

# HANVEY GROUP HOLDINGS LIMITED 恆偉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8219



# 2019

Annual Report 年報

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## 香港聯合交易所有限公司(「聯交所」) GEM (「GEM」) 的特色

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由於 GEM 上市公司一般為中小型公司，在 GEM 買賣的證券可能會較於聯交所主板買賣的證券承受較高的市場波動風險，且無法保證在 GEM 買賣的證券會有高流通量的市場。

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本報告根據聯交所 GEM 證券上市規則(「GEM 上市規則」)提供有關恆偉集團控股有限公司(「本公司」)之資料，本公司董事(「董事」)就其共同及個別承擔全部責任。董事經作出一切合理查詢後確認，就彼等所知及所信，本報告所載資料在各重要方面均準確完備，並無誤導或欺詐成分，亦無遺漏任何會令本報告或其所載任何陳述產生誤導的事項。

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# Corporate Information

## 公司資料

### BOARD OF DIRECTOR

#### Executive Directors

Mr. Cheuk Sin Cheong Clement  
(Chairman and Chief Executive Officer)  
Ms. Au Corona Ching Mei M.H.  
Ms. Cheuk Heide Oil-gei

#### Independent Non-Executive Directors

Mr. Yu Sau Ning Homer M.H.  
Mr. Zhao Zhipeng  
Ms. Yee Wai Fong Wendy  
Dr. Liu Ngai Wing (appointed on 1 April 2019)

### COMPLIANCE OFFICER

Ms. Au Corona Ching Mei M.H.

### COMPLIANCE ADVISER

TC Capital International Limited

### COMPANY SECRETARY

Mr. Xie Xing

### AUTHORISED REPRESENTATIVES

Ms. Au Corona Ching Mei M.H.  
Mr. Xie Xing

### AUDIT COMMITTEE

Mr. Yu Sau Ning Homer M.H. (Chairman)  
Mr. Zhao Zhipeng  
Ms. Yee Wai Fong Wendy

### REMUNERATION COMMITTEE

Mr. Zhao Zhipeng (Chairman)  
Mr. Yu Sau Ning Homer M.H.  
Ms. Cheuk Heide Oil-gei

### NOMINATION COMMITTEE

Mr. Cheuk Sin Cheong Clement (Chairman)  
Mr. Yu Sau Ning Homer M.H.  
Ms. Yee Wai Fong Wendy

### 董事會

#### 執行董事

卓善章先生  
(主席兼行政總裁)  
歐靜美女士, M.H.  
卓凱璣女士

#### 獨立非執行董事

余壽寧先生, M.H.  
趙志鵬先生  
余惠芳女士  
廖毅榮博士 (於2019年4月1日獲委任)

### 合規主任

歐靜美女士, M.H.

### 合規顧問

天財資本國際有限公司

### 公司秘書

謝星先生

### 授權代表

歐靜美女士, M.H.  
謝星先生

### 審核委員會

余壽寧先生, M.H. (主席)  
趙志鵬先生  
余惠芳女士

### 薪酬委員會

趙志鵬先生 (主席)  
余壽寧先生, M.H.  
卓凱璣女士

### 提名委員會

卓善章先生 (主席)  
余壽寧先生, M.H.  
余惠芳女士

# Corporate Information

## 公司資料

### AUDITOR

HLB Hodgson Impey Cheng Limited

### HONG KONG LEGAL ADVISOR

David Fong & Co., Solicitors

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 3, 5 and 6, 15th Floor  
Tower One, Ever Gain Plaza  
No. 88 Container Port Road  
Kwai Chung, New Territories  
Hong Kong

### REGISTERED OFFICE

Cricket Square, Hutchins Drive  
PO Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Hang Seng Bank

### GEM STOCK CODE

8219

### WEBSITE ADDRESS

[www.hanveygroup.com.hk](http://www.hanveygroup.com.hk)

### 核數師

國衛會計師事務所有限公司

### 香港法律顧問

方良佳律師事務所

### 總部及主要營業地點

香港  
新界葵涌  
貨櫃碼頭路88號  
永得利廣場1座  
15樓3、5及6室

### 註冊辦事處

Cricket Square, Hutchins Drive  
PO Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

### 開曼群島股份過戶登記總處

Conyers Trust Company (Cayman) Limited

### 香港股份過戶登記分處

卓佳證券登記有限公司

### 主要往來銀行

中國銀行(香港)有限公司  
恒生銀行

### GEM 股份代號

8219

### 網址

[www.hanveygroup.com.hk](http://www.hanveygroup.com.hk)

# Chairman's Statement

## 主席報告

On behalf of the board (the **"Board"**) of directors (the **"Directors"**) of Hanvey Group Holdings Limited (the **"Company"**), I am pleased to present the annual report of the Company and its subsidiaries (collectively the **"Group"**) for the year ended 31 December 2019.

### BUSINESS REVIEW

For the year ended 31 December 2019, the Group's revenue amounted to approximately HK\$198.05 million, increased by approximately 8.53% when compared with the corresponding period of 2018. The increase is primarily due to increased sales order from Southeast Asia Market.

According to the Hong Kong Trade Development Council's (**"HKTDC"**) research "HKTDC Export Index 4Q19: Lingering China-US Trade Tensions Push Export Sentiment to Record-Low" dated 18 December 2019, the HKTDC Export Index plunged from 35.2 in 4Q 2018 to 18.8 in 4Q19, a further drop and the lowest overall figure ever recorded by the Index. This can be taken as a strong indication that Hong Kong's export growth will remain sluggish over the near-term. In all, every major industry sub-index stayed well below the watershed mark of 50, suggesting that pessimism prevails in every export sector at present. In the case of the timepieces (15.5) sectors, their 4Q19 indices were new all-time lows.

### OUTLOOK AND FUTURE PROSPECTS

Following its weakest performance since the global financial crisis, the world economy is poised for a modest rebound in 2020. Market sentiment has been boosted by tentative signs: intermittent favourable news on the United States-mainland China trade negotiations, central banks' shifting toward accommodative monetary policy, and diminished fears of a no-deal Brexit.

2020 will be a challenging year. However, the outbreak of the novel coronavirus (COVID-19) infection is casting an adverse impact to the world with social and economic activities mostly halted in the seriously affected country. Economic growth is facing huge challenge.

本人代表恆偉集團控股有限公司（「本公司」）的董事（「董事」）會（「董事會」），欣然提呈本公司及其附屬公司（統稱「本集團」）截至2019年12月31日止年度的年報。

### 業務回顧

截至2019年12月31日止年度，本集團的收益約為198.05百萬港元，較2018年同期增加約8.53%，主要是由於來自東南亞市場的銷售訂單增加。

根據香港貿易發展局（「香港貿發局」）於2019年12月18日的「2019年第四季香港貿發局出口指數：中美貿易摩擦持續出口信心跌至新低」研究，香港貿發局出口指數從2018年第四季度的35.2暴跌至2019年第四季的18.8，是有紀錄以來的最低水平。這是一個強烈的信號，顯示香港出口增長在短期內依然疲弱。所有主要行業指數都遠低於50點的分水嶺，顯示目前所有出口業普遍瀰漫悲觀情緒。其中，2019年第四季，鐘錶業的指數為15.5，是有紀錄以來的新低。

### 展望及未來前景

世界經濟經歷自全球金融危機之後最疲弱的表現後，有望在2020年溫和反彈。多個初步跡象為市場氣氛帶來鼓舞：中美貿易談判不時傳來好消息，各國中央銀行轉向寬鬆的貨幣政策，以及對英國無協議脫歐的擔憂減少。

2020年將充滿挑戰。然而，新型冠狀病毒（COVID-19）的爆發對世界造成負面影響，疫情嚴重的國家停止了大部分的社會和經濟活動，經濟增長面臨巨大的挑戰。

## Chairman's Statement 主席報告

We intend to continue to focus on the core business, take efforts in strengthening our product design and development capability in order to maximise the long term returns of the shareholders of the Company. The Group will closely observe the market trend and provide designs that suit the customer and market needs. At the same time, we will also consider the opportunities associated with the COVID-19 global outbreak and explore actively while cautiously what the Group is capable of doing to combat this global incident.

### APPRECIATION

I would like to take this opportunity to express my gratitude to the Board for its excellent leadership, to the Company's shareholders for their strong support and guidance, and to the community for their enthusiastic help, and last but not least, to our staff for their dedicated efforts and brilliant ideas.

**CHEUK Sin Cheong Clement**

*Chairman*

Hong Kong, 29 April 2020

我們擬繼續專注核心業務，努力加強產品設計及開發能力，以使本公司股東的長遠回報最大化。本集團將密切觀察市場趨勢並提供適合客戶及市場需求的設計。另一方面，當本集團積極而審慎尋找應對全球疫情的辦法時，亦衡量新型冠狀病毒在全球爆發情況下出現的商機。

### 致謝

本人謹藉此機會，對董事會的英明領導、本公司股東的鼎力支持及指導、社會各界的熱誠幫助及全體員工的辛勤工作及絕妙創意，深表謝意！

**卓善章**

*主席*

香港，2020年4月29日

# Management Discussion and Analysis

## 管理層討論及分析

### OVERVIEW

The Group are principally engaged in design and development, manufacturing and distribution of watch products on original design manufacturing (“ODM”) basis for watch manufacturers, brand owners and watch importers across the globe.

The Group derives revenue mainly from the sale of: (i) finished watches, (ii) semi-knocked-down kit, and (iii) watch parts.

For the year ended 31 December 2019, the Group’s revenue amounted to approximately HK\$198.05 million, increased by approximately 8.53% when compared with the corresponding period of 2018. Although the continuous trade war between the United States of America (the “US”) and the People’s Republic of China (the “PRC”) brings more turmoil to the global economics, we manage to maintain to slightly increase the revenue level due to our diversified customer base across the globe, especially in Southeast Asia.

### BUSINESS REVIEW

For the year ended 31 December 2019, the Group’s revenue amounted to approximately HK\$198.05 million, increased by approximately 8.53% when compared with the corresponding period of 2018. The increase is primarily due to increased sales order from Southeast Asia market.

According to the HKTDC’s research “HKTDC Export Index 4Q19: Lingering China-US Trade Tensions Push Export Sentiment to Record-Low” dated 18 December 2019, the HKTDC Export Index plunged from 35.2 in 4Q18 to 18.8 in 4Q19, a further drop and the lowest overall figure ever recorded by the Index. This can be taken as a strong indication that Hong Kong’s export growth will remain sluggish over the near-term. In all, every major industry sub-index stayed well below the watershed mark of 50, suggesting that pessimism prevails in every export sector at present. In the case of the timepieces (15.5) sectors, their 4Q19 indices were new all-time lows.

### 概覽

本集團主要從事按原設計製造（「ODM」）基準為全球手錶製造商、品牌擁有人及手錶進口商設計及開發、製造及分銷手錶產品。

本集團主要自銷售(i)手錶成品；(ii)散件套件；及(iii)手錶零件獲取收益。

截至2019年12月31日止年度，本集團的收益約為198.05百萬港元，較2018年同期增加約8.53%。儘管美利堅合眾國（「美國」）與中華人民共和國（「中國」）貿易戰持續發酵引發全球經濟動盪，但因我們在全球各地（尤其是東南亞）擁有多樣化的客戶群，我們得以略微提升收益水平。

### 業務回顧

截至2019年12月31日止年度，本集團的收益約為198.05百萬港元，較2018年同期增加約8.53%，主要是由於來自東南亞市場的銷售訂單增加。

根據香港貿發局於2019年12月18日的「2019年第四季香港貿發局出口指數：中美貿易摩擦持續出口信心跌至新低」研究，香港貿發局出口指數由2018年第四季的35.2進一步暴跌至2019年第四季的18.8，是有紀錄以來的最低水平。這是一個強烈的信號，顯示香港出口增長在短期內依然疲弱。所有主要行業指數都遠低於50點的分水嶺，顯示目前所有出口業普遍瀰漫悲觀情緒。其中，2019年第四季，鐘錶業的指數為15.5，是有紀錄以來的新低。



# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue

The revenue of the Group increased by approximately HK\$15.57 million or approximately 8.53% from approximately HK\$182.48 million for the year ended 31 December 2018 to approximately HK\$198.05 million for the year ended 31 December 2019. The increase in revenue was mainly due to increase of sales demand of ODM watches during 2019.

