樓宇（統稱「房地產度假村」）之賬面值約143,624,000港元。

During the year, the Group has provided an impairment loss on the Estate Resorts of approximately HK\$23,616,000.

於年內，本集團於房地產度假村的減值虧損計提約23,616,000港元。

關鍵審核事項（續）

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our procedures in relation to management's impairment assessment of the Estate Resorts included:
我們就管理層對房地產度假村之減值評估的程序包括：

- Discussing with management and the independent valuer to understand the basis of valuation approach and methodology;
- 與管理層及獨立估值師討論以了解估值方法及技巧的基準；
- Challenging the management and the valuer on the adoption of the assumptions and estimations in the valuation;
- 就估值時採納的假設及估計盤問管理層及估值師；
- Challenging the valuer to ensure proper comparables were used;
- 盤問估值師以確保採用適當的可資比較對象；
- Evaluating the independence, professionalism and the accuracy of the work performed by the valuer;
- 評估估值師所進行之工作的獨立性、專業性及準確性；

KEY AUDIT MATTERS (CONT'D)

Key Audit Matter

關鍵審核事項

(v) Impairment assessment for property, plant and equipment relating to the provision of hospitality and related services in Australia (cont'd)

(v) 與於澳洲有關的酒店及相關服務的物業、機器及設備之減值評估(續)

For the purpose of assessing the recoverable amount of the Estate Resorts, the management engaged an independent professional valuer to perform a valuation (the “**Properties Valuation**”) regarding the Estate Resorts based on management’s assumptions. Significant management judgement was used to determine the key assumptions underlying the Properties Valuation, including (i) recent market prices of the Estate Resorts, (ii) locations of the Estate Resorts; and (iii) types of the Estate Resorts, such assumptions and the valuation technique involves significant unobservable inputs.

為評估房地產度假村之可收回金額，管理層已委聘一名獨立專業估值師，根據管理層之假設就房地產度假村進行估值（「物業估值」）。貴集團使用重大管理層判斷以釐定相關物業估值之主要假設，包括(i)房地產度假村之近期市價；(ii)房地產度假村的位置；及(iii)房地產度假村的類型，該等假設及估值技術涉及重大不可觀察輸入數據。

For this reason, we identified the determination of the recoverable amount of the Estate Resorts as a key audit matter.

就此而言，我們將房地產度假村之可收回金額釐定識別為關鍵審核事項。

關鍵審核事項(續)

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

- Checking with the comparable data through internal or external sources, on a sample basis, the relevance of (i) the recent market price of the Estate Resorts; (ii) locations of the Estate Resorts; and (iii) types of the Estate Resorts; and
- 通過內部或外部資源按抽樣基準核查有關(i)房地產度假村之近期市價；(ii)房地產度假村的位置；及(iii)房地產度假村的類型；及
- Recalculating the amount of the impairment on the Estate Resorts and assessing the sufficiency of the impairment as at 31 December 2019.
- 重新計算房地產度假村之減值金額及評估於二零一九年十二月三十一日之減值充足性。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company (the “**Directors**”) are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor’s report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by 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 Company or to cease operations or have no realistic alternative but to do so.

The Directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group’s financial reporting process.

包括於年報的其他資料

貴公司董事（「**董事**」）須對其他資料負責。其他資料包括年報所載資料（綜合財務報表及我們的核數師報告所載者除外）。

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

當我們審核綜合財務報表時，我們的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或我們於審核過程中所得知的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，倘我們認為這些其他資料有重大錯誤陳述，我們須報告該事實。於此方面，我們沒有任何報告。

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例的披露規定編製真實而公平之綜合財務報表，及落實董事認為就編製綜合財務報表而言屬必要之有關內部監控，致使不存在由於欺詐或錯誤而導致之重大錯誤陳述。

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 貴公司清盤或停止經營，或別無其他實際的替代方案。

董事協助審核委員會履行彼等監督 貴集團的財務報告流程的責任。

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. Our 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 the Annual 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 scepticism throughout the audit. We also:

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

核數師就審核綜合財務報表須承擔之責任

我們的目標為合理確定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，並發出載有我們意見的核數師報告。我們僅向閣下（作為整體）作出報告，而不作其他用途。我們並不就本年報內容向其他人士承擔責任或接受義務。

合理確定屬高層次核證，但不能擔保根據香港核數準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港核數準則進行審核時，我們運用專業判斷，於整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為我們的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見。

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial 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 the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

核數師就審核綜合財務報表須承 擔之責任 (續)

- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘我們總結認為存在重大不確定因素，我們需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂我們的意見。我們的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表（包括資料披露）的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足恰當的審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們與審核委員會就（其中包括）審核工作的計劃範圍及時間安排及重大審核發現，包括我們於審核期間識別出內部監控的任何重大缺陷進行溝通。

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Chan Chi Yuen.

Ascenda Cachet CPA Limited
Certified Public Accountants

Chan Chi Yuen
Practising Certificate Number P02671

Hong Kong
23 April 2020

核數師就審核綜合財務報表須承擔之責任(續)

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們的獨立性的關係及其他事宜及相關防範措施(如適用)與負責管治的人員溝通。

我們從與審核委員會溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

負責形成本獨立核數師報告的審核的受委董事為陳志遠。

天健德揚會計師事務所有限公司
執業會計師

陳志遠
執業證書號碼 P02671

香港
二零二零年四月二十三日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------------------|-------------|----------------------------------|----------------------------------|
| Revenue | 收入 | 5 | 641,261 | 471,479 |
| Cost of sales | 銷售成本 | | (515,270) | (345,136) |
| Other income and gains | 其他收入及收益 | 5 | 7,918 | 22,347 |
| Administrative expenses | 行政開支 | | (256,143) | (285,354) |
| Reversal of impairment/(Impairment loss) on contract assets | 合約資產減值撥回/ (減值虧損) | 19 | 8 | (33) |
| Impairment loss on accounts receivable, loan and interest receivables | 應收賬款、應收貸款及利息 減值虧損 | 20(b) | (383) | (2,000) |
| Share of results of associates | 分佔聯營公司業績 | 16 | (768) | (2,874) |
| Finance costs | 融資成本 | 7 | (13,778) | (9,256) |
| Loss before tax | 除稅前虧損 | 6 | (137,155) | (150,827) |
| Income tax (expense)/credit | 所得稅(開支)/抵免 | 8 | (5,092) | 4,337 |
| Loss for the year | 本年度虧損 | | (142,247) | (146,490) |
| Other comprehensive income | 其他全面收益 | | | |
| Items that may be reclassified subsequently to profit or loss in subsequent periods: | 其後於其後期間可能重新分類至損益之項目: | | | |
| Exchange differences arising on translation of: | 換算產生之匯兌差額: | | | |
| – Financial statements of overseas subsidiaries | – 海外附屬公司之財務報表 | | (7,030) | (8,172) |
| – Financial statements of overseas associates | – 海外聯營公司之財務報表 | 16 | (137) | (1,364) |
| Item that will not be reclassified to profit or loss: | 將不會重新分類至損益之項目: | | | |
| Fair value gain/(loss) on financial assets at fair value through other comprehensive income | 按公平值透過其他全面收益列賬之金融資產之公平值收益/(虧損) | | 77,329 | (76,880) |
| Other comprehensive income for the year, net of tax | 本年度其他全面收益，扣除稅項 | | 70,162 | (86,416) |
| Total comprehensive income for the year | 本年度全面收益總額 | | (72,085) | (232,906) |
| Loss for the year attributable to: | 下列人士應佔本年度虧損: | | | |
| The shareholders of the Company | 本公司股東 | | (127,582) | (144,945) |
| Non-controlling interests | 非控股權益 | | (14,665) | (1,545) |
| | | | (142,247) | (146,490) |
| Total comprehensive income for the year attributable to: | 下列人士應佔本年度全面收益總額: | | | |
| The shareholders of the Company | 本公司股東 | | (55,763) | (231,430) |
| Non-controlling interests | 非控股權益 | | (16,322) | (1,476) |
| | | | (72,085) | (232,906) |
| Loss per share | 每股虧損 | | | |
| – Basic and diluted (HK cents) | – 基本及攤薄(港仙) | 10 | (2.39) | (2.72) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019

於二零一九年十二月三十一日

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、機器及設備 | 12 | 196,899 | 211,690 |
| Right-of-use assets | 使用權資產 | 13(a) | 40,238 | – |
| Goodwill | 商譽 | 14 | – | – |
| Other intangible assets | 其他無形資產 | 15 | 745 | 1,256 |
| Investments in associates | 投資聯營公司 | 16 | 80,404 | 81,309 |
| Financial assets at fair value through other comprehensive income | 按公平值透過其他全面 收益列賬之金融資產 | 17 | 169,309 | 97,712 |
| Deferred tax assets | 遞延稅項資產 | 26 | 2,651 | 8,598 |
| Total non-current assets | 非流動資產總值 | | 490,246 | 400,565 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 18 | 8,581 | 10,301 |
| Contract assets | 合約資產 | 19(a) | 130,561 | 132,455 |
| Accounts receivable, loan and interest receivables | 應收賬款、應收貸款及利息 | 20 | 70,765 | 54,952 |
| Prepayments, other receivables and other assets | 預付款項、其他應收款項及 其他資產 | 21 | 22,051 | 13,839 |
| Financial assets at fair value through profit or loss | 按公平值透過損益列賬之 金融資產 | 22 | 41,289 | 41,932 |
| Income tax recoverable | 可收回所得稅 | | 313 | 313 |
| Pledged time deposit | 已抵押定期存款 | 23(b) | 13,000 | 13,000 |
| Cash and cash equivalents | 現金及等同現金項目 | 23 | 180,516 | 176,993 |
| Total current assets | 流動資產總值 | | 467,076 | 443,785 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Contract liabilities | 合約負債 | 19(b) | 7,358 | 7,427 |
| Trade and other payables, accruals and provision | 貿易及其他應付款項、應計 費用及撥備 | 24 | 241,566 | 156,966 |
| Lease liabilities | 租賃負債 | 13(b) | 14,392 | – |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 25 | 219,669 | 164,812 |
| Tax payable | 應付稅項 | | 57,255 | 59,461 |
| Total current liabilities | 流動負債總額 | | 540,240 | 388,666 |
| NET CURRENT (LIABILITIES)/ASSETS | 流動(負債)/資產淨值 | | (73,164) | 55,119 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | | 417,082 | 455,684 |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Other payables | 其他應付款項 | 24 | 19,584 | 36,985 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 25 | 2,161 | – |
| Deferred tax liabilities | 遞延稅項負債 | 26 | – | 517 |
| Lease liabilities | 租賃負債 | 13(b) | 27,240 | – |
| Total non-current liabilities | 非流動負債總額 | | 48,985 | 37,502 |
| NET ASSETS | 資產淨值 | | 368,097 | 418,182 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 December 2019
於二零一九年十二月三十一日

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------|-------------|----------------------------------|----------------------------------|
| CAPITAL AND RESERVES | 股本及儲備 | | | |
| Share capital | 股本 | 27 | 53,362 | 53,362 |
| Reserves | 儲備 | 29 | 318,974 | 364,820 |
| EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS | 股東應佔權益 | | 372,336 | 418,182 |
| NON-CONTROLLING INTERESTS | 非控股權益 | | (4,239) | - |
| TOTAL EQUITY | 權益總值 | | 368,097 | 418,182 |

Approved and authorised for issue by the board of directors (the "Directors") of the Company (the "Board") on 23 April 2020 and signed on its behalf by:

本公司董事（「董事」）會（「董事會」）於二零二零年四月二十三日批准及授權刊發，並由下列人士代表簽署：

Hui Chun Sum

許峻森
Director
董事

Pauline Lam

林佳慧
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

| | | Attributable to the Shareholders of the Company 本公司股東應佔 | | | | | | | | | | |
|--|--------------------------------|--|----------------|----------------------|------------------------|----------------------|----------------|--|---------------------|----------------|---------------------------|----------------|
| | | Share capital | Share premium* | Contributed surplus* | Share options reserve* | Translation reserve* | Other reserve* | Fair value reserve of financial assets at fair value through other comprehensive income (non-recycling)* | Accumulated losses* | Total | Non-controlling interests | Total equity |
| | | 股本 | 股份溢價* | 實繳盈餘* | 購股權儲備* | 匯兌儲備* | 其他儲備* | (不可撥回)* | 累計虧損* | 總計 | 非控股權益 | 總權益 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 53,362 | 510,233 | 693,308 | 25,462 | 3,939 | (2,419) | (192,064) | (442,015) | 649,806 | 1,476 | 651,282 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | - | (144,945) | (144,945) | (1,545) | (146,490) |
| Other comprehensive income for the year: | 本年度其他全面收益: | | | | | | | | | | | |
| Exchange differences related to overseas subsidiaries | 與海外附屬公司有關的匯兌差額 | - | - | - | - | (8,241) | - | - | - | (8,241) | 69 | (8,172) |
| Exchange differences related to overseas associates | 與海外聯營公司有關的匯兌差額 | - | - | - | - | (1,364) | - | - | - | (1,364) | - | (1,364) |
| Fair value loss on financial assets at fair value through other comprehensive income | 按公平值透過其他全面收益列賬之金融資產之公平值虧損 | - | - | - | - | - | - | (76,880) | - | (76,880) | - | (76,880) |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | - | - | (9,605) | - | (76,880) | (144,945) | (231,430) | (1,476) | (232,906) |
| Transfer of share options reserve upon the cancellation of share options | 於購股權被註銷時轉撥購股權儲備 | - | - | - | (25,462) | - | - | - | 25,462 | - | - | - |
| Release of other reserve upon disposal of a subsidiary by an associate | 一間聯營公司於出售一間附屬公司後解除其他儲備 | - | - | - | - | - | (194) | - | - | (194) | - | (194) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | 53,362 | 510,233 | 693,308 | - | (5,666) | (2,613) | (268,944) | (561,498) | 418,182 | - | 418,182 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | - | (127,582) | (127,582) | (14,665) | (142,247) |
| Other comprehensive income for the year: | 本年度其他全面收益: | | | | | | | | | | | |
| Exchange differences related to overseas subsidiaries | 與海外附屬公司有關的匯兌差額 | - | - | - | - | (5,373) | - | - | - | (5,373) | (1,657) | (7,030) |
| Exchange differences related to overseas associates | 與海外聯營公司有關的匯兌差額 | - | - | - | - | (137) | - | - | - | (137) | - | (137) |
| Fair value gain on financial assets at fair value through other comprehensive income | 按公平值透過其他全面收益列賬之金融資產之公平值收益 | - | - | - | - | - | - | 77,329 | - | 77,329 | - | 77,329 |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | - | - | (5,510) | - | 77,329 | (127,582) | (55,763) | (16,322) | (72,085) |
| Change in ownership interest in a subsidiary that does not result in a loss of control (note 30) | 一間附屬公司並無導致失去控制權之擁有權益變動(附註30) | - | - | - | - | - | 9,917 | - | - | 9,917 | 12,083 | 22,000 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 53,362 | 510,233 | 693,308 | - | (11,176) | 7,304 | (191,615) | (689,080) | 372,336 | (4,239) | 368,097 |

* These reserve accounts comprise the consolidated reserves of approximately HK\$318,974,000 (2018: HK\$364,820,000) in the consolidated statement of financial position.

* 該等儲備賬目包括綜合財務狀況表的綜合儲備約318,974,000港元(二零一八年: 364,820,000港元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

| | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 來自經營業務之現金流量 | | | |
| Loss before tax | | (137,155) | (150,827) |
| Adjustments for: | | | |
| Bank interest income | 5 | (3,281) | (2,233) |
| Finance costs | 7 | 13,778 | 9,256 |
| Amortisation of other intangible assets | 6, 15 | 496 | 1,219 |
| Depreciation of property, plant and equipment | 6, 12 | 12,948 | 10,757 |
| Depreciation of right-of-use assets | 6, 13(a) | 13,452 | – |
| Share of results of associates | | 768 | 2,874 |
| Fair value loss on financial assets at fair value through profit or loss | 6, 22 | 579 | 7,404 |
| Impairment loss on property, plant and equipment | 6, 12 | 23,616 | – |
| Impairment loss on goodwill | 6, 14 | – | 19,877 |
| Impairment loss on other intangible assets | 6, 15 | – | 5,242 |
| Impairment loss on investments in associates | 6, 16 | – | 5,475 |
| (Reversal of impairment)/ Impairment loss on contract assets | 6, 19(a) | (8) | 33 |
| Impairment loss on accounts receivable, loan and interest receivables | 6, 20 | 383 | 2,000 |
| Provision for litigations | 6, 24, 36(c)&(d) | 32,796 | 7,176 |
| Provision for compensation claim | 6, 24(a) | – | 52,777 |
| Loss on disposal of property, plant and equipment | 6 | 52 | 1,187 |
| Written off of property, plant and equipment | 6, 12 | 136 | – |
| Gain on disposals of subsidiaries | 6, 38 | – | (17,795) |
| Write down of inventories | | – | 246 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

| | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Operating cash flows before working capital changes | 營運資本變動前之經營現金流量 | (41,440) | (45,332) |
| Decrease in inventories | 存貨減少 | 1,720 | 827 |
| Decrease/(Increase) in contract assets | 合約資產減少／(增加) | 1,902 | (102,765) |
| (Increase)/Decrease in accounts receivable, loan and interest receivables | 應收賬款、應收貸款及利息(增加)／減少 | (16,196) | 67,797 |
| (Increase)/Decrease in prepayments, other receivables and other assets | 預付款項、其他應收款項及其他資產(增加)／減少 | (8,146) | 4,982 |
| Increase in pledged time deposit | 已抵押定期存款增加 | – | (13,000) |
| (Decrease)/Increase in contract liabilities | 合約負債(減少)／增加 | (69) | 7,427 |
| Increase in trade and other payables, accruals and provision | 貿易及其他應付款項、應計費用及撥備增加 | 24,107 | 31,628 |
| Cash used in operations | 營運所用之現金 | (38,122) | (48,436) |
| Income tax: | 所得稅: | | |
| – Overseas tax paid | – 已付海外稅項 | (2,481) | (4,174) |
| NET CASH FLOW USED IN OPERATING ACTIVITIES | 經營活動所用現金流量淨額 | (40,603) | (52,610) |
| CASH FLOWS FROM INVESTING ACTIVITIES | 來自投資活動之現金流量 | | |
| Proceeds from deemed partial disposal of subsidiaries | 視作部分出售附屬公司之所得款項 | 30 | – |
| Proceeds from disposal of subsidiaries | 出售附屬公司之所得款項 | 38 | 107,000 |
| Purchases of items of property, plant and equipment | 購買物業、廠房及設備之項目 | 12 | (14,542) |
| Acquisition of a subsidiary | 收購一間附屬公司 | 12(c) | – |
| Bank interest received | 已收銀行利息 | 5 | 2,233 |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備之所得款項 | 131 | 171 |
| Proceeds from disposal of financial assets at fair value through profit or loss | 出售按公平值透過損益列賬之金融資產之所得款項 | 64 | – |
| NET CASH FLOW FROM INVESTING ACTIVITIES | 投資活動所得現金流量淨額 | 810 | 94,862 |

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------------------|-------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | 來自融資活動之現金流量 | | | |
| Repayment of interest-bearing bank and other borrowings | 償還計息銀行及其他借貸 | 32 | (45,896) | (37,767) |
| Interest paid | 已付利息 | 32 | (2,263) | (16,432) |
| Capital element of lease rentals paid | 已付租金之資本部分 | 32 | (12,058) | - |
| Interest element of lease rentals paid | 已付租金之利息部分 | 32 | (1,219) | - |
| New interest-bearing bank and other borrowings obtained | 獲得新計息銀行及其他借貸 | 32 | 105,156 | 17,553 |
| NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES | 融資活動所得/(所用) 現金流量淨額 | | 43,720 | (36,646) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 現金及等同現金項目之增加淨額 | | 3,927 | 5,606 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 於年初之現金及等同現金項目 | | 176,993 | 168,876 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 匯率變動之影響 | | (404) | 2,511 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 於年終之現金及等同現金項目 | | 180,516 | 176,993 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及等同現金項目結餘分析 | | | |
| Cash and bank balances | 現金及銀行結餘 | | 180,516 | 176,993 |
| | | | 180,516 | 176,993 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及等同現金項目結餘分析 | | | |
| Cash and bank balances | 現金及銀行結餘 | 23 | 180,516 | 176,993 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

Hang Tai Yue Group Holdings Limited (the “**Company**”) was a company incorporated in the Cayman Islands and was re-domiciled and continued on 1 December 2015 in Bermuda with limited liability. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company and its subsidiaries (collectively the “**Group**”) are principally engaged in the following principal activities: (i) mobile internet cultural business and provision of information technology (“**IT**”) contract services and maintenance services; (ii) provision of hospitality and related services in Australia; (iii) money lending business; and (iv) assets investments business.

The shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Information about subsidiaries

Details of the principal subsidiaries are as follows:

| Name 名稱 | Place of incorporation/ business and operation 註冊成立/營業及 經營地點 | Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情 | Attributable equity interest held by the Company 本公司持有應佔股權 | | Group's effective interest 本集團 實際權益 | Principal activities 主要業務 |
|---|---|--|---|-------------------------|---|---|
| | | | Directly 直接 | Indirectly 間接 | | |
| 1. EPRO Systems (HK) Limited 易寶系統(香港)有限公司 | Hong Kong 香港 | HK\$100,000 100,000港元 | - (二零一八年: 100%) | 51% (二零一八年: 100%) | 51% (二零一八年: 100%) | Investment holding and provision of IT contract services and maintenance services 投資控股及提供資訊科技合約服務及維護服務 |
| 2. EPRO Systems (China) Limited 易寶系統(中國)有限公司 | Hong Kong 香港 | HK\$925,000 925,000港元 | - (二零一八年: 100%) | 51% (二零一八年: 100%) | 51% (二零一八年: 100%) | Investment holding and provision of IT contract services and maintenance services 投資控股及提供資訊科技合約服務及維護服務 |
| 3. EPRO Technology Limited 易寶科技有限公司 | Hong Kong 香港 | HK\$1,000,000 1,000,000港元 | - (二零一八年: 100%) | 51% (二零一八年: 100%) | 51% (二零一八年: 100%) | Provision of IT contract services and maintenance services 提供資訊科技合約服務及維護服務 |
| 4. EPRO Limited 易寶有限公司 | Hong Kong 香港 | HK\$1 1港元 | - (二零一八年: 100%) | 51% (二零一八年: 100%) | 51% (二零一八年: 100%) | Investment holding and e-commerce and provision of online sales platform 投資控股、電子商務及提供線上銷售平台 |

1. 一般資料

恆泰裕集團控股有限公司(「本公司」)為於開曼群島註冊成立並於二零一五年十二月一日遷冊至百慕達及於百慕達存續之有限公司。本公司之註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司及其附屬公司(統稱「本集團」)主要從事以下業務:(i)移動互聯網文化業務及提供資訊科技(「資訊科技」)合約服務及維護服務;(ii)於澳洲提供酒店及相關服務;(iii)借貸業務;及(iv)資產投資業務。

本公司股份在香港聯合交易所有限公司(「聯交所」)GEM上市。

有關附屬公司之資料

主要附屬公司之詳情如下:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

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

1. GENERAL INFORMATION (CONT'D)

1. 一般資料 (續)

Information about subsidiaries (cont'd)

有關附屬公司之資料 (續)

Details of the principal subsidiaries are as follows: (cont'd)

主要附屬公司之詳情如下：(續)

| Name 名稱 | Place of incorporation/ business and operation 註冊成立/營業及 經營地點 | Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情 | Attributable equity interest held by the Company 本公司持有應佔股權 | | Group's effective interest 本集團 實際權益 | Principal activities 主要業務 |
|---|---|--|---|---------------------|---|---|
| | | | Directly 直接 | Indirectly 間接 | | |
| 5. 上海易寶軟件有限公司 (for identification purpose, Shanghai EPRO Software Company Limited ("EPRO"))* (note (a)) 上海易寶軟件有限公司 (「易寶」)*(附註(a)) | People's Republic of China (the "PRC") 中華人民共和國 (「中國」) | USD3,600,000 (2018: USD1,000,000) | - | 51% (2018: 100%) | 51% (2018: 100%) | Investment holding and provision of IT contract services and maintenance services 投資控股及提供資訊科技合約服 務及維護服務 |
| 6. 易寶軟件(東莞)有限公司* | the PRC 中國 | RMB2,000,000 人民幣2,000,000元 | - | 51% (2018: 100%) | 51% (2018: 100%) | Provision of IT contract services 提供資訊科技合約服務 |
| 7. 易寶軟件科技(南京)有限公司* | the PRC 中國 | RMB2,000,000 人民幣2,000,000元 | - | 51% (2018: 100%) | 51% (2018: 100%) | Provision of IT contract services 提供資訊科技合約服務 |
| 8. 鄭州易寶軟件科技有限公司* | the PRC 中國 | RMB2,000,000 人民幣2,000,000元 | - | 51% (2018: 100%) | 51% (2018: 100%) | Provision of IT contract services 提供資訊科技合約服務 |
| 9. Ensure Profit Limited 智運有限公司 | Hong Kong 香港 | HK\$1 1港元 | - | 100% | 100% | Investment holding 投資控股 |
| 10. Unique Fortune Limited 怡佳有限公司 | Hong Kong 香港 | HK\$1 1港元 | - | 100% | 100% | Investment holding 投資控股 |
| 11. Leisure King Hong Kong Limited 行卓香港有限公司 | Hong Kong 香港 | HK\$1 1港元 | - | 100% | 100% | Investment holding 投資控股 |
| 12. Cleveland Land Pty Ltd* | Australia 澳洲 | AUD 1 1澳元 | - | 100% | 100% | Provision of hospitality and related services in Australia 於澳洲提供酒店及相關服務 |
| 13. Bellinzona Land Pty Ltd* | Australia 澳洲 | AUD 1 1澳元 | - | 100% | 100% | Provision of hospitality and related services in Australia 於澳洲提供酒店及相關服務 |
| 14. Bellinzona Operations Pty Ltd* | Australia 澳洲 | AUD 1 1澳元 | - | 100% | 100% | Provision of hospitality and related services in Australia 於澳洲提供酒店及相關服務 |
| 15. Cleveland Operations Pty Ltd* | Australia 澳洲 | AUD 1 1澳元 | - | 100% | 100% | Provision of hospitality and related services in Australia 於澳洲提供酒店及相關服務 |
| 16. Balgownie Estate Yarra Glen Holdings Pty Ltd* | Australia 澳洲 | AUD 1 1澳元 | - | 100% | 100% | Investment holding 投資控股 |
| 17. Balgownie Estate Yarra Glen Land Pty Ltd* | Australia 澳洲 | AUD 1 1澳元 | - | 100% | 100% | Provision of hospitality and related services in Australia 於澳洲提供酒店及相關服務 |

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截至二零一九年十二月三十一日止年度

1. GENERAL INFORMATION (CONT'D)

Information about subsidiaries (cont'd)

Details of the principal subsidiaries are as follows: (cont'd)

| Name 名稱 | Place of incorporation/ business and operation 註冊成立/營業及 經營地點 | Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情 | Attributable equity interest held by the Company 本公司持有應佔股權 | | Group's effective interest 本集團 實際權益 | Principal activities 主要業務 |
|---|---|--|---|------------------|---|--|
| | | | Directly 直接 | Indirectly 間接 | | |
| 18. Balgownie Estate Resort Operations Pty Ltd* | Australia | AUD 1 | - | 100% | 100% | Provision of hospitality and related services in Australia |
| Balgownie Estate Resort Operations Pty Ltd* | 澳洲 | 1澳元 | | | | 於澳洲提供酒店及相關服務 |
| 19. Ever Robust Holdings Limited 連捷控股有限公司 | Hong Kong 香港 | HK\$1 1港元 | - | 100% | 100% | Securities investments 證券投資 |
| 20. Mark Profit Finance Limited 百利財務有限公司 | Hong Kong 香港 | HK\$1 1港元 | - | 100% | 100% | Money lending 借貸 |
| 21. 迹象信息技術(上海)有限公司 (for identification purpose, Jixiang Information Technology (Shanghai) Co., Ltd ("Jixiang"))* (note (a)) | the PRC | USD1,000,000 | - | 100% | 100% | Investment holding and mobile internet cultural business |
| 迹象信息技術(上海)有限公司(「迹象」)* (附註(a)) | 中國 | 1,000,000美元 | | | | 投資控股及移動互聯網文化業務 |
| 22. Triple Art Limited 三藝有限公司 | Hong Kong 香港 | HK1 1港元 | - | 100% | 100% | Provision of administrative services 提供行政服務 |

* Subsidiaries with no statutory financial statements or statutory financial statements were not audited by Ascenda Cachet CPA Limited.

Note (a): These subsidiaries are registered as wholly-foreign owned enterprises under the PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company (the "Directors"), principally affected the results for the year or formed a substantial portion of the operations and net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

1. 一般資料 (續)

有關附屬公司之資料 (續)

主要附屬公司之詳情如下：(續)

* 附屬公司並無法定財務報表或法定財務報表並非由天健德揚會計師事務所有限公司審核。

附註(a)：該等附屬公司均根據中國法律註冊為外商獨資企業。

上表列示本公司附屬公司的詳情，本公司董事(「董事」)認為，該等附屬公司主要影響年內業績或構成本集團業務營運及資產淨值的主要部分。董事認為，提供其他附屬公司的詳情將導致篇幅冗長。

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2. BASIS OF PREPARATION

2.1 Compliance with Hong Kong Financial Reporting Standards

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirement of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”), which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. 編製基準

2.1 遵守香港財務報告準則

此等綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則（「**香港財務報告準則**」）（當中包括所有香港財務報告準則、香港會計準則（「**香港會計準則**」）及詮釋）、香港公認會計原則及香港公司條例的披露規定而編製。彼等根據歷史成本法編製，惟按公平值透過其他全面收益列賬（「**按公平值透過其他全面收益列賬**」）之金融資產及按公平值透過損益列賬（「**按公平值透過損益列賬**」）之金融資產按公平值計量則除外。此等綜合財務報表以港元呈報，所有金額均調整至最接近的千元，另有註明者除外。

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2. BASIS OF PREPARATION (CONT'D)

2.1 Compliance with Hong Kong Financial Reporting Standards (cont'd)

Despite the fact that the Group had net current liabilities of approximately HK\$73,164,000 as at 31 December 2019, these consolidated financial statements have been prepared on the basis that the Group will continue to operate as a going concern. The Directors are of the opinion that the Group is able to continue as a going concern and to meet in full their financial obligations as (i) the Group had net assets of approximately HK\$368 million including financial assets at FVTOCI of approximately HK\$164 million as at 31 December 2019 classified as non-current assets which could be realised to satisfy the current liabilities obligations of the Group; (ii) the Group has been actively negotiating with its creditors and/or banker(s) to extend the repayment terms of its indebtedness, and as detailed in note 25(d) to the consolidated financial statements in April 2020, the Group has entered into a supplemental agreement with the lender for not demanding for the repayment of the Bailihong Loan (as defined in note 25(d)) of approximately HK\$55,233,000 within the next 12 months from the date of the supplemental agreement; and (iii) continuing financial support has been provided by a substantial shareholder of the Company, who has confirmed her willingness to continue financing the operation of the Group to meet its future obligations, and has also entered into a loan facility agreement with the Company in April 2020, pursuant to which, the substantial shareholder has agreed to provide a loan facility of up to HK\$70,000,000 (the "**Loan Facility**") to the Group for the purpose of its general working capital. As at the date of these consolidated financial statements, HK\$40,000,000 of the Loan Facility (the "**Shareholder's Loan**") has been drawn down by the Group which bears interest at a fixed rate of 10% per annum and is repayable 12 months after the drawdown provided that the substantial shareholder will not demand for repayment of the Shareholder's Loan upon maturity until the Group is in a position to do so. In light of all the measures adopted and arrangements implemented, the Directors are of the opinion that the Group will have sufficient cash resources to satisfy its future working capital and other financial requirements and it is reasonable to expect the Group to remain as a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

2. 編製基準 (續)

2.1 遵守香港財務報告準則 (續)

儘管本集團於二零一九年十二月三十一日有流動負債淨額約73,164,000港元，但此等綜合財務報表已按本集團將持續經營的基準編製。董事認為，本集團能夠持續經營並全面履行其財務責任，原因為(i)於二零一九年十二月三十一日，本集團有資產淨值約368,000,000港元，包括分類為非流動資產之按公平值透過其他全面收益列賬之金融資產約164,000,000港元，其可變現以支付本集團的流動負債責任；(ii)本集團正積極與其債務人及／或銀行進行磋商，以延長其債務的償還期限，並且如綜合財務報表附註25(d)所詳述，本集團已於二零二零年四月與貸款人訂立一份補充協議，內容有關不要求於補充協議日期起計未來12個月內償還百利宏貸款(定義見附註25(d))約55,233,000港元；及(iii)本公司主要股東持續提供財務支持，並確認願意繼續為本集團營運撥資以滿足其未來責任並亦於二零二零年四月與本公司訂立貸款融資(「**貸款融資**」)，據此，主要股東已同意向本集團提供最高金額為70,000,000港元的貸款融資以作一般營運資金用途。於該等綜合財務報表日期，本集團已提取按固定年利率10%計息並須於提取後12個月內償還的貸款融資40,000,000港元(「**股東貸款**」)，惟主要股東不會要求於到期時償還股東貸款，直至本集團情況許可為止。基於所有已採取的措施及已實施的安排，董事認為本集團將具備充足的現金資源以滿足其日後的營運資金及其他財務需求且合理預期本集團能維持商業上可行之經營。因此，董事信納按持續經營基準編製該等綜合財務報表屬適當。

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綜合財務報表附註

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2. BASIS OF PREPARATION (CONT'D)

2.1 Compliance with Hong Kong Financial Reporting Standards (cont'd)

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company (“**Shareholders**”) and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2. 編製基準 (續)

2.1 遵守香港財務報告準則 (續)

綜合賬目基準

綜合財務報表包括本集團截至二零一九年十二月三十一日止年度的財務報表。附屬公司指本公司直接或間接控制之實體(包括結構性實體)。倘本集團能透過其參與承擔或享有投資對象可變回報的權利，並能夠向投資對象使用其權力影響回報金額(即現有權利可使本集團能於當時指揮投資對象的相關活動)，即代表本集團擁有投資對象的控制權。

倘本公司直接或間接擁有少於投資對象大多數投票權或類似權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票權持有人的合約安排；
- (b) 其他合約安排產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃按與本公司相同報告期間及一致的會計政策編製。附屬公司之業績自本集團取得控制權之日起綜合入賬，並持續至該控制權終止當日。

即使非控股權益會產生虧絀結餘，損益及其他全面收益之各部分歸屬於本公司股東(「股東」)及非控股權益。集團內公司之一切資產及負債、權益、收入、開支及與本集團成員公司間交易有關之現金流量均於綜合賬目時悉數抵銷。

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化，本集團會重新評估其是否對投資對象擁有控制權。並無喪失控制權的附屬公司之所有權益變動會按股權交易入賬。

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2. BASIS OF PREPARATION (CONT'D)

2.1 Compliance with Hong Kong Financial Reporting Standards (cont'd)

Basis of consolidation (cont'd)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's consolidated financial statements.

| | |
|---|---|
| Amendments to HKFRS 9 | <i>Prepayment Features with Negative Compensation</i> |
| HKFRS 16 | <i>Leases</i> |
| Amendments to HKAS 19 | <i>Plan Amendment, Curtailment or Settlement</i> |
| Amendments to HKAS 28 | <i>Long-term Interests in Associates and Joint Ventures</i> |
| HK(IFRIC)-Int 23 | <i>Uncertainty over Income Tax Treatments</i> |
| Annual Improvements to HKFRSs 2015-2017 Cycle | <i>Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23</i> |

2. 編製基準 (續)

2.1 遵守香港財務報告準則 (續)

綜合賬目基準 (續)

倘本集團失去對附屬公司的控制權，則其終止確認(i)附屬公司之資產(包括商譽)及負債、(ii)任何非控股權益之賬面值及(iii)於權益中記錄之累計匯兌差額；及確認(i)已收取代價之公平值、(ii)任何保留投資之公平值及(iii)於損益中任何因此產生之盈餘或虧絀。本集團先前於其他全面收益中確認之應佔部分重新分類至損益或保留溢利(如適用)，倘本集團直接出售有關資產或負債，則須以同一基準確認。

2.2 會計政策及披露變動

本集團於本年度的綜合財務報表首次採納以下新訂及經修訂香港財務報告準則。

| | |
|------------------------------|--|
| 香港財務報告準則第9號修訂本 | <i>反向補償的提前還款特徵</i> |
| 香港財務報告準則第16號 | <i>租賃</i> |
| 香港會計準則第19號修訂本 | <i>計劃修訂、減少或清償</i> |
| 香港會計準則第28號修訂本 | <i>於聯營公司及合營企業的長期權益</i> |
| 香港(國際財務報告詮釋委員會)一詮釋第23號 | <i>所得稅處理之不確定性</i> |
| 香港財務報告準則的年度改進(二零一五年至二零一七年週期) | <i>香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號修訂本</i> |

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2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in Accounting Policies and Disclosures (cont'd)

Except for the amendments to HKFRS 9 and HKAS 19, which are not relevant to the preparation of the Group's consolidated financial statements, the nature and the impact of the new and revised HKFRSs are described below:

- (a) HKFRS 16 replaces HKAS 17 Leases, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases – Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

2. 編製基準 (續)

2.2 會計政策及披露變動 (續)

除與編製本集團綜合財務報表無關的香港財務報告準則第9號及香港會計準則第19號修訂本外，新訂及經修訂香港財務報告準則的性質及影響載列如下：

- (a) 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（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包括租賃、香港（準則詮釋委員會）—詮釋第15號經營租賃—優惠及香港（準則詮釋委員會）—詮釋第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人在單一資產負債表模式中計算所有租賃以確認及計量使用權資產及租賃負債，惟若干確認豁免情況除外。香港財務報告準則第16號下的出租人會計處理大致沿用香港會計準則第17號下的會計處理方式。出租人繼續使用香港會計準則第17號所載的相若原則將租賃分類為經營租賃或融資租賃。

本集團透過採用經修訂追溯法採納香港財務報告準則第16號，初次應用日期為二零一九年一月一日。根據該方法，該準則已獲追溯應用，而初次採納該準則的累計影響確認為對二零一九年一月一日保留盈利期初結餘的調整，而二零一八年的比較資料並無重述，繼續根據香港會計準則第17號及相關詮釋予以呈報。

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2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in Accounting Policies and Disclosures (cont'd)

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

As a lessee, the Group previously classified leases as operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("**short-term leases**") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

2. 編製基準 (續)

2.2 會計政策及披露變動 (續)

租賃之新定義

根據香港財務報告準則第16號，倘合約為換取代價而授予於一段時間內控制使用已識別資產之權利，則該合約為租賃或包含租賃。當客戶有權從使用已識別資產獲得絕大部分經濟利益以及直接使用已識別資產時，控制權即獲授予。本集團選擇使用過渡性實際權宜方法，以允許該準則僅適用於先前已於初始應用日期根據香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號識別為租賃之合約。根據香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號尚未識別為租賃之合約並無重新評估。因此，香港財務報告準則第16號項下之租賃定義已僅應用於在二零一九年一月一日或之後訂立或更改之合約。

作為承租人－先前分類為經營租賃的租賃

採納香港財務報告準則第16號的影響性質

作為承租人，本集團先前根據評估租賃是否將資產所有權的絕大部分回報及風險轉移至本集團，將租賃分類為經營租賃。根據香港財務報告準則第16號，本集團對所有租賃採用單一方法確認及計量使用權資產及租賃負債，惟低價值資產租賃（按個別租賃基準選擇）及租期為12個月及以下的租賃（「**短期租賃**」）（按相關資產類別選擇）的兩項選擇性豁免除外。本集團確認使用權資產及未償還租賃負債應計利息的折舊（及減值（如有））作為融資成本，而非於二零一九年一月一日起計的租期內按直線法確認經營租賃項下的租賃開支。

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2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in Accounting Policies and Disclosures (cont'd)

As a lessee – Leases previously classified as operating leases (cont'd)

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the consolidated statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the consolidated statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease.