#### Cost of sales

Our cost of sales was consistent with the revenue increased by approximately HK\$19.89 million or 15.56% from approximately HK\$127.85 million for the year ended 31 December 2018 to approximately HK\$147.74 million for the year ended 31 December 2019.

#### Gross profit and gross profit margin

Our gross profit decreased by approximately HK\$4.32 million or approximately 7.91% from approximately HK\$54.63 million for the year ended 31 December 2018 to approximately HK\$50.31 million for the year ended 31 December 2019 mainly due to increase in cost of sales, which the Group was not able to pass on to customers due to the increased competition in the industry, especially during the US-PRC trade war, which is also accounted for the decreased gross profit margin from 29.94% to 25.40%.

#### Selling and distribution expenses

Our selling and distribution expenses decreased by approximately HK\$0.65 million or approximately 10.85% from approximately HK\$5.99 million for the year ended 31 December 2018 to approximately HK\$5.34 million for the year ended 31 December 2019. The decrease was mainly due to the decrease in commission related to our sales to European customers.

#### 財務回顧

##### 收益

本集團收益由截至2018年12月31日止年度約182.48百萬港元增加約15.57百萬港元或約8.53%至截至2019年12月31日止年度約198.05百萬港元，主要是由於2019年ODM手錶銷售需求增加。

##### 銷售成本

銷售成本增長與收益增長一致，由截至2018年12月31日止年度約127.85百萬港元增加約19.89百萬港元或15.56%至截至2019年12月31日止年度約147.74百萬港元。

##### 毛利及毛利率

毛利由截至2018年12月31日止年度約54.63百萬港元減少約4.32百萬港元或約7.91%至截至2019年12月31日止年度約50.31百萬港元，主要是由於銷售成本增加，而行業競爭加劇（尤其是在中美貿易戰期間）導致本集團無法將銷售成本增幅轉嫁給客戶，此亦致使毛利率由29.94%減至25.40%。

##### 銷售及分銷開支

銷售及分銷開支由截至2018年12月31日止年度約5.99百萬港元減少約0.65百萬港元或約10.85%至截至2019年12月31日止年度約5.34百萬港元，主要是由於向歐洲客戶銷售的佣金減少。

# Management Discussion and Analysis

## 管理層討論及分析

### Administrative expenses

Our administrative expenses increased by approximately HK\$15.88 million or approximately 41.70% from approximately HK\$38.08 million for the year ended 31 December 2018 to approximately HK\$53.96 million for the year ended 31 December 2019. The increase was primarily due to (i) the increase in staff cost as a result of, among others, increment of salaries and distribution of bonus to staff; (ii) the increase in legal and professional fees due to maintaining of the listing status of the Company; (iii) the increase in entertainment expenses resulting from the need for the Directors to travel more in order to actively pitch for orders and reach out to potential customers due to the increase of competition in the industry; and (iv) increase in the Group's charitable donation.

### Finance costs

Our finance costs decreased by approximately HK\$0.15 million or approximately 3.62% from approximately HK\$4.14 million for the year ended 31 December 2018 to approximately HK\$3.99 million for the year ended 31 December 2019. The decrease was mainly due to the decrease in bank borrowings.

### Loss before taxation

We recorded a loss before taxation of approximately HK\$13.87 million for the year ended 31 December 2019 as compared to that of approximately HK\$4.50 million for the year ended 31 December 2018.

### Taxation

Our income tax expenses decreased by approximately HK\$1.92 million or approximately 73.85% from approximately HK\$2.60 million for the year ended 31 December 2018 to approximately HK\$0.68 million for the year ended 31 December 2019. The decrease was mainly due to the decrease in taxable profit of a Hong Kong subsidiary.

### Loss for the year

As a result of the foregoing, we recorded a loss for the year of approximately HK\$14.55 million for the year ended 31 December 2019 as compared to approximately HK\$7.10 million for the year ended 31 December 2018.

### 行政開支

行政開支由截至2018年12月31日止年度約38.08百萬港元增加約15.88百萬港元或約41.70%至截至2019年12月31日止年度約53.96百萬港元，主要是由於(i)(其中包括)員工加薪及向員工分派花紅致使員工成本增加；(ii)本公司維持上市地位致使法律及專業費用增加；(iii)行業競爭加劇，董事為積極爭取訂單及接觸潛在客戶需更為頻繁出差致使招待費增加；及(iv)本集團慈善捐款增加。

### 財務成本

財務成本由截至2018年12月31日止年度約4.14百萬港元減少約0.15百萬港元或約3.62%至截至2019年12月31日止年度約3.99百萬港元，主要是由於銀行借款減少。

### 除稅前虧損

我們於截至2019年12月31日止年度錄得除稅前虧損約13.87百萬港元，截至2018年12月31日止年度錄得約4.50百萬港元。

### 稅項

我們的所得稅開支由截至2018年12月31日止年度約2.60百萬港元減少約1.92百萬港元或約73.85%至截至2019年12月31日止年度約0.68百萬港元，主要是由於香港附屬公司的應課稅溢利減少。

### 年內虧損

受上述影響，我們於截至2019年12月31日止年度錄得年內虧損約14.55百萬港元，截至2018年12月31日止年度錄得約7.10百萬港元。

# Management Discussion and Analysis

## 管理層討論及分析

### OUTLOOK AND FUTURE PROSPECTS

Following its weakest performance since the global financial crisis, the world economy is poised for a modest rebound in 2020. Market sentiment has been boosted by tentative signs: intermittent favourable news on the US-PRC trade negotiations, central banks' shifting toward accommodative monetary policy, and diminished fears of a no-deal Brexit.

2020 will be a challenging year. However, the outbreak of the novel coronavirus (COVID-19) infection is casting an adverse impact to the world with social and economic activities mostly halted in the seriously affected country. Economic growth is facing huge challenge.

We intend to continue to focus on the core business, take efforts in strengthening our product design and development capability in order to maximise the long term returns of the shareholders of the Company. The Group will closely observe the market trend and provide designs that suit the customer and market needs. At the same time, we will also consider the opportunities associated with the COVID-19 global outbreak and explore actively while cautiously what the Group is capable of doing to combat this global incident.

### CAPITAL STRUCTURE

There has been no change in the Company's capital structure for the year ended 31 December 2019. The capital structure of the Group comprises of issued share capital and reserves. The Directors review the Group's capital structure regularly.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group had cash and cash equivalents of approximately HK\$22.19 million (2018: HK\$40.33 million). The current ratios (current asset divided by current liabilities) of the Group were 1.09 times and 1.22 times as at 31 December 2019 and 31 December 2018 respectively.

The Directors are of the view that at the date hereof, the Group's financial resources are sufficient to support its business and operations.

As at 31 December 2019, the gearing ratio of the Group calculated by total bank borrowings as a percentage of total equity was approximately 134.86%. (2018: 102.41%)

### 展望及未來前景

世界經濟經歷自全球金融危機之後最疲弱的表現後，有望在2020年溫和反彈。多個初步跡象為市場氣氛帶來鼓舞：中美貿易談判不時傳來好消息，各國中央銀行轉向寬鬆的貨幣政策，以及對英國無協議脫歐的擔憂減少。

2020年將充滿挑戰。然而，新型冠狀病毒(COVID-19)的爆發對世界造成負面影響，疫情嚴重的國家停止了大部分的社會和經濟活動，經濟增長面臨巨大的挑戰。

我們擬繼續專注核心業務，努力加強產品設計及開發能力，以使本公司股東的長遠回報最大化。本集團將密切觀察市場趨勢並提供適合客戶及市場需求的設計。同時，我們亦將考慮與新型冠狀病毒(COVID-19)全球爆發有關的機遇並積極謹慎探索本集團能夠採取何種措施以應對該全球事件。

### 資本架構

截至2019年12月31日止年度，本公司資本架構並無變動。本集團的資本架構包括已發行股本及儲備。董事定期檢討本集團的資本架構。

### 流動資金及財務資源

截至2019年12月31日，本集團的現金及現金等價物約為22.19百萬港元(2018年：40.33百萬港元)。截至2019年12月31日及2018年12月31日，本集團的流動比率(流動資產除以流動負債)分別為1.09倍及1.22倍。

董事認為，於本報告日期，本集團財務資源足以支撐其業務及營運。

截至2019年12月31日，本集團資產負債比率(按銀行借款總額佔權益總額的百分比計算)約為134.86%(2018年：102.41%)。

# Management Discussion and Analysis

## 管理層討論及分析

### COMMITMENTS

As at 31 December 2019, the Group had no capital commitments.

### 承擔

截至2019年12月31日，本集團並無任何資本承擔。

### CHARGE OVER GROUP'S ASSETS

As at 31 December 2019, the following assets were pledged to bank to secure the Group's banking facilities:

### 本集團資產押記

2019年12月31日，下列資產抵押予銀行作為本集團銀行融資的擔保：

|   |               | HK\$'000<br>千港元 |
|---|---------------|-----------------|
| Property, plant and equipment                         | 物業、廠房及設備      | 23,422          |
| Financial assets at fair value through profit or loss | 按公平值計入損益的金融資產 | 17,348          |
| Investment properties                                 | 投資物業          | 14,200          |
| Pledged bank deposits                                 | 已抵押銀行存款       | 6,718           |
|   |               | 61,688          |

### FOREIGN EXCHANGE EXPOSURE

The Group's purchases are denominated in Hong Kong Dollars. The sales of the Group are predominantly in US Dollars, Renminbi and Hong Kong Dollars. The Group will review and monitor from time to time the risk relating to foreign exchanges.

### 外匯風險

本集團的採購以港元計值，而銷售則以美元、人民幣及港元計值。本集團會不時檢討及監察外匯風險。

During the year ended 31 December 2019, the Group neither took part in any derivatives activities nor entered into any hedging activities in respect of foreign exchange risk.

截至2019年12月31日止年度，本集團概無參與任何衍生工具活動，亦無就外匯風險訂立任何對沖活動。

### CONTINGENT LIABILITIES

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

### 或然負債

截至2019年12月31日，本集團並無重大或然負債(2018年：零)。

# Management Discussion and Analysis

## 管理層討論及分析

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, we had a total of 166 employees (2018: 178). The Company determines employee salaries based on each employee's qualifications, position and seniority. Our Group has established an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions.

The emoluments of the Directors are decided by the Board after recommendation from the remuneration committee of the Company, having considered the factors such as the Group's financial performance, the achievement of special targets and the individual performance of the Directors, etc.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees.

### SUBSEQUENT EVENTS

- (a) On 26 March 2020, a subsidiary of the Company entered into a non-legally binding memorandum of understanding (the "MOU") with the shareholders (the "Vendors") of Innovative Corporate Development Limited (興創企業發展有限公司) (the "Target Company", together with its subsidiaries, the "Target Group"), pursuant to which the Company intends to acquire and the Vendors intend to sell 51% of the issued share capital of the Target Company. The Target Group is principally engaged in the business of production and sale of disposable face masks in Hong Kong (the "Intended Transaction").
- (b) The coronavirus disease 2019 outbreak since early 2020 has brought additional uncertainties in the global macroeconomic situation. The Group's financial performance may have impact. The degree of impact could not be reasonably estimated at this stage. The Group will closely monitor the development of the epidemic and assess its impact on the financial position and operating results of the Group.