2. 編製基準 (續)

2.2 會計政策及披露變動 (續)

作為承租人 – 先前分類為經營租賃的租賃 (續)

過渡的影響

於二零一九年一月一日的租賃負債按餘下租賃付款的現值確認，使用二零一九年一月一日的增量借款利率貼現。使用權資產按租賃負債金額計量，並就任何與緊接二零一九年一月一日前於綜合財務狀況表確認的租賃相關的預付或應計租賃付款金額作出調整。

所有該等資產於該日期均已根據香港會計準則第36號作出減值評估。本集團選擇於綜合財務狀況表中獨立呈列使用權資產。

於二零一九年一月一日應用香港財務報告第16號時，本集團已使用以下選擇性實際權宜方法：

- 應用租期自初始應用日期起12個月內終止之短期租賃豁免；及
- 倘合約包含延期／終止租賃之選擇權，則事後釐定租賃期。

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2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in Accounting Policies and Disclosures (cont'd)

As a lessee – Leases previously classified as operating leases (cont'd)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

2. 編製基準 (續)

2.2 會計政策及披露變動 (續)

作為承租人 – 先前分類為經營租賃的租賃 (續)

於二零一九年一月一日之租賃負債與於二零一八年十二月三十一日之經營租賃承擔對賬如下：

| | | HK\$'000 千港元 |
|--|--|-----------------|
| Operating lease commitments as at 31 December 2018 | 於二零一八年十二月三十一日之經營租賃承擔 | 15,226 |
| Less: Commitments relating to short-term leases and those leases with a remaining term ended on or before 31 December 2019 | 減：與短期租賃及剩餘租期於二零一九年十二月三十一日或之前屆滿的租賃有關的承擔 | (369) |
| | | 14,857 |
| Weighted average incremental borrowing rate as at 1 January 2019 | 於二零一九年一月一日之加權平均增量借款利率 | 5% |
| Lease liabilities as at 1 January 2019 (note 13(b)) | 於二零一九年一月一日之租賃負債 (附註13(b)) | 14,136 |

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2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in Accounting Policies and Disclosures (cont'd)

- (b) Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates continued to be measured at amortised cost in accordance with HKFRS 9. Accordingly, the amendments did not have any impact on the consolidated financial position or performance of the Group.

2. 編製基準 (續)

2.2 會計政策及披露變動 (續)

- (b) 香港會計準則第28號修訂本釐清香港財務報告準則第9號的除外範圍僅包括使用權益法入賬的於一間聯營公司或合營企業的權益，並不包括並無使用權益法入賬而實質組成於聯營公司或合營企業淨投資一部分的長期權益。因此，就該等長期權益的會計處理而言，實體會採用香港財務報告準則第9號而非香港會計準則第28號，包括香港財務報告準則第9號項下的減值規定。香港會計準則第28號會應用於淨投資，包括長期權益，惟僅適用於確認於一間聯營公司或合營企業的虧損及於該聯營公司或合營企業的淨投資減值的情況。本集團於二零一九年一月一日採納修訂本後評估其於聯營公司長期權益的業務模式並總結認為於聯營公司的長期權益繼續根據香港財務報告準則第9號按攤銷成本計量。因此，該等修訂本對本集團的綜合財務狀況或表現並無任何影響。

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2. BASIS OF PREPARATION (CONT'D)

2.2 Changes in Accounting Policies and Disclosures (cont'd)

- (c) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup transactions. Based on the Group’s tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the consolidated financial position or performance of the Group.

Amendments under Annual Improvements to HKFRSs 2015–2017 Cycle

Annual Improvements to HKFRSs 2015–2017 Cycle set out the amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23. Details of the amendments relevant to the preparation of the Group’s consolidated financial statements are as follows:

HKAS 12 Income Taxes: Clarifies that an entity recognises all income tax consequences of dividends in profit or loss, other comprehensive income or equity, depending on where the entity recognised the originating transaction or event that generated the distributable profits giving rise to the dividends. The amendments did not have any material impact on the Group’s consolidated financial statements.

2. 編製基準 (續)

2.2 會計政策及披露變動 (續)

- (c) 香港（國際財務報告詮釋委員會）－詮釋第23號闡明稅項處理涉及影響香港會計準則第12號應用的不確定性（通稱「不確定稅項狀況」）時所得稅（即期及遞延）的會計處理方法。該詮釋不適用於香港會計準則第12號範圍以外的稅項或徵稅，尤其亦不包括涉及不確定稅項處理的利息及處罰的相關規定。該詮釋具體闡明以下事項：(i) 實體是否個別考慮不確定稅項處理；(ii) 實體對稅務機關的稅項處理檢查所作的假設；(iii) 實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv) 實體如何考慮事實及情況變化。於採納該詮釋後，本集團考慮其集團間交易的轉讓定價是否存在任何不確定的稅務狀況。根據本集團的稅務合規及轉讓定價研究，本集團確定其轉讓定價政策可能會被稅務機關接納。因此，該詮釋對本集團的綜合財務狀況或表現並無任何影響。

二零一五年至二零一七年週期香港財務報告準則的年度改進項下的修訂本

二零一五年至二零一七年週期香港財務報告準則的年度改進載列香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號的修訂。與編製本集團綜合財務報表有關的修訂詳情如下：

香港會計準則第12號所得稅：該準則澄清，實體於損益、其他全面收益或權益內確認股息的所有所得稅後果時須取決於該實體是否確認產生可分派溢利而引致股息的原交易或事件。該等修訂並無對本集團的綜合財務報表產生任何重大影響。

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2. BASIS OF PREPARATION (CONT'D)

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The following HKFRSs in issue as at 31 December 2019 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2019:—

| | |
|--|---|
| Amendments to HKFRS 3 | <i>Definition of a Business</i> ¹ |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | <i>Interest Rate Benchmark Reform</i> ¹ |
| Amendment to HKFRS 10 and HKAS 28 (2011) | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³ |
| HKFRS 17 | <i>Insurance Contracts</i> ² |
| Amendments to HKAS 1 and HKAS 8 | <i>Definition of Material</i> ¹ |

- ¹ Effective for annual periods beginning on or after 1 January 2020
- ² Effective for annual periods beginning on or after 1 January 2021
- ³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

2. 編製基準 (續)

2.3 已頒佈但尚未生效的香港財務報告準則

下列香港財務報告準則於二零一九年十二月三十一日已頒佈，但由於該等準則於二零一九年一月一日開始之年度期間尚未生效，故於編製本集團截至該日止年度之綜合財務報表時並無採用該等準則：—

| | |
|---------------------------------------|---------------------------------------|
| 香港財務報告準則第3號修訂本 | 業務的定義 ¹ |
| 香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本 | 利率基準改革 ¹ |
| 香港財務報告準則第10號及香港會計準則第28號 (二零一一年) | 投資者與其聯營公司或合資企業之間的資產出售或注資 ³ |
| 香港財務報告準則第17號 | 保險合約 ² |
| 香港會計準則第1號及香港會計準則第8號修訂本 | 重大的定義 ¹ |

- ¹ 於二零二零年一月一日或之後開始的年度期間生效
- ² 於二零二一年一月一日或之後開始的年度期間生效
- ³ 無尚待釐定但可供採納的強制生效日期

有關預期將適用於本集團的該等香港財務報告準則的進一步資料載列如下。

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2. BASIS OF PREPARATION (CONT'D)

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (cont'd)

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

2. 編製基準 (續)

2.3 已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第3號修訂本澄清及提供有關業務定義之額外指引。該修訂本澄清，就被視為業務之一整套活動及資產而言，其必須最少包括可共同顯著促進產能之投入及相當工序。業務可毋須包括全部促進產能所需投入及工序而存在。該等修訂本取消對市場參與者是否有能力獲得業務並繼續產出產量之評估。取而代之，專注於獲得之投入及所獲得相當工序是否可共同顯著促進產能。該等修訂本亦縮窄產出之定義，專注於向客戶提供之商品或服務、投資收入或進行日常活動所得其他收入。此外，該等修訂本亦就評估所獲得工序是否達到相當程度提供指引，並引入選擇性公平值集中度測試，以簡化評估獲得之一系列活動及資產是否構成業務。本集團預期將於二零二零年一月一日起按前瞻基準採納修訂本。由於該等修訂本按前瞻基準應用於首次應用日期或之後發生的交易或其他事項，於過渡日期本集團將不會受該等修訂本影響。

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號修訂本闡明銀行同業拆息改革對財務報告的影響。該等修訂本提供於替代現行利率基準前的不確定期間內繼續採納對沖會計處理的臨時救濟。此外，該等修訂本要求公司向投資者提供有關受該等不確定因素直接影響的對沖關係的額外資料。該等修訂本於二零二零年一月一日或之後開始的年度期間生效，獲准提早應用。該等修訂本預期將不會對本集團的綜合財務報表產生任何重大影響。

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2. BASIS OF PREPARATION (CONT'D)

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (cont'd)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

2.4 Summary of Significant Accounting Policies

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

2. 編製基準 (續)

2.3 已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第10號及香港會計準則第28號(二零一一年)修訂本針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營企業之間資產出售或注資兩者規定之不一致情況。該修訂本規定,當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時,須確認全數收益或虧損。當交易涉及不構成一項業務之資產時,由該交易產生之收益或虧損於該投資者之損益內確認,惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該修訂本已按前瞻基準應用。香港會計師公會已於二零一六年一月剔除香港財務報告準則第10號及香港會計準則第28號(二零一一年)修訂本的以往強制生效日期,而新的強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而,該修訂本現時可供採納。

香港會計準則第1號及香港會計準則第8號修訂本為重大一詞提供新定義。根據新定義,倘可合理預期漏報、錯報或掩蓋個別資料將可影響使用財務報表作一般目的之主要使用者基於相關財務報表作出之決定,則該資料為重大。該修訂本指明,重大性取決於資料之性質及牽涉範圍。倘可合理預期資料錯報會影響主要使用者之決定,則有關錯誤為重大。本集團預期自二零二零年一月一日起按前瞻基準採納該修訂本。該修訂本預期不會對本集團之綜合財務報表造成任何重大影響。

2.4 主要會計政策概要

於聯營公司之投資

聯營公司為本集團於其一般不少於20%股本投票權中擁有長期權益之實體,且可對其發揮重大影響力。重大影響力指參與投資對象之財務及經營決策之權力,但並非控制或共同控制該等決策之權力。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Investments in associates (cont'd)

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

於聯營公司之投資 (續)

本集團於聯營公司的投資乃按權益會計法，在本集團的綜合財務狀況表內，按本集團應佔的資產淨值扣除減值虧損呈列。

倘若會計政策存在任何不一致，將會作出相應調整。

本集團應佔聯營公司收購後業績及其他全面收益份額分別計入綜合損益表及綜合其他全面收益。此外，倘於聯營公司的權益內直接確認一項變動，則本集團會於綜合權益變動表內確認其於任何有關變動的應佔份額（倘適用）。本集團與聯營公司交易所產生的未變現盈虧，均按本集團於聯營公司的投資為限進行抵銷，除非未變現虧損顯示已轉讓資產出現減值則除外。收購聯營公司所產生的商譽計入本集團於聯營公司或合營企業的投資內作為其中一部分。

倘於聯營公司的投資變成於合營企業的投資（或相反情況），則不會重新計量保留權益。取而代之，該投資繼續按權益法入賬。在所有其他情況下，於失去對聯營公司的重大影響力或合營企業之共同控制權後，本集團按其公平值計量及確認任何保留投資。於失去重大影響力或共同控制權時聯營公司或合營企業的賬面金額與保留投資的公平值及出售所得款項之間的任何差額於損益內確認。

當於聯營公司或合營企業的投資被分類為持作出售時，其乃根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務入賬。

2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

業務合併及商譽

業務合併乃以收購法入賬。轉讓代價乃以收購日期的公平值計算，該公平值為本集團所轉讓資產於收購日期之公平值、本集團自收購對象之前擁有人承擔的負債以及本集團發行以換取收購對象控制權之股本權益之總和。於各業務合併中，本集團選擇是否以公平值或收購對象可識別資產淨值的應佔比例，計算於收購對象屬現時擁有人權益的非控股權益，並賦予擁有人權利，於清盤時按比例分佔淨資產。非控股權益之一切其他成分乃按公平值計量。收購相關成本於產生時列為開支。

倘本集團收購一項業務，則會根據合約條款、於收購日期的經濟環境及相關條件評估所承接的金融資產及負債，以作出適合的分類及標示，其中包括分開收購對象主合約中的嵌入式衍生工具。

倘業務合併分階段進行，先前持有的股權按收購日期的公平值重新計量，而由此產生的任何收益或虧損於損益內確認。

由收購方將予轉讓的任何或然代價將於收購日期按公平值確認。分類為資產或負債的或然代價按公平值計量，而公平值變動會於損益確認。分類為權益的或然代價並無重新計量，而其後結算於權益內入賬。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Business combinations and goodwill (cont'd)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

商譽初步按成本計量，即已轉讓總代價、就非控股權益確認的金額及本集團先前持有的收購對象股權的任何公平值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。如總代價及其他項目低於所收購資產淨值的公平值，於再評估後其差額將於損益內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值，則會更頻密地進行測試。本集團於十二月三十一日進行商譽之年度減值測試。為進行減值測試，因業務合併而收購的商譽，自收購之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位（或現金產生單位組別）的可收回金額釐定。當現金產生單位（或現金產生單位組別）的可收回金額低於賬面值時，減值虧損便予以確認。已就商譽確認的減值虧損不得於其後期間撥回。

倘商譽被分配至某個現金產生單位（或現金產生單位組別）並且是被出售之現金產生單位內之業務組成部分，則在釐定出售該業務之收益或虧損時，與所出售業務相關之商譽將包括於該業務之賬面值內。於此情況下出售之商譽根據所出售業務之相關價值與現金產生單位之保留部分計量。

2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

公平值計量

於各報告期末，本集團按公平值計量其股本投資。公平值為市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付的價格。公平值計量乃假設出售資產或轉讓負債的交易於資產或負債主要市場或（在無主要市場情況下）最具優勢市場進行。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公平值乃基於市場參與者為資產或負債定價時所用的假設計量（假設市場參與者依照彼等的最佳經濟利益行事）。

非金融資產的公平值計量須計及市場參與者通過使用該資產之最高及最佳用途或將該資產出售予將使用其最高及最佳用途的另一市場參與者而產生經濟效益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

公平值計量 (續)

所有公平值於綜合財務報表計量或披露的資產及負債乃基於對公平值計量整體而言屬重大的最低層輸入數據按以下公平值等級分類：

第1級 – 基於相同資產或負債在活躍市場中的報價 (未經調整)

第2級 – 基於對公平值計量而言屬重大的可觀察 (直接或間接) 最低層輸入數據的估值方法

第3級 – 基於對公平值計量而言屬重大的不可觀察最低層輸入數據的估值方法

就按經常性基準於綜合財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類 (基於對公平值計量整體而言屬重大的最低層輸入數據) 釐定是否發生不同層級轉移。

非金融資產減值

倘有跡象顯示出現減值，或須就資產 (存貨、合約資產、遞延稅項資產、金融資產除外) 進行年度減值測試時，則評估資產之可收回金額。資產的可收回金額乃資產或現金產生單位的使用價值，以及其公平值減出售成本兩者的較高者，並就個別資產釐定，除非資產並不產生很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額則按資產所屬的現金產生單位予以釐定。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Impairment of non-financial assets (cont'd)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount in which case the reversal of the impairment loss is account for in accordance with relevant accounting policy for that revalued asset.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

非金融資產減值 (續)

減值虧損僅於資產的賬面值超過其可收回金額時確認。在評估使用價值時，估計日後現金流量按能反映當時市場對貨幣時間價值及該項資產特定風險之評估的除稅前貼現率貼現成現值。減值虧損於其產生期間自損益表內與減值資產功能相符的開支類別扣除。

將於每個報告期末評估有否跡象顯示以往確認之減值虧損可能不再存在或已減少。倘該等跡象存在，則評估可收回金額。以往就商譽以外之資產所確認之減值虧損僅於用作釐定該資產可收回金額之估計有變時撥回，然而該數額不得超過假設過往年度並無確認資產減值虧損之情況下釐定之賬面值（已扣除任何折舊／攤銷）。有關減值虧損的撥回於產生期間計入損益表，除非資產按重估金額入賬，在此情況下，減值虧損的撥回根據相關會計政策入賬列作重估資產。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group 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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

關連方

於下列情況下，以下人士將被視為與本集團有關連：

- (a) 該人士為下列人士或下列人士的近親
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 該人士為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 該實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方的合營企業；
 - (iv) 該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) 該實體為本集團或與本集團有關連的實體就僱員利益設立的離職後福利計劃；
 - (vi) 該實體由第(a)項所列人士控制或共同控制；
 - (vii) 第(a)(i)項所列人士對該實體具有重大影響力或為該實體（或該實體的母公司）的主要管理人員；及
 - (viii) 該實體或其所屬集團的任何成員公司為本集團或本集團的母公司提供主要管理人員服務。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

物業、廠房及設備與折舊

物業、廠房及設備均按成本減累計折舊及任何減值虧損入賬。當物業、廠房及設備項目分類為持作出售或倘其屬於分類為持作出售的出售組別的一部分，則無須折舊並如會計政策「持作出售的非流動資產及出售組別」進一步解釋，按香港財務報告準則第5號入賬。物業、廠房及設備項目之成本包括其購買價及將該資產達至運作狀況及將之運至擬定用途地點所產生之任何直接應計成本。

物業、廠房及設備項目投入運作後之開支，如維修及保養之費用，一般在產生期間於損益表中扣除。倘確認條件達成，相關主要檢查費用可按撥充資本計入作為重置之資產賬面值。倘大部分物業、廠房及設備須不時重置，本集團確認該部分為個別具有特定可使用年期之資產並作折舊。

本公司會經常進行估值，以確保重估資產之公平值與其賬面值不會存在重大差異。物業、廠房及設備價值之變動均入賬計作資產重估儲備變動。按個別資產基準，若儲備總額不足以填補減值虧損，超出之虧損將在損益表內扣除。其後，任何重估盈餘會計入損益表，計入之數額以早前扣除之虧損為限。基於資產經重估賬面值之折舊與基於該項資產原始成本之折舊之差額部分，每年會由資產重估儲備轉撥至保留溢利。於出售經重估之資產時，因早前估值而產生的相關資產重估儲備部分乃當作一項儲備變動，轉撥保留溢利。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Property, plant and equipment and depreciation (cont'd)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| | |
|--------------------------------|---|
| Freehold land | Not depreciated |
| Buildings | 40 years |
| Leasehold improvements | The shorter of remaining lease term and useful life |
| Plant, machinery and equipment | 3 to 10 years |
| Office equipment | 3 to 8 years |
| Furniture and fixtures | 4 to 10 years |
| Motor vehicles and yachts | 5 to 6 years |

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

物業、廠房及設備與折舊 (續)

折舊乃以直線法按各物業、廠房及設備項目的估計可使用年期撇銷其成本至剩餘價值計算。折舊之主要年率如下：

| | |
|----------|-----------------|
| 永久業權土地 | 無折舊 |
| 樓宇 | 40年 |
| 租賃物業裝修 | 按餘下租期及可使用年期之較短者 |
| 廠房、機器及設備 | 3至10年 |
| 辦公設備 | 3至8年 |
| 傢俬及裝置 | 4至10年 |
| 汽車及遊艇 | 5至6年 |

剩餘價值、可使用年期及折舊方法將至少於各財政年度末檢討及按需要作出調整。

物業、廠房及設備項目(包括任何初次確認的重大部分)於出售或預期使用或出售有關項目不會產生未來經濟利益時取消確認。於取消確認資產年度在損益表確認的出售或報廢資產的收益或虧損，為出售有關資產所得款項淨額與其賬面值兩者間的差額。

持作出售之非流動資產及出售組別

倘非流動資產及出售組別之賬面值將主要透過銷售交易而非持續使用收回，則分類為持作出售。在此情況下，資產或出售組別須可按現狀即時出售，條件僅為須符合出售該等資產或出售組別之一般及慣常條款且出售須十分可能發生。分類為出售組別之附屬公司所有資產及負債重新分類為持作出售，而不論出售後本集團有否保留所持前附屬公司之非控股權益。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Non-current assets and disposal groups held for sale (cont'd)

Non-current assets and disposal groups (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The following intangible assets with finite useful lives are amortised from the date they are available for use and their useful lives are as follows:

| | |
|-----------------|----------|
| Wine membership | 5 years |
| Copyright | 10 years |
| Domain name | 15 years |

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

持作出售之非流動資產及出售組別 (續)

分類為持作出售之非流動資產及出售組別(金融資產除外)按賬面值與公平值減銷售成本之較低者計量。分類為持作出售之物業、廠房及設備與無形資產不予折舊或攤銷。

無形資產 (商譽除外)

個別收購之無形資產於初步確認時按成本計量。業務合併中收購之無形資產之成本乃該資產於收購日期之公平值。無形資產之可使用年期須評估為有限或無限。有限年期之無形資產其後在使用經濟期限內攤銷，並於當有跡象顯示無形資產可能減值時對減值進行評估。使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度年末進行檢討。以下為自無形資產可動用日期起攤銷之有限年期無形資產及其可使用年期：

| | |
|-------|-----|
| 葡萄酒會籍 | 5年 |
| 版權 | 10年 |
| 域名 | 15年 |

具無限可使用年期的無形資產每年會個別或在現金產生單位級別作減值測試。該等無形資產並不予以攤銷。具無限年期的無形資產的可使用年期於每年作評估，以釐定無限可使用年期的評估是否繼續可靠。倘不再可靠，則可使用年期的評估自此由按無限年期更改為有限年期。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

| | |
|---------------------|---------------------|
| Leasehold land | Over the lease term |
| Plant and machinery | 3 to 10 years |

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用)

本集團於合約初始評估有關合約是否屬租賃或包含租賃。倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約是租賃或包含租賃。

本集團作為承租人

本集團就所有租賃應用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。

(a) 使用權資產

使用權資產在租賃開始日期（即相關資產可供使用的日期）確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就租賃負債的任何重新計量作出調整。使用權資產的成本包括已確認的租賃負債金額、所產生的初始直接成本，以及在開始日期或之前支付的租賃付款減去任何已收的租賃獎勵。在適用情況下，使用權資產的成本亦包括估計用於拆除及移除相關資產或復原相關資產或其所在地所產生的成本。使用權資產按直線法於資產的租期及估計可使用年期（以較短者為準）內計提折舊如下：

| | |
|--------|-------|
| 永久業權土地 | 按租期 |
| 廠房及機器 | 3至10年 |

倘於租期結束時租賃資產的擁有權轉讓至本集團或成本反映購買權的行使，折舊則根據資產的估計可使用年期計算。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Leases (applicable from 1 January 2019) (cont'd)

Group as a lessee (cont'd)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. 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, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為承租人 (續)

(b) 租賃負債

租賃負債乃於租賃開始日期按租賃期內將作出的租賃付款現值確認。租賃付款包括定額付款(含實質定額款項)減任何租賃獎勵應收款項、取決於指數或利率的可變租賃付款以及預期根據剩餘價值擔保支付的金額。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價及在租期反映本集團行使終止租賃選擇權時,有關終止租賃的罰款。不取決於指數或利率的可變租賃付款在出現觸發付款的事件或條件的期間內確認為開支。

於計算租賃付款的現值時,由於租賃內含的利率並不容易確定,故本集團於租賃開始日期使用其增量借款利率計算。於開始日期後,租賃負債金額的增加反映了利息的增長,其減少則關乎所作出的租賃付款。此外,如有修改、租期變動、租賃付款變動(如因指數或利率變動導致的未來租賃付款變動)或相關資產購買權的評估變動,則重新計量租賃負債的賬面值。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Leases (applicable from 1 January 2019) (cont'd)

Group as a lessee (cont'd)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases 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 leases of low-value assets to leases of assets that are considered to be of low value.

Leases (applicable before 1 January 2019)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為承租人 (續)

(c) 短期租賃及低價值資產租賃

本集團對租期自開始日期起計為12個月或以內且並無包含購買選擇權的租賃，應用短期租賃確認豁免。本集團亦對被認為屬價值的資產租賃的低價值資產租賃應用確認豁免。

租賃 (二零一九年一月一日前適用)

資產擁有權所附帶之絕大部份回報及風險仍屬出租人所有之租賃乃入賬為經營租賃。如本集團為承租人，根據經營租賃應付之租金（扣除出租人給予之任何獎勵）以直線法按租期於損益表內扣除。

投資及其他金融資產

初步確認及計量

金融資產於初步確認時分類為其後按攤銷成本、按公平值透過其他全面收益及按公平值透過損益計量。

金融資產於初步確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式而定。除並無重大融資成分或本集團並未就此應用不調整重大融資成分影響之實際權宜方法的應收賬款外，本集團初步按其公平值加（倘並非按公平值透過損益列賬的金融資產）交易成本計量金融資產。如下文「收益確認」所載政策，並無重大融資成分或本集團並未就此應用實際權宜方法的應收賬款按香港財務報告準則第15號釐定的交易價格計量。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Investments and other financial assets (cont'd)

Initial recognition and measurement (cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

初步確認及計量 (續)

為使金融資產按攤銷成本或按公平值透過其他全面收益分類及計量，需產生僅為支付本金及未償還本金利息（「SPPI」）的現金流量。現金流量並非SPPI的金融資產按公平值透過損益分類及計量，不論何種業務模式。

本集團管理金融資產的業務模式指其為產生現金流量管理金融資產的方式。業務模式釐定現金流量會否來自收取合約現金流量、出售金融資產或以上兩者。按攤銷成本分類及計量的金融資產按於旨在持有金融資產以收取合約現金流量的業務模式中持有，而按公平值透過其他全面收益分類及計量的資產金融資產於旨在持有合約現金流量及出售的業務模式中持有。並非按上述業務模式持有的金融資產按公平值透過損益分類及計量。

所有以常規方式購買及出售的金融資產均於交易日（即本集團承諾購買或出售資產之日）確認，以常規方式購買或出售指需在市場規例或慣例一般規定的期限內交付資產的金融資產購買或出售。

後續計量

金融資產的後續計量視乎以下分類：

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Investments and other financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at amortised cost (accounts and other receivables, contract assets and cash and cash equivalents)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVTOCI (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

按攤銷成本列賬的金融資產(應收賬款及其他應收款項、合約資產以及現金及等同現金項目)

按攤銷成本計量的金融資產隨後使用實際利率法計量，並可予減值。收益及虧損於資產終止確認、修改或減值時於損益表內確認。

指定按公平值透過其他全面收益列賬的金融資產(股本投資)

於初步確認時，本集團可選擇於股本投資符合香港會計準則第32號金融工具：呈報項下的股本定義且並非持作買賣時，將其股本投資不可撤回地分類為指定按公平值透過其他全面收益列賬的股本投資。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益表。當確立支付權時，股息於損益表內確認為其他收入，股息相關經濟利益有可能會流入本集團及股息金額能可靠計量，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收益入賬。指定按公平值透過其他全面收益的股本工具不受減值評估影響。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Investments and other financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

按公平值透過損益列賬的金融資產

按公平值透過損益列賬的金融資產按公平值於財務狀況表列賬，而公平值變動淨額於損益表內確認。

該類別包括本集團並無不可撤銷地選擇按公平值透過其他全面收益進行分類的股本投資。分類為按公平值透過損益列賬的金融資產的股本投資的股息在支付權確立時亦於損益表內確認為其他收入，股息相關經濟利益有可能會流入本集團及股息金額能可靠計量。

終止確認金融資產

金融資產 (或 (倘適用) 一項金融資產之一部分或一組類似金融資產之一部分) 主要於下列情況下終止確認 (即從本集團之綜合財務狀況表中移除) :

- 從該資產收取現金流量之權利已到期; 或
- 本集團已轉讓其從該資產收取現金流量之權利，或已根據「轉付」安排承擔責任向第三方全數支付所收取之現金流量，而不得出現重大延誤; 且 (a) 本集團已轉讓該資產之絕大部分風險及回報; 或 (b) 本集團並無轉讓或保留該資產之絕大部分風險及回報，惟已轉讓該資產之控制權。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Derecognition of financial assets (cont'd)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

倘本集團已轉讓其從資產收取現金流量之權利或已訂立轉付安排，其將評估其是否保留該資產之擁有權之風險及回報以及保留之程度。倘其並無轉讓或保留該資產之絕大部分風險及回報，亦無轉讓該資產之控制權，則以本集團持續參與該資產之程度為限確認已轉讓資產。在此情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按可反映本集團所保留權利及責任之基準計量。

持續參與指就已轉讓資產作出的一項擔保，按該項資產的原賬面值與本集團或須償還的最高代價的較低者計量。

金融資產減值

本集團就所有並非按公平值透過損益持有的債務工具確認預期信貸虧損（「預期信貸虧損」）撥備。預期信貸虧損乃以根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額為基準，按原有實際利率相近的差額貼現。預期現金流量將包括來自銷售所持有抵押品或其他信貸增級的現金流量，此乃合約條款不可或缺的部分。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Impairment of financial assets (cont'd)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般方法

預期信貸虧損於兩個階段進行確認。對於自初步確認後並無顯著增加的信貸風險，預期信貸虧損就可能於未來12個月內(12個月預期信貸虧損)出現的違約事件計提信貸虧損撥備。對於自初步確認後有顯著增加的信貸風險，須在信貸虧損風險預期的剩餘年期計提虧損撥備，不論違約事件於何時發生(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自初步確認以來是否顯著增加。本集團於評估時會將於報告日期金融工具發生之違約風險與初步確認日以來金融工具發生之違約風險進行比較，並考慮合理且可支持的資料，包括無需付出不必要的成本或努力而可得之歷史及前瞻性資料。

本集團將合約付款逾期90日的金融資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸增強前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。當無收回合約現金流量的合理預期時會撇銷金融資產。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Impairment of financial assets (cont'd)

General approach (cont'd)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

金融資產減值 (續)

一般方法 (續)

按攤銷成本計量的金融資產按一般方法進行減值，並按下列階段預期信貸虧損計量分類，惟下文詳述應用簡化法的應收貿易賬款及合約資產除外。

- 第一階段 – 金融工具的信貸風險自初步確認後並無顯著增加，其虧損撥備按等同12個月預期信貸虧損的金額計量
- 第二階段 – 金融工具的信貸風險自初步確認後顯著增加（惟並非信貸減值的金融資產），其虧損撥備按等同全期預期信貸虧損的金額計量
- 第三階段 – 於報告日期為信貸減值的金融資產（惟並非購買或發起的信貸減值金融資產），其虧損撥備按等同全期預期信貸虧損的金額計量

簡化法

就不包含顯著的融資組成部分或本集團已就此應用實務中的簡易處理方法不調整顯著融資組成部分的影響之應收貿易賬款及合約資產而言，本集團採用簡化法計算預期信貸虧損。根據簡化法，本集團並無追蹤信貸風險的變化，惟於各報告日期根據全期預期信貸虧損確認減值撥備。本集團已根據其過往信貸虧損經驗建立撥備矩陣，並就債務人特定的前瞻性因素及經濟環境作出調整。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and provision, contract liabilities, and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

金融負債

初步確認及計量

金融負債於初步確認時分類為按公平值透過損益列賬之金融負債、貸款及借貸或應付款項。

所有金融負債初步按公平值確認，如涉及貸款及借貸以及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項及撥備、合約負債以及計息銀行及其他借貸。

其後計量

金融負債之其後計量取決於其如下分類：

按攤銷成本計量之金融負債（貸款及借貸）

於初步確認後，計息貸款及借貸於其後採用實際利率法按攤銷成本計量，除非折現的影響不大，在此情況下則會按成本列賬。收益及虧損在負債終止確認時及通過實際利率法攤銷程序在損益表中確認。

在計算攤銷成本時會計及收購產生的任何折讓或溢價以及作為實際利率一部分的費用或成本。實際利率攤銷計入損益表的融資成本內。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

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, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

終止確認金融負債

當負債項下責任已解除或取消或屆滿，即終止確認金融負債。

當現有金融負債以同一貸款人按極為不同的條款提供的另一項金融負債所取代，或對現有負債的條款作出重大修訂，此類交換或修訂被視為終止確認原有負債及確認一項新負債，有關賬面值間的差額於損益表中確認。

抵銷金融工具

倘現時存在可強制執行的合法權利以抵銷已確認金額，且有意以淨額結算或同時變現資產及清償負債的情況下，金融資產及金融負債方予抵銷，而有關淨額於財務狀況表內呈報。

存貨

存貨按成本與可變現淨值兩者間的較低者列賬。成本按先進先出基準釐定。可變現淨值按估計售價減達致完成及出售將予產生的任何估計成本計算。

現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括手頭現金及活期存款，以及可隨時轉換為已知金額現金、所涉及價值變動風險不高且一般自取得起計三個月內到期的短期高流通投資，減須應要求償還的銀行透支，並構成本集團現金管理組成部分。

就綜合財務狀況表而言，現金及等同現金項目包括用途並不受限制的手頭現金及銀行存款（包括定期存款及性質與現金類似的資產）。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

撥備

因過往事件而產生現時(法定或推定)責任且很可能將需要未來資源流出以清償該責任,並且該責任的金額能夠可靠估計時則確認撥備。

倘貼現影響屬重大,則撥備的確認金額為預期需要用於清償該責任的未來開支於報告期末的現值。隨時間流逝產生的貼現現值增加額計入損益表內的融資成本中。

所得稅

所得稅包括即期及遞延稅項。所得稅如涉及在損益以外確認的項目,則於其他全面收入或直接於權益確認。

即期稅項資產及負債,乃根據於報告期末已頒佈或實質上已頒佈的稅率(及稅法),並考慮本集團經營業務所在國家的現有詮釋及慣例,按預期將獲稅務機構退回或支付予稅務機構的金額計算。

遞延稅項乃就於報告期末資產及負債的稅基與其作財務報告用途的賬面值之間的所有暫時性差異,採用負債法作出撥備。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Income tax (cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項負債乃就所有應課稅暫時性差異確認，惟以下情況除外：

- 當遞延稅項負債是由初步確認並非業務合併的交易中的商譽、資產或負債而產生，及於進行交易時對會計溢利與應課稅溢利或虧損均無影響；及
- 就於附屬公司、聯營公司及合資企業的投資相關的應課稅暫時性差異而言，當可以控制回撥暫時性差異的時間，且暫時性差異可能不會在可見將來回撥。

遞延稅項資產乃就所有可抵扣暫時性差異、結轉未動用稅項抵免及任何未動用稅項虧損確認。遞延稅項資產會於有可能出現可利用該等可抵扣暫時性差異、結轉未動用稅項抵免及未動用稅項虧損予以抵扣的應課稅溢利的情況下確認，惟以下情況除外：

- 當可抵扣暫時性差異相關的遞延稅項資產是由初步確認並非業務合併的交易中的資產或負債而產生，及於進行交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司、聯營公司及合資企業的投資相關的可抵扣暫時性差異而言，遞延稅項資產僅於暫時性差異有可能在可預見將來撥回，且將有可利用該等暫時性差異予以抵扣的應課稅溢利時，方會確認。

2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Income tax (cont'd)

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產的賬面值於各報告期末予以檢討，並於不再可能有足夠應課稅溢利可供動用全部或部分遞延稅項資產時作出調減。未確認遞延稅項資產於各報告期末重新評估，並於可能有足夠應課稅溢利以收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債基於截至報告期末前已頒佈或實質上已頒佈的稅率（及稅法）以變現資產或償還負債的期間的預期適用稅率計量。

當且僅當本集團擁有可依法強制執行的權利，可將即期稅項資產與即期稅項負債互相抵銷，而遞延稅項資產及遞延稅項負債乃涉及同一稅務機關對擬於預期清償重大金額遞延稅項負債或收回重大金額遞延稅項資產的各未來期間按淨額基準結算即期稅項負債及資產，或同時變現資產及清償負債的同一課稅實體或不同課稅實體徵收的所得稅，則遞延稅項資產可與遞延稅項負債互相抵銷。

政府補助

政府補助在合理確信可收取及一切附帶條件均可達成的情況下按其公平值予以確認。倘補助涉及支出項目，則在與其擬補償而支銷相關成本的期間內，有系統地確認為收入。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

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

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

收入確認

客戶合約收入

客戶合約收入於商品或服務的控制權轉移至客戶時確認，有關金額反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包括可變金額時，估計代價金額將為本集團有權以換取將貨品或服務轉移至客戶的金額。可變代價在合約開始時估計並受到限制，直至與可變代價相關的不確定性其後得以解決時，很有可能所確認累計收入金額中不會出現重大收入轉撥。

倘合約載有向客戶提供超過一年的貨品或服務轉讓的重大融資利益的融資組成部份，則收入按應收金額的現值計量，並使用反映本集團與客戶在合約開始時之間的獨立融資交易的貼現率進行貼現。倘合約載有向本集團提供超過一年的重大融資利益的融資組成部份，則根據該合約確認的收入包括根據實際利率法計算的合約負債附有的利息開支。就客戶付款與轉讓承諾貨品或服務之間的期限為一年或更短的合約而言，交易價不會使用香港財務報告準則第15號的實際權宜法就重大融資部分作出調整。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Revenue recognition (cont'd)

Revenue from contracts with customers (cont'd)

- (a) Mobile internet cultural business and provision of IT contract services and maintenance services

Provision of IT contract services

Revenue from rendering of IT contract services is recognised over time using an input method to measure progress towards complete performance of the services, measured by reference to the proportion of work completed to date to the estimated total work of the relevant contract.