### 僱員及薪酬政策

截至2019年12月31日，我們共有166名僱員（2018年：178名）。本公司基於各僱員的資格、職位及資歷釐定其薪金。本集團已設立評估僱員表現的年度評審制度，作為釐定加薪、花紅及晉升的基準。

董事酬金由董事會經本公司薪酬委員會建議並考慮本集團財務表現、有否實現特別目標及董事個人表現等因素後釐定。

本公司已採納購股權計劃以激勵董事及合資格僱員。

### 期後事件

- (a) 於2020年3月26日，本公司一家附屬公司與興創企業發展有限公司（「目標公司」），與其附屬公司合稱「目標集團」的股東（「賣方」）訂立沒有法定約束力的共識備忘錄（「備忘錄」），本公司有意收購而賣方有意出售目標公司已發行股本51%。目標集團主要業務在香港生產及銷售用完即棄面罩（「意向交易」）。
- (b) 自2020年初以來，2019年冠狀病毒疾病的爆發已為全球宏觀經濟狀況帶來額外的不確定因素。本集團的財務表現或會受影響，而受影響的程度現階段無法合理估計。本集團會密切注意疫情的發展，並評估疫情對本集團財務狀況及經營業績的影響。

# Management Discussion and Analysis

## 管理層討論及分析

### USE OF PROCEEDS

During the period from the listing of the shares of the Company on the GEM of the Stock Exchange (the “Listing”) on 12 July 2018 (the “Listing Date”) to 31 December 2019, the Group has applied the net proceeds as follows:

### 所得款項用途

自本公司股份於2018年7月12日(「上市日期」)在聯交所GEM上市(「上市」)至2019年12月31日，本集團使用所得款項淨額如下：

|  |           | Allocation | Amount utilised up to 31 December 2019<br>截至2019年12月31日<br>已動用的金額<br>HK\$'000<br>千港元 | Amount unutilised as at 31 December 2019<br>截至2019年12月31日<br>未動用的金額<br>HK\$'000<br>千港元 | Expected timeline for the unutilised net proceeds to be utilised (Note 1)<br>所得款項淨額中未動用款項的預期使用時間(附註1)<br>for the six months period from 1 January 2020 to 30 June 2020<br>2020年1月1日至2020年6月30日的六個月<br>HK\$'000<br>千港元 |
|--|-----------|------------|--|--|---|
| Acquisition of new production facilities | 購買新生產設施   | 21,629     | 21,629   | -  | -   |
| Expansion of e-commerce customer base    | 擴大電子商務客戶群 | 2,739      | 1,862  | 877  | 877   |
| Strengthening of design capabilities     | 加強設計能力    | 2,200      | 2,200  | -  | -   |
| Repayment of bank loan                   | 償還銀行貸款    | 7,422      | 7,422  | -  | -   |
| Working capital                          | 營運資金      | 480        | 360  | 120  | 120   |
| Total                                    | 總計        | 34,470     | 33,473   | 997  | 997   |

#### Notes:

- The expected timeline for utilising the unutilised net proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

At the date of this report, the remaining balance of net proceeds from the Listing are deposited in a licensed bank in Hong Kong.

#### 附註：

- 所得款項淨額中未動用款項的預期使用時間基於本集團對未來市況所作最佳估計，會隨現行及未來市況的發展而更改。

於本報告日期，上市所得款項淨額餘額存入香港持牌銀行。

# Management Discussion and Analysis

## 管理層討論及分析

### COMPARISON BETWEEN BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS

The following is a comparison between the Group's business plans as set out in the prospectus of the Company dated 28 June 2018 (the "Prospectus") and the Group's actual business progress for the year ended 31 December 2019:

### 業務目標與實際業務進展之比較

本公司日期為2018年6月28日之招股章程(「招股章程」)所載本集團業務計劃與截至2019年12月31日止年度之本集團實際業務進展之比較如下：

#### Business plan for the Year as set out in the Prospectus 招股章程所載年度業務計劃

#### Actual business progress as at 31 December 2019 於2019年12月31日之實際業務進展

Repayment of bank loan  
償還銀行貸款

The Group has repaid HK\$7.4 million bank loan in 2018, being the full amount of use of proceeds allocated for this purpose as set out in the Prospectus.  
本集團已於2018年償還7.4百萬港元銀行貸款(即招股章程所載所得款項用途分配作此用途的全額)。

Expansion of e-commerce customer base  
擴大電子商務客戶群

In 2018 and 2019, the Group hired new graphic designers, product engineers, R&D staff and marketing staff and purchased hardware & software for new staff. In 2020, the Group will continue to hire new graphic designers and R&D staff to expand of e-commerce customer base.  
2018年及2019年，本集團聘請新的平面設計師、產品工程師、研發人員及推廣人員，並為新員工購買軟硬件。2020年，本集團會繼續聘請新的平面設計師及研發人員，以擴大電子商務客戶群。

Strengthening of design capabilities  
加強設計能力

During the year, the Group purchased of a new Metal 3D printer and certain ancillary products to the printer for an aggregate consideration of approximately HK\$2.1 million to strengthen of design capabilities.  
年內，本集團以總代價約2.1百萬港元購買新的金屬3D打印機及若干打印機配套產品，以加強設計能力。

Acquisition of new production facilities  
購買新生產設施

The Group deposited RMB17,928,530.00 (equivalent to approximately HK\$20,438,524.20) to acquire a new factory in 2019 located in the Shenzhen city, the consideration RMB27,928,530.00 (equivalent to approximately HK\$31,838,524.20), being the aggregate purchase price of the properties (inclusive of value added tax). The properties comprise three units, namely Unit 801, Unit 802 and Unit 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziron Village, Shejing Town, Baoan District, Shenzhen City, the PRC, which has a gross floor area of approximately 350.45 square meter, 357.85 square meter and 326.09 square meter, respectively (in aggregate approximately 1,034.39 square meter).  
本集團以人民幣17,928,530.00元(相當於約20,438,524.20港元)作為按金，於2019年以代價人民幣27,928,530.00元(相當於約31,838,524.20港元)(即購買物業總價格(含增值稅))收購位於深圳市的一家新工廠。物業包括三個單位，即中國深圳市寶安區沙井鎮黃埔南洞自然村創新智慧港產業院1棟8層801號房、802號房及803號房，總建築面積分別約為350.45平方米、357.85平方米及326.09平方米(合共約1,034.39平方米)。

Because of the outbreak of the novel coronavirus (COVID-19), the acquisition of the new factory is still pending to obtain the property ownership certificate.  
由於新型冠狀病毒(COVID-19)爆發，收購新工廠仍待取得物業權證。

# Management Discussion and Analysis

## 管理層討論及分析

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

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

### SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in the annual report, there was no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures by the Company for the year ended 31 December 2019.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus, the announcement of the Company dated 26 March 2020 and this annual report, the Group did not have other plans for material investments or capital assets for the coming year.

### SHARE OPTION SCHEME

The Company has a share option scheme (the “**Share Option Scheme**”) which was approved and adopted by the shareholders of the Company (the “**Shareholder(s)**”) by way of written resolutions passed on 20 June 2018. The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date it was adopted. The purpose of the Share Option Scheme is to provide incentives or rewards to participants for their contribution to our Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to our Group and any entity in which our Group holds any equity interest (“**Invested Entity**”).

### 購買、出售或贖回本公司上市證券

截至2019年12月31日止年度，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 所持重大投資、重大收購或出售附屬公司、聯營公司及合營企業

除本年報所披露者外，截至2019年12月31日止年度，本公司並無重大投資、重大收購及出售附屬公司、聯營公司及合營企業。

### 重大投資或資本資產之未來計劃

除招股章程、本公司日期為2020年3月26日的公告及本年報所披露者外，本集團明年並無任何其他重大投資或資本資產計劃。

### 購股權計劃

本公司股東（「股東」）於2018年6月20日通過書面決議案批准及採納本公司的購股權計劃（「購股權計劃」）。購股權計劃自獲採納日期起有效期為10年。購股權計劃的目的是就合資格人士對本集團所作貢獻提供獎勵或回報及／或使本集團可招聘及留聘高素質僱員，並吸引對本集團及本集團持有任何股權的任何實體（「被投資實體」）有價值的人力資源。



## Management Discussion and Analysis 管理層討論及分析

Eligible participants of the Share Option Scheme include (a) any employee (whether full time or part time, including any executive director) of the Company, any of its subsidiaries and any Invested Entity; (b) any non-executive director (including independent non-executive directors) of our Company, any of its subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of our Group or any Invested Entity; (d) any customer of our Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to our Group or any Invested Entity; (f) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity; (g) any adviser (professional or otherwise) or consultant to any area of business or business development of our Group or any Invested Entity; and (h) any other group or classes of participants who have contributed or may contribute, by way of joint venture, business alliance, other business arrangement or otherwise, to the development and growth of our Group.

Ordinary shares of the Company (“**Share(s)**”) may be allotted and issued upon the exercise of the options granted under the Share Option Scheme. The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date, which was 100,000,000 Shares, representing approximately 10% of Shares in issue as at the date of this annual report. The maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued share capital of the Company (or the subsidiaries) from time to time.

購股權計劃的合資格參與者包括(a)本公司、其任何附屬公司及任何被投資實體的任何全職或兼職僱員，包括任何執行董事；(b)本公司、其任何附屬公司或任何被投資實體的任何非執行董事(包括獨立非執行董事)；(c)向本集團任何成員公司或任何被投資實體提供貨品或服務之任何供應商；(d)本集團或任何被投資實體之任何客戶；(e)向本集團或任何被投資實體提供研究、開發或其他技術支持之任何人士或實體；(f)本集團任何成員公司或任何被投資實體之任何股東或本集團任何成員公司或任何被投資實體所發行之任何證券之任何持有人；(g)本集團或任何被投資實體之任何業務範疇或業務發展之任何顧問(專業或其他方面)或諮詢顧問；及(h)已經或可能藉合營企業、業務聯盟或其他業務安排或其他方式對本集團的發展及增長作出貢獻的任何其他組別或類別參與者。

本公司普通股(「**股份**」)可能因行使根據購股權計劃授出的購股權而配發及發行。可能因行使根據購股權計劃及本集團任何其他購股權計劃將授出的所有購股權而配發及發行的股份總數合共不得超過上市日期已發行股份的10%，即100,000,000股股份，相當於本年報日期已發行股份約10%。可能因行使根據購股權計劃及本集團任何其他購股權計劃已授出但尚未行使的所有購股權而配發及發行的最高股份數目合共不得超出本公司(或附屬公司)不時已發行股本的30%。

## Management Discussion and Analysis

### 管理層討論及分析

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised, cancelled or outstanding options) to each participant in any 12-month period shall not exceed 1% of Share in issue for the time being. Any further grant of options in excess of such limit in any 12-month period up to and including the date of such further grant shall be subject to Shareholders' approval in general meeting of the Company with such participant and his/her close associates (or his/her associates if such Participant is a connected person) abstaining from voting. An offer of the grant of an option under the Share Option Scheme may be accepted within 21 days from the date of grant together with a remittance of HK\$1.00 by way of consideration for the grant thereof. An option may be exercised during such period as the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the date of grant. Unless the Directors otherwise determine and state in the offer to a grantee, a grantee is not required to hold an option for any minimum period nor achieve any performance targets before any options granted under the Share Option Scheme can be exercised. The subscription price for the Shares on the exercise of the option shall be determined at the discretion of the Board which shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the grant of the option, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of the grant of the option; and (iii) the nominal value of the Share.

Please refer to paragraph headed "D. Share Option Scheme" in Appendix V of the Prospectus for more details of the Share Option Scheme. No share option has been granted, exercised, cancelled or lapsed by the Company pursuant to the Share Option Scheme during the year ended 31 December 2019 and up to the date of this annual report.

於任何十二個月期間向參與者發行和可能因行使根據購股權計劃及本集團任何其他購股權計劃授出的購股權（包括已行使、註銷或發行在外的購股權）而向參與者發行的股份總數均不得超過當時已發行股份1%。截至進一步授出購股權日期起的十二個月期間，進一步授出購股權超過上述限額者須經股東於本公司股東大會上批准，而有關參與者及其緊密聯繫人（如該參與者為關連人士，則其聯繫人）不得投票表決。根據購股權計劃授出一份購股權要約，可於授出日期起計21日內匯款1.00港元作為授出代價而接受該要約。購股權可於董事會全權酌情釐定的有關期間行使，惟有關期間不得超過授出日期起計十年。除非董事在授予參與者購股權的要約中另行決定及聲明，否則承授人於可行使根據購股權計劃授出之任何購股權前毋須持有購股權達最短期限或達成任何表現目標。於行使購股權時的股份認購價須由董事會酌情釐定，惟不得低於下列最高者：(i)於授出購股權日期（必須為交易日）聯交所每日報價表所示股份收市價；(ii)於緊接授出購股權當日前五個交易日聯交所每日報價表所示股份平均收市價；及(iii)股份面值。

有關購股權計劃的詳情請參閱招股章程附錄五「D. 購股權計劃」一段。截至2019年12月31日止年度及直至本年報日期，概無購股權根據購股權計劃獲本公司授出、行使、註銷或失效。

# Management Discussion and Analysis

## 管理層討論及分析

### COMPETING INTERESTS

The Directors were not aware of any business or interest of the Directors nor the controlling Shareholder nor their respective associates (as defined under the GEM Listing Rules) that competed or might compete with the business of the Group and any other conflict of interest which any such person had or might have with the Group during the year ended 31 December 2019.

### NON-COMPETITION UNDERTAKING

Each of the controlling Shareholders has made an annual declaration to the Company that during the year ended 31 December 2019, he/she/it has complied with the terms of non-competition undertakings (“**Non-Competition Undertakings**”) given in favour of the Company. The independent non-executive Directors have also reviewed the status of compliance by each of the controlling Shareholders with the undertakings stipulated in the Non-Competition Undertakings and have confirmed that, as far as the independent non-executive Directors can ascertain, there is no breach of any of such undertaking.

### INTEREST OF COMPLIANCE ADVISER

As at 31 December 2019, except for the compliance adviser agreement entered into between the Company and TC Capital International Limited (“**TC Capital**”) dated 23 February 2018, neither TC Capital nor any of its directors, employees or close associates had any interest in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) pursuant to Rule 6A.32 of the GEM Listing Rules.

### DIVIDEND

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

### CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix 15 to the GEM Listing Rules during the year ended 31 December 2019, except for the deviation as specified and explained below with considered reasons for such deviations.

### 競爭權益

就董事所知，截至2019年12月31日止年度，董事及控股股東以及彼等各自聯繫人（定義見GEM上市規則）概無任何業務或權益與本集團業務競爭或可能競爭，任何該等人士與本集團亦無發生或可能發生任何其他利益衝突。

### 不競爭承諾

各控股股東向本公司作出年度聲明，彼等於截至2019年12月31日止年度一直遵守以本公司為受益人作出的不競爭承諾（「**不競爭承諾**」）條款。獨立非執行董事亦已審閱各控股股東遵守不競爭承諾所訂明承諾的情況，並確認，就獨立非執行董事所確認，概無任何違反有關承諾之情況。

### 合規顧問權益

截至2019年12月31日，除本公司與天財資本國際有限公司（「**天財資本**」）於2018年2月23日訂立的合規顧問協議外，天財資本、其任何董事、僱員或緊密聯繫人概無於本公司或本集團任何成員公司證券中擁有GEM上市規則第6A.32條所述的權益（包括購股權或認購該等證券的權利（如有））。

### 股息

截至2019年12月31日止年度，董事會不建議派付末期股息（2018年：零）。

### 企業管治守則

董事會認為，截至2019年12月31日止年度，除下文已詳述合理原因的偏離外，本公司已遵守GEM上市規則附錄15所載企業管治守則（「**企業管治守則**」）的守則條文。

## Management Discussion and Analysis 管理層討論及分析

Provision A.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Cheuk Sin Cheong Clement is currently the chairman of our Board and the chief executive officer of our Company. In view that Mr. Cheuk has been assuming day-to-day responsibilities in operating and managing our Group since 1986 and the rapid development of our Group, the Board believes that with the support of Mr. Cheuk's extensive experience and knowledge in the business of the Group, vesting the roles of both chairman of our Board and chief executive officer of our Company in Mr. Cheuk strengthens the solid and consistent leadership and thereby allows for efficient business planning and decision which is in the best interest to our Group.

The Directors consider that the deviation from provision A.2.1 of the Corporate Governance Code is appropriate in such circumstances. Notwithstanding the above, the Board is of the view that this management structure is effective for our Group's operations, and sufficient checks and balances are in place.

Provision A.6.7 of the Corporate Governance Code requires that independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Zhao Zhipeng (an independent non-executive Director) did not attend the annual general meeting held during the year ended 31 December 2019 because he had other commitment on the date of the annual general meeting.

Except for code provision A.2.1 and A.6.7 of the Corporate Governance Code, our Company's corporate governance practices have complied with the Corporate Governance Code during the year ended 31 December 2019.

### CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors 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. Having made specific enquiry, the Company confirms that the Directors complied with required standard of dealings and its code of conduct regarding securities transactions by Directors during the year ended 31 December 2019.

企業管治守則條文第A.2.1條規定，主席及行政總裁的角色應予以區分，不應由同一人士擔任。卓善章先生現為董事會主席兼本公司行政總裁。鑑於卓先生自1986年以來一直承擔本集團的日常營運及管理職責，且本集團正處於快速發展期，董事會認為，卓先生豐富的經驗與知識有利於本集團的業務，由卓先生同時擔任董事會主席及本公司行政總裁將加強本公司穩健貫徹的領導，從而實現高效的業務規劃及決策，因此，符合本集團的最佳利益。

董事認為，在此情況下偏離企業管治守則條文第A.2.1條屬適當。故儘管存在上述情況，董事會認為該管理架構對本集團的營運有效，且已採取足夠的檢查及平衡措施。

企業管治守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會，對股東的意見有公正的瞭解。獨立非執行董事趙志鵬先生未出席截至2019年12月31日止年度舉行之股東週年大會，是由於彼於股東週年大會當日有其他承擔。

除企業管治守則之守則條文第A.2.1及A.6.7條外，本公司企業管治常規符合截至2019年12月31日止年度之企業管治守則。

### 董事進行證券交易之操守守則

本公司已採納董事進行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條所載交易規定準則。經作出特定查詢後，本公司確認截至2019年12月31日止年度，董事已遵守交易規定準則及董事進行證券交易之操守守則。

# Corporate Governance Report

## 企業管治報告

The Company has adopted the principles and the code provisions in the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules.

During the year ended 31 December 2019 and up to the date of this annual report, the Company had complied with the CG Code, except where otherwise stated.

### CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors 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. Having made specific enquiry, the Company confirms that the Directors complied with required standard of dealings and its code of conduct regarding securities transactions by Directors during the year ended 31 December 2019.

### RESPONSIBILITIES OF THE BOARD

The Board is responsible for the leadership and control of the Group, and oversees the Group's businesses, strategic decisions and performance. The Board is primarily responsible for overall business plans and strategies of the Group, the implementation of the Group's policies and strategies, monitoring the business performance, internal controls and risk management as well as supervising the management of the Group.

The Board delegates daily management, administration and operation of the Group to the management. The delegated functions are reviewed by the Board to ensure that they accommodate the needs of the Group.

本公司已採納GEM上市規則附錄十五所載企業管治守則(「企業管治守則」)之準則及守則條文。

除另有說明之偏離外，截至2019年12月31日止年度及截至本年報日期，本公司一直遵守企業管治守則。

### 董事進行證券交易之操守守則

本公司已採納董事進行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條所載交易規定準則。經作出特定查詢後，本公司確認截至2019年12月31日止年度，董事已遵守交易規定準則及董事進行證券交易之操守守則。

### 董事會之責任

董事會負責領導及控制本集團，並監督本集團之業務、策略性決策及表現。董事會主要負責本集團之整體業務規劃及策略、落實本集團之政策及策略、監督業務表現、內部監控及風險管理，以及監察本集團之管理。

董事會委任管理層負責本集團之日常管理、行政及營運工作。董事會則檢討所授出職能，確保符合本集團需要。

# Corporate Governance Report

## 企業管治報告

### COMPOSITION OF THE BOARD

As at the date of this annual report, the Board comprises seven Directors, including three executive Directors and four independent non-executive Directors. The composition of the Board is set out as follows:

#### Executive Directors

Mr. Cheuk Sin Cheong Clement (*Chairman*)  
Ms. Au Corona Ching Mei M.H.  
Ms. Cheuk Heide Oil-gei

#### Independent Non-Executive Directors

Mr. Yu Sau Ning Homer M.H.  
Mr. Zhao Zhipeng  
Ms. Yee Wai Fong Wendy  
Dr. Liu Ngai Wing (appointed on 1 April 2019)

Biographical details of each Director and relationship between board members are set out on page 32 to page 39 of this annual report.

### TERM OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with the Articles of Association of the Company (the "Articles"), one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

### 董事會之組成

截至本年報日期，董事會由七名董事組成，包括三名執行董事及四名獨立非執行董事。董事會組成載列如下：

#### 執行董事

卓善章先生 (*主席*)  
歐靜美女士，M.H.  
卓凱璣女士

#### 獨立非執行董事

余壽寧先生，M.H.  
趙志鵬先生  
余惠芳女士  
廖毅榮博士 (於2019年4月1日獲委任)

各董事之履歷詳情及與董事會成員之關係載於本年度報告第32頁至第39頁。

### 委任及重選董事之條款

董事會有權委任任何人士為董事，填補董事會臨時空缺或出任現有董事會之增任董事。任何獲委任填補臨時空缺之董事，任職至其獲委任後首次股東大會為止，可於會上重選連任，而任何現有董事會增任董事僅任職至本公司下屆股東週年大會為止，屆時有資格重選連任。

根據本公司組織章程細則(「細則」)，當時三分之一董事(如數目非三之倍數，則取最接近之數，但不得少於三分之一)須輪席退任，而每名董事須最少每三年於股東週年大會輪席退任一次。輪席退任的董事包括任何擬退任且不願重選連任的董事，亦包括自其上次獲重選或委任以來服務年期最長的董事，同一日成為或獲重選為董事的人士則抽籤決定退任一方，除非彼等另有協定。

# Corporate Governance Report

## 企業管治報告

### DIVERSITY OF THE BOARD

The Company has adopted a board diversity policy to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The nomination committee of the Company (“**Nomination Committee**”) monitors the implementation of the board diversity policy to ensure the effectiveness of the Board diversity policy.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Cheuk Sin Cheong Clement is currently the chairman of the Board and the chief executive officer of the Company, responsible for formulating the overall business development strategy and planning of the Group. In view that Mr. Cheuk has been responsible for the overall management of the Group since its inception, the Board believes that it is in the best interest of the Group to have Mr. Cheuk taking up both roles for effective management and business development.

The Board considers that the balance of power and authority, accountability and independent decision-making under our present arrangement will not be impaired because of the diverse background and experience of the other executive Directors and independent non-executive Directors.

Further, the audit committee of the Company (“**Audit Committee**”) has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstance.

### 董事會成員之多元化

本公司已採納董事會成員多元化政策，透過考慮多項因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期，務求達致董事會成員多元化。全體董事會成員的委任基於用人唯才之準則，而為有效達致董事會成員多元化，各候選人將按客觀條件加以考慮。

本公司提名委員會（「**提名委員會**」）監督董事會成員多元化政策的執行工作，確保董事會成員多元化政策落到實處。

### 主席及行政總裁

根據企業管治守則守則條文第A.2.1條，主席與行政總裁的角色須區分開來，不可由同一人兼任。主席與行政總裁之間的職責分工須明文規定。

卓善章先生目前為本公司董事會主席兼行政總裁，負責制定本集團之整體業務發展策略及規劃。鑑於卓先生自本集團創立以來一直負責本集團之整體管理，董事會相信，卓先生兼任以上兩個職務符合本集團最佳利益，有助本集團的有效管理及業務發展。

董事會認為，鑑於其他執行董事及獨立非執行董事有多元化的背景及經驗，目前的安排無損權力及授權與問責制度及獨立決策能力的平衡。

此外，本公司審核委員會（「**審核委員會**」）可於其認為有必要時自行直接聯繫本公司外部核數師及獨立專業顧問。因此，董事認為在此情況下偏離企業管治守則守則條文第A.2.1條並無不妥。

# Corporate Governance Report

## 企業管治報告

In order to maintain good corporate governance and to fully comply with code provision A.2.1 of the CG Code, the Board comprises six other experienced and high-calibre individuals including two other executive Directors and four independent non-executive Directors who would be able to offer advice from various perspectives. In addition, for major decisions of the Group, the Company will consult appropriate Board committees and senior management. Considering the present size and the scope of business of the Group, we consider that it is not in the best interest of the Company and the shareholders as a whole to separate the roles of the chairman and the chief executive officer, because the separation would render the decision-making process of the Company less efficient than the current structure. Therefore, the Directors consider that the present arrangement is beneficial to and in the interest of the Company and the shareholders as a whole and the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstance.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with Rule 5.05 of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, with at least one of them have 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 independence pursuant to Rule 5.09 of the GEM Listing Rules and considers the independent non-executive Directors to be independent in accordance with the independence guidelines set out in the GEM Listing Rules.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a specific terms of three years and is subject to retirement by rotation in accordance with the Articles.