Maintenance services

Revenue from provision of maintenance services is recognised over the maintenance period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. Advances are normally required before rendering the services.

Sales of goods arising from E-commerce

Revenue from sale of goods, after deduction of any discounts, is recognised at a point in time when control of the products has transferred, being when the products are delivered to the customers, the customer has accepted the products, the collection of the related consideration is probable and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

收入確認 (續)

客戶合約收入 (續)

- (a) 移動互聯網文化業務及提供資訊科技合約服務及維護服務

提供資訊科技合約服務

提供資訊科技合約服務的收入乃採用輸入法隨時間確認，該輸入法計量完成履約服務的進度，參照迄今已完成工作佔有關合約之估計工作總量之比例計量。

維護服務

提供維護服務的收入乃於維護期內以直線法確認，原因為客戶同時接收並消耗本集團提供的利益。於提供服務之前通常會要求預付款項。

電子商務產生的貨品銷售

銷售貨品的收入（經扣除任何折扣）於產品控制權轉移的時間點確認，即為產品已交付予客戶、客戶已接受產品、相關代價很可能可收取且並無可能影響客戶接受產品的未履行責任時。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Revenue recognition (cont'd)

Revenue from contracts with customers (cont'd)

(b) Provision of hospitality and related services in Australia

Revenue from hotel accommodation and other ancillary services is recognised over time in the accounting period in which the control of the products or the services are transferred to the customer because the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs.

Revenue from sales of hotel supplies and food and beverage in hotel business and food and restaurants operation is recognised at a point in time when the control of the products or the services is transferred to the customers, being when the products are delivered to the customers, there is no unfulfilled obligation that could affect the customers' acceptance of the products and the customer has obtained the physical possession or the legal title of the products and the Group has present right to payment and the collection of the consideration is probable. The Group controls the products in these transactions and, therefore, the Group is the principal and revenue is recognised on a gross basis.

Revenue from other sources

Dividend income

Dividend income is recognised at the time when the shareholders' right to receive the dividend have been established.

Rental income

Rental income under operating lease is recognised on a straight-line basis over the term of the relevant leases.

Interest income

Interest income is recognised as it accrues using the effective interest method. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount less loss allowance) of the financial asset.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

收入確認 (續)

客戶合約收入 (續)

(b) 於澳洲提供酒店及相關服務

酒店住宿及其他相關配套服務的收入於產品或服務的控制權轉移予客戶時於會計期間在一段時間內確認，原因為客戶於本集團履約時同時接收並消耗本集團履約帶來的利益。

酒店業務及食品與餐廳業務銷售酒店用品及餐飲的收入於產品或服務的控制權轉移予客戶時於時間點確認，即為產品已交付予客戶、並無可能影響客戶接受產品的未履行責任及客戶已實際佔有貨品或取得貨品的法定所有權而本集團擁有收取付款的現時權利及代價很可能可收取時。本集團於該等交易中控制相關產品，因此本集團為主要責任人，收入按總額確認。

其他來源收入

股息收入

股息收入於股東收取股息之權利確立時確認。

租金收入

經營租賃項下的租金收入按直線法於相關租賃年期內確認。

利息收入

利息收入於應計時採用實際利率法確認。就出現信貸減值之金融資產而言，實際利率應用於金融資產攤銷成本（即賬面值總額減虧損撥備）。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised. Other contract costs are expensed as incurred.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

合約資產

合約資產乃就換取已向客戶轉讓的貨品或服務而收取代價的權利。倘本集團於客戶支付代價或付款到期前將貨品或服務轉讓予客戶，則就附帶條件的已賺取代價確認合約資產。合約資產須進行減值評估，有關詳情載於金融資產減值的會計政策內。

合約負債

合約負債為本集團轉讓相關貨品或服務前已收或應收（以較早者為準）客戶付款時確認。合約負債於本集團履行合約（即轉讓有關貨品或服務的控制權予客戶）時確認為收入。

合約成本

除資本化為存貨、物業、廠房及設備以及無形資產的成本外，倘符合所有下列條件，則將履行客戶合約產生的成本資本化為資產：

- (a) 有關成本與實體可明確識別之合約或預期合約有直接關係；
- (b) 有關成本令實體將用於履行（或持續履行）日後履約責任之資源得以產生或有所增加；及
- (c) 有關成本預期可收回。

資本化合約成本乃按符合確認相關資產的收入模式的系統基準攤銷並自損益表扣除。其他合約成本於產生時支銷。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Share-based payments

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options and warrants granted. The fair values of the goods or services received are recognised as expenses immediately, unless the goods or services qualify for recognition as assets. Corresponding adjustment has been made to equity (share options reserve).

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

Other employee benefits

Salaries, annual bonuses and annual leave entitlements are accrued in the year in which the associated services are rendered by employees of the Group.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in profit or loss as incurred.

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when it made contribution to the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in future years.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

以股份為基礎之付款

為換取貨品或服務而發行之購股權，乃按所收取貨品或服務之公平值計量，除非其公平值未能可靠估算，在此情況下，所收取貨品或服務乃參照所授出購股權及認股權證之公平值計量。除非貨品或服務合資格確認為資產，否則所收取貨品或服務之公平值即時確認為開支，並對權益（購股權儲備）作出相應調整。

當購股權獲行使時，原於購股權儲備中確認的金額將撥入股本及股份溢價。當購股權於歸屬日期後遭沒收或於到期日仍未獲行使，則原於購股權儲備中確認的金額將會繼續保留於購股權儲備中。

其他僱員福利

薪金、年終花紅及有薪年假均在本集團僱員提供相關服務之年度內累計。

定額供款退休計劃之供款責任於產生時在損益中確認為開支。

退休金計劃

本集團根據香港法例第485章《強制性公積金計劃條例》為其所有香港僱員採用界定供款強制性公積金退休福利計劃（「**強積金計劃**」）。根據強積金計劃規則，須按僱員基本薪金的百分比作出供款，並於供款成為應付時自損益表扣除。強積金計劃的資產與本集團資產分開並由獨立管理基金持有。本集團所作出的僱主供款於向強積金計劃作出供款時全數歸屬予僱員。概無已沒收的供款可用於減少未來年度的應付供款。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Other employee benefits (cont'd)

The employees of the Company's subsidiaries which operate in the People's Republic of China (the "PRC") are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. No forfeited contribution is available to reduce the contribution payable in future years.

The employees of the Company's subsidiaries in Australia are entitled to benefit from the employee's complying superannuation plan on retirement, disability or death. These subsidiaries are responsible for making contributions to the plan at a certain percentage of employees' wages or salaries. The subsidiaries' legal or constructive obligation is limited to these contributions, which are recognised as an expense as they become payable. No forfeited contribution is available to reduce the contribution payable in future years.

Dividends

Final dividends are recognised as a liability when they are approved by the Shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's Bye-Laws grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

其他僱員福利 (續)

本公司於中華人民共和國(「中國」)經營的附屬公司的僱員須參加由當地市政府管理的中央退休金計劃。該等附屬公司須向該中央退休金計劃繳付其工資成本的若干百分比供款。根據中央退休金計劃的規定，供款在需要支付時在損益中扣除。概無已沒收的供款可用於減少未來年度的應付供款。

本公司於澳洲之附屬公司的僱員均享有僱員遵從退休、殘疾或死亡定額供款養老金計劃之福利。該等附屬公司負責按僱員工資或薪金的若干百分比向該計劃供款。該等附屬公司的法定或推定責任僅限於該等供款，於該等供款成為應付時確認為費用。概無已沒收的供款可用於減少未來年度的應付供款。

股息

末期股息獲股東於股東大會上批准時確認為負債。建議末期股息於綜合財務報表附註中披露。

由於公司細則賦予董事宣派中期股息的權利，故中期股息的建議及宣派同時進行。因此，中期股息於建議及宣派後即時確認為負債。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Foreign currencies

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of each reporting period;
- income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

外幣

功能及呈列貨幣

包括在本集團各實體的綜合財務報表的項目均以該實體經營所在的主要經濟環境的貨幣(「**功能貨幣**」)計量。綜合財務報表以港元呈列，而港元為本公司的功能及呈列貨幣。

交易及結餘

外幣交易按交易當日之匯率兌換為功能貨幣。因結算有關交易及以年結日適用匯率換算外幣計值貨幣資產與負債所產生之外匯收益及虧損均於損益中確認。

集團公司

功能貨幣有別於呈列貨幣的所有本集團實體(該等實體概無擁有嚴重通貨膨脹經濟的貨幣)的業績及財務狀況，均按以下方式換算為呈列貨幣：

- 於各財務狀況表呈列的資產及負債乃按各報告期末的收市匯率換算；
- 各損益的收支乃按平均匯率換算，除非該平均匯率並非在有關交易日期當日通行匯率累積影響的合理估計內，則在該情況下，收支按有關交易當日匯率換算；及
- 所有因而產生的匯兌差額確認於其他全面收益，並於換算儲備之權益內分別累計。

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2. BASIS OF PREPARATION (CONT'D)

2.4 Summary of Significant Accounting Policies (cont'd)

Foreign currencies (cont'd)

Group companies (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholder's equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) *Income taxes*

The Group is subject to income taxes in Hong Kong, the PRC and Australia. Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

2. 編製基準 (續)

2.4 主要會計政策概要 (續)

外幣 (續)

集團公司 (續)

於綜合賬目時，因換算海外實體投資淨額及換算借貸與其他指定為該等投資對沖的貨幣工具而產生的匯兌差額，均計入股東權益內。當境外業務被出售時，有關匯兌差額作為出售之盈利或虧損之一部份於損益內確認。收購海外實體所產生的商譽及公平值調整均視為海外實體的資產及負債，並按收市匯率換算。

3. 重大會計判斷及估計

編製本集團綜合財務報表時，管理層須作出會影響收益、開支、資產及負債的報告金額及其相關披露事項以及或然負債披露的判斷、估計及假設。該等假設及估計的不確定因素可導致須對日後受影響的資產或負債賬面值作出重大調整。

判斷

於應用本集團會計政策的過程中，管理層已作出以下判斷，除該等涉及估計外，其對於綜合財務報表確認的金額產生最重大影響：

(a) *所得稅*

本集團須在香港、中國及澳洲繳納所得稅。釐定所得稅撥備時需要對若干交易將來之稅務處理作出重大判斷。本集團詳細評估該等交易所帶來之稅務影響及已記錄相應之稅項撥備。本集團會定期檢討該等交易之稅務處理，以計入所有稅務條例之變動。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Judgements (cont'd)

(b) Revenue from contracts with customers – determining the timing of satisfaction of provision of IT contract services

The Group concluded that revenue from provision of IT contract services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group determined that the input method is the best method in measuring the progress of the IT contract services because there is a direct relationship between the Group's effort (i.e. labour hours incurred) and the transfer of services to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the services.

Estimation uncertainty

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

(a) Impairment of property plant and equipment, goodwill and other non-current assets

Determining whether property plant and equipment, goodwill and other non-current assets are impaired requires an estimation of the value in use of the cash-generating units to which the property plant and equipment, goodwill and other non-current assets have been allocated. The calculation of value in use requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value.

3. 重大會計判斷及估計 (續)

判斷 (續)

(b) 來自客戶合約之收入 – 釐定提供資訊科技合約服務之履約時間

本集團認為，提供資訊科技合約服務之收入在一段時間內確認，原因為客戶同時取得及消耗本集團所提供之利益。

本集團確定輸入法是衡量資訊科技合約服務進度的最佳方法，因為本集團的努力（即產生的工時）與向客戶轉讓服務間存在直接關係。本集團按相對於完成服務的預計總勞動時數所花費的工時來確認收入。

估計不明朗因素

有關未來之主要假設以及其他於報告期末會為下個財政年度資產與負債賬面值帶來重大調整風險之主要估計不明朗因素描述如下。

(a) 物業、廠房及設備、商譽及其他非流動資產的減值

釐定物業、廠房及設備、商譽及其他非流動資產是否出現減值，需要估計物業、廠房及設備、商譽及其他非流動資產所分配予的現金產生單位的使用價值。計算使用價值需要本集團估計預期從現金產生單位產生的未來現金流量以及合適的折現率，以計算現值。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (cont'd)

(b) Useful lives of other intangible assets (other than goodwill)

The Group determines the estimated useful lives for its intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions. It could change significantly as a result of technical innovations and management's long-term strategic development. Management will increase the amortisation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(c) Impairment of accounts and other receivables and contract assets

The Group estimates the loss allowances for debtors and contract assets by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of the reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of debtors and contract assets and thus the impairment loss in the period in which such estimate will be changed. The Group keeps assessing the ECLs of trade debtors and contract assets during their expected lives.

3. 重大會計判斷及估計 (續)

估計不明朗因素 (續)

(b) 其他無形資產 (商譽除外) 的可使用年期

本集團釐定其無形資產的估計可使用年期。該估計乃依據性質與功能類似的無形資產的實際可使用年期的過往經驗，可能由於技術創新及管理層的長期策略發展而出現重大變化。倘使用年期較之前的估計年期為短，則管理層會增加攤銷費用，或將按技術過時或已報廢或已出售的非策略資產撇銷或撇減。

(c) 應收賬款及其他應收款項以及合約資產之減值

本集團評估預期信貸虧損以對應收賬款及合約資產的虧損撥備進行估計。此舉需要使用估計及判斷。預期信貸虧損是基於本集團過往的信貸虧損經驗 (但對債務人特定因素進行調整) 及於報告期末對目前及未來整體經濟情況的評估。倘若估計數額與之前估計有所不同，則有關差額將影響應收賬款及合約資產的賬面值以及因此有關估計變動發生之期間的減值虧損。本集團於貿易應收賬款及合約資產預計的存續期內對其預期信貸虧損進行持續評估。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (cont'd)

(d) Impairment of loan and interest receivables

The Group reviews its loan portfolio to assess whether there is any objective evidence that the loan receivable is impaired at least on a yearly basis. In determining whether an impairment loss should be recorded in the consolidated statement of profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loan receivables before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in the group, or national or local economic conditions that correlate with defaults on assets in the group. Management estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methods and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(e) Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where observable market data are not available, the Group engages independent qualified valuers to perform the valuation and works closely with independent qualified valuers to establish the appropriate valuation techniques and inputs to the model.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. The use of valuation models and assumptions in valuing these financial instruments is subjective and requires varying degrees of judgement.

3. 重大會計判斷及估計 (續)

估計不明朗因素 (續)

(d) 應收貸款及利息減值

本集團每年至少覆核一次其貸款組合，以評估是否有任何客觀證據證明應收貸款賬款有減值。在確定綜合損益表中是否計入減值虧損時，本集團對是否有任何可觀察數據，顯示貸款組合的預計未來現金流出現可衡量的減幅作出判斷，以便辨識組合中個別貸款的減少。該證據可包括可觀察數據顯示組別內借款人的還款狀況、或與組別內資產違約相關的國家或地方經濟狀況出現不利變動。管理層憑著對組合中有類似信貸風險特徵及客觀減值證據資產的過往虧損經驗，於制定未來現金流量時進行估算。用於估算未來現金流量的金額和時間的方法和假設將定期覆核，以減少估算損失與經歷實際損失之間的任何差異。

(e) 公平值計量及估值流程

本集團部分資產就財務呈報目的按公平值計量。於估計資產之公平值時，本集團盡可能使用可觀察市場數據。在並無可觀察市場數據之情況下，本集團會委聘獨立合資格估值師進行估值，並與獨立合資格估值師緊密配合以確定適當之估值技術及模型的輸入數據。

於估計若干類別金融工具之公平值時，本集團採用包括並非基於可觀察市場數據之輸入數據之估值技術。就此等金融工具進行估值時使用估值模型及假設乃屬主觀性及須作出不同程度之判斷。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation uncertainty (cont'd)

(f) Fair value of the financial assets designated at FVTOCI or financial assets at FVTPL

The fair value of financial assets designated at FVTOCI or financial assets at FVTPL that are not traded in active markets or suspended trading are determined by using valuation techniques. Where valuation techniques are used to determine fair values, they are periodically reviewed. To the extent practical, models use only observable data, however, areas such as estimated profit, volatilities and correlations require management to make estimation. Changes in assumptions about these factors could affect the FVTOCI and the FVTPL.

(g) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's net assets value. The Group reassesses these estimates at the end of each reporting period.

(h) Provision for/Contingent liabilities of litigations

The Group has been involved in a number of litigations during the year. Provision for/Contingent liabilities arising from these litigations have been assessed by management with reference to legal advices. Provision on possible obligations, if any, are made based on management's best estimates and judgements. Further details are stated in note 36 to the consolidated financial statements.

3. 重大會計判斷及估計 (續)

估計不明朗因素 (續)

(f) 指定按公平值透過其他全面收益列賬之金融資產或按公平值透過損益列賬之金融資產之公平值

並非在活躍市場買賣或已停牌之股票之指定按公平值透過其他全面收益列賬之金融資產或按公平值透過損益列賬之金融資產之公平值乃採用估值技術釐定。若採用估值技術釐定公平值，有關技術將作定期檢討。模式盡可能只採用可觀察之數據以貼近實際，惟估計溢利、波動及相關性等因素需由管理層作出估計。有關此等因素之假設若有變更，均可能影響按公平值透過其他全面收益列賬及按公平值透過損益列賬。

(g) 存貨之可變現淨值

存貨之可變現淨值指於一般業務過程中估計售價減估計完成成本及估計銷售所需成本後之金額。該等估計乃根據當前市況以及銷售相似性質產品之歷史經驗作出。該等假設之任何變動將增加或減少存貨撇減或過往年度所作撇減之相關撥回金額，並影響本集團之資產淨值。本集團於各報告期末重新評估該等估計。

(h) 訴訟撥備／或然負債

本集團於年內牽涉數宗訴訟。管理層已參考法律意見評估此等訴訟產生之撥備／或然負債。潛在責任之撥備(如有)乃按管理層之最佳估計及判斷作出。進一步詳情載於綜合財務報表附註36。

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綜合財務報表附註

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4. OPERATING SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal report provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, as have been identified as Directors.

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- Mobile internet cultural business and provision of IT contract services;
- Provision of hospitality and related services in Australia;
- Money lending business; and
- Assets investments business.

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following basis:–

- Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.
- Assets and liabilities are allocated to the reportable segments excluding unallocated corporate assets and liabilities.
- The measure used for reporting segment loss is adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's loss before tax except that bank interest income, non-lease-related finance costs, dividend income from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

4. 經營分部資料

經營分部以與經董事確認的提供給主要經營決策者（其負責分配資源及評估經營分部的表現）的內部報告一致的方式呈報。

為便於管理，本集團按其產品及服務劃分業務單位並有如下四個可報告分部：

- 移動互聯網文化業務及提供資訊科技合約服務；
- 於澳洲提供酒店及相關服務；
- 借貸業務；及
- 資產投資業務。

為評估分部表現及分配資源至各個分部，本集團主要營運決策人按下列基準監察各個可報告分部的業績、資產及負債：–

- 收入與開支乃參照該等分部產生之銷售額及其產生之開支而分配至可報告分部。
- 資產及負債分配至可報告分部，惟不包括未分配之企業資產及負債。
- 可報告分部虧損以經調整除稅前溢利／（虧損）計量。經調整除稅前溢利／（虧損）按與計量本集團的除稅前虧損一致之方式計量，惟有關計量並不包括銀行利息收入、與租賃無關之融資成本、來自本集團金融工具之股息收入以及總辦事處及企業開支。

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綜合財務報表附註

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

4. OPERATING SEGMENT INFORMATION
(CONT'D)

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below:-

(i) Segment results

Year ended 31 December 2019

4. 經營分部資料 (續)

本集團主要經營決策者獲提供有關本集團可報告分部的資料，旨在就截至二零一九年及二零一八年十二月三十一日止年度作出資源分配及評核分部表現，該等資料列載如下：-

(i) 分部業績

截至二零一九年十二月三十一日止年度

| | | Mobile internet cultural business and provision of IT contract services 移動互聯網 文化業務及提供 資訊科技 合約服務 HK\$'000 千港元 | Provision of hospitality and related services in Australia 於澳洲提供酒店 及相關服務 HK\$'000 千港元 | Money lending business 借貸業務 HK\$'000 千港元 | Assets investments business 資產投資業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-----------------------|---|--|---|--|--------------------------------|
| Segment revenue and other income and gains | 分部收益及其他收入及收益 | 544,544 | 95,043 | 1,642 | 32 | 641,261 |
| Segment results | 分部業績 | | | | | |
| Segment loss | 分部虧損 | (52,686) | (33,437) | (546) | (28,388) | (115,057) |
| Unallocated head office and corporate income and expenses | 未分配總辦事處及公司收入及開支 | | | | | (12,820) |
| Bank interest income | 銀行利息收入 | | | | | 3,281 |
| Finance costs | 融資成本 | | | | | (12,559) |
| Loss before tax | 除稅前虧損 | | | | | (137,155) |
| Amounts included in the measure of segment results: | 計入分部業績計量之款項: | | | | | |
| Depreciation and amortisation | 折舊及攤銷 | (17,906) | (7,445) | (636) | - | (25,987) |
| Unallocated depreciation and amortisation | 未分配折舊及攤銷 | | | | | (909) |
| Total depreciation and amortisation | 折舊及攤銷總額 | | | | | (26,896) |
| Share of results of associates | 分佔聯營公司業績 | (6,745) | - | - | 5,977 | (768) |
| Fair value loss on financial assets at FVTPL | 按公平值透過損益列賬之金融資產之公平值虧損 | - | - | - | (579) | (579) |
| Impairment loss on property, plant and equipment | 物業、廠房及設備之減值虧損 | - | (23,616) | - | - | (23,616) |
| Written off of property, plant and equipment | 撇銷物業、廠房及設備 | - | - | - | - | (136) |
| Provision for litigations | 訴訟撥備 | - | - | - | 32,796 | 32,796 |
| Reversal of impairment on contract assets | 合約資產減值撥回 | 8 | - | - | - | 8 |
| Impairment loss on accounts receivable, loan and interest receivables | 應收賬款、應收貸款及利息之減值虧損 | (383) | - | - | - | (383) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

4. OPERATING SEGMENT INFORMATION (CONT'D)

(i) Segment results (cont'd)

Year ended 31 December 2018

| | | Mobile internet cultural business and provision of IT contract services 移動互聯網 文化業務及提供 資訊科技合約服 務 HK\$'000 千港元 | Provision of hospitality and related services in Australia 於澳洲提供酒店 及相關服務 HK\$'000 千港元 | Money lending business 借貸業務 HK\$'000 千港元 | Assets investments business 資產投資業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-----------------------|---|--|---|--|--------------------------------|
| Segment revenue and other income and gains | 分部收益及其他收入及收益 | 360,813 | 107,195 | 1,598 | 1,873 | 471,479 |
| Segment results | 分部業績 | | | | | |
| Segment profit/(loss) | 分部溢利/ (虧損) | (104,470) | (3,549) | (5,233) | 3,258 | (109,994) |
| Unallocated head office and corporate income and expenses | 未分配總辦事處及公司收入及開支 | | | | | (33,810) |
| Bank interest income | 銀行利息收入 | | | | | 2,233 |
| Finance costs | 融資成本 | | | | | (9,256) |
| Loss before tax | 除稅前虧損 | | | | | (150,827) |
| Amounts included in the measure of segment results: | 計入分部業績計量之款項: | | | | | |
| Depreciation and amortisation | 折舊及攤銷 | (3,454) | (7,778) | (111) | - | (11,343) |
| Unallocated depreciation and amortisation | 未分配折舊及攤銷 | | | | | (633) |
| Total depreciation and amortisation | 折舊及攤銷總額 | | | | | (11,976) |
| Share of results of associates | 分佔聯營公司業績 | (3,161) | - | - | 287 | (2,874) |
| Fair value loss on financial assets at FVTPL | 按公平值透過損益列賬之金融資產之公平值虧損 | - | - | - | (7,404) | (7,404) |
| Impairment loss on investments in associates | 於聯營公司之投資減值虧損 | (5,475) | - | - | - | (5,475) |
| Impairment loss on other intangible assets | 其他無形資產之減值虧損 | (1,792) | - | - | - | (1,792) |
| Unallocated impairment loss on other intangible assets | 其他無形資產之未分配減值虧損 | | | | | (3,450) |
| Total impairment loss on other intangible assets | 其他無形資產之減值虧損總額 | | | | | (5,242) |
| Impairment of goodwill | 商譽減值 | - | (19,877) | - | - | (19,877) |
| Provision for litigations | 訴訟撥備 | - | - | - | (7,176) | (7,176) |
| Provision for compensation claim | 補償申索撥備 | (52,777) | - | - | - | (52,777) |
| Impairment loss on contract assets | 合約資產減值虧損 | (33) | - | - | - | (33) |
| Impairment loss on accounts receivable, loan and interest receivables | 應收賬款、應收貸款及利息之減值虧損 | (2,000) | - | - | - | (2,000) |

4. 經營分部資料 (續)

(i) 分部業績 (續)

截至二零一八年十二月三十一日止年度

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

4. OPERATING SEGMENT INFORMATION
(CONT'D)

4. 經營分部資料 (續)

(ii) Segment assets and liabilities

(ii) 分部資產及負債

31 December 2019

二零一九年十二月三十一日

| | | Mobile internet cultural business and provision of IT contract services 移動互聯網文化業務及提供資訊科技合約服務 HK\$'000 千港元 | Provision of hospitality and related services in Australia 於澳洲提供酒店及相關服務 HK\$'000 千港元 | Money lending business 借貸業務 HK\$'000 千港元 | Assets investments business 資產投資業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-------------------------|--|---|---|--|--------------------------------|
| SEGMENT ASSETS | 分部資產 | 290,572 | 191,424 | 15,930 | 288,628 | 786,554 |
| Corporate and other unallocated assets | 企業及其他未分配資產 | | | | | 170,768 |
| Total assets | 資產總值 | | | | | 957,322 |
| SEGMENT LIABILITIES | 分部負債 | 299,345 | 100,682 | 834 | 186,249 | 587,110 |
| Corporate and other unallocated liabilities | 企業及其他未分配負債 | | | | | 2,115 |
| Total liabilities | 負債總值 | | | | | 589,225 |
| Amounts included in the measure of segment assets: | 計入分部資產計量之款項: | | | | | |
| Investments in associates | 於聯營公司之投資 | 118 | - | - | 80,286 | 80,404 |
| Amounts regularly provided to the chief operating decision maker: | 定期向主要營運決策人提供之款項: | | | | | |
| Additions to property, plant and equipment | 添置物業、廠房及設備 | 10,998 | 6,697 | 31 | - | 17,726 |
| Unallocated additions to property, plant and equipment | 未分配添置物業、廠房及設備 | | | | | 6,874 |
| Total additions to property, plant and equipment | 添置物業、廠房及設備總額 | | | | | 24,600 |
| Additions to right-of-use assets | 添置使用權資產 | 39,536 | 310 | - | 165 | 40,011 |

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綜合財務報表附註

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

4. OPERATING SEGMENT INFORMATION (CONT'D)

(ii) Segment assets and liabilities (cont'd)

31 December 2018

| | | Mobile internet cultural business and provision of IT contract services 移動互聯網文化業務及提供資訊科技合約服務 HK\$'000 千港元 | Provision of hospitality and related services in Australia 於澳洲提供酒店及相關服務 HK\$'000 千港元 | Money lending business 借貸業務 HK\$'000 千港元 | Assets investments business 資產投資業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-------------------------|--|---|---|--|--------------------------------|
| SEGMENT ASSETS | 分部資產 | 200,012 | 233,111 | 29,492 | 211,991 | 674,606 |
| Corporate and other unallocated assets | 企業及其他未分配資產 | | | | | 169,744 |
| Total assets | 資產總值 | | | | | 844,350 |
| SEGMENT LIABILITIES | 分部負債 | 170,413 | 99,782 | 82 | 146,794 | 417,071 |
| Corporate and other unallocated liabilities | 企業及其他未分配負債 | | | | | 9,097 |
| Total liabilities | 負債總值 | | | | | 426,168 |
| Amounts included in the measure of segment assets: | 計入分部資產計量之款項 | | | | | |
| Investments in associates | 於聯營公司之投資 | 7,000 | – | – | 74,309 | 81,309 |
| Amounts regularly provided to the chief operating decision maker: | 定期向主要營運決策人提供之款項: | | | | | |
| Additions to property, plant and equipment | 添置物業、廠房及設備 | 10,056 | 3,780 | 706 | – | 14,542 |

4. 經營分部資料 (續)

(ii) 分部資產及負債 (續)

二零一八年十二月三十一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

4. OPERATING SEGMENT INFORMATION (CONT'D)

(iii) Geographical information

The Group's operations are mainly located in Hong Kong, the PRC and Australia. The following table sets out information about (i) the Group's revenue from external customers; and (ii) the geographical locations of the Group's non-current assets (excluding financial assets at FVTOCI and deferred tax assets) ("**Specified Non-current Assets**"), based on the place of domicile of the relevant group entity.

| | | Revenue from external customers 外間客戶收入 | | Specified Non-current Assets 特定非流動資產 | |
|-----------|----|--|----------------------------------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Hong Kong | 香港 | 2,446 | 12,555 | 88,911 | 75,063 |
| The PRC | 中國 | 543,772 | 351,729 | 58,446 | 21,648 |
| Australia | 澳洲 | 95,043 | 107,195 | 170,929 | 197,544 |
| | | 641,261 | 471,479 | 318,286 | 294,255 |

(iv) Information about a major customer

During the year ended 31 December 2019, there was one (2018: one) customer of mobile internet cultural business and provision of IT contract services whose transactions amounted to approximately HK\$513,813,000 (2018: HK\$325,256,000), exceeding 10% of the Group's revenue, and arose in the PRC.

5. REVENUE, OTHER INCOME AND GAINS

The principal activities of the Group consisted of (i) mobile internet cultural business and provision of IT contract services and maintenance services; (ii) provision of hospitality and related services in Australia; (iii) money lending business; and (iv) assets investments business.

4. 經營分部資料 (續)

(iii) 地區資料

本集團業務主要位於香港、中國及澳洲。下表載列有關(i)本集團外間客戶收入；及(ii)本集團非流動資產(不包括按公平值透過其他全面收益列賬之金融資產及遞延稅項資產) ("**特定非流動資產**")之地理位置的資料，按相關集團實體之所在地劃分。

(iv) 有關一名主要客戶之資料

於截至二零一九年十二月三十一日止年度，有一名(二零一八年：一名)移動互聯網文化業務及提供資訊科技合約服務的客戶之交易達約513,813,000港元(二零一八年：325,256,000港元)，超過本集團收入之10%，並乃產生自中國。

5. 收入、其他收入及收益

本集團之主要業務活動包括：(i)移動互聯網文化業務及提供資訊科技合約服務及維護服務；(ii)於澳洲提供酒店及相關服務；(iii)借貸業務；及(iv)資產投資業務。

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綜合財務報表附註

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

5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue represents the aggregate of the net invoiced value of goods sold and net amounts received and receivable from third parties for the services rendered by the Group during the year. An analysis of the Group's revenue, other income and gains is as follows:–

5. 收入、其他收入及收益（續）

收入指本年度本集團銷售貨品的發票淨值與就本集團所提供服務已收及應收第三方的款項淨額之總額。本集團之收入、其他收入及收益分析如下：–

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Revenue from contracts with customers: | 客戶合約收入： | | |
| E-commerce and sales of goods | 電子商務及銷售貨品 | – | 8,097 |
| Provision of IT contract services and maintenance services | 提供資訊科技合約服務及維護服務 | 544,544 | 352,716 |
| Provision of hospitality and related services | 提供酒店及相關服務 | 41,596 | 48,817 |
| Sales of food and beverage in hotel business | 於酒店業務銷售餐飲 | 53,447 | 58,378 |
| | | 639,587 | 468,008 |
| Revenue from other sources: | 來自其他來源的收入： | | |
| Loan interest income | 借貸利息收入 | 1,642 | 1,598 |
| Rental income | 租金收入 | – | 1,211 |
| Dividend income arising from financial assets at FVTPL | 來自按公平值透過損益列賬的金融資產的股息收入 | 32 | 662 |
| | | 1,674 | 3,471 |
| | | 641,261 | 471,479 |
| Other income and gains: | 其他收入及收益： | | |
| Gain on disposal of subsidiaries (note 38) | 出售附屬公司之收益（附註38） | – | 17,795 |
| Bank interest income | 銀行利息收入 | 3,281 | 2,233 |
| Government grants | 政府補助 | 1,920 | 632 |
| Other income | 其他收入 | 2,717 | 1,687 |
| | | 7,918 | 22,347 |
| Total revenue, other income and gains | 收入、其他收入及收益總額 | 649,179 | 493,826 |

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綜合財務報表附註

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

5. REVENUE, OTHER INCOME AND GAINS
(CONT'D)

5. 收入、其他收入及收益 (續)

Revenue from contracts with customers

客戶合約收入

(a) Disaggregated revenue information

(a) 收益資料明細

| | | Mobile internet cultural business and provision of IT contract services 移動互聯網文化業務及提供資訊科技合約服務 | | Provision of hospitality and related services in Australia 於澳洲提供酒店及相關服務 | | Total 總計 | |
|--|-----------------|---|--------------------------------|--|--------------------------------|--------------------------------|--------------------------------|
| | | 2019 二零一九年 HK'000 千港元 | 2018 二零一八年 HK'000 千港元 | 2019 二零一九年 HK'000 千港元 | 2018 二零一八年 HK'000 千港元 | 2019 二零一九年 HK'000 千港元 | 2018 二零一八年 HK'000 千港元 |
| Segments | 分部 | | | | | | |
| Type of goods or services | 貨品或服務類型 | | | | | | |
| E-commerce and sales of goods | 電子商務及銷售貨品 | - | 8,097 | - | - | - | 8,097 |
| Provision of IT contract services and maintenance services | 提供資訊科技合約服務及維護服務 | 544,544 | 352,716 | - | - | 544,544 | 352,716 |
| Provision of hospitality and related services | 提供酒店及相關服務 | - | - | 41,596 | 48,817 | 41,596 | 48,817 |
| Sales of food and beverage in hotel business | 於酒店業務銷售餐飲 | - | - | 53,447 | 58,378 | 53,447 | 58,378 |
| Total revenue from contracts with customers | 客戶合約收入總額 | 544,544 | 360,813 | 95,043 | 107,195 | 639,587 | 468,008 |
| Geographical markets | 地區市場 | | | | | | |
| Hong Kong | 香港 | 772 | 9,084 | - | - | 772 | 9,084 |
| The PRC | 中國 | 543,772 | 351,729 | - | - | 543,772 | 351,729 |
| Australia | 澳洲 | - | - | 95,043 | 107,195 | 95,043 | 107,195 |
| Total revenue from contracts with customers | 客戶合約收入總額 | 544,544 | 360,813 | 95,043 | 107,195 | 639,587 | 468,008 |
| Timing of revenue recognition | 收益確認之時間點 | | | | | | |
| Goods transferred at a point in time | 於某一時間點轉移貨品 | - | 8,097 | 53,447 | 58,378 | 53,447 | 66,475 |
| Services transferred over time | 隨時間轉移服務 | 544,544 | 352,716 | 41,596 | 48,817 | 586,140 | 401,533 |
| Total revenue from contracts with customers | 客戶合約收入總額 | 544,544 | 360,813 | 95,043 | 107,195 | 639,587 | 468,008 |

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5. REVENUE, OTHER INCOME AND GAINS (CONT'D)

Revenue from contracts with customers (cont'd)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

E-commerce and sales of goods

Revenue arising from E-commerce and sales of goods is satisfied at a point in time upon delivery of the goods to the customers and payment in advance is normally required.

Provision of IT contract services and maintenance services

Revenue arising from provision of IT contract services is satisfied over time when the IT contract services are rendered. The IT contract services are less than one year, which billed based on the progress towards completed performance of the services. Maintenance services are satisfied over time as maintenance services are rendered on a time proportion basis over the maintenance period and payment in advance is normally required. Maintenance services contracts are normally for a period of one year.

Provision of hospitality and related services in Australia

Revenue arising from provision of hospitality and related services in Australia is satisfied over time when the hospitality and related services are rendered. Normally, payment in advance from customers is required.

Sales of food and beverage in hotel business

Revenue arising from sales of food and beverage is satisfied at a point in time upon delivery of the foods and beverage to the customers and immediate payment is required.