為維持良好企業管治及全面遵守企業管治守則守則條文第A.2.1條，董事會由其餘六名經驗豐富、才幹卓越的人士組成，包括兩名執行董事及四名獨立非執行董事，彼等能夠在不同方面提供意見。此外，對於本集團重大決策，本公司會諮詢相應的董事會委員會及高級管理層。經考慮本集團現時規模及業務範疇，我們認為區分主席與行政總裁的角色並不符合本公司與股東的整體最佳利益，原因是相比現有架構，區分兩者會令本集團的決策過程效率降低。因此，董事認為現時安排對本公司及股東整體有利並符合本公司與股東的整體利益，在此情況下偏離企業管治守則守則條文第A.2.1條並無不妥。

### 獨立非執行董事

本公司已遵照GEM上市規則第5.05條委任至少三名獨立非執行董事，其中至少一名具有相應的專業資格或會計或相關財務管理專業能力。

本公司已收到各獨立非執行董事根據GEM上市規則第5.09條作出的年度獨立性確認，基於GEM上市規則所載獨立性指引認為獨立非執行董事獨立自主。

各獨立非執行董事已與本公司簽訂委任函，具體任期為三年，並須根據細則輪席告退。



# Corporate Governance Report

## 企業管治報告

### BOARD COMMITTEES

#### Audit Committee

The Company established an Audit Committee with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the paragraph C.3 and D.3 of CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Yu Sau Ning Homer M.H., Mr. Zhao Zhipeng and Ms. Yee Wai Fong Wendy. Mr. Yu Sau Ning Homer M.H. is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and risk management system, to oversee the audit process, to perform the corporate governance function and other duties and responsibilities as assigned by the Board. The Audit Committee has reviewed with the management the accounting standards and practices adopted by the Group, and discussing auditing, internal control, risk management and financial reporting matters including the review of annual results and financial statements for the year ended 31 December 2019 and review of result for three months ended 31 March 2019, six months ended 30 June 2019 and nine months ended 30 September 2019.

#### Remuneration Committee

The Company established a remuneration committee of the Company ("**Remuneration Committee**") with written terms of reference in compliance with paragraph B.1 of the CG Code. The Remuneration Committee consists of one executive Director namely Ms. Cheuk Heide Oil-gei and two independent non-executive Directors, namely Mr. Zhao Zhipeng and Mr. Yu Sau Ning Homer M.H.. Mr. Zhao Zhipeng is the chairman of the Remuneration Committee, The primary duties of the remuneration committee include (but without limitation): (i) making recommendations to the Directors on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of the Directors and senior management; and (iii) reviewing and approving performance-based remuneration with reference to corporate goals and objectives resolved by the Directors from time to time.

Two Remuneration Committee meetings were held during the Relevant Period to review the remuneration structure of the Directors and make recommendation on the adjusted remuneration packages to the executive Directors. Details of the attendance records of each Remuneration Committee members are set out on page 26 of this annual report.

#### 董事會委員會

#### 審核委員會

本公司已成立審核委員會，並遵守GEM上市規則第5.28條及企業管治守則第C.3及D.3段訂立書面職權範圍。審核委員會由三名獨立非執行董事組成，即余壽寧先生，M.H.、趙志鵬先生及余惠芳女士。余壽寧先生，M.H.擔任審核委員會主席。

審核委員會的主要職責為協助董事會就本公司財務報告程序、內部監控及風險管理系統之有效性提供獨立意見、監督審核過程、履行企業管治職能及董事會指派的其他職務及職責。審核委員會已與管理層審閱本集團所採納會計準則及慣例，並討論審核、內部監控、風險管理及財務申報事宜，包括審閱截至2019年12月31日止年度之年度業績及財務報表，及審閱截至2019年3月31日止三個月、截至2019年6月30日止六個月及截至2019年9月30日止九個月的業績。

#### 薪酬委員會

本公司已成立薪酬委員會（「**薪酬委員會**」），並遵守企業管治守則第B.1段訂立書面職權範圍。薪酬委員會由一名執行董事卓凱璣女士及兩名獨立非執行董事趙志鵬先生和余壽寧先生，M.H.組成。趙志鵬先生擔任薪酬委員會主席。薪酬委員會的主要職責包括但不限於：(i)就董事及高級管理層的所有薪酬政策及架構以及確立正式透明的薪酬政策制定程序向董事提供推薦意見；(ii)釐定董事及高級管理層具體薪酬待遇條款；及(iii)參考董事不時議決的企業宗旨及目標檢討及批准以表現為基準的薪酬。

於有關期間，薪酬委員會舉行了兩次會議以審閱董事薪酬架構及就薪酬組合調整向執行董事提供建議。薪酬委員會各成員的出席記錄載於本年報第26頁。

# Corporate Governance Report

## 企業管治報告

### Nomination Committee

The Company also established a Nomination Committee with written terms of reference in compliance with paragraph A.5 of the CG Code. The Nomination Committee consists of one executive Director namely Mr. Cheuk Sin Cheong Clement and two independent non-executive Directors, namely Mr. Yu Sau Ning Homer M.H. and Ms. Yee Wai Fong Wendy. Mr. Cheuk Sin Cheong Clement is the chairman of the Nomination Committee. The primary function of the Nomination Committee is to, inter alia, make recommendations to the Board to fill vacancies on the same. The secretary of the Company shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members for consideration by the Nomination Committee.

The Nomination Committee may also put forward candidates who are not nominated by Board members. The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate for Director include, inter alia, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as Board member, diversity of the Board, and such other perspectives appropriate to the Company's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

During the Relevant Period, one Nomination Committee meeting was held to review the structure, size and composition of the Board by reference to the criteria as mentioned above, assess the independence of the INEDs and make recommendation on the re-election of the Directors at the annual general meeting of the Company held on 17 June 2019.

### BOARD MEETINGS

For a regular Board meeting, at least 14 days' notice will be given to the Board members. For other Board and committee meetings, reasonable notices are generally given. An agenda and Board papers of the regular meeting are sent to all Directors in advance within reasonable time and all Directors are free to contribute and share their views at the meeting. Minutes of all Board and committee meetings are circulated to the Directors and open for inspection by the Directors.

The Articles contains provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving any contract or arrangement or any other proposal in which such Directors or any of their close associates have a material interest.

### 提名委員會

本公司亦已成立提名委員會，並遵守企業管治守則第A.5段訂立書面職權範圍。提名委員會由一名執行董事卓善章先生及兩名獨立非執行董事余壽寧先生，M.H. 和余惠芳女士組成。卓善章先生擔任提名委員會主席。提名委員會的主要職責為(其中包括)就填補董事會空缺向董事會提供推薦意見。本公司秘書須召開提名委員會會議，並邀請董事會成員提名候選人，交提名委員會考慮。

提名委員會亦可提名並非由董事會成員提名之候選人。提名委員會評估建議董事候選人之適合性時，用作參考的因素包括誠信聲譽、專業資格、技術、與本公司業務及公司策略相關的知識及經驗、是否願意投入充足時間履行作為董事會成員的職責、董事會成員多元性以及對本公司業務而言屬適當之其他因素。提名委員會須提出推薦建議交董事會考慮及批准。

於有關期間，提名委員會舉行一次會議，以參考上述標準審閱董事會架構、規模及組成、評估獨立非執行董事之獨立性及於本公司於2019年6月17日舉行的股東週年大會上就董事重選提供建議。

### 董事會會議

召開定期董事會會議前，會向董事會成員發出至少14日的通知。召開其他董事會及委員會會議前則一般給予合理通知。定期會議之議程及董事會文件會於合理時間內預先送達全體董事，而全體董事可於會上自由發表及分享意見。所有董事會及委員會會議之會議紀錄均會寄發予董事，並可供董事查閱。

細則載有規定在大會上就批准該等董事或彼等之任何緊密聯繫人有重大權益之任何合約或安排或任何其他建議放棄投票及不得計入法定人數之條文。

# Corporate Governance Report

## 企業管治報告

### ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board meetings, audit committee meeting, nomination committee meeting, remuneration committee meeting and annual general meeting of the Company held for the year ended 31 December 2019 is set out in the table below:

| Name of Directors<br>董事姓名   | Board Meeting<br>董事會會議 | Audit Committee Meeting<br>審核委員會會議 | Nomination Committee Meeting<br>提名委員會會議 | Remuneration Committee Meeting<br>薪酬委員會會議 | Annual General meeting<br>股東週年大會 |
|---|------------------------|------------------------------------|---|---|----------------------------------|
| <b>Executive Directors</b><br>執行董事  |                        |                                    |   |   |                                  |
| Mr. Cheuk Sin Cheong Clement<br>卓善章先生   | 6/6                    | N/A 不適用                            | 1/1                                     | N/A 不適用                                   | 1/1                              |
| Ms. Au Corona Ching Mei M.H.<br>歐靜美女士, M.H.                                   | 6/6                    | N/A 不適用                            | N/A 不適用                                 | N/A 不適用                                   | 1/1                              |
| Ms. Cheuk Heide Oil-gei<br>卓凱瓊女士  | 6/6                    | N/A 不適用                            | N/A 不適用                                 | 2/2                                       | 1/1                              |
| <b>Independent Non-Executive Directors</b><br>獨立非執行董事                         |                        |                                    |   |   |                                  |
| Mr. Yu Sau Ning Homer M.H.<br>余壽寧先生, M.H.                                     | 5/6                    | 3/4                                | 1/1                                     | 2/2                                       | 1/1                              |
| Mr. Zhao Zhipeng<br>趙志鵬先生   | 6/6                    | 4/4                                | N/A 不適用                                 | 2/2                                       | 0/1                              |
| Ms. Yee Wai Fong Wendy<br>余惠芳女士   | 6/6                    | 4/4                                | 1/1                                     | N/A 不適用                                   | 1/1                              |
| Dr. Liu Ngai Wing<br>(appointed on 1 April 2019)<br>廖毅榮博士 (於2019年<br>4月1日獲委任) | 5/6                    | N/A 不適用                            | N/A 不適用                                 | N/A 不適用                                   | 1/1                              |

### CORPORATE GOVERNANCE FUNCTIONS

According to code provision D.3.1 of the CG Code, the Board is responsible for performing the corporate governance duties of the Company.

The Board reviewed the Company's corporate governance policies and practices, continuous professional development of Directors, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the GEM Listing Rules, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

### 董事出席紀錄及委員會成員

各董事出席本公司截至2019年12月31日止年度舉行的董事會會議、審核委員會會議、提名委員會會議、薪酬委員會會議及股東週年大會的紀錄載列於下表：

### 企業管治職能

根據企業管治守則守則條文第D.3.1條，董事會負責履行本公司之企業管治職責。

董事會已審閱本公司企業管治政策及常規、董事之持續專業發展、本公司就遵守法律及法規要求、遵守GEM上市規則，以及本公司遵守企業管治守則及於本企業管治報告作出披露之政策及常規。

# Corporate Governance Report

## 企業管治報告

### FINANCIAL REPORTING

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group. In preparing the consolidated financial statements for the year ended 31 December 2019, the Group has selected suitable accounting policies in accordance with accounting principles and applied them consistently. A statement by the auditors of the Company about its responsibilities for the financial statements is set out in the independent auditors' report contained in this annual report. The Directors adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

### CONTINUING PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

Pursuant to the code provision A.6.5 under Appendix 15 to the GEM Listing Rules, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. For the year ended 31 December 2019, all Directors and a majority of the senior management of the Group received induction trainings from the Company's Hong Kong legal adviser in respect of the ongoing obligations, duties and responsibilities of Directors of publicly listed companies in Hong Kong under the Companies Ordinance, the Securities and Futures Ordinance ("SFO") and the GEM Listing Rules.