5. 收入、其他收入及收益 (續)

客戶合約收入 (續)

(b) 履約責任

有關本集團履約責任之資料概述如下：

電子商務及銷售貨品

電子商務及銷售貨品產生之收入乃於貨品交付客戶時於某一時間點達成且一般要求支付墊款。

提供資訊科技合約服務及維護服務

提供資訊科技合約服務產生之收入於提供資訊科技合約服務時隨時間達成。資訊科技合約服務少於一年，按完成履約服務進度進行支付。維護服務隨時間達成，原因是維護服務按時間比例基準隨維護期進行提供並一般要求支付墊款。維護服務合約一般為期一年。

於澳洲提供酒店及相關服務

於澳洲提供酒店及相關服務產生之收入於提供酒店及相關服務時隨時間達成。一般而言，要求客戶提前付款。

於酒店業務銷售餐飲

銷售餐飲產生之收入於向客戶交付餐飲時於某一時間點達成並即時要求付款。

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6. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting):–

6. 除稅前虧損

除稅前虧損於扣除／（計入）下列各項後
得出：–

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------------------------|----------------------------------|----------------------------------|
| Cost of sales | 銷售成本 | | |
| – Cost of inventories sold [#] | – 銷售存貨成本 [#] | 8,776 | 15,965 |
| – Cost of services provided* | – 提供服務成本* | 506,494 | 329,171 |
| | | 515,270 | 345,136 |
| Auditor's remuneration | 核數師酬金 | | |
| – audit services | – 核數服務 | 1,630 | 1,670 |
| – other services | – 其他服務 | 399 | 1,990 |
| | | 2,029 | 3,660 |
| Depreciation of property, plant and equipment (note 12) | 物業、廠房及設備折舊 (附註12) | 12,948 | 10,757 |
| Depreciation of right-of-use assets (note 13) | 使用權資產折舊 (附註13) | 13,452 | – |
| Amortisation of other intangible assets (note 15) | 其他無形資產攤銷 (附註15) | 496 | 1,219 |
| | | 26,896 | 11,976 |
| Directors' remuneration | 董事酬金 | 1,934 | 2,613 |
| Staff costs, excluding directors' emoluments | 員工成本 (不包括董事薪酬) | | |
| Other staff salaries and benefits* | 其他員工薪酬及福利* | 528,757 | 333,048 |
| Retirement scheme contributions* | 退休計劃供款* | 68,682 | 40,870 |
| | | 597,439 | 373,918 |
| Net exchange loss | 匯兌虧損淨額 | 1,763 | 6,721 |
| Provision for litigations (notes 24 and 36(c)&(d)) | 訴訟撥備 (附註24及36(c)及(d)) | 32,796 | 7,176 |
| Lease payments not included in the measurement of lease liabilities (note 13(c)) | 並未計入租賃負債計量的 租賃付款 (附註13(c)) | 952 | – |
| Minimum lease payments for the land and buildings under HKAS 17 | 根據香港會計準則第17號 就土地及樓宇之最低 租賃款額 | – | 13,752 |
| Provision for compensation claim (note 24(a)) | 補償申索撥備 (附註24(a)) | – | 52,777 |
| Impairment loss on property, plant and equipment (note 12) | 物業、廠房及設備之 減值虧損 (附註12) | 23,616 | – |
| (Reversal of impairment)/Impairment loss on contract assets (note 19(a)) | 合約資產之 (減值撥回) / 減值虧損 (附註19(a)) | (8) | 33 |
| Impairment loss on accounts receivable, loan and interest receivables (note 20) | 應收賬款、應收貸款及利息 之減值虧損 (附註20) | 383 | 2,000 |
| Impairment loss on investments in associates (note 16) | 於聯營公司投資之減值虧損 (附註16) | – | 5,475 |
| Impairment loss on goodwill (note 14) | 商譽減值虧損 (附註14) | – | 19,877 |
| Impairment loss on other intangible assets (note 15) | 其他無形資產減值虧損 (附註15) | – | 5,242 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之 虧損 | 52 | 1,187 |
| Written off of property, plant and equipment | 撇銷物業、廠房及設備 | 136 | – |
| Fair value loss on financial assets at FVTPL | 按公平值透過損益列賬之 金融資產之公平值虧損 | 579 | 7,404 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | – | (17,795) |

[#] Cost of inventories sold for the year ended 31 December 2018 included a write-down of inventories of approximately HK\$246,000.

* The amounts included salaries and benefits of technical staff of approximately HK\$426,918,000 (2018: HK\$232,978,000) and their corresponding retirement scheme contributions of approximately HK\$59,058,000 (2018: HK\$35,892,000).

[#] 截至二零一八年十二月三十一日止年度，已售存貨成本計入存貨撇銷約246,000港元。

* 該等款項包括技術員工薪資及福利約426,918,000港元 (二零一八年：232,978,000港元) 及彼等各自退休計劃供款約59,058,000港元 (二零一八年：35,892,000港元)。

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7. FINANCE COSTS

An analysis of finance costs is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Interest on interest-bearing bank and other borrowings | 計息銀行及其他借貸之利息 | 7,733 | 4,027 |
| Interest on the Essence Loan (notes 36(c)) | 安信貸款之利息(附註36(c)) | 4,826 | 5,229 |
| Interest on lease liabilities (note 13(b)) | 租賃負債之利息(附註13(b)) | 1,219 | - |
| | | 13,778 | 9,256 |

7. 融資成本

融資成本之分析如下：

8. INCOME TAX EXPENSE/(CREDIT)

The income tax expense/(credit) represents the sum of the current tax and deferred tax and is made up as follows:

| | | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------|------------|----------------------------------|----------------------------------|
| Current tax: | 即期稅項： | | | |
| - Hong Kong Profits Tax | - 香港利得稅 | | - | - |
| - PRC Enterprise Income Tax | - 中國企業所得稅 | | - | - |
| - Australia Company Tax | - 澳洲公司稅項 | | 302 | 1,615 |
| | | | 302 | 1,615 |
| (Over)/Under-provision in previous years: | 過往年度之(超額撥備)/撥備不足： | | | |
| - Hong Kong Profits Tax | - 香港利得稅 | | (27) | - |
| - PRC Enterprise Income Tax | - 中國企業所得稅 | | - | 1,148 |
| - Australia Company Tax | - 澳洲公司稅項 | | - | (3) |
| | | | (27) | 1,145 |
| Deferred tax: | 遞延稅項： | 26 | | |
| Charged/(credited) for the year | 本年度扣除/(抵免) | | 1,617 | (7,097) |
| Write-off of deferred tax assets | 撇銷遞延稅項資產 | | 3,200 | - |
| | | | 4,817 | (7,097) |
| Income tax expense/(credit) | 所得稅開支/(抵免) | | 5,092 | (4,337) |

8. 所得稅開支/(抵免)

所得稅開支/(抵免)乃指即期稅項與遞延稅項相加之和，其由下列各項組成：

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8. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

No Hong Kong Profits Tax has been provided as the Group did not generate any assessable profits in Hong Kong during the years ended 31 December 2019 and 2018. The Company's subsidiaries operating in the PRC and Australia are subject to the tax rates at 15% or 25% (2018: 15% or 25%) in the PRC and 30% (2018: 30%) in Australia, respectively.

(a) The reconciliation of income tax expense/(credit) for the year to the loss before tax as per consolidated statement of profit or loss is as follows:

8. 所得稅開支／（抵免）（續）

由於本集團截至二零一九年及二零一八年十二月三十一日止年度在香港並無產生任何應課稅溢利，故並無計提香港利得稅。本公司於中國及澳洲經營之附屬公司須分別按中國15%或25%（二零一八年：15%或25%）及按澳洲30%（二零一八年：30%）稅率繳稅。

(a) 本年度之所得稅開支／（抵免）與綜合損益表之除稅前虧損的對賬如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Loss before tax | 除稅前虧損 | (137,155) | (150,827) |
| Notional tax on loss before tax, calculated at rates applicable to profits in the countries concerned | 除稅前虧損之名義稅項，按有關國家溢利適用稅率計算 | (34,458) | (32,441) |
| Tax effect of income that is not taxable | 毋須課稅收入之稅務影響 | (655) | (2,422) |
| Tax effect of expenses that are not deductible | 不可扣稅開支之稅務影響 | 7,791 | 6,963 |
| Tax effect of tax benefit not recognised | 未確認稅項溢利之稅務影響 | 29,114 | 19,850 |
| Tax effect of share of results of associates | 分佔聯營公司業績之稅務影響 | 127 | 2,630 |
| (Over)/Under-provision in previous years | 過往年度之（超額撥備）／撥備不足 | (27) | 1,145 |
| Others | 其他 | - | (62) |
| Write-off of deferred tax assets | 撇銷遞延稅項資產 | 3,200 | - |
| Income tax expense/(credit) | 所得稅開支／（抵免） | 5,092 | (4,337) |

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8. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

- (b) The components of unrecognised deductible/(taxable) temporary differences are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Unrecognised tax losses | 未確認之稅項虧損 | 677,059 | 620,170 |
| Decelerated/(Accelerated) depreciation allowances | 減速/(加速)折舊 免稅額 | 23,161 | (13) |
| Other taxable temporary difference, net | 其他應課稅暫時性差異淨額 | (21,993) | - |
| Net deductible temporary differences | 可扣稅暫時性差異淨額 | 678,227 | 620,157 |

- (i) No deferred tax assets have been recognised on net deductible temporary differences owing to the absence of objective evidence in respect of the availability of sufficient taxable profits that are expected to arise to offset against the deductible temporary differences.
- (ii) The unutilised tax losses accumulated in Hong Kong and Australia of approximately HK\$400,751,000 (2018: HK\$388,608,000) and approximately HK\$27,249,000 (2018: Nil), respectively, can be carried forward indefinitely, while the tax losses in the PRC of approximately HK\$249,059,000 (2018: HK\$231,562,000) can be carried forward for five to ten years following the year when the losses were incurred, respectively.
- (c) There were no distributable profits of the Company's subsidiaries in the PRC as at 31 December 2019 and accordingly, there were no temporary differences relating to the undistributable profits in respect of withholding tax.

As at 31 December 2018, no temporary differences relating to undistributable profits of the Company's subsidiaries in the PRC have been recognised in respect of withholding tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of the subsidiaries and the Directors have determined that these retained profits are not likely to be distributed in the foreseeable future.

- (d) As at 31 December 2019, temporary differences relating to undistributed profits of the subsidiaries in the PRC of the Company's associate were HK\$91,624,000 (2018: HK\$101,476,000). The related deferred tax liabilities attributable to the Group of HK\$2,639,000 (2018: HK\$2,923,000) as at 31 December 2019 in respect of withholding tax that would be payable on the distribution of these retained profits have not been recognised as the Group agrees to the associate's stated plan of not distributing these retained profits in the foreseeable future.

8. 所得稅開支/(抵免)(續)

- (b) 未確認之可扣稅/(應課稅)暫時性差異之項目如下:

- (i) 由於並無充足之應課稅溢利(預期產生以抵銷可扣稅暫時性差異)之客觀證據,因此概無遞延稅項資產已確認可扣稅暫時性差異淨額。
- (ii) 於香港及澳洲累計之未動用稅項虧損分別約400,751,000港元(二零一八年:388,608,000港元)及約27,249,000港元(二零一八年:無)可無限期結轉,而中國稅項虧損約249,059,000港元(二零一八年:231,562,000港元)可於產生虧損年度起計五至十年內結轉。

- (c) 於二零一九年十二月三十一日,本公司於中國的附屬公司並無產生任何可分派溢利,因此就預扣稅而言,並無與不可分派溢利相關的暫時性差異。

於二零一八年十二月三十一日,由於本集團控制該等附屬公司的股息政策,且董事已決定該等保留溢利不太可能於可見將來分派,因此並無就分派該等保留溢利時應付的預扣稅確認有關本公司中國附屬公司之不可分派溢利之暫時性差額。

- (d) 於二零一九年十二月三十一日,有關本公司聯營公司中國附屬公司的未分派溢利的暫時性差異為91,624,000港元(二零一八年:101,476,000港元)。由於本集團同意聯營公司計劃於可見將來不分派該等保留溢利,因此並無就分派該等保留溢利時應付的預扣稅確認於二零一九年十二月三十一日歸屬於本集團之相關遞延稅項負債2,639,000港元(二零一八年:2,923,000港元)。

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9. DIVIDENDS

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

9. 股息

董事會不建議就截至二零一九年十二月三十一日止年度派發末期股息（二零一八年：無）。

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the Shareholders is based on the following data:

10. 每股虧損

股東應佔每股基本及攤薄虧損之計算乃根據下列數據作出：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| Loss: Loss for the year attributable to the Shareholders | 虧損： 股東應佔本年度虧損 | (127,582) | (144,945) |

| | | 2019 二零一九年 | 2018 二零一八年 |
|--|------------------------------|----------------------|---------------|
| Number of shares: Weighted average number of ordinary shares in issue | 股份數目： 已發行普通股之加權平均數 | 5,336,235,108 | 5,336,235,108 |
| Effect of diluted potential ordinary shares as a result of the share options granted (note) | 因授出購股權之潛在攤薄普通股影響（附註） | - | - |
| Weighted average number of ordinary shares in issue for the purpose of calculation of diluted loss per share | 就計算每股攤薄虧損而言之 已發行普通股之加權平均數 | 5,336,235,108 | 5,336,235,108 |

Note:

With the cancellation of all the outstanding share options during the year ended 31 December 2018, no adjustment has been made to the amount of the basic loss per shares for the year ended 31 December 2019 in respect of any dilution because there was no potentially dilutive ordinary share in issue during the year ended 31 December 2019.

The computation of diluted loss per share for the year ended 31 December 2018 does not assume the conversion of the Company's outstanding share options because the adjusted exercise price of those share options is higher than the average market price of the shares of the Company.

附註：

由於所有尚未行使之購股權已於截至二零一八年十二月三十一日止年度內註銷，故並無對截至二零一九年十二月三十一日止年度的每股基本虧損金額作出任何有關攤薄的調整，因為截至二零一九年十二月三十一日止年度並無發行潛在攤薄普通股。

計算截至二零一八年十二月三十一日止年度之每股攤薄虧損時，並無假設本公司之尚未行購股權獲轉換，因為該等購股權之經調整行使價高於本公司股份之平均市價。

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11. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

Details of emoluments paid by the Group to the Directors in respect of services as directors during the year are as follows:

| | Notes | Fees | Basic salaries, allowances and other benefits | Bonus | Retirement scheme contributions | Share-based payments | Total |
|--------------------------------------|--------------|-----------------------|---|-----------------------|---------------------------------|------------------------------|-----------------------|
| | 附註 | 袍金 HK\$'000 千港元 | 基本薪金、津貼及其他福利 HK\$'000 千港元 | 花紅 HK\$'000 千港元 | 退休計劃供款 HK\$'000 千港元 | 以股份為基礎之付款 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| 2019 | 二零一九年 | | | | | | |
| Executive Directors: | 執行董事: | | | | | | |
| Hui Chun Sum | 許駿森 | - | 360 | 30 | 18 | - | 408 |
| Lam Ching Yee | 林靜儀 | - | 549 | 80 | 11 | - | 640 |
| Pauline Lam | 林佳慧 | - | 480 | 40 | 18 | - | 538 |
| | i | | | | | | |
| | | - | 1,389 | 150 | 47 | - | 1,586 |
| Independent non-executive Directors: | 獨立非執行董事: | | | | | | |
| Wong Siu Keung, Joe | 黃兆強 | 156 | - | - | - | - | 156 |
| Leung Ting Yuk | 梁廷育 | 2 | - | - | - | - | 2 |
| Lee King Fui | 李勤輝 | 96 | - | - | - | - | 96 |
| Ho Kin Wai | 何健偉 | 94 | - | - | - | - | 94 |
| | ii | | | | | | |
| | iii | | | | | | |
| | | 348 | - | - | - | - | 348 |
| | | 348 | 1,389 | 150 | 47 | - | 1,934 |
| 2018 | 二零一八年 | | | | | | |
| Executive Directors: | 執行董事: | | | | | | |
| Zhang Xiongfeng | 張雄峰 | 143 | 1,557 | - | 16 | - | 1,716 |
| Hung Kenneth | 洪君毅 | 96 | 126 | - | 6 | - | 228 |
| Hui Chun Sum | 許駿森 | - | 138 | - | 7 | - | 145 |
| Pauline Lam | 林佳慧 | - | 185 | - | 7 | - | 192 |
| | iv | | | | | | |
| | v | | | | | | |
| | vi | | | | | | |
| | vi | | | | | | |
| | | 239 | 2,006 | - | 36 | - | 2,281 |
| Independent non-executive Directors: | 獨立非執行董事: | | | | | | |
| Wong Siu Keung, Joe | 黃兆強 | 150 | - | - | - | - | 150 |
| Leung Ting Yuk | 梁廷育 | 90 | - | - | - | - | 90 |
| Wang Zhiwei | 王志維 | 55 | - | - | - | - | 55 |
| Lee King Fui | 李勤輝 | 37 | - | - | - | - | 37 |
| | ii | | | | | | |
| | v | | | | | | |
| | vi | | | | | | |
| | vi | | | | | | |
| | | 332 | - | - | - | - | 332 |
| | | 571 | 2,006 | - | 36 | - | 2,613 |

11. 董事酬金及僱員酬金

(a) 董事酬金

本集團於本年度就董事服務向董事支付之酬金詳情如下：

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11. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (CONT'D)

(a) Directors' emoluments (cont'd)

- (i) Appointed with effect from 5 June 2019.
- (ii) Resigned with effect from 10 January 2019.
- (iii) Appointed with effect from 10 January 2019.
- (iv) Resigned with effect from 1 December 2018.
- (v) Resigned with effect from 13 August 2018.
- (vi) Appointed with effect from 13 August 2018.

Bonuses are determined on a discretionary basis by the Board with reference to the Group's operating results for the current financial year and individual performance.

No Director waived or agreed to waive any emolument during the year (2018: Nil).

(b) Five highest paid individuals

During the year ended 31 December 2019, among the five highest paid individuals, one (2018: one) of them was a Director, Ms. Lam Ching Yee, who has been appointed as a Director since 5 June 2019. Apart from the director's emoluments of HK\$640,000, the Group paid salary in the amount of approximately HK\$315,000 to her before her appointment as a Director. The aggregate amount of her emoluments of approximately HK\$955,000 enabled her becoming one of the five highest paid individuals and fell within the band of nil to HK\$1,000,000.

11. 董事酬金及僱員酬金 (續)

(a) 董事酬金 (續)

- (i) 於二零一九年六月五日獲委任。
- (ii) 已於二零一九年一月十日辭任。
- (iii) 於二零一九年一月十日獲委任。
- (iv) 已於二零一八年十二月一日辭任。
- (v) 已於二零一八年八月十三日辭任。
- (vi) 於二零一八年八月十三日獲委任。

花紅乃由董事會參考本集團於本財政年度之經營業績及個人表現而酌情釐定。

年內概無董事放棄或同意放棄任何酬金 (二零一八年: 無)。

(b) 五名最高薪人士

截至二零一九年十二月三十一日止年度，本集團五名最高薪人士中，其中一名 (二零一八年: 一名) 為董事 (林靜儀女士，彼自二零一九年六月五日獲委任為董事)。除董事薪酬640,000港元外，於彼獲委任為董事之前，本集團已付薪酬約315,000港元。彼之薪酬總額約955,000港元使彼成為五名最高薪酬人士之一及薪酬範圍為零至1,000,000港元。

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11. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (CONT'D)

(b) Five highest paid individuals (cont'd)

Except for the emolument paid to Ms. Lam Ching Yee, the emoluments (excluding amounts paid or payable by way of commissions on sales generated by the individual) and designated band of the remaining four (2018: four) highest paid, non-director individuals during the year are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------|--------|----------------------------------|----------------------------------|
| Salaries and allowances | 薪金及津貼 | 3,365 | 5,255 |
| Performance based bonus | 績效花紅 | 700 | 436 |
| Retirement scheme contributions | 退休計劃供款 | 347 | 327 |
| | | 4,412 | 6,018 |

The emoluments of the four (2018: four) non-Director individuals with the highest emoluments are within the following bands:

| | | 2019 二零一九年 Numbers of individuals 人數 | 2018 二零一八年 Numbers of individuals 人數 |
|---------------------|---------------------|--|--|
| HK\$ | 港元 | | |
| Nil-1,000,000 | 零至1,000,000 | 1 | 1 |
| 1,000,001-1,500,000 | 1,000,001至1,500,000 | 3 | 3 |

No emolument was paid by the Group to the Directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office during the year (2018: Nil).

11. 董事酬金及僱員酬金 (續)

(b) 五名最高薪人士 (續)

除已付林靜儀女士薪酬外，於本年度剩餘四名(二零一八年：四名)最高薪非董事人士之酬金(不包括因個人銷售而以佣金形式已付或應付之款項)及指定薪酬範圍如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------|--------|----------------------------------|----------------------------------|
| Salaries and allowances | 薪金及津貼 | 3,365 | 5,255 |
| Performance based bonus | 績效花紅 | 700 | 436 |
| Retirement scheme contributions | 退休計劃供款 | 347 | 327 |
| | | 4,412 | 6,018 |

四名(二零一八年：四名)非董事最高薪人士之酬金介乎以下範圍：

| | | 2019 二零一九年 Numbers of individuals 人數 | 2018 二零一八年 Numbers of individuals 人數 |
|---------------------|---------------------|--|--|
| HK\$ | 港元 | | |
| Nil-1,000,000 | 零至1,000,000 | 1 | 1 |
| 1,000,001-1,500,000 | 1,000,001至1,500,000 | 3 | 3 |

年內本集團並無向董事或五名最高薪人士支付任何酬金，作為吸引其加入本集團或加入本集團時之獎金或作為離職補償(二零一八年：無)。

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

| | | Freehold land 永久業權土地 HK\$'000 千港元 | Buildings 樓宇 HK\$'000 千港元 | Leasehold improvements 租賃物業裝修 HK\$'000 千港元 | Plant, machinery and equipment 廠房、機器及設備 HK\$'000 千港元 | Office and other equipment 辦公及其他設備 HK\$'000 千港元 | Furniture and fixtures 傢俬及裝置 HK\$'000 千港元 | Motor vehicles and yachts 汽車及遊艇 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-----------------------|--|------------------------------------|---|---|--|--|---|--------------------------------|
| Cost: | 成本: | | | | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 19,516 | 165,146 | 16,920 | 19,418 | 8,532 | 2,328 | 1,369 | 233,229 |
| Additions arising from acquisition of a subsidiary (note (c)) | 收購一間附屬公司產生之添置 (附註(c)) | - | - | - | - | - | - | 6,874 | 6,874 |
| Additions | 添置 | - | - | 6,338 | 4,802 | 3,901 | 2,494 | 191 | 17,726 |
| Disposals | 出售 | - | - | - | (121) | (191) | (20) | (192) | (524) |
| Written off | 撇銷 | - | - | (47) | (14) | (2,011) | (76) | - | (2,148) |
| Exchange realignment | 外匯調整 | (224) | (1,894) | (296) | (215) | (192) | (41) | (17) | (2,879) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 19,292 | 163,252 | 22,915 | 23,870 | 10,039 | 4,685 | 8,225 | 252,278 |
| Accumulated depreciation: | 累計折舊: | | | | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | - | 11,313 | 2,462 | 4,811 | 2,004 | 382 | 567 | 21,539 |
| Charge for the year | 本年度扣除 | - | 4,075 | 2,401 | 2,246 | 3,393 | 196 | 637 | 12,948 |
| Disposals | 出售 | - | - | - | (80) | (151) | (1) | (109) | (341) |
| Written off | 撇銷 | - | - | (18) | (2) | (1,916) | (76) | - | (2,012) |
| Exchange realignment | 外匯調整 | - | (84) | (114) | (37) | (116) | (11) | (9) | (371) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | - | 15,304 | 4,731 | 6,938 | 3,214 | 490 | 1,086 | 31,763 |
| Accumulated impairment: | 累計減值: | | | | | | | | |
| Impairment loss during the year (note (a)) | 本年度減值虧損 (附註(a)) | - | 23,616 | - | - | - | - | - | 23,616 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | - | 23,616 | - | - | - | - | - | 23,616 |
| Net carrying amount: | 賬面淨值: | | | | | | | | |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 19,292 | 124,332 | 18,184 | 16,932 | 6,825 | 4,195 | 7,139 | 196,899 |
| Cost: | 成本: | | | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 21,553 | 182,385 | 13,388 | 19,268 | 5,039 | 988 | 1,515 | 244,136 |
| Additions | 添置 | - | - | 6,157 | 2,150 | 4,481 | 1,494 | 260 | 14,542 |
| Disposals | 出售 | - | - | (1,564) | - | (706) | (102) | - | (2,372) |
| Written off | 撇銷 | - | - | - | (61) | - | - | (162) | (223) |
| Exchange realignment | 外匯調整 | (2,037) | (17,239) | (1,061) | (1,939) | (282) | (52) | (244) | (22,854) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 19,516 | 165,146 | 16,920 | 19,418 | 8,532 | 2,328 | 1,369 | 233,229 |
| Accumulated depreciation: | 累計折舊: | | | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | - | 7,938 | 1,939 | 3,038 | 235 | 213 | 452 | 13,815 |
| Charge for the year | 本年度扣除 | - | 4,372 | 1,631 | 2,274 | 2,009 | 178 | 293 | 10,757 |
| Disposals | 出售 | - | - | (902) | - | (112) | - | - | (1,014) |
| Written off | 撇銷 | - | - | - | (90) | (2) | - | (131) | (223) |
| Exchange realignment | 外匯調整 | - | (997) | (206) | (411) | (126) | (9) | (47) | (1,796) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | - | 11,313 | 2,462 | 4,811 | 2,004 | 382 | 567 | 21,539 |
| Net carrying amount: | 賬面淨值: | | | | | | | | |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 19,516 | 153,833 | 14,458 | 14,607 | 6,528 | 1,946 | 802 | 211,690 |

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12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Notes:

- (a) The freehold land and the buildings represented the estate resorts (the “**Estate Resorts**”) for its provision of hospitality and related services in Australia. The recoverable amount of the Estate Resorts as at 31 December 2019 has been assessed by Ravia Global Appraisal Advisory Limited, an independent valuer. Pursuant to the valuation report dated 27 March 2020 (the “**Properties Valuation**”), the recoverable amount of the Estate Resorts was approximately HK\$124,332,000. Accordingly, an impairment loss on property, plant and equipment of approximately HK\$23,616,000 has been recognised in the consolidated statement of profit or loss and other comprehensive income during the year.
- (b) As at 31 December 2019 and 2018, the Estate Resorts with aggregate amount of approximately HK\$143,624,000 were freehold lease which were pledged for interest-bearing bank borrowings (note 25(a)).
- (c) On 19 September 2019, the Group entered into a sale and purchase agreement with an independent third party (the “**Vendor**”), pursuant to which, the Group acquired (i) 100% equity interest in Ascent Key Limited (“**Ascent Key**”); and (ii) the outstanding balances of the amount due to the Vendor by Ascent Key of approximately HK\$16,630,000, at an aggregate consideration of HK\$6,940,000. The acquisition was completed on 19 September 2019 (the “**Acquisition Date**”). The Directors were of the opinion that Ascent Key did not have any operation and its principal assets as at the Acquisition Date were yachts and therefore, the acquisition of Ascent Key was not accounted for as a business combination but an acquisition of assets. Accordingly, the difference between the consideration over the carrying value of the individual identifiable assets and liabilities of Ascent Key as at the Acquisition Date has been recognised as the deemed cost of the yachts acquired.

12. 物業、廠房及設備 (續)

附註：

- (a) 永久業權土地及樓宇指於澳洲提供酒店及相關服務的房地產度假村(「**房地產度假村**」)。於二零一九年十二月三十一日房地產度假村之可收回金額已由一名獨立估值師進行評估。根據日期為二零二零年三月二十七日的估值報告(「**物業估值**」)，房地產度假村之可收回金額為約124,332,000港元。因此，年內已於綜合損益及其他全面收益表內確認物業、廠房及設備的減值虧損約23,616,000港元。
- (b) 於二零一九年及二零一八年十二月三十一日，房地產度假村總額約143,624,000港元為永久業權租賃並已抵押作為計息銀行借貸的擔保(附註25(a))。
- (c) 於二零一九年九月十九日，本集團與一名獨立第三方(「**賣方**」)訂立買賣協議，據此，本集團收購(i)鉅進有限公司(「**鉅進**」)全部股權；及(ii)鉅進應付賣方未償還款項結餘約16,630,000港元，總代價為6,940,000港元。收購事項已於二零一九年九月十九日(「**收購日期**」)完成。董事認為，於收購日期，鉅進並無任何業務及其主要資產為遊艇，因此，收購鉅進並未入賬列作業務合併而是收購資產。因此，代價與鉅進於收購日期的個別可識別資產及負債賬面值之間的差額已確認為視作收購遊艇成本。

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13. LEASES

The Group as a lessee

The Group has lease contracts for office premises used in its operations. The terms of the leases generally require the Group to pay security deposits and have average lease terms of three years with fixed monthly rentals. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements for the leasing of office premises during the year are as follows:

| | | Note 附註 | HK\$'000 千港元 |
|------------------------|---------------|------------|-----------------|
| As at 1 January 2019 | 於二零一九年一月一日 | | 14,136 |
| Additions | 添置 | | 40,011 |
| Depreciation charge | 折舊開支 | 6 | (13,452) |
| Exchange realignment | 外匯調整 | | (457) |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | | 40,238 |

13. 租賃

本集團作為承租人

本集團就用於其運營之辦公室物業訂立租賃合約。租賃條款一般要求本集團支付保證金及於平均租期三年內每月支付固定租金。一般而言，本集團限制於本集團以外分配及分租租賃資產。

(a) 使用權資產

本集團於年內就租賃辦公物業的使用權資產的賬面值及變動如下：

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13. LEASES (CONT'D)

The Group as a lessee (cont'd)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

| | | HK\$'000 千港元 |
|--|---------------------------|-----------------|
| Carrying amount at 1 January 2019 (note 2.2) | 於二零一九年一月一日之賬面值 (附註2.2) | 14,136 |
| Inception of new leases | 訂立新租約 | 40,011 |
| Accretion of interest recognised during the year | 年內確認利息增加 | 1,219 |
| Payment | 付款 | (13,277) |
| Exchange realignment | 外匯調整 | (457) |
| Carrying amount at 31 December 2019 | 於二零一九年十二月三十一日之 賬面值 | 41,632 |
| Analysed into: | 分析為: | |
| Current portion | 即期部分 | 14,392 |
| Non-current portion | 非即期部分 | 27,240 |
| | | 41,632 |

The maturity analysis of lease liabilities is disclosed in note 43(c) to the consolidated financial statements.

租賃負債之到期分析於綜合財務報表附註43(c)披露。

(c) The amounts recognised in profit or loss in relation to leases are as follows:

(c) 於損益內確認有關租賃之款項如下:

| | | Note 附註 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------|------------|----------------------------------|
| Interest on lease liabilities | 租賃負債之利息 | 7 | 1,219 |
| Depreciation charge of right-of-use assets | 使用權資產之折舊開支 | 6 | 13,452 |
| Expense relating to short-term leases | 與短期租賃有關之開支 | 6 | 952 |
| Total amount recognised in profit or loss | 於損益內確認之總額 | | 15,623 |

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14. GOODWILL

14. 商譽

| | | Note 附註 | HK\$'000 千港元 |
|---|--------------------------------------|------------|-----------------|
| At 1 January 2018 | 於二零一八年一月一日 | | 19,886 |
| Impairment loss recognised during the year ended 31 December 2018 | 截至二零一八年十二月三十一日止年度已確認的減值虧損 | 6 | (19,877) |
| Exchange realignment | 外匯調整 | | (9) |
| At 31 December 2018, 1 January 2019 and 31 December 2019 | 於二零一八年十二月三十一日、二零一九年一月一日及二零一九年十二月三十一日 | | — |

Goodwill acquired in a business combination was allocated at acquisition to the cash generating units (“CGUs”) that were expected to benefit from that business combination. Before recognition of impairment losses, the gross amount of goodwill allocated to the following CGU is as follows:

於業務合併中收購之商譽乃於收購時分配至預期將自該業務合併獲益之現金產生單位（「現金產生單位」）。於確認減值虧損前，分配至以下現金產生單位之商譽之總值如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------|----------------------------------|----------------------------------|
| Provision of hospitality and related services in Australia (the “Australian Hospitality CGU”) | 於澳洲提供酒店及相關服務（「澳洲酒店現金產生單位」） | 29,453 | 29,453 |
| | | 29,453 | 29,453 |

The Group tested its goodwill annually for impairment, or more frequently if there were indications that goodwill might be impaired.

本集團每年進行商譽減值測試，或倘有跡象顯示商譽有可能減值時，則更頻密檢測減值。

For Australian Hospitality CGU, the recoverable amount of the CGUs was determined based on value-in-use calculations as at 31 December 2018. These calculations used cash flow projections based on financial budgets approved by management covering a five-year period. During the year ended 31 December 2018, impairment loss of HK\$19,877,000 (note 6) was recognised and as at 31 December 2018 the goodwill was fully impaired. As at 31 December 2018, a discount factor at a rate ranging from 12.5% – 14% was applied in the value in use model. Cash flows beyond the five-year period were extrapolated using the average growth rate of 2.3%.

就澳洲酒店現金產生單位而言，於二零一八年十二月三十一日，現金產生單位之可收回金額乃基於使用價值計算法確定。該計算採用根據管理層批准之五年期財務預算之估計現金流量。截至二零一八年十二月三十一日止年度，已確認減值虧損19,877,000港元（附註6）及商譽於二零一八年十二月三十一日已悉數減值。於二零一八年十二月三十一日，使用該模式時，在其價值中應用了介乎12.5%至14%的貼現係數率。五年期後之現金流量則使用2.3%的平均增長率進行推算。

As the goodwill for the Australian Hospitality CGU had been fully impaired in previous year, the Group did not test goodwill for impairment for the year ended 31 December 2019.

由於澳洲酒店現金產生單位之商譽已於過往年度悉數減值，本集團於截至二零一九年十二月三十一日止年度並無測試商譽的減值。

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15. OTHER INTANGIBLE ASSETS

15. 其他無形資產

| | | Copyright 版權 HK\$'000 千港元 | Wine membership 酒會會籍 HK\$'000 千港元 | Domain name 域名 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|----------------------------|----------------------|------------------------------------|---|---|--------------------------------|
| Cost: | 成本： | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 4,500 | 2,511 | 2,028 | 9,039 |
| Exchange realignment | 外匯調整 | - | (29) | - | (29) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 4,500 | 2,482 | 2,028 | 9,010 |
| Accumulated amortisation: | 累計攤銷： | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | 1,050 | 1,255 | 236 | 2,541 |
| Charge for the year | 本年度扣除 | - | 496 | - | 496 |
| Exchange realignment | 外匯調整 | - | (14) | - | (14) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,050 | 1,737 | 236 | 3,023 |
| Accumulated impairment: | 累計減值： | | | | |
| Charge for the year | 本年度扣除 | - | - | - | - |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 3,450 | - | 1,792 | 5,242 |
| Net carrying amount: | 賬面淨值： | | | | |
| At 31 December 2019 | 於二零一九年十二月三十一日 | - | 745 | - | 745 |
| Cost: | 成本： | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 4,500 | 2,773 | 2,028 | 9,301 |
| Exchange realignment | 外匯調整 | - | (262) | - | (262) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 4,500 | 2,511 | 2,028 | 9,039 |
| Accumulated amortisation: | 累計攤銷： | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 600 | 832 | - | 1,432 |
| Charge for the year | 本年度扣除 | 450 | 533 | 236 | 1,219 |
| Exchange realignment | 外匯調整 | - | (110) | - | (110) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 1,050 | 1,255 | 236 | 2,541 |
| Accumulated impairment: | 累計減值： | | | | |
| Charge for the year | 本年度扣除 | 3,450 | - | 1,792 | 5,242 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 3,450 | - | 1,792 | 5,242 |
| Net carrying amount: | 賬面淨值： | | | | |
| At 31 December 2018 | 於二零一八年十二月三十一日 | - | 1,256 | - | 1,256 |

No detailed impairment assessment on wine membership was performed during the year as the Directors were of the opinion that the carrying amount of the wine membership was not material to the consolidated financial statements.

於年內並無進行有關酒會會籍的減值評估詳情，原因為董事認為酒會會籍的賬面值對綜合財務報表而言屬不重大。

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16. INVESTMENTS IN ASSOCIATES

16. 於聯營公司之投資

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| Cost of unlisted investments in associates | 聯營公司非上市投資之成本 | 325,730 | 325,730 |
| Share of post-acquisition profits and reserves, net of dividends received | 應佔收購後溢利及儲備，已扣除所收股息 | 1,675 | 2,580 |
| | | 327,405 | 328,310 |
| Less: Impairment loss | 減：減值虧損 | (247,001) | (247,001) |
| | | 80,404 | 81,309 |

Included in the cost of unlisted investments in associates at the end of the reporting period was goodwill arising on acquisition of HK\$242,952,000 (2018: HK\$242,952,000). Except for the goodwill of HK\$2,944,000 arising from the acquisition of Luck Key (as defined below), the remaining goodwill of HK\$240,008,000, mainly arising from Something Big (as defined below), had been fully impaired in previous year. During the year ended 31 December 2018, the Group made an impairment loss on investments in associates of HK\$5,475,000 (note 6) (2019: Nil).

The particulars of the associates are as follows:

於報告期末於聯營公司非上市投資之成本包括收購產生之商譽242,952,000港元(二零一八年: 242,952,000港元)。除收購Luck Key(定義見下文)產生之商譽2,944,000港元外，主要由大事科技(定義見下文)產生之餘下商譽240,008,000港元已於過往年度悉數減值。於截至二零一八年十二月三十一日止年度，本集團就於聯營公司之投資計提減值虧損5,475,000港元(附註6)(二零一九年: 無)。

聯營公司之詳情如下：

| Name | Form of business structure | Place of incorporation | Proportion of ownership interest held by a subsidiary 一間附屬公司 所持擁有 權權益比例 | Group's effective interest | Principal activities |
|---|----------------------------|------------------------|--|----------------------------|--|
| 名稱 | 業務架構形式 | 註冊成立地點 | | 本集團 實際權益 | 主要業務 |
| Luck Key Investment limited ("Luck Key")* | Incorporated | British Virgin Islands | 48.33% | 48.33% | Provision of medical diagnostic and health check services |
| Luck Key Investment limited (「Luck Key」)* | 註冊成立 | 英屬處女群島 | | | 提供醫學診斷及體檢服務 |
| Something Big Technology Holdings Limited ("Something Big") | Incorporated | Cayman Islands | 28.8% | 28.8% | Design, development, marketing and distribution and operation of mobile-online games |
| 大事科技控股有限公司(「大事科技」) | 註冊成立 | 開曼群島 | | | 設計、開發、推廣及發行及營運移動網絡遊戲 |
| Nuada Holdings Limited ("Nuada") | Incorporated | Cayman Islands | 30% | 30% | Provision of corporate financial advisory services |
| 洛爾達控股有限公司(「洛爾達」) | 註冊成立 | 開曼群島 | | | 提供企業財務諮詢服務 |

* The Directors were of the opinion that except for Luck Key, the other associates were not material associates of the Group.

* 董事認為，除Luck Key外，其他聯營公司並非本集團之重大聯營公司。

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16. INVESTMENTS IN ASSOCIATES (CONT'D)

All of the associates are accounted for using the equity method in the consolidated financial statements.

The summarised financial information in respect of the material associate, Luck Key, as at 31 December 2019 is set out below:

16. 於聯營公司之投資 (續)

所有聯營公司乃採用權益法於綜合財務報表入賬。

重大聯營公司Luck Key於二零一九年十二月三十一日之財務資料概要載列如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| Gross amounts of Luck Key: | Luck Key 總額： | | |
| Current assets | 流動資產 | 76,626 | 65,089 |
| Non-current assets | 非流動資產 | 133,393 | 105,542 |
| Current liabilities | 流動負債 | (32,216) | (24,242) |
| Non-current liabilities | 非流動負債 | (21,455) | (4,022) |
| Total equity | 總權益 | 156,348 | 142,367 |
| Equity attributable to the shareholders of Luck Key | Luck Key 股東應佔權益 | 156,217 | 142,205 |
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Revenue | 收入 | 210,155 | 219,072 |
| Profit for the year attributable to the shareholders of Luck Key | Luck Key 股東應佔年內之溢利 | 14,012 | 15,798 |
| Total comprehensive income for the year attributable to the shareholders of Luck Key | Luck Key 股東應佔年內全面收益總額 | 14,012 | 15,396 |
| Group's effective interest | 本集團之實際利益 | 48.33% | 48.33% |
| Share of Luck Key's profit for the year | 應佔Luck Key年內之溢利 | 6,772 | 7,635 |
| Share of Luck Key's total comprehensive income | 應佔Luck Key全面收益總額 | 6,772 | 7,441 |

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16. INVESTMENTS IN ASSOCIATES (CONT'D)

Reconciliation of the Group's interests in the material associate, Luck Key

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Gross amounts of net assets attributable to shareholders of Luck Key | Luck Key 股東應佔資產淨值總額 | 156,217 | 142,205 |
| Group's effective interest | 本集團之實際權益 | 48.33% | 48.33% |
| Group's share of net assets of the associate | 本集團應佔聯營公司資產淨值 | 75,500 | 68,728 |
| Goodwill | 商譽 | 2,944 | 2,944 |
| Carrying amount of the Group's interest in Luck Key | 本集團於 Luck Key 之權益賬面值 | 78,444 | 71,672 |

In the opinion of the Directors, none of the remaining associates of the Group was individually material to the Group as at 31 December 2018 and 2019.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| Share of associates' loss for the year | 應佔聯營公司年內之虧損 | | |
| – Something Big | – 大事科技 | (6,745) | (3,161) |
| – Nuada | – 洛爾達 | (795) | (7,348) |
| | | (7,540) | (10,509) |
| Share of associates' total comprehensive income | 應佔聯營公司全面收益總額 | | |
| – Something Big | – 大事科技 | (6,882) | (4,525) |
| – Nuada | – 洛爾達 | (795) | (7,348) |
| | | (7,677) | (11,873) |
| Aggregate carrying amount of the Group's investment in the associates | 本集團於聯營公司投資之賬面總值 | | |
| – Something Big | – 大事科技 | 118 | 7,000 |
| – Nuada | – 洛爾達 | 1,842 | 2,637 |
| | | 1,960 | 9,637 |

16. 於聯營公司之投資 (續)

本集團於重大聯營公司 Luck Key 之權益對賬

董事認為，於二零一八年及二零一九年十二月三十一日概無本集團餘下聯營公司個別對本集團而言屬重大。

下表說明本集團聯營公司個別並不重大的合計財務資料：

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17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

17. 按公平值透過其他全面收益 列賬之金融資產

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|------------|----------------------------------|----------------------------------|
| Listed equity securities in Hong Kong | 於香港之上市股本證券 | 12,068 | 13,105 |
| Listed equity securities in the PRC | 於中國之上市股本證券 | 151,926 | 76,615 |
| Unlisted equity securities | 非上市股本證券 | 5,315 | 7,992 |
| | | 169,309 | 97,712 |

The above equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.

As at 31 December 2019, the Group's listed equity securities in the PRC with a carrying value of HK\$151,926,000 (2018: HK\$76,615,000) represented 45,779,220 shares in LEO Group Co., Ltd ("LEO") held by Jixiang Information Technology (Shanghai) Co., Limited (i.e. the Jixiang's Shares as defined in note 36(d)) which were pledged for a loan granted to a subsidiary of the Company, details of which are stated in notes 25 and 36(c) to the consolidated financial statements. In addition, the Group was involved in a litigation with LEO as at 31 December 2019 and as at the date of these consolidated financial statements, as further detailed in note 36(d) to the consolidated financial statements.

As at 31 December 2019, the Group's unlisted equity securities represented (i) certain investment in a closed-ended investment fund incorporated in the Cayman Islands (the "Investment Fund"); and (ii) 7% equity interest in a private company in Australia (the "Australian Company").

上述股本投資不可撤回地指定為按公平值透過其他全面收益列賬，原因乃本集團認為該等投資本質上屬戰略性。

於二零一九年十二月三十一日，本集團在中國的上市股本證券的賬面值為151,926,000港元（二零一八年：76,615,000港元），相當於45,779,220股由迹象信息技術（上海）有限公司持有利歐集團有限公司（「利歐」）的股份（即迹象股份）（定義見附註36(d)），其已抵押作為授予本公司一間附屬公司的貸款的擔保，詳情載於綜合財務報表附註25及36(c)。此外，於二零一九年十二月三十一日及於該等綜合財務報表日期，本集團捲入與利歐的訴訟，進一步詳情載於綜合財務報表附註36(d)。

於二零一九年十二月三十一日，本集團非上市股本證券指(i)在開曼群島註冊成立的封閉式投資基金（「投資基金」）中的若干投資；及(ii)一間澳洲私營公司（「澳洲公司」）7%股權。

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

Investment Fund

Subsequent to the end of the reporting period, in January 2020, the Group received a letter from an independent third party, pursuant to which, an offer (the “**Offer**”) to acquire the Investment Fund from the Group with a cash consideration (the “**Consideration**”) of approximately HK\$2,595,000 was made to the Group. The Group accepted the Offer and completed the disposal in March 2020. Given that the Offer was made close to the end of the reporting period, the Directors considered that the Consideration reflected the fair value of the Investment Fund as at 31 December 2019. Therefore, the Group recognised a fair value loss of approximately HK\$2,647,000 in respect of the Investment Fund in the fair value reserve of financial assets at FVTOCI during the year.

Australian Company

Based on the Directors’ assessment with reference to the net assets value of the Australian Company as at 31 December 2019, the fair value of the Australian Company was approximately HK\$2,720,000. There was no significant change in the fair value of the Australian Company during the year ended 31 December 2019.

17. 按公平值透過其他全面收益列賬之金融資產(續)

投資基金

報告期末後，於二零二零年一月，本集團接獲來自獨立第三方的函件，據此，本集團接獲一份要約（「**要約**」）以自本集團購買投資基金，現金代價（「**代價**」）約為2,595,000港元。本集團已接納要約並於二零二零年三月完成出售。鑒於要約乃於臨近報告期末作出，董事認為代價反映投資基金於二零一九年十二月三十一日的公平值。因此，本集團於本年度於按公平值透過其他全面收益列賬之金融資產的公平值儲備確認有關投資基金的公平值虧損約2,647,000港元。

澳洲公司

根據董事參考澳洲公司於二零一九年十二月三十一日的資產淨值而作出的評估，澳洲公司的公平值約為2,720,000港元。於截至二零一九年十二月三十一日止年度，澳洲公司的公平值概無重大變動。

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18. INVENTORIES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------|-----|----------------------------------|----------------------------------|
| Finished goods | 製成品 | 8,581 | 10,301 |

As at 31 December 2019 and 2018, all the inventories were stated at cost.

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------------------|-----------|----------------------------------|----------------------------------|
| Carrying amount of inventories sold | 已出售存貨的賬面值 | 8,776 | 15,719 |
| Write down of inventories | 存貨撇減 | - | 246 |
| | | 8,776 | 15,965 |

於二零一九年及二零一八年十二月三十一日，所有存貨入賬列為成本。

確認為開支並計入損益的存貨金額分析如下：

19. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Contract assets | 合約資產 | | |
| Arising from provision of IT contract services | 於提供資訊科技合約服務時產生 | 131,217 | 133,121 |
| Less: Impairment | 減：減值 | (656) | (666) |
| | | 130,561 | 132,455 |

Contract assets are initially recognised for provision of IT contract services which are satisfied over time when the IT contract services have been rendered. Upon completion of the IT contract services and acceptance by the customers, the amount initially recognised as contract assets are reclassified to accounts receivable in relation to provision of IT contract services.

19. 合約資產及合約負債

(a) 合約資產

當資訊科技合約服務已予提供時，合約資產初步確認為資訊科技合約服務撥備，其隨時間獲達成。於完成資訊科技合約服務並由客戶接納後，初步確認為合約資產的款項重新分類至有關提供資訊科技合約服務的應收賬款。

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19. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

(a) Contract assets (cont'd)

The expected timing of recovery or settlement for contract assets, net of impairment, as at 31 December is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------|-----|----------------------------------|----------------------------------|
| Within one year | 一年內 | 130,561 | 132,455 |

The movements in loss allowance during the year are as follows:

| | | HK\$'000 千港元 |
|--|-----------------------------|-----------------|
| At 1 January 2018 | 於二零一八年一月一日 | 658 |
| Impairment loss recognised | 確認減值虧損 | 33 |
| Exchange realignment | 外匯調整 | (25) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及 二零一九年一月一日 | 666 |
| Reversal of impairment loss recognised | 撥回確認減值虧損 | (8) |
| Exchange realignment | 外匯調整 | (2) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 656 |

There was no material changes in the loss allowance as there was no material changes in the balances of contract assets as at the end of the reporting dates.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates for the measurement of the ECLs of the contract assets are based on those of the accounts receivable as the contract assets and the accounts receivable are from the same customer bases. The provision rates of contract assets are based on days past due of accounts receivable. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available as at the reporting date about past events, current conditions and forecasts of future economic conditions.

19. 合約資產及合約負債 (續)

(a) 合約資產 (續)

於十二月三十一日，收回或結算合約資產（扣除減值）的預期時間如下：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------|----------------------------------|----------------------------------|
| Within one year | 130,561 | 132,455 |

年內虧損撥備變動情況如下：

| | | HK\$'000 千港元 |
|--|-----------------------------|-----------------|
| At 1 January 2018 | 於二零一八年一月一日 | 658 |
| Impairment loss recognised | 確認減值虧損 | 33 |
| Exchange realignment | 外匯調整 | (25) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及 二零一九年一月一日 | 666 |
| Reversal of impairment loss recognised | 撥回確認減值虧損 | (8) |
| Exchange realignment | 外匯調整 | (2) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 656 |

虧損撥備並無重大變動，乃由於合約資產結餘於報告日期末並無重大變動。

減值分析乃藉著於各報告日期使用撥備矩陣計量預期信貸虧損而進行。用以計量合約資產預期信貸虧損之撥備率乃根據應收賬款之撥備率釐定，因合約資產與應收賬款乃源自相同客戶基礎。合約資產之撥備率乃根據應收賬款之逾期天數釐定。該計算反映概率加權結果、金錢時間值以及於報告日期可獲得有關過去事件、當前狀況及未來經濟狀況預測之合理可靠資料。

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19. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

(a) Contract assets (cont'd)

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

| | | 2019 二零一九年 | 2018 二零一八年 |
|----------------------------------|-------------|---------------|---------------|
| ECLs rate | 預期信貸虧損率 | 0.5% | 0.5% |
| Gross carrying amount (HK\$'000) | 賬面總值(千港元) | 131,217 | 133,121 |
| ECLs (HK\$'000) | 預期信貸虧損(千港元) | 656 | 666 |

(b) Contract liabilities

| | | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|-------------|------------|----------------------------------|----------------------------------|
| Contract liabilities | 合約負債 | | | |
| Deposits received and deferred income | 已收按金及遞延收入 | (i) | 7,358 | 7,427 |
| | | | 7,358 | 7,427 |

Note:

- (i) Revenue of approximately HK\$7,379,000 (2018: HK\$7,151,000) recognised for the year ended 31 December 2019 was related to carried-forward contract liabilities that were satisfied in the prior year.

19. 合約資產及合約負債 (續)

(a) 合約資產 (續)

下表載列本集團合約資產使用撥備矩陣的信貸風險資料:

(b) 合約負債

附註:

- (i) 截至二零一九年十二月三十一日止年度，確認與過往年度償付的結轉合約負債有關的收益約為7,379,000港元(二零一八年: 7,151,000港元)。

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20. ACCOUNTS RECEIVABLE, LOAN AND
INTEREST RECEIVABLES

20. 應收賬款、應收貸款及利息

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------|--------|----------------------------------|----------------------------------|
| Accounts receivable | 應收賬款 | 60,011 | 27,636 |
| Less: Impairment | 減：減值 | (547) | (165) |
| | | 59,464 | 27,471 |
| Loan receivables | 應收貸款 | 11,240 | 29,300 |
| Loan interest receivables | 應收貸款利息 | 61 | 81 |
| Less: Impairment | 減：減值 | - | (1,900) |
| | | 11,301 | 27,481 |
| | | 70,765 | 54,952 |

Accounts receivable

Accounts receivable represent (i) receivables from customers arising from provision of IT contract services and (ii) receivables from travel agents arising from provision of hospitality and related services in Australia. The Group's terms with its customers and travel agents are mainly on credit, except for new customers and travel agents, where payment in advance is normally required. The credit period is generally one month, extending up to three to six months for major customers and travel agents. Each customer and travel agent has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group's accounts receivable balance from provision of IT contract services relates to a major customer and there is significant concentration of credit risk, while there is no significant concentration of credit risk regarding the accounts receivable balance from the provision of hospitality and related services in Australia. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable is non-interest-bearing.

Loan and interest receivables

Loan and interest receivables are mainly arising from the money lending business, which are entered with contractual maturity within 6 months. The Group seeks to maintain strict control over its loan and interest receivables in order to minimise credit risk by reviewing the borrowers' financial positions. The loan receivables are interest-bearing at rates mutually agreed between the contracting parties, at a fixed rate of 10% (2018: 10%-11%) per annum. As at 31 December 2019 and 2018, all loan receivables of the Group were unsecured.

應收賬款

應收賬款指(i)就提供資訊科技合約服務應收客戶款項及(ii)就於澳洲提供酒店及相關服務應收旅行代理款項。本集團與其客戶及旅行代理主要以信貸方式的條款，除新客戶及旅行代理外，貿易條款一般規定支付墊款。信貸期通常為期一個月，就主要客戶及旅行代理延長至三至六個月。每個客戶及旅行代理有最高信貸限額。本集團尋求對其未償還應收款項維持嚴格監控。逾期結餘定期由高級管理層進行審閱。本集團提供資訊科技合約服務應收賬款結餘與一名主要客戶有關且存有重大信貸集中風險，然而，於澳洲提供酒店及相關服務之應收賬款並無重大信貸集中風險。本集團對其應收賬款結餘並無持有任何抵押品或其他信貸增級。應收賬款為免息。

應收貸款及利息

應收貸款及利息主要自放債業務產生，應收貸款之合約到期日訂為6個月內。本集團透過審閱借入人之財務狀況對其應收貸款及利息維持嚴格監控以盡量降低信貸風險。應收貸款按合約雙方相互協定的固定年利率10%計息（二零一八年：10%至11%）。於二零一九年及二零一八年十二月三十一日，本集團所有應收貸款為無抵押。

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20. ACCOUNTS RECEIVABLE, LOAN AND INTEREST RECEIVABLES (CONT'D)

(a) Ageing analysis

Ageing of accounts receivable

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with accounts receivable, credit evaluations of customers are performed periodically. The credit period given to accounts receivable ranged from 30 days to 180 days.

The ageing analysis of accounts receivable as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------|-------|----------------------------------|----------------------------------|
| Within 1 month | 少於1個月 | 58,315 | 25,851 |
| 1 to 2 months | 1至2個月 | 676 | 552 |
| 2 to 3 months | 2至3個月 | 111 | 118 |
| Over 3 months | 3個月以上 | 362 | 950 |
| | | 59,464 | 27,471 |

Ageing of loan and interest receivables

The ageing analysis of loan and interest receivables as at the end of the reporting period, based on contractual due date and net of provisions, is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------|------|----------------------------------|----------------------------------|
| Not yet past due | 尚未逾期 | 11,301 | 27,481 |

20. 應收賬款、應收貸款及利息 (續)

(a) 賬齡分析

應收賬款之賬齡

給予顧客之信貸期各有不同，一般以個別顧客之財政實力為基準。為有效管理與應收賬款有關之信貸風險，本公司定期評估顧客信貸。應收賬款之信貸期介乎30日至180日。

於報告期末，根據發票日期之應收賬款之賬齡分析（扣除撥備）如下：

應收貸款及利息之賬齡

於報告期末根據合約到期日及扣除撥備後的應收貸款及利息的賬齡分析如下：

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20. ACCOUNTS RECEIVABLE, LOAN AND INTEREST RECEIVABLES (CONT'D)

(b) Impairment

Impairment of accounts receivable

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's accounts receivable using a provision matrix:

As at 31 December 2019

| | | Past due 過往逾期 | | | Total 總計 |
|----------------------------------|--------------|------------------|------------------------|------------------------|-------------|
| | | Current 現時 | 1 to 3 months 一至三個月 | Over 3 months 三個月以上 | |
| ECLs rate | 預期信貸虧損率 | 0-0.5% | 0-10% | 0-50% | |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 58,607 | 807 | 597 | 60,011 |
| ECLs (HK\$'000) | 預期信貸虧損 (千港元) | 291 | 21 | 235 | 547 |

As at 31 December 2018

| | | Past due 過往逾期 | | | Total 總計 |
|----------------------------------|--------------|------------------|------------------------|------------------------|-------------|
| | | Current 現時 | 1 to 3 months 一至三個月 | Over 3 months 三個月以上 | |
| ECLs rate | 預期信貸虧損率 | 0-0.5% | 0-0.5% | 0-20% | |
| Gross carrying amount (HK\$'000) | 賬面總值 (千港元) | 25,975 | 553 | 1,108 | 27,636 |
| ECLs (HK\$'000) | 預期信貸虧損 (千港元) | 124 | 1 | 40 | 165 |

20. 應收賬款、應收貸款及利息
(續)

(b) 減值

應收賬款之減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於逾期日數，就具有類似虧損模式（即按地域、產品類型、客戶類別及評級）的不同客戶分部之組別而釐定。該計算方法反映於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的概率加權結果、貨幣時間價值及合理及可靠資料。

下表載列本集團應收賬款使用撥備矩陣的信貸風險資料：

於二零一九年十二月三十一日

於二零一八年十二月三十一日

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20. ACCOUNTS RECEIVABLE, LOAN AND INTEREST RECEIVABLES (CONT'D)

(b) Impairment (cont'd)

Impairment of loan and interest receivables

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs). At each reporting date, the Group assesses whether the credit risk on loan and interest receivables has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the loan and interest receivables as at the reporting date with the risk of a default occurring on the loan and interest receivables as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. All loan and interest receivables are classified as stage 1 and were neither past due nor impaired. In the opinion of the Directors, no ECLs for the loan and interest receivables have been provided as the amount of ECL is immaterial to the consolidated financial statements.

20. 應收賬款、應收貸款及利息 (續)

(b) 減值 (續)

應收貸款及利息之減值

就自初始確認起信貸風險未有顯著增加的信貸敞口而言，預期信貸虧損將就未來12個月內可能發生違約事件而導致的信貸虧損（「12個月預期信貸虧損」）計提撥備。就自初始確認起信貸風險已顯著增加的信貸敞口而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損（全期預期信貸虧損）均須計提虧損撥備。於各報告日期，本集團評估應收貸款及利息的信貸風險自首次確認後是否大幅上升。於作出評估時，本集團就應收貸款及利息於報告日期發生違約的風險與應收貸款及利息於首次確認當日發生違約的風險進行比較，並考慮毋須付出不必要的成本或精力即可獲得的合理且具理據支持的資料，包括過往及前瞻性資料。所有應收貸款及利息分類為第1階段且既無預期亦無減值。董事認為，並無就應收貸款及利息之預期信貸虧損計提撥備，原因乃綜合財務報表的預期信貸虧損金額屬不重大。

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20. ACCOUNTS RECEIVABLE, LOAN AND
INTEREST RECEIVABLES (CONT'D)

20. 應收賬款、應收貸款及利息
(續)

(c) Movement of loss allowance

*The movements of loss allowance for accounts
receivable*

The movements in loss allowance of accounts receivable during the year are as follows:

(c) 虧損撥備變動

應收賬款的虧損撥備的變動

於年內，應收賬款的虧損撥備的變動如下：

| | | HK\$'000 千港元 |
|--|-----------------------------|-----------------|
| At 1 January 2018 | 於二零一八年一月一日 | 70 |
| Impairment loss recognised | 已確認減值虧損 | 100 |
| Exchange realignment | 外匯調整 | (5) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及 二零一九年一月一日 | 165 |
| Impairment loss recognised | 已確認減值虧損 | 383 |
| Exchange realignment | 外匯調整 | (1) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 547 |

The increase in the loss allowance of accounts receivable was due to the increase in the gross amount of accounts receivable arising from provision of IT contract services.

應收賬款的虧損撥備增加，原因是提供資訊科技合約服務產生的應收賬款總額增加。

*The movements of loss allowance for loan and
interest receivables*

The movements in loss allowance for loan and interest receivables during the year are as follow:

應收貸款及利息之虧損撥備之變動

於年內，應收貸款及利息之虧損撥備的變動如下：

| | | HK\$'000 千港元 |
|--|-----------------------------|-----------------|
| At 1 January 2018 | 於二零一八年一月一日 | - |
| Impairment loss recognised | 已確認減值虧損 | 1,900 |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及 二零一九年一月一日 | 1,900 |
| Amount written off as uncollectible | 撇銷作不可收回的金額 | (1,900) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | - |

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21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------------|-----------|----------------------------------|----------------------------------|
| Prepayments | 預付款項 | 14,290 | 6,640 |
| Deposits and other receivables | 按金及其他應收款項 | 7,761 | 7,199 |
| | | 22,051 | 13,839 |

The financial assets included in above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2019 and 2018, the impairment was assessed to be minimal.

21. 預付款項、其他應收款項及其他資產

計入上述結餘的金融資產涉及近期並無違約記錄及逾期的應收款項。於二零一九年及二零一八年十二月三十一日，評估減值為極微。

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Listed shares in Hong Kong, at fair value | 於香港上市之股份 (按公平值計量) | 41,289 | 41,932 |

The above equity investments were classified as financial assets at FVTPL as they were held for trading.

Included in the financial assets at FVTPL is investment in Town Health International Medical Group Limited (Stock Code: 3886) ("Town Health") amounting to HK\$38,534,000 (2018: HK\$ 39,288,000) as at 31 December 2019.

22. 按公平值透過損益列賬之金融資產

上述股本投資乃持作買賣，故分類為按公平值透過損益列賬之金融資產。

於二零一九年十二月三十一日，按公平值透過損益列賬之金融資產中包括於康健國際醫療集團有限公司（股份代號：3886）（「康健」）之投資38,534,000港元（二零一八年：39,288,000港元）。

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Given the trading of the shares of Town Health on the Stock Exchange was suspended as at 31 December 2019, the fair value of the Group's investment in Town Health as at 31 December 2019 was arrived at on the basis of a valuation carried out by Ascent Partners Valuation Service Limited, an independent qualified professional valuer not connected to the Group, using the index return method, which is a generally accepted approach in the industry, where the last trading price of the shares of Town Health was adjusted by the return of a synthetic index. Assumptions used in the valuation include: (a) no material change in the existing conditions which might adversely affect the business of Town Health; (b) prospective earnings would provide a reasonable estimate on the fair market value of the assets held by Town Health; (c) reliance by the valuer on the assistance and information provided by the Company; and (d) information related to the valuation would be made available to and reviewed by the valuer. Inputs including (a) the return of other comparable publicly listed companies ranging from -23.91% to -61.90% from the last trading date to their year-end dates; (b) business nature and financial reports of Town Health; (c) publication and research reports of the related industry; (d) reliable sources of market data; and (e) the liquidity discount for the uncertainty of the length of suspension were applied in the valuation. There was neither significant change in the value of the inputs and assumptions from those used in the valuation in the prior year nor subsequent change to the valuation method adopted. Pursuant to their valuation report dated 27 March 2020, the fair value of the financial assets at FVTPL was approximately HK\$38,534,000 (2018: HK\$39,288,000).

As at 31 December 2019, certain of the investment in Town Health in the amount of HK\$33,284,000 (2018: HK\$33,935,000) were pledged for a loan to a subsidiary (notes 25 and 36(c)).

22. 按公平值透過損益列賬之金融資產 (續)

鑒於康健的股份於二零一九年十二月三十一日於聯交所暫停買賣，於二零一九年十二月三十一日，本集團於康健之投資的公平值乃根據由與本集團並無關連之獨立合資格專業估值師艾升評值諮詢有限公司進行估值達致。該估值使用指數回報法，而該方法為業內公認方法，故康健股份最後成交價經綜合指數的回報調整。估值中使用的假設包括：(a) 現狀並無出現或會對康健業務造成不利影響的重大變動；(b) 預期盈利將就康健所持資產的公平市值作出合理的估計；(c) 估值師對本公司提供的協助及資料的倚賴；及(d) 與是次估值有關的資料將可供估值師閱覽並由估值師審閱。應用於估值的輸入數據包括(a) 其他可比較公眾上市公司於康健之最後交易日至年度結算日介乎-23.91%至-61.90%的回報；(b) 康健的業務性質及財務報告；(c) 有關行業的公佈及研究報告；(d) 可靠市場數據來源；及(e) 因停牌期限不明朗的流動資金貼現。過往年度估值所用之輸入數據及假設的價值並無重大變動，及其後所採納的估值方法並無變動。根據彼等日期為二零二零年三月二十七日的估值報告，按公平值透過損益列賬之金融資產之公平值約38,534,000港元(二零一八年：39,288,000港元)。

於二零一九年十二月三十一日，於康健的若干投資33,284,000港元(二零一八年：33,935,000港元)已抵押作為向一間附屬公司作出的貸款的擔保(附註25及36(c))。

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23. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSIT

23. 現金及等同現金項目及已抵押定期存款

| | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Cash and bank balances | 現金及銀行結餘 | 33,088 | 47,993 |
| Time deposits | 定期存款 | 160,428 | 142,000 |
| | | 193,516 | 189,993 |
| Less: Pledged time deposit: Pledged for interest-bearing bank borrowings | 減：已抵押定期存款： 已抵押計息銀行借貸 | (13,000) | (13,000) |
| | 25(b) | | |
| Cash and cash equivalents | 現金及等同現金項目 | 180,516 | 176,993 |

(a) At 31 December 2019, cash and bank balances of the Group denominated in Renminbi amounted to approximately HK\$22,837,000 (2018: HK\$9,967,000), United States dollars amounted to approximately HK\$16,660,000 (2018: Nil) and Australian dollar amounted to approximately HK\$2,920,000 (2018: HK\$9,817,000). Renminbi is not freely convertible into foreign currencies. Subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Renminbi for foreign currencies through banks authorised to conduct foreign exchange business.

(b) Pledged time deposit

Pledged time deposit as at 31 December 2019 represented a deposit pledged to a bank to secure banking facilities granted to an indirectly wholly-owned subsidiary of the Company. The pledged time deposit carried interest at the prevailing market rate at 2.14% (2018: 2.05%) per annum as at 31 December 2019.

(a) 於二零一九年十二月三十一日，本集團以人民幣計值之現金及銀行結餘約為22,837,000港元（二零一八年：9,967,000港元）、以美元計值之現金及銀行結餘約為16,660,000港元（二零一八年：無）及以澳元計值之現金及銀行結餘約為2,920,000港元（二零一八年：9,817,000港元）。人民幣不可自由兌換為外幣。根據中國外匯管制條例及結匯、售匯及付匯管理規定，本集團獲允許透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。

(b) 已抵押定期存款

於二零一九年十二月三十一日之已抵押定期存款指抵押予一間銀行的存款，以擔保向本公司一間間接全資附屬公司授出銀行融資。於二零一九年十二月三十一日，已抵押定期存款按現行市場利率每年2.14%（二零一八年：2.05%）計息。

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24. TRADE AND OTHER PAYABLES, ACCRUALS
AND PROVISION

24. 貿易及其他應付款項、應計費
用及撥備

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Trade payables | 應付貿易賬款 | 12,572 | 13,211 |
| Accruals and other payables (note (a)) | 應計費用及其他應付款項 (附註(a)) | 201,406 | 166,364 |
| Provision for litigations (note 36) | 訴訟撥備(附註36) | | |
| – LEO Case | – 利歐案件 | 32,118 | 7,200 |
| – Essence Case | – 安信案件 | 15,054 | 7,176 |
| | | 261,150 | 193,951 |
| Less: Classified as non-current portion | 減: 分類為非流動部分 | (19,584) | (36,985) |
| | | 241,566 | 156,966 |

Ageing analysis of trade creditors

The following is an ageing analysis of trade payables based on the invoice date of the Group as at the end of the reporting period:

應付貿易賬款賬齡分析

以下為本集團於報告期末根據發票日期應付貿易賬款之賬齡分析:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------|-------|----------------------------------|----------------------------------|
| Within 3 months | 3個月之內 | 8,173 | 11,102 |
| Over 3 months | 3個月以上 | 4,399 | 2,109 |
| | | 12,572 | 13,211 |

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24. TRADE AND OTHER PAYABLES, ACCRUALS AND PROVISION (CONT'D)

Note (a):

Included in other payables was an amount of HK\$37,729,000 (2018: HK\$50,821,000) which represents the present value of the outstanding amount of a compensation in the amount of approximately RMB48,088,000 (inclusive of tax) (equivalent to approximately HK\$52,777,000) (note 6) (the “**Compensation**”) payable to Huawei Technologies Co. Ltd. (華為技術有限公司) (“**HW**”), a major customer of the Group, by EPRO, a then indirect wholly-owned subsidiary of the Company, as a result of the offering of bribe to the staff of HW by a former employee of EPRO in contravention of the Honesty and Integrity Undertaking dated 22 December 2014 executed by EPRO in favour of HW.

On 12 March 2019, EPRO and HW entered into an agreement (the “**Agreement**”) pursuant to which the Compensation shall be set off against the accounts receivable due from HW to EPRO (the “**Accounts Receivable**”) by 36 equal monthly instalments (the “**Monthly Instalments**”) commencing on 1 April 2019.

It is also provided in the Agreement that (i) to ensure the settlement of the Compensation by EPRO, EPRO shall agree that the amount of the outstanding Accounts Receivable shall exceed the amount of the remaining Compensation from time to time and HW shall have the right to set off the Compensation against the Accounts Receivable; and (ii) EPRO shall provide its preceding year’s annual audited financial report to HW every year. Subject to the mutual agreement between HW and EPRO and the profitability of EPRO as disclosed in its annual audited financial report, the amount of the Monthly Instalments to be set off against the Accounts Receivable for the year may be increased.

24. 貿易及其他應付款項、應計費用及撥備 (續)

附註(a)：

其他應付款項中包括金額37,729,000港元(二零一八年：50,821,000港元)為本公司當時之間接全資附屬公司易寶因一名前僱員賄賂華為技術有限公司(「華為」，為本集團的主要客戶)員工，違反易寶於二零一四年十二月二十二日簽署的以華為為受益人的誠信廉潔承諾書，而應付華為的約人民幣48,088,000元(包括稅項)(相當於約52,777,000港元)(附註6)的賠償(「賠償」)的未償還金額現值。

於二零一九年三月十二日，易寶及華為訂立一份協議(「協議」)，據此，自二零一九年四月一日起，賠償可於易寶應收華為的應收賬款(「應收賬款」)按36個月等額按月結付(「按月結付」)的方式抵扣。

協議中亦規定(i) 為確保易寶結付賠償，易寶應同意未償還應收賬款的金額應不時高於餘下賠償金額，而華為應擁有權利抵扣應收賬款獲得賠償；及(ii) 易寶應每年向華為提供其上一年度的年度經審核財務報告。受限於華為與易寶的雙方協議及於其年度經審核財務報告披露之易寶的盈利能力，本年度將於應收賬款中抵扣之按月結付金額或會增加。

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25. INTEREST-BEARING BANK AND OTHER
BORROWINGS

The exposure of the Group's borrowings is as follows:

25. 計息銀行及其他借貸

本集團借貸的風險如下：

| | Notes 附註 | Effective interest rate 實際利率 | Maturity 期限 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------|---|---|----------------------------------|----------------------------------|
| Interest-bearing bank borrowings 計息銀行借貸 | | | | | |
| NAB Loans, secured 澳洲國民銀行貸款·有抵押 | (a) | 3.74-3.76% (2018: 3.76-3.94%) 3.74-3.76% (二零一八年: 3.76-3.94%) | 31 August 2020 – 31 August 2024 二零二零年 八月三十一日至 二零二四年 八月三十一日 | 72,503 | 69,858 |
| NJ Loan 1, secured 南京銀行貸款1·有抵押 | (b) | 5.66% (2018: 5.91%) 5.66% (二零一八年: 5.91%) | 30 May 2020 二零二零年 五月三十日 | 10,370 | 10,588 |
| NJ Loan 2 and 3, unsecured 南京銀行貸款2及3·無抵押 | (b) | 5.44% (2018: 5.70%) 5.44% (二零一八年: 5.70%) | 2 July 2020 – 16 August 2020 二零二零年 七月二日至 二零二零年 八月十六日 | 4,508 | 3,453 |
| Interest-bearing other borrowings 其他計息借貸 | | | | | |
| Essence Loan, secured 安信貸款·有抵押 | (c) | 6.00% | 16 September 2019 二零一九年 九月十六日 | 79,216 | 80,913 |
| Bailihong Loans, unsecured 百利宏貸款·無抵押 | (d) | 6.00% | On demand 按要求 | 55,233 | – |
| | | | | 221,830 | 164,812 |
| Less: Interest-bearing bank and other borrowings classified as current portion 減: 分類為流動部分的計息銀行及其他借貸 | | | | (219,669) | (164,812) |
| Non-current portion 非流動部分 | | | | 2,161 | – |
| Analysis into: 分析為: | | | | | |
| The carrying amounts of the above borrowings are repayable: 上述借貸賬面值須予償還: | | | | | |
| Within one year or on demand 一年內或按要求 | | | | 219,669 | 164,812 |
| In the second year 第二年 | | | | 843 | – |
| In the third to fifth years, inclusive 第三至第五年(包括首尾兩年) | | | | 1,318 | – |
| | | | | 221,830 | 164,812 |

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25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes:

- (a) There are 3 interest-bearing bank borrowings (the “**NAB Loans**”) granted by National Australia Bank Limited (“**NAB**”), details of which are as follows:

NAB Loan 1 and 2

NAB Loans with principal amount of AU\$2,341,472 (equivalent to approximately HK\$12,788,000) (2018: AU\$2,667,500 (equivalent to approximately HK\$14,738,000)) (the “**NAB Loan 1**”) and AU\$3,620,832 (equivalent to approximately HK\$19,775,000) (2018: AU\$4,125,000 (equivalent to approximately HK\$22,790,000)) (the “**NAB Loan 2**”) are secured by (i) two of the Estate Resorts (note 12) and (ii) guarantees given by the Company and certain of its subsidiaries and bear interest at business lending rate plus customer margin (i.e. business lending rate +0.92%) per annum. Pursuant to the loan agreements, the outstanding amount of the NAB Loan 1 of AU\$2,340,653 and NAB Loan 2 of AU\$3,612,068 (equivalent to approximately HK\$32,510,000 in aggregate) (2018: approximately HK\$32,733,000 in aggregate) as at 31 December 2019, are repayable by monthly instalment of AU\$14,819 (equivalent approximately HK\$82,000) and AU\$22,917 (equivalent approximately HK\$127,000) respectively, with the outstanding balance on or before 31 August 2020.

NAB Loan 3

NAB Loans with principal amount of AUS\$7,189,500 (equivalent to approximately HK\$39,265,000) and AUS\$700,000 (equivalent to approximately HK\$3,823,000) (2018: AUS\$9,570,000 (equivalent to approximately HK\$52,873,000)) (collectively, the “**NAB Loan 3**”) are secured by (i) all of the Estate Resorts (note 12); and (ii) guarantees given by the Company and certain of its subsidiaries and bear interest at business lending rate plus customer margin (i.e. business lending rate +0.92%) per annum. The outstanding amount of the NAB Loan 3 was AU\$7,322,559 (equivalent to approximately HK\$39,993,000) (2018: approximately HK\$37,125,000) as at 31 December 2019. Pursuant to the loan agreement, (i) AU\$6,772,615 (equivalent to approximately HK\$36,989,000) is repayable by monthly instalment of AU\$79,750 (equivalent to approximately HK\$436,000) with outstanding balance on or before 31 August 2020; and (ii) AU\$549,944 (equivalent to approximately HK\$3,004,000) repayable by monthly instalment of AU\$12,856 (equivalent to approximately HK\$70,000) with outstanding balance, if any, on or before 31 August 2024.