The Company will from time to time provide briefings to all Directors to refresh their duties and responsibilities. The Directors are also encouraged to attend relevant training courses provided by legal advisers and/or any appropriate institutions.

### COMPANY SECRETARY

Mr. Xie Xing is the company secretary of the Company. Please refer to the section headed "Biographical Details of the Directors and Senior Management" of this annual report for the biographical details of the company secretary of the Company.

For the year ended 31 December 2019, Mr. Xie has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

### 財務申報

董事確認彼等編製本集團綜合財務報表之責任。編製截至2019年12月31日止年度之綜合財務報表時，本集團已根據會計原則選取適用會計政策並貫徹應用。本公司核數師關於其對財務報表之責任的聲明載於本年報所載獨立核數師報告。董事編製綜合財務報表時採納持續經營法，並不知悉有任何重大不明確事件或情況可能會導致本公司持續經營能力遭受重大質疑。

### 董事之持續專業發展

根據GEM上市規則附錄十五之守則條文第A.6.5條，全體董事應參與持續專業發展，發展及更新自身的知識及技能。截至2019年12月31日止年度，本公司香港法律顧問向本集團全體董事及大部分高級管理層提供有關香港公開上市公司董事按照公司條例、證券及期貨條例（「證券及期貨條例」）及GEM上市規則所須遵守持續責任、職能及責任的入職培訓。

本公司將不時向全體董事提供簡介，提醒其職責及責任，並鼓勵董事出席法律顧問及／或任何合適機構提供的相關培訓課程。

### 公司秘書

謝星先生為本公司公司秘書。有關本公司公司秘書的履歷詳情，請參閱本年報「董事及高級管理層的履歷詳情」一節。

截至2019年12月31日止年度，謝先生已根據GEM上市規則第5.15條參加不少於15個小時的相關專業培訓。

# Corporate Governance Report

## 企業管治報告

### AUDITORS' REMUNERATION

The Company engaged HLB Hodgson Impey Cheng Limited as its auditors for the year ended 31 December 2019. The analysis of the auditors' remuneration for the year ended 31 December 2019 is set out as follow:

| Type of services provided by external auditors<br>外部核數師提供服務種類 |       | Amount of fees<br>費用<br>HK\$'000<br>千港元 |
|---|-------|---|
| Audit services  | 審核服務  | 860                                     |
| Non-audit service   | 非審核服務 | -                                       |
| Total   | 總計    | 860                                     |

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board has responsibility for maintaining appropriate and effective risk management and internal control systems of the Group. The Board has delegated responsibility to the Audit Committee to review the Group's risk management and internal control matters annually.

For the year ended 31 December 2019, the Group did not have an internal audit function as required under code provision C.2.5 of the CG Code. The Company has engaged an external independent internal control consultant to review the Group's risk management and internal control systems. The Audit Committee reviewed the internal control review report issued by the external independent consultant on the Company's risk management and internal control systems in respect of the year ended 31 December 2019 and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred the same.

### 核數師薪酬

本公司已委聘國衛會計師事務所有限公司擔任其截至2019年12月31日止年度的核數師。截至2019年12月31日止年度之核數師薪酬分析如下：

### 風險管理及內部監控

董事會負責維持本集團適當及有效之風險管理及內部監控系統。董事會向審核委員會下放責任，每年檢討本集團之風險管理及內部監控事宜。

截至2019年12月31日止年度，本集團並無企業管治守則守則條文第C.2.5條所規定之內部審核職能。本公司已委任外聘獨立內部監控顧問，檢查本集團風險管理及內部監控系統。審核委員會審閱外聘獨立顧問就本公司截至2019年12月31日止年度之風險管理及內部監控系統出具的內部監控檢討報告後，認為系統有效而充分。董事會考慮內部監控檢討報告及審核委員會的檢討後認同審核委員會對內部監控系統有效性的評估意見。

# Corporate Governance Report

## 企業管治報告

### DISCLOSURE OF INSIDE INFORMATION

The Group complies with requirements of SFO and the GEM Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

### DIVIDEND POLICY

The Board endeavors to strike a balance between the interests of the shareholder of the Company and prudent capital management with a sustainable dividend policy. In proposing any dividend payout, the Board shall also take into account, inter alia:

1. the actual and expected financial performance of the Group;
2. retained earnings and distributable reserves of the Company and each of the other members of the Group;
3. economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
4. business strategies of the Group, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;
5. the current and future operations, liquidity position and capital requirements of the Group;
6. statutory and regulatory restrictions; and
7. other factors that the Board deems appropriate.

The Board will review the dividend policy as appropriate from time to time.

### 內幕消息披露

本集團已遵守證券及期貨條例及GEM上市規則的規定。本集團會在合理可行的情況下，儘快向公眾披露內幕消息，惟屬證券及期貨條例所規定之任何安全港範圍者除外。本集團在向公眾全面披露有關消息前，會確保消息絕對保密。倘本集團認為無法保持所需的機密性，或消息可能已外洩，本集團會即時向公眾披露消息。本集團致力確保公告所載資料就重大事實而言並無虛假或誤導成分，亦無因遺漏重大事實而導致虛假或有所誤導，而以清晰及中肯方式呈列資料，就此須作出正面及負面事實相等程度的披露。

### 股息政策

通過可持續的股息政策，董事會致力實現本公司股東權益與審慎資本管理之間的平衡。在建議任何股息支付時，董事會亦須考慮(其中包括)：

1. 本集團的實際及預期財務表現；
2. 本公司及本集團旗下其他成員公司的保留盈利及可分派儲備；
3. 可能影響本集團業務或財務表現和狀況的經濟狀況及其他內外部因素；
4. 本集團的業務策略，包括維持業務長期增長的未來現金需求及投資需求；
5. 本集團現時及未來業務營運、流動資金狀況及資本需求；
6. 法定和監管限制；及
7. 董事會認為合適的其他因素。

董事會會不時於適當情況下審閱股息政策。

### THE SHAREHOLDERS' RIGHTS TO CONVENE AN EXTRAORDINARY GENERAL MEETING AND PUT FORWARD PROPOSALS AT SUCH MEETING

Pursuant to article 58 of the Articles, 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 shall at all time have the right, by written requisition to the Board or the secretary of the Company at the principal place of business of the Company in Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

To ensure that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, the Company has established several channels to communicate with the shareholders as follows:

- (i) corporate communications such as annual reports, interim reports, quarterly reports and circulars are issued in printed form and are available on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.hanveygroup.com.hk](http://www.hanveygroup.com.hk);
- (ii) periodic announcements are published on the websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's website; and
- (iv) annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management.

### 股東召開股東特別大會及於有關大會提呈建議之權利

根據細則第58條，任何一名或以上於遞呈要求當日持有不少於本公司繳足股本（具本公司股東大會之投票權）十分之一的股東有權隨時透過向本公司董事會或秘書發出書面要求（地址為本公司之香港主要營運地點），要求董事會召開股東特別大會，處理該要求中指明的任何事務；且該大會須於遞呈該要求後2個月內舉行。若於遞呈要求當日起21日內，董事會未有召開大會，則遞呈要求人士可自行以同樣方式召開大會處理有關事務，而遞呈要求人士因董事會不作為而產生之所有合理開支由本公司向遞呈要求人士償付。

### 與股東及投資者溝通

為確保股東及潛在投資者可從相同途徑及時獲得已整理妥當、條理清晰且易於理解之本公司資料，本公司已構建以下與股東溝通之渠道：

- (i) 企業通訊，如以印刷方式發佈年報、中期報告、季度報告及通函，亦可登陸聯交所網站 [www.hkexnews.hk](http://www.hkexnews.hk) 及本公司網站 [www.hanveygroup.com.hk](http://www.hanveygroup.com.hk) 查閱；
- (ii) 於聯交所及本公司的網站定期發佈公告；
- (iii) 登陸本公司網站查閱公司資料；及
- (iv) 股東週年大會及股東特別大會為股東提供討論平台，可讓股東提供意見及與董事及高級管理層交流意見。

# Corporate Governance Report

## 企業管治報告

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.

### CONSTITUTIONAL DOCUMENTS

For the year ended 31 December 2019, there has been no change in the Company's Memorandum and the Articles.

本公司一直促進投資者關係及加強與現有股東及潛在投資者的溝通，歡迎投資者、持份者及公眾人士提出建議。如欲向董事會或本公司作出查詢，可以郵遞方式送交本公司香港主要營業地點。

### 憲章文件

截至2019年12月31日止年度，本公司大綱及細則並無變動。



# Biographical Details of the Directors and Senior Management

## 董事及高級管理層的履歷詳情

Biographical details of the Directors and the senior management of the Group are set out as follows:

### EXECUTIVE DIRECTORS

**Mr. Cheuk Sin Cheong Clement (卓善章)**, aged 61, is the chairman of our Board, our founder, our executive Director, one of our controlling Shareholders and our chief executive officer. He is also the chairperson of our Nomination Committee. He is a director of each of the operating subsidiaries of our Group. Mr. Cheuk is primarily responsible for formulating our Group's overall strategy planning, overseeing sales and marketing, product development, and overall management of our Group's business.

Mr. Cheuk has more than 31 years of experience in the watch industry, particularly in product design development, sales and marketing. He was the vice chairman of the 17th session of and chairman of the 18th session of The Federation of Hong Kong Watch Trades & Industries Limited and an advisor of The Federation of Hong Kong Watch Trades & Industries Limited since 2000. He was also a member of Watches and Clocks Advisory Committee of the Hong Kong Trade Development Council from 1996 to 2007.

Mr. Cheuk obtained a master's degree of business administration (executive) from the City University of Hong Kong in November 2001. He was admitted as an honorary fellow of the Professional Validation Centre of Hong Kong Business Sector in June 2015. He was also awarded the Young Industrialist Awards for the year 1998/1999 by the Hong Kong Young Industrialists Council and an awardee member of the Hong Kong Young Industrialists Council in November 1998. Mr. Cheuk was also a director of the 32nd board of directors of Yan Oi Tong.

He is the spouse of Ms. Au Corona Ching Mei M.H., father of Ms. Cheuk Heide Oil-gei and brother-in-law of Ms. Au Hung Wai Didy.

**Ms. Au Corona Ching Mei M.H. ("Mrs. Cheuk") (歐靜美)**, aged 59, is our executive Director, one of our controlling Shareholders and the legal representative of Shenzhen 3 Wells Watch Company Limited. She is also a director of each of the operating subsidiaries of our Group. She is primarily responsible for overseeing our Group's administrative, human resources and financial management, and assisting in the management of our Group's business.

Mrs. Cheuk has more than 30 years of experience in the watch industry. Prior to joining our Group, she worked in the finance department in China Resources Textiles Company Limited from July 1978 to January 1985 and worked as a deputy financial manager in China Resources Silk Co., Ltd from January 1985 to November 1987.