25. 計息銀行及其他借貸 (續)

附註:

- (a) 澳洲國民銀行(「**澳洲國民銀行**」)授出三筆計息銀行借貸(「**澳洲國民銀行貸款**」),詳情如下:

澳洲國民銀行貸款1及2

澳洲國民銀行貸款本金額為2,341,472澳元(相當於約12,788,000港元)(二零一八年:2,667,500澳元(相當於約14,738,000港元))(「**澳洲國民銀行貸款1**」)及3,620,832澳元(相當於約19,775,000港元)(二零一八年:4,125,000澳元(相當於約22,790,000港元))(「**澳洲國民銀行貸款2**」)乃由(i)兩處房地產度假村(附註12)及(ii)本公司及其若干附屬公司提供擔保作抵押,並按商業貸款年利率加客戶保證金(即商業貸款利率+0.92%)計息。根據貸款協議,於二零一九年十二月三十一日,澳洲國民銀行貸款1的未償還金額2,340,653澳元及澳洲國民銀行貸款2的未償還金額3,612,068澳元(合共相當於約32,510,000港元)(二零一八年:合共約32,733,000港元)須按月分期償還分別為14,819澳元(相當於約82,000港元)及22,917澳元(相當於約127,000港元),未償還餘額須於二零二零年八月三十一日或之前償還。

澳洲國民銀行貸款3

澳洲國民銀行貸款本金額為7,189,500澳元(相當於約39,265,000港元)及700,000澳元(相當於約3,823,000港元)(二零一八年:9,570,000澳元(相當於約52,873,000港元))(統稱「**澳洲國民銀行貸款3**」)乃由(i)所有房地產度假村(附註12);及(ii)本公司及其若干附屬公司提供擔保作抵押,並按商業貸款年利率加客戶保證金(即商業貸款利率+0.92%)計息。於二零一九年十二月三十一日,澳洲國民銀行貸款3的未償還金額為7,322,559澳元(相當於約39,993,000港元)(二零一八年:約37,125,000港元)。根據貸款協議,(i)6,772,615澳元(相當於約36,989,000港元)按月分期償還79,750澳元(相當於約436,000港元),未償還餘額須於二零二零年八月三十一日或之前償還;及(ii)549,944澳元(相當於約3,004,000港元)按月分期償還尚未償還結餘12,856澳元(相當於約70,000港元),未償還餘額(如有)須於二零二四年八月三十一日或之前償還。

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25. INTEREST-BEARING BANK AND OTHER
BORROWINGS (CONT'D)

Notes: (Cont'd)

- (b) There are three interest-bearing bank borrowings (the “**NJ Loan(s)**”) granted by Bank of Nanjing (“**NJ Bank**”), details of which are as follows:

NJ Loan 1

NJ Loan with principal amount of RMB9,200,000 (equivalent to approximately HK\$10,370,000) (2018: RMB9,200,000 (equivalent to approximately HK\$10,588,000)) (the “**NJ Loan 1**”) is secured by a letter of credit issued by the Company which is further pledged by a time deposit of the Group (note 23), bears interest at a fixed rate of 5.66% (2018: floating interest rate at benchmark interest rate +1.562%) per annum and is repayable on or before 30 May 2020.

NJ Loan 2 and NJ Loan 3

NJ Loans with principal amount of RMB3,600,000 (equivalent to approximately HK\$4,058,000) (2018: RMB 2,600,000 (equivalent to approximately HK\$2,993,000)) (the “**NJ Loan 2**”) and RMB400,000 (equivalent to approximately HK\$450,000) (2018: RMB400,000 (equivalent to approximately HK\$460,000)) (the “**NJ Loan 3**”) are guaranteed by a subsidiary of the Company, bear interest at a fixed rate of 5.44% (2018: floating interest rate at benchmark interest rate +1.345%) per annum and are repayable on or before 2 July 2020 and 16 August 2020, respectively.

25. 計息銀行及其他借貸 (續)

附註: (續)

- (b) 南京銀行(「**南京銀行**」)授出三筆計息銀行借貸(「**南京銀行貸款**」),詳情如下:

南京銀行貸款1

南京銀行貸款本金額為人民幣9,200,000元(相當於約10,370,000港元)(二零一八年:人民幣9,200,000元(相當於約10,588,000港元))(「**南京銀行貸款1**」)乃由本公司發行的信用證(進一步由本集團之定期存款作抵押(附註23))作抵押,並按固定年利率5.66%(二零一八年:基準利率+1.562%之浮動利率)計息及須於二零二零年五月三十日或之前償還。

南京銀行貸款2及南京銀行貸款3

南京銀行貸款本金額為人民幣3,600,000元(相當於約4,058,000港元)(二零一八年:人民幣2,600,000元(相當於約2,993,000港元))(「**南京銀行貸款2**」)及人民幣400,000元(相當於約450,000港元)(二零一八年:人民幣400,000元(相當於約460,000港元))(「**南京銀行貸款3**」)由本公司一間附屬公司提供擔保,按固定年利率5.44%(二零一八年:基準利率+1.345%之浮動利率)計息,並分別須於二零二零年七月二日及二零二零年八月十六日或之前償還。

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25. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONT'D)

Notes: (Cont'd)

- (c) The Essence Loan (as defined in note 36(c)) is secured by certain of the financial assets at FVTOCI and FVTPL (notes 17 and 22) and bears interest at a fixed rate of 6% per annum. As detailed in note 36(c) to the consolidated financial statements, the outstanding principal amount of approximately RMB70,893,000 (equivalent to approximately HK\$79,216,000) of the Essence Loan has been past due and was in breach of the share pledge agreement during the year.
- (d) During the year ended 31 December 2019, the Group entered into several loan agreements (the “**Loan Agreements**”) with 惠州市百利宏控股有限公司 (for identification purpose only, Huizhou Bailihong Holding Co., Ltd) (“**Bailihong**”), a related party of the Group, of which, the substantial shareholder of Bailihong is a close family member of Mr. Wong Jing Shong, a director of certain subsidiaries of the Company. Pursuant to the Loan Agreements, loans with aggregate principal amount of RMB81,600,000 (equivalent to approximately HK\$91,979,000) (the “**Bailihong Loans**”) were granted to the Group. As at 31 December 2019, the aggregate outstanding amount of the Bailihong Loans was RMB49,000,000 (equivalent to approximately HK\$55,233,000), which are unsecured, bear interest at a fixed rate of 6% per annum and have no fixed terms of repayment. Subsequent to the end of the reporting period, in April 2020, Bailihong entered into a supplemental agreement with the Group and agreed not to demand for repayment of the Bailihong Loans within the next 12 months from the date of the supplemental agreement.

26. DEFERRED TAX

An analysis of the deferred tax balances in the consolidated statement of financial position is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| Deferred tax assets | 遞延稅項資產 | 2,651 | 8,598 |
| Deferred tax liabilities | 遞延稅項負債 | – | (517) |
| | | 2,651 | 8,081 |

25. 計息銀行及其他借貸 (續)

附註：(續)

- (c) 安信貸款 (定義見附註36(c)) 乃由若干按公平值透過其他全面收益列賬及按公平值透過損益列賬之金融資產 (附註17及22) 作抵押，按固定年利率6%計息。如綜合財務報表附註36(c) 所述，安信貸款未償還本金額約人民幣70,893,000元 (相當於約79,216,000港元) 於本年度已逾期並違反股份質押協議。
- (d) 截至二零一九年十二月三十一日止年度，本集團與惠州市百利宏控股有限公司 (「百利宏」，本集團之關聯人士) 訂立若干貸款協議 (「貸款協議」)，百利宏之主要股東為本公司若干附屬公司之董事黃靖淳先生之近親家庭成員。根據貸款協議，授予本集團本金總額為人民幣81,600,000元 (相當於約91,979,000港元) 之貸款 (「百利宏貸款」)。於二零一九年十二月三十一日，百利宏貸款尚未償還之總金額為人民幣49,000,000元 (相當於約55,233,000港元)，其為無抵押、按固定年利率6%計息及並無固定償還期限。報告期末後，於二零二零年四月，百利宏與本集團訂立補充協議，同意不會於補充協議日期起計未來12個月內要求償還百利宏貸款。

26. 遞延稅項

綜合財務狀況表所載之遞延稅項結餘分析如下：

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26. DEFERRED TAX (CONT'D)

The followings are the deferred tax balances recognised and movements thereon during the year:

26. 遞延稅項 (續)

下表為年內所確認之遞延稅項結餘及其變動：

| | | Tax losses | Decelerated tax allowances | Taxable temporary difference arising the contract assets | Total |
|--|----------------------|-----------------|----------------------------|--|-----------------|
| | | 稅項虧損 | 減速免稅額 | 合約資產產生之應課稅暫時差異 | 總計 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 3,153 | 1,684 | (2,984) | 1,853 |
| Credited to profit or loss (note 8) | 計入損益 (附註8) | 1,246 | 2,674 | 3,177 | 7,097 |
| Exchange realignment | 外匯調整 | (367) | (309) | (193) | (869) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 4,032 | 4,049 | - | 8,081 |
| Written off/Charged to profit or loss (note 8) | 自損益撇銷/扣除 (附註8) | (3,200) | (1,617) | - | (4,817) |
| Exchange realignment | 外匯調整 | (569) | (44) | - | (613) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 263 | 2,388 | - | 2,651 |

As detailed in note 8(b) to the consolidated financial statements, the Group has unprovided deferred tax in respect of unutilised tax losses and other taxable/deductible temporary differences arising in Hong Kong, Australia and PRC that is available for offsetting against future taxable profits.

如綜合財務報表附註8(b)所詳述，本集團擁有於香港、澳洲及中國產生之未動用稅項虧損及其他應課稅/可扣減暫時差異之未撥備遞延稅項，可用作抵銷未來應課稅溢利。

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27.SHARE CAPITAL

27.股本

| | | Number of shares 股份數目 | HK\$'000 千港元 |
|--|---|-----------------------------|-----------------|
| Authorised: | 法定: | | |
| Ordinary shares of HK\$0.01 each at 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019 | 於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日以及 二零一九年十二月三十一日 每股面值0.01港元之普通股 | 20,000,000,000 | 200,000 |
| Issued and fully paid: | 已發行及繳足股款: | | |
| Ordinary shares of HK\$0.01 each at 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019 | 於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日 每股面值0.01港元之普通股 | 5,336,235,108 | 53,362 |

28.SHARE OPTION SCHEME

28.購股權計劃

The Company's share option scheme (the "**Share Option Scheme**") was adopted on 12 November 2010. The purpose of the Share Option Scheme is to provide incentives and help the Group in retaining existing employees and recruiting additional employees and to provide them with a direct interest in attaining the long term business objectives of the Group.

There were no share options outstanding, granted, exercised, cancelled or lapsed during the year ended 31 December 2019.

During the year ended 31 December 2018, 82,025,748 share options were cancelled as a result of the acceptances of the mandatory conditional cash offer made by Ferran Securities Limited for and on behalf of Ms. Cheng Hei Yu, details of which have been disclosed in the announcements of the Company dated 6 April 2018, 12 April 2018, 17 April 2018, 27 April 2018, 28 May 2018, 15 June 2018, 22 June 2018, 28 June 2018 and 13 July 2018 and the circular of the Company dated 22 June 2018.

本公司於二零一零年十一月十二日採納購股權計劃(「**購股權計劃**」)。購股權計劃的目的乃提供激勵及幫助本集團挽留現有僱員及增聘僱員並向彼等提供直接利益以達成本集團長期業務目標。

於截至二零一九年十二月三十一日止年度，概無購股權尚未行使、已獲授出、行使、註銷或失效。

截至二零一八年十二月三十一日止年度，82,025,748份購股權已被註銷，原因為本公司接受富運證券有限公司為及代表鄭熹榆女士作出之強制有條件現金要約，有關詳情披露於本公司日期為二零一八年四月六日、二零一八年四月十二日、二零一八年四月十七日、二零一八年四月二十七日、二零一八年五月二十八日、二零一八年六月十五日、二零一八年六月二十二日、二零一八年六月二十八日及二零一八年七月十三日之公佈及本公司日期為二零一八年六月二十二日之通函。

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28.SHARE OPTION SCHEME (CONT'D)

Details of the share options granted are as follows, whereby all options are to be settled by delivery of shares:

28.購股權計劃(續)

授出之購股權之詳情載列如下，所有購股權將以交付股份方式結算：

| Grantees | Date of grant | Vesting date | Adjusted exercise price | Exercisable period | Outstanding as at 1 January 2018 於二零一八年一月一日尚未行使 | Cancelled during the year ended 31 December 2018 截至二零一八年十二月三十一日止年度註銷 | Outstanding as at 31 December 2018 於二零一八年十二月三十一日尚未行使 |
|---|-------------------------------|----------------------------|-------------------------|---|--|---|---|
| 承授人 | 授出日期 | 歸屬日期 | 經調整行使價 | 行使期 | | | |
| Employee 僱員 | 19 January 2016 二零一六年一月十九日 | 31 May 2016 二零一六年五月三十一日 | HK\$0.161 0.161港元 | 1 June 2016 – 11 November 2020 二零一六年六月一日至二零二零年十一月十一日 | 4,660,522 | (4,660,522) | - |
| Director of the Company 本公司董事 Other-Zhang Xiongfeng (note (a)) 其他—張雄峰(附註(a)) | 19 January 2016 二零一六年一月十九日 | 31 May 2016 二零一六年五月三十一日 | HK\$0.161 0.161港元 | 1 June 2016 – 11 November 2020 二零一六年六月一日至二零二零年十一月十一日 | 68,044,184 | (68,044,184) | - |
| Director of a subsidiary 一間附屬公司之董事 Other-Zhang Peiao 其他—張培鵬 | 19 January 2016 二零一六年一月十九日 | 31 May 2016 二零一六年五月三十一日 | HK\$0.161 0.161港元 | 1 June 2016 – 11 November 2020 二零一六年六月一日至二零二零年十一月十一日 | 9,321,042 | (9,321,042) | - |
| | | | | | 82,025,748 | (82,025,748) | - |

Notes:

(a) Mr. Zhang Xiongfeng was an executive Director and the chairman of the Company until his resignation with effect from 1 December 2018.

附註：

(a) 張雄峰先生擔任本公司執行董事兼主席，直至其於二零一八年十二月一日辭任為止。

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29. RESERVES

The amounts of the Group's reserve and the movements therein for the current year are presented in the consolidated statement of change in equity on page 295 to the consolidated financial statements.

(a) Share premium

The share premium account of the Company includes premium arising from the new issue of shares in the current and prior years netted of share issue expenses.

(b) Contributed surplus

Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is subject to compliance with the bye-laws of the Company and the laws of Bermuda, is distributable to the Shareholders under certain circumstances.

(c) Share options reserve

The share options reserve arises on the grant of share options to eligible participants under the Share Option Scheme. Further information about Share Option Scheme is set out in note 28 to the consolidated financial statements.

(d) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy adopted for foreign currencies.

29. 儲備

本集團於本年度之儲備金額及變動於綜合財務報表第295頁的綜合權益變動表呈列。

(a) 股份溢價

本公司之股份溢價賬包括本年度及過往年度發行新股產生之溢價（經扣除股份發行開支）。

(b) 實繳盈餘

根據百慕達一九八一年公司法，本公司之實繳盈餘賬於若干情況下可分派予股東，惟須遵守本公司之細則及百慕達法例。

(c) 購股權儲備

購股權儲備乃因根據購股權計劃向合資格參與人士授出購股權而產生。有關購股權計劃之進一步資料載於綜合財務報表附註28。

(d) 換算儲備

換算儲備包括換算海外業務的財務報表產生的所有匯兌差額。儲備根據就外幣採納的會計政策進行處理。

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29. RESERVES (CONT'D)

- (e) Fair value reserve of financial assets at FVTOCI (non-recycling)

The fair value reserve of financial assets at FVTOCI (non-recycling) comprises the cumulative net changes in the fair value of equity instruments designated as measured at FVTOCI in accordance with the accounting policy adopted for equity/debt instruments designated at FVTOCI.

- (f) Distributable reserves

As at 31 December 2019, the Company had distributable reserve of approximately HK\$239,092,000 (2018: HK\$364,817,000) including accumulated losses of approximately HK\$964,449,000 (2018: approximately HK\$838,724,000). Under the Company's memorandum of association and the Bye-laws and the Company Act 1981 of Bermuda (as amended), the contributed surplus and share premium of the Company of approximately HK\$693,308,000 and approximately HK\$510,233,000, respectively, as at 31 December 2018 and 2019, are distributable to the Shareholders. However, the Company cannot declare or pay a dividend, or make distribution out of the distribution reserve if:

- (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of the Company would thereby be less than the aggregate of its liabilities, its issued share capital and share premium accounts.

29. 儲備 (續)

- (e) 按公平值透過其他全面收益列賬之金融資產之公平值儲備 (不可撥回)

按公平值透過其他全面收益列賬之金融資產之公平值儲備 (不可撥回) 包括根據就指定為按公平值透過其他全面收益列賬的權益/債務工具採納會計政策而指定為按公平值透過其他全面收益列賬計量的權益工具公平值的累計變動淨額。

- (f) 可供分派儲備

於二零一九年十二月三十一日，本公司擁有可供分派儲備約239,092,000港元 (二零一八年：364,817,000港元) (包括累計虧損約964,449,000港元 (二零一八年：約838,724,000港元))。根據本公司組織章程大綱及細則以及百慕達一九八一年公司法 (修訂本)，於二零一八年及二零一九年十二月三十一日，本公司的實繳盈餘及股份溢價分別約693,308,000港元及約510,233,000港元可供分派予股東。然而，在以下情況下，本公司不得宣派或派付股息，或從分派儲備中作出分派：

- (a) 本公司現時或派付股息後無法償還到期負債；或
- (b) 本公司之可變現價值將因此而少於其負債、已發行股本及股份溢價賬之總和。

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30. DEEMED PARTIAL DISPOSAL OF INTEREST IN SUBSIDIARIES

On 21 May 2019, the Group entered into a subscription agreement (the “**Subscription Agreement**”) with Mr. Wong Jing Shong (the “**Subscriber**”), a director of certain subsidiaries of the Group, pursuant to which the Subscriber subscribed (the “**Subscription**”) for 49 new shares of Concord-Linked Limited (“**Concord-Linked**”, and together with its subsidiaries, the “**Concord-Linked Group**”), a subsidiary of the Company, at a subscription price of HK\$22,000,000 in aggregate. Upon the completion of the Subscription on 27 May 2019, the Group’s equity interest in Concord-Linked was diluted from 100% to 51%; and therefore, it was considered as a deemed partial disposal of Concord-Linked by the Group. Since the deemed partial disposal of Concord-Linked did not result in any loss of control, such transaction was accounted for as an equity transaction and the difference of approximately HK\$9,917,000 between (i) the proceeds from the Subscription and (ii) the 49% carrying value of the Concord-Linked Group, is recognised in other reserve of the Group.

On 27 May 2019, being the completion date of the deemed partial disposal of the Concord-Linked Group, the consolidated net assets value of the Concord-Linked Group and related gain on the deemed partial disposal of the Concord-Linked Group were calculated as follows:

30. 視作出售附屬公司部分權益

於二零一九年五月二十一日，本集團與本集團若干附屬公司之董事黃靖淳先生（「認購人」）訂立一份認購協議（「認購協議」），據此，認購人認購（「認購事項」）本公司一間附屬公司Concord-Linked Limited（「Concord-Linked」），連同其附屬公司統稱「Concord-Linked集團」49股新股份，認購價合共為22,000,000港元。於二零一九年五月二十七日完成認購事項後，本集團於Concord-Linked的股權由100%攤薄至51%；因此，此舉被認為視作由本集團部分出售Concord-Linked。由於視作部分出售Concord-Linked並無導致喪失控制權，相關交易入賬作為權益交易及(i)認購事項的所得款項與(ii)Concord-Linked集團賬面值的49%之間的差額約9,917,000港元於本集團其他儲備中確認。

於二零一九年五月二十七日（即視作部分出售Concord-Linked集團的完成日期），Concord-Linked集團的綜合資產淨值及視作部分出售Concord-Linked集團的相關收益的計算如下：

| | | HK\$'000 千港元 |
|---|-------------------------------|-----------------|
| Consolidated net assets value of the Concord-Linked Group before the Subscription | 於認購事項前Concord-Linked集團的綜合資產淨值 | 2,659 |
| Add: Capital injection through the Subscription | 加：透過認購事項注資 | 22,000 |
| Consolidated net assets value of the Concord-Linked Group after the Subscription | 於認購事項後Concord-Linked集團的綜合資產淨值 | 24,659 |
| Portion attributable to the non-controlling interest of the Concord-Linked Group | 應佔Concord-Linked集團非控股權益的部分 | 12,083 |
| Less: Proceeds from for the Subscription | 減：認購事項所得款項 | (22,000) |
| Gain on deemed partial disposal of the Concord-Linked Group | 視作部分出售Concord-Linked集團的收益 | (9,917) |

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31. PARTLY-OWNED SUBSIDIARIES WITH
MATERIAL NON-CONTROLLING INTERESTS

As detailed in note 30 to the consolidated financial statements, the Group has material non-controlling interests in the Concord-Linked Group upon the completion of deemed partial disposal of interest in subsidiaries, details of which are as follows:

Percentage of equity interest held
by non-controlling interests:

| | | |
|--------------------------|-------------------|-----|
| The Concord-Linked Group | Concord-Linked 集團 | 49% |
|--------------------------|-------------------|-----|

2019
二零一九年
HK\$'000
千港元

Period from 27 May 2019 (date of
deemed partial disposal) to 31 December 2019
allocated to non-controlling interests

由二零一九年五月二十七日
(視作部分出售之日期)
至二零一九年十二月三十一日之
期間分配至非控股權益

| | | |
|--------------------------|-------------------|----------|
| The Concord-Linked Group | Concord-Linked 集團 | (14,665) |
|--------------------------|-------------------|----------|

The following tables illustrate summarised financial
information of the Concord-Linked Group. The amounts
disclosed are before any inter-company eliminations:

下表概述 Concord-Linked 集團財務資料。
於任何公司內部間對銷前之金額披露如下：

2019
二零一九年
HK\$'000
千港元

Period from 27 May 2019 (date of
deemed partial disposal) to 31 December 2019

由二零一九年五月二十七日
(視作部分出售之日期)至
二零一九年十二月三十一日之期間

| | | |
|----------------|-----|-----------|
| Revenue | 收益 | 336,234 |
| Total expenses | 總開支 | (366,162) |

Loss for the period
Total comprehensive income for the period

期內虧損
期內全面收益總額

| | | |
|--|--|----------|
| | | (29,928) |
| | | (3,383) |

(33,311)

At 31 December 2019

於二零一九年十二月三十一日

| | | |
|-------------------------|-------|-----------|
| Current assets | 流動資產 | 270,482 |
| Non-current assets | 非流動資產 | 19,906 |
| Current liabilities | 流動負債 | (252,743) |
| Non-current liabilities | 非流動負債 | (46,297) |

| | | |
|-----------------------|-------|---------|
| Total net liabilities | 淨負債總值 | (8,652) |
|-----------------------|-------|---------|

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details the changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities 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.

32. 綜合現金流量表附註

(a) 融資活動所產生的負債對賬

下表詳細載列本集團由融資活動所產生負債的變動，包括現金及非現金變動。融資活動所產生負債為其現金流量已經或未來現金流量將於本集團綜合現金流量表內分類為融資活動所產生現金流量的負債。

| | | Interest-bearing bank and other borrowings 計息銀行及 其他借貸 HK\$'000 千港元 |
|------------------------------------|-------------------|--|
| At 1 January 2018 | 於二零一八年一月一日 | 196,934 |
| Changes from financing cash flows: | 融資現金流量之變動： | |
| New borrowings obtained | 獲得新借貸 | 17,553 |
| Repayment of borrowings | 償還借貸 | (37,767) |
| Interest paid | 已付利息 | (16,432) |
| | | (36,646) |
| Other changes: | 其他變動： | |
| Interest expenses | 利息支出 | 16,432 |
| Exchange realignment | 外匯調整 | (11,908) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 164,812 |

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32. NOTES TO THE CONSOLIDATED STATEMENT
OF CASH FLOWS (CONT'D)

(a) Reconciliation of liabilities arising from financing
activities (Cont'd)

| | | Lease liabilities 租賃負債 HK\$'000 千港元 | Interest-bearing bank and other borrowings 計息銀行及其他借貸 HK\$'000 千港元 |
|--|-----------------------------|--|--|
| At 1 January 2019 | 於二零一九年一月一日 | - | 164,812 |
| Initial recognition upon the adoption of HKFRS 16 (note 2.2) | 於採納香港財務報告準則第16號後初步確認(附註2.2) | 14,136 | - |
| At 1 January 2019 (restated) | 於二零一九年一月一日(經重列) | 14,136 | 164,812 |
| Changes from financing cash flows: | 融資現金流量之變動: | | |
| New borrowings obtained | 獲得新借貸 | - | 105,156 |
| Repayment of borrowings | 償還借貸 | - | (45,846) |
| Interest paid | 已付利息 | - | (2,263) |
| Foreign exchange movement | 匯兌變動 | (457) | (2,242) |
| Capital element of lease rentals paid | 已付租金之資本部分 | (12,058) | - |
| Interest element of lease rentals paid | 已付租金之利息部分 | (1,219) | - |
| | | (13,277) | 54,755 |
| Other changes: | 其他變動: | | |
| Interest expenses | 利息支出 | 1,219 | 2,263 |
| New lease | 新租賃 | 40,011 | - |
| | | 41,230 | (2,263) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 41,362 | 221,830 |

(b) Total cash outflow for leases included in the consolidated statement of cash flows is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 |
|-----------------------------|--------|----------------------------------|
| Within operating activities | 於經營活動內 | 952 |
| Within financing activities | 於融資活動內 | 13,277 |
| | | 14,229 |

33. PLEDGED OF ASSETS

Details of the Group's assets pledged for the Group's interest-bearing bank and other borrowings are included in notes 12, 17, 22 and 23, respectively, to the consolidated financial statements.

32. 綜合現金流量表附註(續)

(a) 融資活動所產生的負債對賬(續)

(b) 計入綜合現金流量表的租賃的現金流出總額如下:

33. 抵押資產

有關就本集團計息銀行及其他借款抵押本集團資產的詳情分別載入綜合財務報表附註12、17、22及23。

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34.COMMITMENTS

- (a) At 31 December 2019, the Group had no significant capital commitments (2018: Nil).
- (b) Operating lease commitment as at 31 December 2018

The Group as lessee

At 31 December 2018, the Group had outstanding commitments under non-cancellable operating leases for which the aggregate minimum lease payments would fall due as follows:

| | | HK\$'000 千港元 |
|---------------------------------------|----------------|-----------------|
| Within one year | 一年內 | 8,706 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 6,520 |
| | | 15,226 |

Operating lease payments represent rentals payable by the Group for its office premises. Leases were negotiated for an average term of three years with fixed monthly rentals.

經營租賃付款指本集團就其辦公室物業應付之租金。經磋商之租約平均為期三年，並為固定月租。

35.CONNECTED AND RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the years:

34.承擔

- (a) 於二零一九年十二月三十一日，本集團並無重大資本承擔(二零一八年：無)。
- (b) 於二零一八年十二月三十一日之經營租賃承擔

本集團作為承租人

於二零一八年十二月三十一日，本集團於不可撤銷經營租賃項下之未履行承擔之最低租賃付款總額將於以下時間到期：

35.關連及關聯人士交易

- (a) 除於該等綜合財務報表所述之交易外，本集團於年內與關聯人士有以下之交易：

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-----------------------|-------------|----------------------------------|----------------------------------|
| Consultancy fees paid to controlling shareholder | 向控股股東支付諮詢費 | (i) | 1,440 | — |
| Subscription in the share capital of Concord-Linked | 認購 Concord-Linked 之股本 | (ii) | 22,000 | — |
| Interest paid to a related company | 向一間關連公司支付利息 | (iii) | 1,839 | — |

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35. CONNECTED AND RELATED PARTY TRANSACTIONS (CONT'D)

Note:

- (i) The consultancy fees were paid for the consultancy services provided by Ms. Cheng Hei Yu, a controlling shareholder of the Company. The consultancy fees were charged pursuant to the terms in the consultancy agreement entered into between the Company and Ms. Cheng Hei Yu on 28 December 2018. The related party transaction also constituted continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.
- (ii) As detailed in note 30 to the consolidated financial statements, the Subscriber is a director of certain subsidiaries of the Group. The related party transaction constituted a connected transaction as defined in Chapter 20 of the GEM Listing Rules.
- (iii) As detailed in note 25(d) to the consolidated financial statements, the loan interest was paid to Bailihong, the substantial shareholder of which is a close family member of Mr. Wong Jing Shong, a director of certain subsidiaries of the Company. Apart from the loan interest paid to Bailihong, a prepayment of loan interest of approximately RMB2,274,000 (equivalent to approximately HK\$2,563,000) was included in the prepayments (note 21). The related party transaction constituted a connected transaction as defined in Chapter 20 of the GEM Listing Rules.
- (b) The remuneration paid to key management personnel of the Group including the Company's Directors is disclosed in note 11 to the consolidated financial statements.

35. 關連及關聯人士交易 (續)

附註：

- (i) 本公司已向本公司控股股東鄭熹榆女士所提供的諮詢服務而支付諮詢費。諮詢費根據本公司與鄭熹榆女士於二零一八年十二月二十八日簽署之諮詢協議條款進行收取。關聯人士交易亦構成持續關連交易(定義見GEM上市規則第20章)。
- (ii) 如綜合財務報表附註30所詳述,認購人為本集團若干附屬公司的董事。關聯人士交易構成關連交易(定義見GEM上市規則第20章)。
- (iii) 如綜合財務報表附註25(d)所詳述,貸款利息已支付予百利宏,其主要股東為本公司若干附屬公司的董事黃靖淳先生的近親家庭成員。除已支付予百利宏的貸款利息外,預付款項亦包括預付貸款利息約人民幣2,274,000元(相當於約2,563,000港元)(附註21)。關聯人士交易構成關連交易(定義見GEM上市規則第20章)。
- (b) 已付本集團主要管理人員(包括本公司董事)之酬金於綜合財務報表附註11披露。

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36. LITIGATIONS

As at 31 December 2019, the Group was involved in four legal proceedings or potential legal proceedings as follows:

Convoy Case

- (a) On 19 December 2017, Ever Robust Holdings Limited (“**Ever Robust**”), an indirect wholly-owned subsidiary of the Company, received a writ of summons with a statement of claim (the “**Writ**”) issued in the Court of First Instance of the High Court of Hong Kong (the “**Court**”) by Convoy Global Holdings Limited (“**Convoy**”), Convoy Collateral Limited (the “**Second Plaintiff**”) and CSL Securities Limited (the “**Third Plaintiff**”, together with Convoy and the Second Plaintiff, collectively as the “**Plaintiffs**”) against, among other defendants, Ever Robust (together with the other defendants, collectively as the “**Defendants**”).

Based on the Writ, the orders sought by the Plaintiffs against Ever Robust were as follows: (i) Convoy sought an order as against, among others, Ever Robust, that the allotment of the shares in Convoy by Convoy to, among others, Ever Robust on 29 October 2015, be set aside; (ii) the Second Plaintiff and the Third Plaintiff sought an order that the financing facilities granted by them, including the loan (the “**Convoy Loan**”) in the amount of HK\$129,000,000 granted to Ever Robust by the Second Plaintiff on 9 November 2015, and the margin loan (the “**Margin Loan**”) granted to Ever Robust by the Third Plaintiff which amounted to HK\$67,574,473 as at 29 March 2016, be rescinded; and (iii) the Plaintiffs sought against, among others, Ever Robust for (a) general or special damages; (b) interests; (c) costs; and (d) further and/or other reliefs (the “**Convoy Proceedings**”). As at 19 December 2017, Ever Robust had fully repaid the Convoy Loan and the Margin Loan and did not hold any shares in Convoy.

36. 訴訟

於二零一九年十二月三十一日，本集團涉及以下四項法律訴訟或潛在法律訴訟：

康宏案件

- (a) 於二零一七年十二月十九日，本公司之間接全資附屬公司連捷控股有限公司（「**連捷**」）接獲康宏環球控股有限公司（「**康宏**」）、康宏財務有限公司（「**第二原告人**」）及康證有限公司（「**第三原告人**」），連同康宏及第二原告人統稱「**原告人**」於香港高等法院（「**法院**」）原訟法庭向包括連捷在內的其他被告人（連同其他被告人統稱「**被告人**」）發出的傳訊令狀連同申索書（「**令狀**」）。

根據令狀，原告人對連捷尋求的命令如下：(i) 康宏向連捷尋求命令（其中包括）康宏於二零一五年十月二十九日向（其中包括）連捷配發的康宏股份予以撤銷；(ii) 第二原告人及第三原告人尋求有關廢止彼等授出的財務融資的命令，包括由第二原告人於二零一五年十一月九日向連捷授出的金額為129,000,000港元的貸款（「**康宏貸款**」），及由第三原告人於二零一六年三月二十九日向連捷授出的金額為67,574,473港元的孖展貸款（「**孖展貸款**」）；及(iii) 原告人向連捷尋求（其中包括）(a) 一般或特定損害賠償；(b) 利息；(c) 成本；及(d) 進一步及／或其他寬免（「**康宏訴訟**」）。於二零一七年十二月十九日，連捷已悉數償還康宏貸款及孖展貸款及並無持有任何康宏股份。

36. LITIGATIONS (CONT'D)

Convoy Case (Cont'd)

(a) (Cont'd)

On 6 March 2018, a Case Management Conference Hearing was held before the Honourable Mr. Justice Harris on the Convoy Proceedings. On 9 July 2018, Ever Robust has received an amended writ of summons and an amended statement of claim (the "**Amended Statement of Claim**"). Pursuant to the Amended Statement of Claim, the reliefs sought by the Plaintiffs against Ever Robust were amended as follows: (i) a declaration and order as against among others, Ever Robust, that the allotment of the shares in Convoy by Convoy to, among others, Ever Robust, on 29 October 2015, was null and void, or has been rescinded and set aside (as sought by Convoy); (ii) an account of profits and an order for payment of any sums found to be due, equitable compensation to be assessed, and/or damages to be assessed for breach of fiduciary, common law and/or statutory duties, dishonest assistance, unlawful means conspiracy and/or lawful means conspiracy, as against, among others, Ever Robust (as sought by Convoy); (iii) an order against, among others, Ever Robust, for an account of profits and an order for payment of any sums found to be due, equitable compensation to be assessed, and/or damages to be assessed for breach of fiduciary, common law and/or statutory duties, dishonest assistance, unlawful means conspiracy and/or lawful means conspiracy (as sought by the Second Plaintiff and the Third Plaintiff); and (iv) against, among others, Ever Robust, for (a) general or special damages; (b) interests; (c) costs; and (d) further and/or other reliefs (as sought by all the Plaintiffs).

36. 訴訟 (續)

康宏案件 (續)

(a) (續)

於二零一八年三月六日，法院夏利士法官就康宏訴訟進行了案件管理會議聆訊。於二零一八年七月九日，連捷已接獲經修訂傳訊令狀及經修訂申索書（「經修訂申索書」）。根據經修訂申索書，原告人尋求對連捷的寬免修訂如下：(i) 一項針對（其中包括）連捷的關於康宏於二零一五年十月二十九日向（其中包括）連捷配發康宏股份的聲明及命令為無效或已撤回及撤銷（如康宏所尋求）；(ii) 交出所得利潤令及一項就違反受信責任、普通法及／或法定責任、不誠實協助、非法及／或合法手段串謀而針對（其中包括）連捷作出的有關支付任何應付款項、將予評定之衡平補償及／或將予評定之損害賠償的命令（如康宏所尋求）；(iii) 對（其中包括）連捷頒令交出所得利潤及頒令其因違反受信責任、普通法及／或法定責任、不誠實協助、非法及／或合法手段串謀而須支付任何應付款項、將予評定之衡平補償及／或將予評定之損害賠償（如第二原告人及第三原告人所尋求）；及(iv) 針對（其中包括）連捷的(a) 一般或特定損害賠償；(b) 利息；(c) 成本；及(d) 進一步及／或其他寬免（如所有原告人所尋求）。

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36. LITIGATIONS (CONT'D)

Convoy Case (Cont'd)

(a) (Cont'd)

On 27 July 2018, Ever Robust received a sealed order (the "**Order**") dated 28 June 2018 against, among other Defendants, Ever Robust, in which 11 parties are ordered to join the proceedings as additional defendants. Pursuant to the Order, it was further ordered, among other matters, as to between the Plaintiffs and Ever Robust (among certain other Defendants), that the Plaintiffs did have leave to file and serve the Amended Statement of Claim.

On 30 November 2018, Ever Robust received a copy sealed order dated 1 November 2018 against, among other defendants, Ever Robust, in which a party was ordered to join the proceedings as an additional defendant.

On 10 December 2018, Ever Robust filed its Defence ("**Defence**") to the Plaintiff's claim in the Convoy Proceedings with the Court. Pursuant to the Defence, Ever Robust averred that the Plaintiffs were not entitled to any relief against Ever Robust in the Convoy Proceedings.

On 30 August 2019, Ever Robust filed its Amended Defence pursuant to the Order of Hon Harris J dated 12 July 2019.

Further details of the Convoy Proceedings were set out in the Company's announcements dated 19 December 2017, 1 June 2018, 7 June 2018 and 25 July 2018.

After seeking the legal opinion, the Group considered that there was no assessed monetary claim by the Plaintiffs and it is premature to give opinion on the probable outcome and estimate the ultimate liability.