董事及本集團高級管理層的履歷詳情載列如下：

### 執行董事

**卓善章先生**，61歲，為董事會主席、創辦人、執行董事、控股股東之一兼行政總裁。彼為提名委員會的主席及本集團各營運附屬公司的董事。卓先生主要負責制定本集團整體策略規劃、監督銷售及營銷、產品開發及業務整體管理。

卓先生於鐘錶行業擁有逾31年的經驗，尤其是產品設計開發、銷售及營銷方面。彼分別擔任第十七屆及第十八屆香港鐘表業總會副主席及主席，並自2000年起，擔任香港鐘表業總會的顧問。彼於1996年至2007年期間亦為香港貿易發展局鐘表業諮詢委員會成員。

卓先生於2001年11月獲得香港城市大學行政人員工商管理碩士學位，於2015年6月獲香港商業專業評審中心頒發「榮譽院士」。彼亦於1998年11月獲香港青年工業家協會頒發1998/1999年「香港青年工業家獎」，並成為香港青年工業家協會獲獎成員。卓先生亦為仁愛堂第32屆董事會董事。

彼為歐靜美女士，M.H.之配偶、卓凱璣女士之父及歐紅慧女士之姐夫。

**歐靜美女士，M.H. (「卓太太」)**，59歲，為執行董事、控股股東之一及深圳三井錶業有限公司的法定代表。彼亦為本集團各營運附屬公司的董事，主要負責監管本集團的行政、人力資源及財務管理和協助管理本集團的業務。

卓太太在鐘錶行業擁有逾30年的經驗。加入本集團前，彼於1978年7月至1985年1月任職於華潤紡織品有限公司財務部，於1985年1月至1987年11月擔任華潤絲綢有限公司(China Resources Silk Co., Ltd)財務副經理。

## Biographical Details of the Directors and Senior Management 董事及高級管理層的履歷詳情

Mrs. Cheuk was awarded the China's Hundred Outstanding Women Entrepreneurs\* (中國百名傑出女企業家) by the China Association of Woman Entrepreneurs\* (中國女企業家協會) in October 2006 and was awarded the Medal of Honour (MH) by the Government of the HKSAR in July 2010. She was a director, the vice chairlady and the chairlady of Yan Oi Tong from 2004 to 2006, 2006 to 2009 and 2009 to 2010 respectively. She was a committee member of the tenth Hubei Municipal Committee of the Chinese People's Political Consultative Conference\* (中國人民政治協商會議湖北省第十屆委員會委員). She is currently a permanent honorary committee member of The Chinese General Chamber of Commerce, Hong Kong and a director of Po Leung Kuk.

Mrs. Cheuk obtained a diploma of graduate gemologist from the Gemological Institute of America in March 2003. Mrs. Cheuk is the spouse of Mr. Cheuk Sin Cheong Clement, mother of Ms. Cheuk Heide Oil-gei and sister of Ms. Au Hung Wai Didy.

**Ms. CHEUK Heide Oil-gei (卓凱璣)**, aged 31, is our executive Director and in-house legal counsel. She is currently responsible for overseeing the sales and marketing and business development, management of our Group's business, and advising on legal matters.

Ms. Cheuk has 6 years of experience in the watch industry. Prior to joining our Group, she worked as a legal intern and paralegal at Vidler & Co. Solicitors from August 2010 to May 2011 and as a solar campaign associate at Environment California from August 2012 to October 2012.

Ms. Cheuk obtained a degree of bachelor of Laws from the University of Durham in July 2010 and a degree of master of laws from the Duke University in May 2012. She was admitted to practice as an attorney and counsellor at law in all courts of the State of New York in June 2017.

Ms. Cheuk is the daughter of Mr. Cheuk Sin Cheong Clement and Mrs. Cheuk and the niece of Ms. Au Hung Wai Didy.

卓太太於2006年10月獲中國女企業家協會評為「中國百名傑出女企業家」，並於2010年7月獲香港特別行政區政府頒發榮譽勳章(榮譽勳章)。彼分別於2004年至2006年、2006年至2009年及2009年至2010年擔任仁愛堂董事、副主席及主席。彼曾為中國人民政治協商會議湖北省第十屆委員會委員，而現為香港中華總商會終身榮譽會員及香港保良局總理。

卓太太於2003年3月自美國寶石學院(the Gemological Institute of America)獲得寶石學畢業文憑。卓太太為卓善章先生之配偶、卓凱璣女士之母及歐紅慧女士之胞姐。

**卓凱璣女士**，31歲，為執行董事兼內部法律顧問。彼目前負責監管銷售及營銷以及業務發展、管理本集團的業務及就法律事務提供意見。

卓女士在鐘錶行業擁有6年的經驗。加入本集團前，彼於2010年8月至2011年5月曾於韋智達律師行擔任法務實習生及律師助理，並於2012年8月至2012年10月於Environment California擔任太陽能推廣活動助理。

卓女士於2010年7月自杜倫大學獲得法學學士學位，並於2012年5月自杜克大學獲得法學碩士學位。彼於2017年6月獲得紐約州所有法院認可為執業律師及法律顧問。

卓女士為卓善章先生及卓太太之女，以及歐紅慧女士的外甥女。

## Biographical Details of the Directors and Senior Management 董事及高級管理層的履歷詳情

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. YU Sau Ning Homer M.H. (余壽寧)**, aged 67, is our independent non-executive Director, the chairperson of our Audit Committee, and a member of our Remuneration Committee and Nomination Committee. Mr. Yu is responsible for supervising and providing independent judgment to our Board, Remuneration Committee, Audit Committee and Nomination Committee.

Mr. Yu has 41 years of experience in the wholesale and retail markets of wine and spirit, skincare and household products. He has been the chief executive officer of Cheong Hing Store Ltd., Cheong Hing (1917) Limited, Youthful Technology International Ltd. and Youthful Wonder Limited since 1981, 1981, 1989 and 2014 respectively. In June 2016, he founded and became the director of One Belt One Road Eurasia Centre (HK) Limited.

Mr. Yu was awarded the Chevalier de l'ordre national du Merite by the Government of France in June 1996 and was awarded the medal of honour by the Government of the HKSAR in 1999. He was appointed as a member of the eleventh and twelfth National People's Congress HKSAR Representative Elective Committee and was appointed as a committee member of the first Chinese People's Political Consultative Conference of Huangpu, Guangzhou in August 2015. He was also appointed as a member by the Consumer Council for the period between 2003 and 2008. In December 2008, he received the honorary decoration award from the Chamber of Beauty Culture & Cosmetics of All-China Federation of Industry & Commerce. He is currently a member of the Customer Consultative Group of CLP Power Hong Kong Limited, and an elected member of the retailer category of Quality Tourism Services Association Governing Council (QTSA) and the chairman of the Better Business Environment Committee of QTSA. He has been the chairman of the seventh Professional's Committee of Kowloon Federation of Association since June 2015. He has been an honorary life president of the Cosmetic & Perfumery Association of Hong Kong Ltd. since 1996.

Mr. Yu obtained a degree of master of science from the National University of Ireland in April 2003. He was admitted as honorary senior fellow by the Professional Validation Centre of Hong Kong Business Sector (PVCBS) in November 2005, and was the president of the 6th session of the executive committee of PVCBS.

### 獨立非執行董事

余壽寧先生，M.H.，67歲，為獨立非執行董事及審核委員會主席及薪酬委員會與提名委員會成員。余先生負責監督及向董事會、薪酬委員會、審核委員會及提名委員會提供獨立判斷。

余先生於紅酒及白酒、護膚及家居用品的批發及零售市場擁有41年經驗。彼自1981年、1981年、1989年及2014年起分別擔任昌興士多有限公司、昌興(1917)有限公司、沛麗國際(香港)有限公司及沛麗非凡有限公司的行政總裁。2016年6月，彼成立一帶一路歐亞交流中心(香港)有限公司並出任董事。

余先生於1996年6月獲法國政府授予國家騎士勳章(Chevalier de l'ordre national du Merite)，並於1999年獲香港特別行政區政府頒授榮譽勳章。彼於2015年8月獲選為第十一屆及第十二屆全國人民代表大會香港特別行政區選舉委員會成員及廣州黃埔第一屆中國人民政治協商會議委員會成員。彼亦於2003年至2008年期間獲委任為消費者委員會成員。2008年12月，彼獲中華全國工商業聯合會美容化妝品業商會授予榮譽美工獎。彼現任中華電力有限公司客戶諮詢小組成員，且為優質旅遊服務協會(QTSA)零售界別執行委員會選任委員，QTSA優質營商環境委員會主席，自2015年6月起為第七屆九龍聯合會專業委員會主席。自1996年起，彼一直擔任香港化妝品同業協會終身榮譽會長。

余先生於2003年4月獲愛爾蘭國立大學理學碩士學位。彼於2005年11月獲香港商業專業評審中心(PVCBS)認可為榮譽資深院士，並曾任香港商業專業評審中心執行委員會第六任總裁。

## Biographical Details of the Directors and Senior Management 董事及高級管理層的履歷詳情

**Mr. ZHAO Zhipeng (趙志鵬)**, aged 36, is our independent non-executive Director, the chairperson of our Remuneration Committee, and a member of our Audit Committee. Mr. Zhao is responsible for supervising and providing independent judgment to our Board, Audit Committee and Remuneration Committee.

Mr. Zhao has more than six years of experience in the legal industry. Prior to joining our Group, he worked as a trainee solicitor at Patrick Mak & Tse from July 2011 to December 2013 and as an assistant solicitor in the same firm from December 2013 to March 2016. He became a partner of the said firm since 2016. He has been an independent non-executive director of Kin Pang Holdings Limited (stock code: 1722), a company listed on the Main Board of the Stock Exchange, since November 2017.

Mr. Zhao obtained a degree of bachelor of laws from The East China University of Political Science and Law in July 2006, a degree of master of laws from The Chinese University of Hong Kong in December 2007, a juris doctor degree from the City University of Hong Kong in October 2009 and a postgraduate certificate in laws from the City University of Hong Kong in July 2011. He was admitted to practice law as a solicitor in Hong Kong in December 2013.

**Ms. YEE Wai Fong Wendy (余惠芳)**, aged 54, is our independent non-executive Director and a member of our Audit Committee and Nomination Committee. She is responsible for supervising and providing independent judgment to our Board, Audit Committee and Nomination Committee.

Ms. Yee has more than 26 years of experience in finance and accounting areas in the Asia Pacific. Prior to joining our Group, she was a senior auditor of Deloitte Touche Tohmatsu from July 1988 to April 1993. From July 1993 to November 2006 she has served a number of positions in the Motorola Asia Pacific Limited, a multinational telecommunications company listed in the United States, with her last position as a controller for Hong Kong, the Philippines and the business development team of its networks and enterprise business. From December 2006 to April 2010 she has served a number of position in Ecolab Limited, a subsidiary of Ecolab Inc., a company listed in the United States, with her last position as Asia control director. From May 2010 to July 2012 she served as a vice president of finance in Active-Semi International, Inc. From July 2012 to June 2013, she worked as a senior director of finance and accounting, Asia, at Mikli Asia Limited. She then served as a director of finance from April 2014 to June 2017 at Targus Asia Pacific Limited.

Ms. Yee obtained a degree of bachelor of social sciences from the University of Hong Kong in November 1988 and a degree of bachelor of science from the University of London in August 2002. She further obtained a degree of master of business administration from the University of Dubuque in December 2002. She has been admitted as a member of the Institute of Chartered Accountants in England and Wales in February 2006, and as an associate of the Hong Kong Institute of Certified Public Accountants since April 1992.