36. 訴訟 (續)

康宏案件 (續)

(a) (續)

於二零一八年七月二十七日，連捷接獲一份針對包括連捷等被告人發出日期為二零一八年六月二十八日之蓋印命令(「**命令**」)，當中頒令11名涉事方作為新增被告人加入有關法律程序。除有關原告人及連捷(包括若干其他被告人)間的其他事項外，該命令亦進一步頒令稱原告人已獲許可存檔及送達經修訂申索書。

於二零一八年十一月三十日，連捷接獲一份針對包括連捷等被告人發出日期為二零一八年十一月一日之蓋印命令副本，當中頒令一名涉事方作為新增被告人加入有關法律程序。

於二零一八年十二月十日，連捷就康宏訴訟向法院遞交回應原告人索償之抗辯書(「**抗辯書**」)。根據抗辯書，連捷聲明原告人無權於康宏訴訟中向連捷索取任何寬免。

於二零一九年八月三十日，連捷根據日期為二零一九年七月十二日的Hon Harris J令狀遞交經修訂抗辯書。

有關康宏訴訟的進一步詳情載於本公司日期為二零一七年十二月十九日、二零一八年六月一日、二零一八年六月七日及二零一八年七月二十五日之公佈。

於尋求法律意見後，本集團認為原告人並無已評估金錢索償，目前仍無法就潛在結果作出意見及預測最終責任。

36. LITIGATIONS (CONT'D)

Zhu Xiao Yan Case

(b) On 2 January 2018, Ever Robust received a petition (the “**Petition**”) issued in the Court by Zhu Xiao Yan (the “**Petitioner**”) against, among other respondents, Ever Robust. Based on the Petition, the Petitioner has held and continues to hold 3,234,000 shares in Convoy since around mid-2015, and the Petitioner sought the following orders against, among others, Ever Robust: (i) a declaration that the placement of 3,989,987,999 shares in Convoy by Convoy to, among other placees, Ever Robust, and/or such placed shares were void ab initio and of no legal effect or, alternatively, be set aside; (ii) damages for dilution of the Petitioner’s shareholding; (iii) interest; (iv) such further or other relief and all necessary and consequential directions as the Court may think fit; and (v) costs (the “**Zhu Proceedings**”). As at 2 January 2018, Ever Robust did not hold any shares in Convoy.

On 6 March 2018, a Case Management Conference was held on the Zhu Proceedings, in which the Honourable Mr. Justice Harris made an order that the Zhu Proceedings be stayed with liberty to restore, pending the outcome of the Convoy Proceedings.

Further details of the Zhu Proceedings were set out in the Company’s announcement dated 2 January 2018.

The Group has sought preliminary opinion on the above legal proceedings from its solicitors (or legal adviser) in Hong Kong, who, based on the information available as of the date of these consolidated financial statements, was of the opinion that:

- there is no assessed monetary claim except the Plaintiffs’ claim and the Petitioner’s claims against Ever Robust for damages to be assessed;
- it is premature to give opinion on the probable outcome; and
- it is premature to estimate the ultimate liability.

36. 訴訟 (續)

朱曉燕案件

(b) 於二零一八年一月二日，連捷接獲朱曉燕（「呈請人」）於法院向包括連捷在內的尋求其他被告人發出的呈請書（「呈請書」）。根據呈請書，呈請人約自二零一五年中起持有並將繼續持有康宏3,234,000股股份，呈請人對（其中包括）連捷尋求的命令如下：(i) 宣佈康宏向包括連捷在內的其他承配人配售的3,989,987,999股康宏股份，及／或該等配售股份自始無效且並無法律效力或予以撤銷；(ii) 就攤薄呈請人股權尋求損害賠償；(iii) 利息；(iv) 法院可能認為合適的進一步或其他寬免及所有必要及相應指示；及(v) 成本（「朱氏訴訟」）。於二零一八年一月二日，連捷並無持有康宏任何股份。

於二零一八年三月六日，就朱氏訴訟舉行了案件管理會議，於會上，夏利士法官頒令暫停朱氏訴訟，但有權回復，以待康宏訴訟判決結果。

有關朱氏訴訟的進一步詳情載於本公司日期為二零一八年一月二日之公佈。

本集團已就上述法律程序向其香港律師（或法律顧問）尋求初步意見，基於截至該等綜合財務報表可得之資料，其認為：

- 不存在已評估金錢索償，惟不包括原告人及呈請人就其待評估損害賠償而向連捷提出的索償；
- 目前仍無法就潛在結果作出意見；及
- 目前仍無法預測最終責任。

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36. LITIGATIONS (CONT'D)

Essence Case

(c) During the years ended 31 December 2018 and 2019, a subsidiary of the Company (the “**Borrower**”) had breached the covenant of a loan (the “**Essence Loan**”) in the original principal amount of RMB79,868,600, which is secured by certain of the listed securities (notes 17 and 22) extended by Essence Securities Co., Limited (the “**Lender**”) (the “**Essence Case**”). Subsequent to the end of the reporting period on 17 January 2020, the Borrower received the summons (the “**Summons**”) issued by the Lender, as plaintiff, in Shenzhen Intermediate People’s Court (the “**SZ Court**”) against the Borrower as defendant. Pursuant to the Summons, the Lender demanded the SZ Court to order the Borrower to: (i) repay to the Lender the outstanding principal amount of the Essence Loan in the sum of approximately RMB70,893,000 (equivalent to approximately HK\$79,216,000); (ii) pay to the Lender interest at the rate of 6% per annum accrued on the outstanding principal amount of the Essence Loan in the sum of approximately RMB70,893,000 (equivalent to approximately HK\$79,216,000) from 20 June 2019 to the date of repayment; (iii) pay to the Lender liquidated damages at the daily rate of 0.03%, including liquidated damages on the outstanding interest in the sum of approximately RMB1,042,000 (equivalent to approximately HK\$1,164,000) from 16 September 2019 to the date of repayment and liquidated damages on the principal from 19 June 2018 to the date of repayment; (iv) pay to the Lender its legal costs in making the claims in the sum of RMB76,000 (equivalent to approximately HK\$85,000); (v) use the proceeds from the realisation of 45,779,220 shares in LEO (ie. the Jixiang’s Shares) (note 17) pledged by the Borrower through discounting, sale or auction firstly to repay to the Lender the outstanding amount of the Essence Loan, the interest, the liquidated damages and the legal costs; and (vi) bear all the litigation costs such as case acceptance fees and security fee of this case. As per the Summons, the aggregate amount of the claims under (i) to (iv) up to 18 November 2019 amounted to approximately RMB85,186,000 (equivalent to approximately HK\$95,187,000). As at 31 December 2019, the aggregate amount of the claims under (i) to (iv) was estimated to be approximately RMB86,660,000 (equivalent to approximately HK\$96,833,000).

36. 訴訟 (續)

安信案件

(c) 於截至二零一八年及二零一九年十二月三十一日止年度，本公司一間附屬公司(「**借款人**»)已違反安信證券股份有限公司(「**貸款人**»)提供的原本金額為人民幣79,868,600元由若干上市證券(附註17及22)作抵押的貸款(「**安信貸款**»)的契諾(「**安信案件**»)。於報告期末後，於二零二零年一月十七日，借款人已接獲深圳市中級人民法院(「**深圳法院**»)發出的由貸款人(作為原告)針對借款人(作為被告)的傳票(「**傳票**»)。根據傳票，貸款人要求深圳法院向借款人頒令：(i)向貸款人償還安信未償還安信貸款本金總額約人民幣70,893,000元(相當於約79,216,000港元)；(ii)自二零一九年六月二十日起至償還日期，向貸款人支付未償還安信貸款本金總額約人民幣70,893,000元(相當於約79,216,000港元)按年利率6%計算的利息；(iii)向貸款人支付按日利率0.03%計算的違約賠償金，包括自二零一九年九月十六日起至償還日期的總額約人民幣1,042,000元(相當於約1,164,000港元)未償還利息的違約賠償金及自二零一八年六月十九日起至償還日期的本金違約賠償金；(iv)向貸款人支付其於作出申索產生的法律費用人民幣76,000元(相當於約85,000港元)；(v)使用由借款人抵押的45,779,220股利歐股份(即迹象股份)(附註17)經折現、變賣或拍賣變現的所得款項，優先向貸款人償還未償還安信貸款金額、利息、違約賠償金及法律費用；及(vi)承擔本案的受理費及保證金等所有訴訟費用。根據該傳票，(i)至(iv)項下的申索總金額直至二零一九年十一月十八日為約人民幣85,186,000元(相當於約95,187,000港元)。於二零一九年十二月三十一日，(i)至(iv)項下的申索總金額為約人民幣86,660,000元(相當於約96,833,000港元)。

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36. LITIGATIONS (CONT'D)

Essence Case (Cont'd)

(c) (Cont'd)

As a result, a provision for litigation of approximately RMB13,473,000 (equivalent to approximately HK\$15,054,000) (2018: RMB6,326,000 (equivalent to approximately HK\$7,176,000)), together with interest accrual of RMB2,294,000 (equivalent to approximately HK\$2,563,000) (2018: Nil) was made by the Borrower as at 31 December 2019.

Further details of the Summons were set out in the Company's announcement dated 18 January 2020.

LEO Case

(d) On 7 December 2015, Jixiang, a subsidiary of the Company, Mr. Xu Jialiang, Mr. Xu Xiaofeng (collectively, the "Vendors"), 上海智趣廣告有限公司 (in English, for identification purpose, Shanghai Zhiqu Advertisement Co., Ltd.) ("Zhiqu") and LEO Group Co., Ltd. ("LEO") entered into a sale and purchase agreement (as amended and supplemented by a supplemental agreement dated 11 January 2016) (the "Zhiqu SP Agreement"), pursuant to which LEO agreed to acquire, and the Vendors agreed to sell, the entire equity interest of Zhiqu (the "Zhiqu Disposal"). The Vendors and LEO also entered into the performance compensation agreement (the "Performance Compensation Agreement") in relation to the adjustments to the total consideration for the Zhiqu Disposal. The total consideration shall be subject to adjustments (the "Adjustments", each an "Adjustment") in accordance with the Performance Compensation Agreement in the manner as stipulated below:

36. 訴訟 (續)

安信案件 (續)

(c) (續)

因此，借款人於二零一九年十二月三十一日作出訴訟撥備約人民幣13,473,000元（相當於約15,054,000港元）（二零一八年：人民幣6,326,000元）（相當於約7,176,000港元），連同應計利息人民幣2,294,000元（相當於約2,563,000港元）（二零一八年：無）。

有關傳票的進一步詳情載於本公司日期為二零二零年一月十八日之公佈。

利歐案件

(d) 於二零一五年十二月七日，迹象（本公司一間附屬公司）、徐佳亮先生、徐曉峰先生（統稱為「賣方」）、上海智趣廣告有限公司（「智趣」）與利歐集團有限公司（「利歐」）訂立一份買賣協議（經二零一六年一月十一日之補充協議修訂及補充）（「智趣買賣協議」），據此，利歐同意收購及賣方同意出售智趣之全部股權（「智趣出售事項」）。賣方與利歐亦就智趣出售事項總代價之調整訂立表現補償協議（「表現補償協議」）。總代價須根據表現補償協議按下文訂明之方式予以調整（「調整」，各為一項「調整」）：

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36. LITIGATIONS (CONT'D)

LEO Case (Cont'd)

(d) (Cont'd)

For the purpose of the Adjustments, the “**Audited NOP**” is Zhiqu’s audited net operating profit after tax, after adjustments for, where applicable, any non-recurring and exceptional gains or losses, whichever is lower, that are not related to the ordinary business of Zhiqu, attributable to shareholders of the parent company of Zhiqu as deduced from the audited consolidated financial statements of Zhiqu for the relevant financial year ended 31 December 2016 (“**FY2016**”), financial year ended 31 December 2017 (“**FY2017**”) and financial year ended 31 December 2018 (“**FY2018**”) (each a “**Guaranteed FY**”). The Vendors severally (but among Mr. Xu Jialiang and Mr. Xu Xiaofeng, jointly and severally) undertook to LEO that:

- (i) the Audited NOP of Zhiqu for FY2016 shall be not less than RMB58,000,000 (the “**2016 Target NOP**”);
- (ii) the Audited NOP of Zhiqu for FY2017 shall be not less than RMB75,400,000 (the “**2017 Target NOP**”); and
- (iii) the Audited NOP of Zhiqu for FY2018 shall be not less than RMB98,020,000 (the “**2018 Target NOP**”).

The Vendors and LEO agreed that the amount of Adjustment (the “**Adjustment Amount**”) for each Guaranteed FY shall be settled by the Vendors in the following order:

- (i) firstly, by the consideration shares allotted and issued to Mr. Xu Jialiang and Mr. Xu Xiaofeng, in proportion to the consideration shares allotted and issued to them (“**Xu’s Shares**”);
- (ii) if the Xu’s Shares shall be insufficient to settle the relevant Adjustment Amount, secondly, in cash by Mr. Xu Jialiang and Mr. Xu Xiaofeng in proportion to the cash consideration received by them (“**Xu’s Cash**”);

36. 訴訟 (續)

利歐案件 (續)

(d) (續)

就調整而言，「**經審核經營溢利淨額**」指已就（倘適用）與智趣之日常業務並不相關之任何非經常性及特別收益或虧損（以較低者為準）（屬已自智趣截至二零一六年十二月三十一日止財政年度（「**二零一六財年**」）、截至二零一七年十二月三十一日止財政年度（「**二零一七財年**」）以及截至二零一八年十二月三十一日止財政年度（「**二零一八財年**」）相關財政年度（「**擔保財年**」）之經審核綜合財務報表扣除之智趣母公司股東應佔項目）作出調整之智趣經審核除稅後經營溢利淨額。賣方個別（但徐佳亮先生及徐曉峰先生共同及個別）向利歐承諾：

- (i) 智趣二零一六財年之經審核經營溢利淨額不少於人民幣58,000,000元（「**二零一六年目標經營溢利淨額**」）；
- (ii) 智趣二零一七財年之經審核經營溢利淨額不少於人民幣75,400,000元（「**二零一七年目標經營溢利淨額**」）；及
- (iii) 智趣二零一八財年之經審核經營溢利淨額不少於人民幣98,020,000元（「**二零一八年目標經營溢利淨額**」）。

賣方與利歐協定，各擔保財年的調整金額（「**調整金額**」）將由賣方以下列次序償付：

- (i) 首先，以配發及發行予徐佳亮先生及徐曉峰先生之代價股份根據彼等獲配發及發行之代價股份比例償付（「**徐之股份**」）；
- (ii) 倘徐之股份不足以償付相關調整金額，則第二，由徐佳亮先生及徐曉峰先生根據彼等收取之現金代價比例以現金償付（「**徐之現金**」）；

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36. LITIGATIONS (CONT'D)

LEO Case (Cont'd)

(d) (Cont'd)

- (iii) if Mr. Xu Jialiang and Mr. Xu Xiaofeng have not fully compensated LEO, thirdly, by the consideration shares allotted and issued to Jixiang (“**Jixiang’s Shares**”);
- (iv) if the Xu’s Shares, the Xu’s Cash and the Jixiang’s Shares shall be insufficient to settle the relevant Adjustment Amount, fourthly, in cash by Jixiang, which is subject to a cap of approximately RMB25,510,000 (“**Jixiang’s Cash**”); and
- (v) if the Xu’s Shares, the Xu’s Cash, the Jixiang’s Shares and the Jixiang’s Cash shall be insufficient to settle the relevant Adjustment Amount, finally, in cash by Mr. Xu Jialiang and Mr. Xu Xiaofeng to settle the balance.

Upon the end of each Guaranteed FY and the issue of the special audit report of Zhiqu for FY2018, LEO shall engage qualified auditors to conduct asset impairment test and issue a report in respect of any asset impairment. Where the asset impairment of Zhiqu as reflected in such report shall be more than the total Adjustment Amount compensated by the Vendors to LEO, the Vendors shall compensate LEO a sum equal to the difference between such asset impairment and the Adjustment Amount then compensated by the Vendors to LEO, which shall be settled first by the consideration shares (the value of which shall be calculated by multiplying such number of consideration shares with the issue price), with payment of cash to settle the balance (if any). All liabilities of Jixiang under the Performance Compensation Agreement shall at all times be capped at the total consideration received by it.

Based on a special audit report of Zhiqu for FY2016 published by LEO on 30 August 2017, the Audited NOP of Zhiqu for FY2016 amounted to approximately RMB32,240,000, which was less than the 2016 Target NOP. Accordingly, the Adjustment Amount for FY2016 shall be approximately RMB83,931,000 and shall be settled by 18,166,915 Xu’s Shares (the “**FY2016 Compensation**”). Jixiang was not required to pay any compensation to LEO in respect of the Audited NOP of Zhiqu for FY2016.

36. 訴訟 (續)

利歐案件 (續)

(d) (續)

- (iii) 倘徐佳亮先生及徐曉峰先生未悉數補償利歐，則第三，以迹象獲配發及發行之代價股份償付（「**迹象股份**」）；
- (iv) 倘徐之股份、徐之現金及迹象股份不足以償付相關調整金額，則第四，由迹象以限額約為人民幣25,510,000元之現金償付（「**迹象之現金**」）；及
- (v) 倘徐之股份、徐之現金、迹象股份及迹象之現金不足以償付相關調整金額，則最後將由徐佳亮先生及徐曉峰先生以現金償付餘額。

於各擔保財年年結日及出具二零一八財年智趣特別審核報告時，利歐將委聘合資格核數師進行資產減值測試並就任何資產減值出具報告。倘該等報告所反映之智趣資產減值超過賣方向利歐補償之總調整金額，賣方將補償利歐相當於有關資產減值與賣方當時向利歐補償之調整金額之間的差額之金額，該金額將首先以代價股份償付（其價值根據代價股份數目乘以發行價計算得出），而餘額（如有）則以現金支付。迹象於表現補償協議項下之所有負債在任何時間均以其收取之總代價為限。

根據利歐於二零一七年八月三十日刊發的二零一六財年智趣特別審核報告，智趣二零一六財年的經審核經營溢利淨額約為人民幣32,240,000元，低於二零一六年目標經營溢利淨額。因此，二零一六財年的調整金額約為人民幣83,931,000元並由18,166,915股徐之股份結算（「**二零一六財年補償**」）。迹象毋須就二零一六財年智趣的經審核經營溢利淨額向利歐支付任何補償。

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36. LITIGATIONS (CONT'D)

LEO Case (Cont'd)

(d) (Cont'd)

As disclosed in LEO's announcement dated 31 August 2017, Mr. Xu Jialiang and Mr. Xu Xiaofeng shall pay additional compensation which comprises (i) an aggregate of 21,993,909 LEO's shares to LEO; and (ii) cash in the aggregate amount of RMB80,000,000 to Zhiqu, on or before 31 December 2017 (the "**Additional Compensation**"). According to LEO's announcement dated 19 December 2017, such shares were returned to LEO for distribution to its shareholders in December 2017.

Based on a special audit report of Zhiqu for FY2017 published by LEO on 14 December 2018, the Audited NOP of Zhiqu for FY2017 amounted to approximately RMB36,689,000, which was less than the 2017 Target NOP. Accordingly, the Adjustment Amount for FY2017 shall be approximately RMB126,125,000 and shall be settled by 3,821,856 Xu's Shares and Xu's Cash in the amount of approximately RMB108,468,000 (the "**FY2017 Compensation**") taking into consideration the Additional Compensation. However, as disclosed in the Company's announcement dated 15 March 2019, according to LEO's announcement dated 15 March 2019, given that the 3,821,856 Xu's Shares were not sufficient to settle the FY2017 Compensation and Mr. Xu Jialiang and Mr. Xu Xiaofeng were unable to provide the Xu's Cash in the amount of approximately RMB108,468,000, in accordance with the settlement mechanism above, the FY2017 Compensation shall be settled by 23,477,822 Jixiang's Shares and Jixiang shall also return the cash dividend in the amount of approximately RMB506,000 received from LEO to an account designated by LEO.

36. 訴訟 (續)

利歐案件 (續)

(d) (續)

誠如利歐日期為二零一七年八月三十一日的公佈所披露，徐佳亮先生及徐曉峰先生於二零一七年十二月三十一日或之前(i)以共計21,993,909股利歐股份向利歐作出額外補償；及(ii)向智趣支付共計人民幣80,000,000元(「額外補償」)。根據利歐日期為二零一七年十二月十九日的公佈，有關股份於二零一七年十二月歸還予利歐以供分派予其股東。

根據利歐於二零一八年十二月十四日刊發的二零一七財年智趣特別審核報告，智趣二零一七財年的經審核經營溢利淨額約為人民幣36,689,000元，低於二零一七年目標經營溢利淨額，因此，經計及額外補償，二零一七財年的調整金額約為人民幣126,125,000元並由3,821,856股徐之股份及金額約為人民幣108,468,000元徐之現金結算(「二零一七財年補償」)。然而，誠如本公司於二零一九年三月十五日所發出之公佈所披露，根據利歐於二零一九年三月十五日所發出之公佈，3,821,856股徐之股份不足以償付二零一七財年補償及徐佳亮先生及徐曉峰先生未能提供金額約人民幣108,468,000元之徐之現金，根據上述之償付機制，二零一七財年補償需要以23,477,822股迹象股份作償付及迹象亦需退還自利歐收取之現金股息約人民幣506,000元至利歐指定之賬戶。

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36. LITIGATIONS (CONT'D)

LEO Case (Cont'd)

(d) (Cont'd)

As disclosed in the announcement of the Company dated 29 April 2019, on 29 April 2019, Jixiang received a letter from the Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) (“**SHIAC**”) that LEO had commenced arbitration proceedings against Jixiang to pursue the settlement of the portion of the FY2017 Compensation that Mr. Xu Jialiang and Mr. Xu Xiaofeng were unable to satisfy (the “**Unsettled FY2017 Compensation**”). As at 31 December 2018, the Company has been preliminarily advised by its legal advisers as to the laws of the PRC that Jixiang should have a good chance to argue in such arbitration proceeding that the demand from LEO for settlement of the Unsettled FY2017 Compensation should not be upheld. The hearing of the arbitration proceeding was held on 24 September 2019 before a panel of three arbitrators.

According to the announcement of LEO dated 8 November 2019, based on the special audit report in respect of the Audited NOP of Zhiqu for FY2018, the Audited NOP of Zhiqu for FY2018 amounted to RMB7,701,500, which was less than the 2018 Target NOP.

36. 訴訟 (續)

利歐案件 (續)

(d) (續)

誠如本公司日期為二零一九年四月二十九日的公佈所披露，於二零一九年四月二十九日，迹象收到上海國際經濟貿易仲裁委員會（上海國際仲裁中心）（「上海國仲」）之函件，當中稱利歐已就尋求償付徐佳亮先生及徐曉峰先生未能償付的部分二零一七財年補償（「未償付二零一七財年補償」）提起針對迹象的仲裁程序。於二零一八年十二月三十一日，根據本公司中國法律顧問初步意見，迹象很有機會在相關仲裁程序中主張利歐要求清償未償付二零一七財年補償的要求不應獲得支持。於二零一九年九月二十四日，由三個仲裁員組成的小組進行仲裁程序聆訊。

根據利歐日期為二零一九年十一月八日之公佈，根據有關二零一八財年智趣經審核經營溢利淨額之特別審核報告，二零一八財年智趣之經審核經營溢利淨額為人民幣7,701,500元，少於智趣之二零一八年目標經營溢利淨額。

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36. LITIGATIONS (CONT'D)

LEO Case (Cont'd)

(d) (Cont'd)

According to the announcement of LEO dated 3 December 2019, in view of the Audited NOP of Zhiqu for FY2018 being RMB7,701,500, the Adjustment Amount for FY2018 shall be RMB402,738,466.59 accordingly. The Adjustment Amount for FY2018 shall be settled by the Xu's Shares, and where such shares are insufficient, by the Xu's Cash received by Mr. Xu Jialiang and Mr. Xu Xiaofeng. Given that Mr. Xu Jialiang and Mr. Xu Xiaofeng no longer hold any consideration shares, they will be required to compensate LEO in cash. LEO will issue a demand notice for compensation to Mr. Xu Jialiang and Mr. Xu Xiaofeng after the compensation proposal in respect of the Adjustment Amount for FY2018 has been approved by the shareholders of LEO. If Mr. Xu Jialiang and Mr. Xu Xiaofeng do not settle the Adjustment Amount for FY2018 in full within 30 days after the issue of the demand notice, Jixiang will be required to settle the Adjustment Amount for FY2018 by 45,779,220 Jixiang's Shares that it holds and, if such shares are insufficient, by Jixiang's Cash. In addition, Jixiang will also be required to return the cash bonus in relation to the Jixiang's Shares that it has received from LEO, the amount of which as determined in accordance with the amount of compensation that Jixiang is required to pay. If there is still a shortfall in the settlement of the Adjustment Amount for FY2018, Mr. Xu Jialiang and Mr. Xu Xiaofeng, who are jointly liable for such settlement, will be required to compensate LEO in cash. LEO will seek approval from its shareholders in respect of the above compensation proposal.

As disclosed in the announcement of the Company dated 6 December 2019, on 6 December 2019, Jixiang received a letter from SHIAC indicating that it has approved LEO's application ("**Application**") to make the following amendments ("**Amendments**") to certain demands made by LEO against Jixiang in relation to the settlement of the Unsettled FY2017 Compensation:

- (i) the transfer of 45,779,220 Jixiang's Shares (instead of 23,477,822 Jixiang's Shares) held by the Jixiang to LEO;

36. 訴訟 (續)

利歐案件 (續)

(d) (續)

根據利歐日期為二零一九年十二月三日之公佈，鑒於智趣經審核經營溢利淨額於二零一八財年為人民幣7,701,500元，據此，二零一八財年調整金額應為人民幣402,738,466.59元。二零一八財年調整金額應由徐之股份結算，而倘相關股份不足，則透過徐佳亮先生及徐曉峰先生已接獲徐之現金結算。鑒於徐佳亮先生及徐曉峰先生不再持有任何代價股份，彼等將須以現金賠償利歐。於利歐就賠償二零一八財年調整金額批准其股東審議後，利歐將向徐佳亮先生及徐曉峰先生發出要求補償通知。倘徐佳亮先生及徐曉峰先生並未於發出要求通知後30日內全數償付二零一八財年調整金額，迹象須以其持有之45,779,220股迹象股份及（倘相關股份不足）則以迹象現金償付二零一八財年調整金額。此外，迹象亦將須退還就迹象股份而已收利歐的現金紅利，有關金額根據迹象須支付的賠償金額釐定。倘仍未能足額償付二零一八財年調整金額，徐佳亮先生及徐曉峰先生（彼等就上述償付承擔連帶責任）將須以現金補償利歐。利歐將就上述賠償建議提交其股東審議。

誠如本公司日期為二零一九年十二月六日之公佈所披露，於二零一九年十二月六日，迹象已接獲上海國仲之函件，當中表明已批准利歐就清償未償付二零一七財年補償針對迹象提出的若干要求而作出以下修訂（「**修訂**」）的利歐申請（「**申請**」）：

- (i) 向利歐轉讓迹象所持有之45,779,220股迹象股份（而非23,477,822股迹象股份）；

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36. LITIGATIONS (CONT'D)

LEO Case (Cont'd)

(d) (Cont'd)

- (ii) if Jixiang is unable to transfer the entire 45,779,220 Jixiang's Shares (instead of 23,477,822 Jixiang's Shares) to LEO, the shortfall shall be compensated to LEO by way of cash; and
- (iii) the return of the cash bonus in the amount of approximately RMB989,000 (instead of approximately RMB506,000) in relation to the 45,779,220 Jixiang's Shares (instead of 23,477,822 Jixiang's Shares) by Jixiang to LEO.

In the Application, further to the above amendments, LEO also demanded Jixiang to pay LEO (i) cash compensation in the amount of approximately RMB25,510,000; and (ii) an amount which is calculated from the date of the Application, based on the amount of unsettled compensation due from Jixiang to LEO times the one-year loan prime rate published on 21 October 2019 as authorised by the People's Bank of China (i.e. 4.20% per annum), as compensation for the loss suffered by LEO.

It was stated in the Application that the Amendments were proposed taking into consideration that (i) the Audited NOP of Zhiqu for FY2018 as reported in the special audit report in respect of the Audited NOP of Zhiqu for FY2018 amounting to approximately RMB7,702,000, was less than the 2018 Target NOP (i.e. RMB98,020,000); and (ii) any party in breach of the Performance Compensation Agreement shall be liable for damages caused to the parties not in default. It was stated in the letter that Jixiang shall provide rebuttal opinion on evidence in respect of the supplemental information attached to the Application ("**Rebuttal**") within five working days after the receipt of the letter.

36. 訴訟 (續)

利歐案件 (續)

(d) (續)

- (ii) 倘迹象無法向利歐轉讓全部45,779,220股迹象股份(而非23,477,822股迹象股份),則相關差額須以現金方式補償予利歐;及
- (iii) 迹象向利歐退還有關45,779,220股迹象股份(而非23,477,822股迹象股份)的現金紅利約人民幣989,000元(而非約人民幣506,000元)。

在申請中,除以上修訂外,利歐亦要求迹象支付利歐(i)現金補償金額約人民幣25,510,000元;及(ii)自申請日期起計,以迹象應付利歐的未償付補償金額乘以中國人民銀行授權於二零一九年十月二十一日公佈的一年期貸款市場報價利率(即每年4.20厘)計算的款項,以作為利歐遭受的虧損補償。

申請載述建議修訂乃考慮(i)根據智趣二零一八財年之經審核經營溢利淨額特別審核報告所載,智趣二零一八財年之經審核經營溢利淨額約為人民幣7,702,000元,低於二零一八年目標經營溢利淨額(即人民幣98,020,000元);及(ii)任何違反表現補償協議的訂約方須承擔對未違反訂約方造成的損失。函件載述迹象應於接獲函件後五個工作日內對申請所附的補充資料發表質證意見(「質證」)。

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36. LITIGATIONS (CONT'D)

LEO Case (Cont'd)

(d) (Cont'd)

On 10 December 2019, Jixiang has instructed its PRC legal adviser to provide the Rebuttal and an objection to the Application (“**Objection**”) to SHIAC. In the Objection, Jixiang requested SHIAC to reject the Application, taking into account that (i) the Application was made too late, which would severely affect the normal process of the arbitration; and (ii) the inclusion of the compensation for the Adjustment Amount for FY2018 into the amended demands under the Application would complicate the case and cause delay to the arbitration proceedings, and more importantly, LEO’s claims against Jixiang in relation to the Adjustment Amount for FY2018 are subject to (a) LEO’s claims against Mr. Xu Jialiang and Mr. Xu Xiaofeng after the shareholders of LEO have given their approval of the related compensation proposal; and (b) the failure of Mr. Xu Jialiang and Mr. Xu Xiaofeng to settle the 2018 Adjustment Amount in full within 30 days after the issue of the demand notice by LEO.

According to the announcement of LEO dated 27 December 2019, LEO issued a letter to Mr. Xu Jialiang and Mr. Xu Xiaofeng on 19 December 2019 demanding the settlement of the Adjustment Amount for FY2018. In response to the demand letter issued by LEO on 19 December 2019 as mentioned above, Mr. Xu Jialiang and Mr. Xu Xiaofeng informed LEO in writing on 20 December 2019 that they were unable to pay the Adjustment Amount for FY2018 due to their financial difficulties. If Mr. Xu Jialiang and Mr. Xu Xiaofeng do not settle the Adjustment Amount for FY2018 in full within 30 days after the issue of the demand letter, Jixiang will be required to settle the Adjustment Amount for FY2018 by way of the 45,779,220 Jixiang’s Shares that it holds and, if such shares are insufficient, by way of cash, which is subject to a cap of approximately RMB25,510,000 (being the amount of cash consideration received by Jixiang in relation to the Zhiqiu Disposal). In addition, Jixiang will also be required to return the cash dividend in relation to the Jixiang’s Shares that it has received from LEO, the amount of which as determined in accordance with the amount of compensation Jixiang is required to pay. If there is still a shortfall in the settlement of the Adjustment Amount for FY2018, Mr. Xu Jialiang and Mr. Xu Xiaofeng, who are jointly liable for such settlement, will be required to compensate LEO in cash. LEO will seek approval from its shareholders in respect of the proposal to repurchase and cancel the 45,779,220 Jixiang’s Shares held by Jixiang as partial settlement of the Adjustment Amount for FY2018.

36. 訴訟 (續)

利歐案件 (續)

(d) (續)

於二零一九年十二月十日，迹象已指示其中國法律顧問向上海國仲提供質證及有關申請的異議（「異議」）。於異議中，迹象要求上海國仲駁回申請，理由如下：(i) 作出申請時間過遲，將嚴重影響仲裁的正常程序；及(ii) 將二零一八財年調整金額之補償納入申請項下的經修訂要求將使得案情複雜並導致仲裁程序推遲，及更為重要的是，利歐就二零一八財年調整金額針對迹象提出的索償受限於下列情況：(a) 利歐於其股東批准相關補償方案後向徐佳亮先生及徐曉峰先生提出索償；及(b) 徐佳亮先生及徐曉峰先生於利歐發出要求通知後三十日內未能全數償付二零一八年調整金額。

根據利歐日期為二零一九年十二月二十七日之公佈，利歐於二零一九年十二月十九日向徐佳亮先生及徐曉峰先生發出函件要求償付二零一八財年調整金額。因應上述利歐於二零一九年十二月十九日發出之要求函件，徐佳亮先生及徐曉峰先生於二零一九年十二月二十日書面通知利歐，彼等因財務困難而未能支付二零一八財年調整金額。倘徐佳亮先生及徐曉峰先生並未於發出要求函件後30日內全數償付二零一八財年調整金額，迹象將須以其持有之45,779,220股迹象股份及（倘有關股份不足）以現金（上限為約人民幣25,510,000元，即迹象就智趣出售事項收取之現金代價金額）償付二零一八財年調整金額。此外，迹象亦將須退還就迹象股份而已收利歐之現金股息，有關金額乃根據迹象須支付之賠償金額釐定。倘仍未能足額償付二零一八財年調整金額，徐佳亮先生及徐曉峰先生（彼等就上述償付承擔連帶責任）將須以現金補償利歐。利歐將就建議回購及註銷迹象所持45,779,220股迹象股份以償付部分二零一八財年調整金額提交其股東審議。

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36. LITIGATIONS (CONT'D)

LEO Case (Cont'd)

(d) (Cont'd)

Jixiang has received a letter from SHIAC indicating that, among others: (a) SHIAC had received the Objection; and (b) SHIAC would handle the Amendments in addition to LEO's existing demands in relation to the settlement of the FY2017 Compensation.

As at the date of this Annual Report, no arbitral award has been issued.

Details of the Zhiqu Disposal and the calculation of the Adjustment Amount for each Guaranteed FY were set out in (i) the announcements of the Company dated 8 December 2015, 11 January 2016, 29 February 2016, 20 May 2016, 5 July 2016, 5 September 2016, 7 September 2016, 31 August 2017, 14 December 2018, 15 March 2019, 9 April 2019, 29 April 2019, 8 November 2019, 3 December 2019, 6 December 2019, 10 December 2019 and 27 December 2019; and (ii) the circular of the Company dated 11 February 2016.

As the Group was not able to reliably assess the amount of potential liabilities in connection with the above legal proceedings in cases (a) and (b) above, the Group has not made any provision against such legal proceedings stated in cases (a) and (b) above. For cases (c) and (d) above, the Group has made provisions after seeking preliminary opinion from its PRC legal adviser and, the Company will, in accordance with the applicable laws, make every effort to protect the interests of the Company and the Shareholders, proactively respond to the cases and defend its position vigorously. The Company will closely monitor the development of these matters and make further announcements if and when there are any significant developments in relation to each of these legal proceedings.

36. 訴訟 (續)

利歐案件 (續)

(d) (續)

迹象已接獲一份來自上海國仲的函件，當中表明（其中包括）：(a) 上海國仲已接納異議；及(b) 上海國仲將處理有關利歐現有有關結算二零一七財年補償的要求的修訂。

於本年報日期，並無發出仲裁判決。

智趣出售事項及計算各擔保財年調整金額之詳情載於(i) 本公司日期分別為二零一五年十二月八日、二零一六年一月十一日、二零一六年二月二十九日、二零一六年五月二十日、二零一六年七月五日、二零一六年九月五日、二零一六年九月七日、二零一七年八月三十一日、二零一八年十二月十四日、二零一九年三月十五日、二零一九年四月九日、二零一九年四月二十九日、二零一九年十一月八日、二零一九年十二月三日、二零一九年十二月六日、二零一九年十二月十日及二零一九年十二月二十七日之公佈；及(ii) 本公司日期為二零一六年二月十一日之通函。

由於本集團未能可靠地評估與上述案件(a) 及(b) 法律程序有關的潛在負債金額，因此本集團並無就上述案件(a) 及(b) 所載相關法律程序作出任何撥備。就上述案件(c) 及(d) 而言，本集團於尋求其中國法律顧問的初步意見後已作出撥備且本公司將根據適用法律全力維護本公司及其股東之利益，積極應訴及全力抗辯。本公司將密切留意該等事項的發展，如有任何與各法律程序有關的重大進展，將會另行刊發公佈。

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37. CONTINGENT LIABILITIES

Except for the litigations as disclosed in note 36 to the consolidated financial statements, the Group did not have any other significant contingent liabilities as at 31 December 2019 (2018: Nil).

38. DISPOSAL OF SUBSIDIARIES

On 28 February 2018, the Group entered into certain preliminary sale and purchase agreements with independent third parties in respect of the sale of certain subsidiaries holding investment properties in Hong Kong (the “Disposal Group”) at an aggregate consideration of HK\$107,000,000. Having considered the prevailing market conditions, the Directors considered that the disposals provided a good opportunity for the Group to realise its investments in the properties and enhance the liquidity of the Group. Completion of the disposals took place on 14 June 2018. Details of the disposals were set out in (i) the Company’s announcements dated 28 February 2018, 27 March 2018, 21 May 2018 and 14 June 2018; and (ii) the circular of the Company dated 29 March 2018.

The disposal was completed on 14 June 2018.

The net assets of the Disposal Group at the date of the disposal were as follows:–

37. 或然負債

除綜合財務報表附註36所披露的訴訟外，本集團於二零一九年十二月三十一日並無任何其他重大或然負債（二零一八年：無）。

38. 出售附屬公司

於二零一八年二月二十八日，本集團與獨立第三方就以總代價107,000,000港元出售於香港持有投資物業的若干附屬公司（「出售集團」）訂立若干臨時買賣協議。經考慮現行市況後，董事認為，出售事項為本集團變現其於該等物業之投資及加強本集團之流動資金提供良機。完成出售事項已於二零一八年六月十四日落實。有關出售事項的詳情載於(i)本公司日期為二零一八年二月二十八日、二零一八年三月二十七日、二零一八年五月二十一日及二零一八年六月十四日之公佈；及(ii)本公司日期為二零一八年三月二十九日之通函。

出售已於二零一八年六月十四日完成。

出售集團於出售日期的資產淨值如下：—

| | | |
|--|------------------------|-------------------------|
| | | HK\$'000 千港元 |
| Investment property | 投資物業 | 87,430 |
| | | 87,430 |
| Gain on disposal of subsidiaries | 出售附屬公司收益 | HK\$'000 千港元 |
| Cash consideration received | 已收現金代價 | 107,000 |
| Less: Net assets disposed of | 減：已出售資產淨值 | 87,430 |
| Transaction costs | 交易成本 | 1,775 |
| Gain on disposal of subsidiaries | 出售附屬公司收益 | 17,795 |
| Net cash inflow arising on disposal of subsidiaries | 出售附屬公司產生之現金流入淨額 | HK\$'000 千港元 |
| Cash consideration received | 已收現金代價 | 107,000 |
| | | 107,000 |

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39. EVENTS AFTER THE REPORTING PERIOD

Since the outbreak of the Coronavirus Disease 2019 (“COVID-19”) in January 2020, the prevention and control of the COVID-19 has been implemented across the PRC and Australia. The COVID-19 has certain impacts on the business operation for various industries and overall global economy. It is expected that the COVID-19 has negative impact of the financial performance of the Group in the first quarter of 2020. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group.

As detailed in note 25(d) to the consolidated financial statements, the Group has entered into a supplemental agreement with Bailihong subsequent to the end of the reporting period in April 2020, pursuant to which, Bailihong agreed not to demand for repayment of the Bailihong Loans within the next 12 months from the date of the supplemental agreement.

As detailed in note 2.1 to the consolidated financial statements, the substantial shareholder of the Company has entered into a loan facility agreement with the Company in April 2020, pursuant to which, the substantial shareholder has agreed to provide the Loan Facility of up to HK\$70,000,000 to the Group for the purpose of its general working capital. As at the date of these consolidated financial statements, HK\$40,000,000 of the Loan Facility has been drawn down by the Group.

40. COMPARATIVE AMOUNTS

Certain comparative figures and items and balances have been adjusted and reclassified to conform with the current year’s presentation.

As further explained in note 2.2 to the consolidated financial statements, the Group adopted HKFRS 16 on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative amounts in these consolidated financial statements were not restated and continued to be reported under the requirements of the previous standard, HKAS 17, and related interpretations.

39. 報告期後事項

自二零一九年新型冠狀病毒疾病(「**新型冠狀病毒**」)於二零二零年一月爆發以來，中國及澳洲各地均已實施新型冠狀病毒防控措施。新型冠狀病毒對各個行業的業務營運及全球整體經濟造成若干影響。於二零二零年第一季度，預計新型冠狀病毒將對本集團的財務表現產生負面影響。本集團將持續關注新型冠狀病毒的最新情況，評估其對本集團財務狀況及經營業績產生的影響並作出積極應對。

如綜合財務報表附註25(d)所詳述，於報告期末後二零二零年四月，本集團與百利宏訂立補充協議，據此，百利宏同意不會於補充協議日期起12個月內要求償還百利宏貸款。

誠如綜合財務報表附註2.1所詳述，本公司主要股東於二零二零年四月與本公司訂立貸款融資協議，據此，主要股東已同意向本集團提供最高金額為70,000,000港元的貸款融資以作一般營運資金用途。於該等綜合財務報表日期，本集團已提取貸款融資40,000,000港元。

40. 可比較金額

若干可比較數字以及項目及結餘已予調整並重新分類以符合本年度呈列。

如該等綜合財務報表附註2.2進一步所詳述，本集團使用經修訂追溯發於二零一九年一月一日採納香港財務報告準則第16號。根據此方法，於該等綜合財務報表之可比較金額不予重列並繼續根據先前準則香港會計準則第17號及相關詮釋的規定進行呈報。

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41. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

41. 金融工具之分類

金融工具於報告期末之各分類之賬面值如下：

| | | Financial assets 金融資產 | | | Total 總計 HK\$'000 千港元 |
|--|-----------------------------|---|--|---|--------------------------------|
| | | Amortised cost 攤銷成本 HK\$'000 千港元 | FVTPL 按公平值透過 損益列賬 HK\$'000 千港元 | FVTOCI 按公平值透過 其他全面 收益列賬 HK\$'000 千港元 | |
| 2019 | 二零一九年 | | | | |
| Financial assets at FVTOCI | 按公平值透過其他全面 收益列賬之金融資產 | - | - | 169,309 | 169,309 |
| Accounts receivable, loan and interest receivables | 應收賬款、應收貸款及利息 | 70,765 | - | - | 70,765 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項 及其他資產的金融資產 | 7,761 | - | - | 7,761 |
| Financial assets at FVTPL | 按公平值透過損益列賬之 金融資產 | - | 41,289 | - | 41,289 |
| Pledged bank deposit | 已抵押銀行存款 | 13,000 | - | - | 13,000 |
| Cash and bank balances | 現金及銀行結餘 | 180,516 | - | - | 180,516 |
| | | 272,042 | 41,289 | 169,309 | 482,640 |

| | | Financial liabilities 金融負債 | |
|--|-------------------|---|--------------------------------|
| | | Amortised cost 攤銷成本 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| 2019 | 二零一九年 | | |
| Trade and other payables, accruals and provision | 貿易及其他應付款項、應計費用及撥備 | 261,150 | 261,150 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 221,830 | 221,830 |
| | | 482,980 | 482,980 |

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41. FINANCIAL INSTRUMENTS BY CATEGORY
(CONT'D)

41. 金融工具之分類 (續)

| | | Financial assets 金融資產 | | | Total 總計 HK\$'000 千港元 |
|--|-----------------------------|---|--|---|--------------------------------|
| | | Amortised cost 攤銷成本 HK\$'000 千港元 | FVTPL 按公平值透過 損益列賬 HK\$'000 千港元 | FVTOCI 按公平值透過 其他全面 收益列賬 HK\$'000 千港元 | |
| 2018 | 二零一八年 | | | | |
| Financial assets at FVTOCI | 按公平值透過其他全面 收益列賬之金融資產 | - | - | 97,712 | 97,712 |
| Accounts receivable, loan and interest receivables | 應收賬款、應收貸款及利息 | 54,952 | - | - | 54,952 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款項、其他應收款項 及其他資產的金融資產 | 7,199 | - | - | 7,199 |
| Financial assets at FVTPL | 按公平值透過損益列賬之 金融資產 | - | 41,932 | - | 41,932 |
| Pledged bank deposit | 已抵押銀行存款 | 13,000 | - | - | 13,000 |
| Cash and bank balances | 現金及銀行結餘 | 176,993 | - | - | 176,993 |
| | | 252,144 | 41,932 | 97,712 | 391,788 |

| | | Financial liabilities 金融負債 | |
|--|-------------------|---|--------------------------------|
| | | Amortised cost 攤銷成本 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| 2018 | 二零一八年 | | |
| Trade and other payables, accruals and provision | 貿易及其他應付款項、應計費用及撥備 | 193,951 | 193,951 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 164,812 | 164,812 |
| | | 358,763 | 358,763 |

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42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

42. 金融工具之公平值及公平值 層級

本集團金融工具之賬面值及公平值(該等賬面值與公平值合理相若者除外)如下:

| | | Carrying amount 賬面值 | | Fair values 公平值 | |
|----------------------------|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Financial assets at FVTOCI | 按公平值透過其他全面收益 列賬之金融資產 | 169,309 | 97,712 | 169,309 | 97,712 |
| Financial assets at FVTPL | 按公平值透過損益列賬之 金融資產 | 41,289 | 41,932 | 41,289 | 41,932 |
| | | 210,598 | 139,644 | 210,598 | 139,644 |

| | | Fair value measurement as at 31 December 2019 categorised into 分類為以下層級的於二零一九年 十二月三十一日之公平值計量 | | | |
|----------------------------|-------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | | Fair value at 31 December 2019 於 二零一九年 十二月 三十一日 之公平值 HK\$'000 千港元 | Level 1 第一級 HK\$'000 千港元 | Level 2 第二級 HK\$'000 千港元 | Level 3 第三級 HK\$'000 千港元 |
| Financial assets at FVTOCI | 按公平值透過其他全面 收益列賬之金融資產 | 169,309 | 163,994 | 5,315 [#] | – |
| Financial assets at FVTPL | 按公平值透過損益列賬 之金融資產 | 41,289 | 2,755 | – | 38,534 |

[#] As detailed in note 17 to the consolidated financial statements, the fair value of financial assets at FVTOCI as at 31 December 2019, which were unlisted investments, was determined with reference to the consideration of disposal subsequent to the end of the reporting period and/or the net assets value of these unlisted financial assets as at the reporting date.

[#] 誠如綜合財務報表附註17所述，於二零一九年十二月三十一日，按公平值透過其他全面收益列賬之金融資產(為非上市投資)之公平值乃經參考報告期末後的出售代價及/或該等非上市金融資產於報告日期之資產淨值後釐定。

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42. FAIR VALUE AND FAIR VALUE HIERARCHY
OF FINANCIAL INSTRUMENTS (CONT'D)

42. 金融工具之公平值及公平值
層級 (續)

| | | Fair value measurement as at 31 December 2018 categorised into 分類為以下層級的於二零一八年 十二月三十一日之公平值計量 | | | |
|----------------------------|-------------------------|---|------------------------|------------------------|------------------------|
| | | Fair value at 31 December 2018 於 二零一八年 十二月 三十一日 之公平值 HK\$'000 千港元 | Level 1 | Level 2 | Level 3 |
| | | | 第一級 HK\$'000 千港元 | 第二級 HK\$'000 千港元 | 第三級 HK\$'000 千港元 |
| Financial assets at FVTOCI | 按公平值透過其他全面 收益列賬之金融資產 | 97,712 | 89,720 | – | 7,992 |
| Financial assets at FVTPL | 按公平值透過損益列賬 之金融資產 | 41,932 | 2,644 | – | 39,288 |

Information about Level 3 fair value measurements is as follows:

有關第三級公平值計量之資料如下：

| | Valuation technique 估值技術 | Significant unobservable input 重大不可觀察輸入數據 | Percentage 百分比 |
|---|--|---|------------------------|
| Financial assets at FVTOCI 按公平值透過其他全面收益 列賬之金融資產 | Market comparable companies 市場可資比較公司 | Discount for lack of marketability 因缺乏可銷售性之折讓 | N/A 不適用 (2018: 47%) |
| Financial assets at FVTPL 按公平值透過損益列賬之金融資產 | Index return method 指數回報法 | Discount for lack of marketability 因缺乏可銷售性之折讓 | 32% (2018: 35%) |

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42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

As at 31 December 2018, the fair value of unlisted financial assets at FVTOCI was determined using the price to book ratio (P/B ratio) of comparable listed companies adjusted by lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2018, it was estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 5% would have decreased/increased the Group's other comprehensive loss by approximately HK\$400,000.

The fair value of financial assets at FVTPL was determined using the index return method where the last trading price of the suspended share is adjusted by the return of a synthetic index that comprises comparable public companies in the period since the suspension date and further adjusted by discount of liquidity. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2019, it was estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 5% would have decreased/increased the Group's loss for the year by approximately HK\$1,927,000 (2018: HK\$1,964,000).

The movements during the year in the consolidated statement of financial position of these Level 3 fair value measurements are as follows:

42. 金融工具之公平值及公平值層級 (續)

於二零一八年十二月三十一日，按公平值透過其他全面收益列賬之非上市金融資產之公平值乃採用可資比較上市公司之市賬率（已就缺乏可銷售性之折讓而調整）釐定。公平值計量與缺乏可銷售性之折讓負相關。於二零一八年十二月三十一日，估計倘所有其他可變因素維持不變，因缺乏可銷售性之折讓減少／增加5%，將使本集團之其他全面虧損減少／增加約400,000港元。

按公平值透過損益列賬之金融資產之公平值使用指數回報法釐定，而於暫停買賣日期起期間暫停買賣股份之最後成交價經綜合指數（包括可資比較公眾公司）的回報調整及流動性折讓進一步調整。公平值計量與因缺乏可銷售性之折讓負相關。於二零一九年十二月三十一日，估計倘所有其他可變因素維持不變，因缺乏可銷售性之折讓減少／增加5%，將使本集團之年內虧損減少／增加約1,927,000港元（二零一八年：1,964,000港元）。

年內該等第三級公平值計量於綜合財務狀況表內之變動如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-----------------------------|----------------------------------|----------------------------------|
| Unlisted financial assets at FVTOCI: | | | |
| | 按公平值透過其他全面 收益列賬之非上市金融資產： | | |
| At 1 January | 於一月一日 | 7,992 | 8,840 |
| Changes in fair value recognised in other comprehensive income | 於其他全面收益確認的 公平值變動 | (2,678) | (848) |
| At 31 December | 於十二月三十一日 | 5,314 | 7,992 |
| Financial assets at FVTPL: | | | |
| | 按公平值透過損益列賬之 金融資產： | | |
| At 1 January | 於一月一日 | 39,288 | 43,198 |
| Changes in fair value recognised in profit or loss | 於損益確認的公平值變動 | (754) | (3,910) |
| At 31 December | 於十二月三十一日 | 38,534 | 39,288 |

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42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONT'D)

During the year ended 31 December 2019, the unlisted financial assets at FVTOCI have been transferred from Level 3 to Level 2.

During the year ended 31 December 2018, there was no transfer between financial instruments in Level 1 and Level 2, or transfer into or out of Level 3.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, comprise interest-bearing bank and other borrowings, cash and bank balances and pledged time deposit. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as contract assets, accounts receivable, loan and interest receivables and trade and other payables, accruals and provision, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and market price risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

42. 金融工具之公平值及公平值層級 (續)

於截至二零一九年十二月三十一日止年度，按公平值透過其他全面收益列賬之非上市金融資產已從第三級轉入第二級。

於截至二零一八年十二月三十一日止年度，第一級與第二級金融工具之間概無轉撥，亦無轉入或轉出第三級。

43. 金融風險管理目標及政策

本集團主要金融工具包括計息銀行及其他借貸、現金及銀行結餘以及已抵押定期存款。該等金融工具主要目的乃為本集團運營籌集融資。本集團有多類其他金融資產及負債（如合約資產、應收賬款、應收貸款及利息以及貿易及其他應付款項、應計費用及撥備）由其運營直接產生。

本集團金融工具產生的主要風險為外匯風險、信貸風險、流動資金風險、利率風險及市場價格風險。董事審閱並同意有關管理各該等風險的政策概述如下。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group currently does not have a foreign currency hedging policy. However, the management will monitor the foreign exchange exposure should the need arise.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities of the Group denominated in currencies other than the functional currencies of the relevant group entities are as follows:

| | | Assets 資產 | | Liabilities 負債 | |
|------------------------------|------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| United States Dollar ("USD") | 美元(「美元」) | 16,660 | – | – | (72) |
| Renminbi ("RMB") | 人民幣(「人民幣」) | 9 | – | – | – |
| Australian dollars ("AUD") | 澳元(「澳元」) | 5 | 4 | – | (39) |
| HKD | 港元 | 850 | 845 | – | – |
| Euro ("EUR") | 歐元(「歐元」) | 34 | – | – | – |
| | | 17,558 | 849 | – | (111) |

The Group is mainly exposed to the risk of fluctuation of USD, RMB, AUD, HKD and EUR when such currencies are not the functional currencies of the relevant group entities.

43. 金融風險管理目標及政策 (續)

(a) 外匯風險

外匯風險為金融工具公平值或未來現金流量將因匯率變動而波動之風險。

本集團目前並無外匯對沖政策。然而，管理層將於必要時監控外匯風險。

於報告期末，本集團以相關集團實體的功能貨幣以外的貨幣計值的貨幣資產及貨幣負債之賬面值如下：

本集團主要面臨美元、人民幣、澳元、港元及歐元(當該等貨幣並非相關集團實體的功能貨幣)之波動風險。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (CONT'D)

(a) Foreign currency risk (Cont'd)

During the year, the Group's foreign currency risk arising from USD is not material as the exchange rate of HKD is pegged against USD. In addition, the monetary assets and monetary liabilities denominated in RMB and AUD are immaterial to perform sensitivity analysis. The following table demonstrates the sensitivity as at the end of the reporting period to a reasonably possible change in HKD and EUR against the functional currency of individual subsidiaries of the Group (i.e. AUD and HKD), with all other variables held constant, of the Group's loss before tax due to changes in the fair value of monetary assets and liabilities and the Group's equity.

43. 金融風險管理目標及政策
(續)

(a) 外匯風險 (續)

於年內，由於港元兌美元的匯率掛鈎，故本集團自美元產生的外匯風險並不重大。此外，以人民幣及澳元計值的貨幣資產及貨幣負債並不重大，無需進行敏感度分析。下表說明於報告期末，在所有其他變量保持不變之情況下，本集團的除稅前虧損由於貨幣資產及負債以及本集團權益的公平值變動，對港元及歐元兌本集團個別附屬公司的功能貨幣（即澳元及港元）可能出現的合理變動之敏感度。

| | | Increase/ (decrease) in exchange rate 匯率增加/ (減少) % | Increase/ (decrease) in loss before tax 除稅前虧損 增加/(減少) HK\$'000 千港元 |
|--|--------------|---|--|
| 31 December 2019 | 二零一九年十二月三十一日 | | |
| If the HKD weakens against AUD | 倘港元兌澳元貶值 | (5) | 43 |
| If the HKD strengthens against the AUD | 倘港元兌澳元升值 | 5 | (43) |
| If the EUR weakens against HKD | 倘歐元兌港元貶值 | (5) | 2 |
| If the EUR strengthens against HKD | 倘歐元兌港元升值 | 5 | (2) |
| 31 December 2018 | 二零一八年十二月三十一日 | | |
| If the HKD weakens against AUD | 倘港元兌澳元貶值 | (5) | 42 |
| If the HKD strengthens against the AUD | 倘港元兌澳元升值 | 5 | (42) |
| If the AUD weakens against HKD | 倘澳元兌港元貶值 | (5) | (2) |
| If the AUD strengthens against HKD | 倘澳元兌港元升值 | 5 | 2 |

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to contract assets, accounts receivable, loan and interest receivable, other receivables, pledged time deposit, cash and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. As at 31 December 2019, the Group did not provide any guarantee which would expose the Group to credit risk.

Credit evaluations are performed on customers requiring credit terms. These evaluations focus on the customer's history of making payments and current abilities to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2019, approximately 85.4% (2018: 95.4%) of the total accounts receivable and contract assets were concentrated in one customer, and approximately 96.8% (2018: 98.2%) of the total accounts receivable and contract assets were concentrated in five customers of the Group.

Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

43. 金融風險管理目標及政策 (續)

(b) 信貸風險

信貸風險是指交易對手方就其合約義務違約而導致本集團面臨財務損失的風險。本集團的信貸風險主要源於合約資產、應收賬款、應收貸款及利息、其他應收款項、已抵押定期存款、現金及銀行結餘。管理層已設立信貸政策，而該等信貸風險按持續基準進行監控。於二零一九年十二月三十一日，本集團並無提供任何擔保令本集團承擔信貸風險。

本集團會對需要信貸期的客戶進行信貸評估。這些評估的重點放在客戶過往償還款項的記錄及現時償付能力，並且考慮特定客戶所處經營之經濟環境的資料。在一般情況下，本集團並無持有客戶提供的抵押品。

本集團面臨的信貸風險主要受各客戶的個別特徵影響，因此，信貸風險過份集中主要在本集團承擔個別客戶的重大風險時產生。於二零一九年十二月三十一日，應收賬款及合約資產總額約85.4%（二零一八年：95.4%）集中於本集團的一名客戶及應收賬款及合約資產總額約96.8%（二零一八年：98.2%）集中於五名客戶。

最大風險及年末階段

下表根據本集團信貸政策列示信貸質素及面臨的最大信貸風險，其主要依據過往逾期資料及於十二月三十一日年末階段分類，除非其他資料無須付出不必要的成本及努力即可獲得。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (CONT'D)

(b) Credit risk (Cont'd)

Maximum exposure and year-end staging (Cont'd)

The amounts presented are gross carrying amounts for financial assets stated in the following table:

31 December 2019

43. 金融風險管理目標及政策
(續)

(b) 信貸風險 (續)

最大風險及年末階段 (續)

金融資產賬面總值所示金額載列下表：

二零一九年十二月三十一日

| | | 12-month ECLs | Lifetime ECLs | | | |
|--|--|------------------------------------|------------------------------------|------------------------------------|---|--------------------------------|
| | | 12個月 預期信貸 虧損 | 全期預期信貸虧損 | | | |
| | | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 HK\$'000 千港元 | Simplified approach 簡化方法 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Contract assets | 合約資產 | - | - | - | 131,217* | 131,217 |
| Accounts receivable, loan and interest receivables | 應收賬款、應收貸款及利息 可收回賬項 | 11,301 | - | - | 60,011* | 71,312 |
| Financial assets included in prepayments, other receivables, and other assets - Normal* | 計入預付款項、其他應收 款項及其他資產之 金融資產 - 正常* | 7,761 | - | - | - | 7,761 |
| Pledged time deposit | 已抵押定期存款 | 13,000 | - | - | - | 13,000 |
| Cash and bank balances | 現金及銀行結餘 | 180,516 | - | - | - | 180,516 |
| | | 212,578 | - | - | 191,228 | 403,806 |

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk (Cont'd)

Maximum exposure and year-end staging (Cont'd)

31 December 2018

| | | 12-month ECLs | Lifetime ECLs | | | |
|---|---|------------------------------------|------------------------------------|------------------------------------|---|--------------------------------|
| | | 12個月 預期信貸 虧損 | 全期預期信貸虧損 | | | |
| | | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 HK\$'000 千港元 | Simplified approach 簡化方法 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Contract assets | 合約資產 | - | - | - | 133,121* | 133,121 |
| Accounts receivable, loan and interest receivables | 應收賬款、應收貸款及利息 | 29,381 | - | - | 27,636* | 57,017 |
| Financial assets included in prepayments, other receivables, and other assets - Normal** | 計入預付款項、其他應收 款項及其他資產之 金融資產 - 正常** | 7,199 | - | - | - | 7,199 |
| Pledged time deposit | 已抵押定期存款 | 13,000 | - | - | - | 13,000 |
| Cash and bank balances | 現金及銀行結餘 | 176,993 | - | - | - | 176,993 |
| | | 226,573 | - | - | 160,757 | 387,330 |

* For the contract assets, accounts receivable, loan and interest receivables, the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 19(a) and 20(b) to the consolidated financial statements.

** The credit quality of the financial assets included other receivables and other current assets are considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

43. 金融風險管理目標及政策 (續)

(b) 信貸風險 (續)

最大風險及年末階段 (續)

二零一八年十二月三十一日

* 就合約資產、應收賬款、應收貸款及利息而言，本集團就減值應用簡化方法，基於撥備矩陣的資料於綜合財務報表附註19(a)及(20)b披露。

** 金融資產的信貸質素包括其他應收款項及其他流動資產，當其並未逾期且概無資料顯示金融資產自初始確認以來顯著增加信貸風險時被認為屬「正常」。否則，金融資產的信貸質素被認為屬「可疑」。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk

Liquidity risk is the risk that the Group cannot meet its current obligations as they fall due.

The Group had net current liabilities of approximately HK\$73,164,000 as at 31 December 2019. In view of the liquidity situation faced by the Group, the Directors have adopted various measures with a view to improving the Group's overall financial and cash flow position and to maintaining the Group's existence on a going concern basis, details of which have been set out in note 2.1 to the consolidated financial statements. In light of all the measures adopted and arrangements implemented, the Directors are of the opinion that the Group will have sufficient cash resources to satisfy its future working capital and other financial requirements and it is reasonable to expect the Group to remain as a commercially viable concern.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date on which the Group can be required to pay.

43. 金融風險管理目標及政策 (續)

(c) 流動資金風險

流動資金風險為本集團無法履行現時到期責任的風險。

本集團於二零一九年十二月三十一日的流動負債淨值約為73,164,000港元。鑒於本集團面臨之流動資金狀況，董事已採取若干措施以改善本集團之整體財務及現金流狀況並使本集團按持續經營基準存續，詳情載於綜合財務報表附註2.1。基於所有已採取的措施及已實施的安排，董事認為本集團將具備充足的現金資源以滿足其日後的營運資金及其他財務需求且合理預期本集團能維持商業上可行之經營。

下表載列於報告期末本集團非衍生金融負債的剩餘合約期限，乃基於合約未貼現現金流量（包括根據合約利率計算或，倘為浮動利率，則根據報告期末的現時利率計算的利息付款）及本集團需要付款的最早日期計算。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (Cont'd)

| | | Within 1 year or on demand | 1-5 years | Over 5 years | Total undiscounted cash flows | Carrying amount at 31 December 2019 於二零一九年 十二月 三十一日 之賬面值 HK\$'000 千港元 |
|---|-----------------------|----------------------------------|-------------------------|-------------------------|-------------------------------------|--|
| | | 於一年內或 按要求 HK\$'000 千港元 | 一至五年 HK\$'000 千港元 | 五年以上 HK\$'000 千港元 | 未貼現現金 流量總額 HK\$'000 千港元 | |
| 2019 | 二零一九年 | | | | | |
| Trade and other payables, accruals and provision | 貿易及其他應付款項、 應計費用及撥備 | 242,996 | 22,585 | – | 265,581 | 261,150 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 219,669 | 2,161 | – | 221,830 | 221,830 |
| Lease liabilities | 租賃負債 | 14,122 | 31,233 | – | 45,355 | 41,632 |
| | | 476,787 | 55,979 | – | 532,766 | 524,612 |
| | | Within 1 year or on demand | 1-5 years | Over 5 years | Total undiscounted cash flows | Carrying amount at 31 December 2018 於二零一八年 十二月 三十一日 之賬面值 HK\$'000 千港元 |
| | | 於一年內或 按要求 HK\$'000 千港元 | 一至五年 HK\$'000 千港元 | 五年以上 HK\$'000 千港元 | 未貼現現金 流量總額 HK\$'000 千港元 | |
| 2018 | 二零一八年 | | | | | |
| Trade and other payables, accruals and provision | 貿易及其他應付款項、 應計費用及撥備 | 156,966 | 41,509 | – | 198,475 | 193,951 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借貸 | 164,812 | – | – | 164,812 | 164,812 |
| | | 321,778 | 41,509 | – | 363,287 | 358,763 |

43. 金融風險管理目標及政策 (續)

(c) 流動資金風險 (續)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's fair value and cash flow interest rate risks mainly relate to fixed and variable rates borrowings respectively. In order to exercise prudent management against interest rate risk, the Group continues to review the market trend, as well as its business operations needs and its financial position, so as to arrange the most effective interest rate risk management tools.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the business lending rates in Australia (2018: the benchmark lending interest rate promulgated by the People's Bank of China and the business lending rates in Australia). The Group manages its fair value interest rate risk, when it is considered significant, by entering into appropriate swap contracts.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate interest-bearing bank and other borrowings at the end of the reporting period. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period has been outstanding for the whole year. A 50 basis point increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2019 would have increased/decreased by approximately HK\$363,000 (2018: HK\$419,000).

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument traded in the market will fluctuate because of changes in market prices. The Group manages market prices risk, when it is considered significant, by entering into appropriate derivatives contracts.

The Group is exposed to equity price risk arising from equity investments classified as financial assets at FVTOCI and financial assets at FVTPL.

43. 金融風險管理目標及政策 (續)

(d) 利率風險

利率風險是指由於市場利率變動而引致金融工具之公平值或未來現金流量波動之風險。本集團之公平值及現金流量利率風險乃主要分別與固定及浮動借貸利率有關。為就利率風險進行審慎管理，本集團繼續審閱市場趨勢、其經營業務需求及其財務狀況，以安排最佳實際利率風險管理工具。

本集團之現金流量利率風險主要集中於澳洲商業貸款利率(二零一八年：由中國人民銀行頒佈的基準貸款利率及澳洲商業貸款利率)浮動。本集團於其認為風險重大時通過訂立適當之掉期合約管理其公平值利率風險。

以下敏感度分析乃根據於報告期末之浮息計息銀行及其他借貸利率風險釐定。有關分析乃假設於報告期末尚未償還之負債於整個年度均為尚未償還而編製。所使用之上升或下降50個基點乃為管理層對利率合理可能變動之評估。倘利率上升/下降50個基點，而所有其他變量保持不變，本集團截至二零一九年十二月三十一日止年度之虧損將增加/減少約363,000港元(二零一八年：419,000港元)。

(e) 市場價格風險

市場價格風險是指由於市場價格變動而引致在市場上交易之金融工具之公平值或未來現金流量波動之風險。本集團於其認為風險重大時通過訂立適當之衍生工具合約管理市場價格風險。

本集團面臨分類為按公平值透過其他全面收益列賬之金融資產及按公平值透過損益列賬之金融資產之股本投資所產生股價風險。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) Market price risk (Cont'd)

At 31 December 2019, the Group had financial assets at FVTOCI of HK\$163,994,000 (2018: HK\$89,720,000) (note 17) and financial assets at FVTPL of HK\$41,289,000 (2018: HK\$41,932,000) (note 22), which were exposed to market price risk.

The sensitivity analysis below has been determined based on the exposure to equity price risks as at 31 December 2019.

If the prices of the respective equity instruments had been 10% higher/lower:

- Excluding the shares of Town Health which have been suspended trading, loss for the year ended 31 December 2019 would increase/decrease by approximately HK\$276,000 (2018: HK\$264,000) for the Group as a result of the changes in fair value of financial assets at FVTPL; and
- fair value reserve of financial assets at FVTOCI (non-recycling) would increase/decrease by approximately HK\$16,399,000 (2018: HK\$8,972,000) for the Group as a result of the changes in fair value of financial assets at FVTOCI.

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividends payment to shareholders, return capital to shareholders of issue new shares.

43. 金融風險管理目標及政策 (續)

(e) 市場價格風險 (續)

於二零一九年十二月三十一日，本集團擁有按公平值透過其他全面收益列賬之金融資產163,994,000港元(二零一八年：89,720,000港元)(附註17)及按公平值透過損益列賬之金融資產41,289,000港元(二零一八年：41,932,000港元)(附註22)，兩者均面臨市場價格風險。

下文之敏感度分析乃根據於二零一九年十二月三十一日之股權價格風險釐定。

倘相關股本工具價格上升／下降10%，則：

- 除康健之股份暫停買賣外，本集團截至二零一九年十二月三十一日止年度之虧損將增加／減少約276,000港元(二零一八年：264,000港元)，原因為按公平值透過損益列賬之金融資產之公平值出現變動；及
- 按公平值透過其他全面收益列賬之金融資產之公平值儲備(不可撥回)將增加／減少約16,399,000港元(二零一八年：8,972,000港元)，原因為按公平值透過其他全面收益列賬之金融資產之公平值出現變動。

(f) 資本管理

本集團資本管理的主要目標為保障本集團按持續基準經營的能力並維持良好資本比率以支持其業務及最大化股東價值。

本集團管理其資本架構並根據經濟狀況的變動對其作出調整。為維持或調整資本架構，本集團或會調整對股東的股息派付，向股東反還已發行新股份之資本。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(f) Capital management (Cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes trade and other payables, accruals and provision, interest-bearing bank and other borrowings and lease liabilities less pledged time deposit and cash and cash equivalents. Capital includes equity attributable to the shareholders. The gearing ratios as at the end of the reporting period were as follows:

43. 金融風險管理目標及政策
(續)

(f) 資本管理 (續)

本集團採用資本負債比率監控資本，比率乃淨債務除以資本加淨債務計算。淨債務包括貿易及其他應付款項、應計費用及撥備、計息銀行及其他借款以及租賃負債減已抵押定期存款以及現金及等同現金項目。資本包括股東應佔權益。於報告期末的資本負債比率如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Trade and other payables, accruals and provision | 貿易及其他應付款項、應計費用及撥備 | 261,150 | 193,951 |
| Interest-bearing bank and other borrowings | 計息銀行及其他借款 | 221,830 | 164,812 |
| Lease liabilities | 租賃負債 | 41,632 | - |
| Less: Pledged time deposit | 減：已抵押定期存款 | (13,000) | (13,000) |
| Cash and cash equivalents | 現金及等同現金項目 | (180,516) | (176,993) |
| Net debt | 淨債務 | 331,096 | 168,770 |
| Equity attributable to the shareholders | 股東應佔權益 | 372,336 | 418,182 |
| Capital and net debt | 資本及淨債務 | 703,432 | 586,952 |
| Gearing ratio | 資本負債率 | 47% | 29% |

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44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

44. 本公司財務狀況表

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 3 | 14 |
| Interests in subsidiaries | 附屬公司權益 | 73,246 | 218,636 |
| Total non-current assets | 非流動資產總值 | 73,249 | 218,650 |
| CURRENT ASSETS | 流動資產 | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | 119,216 | 52,517 |
| Prepayments other receivables and other assets | 預付款項、其他應收款項及其他資產 | 957 | 1,628 |
| Pledged time deposit | 已抵押定期存款 | 13,000 | 13,000 |
| Cash and bank balances | 現金及銀行結餘 | 111,520 | 153,630 |
| Total current assets | 流動資產總值 | 244,693 | 220,775 |
| CURRENT LIABILITIES | 流動負債 | | |
| Accruals and other payables | 應計費用及其他應付款項 | 5,156 | 873 |
| Amounts due to subsidiaries | 應付附屬公司款項 | 20,332 | 20,373 |
| Total current liabilities | 流動負債總值 | 25,488 | 21,246 |
| NET CURRENT ASSETS | 流動資產淨值 | 219,205 | 199,529 |
| NET ASSETS | 資產淨值 | 292,454 | 418,179 |
| SHARE CAPITAL | 股本 | 53,362 | 53,362 |
| RESERVES | 儲備 | 239,092 | 364,817 |
| TOTAL EQUITY | 權益總值 | 292,454 | 418,179 |

Hui Chun Sum
許峻森
Director
董事

Pauline Lam
林佳慧
Director
董事

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44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONT'D)

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

44. 本公司財務狀況表 (續)

有關本公司個別權益部分於年初與年末之間的變動詳情載列如下：

| The Company 本公司 | | Share premium 股份溢價 HK\$'000 千港元 | Contributed surplus 實繳盈餘 HK\$'000 千港元 | Share options reserve 購股權儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-------------------------|---|---|--|--|--------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | 510,233 | 693,308 | 25,462 | (712,806) | 516,197 |
| Transfer of share options reserve upon the cancellation of share options | 於註銷購股權時轉撥購股權儲備 | - | - | (25,462) | 25,462 | - |
| Loss for the year | 本年度虧損 | - | - | - | (151,380) | (151,380) |
| Other comprehensive income for the year | 本年度其他全面收益 | - | - | - | - | - |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | 510,233 | 693,308 | - | (838,724) | 364,817 |
| Loss for the year | 本年度虧損 | - | - | - | (125,725) | (125,725) |
| Other comprehensive income for the year | 本年度其他全面收益 | - | - | - | - | - |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 510,233 | 693,308 | - | (964,449) | 239,092 |

45. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board on 23 April 2020.

45. 批准綜合財務報表

綜合財務報表於二零二零年四月二十三日已獲董事會批准及授權刊發。

FINANCIAL SUMMARY 財務摘要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and restated/reclassified as appropriate, is set out below.

下文為本集團最近五個財政年度之業績與資產、負債及非控股權益概要，乃摘錄自本集團之已公佈經審核綜合財務報表，並經適當重列／重新分類。

RESULTS

業績

| | | Years ended 31 December 截至十二月三十一日止年度 | | | | 2019 |
|----------------------------|------------|---|----------------------------------|----------------------------------|----------------------------------|--------------------------|
| | | 2015 二零一五年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 |
| Revenue | 收入 | 257,853 | 284,258 | 404,738 | 471,479 | 641,261 |
| (Loss)/profit for the year | 本年度(虧損)／溢利 | 81,963 | (317,297) | (251,519) | (146,490) | (142,247) |
| Attributable to: | 應佔： | | | | | |
| the Shareholders | 股東 | 63,951 | (344,617) | (260,665) | (144,945) | (127,582) |
| Non-controlling interests | 非控股權益 | 18,012 | 27,320 | 9,146 | (1,545) | (14,665) |
| | | 81,963 | (317,297) | (251,519) | (146,490) | (142,247) |

ASSETS AND LIABILITIES

資產及負債

| | | At 31 December 於十二月三十一日 | | | | 2019 |
|---------------------------------------|-------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------------------|
| | | 2015 二零一五年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 |
| Non-current assets | 非流動資產 | 564,311 | 757,923 | 534,881 | 400,565 | 490,246 |
| Current assets | 流動資產 | 727,983 | 754,445 | 492,891 | 443,785 | 467,076 |
| Deduct: | 減： | | | | | |
| Current liabilities | 流動負債 | (434,073) | (289,175) | (212,372) | (388,666) | (540,240) |
| Net current (liabilities)/ assets | 流動(負債)／資產淨值 | 293,910 | 465,270 | 280,519 | 55,119 | (73,164) |
| Total assets less current liabilities | 資產總值減流動負債 | 858,221 | 1,223,193 | 815,400 | 455,684 | 417,082 |
| Non-current liabilities | 非流動負債 | (4,217) | (169,875) | (163,390) | (37,502) | (48,985) |
| Net assets | 資產淨值 | 854,004 | 1,053,318 | 652,010 | 418,182 | 368,097 |



恆泰裕集團控股
HANG TAI YUE GROUP HOLDINGS