趙志鵬先生，36歲，為獨立非執行董事、薪酬委員會主席及審核委員會成員。趙先生負責監督及向董事會、審核委員會及薪酬委員會提供獨立判斷。

趙先生在法律行業擁有逾六年的經驗。加入本集團前，彼於2011年7月至2013年12月曾為麥家榮律師行的實習律師，並於2013年12月至2016年3月擔任該律師行的助理律師。彼自2016年起成為上述律師行的合夥人。彼自2017年11月起一直擔任建鵬控股有限公司(股份代號：1722，一間於聯交所主板上市的公司)獨立非執行董事。

趙先生於2006年7月獲得華東政法大學法學學士學位、於2007年12月獲得香港中文大學法學碩士學位、於2009年10月獲得香港城市大學法學博士學位並於2011年7月獲得香港城市大學法學研究生證書。彼於2013年12月獲准為執業律師在香港從事法律事務。

余惠芳女士，54歲，為獨立非執行董事以及審核委員會及提名委員會成員，負責監督及向董事會、審核委員會及提名委員會提供獨立判斷。

余女士於亞太區財務及會計領域擁有逾26年經驗。加入本集團前，彼於1988年7月至1993年4月為德勤•關黃陳方會計師行的高級審計師。於1993年7月至2006年11月，彼曾於一間美國上市的跨國電信公司Motorola Asia Pacific Limited擔任多個職位，其最後擔任的職位為香港、菲律賓以及其網絡及企業業務的業務發展團隊總監。彼於2006年12月至2010年4月於一間美國上市公司藝康集團之附屬公司藝康化工有限公司擔任多個職位，最後任職亞洲控制總監。彼於2010年5月至2012年7月擔任Active-Semi International, Inc.的財務副總裁。於2012年7月至2013年6月，彼於米克利亞洲有限公司擔任亞洲高級財務及會計總監，後於2014年4月至2017年6月於Targus Asia Pacific Limited擔任財務總監。

余女士於1988年11月取得香港大學社會科學學士學位，並於2002年8月取得倫敦大學科學學士學位，再於2002年12月取得杜比克大學工商管理碩士學位。彼於2006年2月獲認可為英格蘭及威爾斯特許會計師公會會員，自1992年4月起為香港會計師公會會員。

## Biographical Details of the Directors and Senior Management 董事及高級管理層的履歷詳情

**Dr. Liu Ngai Wing (廖毅榮)**, aged 69, is our independent non-executive Director. He is responsible for supervising and providing independent judgement to our Board. Dr. Liu was awarded a Master Degree of Business Administration degree from The Open University of Hong Kong in December 1999. He then obtained a Master of Science degree in Hotel and Tourism Management in The Hong Kong Polytechnic University in November 2001. He further obtained a Master of Science degree in Global Business from The Chinese University of Hong Kong in December 2002, a PhD degree from the Hotel and Tourism Management School of The Hong Kong Polytechnic University in October 2008, a Master of Arts degree in China Studies from Hong Kong University of Science and Technology in November 2011, a Master of Arts degree in Asia and International Studies from The City University of Hong Kong in February 2013, a Doctor of Business Administration degree from Curtin University of Technology in January 2013, a Master of Arts degree in Practical Philosophy from Lingnan University in November 2015, Master of Arts degree in Chinese Studies from Chu Hai College of Higher Education in October 2017, and a Bachelor of Arts degree in Chinese Humanities from The Open University of Hong Kong in August 2018.

Dr. Liu is an associate of The Hong Kong Institute of Company Secretaries, an associate of The Institute of Chartered Secretaries and Administrators, an associate of The Hong Kong Institute of Certified Public Accountants and a fellow of The Chartered Association of Certified Accountants.

廖毅榮博士，69歲，為獨立非執行董事，負責監督董事會及向董事會提供獨立判斷。廖博士於1999年12月在香港公開大學取得工商管理碩士學位，其後於2001年11月在香港理工大學取得酒店及旅遊業管理理學碩士學位，於2002年12月在香港中文大學取得環球商業理學碩士學位，於2008年10月在香港理工大學酒店及旅遊業管理學院取得博士學位，於2011年11月在香港科技大學取得中國研究文學碩士學位，於2013年2月在香港城市大學取得亞洲及國際研究文學碩士學位，於2013年1月在澳洲科庭科技大學取得商業管理博士學位，於2015年11月在嶺南大學取得實踐哲學文學碩士學位，於2017年10月在香港珠海學院取得中國研究文學碩士學位，並於2018年8月在香港公開大學取得中國人文學科文學學士學位。

廖博士為香港特許秘書公會、特許公司秘書及行政人員公會、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。

## Biographical Details of the Directors and Senior Management 董事及高級管理層的履歷詳情

Dr. Liu worked as a chief executive officer and a chairman at Yoshiya International Corporation, Limited (currently known as Capital Estate Limited, Stock Code 193), a company of which shares are listed on the Main Board of the Stock Exchange, from October 1996 to April 2002. He was an executive director of eSun Holdings Limited (Stock Code 571), a company of which shares are listed on the Main Board of the Stock Exchange, from November 1998 to May 2008. He was an independent non-executive director and the chairman of the audit committee of Hang Fung Gold Technology Limited (currently known as 3D-GOLD Jewellery Holdings Limited (“**3D-GOLD**”)), a company of which shares were listed on the Main Board of the Stock Exchange but were subsequently delisted on 9 July 2012, from March 2000 to December 2008. Shares in 3D-GOLD were suspended from trading since 29 September 2008 and it was announced on the same day that Dr. Lam Sai Wing (“**Dr. Lam**”), the then chairman of 3D-GOLD had passed away and that technical breaches of certain loan facilities may arise as a result of Dr. Lam ceasing to be chairman of 3D-GOLD. On 14 October 2008 it was announced that certain wholesale trade receivables of 3D-GOLD might not be recoverable, and a winding-up petition for 3D-GOLD was filed by The Hongkong and Shanghai Banking Corporation Limited on 17 October 2008. The winding-up petition was subsequently adjourned to 13 July 2011 based on the available announcement of 3D-GOLD. The shares of 3D-GOLD were delisted with effect from 9 July 2011 by the Stock Exchange. Since Dr. Liu’s resignation from the board of directors of 3D-GOLD on 5 December 2008, he has been unaware of any further developments in the affairs of 3D-GOLD.

Dr. Liu also acted as the executive director and chief executive officer of Singapore Hong Kong Properties Investment Limited (currently known as China Minsheng Financial Holding Corporation Limited, Stock Code 245), a company of which shares are listed on the Main Board of the Stock Exchange, from September 2000 to December 2001. He was an independent non-executive director of Daiwa Associate Holdings Limited (currently known as Maxnerva Technology Services Limited, Stock Code 1037), a company of which shares are listed on the Main Board of the Stock Exchange, from September 2004 to December 2015. He was an independent non-executive director of Dorsett Hospitality International Limited (“**Dorsett Hospitality**”), a company of which shares were listed on the Main Board of the Stock Exchange but which were delisted on 16 October 2015, from September 2010 to October 2015. After Dorsett Hospitality was delisted, Dr. Liu continued to be its director until March 2016. He currently holds the position as an executive director at Miranda Company Limited.

廖博士於1996年10月至2002年4月在慶屋國際有限公司(現稱冠中地產有限公司, 股份代號: 193, 其股份在聯交所主板上市)擔任行政總裁兼主席, 於1998年11月至2008年5月在豐德麗控股有限公司(股份代號: 571, 其股份在聯交所主板上市)擔任執行董事, 於2000年3月至2008年12月在恒豐金業科技有限公司(現稱金至尊珠寶控股有限公司(「**金至尊**」), 其股份在聯交所主板上市但其後於2012年7月9日除牌)擔任獨立非執行董事兼審核委員會主席。金至尊股份自2008年9月29日起暫停買賣, 同日公告金至尊當時的主席林世榮博士(「**林博士**」)辭世, 而若干信貸融資在技術上亦因林博士不再出任金至尊主席而出現違約。2008年10月14日公告, 金至尊的若干批發貿易應收款項無法收回, 而香港上海滙豐銀行有限公司於2008年10月17日對金至尊提出清盤呈請。根據金至尊提供的公告, 清盤呈請其後延期至2011年7月13日。金至尊股份自2011年7月9日起遭聯交所除牌。自2008年12月5日廖博士辭任金至尊董事會職務以來, 廖博士並不知悉有關金至尊事務的任何進展。

廖博士亦於2000年9月至2001年12月在星港地產投資有限公司(現稱中國民生金融控股有限公司, 股份代號: 245, 其股份在聯交所主板上市)擔任執行董事兼行政總裁, 於2004年9月至2015年12月在台和商事控股有限公司(現稱雲智匯科技服務有限公司, 股份代號: 1037, 其股份在聯交所主板上市)擔任獨立非執行董事, 於2010年9月至2015年10月在帝盛酒店集團有限公司(「**帝盛酒店**」, 其股份曾在聯交所主板上市, 但於2015年10月16日除牌)擔任獨立非執行董事。於帝盛酒店除牌後, 廖博士繼續擔任其董事至2016年3月。廖博士現時為Miranda Company Limited的執行董事。

## Biographical Details of the Directors and Senior Management 董事及高級管理層的履歷詳情

### SENIOR MANAGEMENT

**Mr. XIE Xing (謝星)**, aged 39, is our chief financial officer and company secretary. He is responsible for overseeing our financial reporting, financial planning, treasury, financial control and company secretarial matters.

Mr. Xie has more than 12 years of experience in the accounting and financial field. Prior to joining our Group, he worked at KPMG from July 2006 to February 2008, with his last position as an accountant. Subsequently, he worked as a financial and planning manager at Garona (HK) Limited from February 2008 to November 2008, as an accountant at Mapletree Logistics Management (HK) Limited from May 2009 to June 2010, as a business and finance manager at Vantage Sourced Limited from June 2010 to December 2012 and as a senior financial analyst at 3 Wells Watch Industries Limited from December 2011 to January 2014. In July 2014, he co-founded and became a director of Makeup Gallery Limited. From July 2015 to April 2017, he worked as a financial analyst at Metito China Holdings Limited. He rejoined 3 Wells Watch Industries Limited as the chief financial officer in May 2017.

He obtained a degree of bachelor of science with honour in applied physics from the Hong Kong Baptist University in December 2003, a degree of master of philosophy in physics from The Hong Kong University of Science and Technology in November 2005 and a degree of master of economics from The University of Hong Kong in November 2019. He has been a member of the Hong Kong Institute of Certified Public Accountants since May 2011.

**Mr. LAU Yue Man (劉禹文)**, aged 50, is our general manager and a director of Shenzhen 3 Wells Watch Company Limited. He is responsible for overseeing daily operation of our PRC production plant, and resolving production and products issues.

Mr. Lau has over 24 years of experience in management. Prior to joining our Group, he worked as a general manager in Golden Island Watch Industrial (Shenzhen) Limited\* (金島錶業(深圳)有限公司) from June 1994 to December 1996, as a general manager in Han Lin Metal Products Manufactory Limited\* (漢霖金屬製品廠有限公司) from January 1997 to April 2002, and as a technical director in Sutec (H.K.) Limited from August 2002 to January 2014.

### 高級管理層

**謝星先生**，39歲，為財務總監兼公司秘書，負責監管我們的財務申報、財務計劃、庫務、財務控制及公司秘書事務。

謝先生在會計及財務領域擁有逾12年的經驗。加入本集團前，他曾於2006年7月至2008年2月就職於畢馬威會計師事務所，其最後的職位為會計師。彼其後於2008年2月至2008年11月擔任Garona (HK) Limited財務及規劃經理、2009年5月至2010年6月擔任豐樹物流管理(香港)有限公司的會計師、2010年6月至2012年12月擔任Vantage Sourced Limited的業務及財務經理並於2011年12月至2014年1月擔任三井錶業有限公司的高級財務分析師。2014年7月，彼參與創辦香港妝家科技有限公司並成為其董事。2015年7月至2017年4月，他曾擔任柏林水務中國控股有限公司的財務分析師。彼於2017年5月重新加入三井錶業有限公司，擔任財務總監。

彼於2003年12月獲得香港浸會大學應用物理學榮譽理學士學位，於2005年11月獲得香港科技大學物理學碩士學位，及於2019年11月獲得香港大學經濟學碩士學位。彼自2011年5月起一直為香港會計師公會的會員。

**劉禹文先生**，50歲，為總經理兼深圳三井錶業有限公司的董事，負責監管我們中國廠房的日常經營及解決生產及產品事件。

劉先生在管理方面擁有逾24年的經驗。加入本集團前，曾於1994年6月至1996年12月擔任金島錶業(深圳)有限公司的總經理，1997年1月至2002年4月擔任漢霖金屬製品廠有限公司的總經理，2002年8月至2014年1月擔任世德精密有限公司的技术主管。

## Biographical Details of the Directors and Senior Management 董事及高級管理層的履歷詳情

**Ms. AU Hung Wai Didy (歐紅慧)**, aged 53, is our vice general manager. She is responsible for overseeing research and development and procurement department.

Ms. Au has more than 31 years of experience in the watch industry. She joined 3 Wells Watch Industries Limited in October 1986 as a quality controller and was promoted to purchase clerk in September 1988. She left 3 Wells Watch Industries Limited in June 1996 and rejoined 3 Wells Watch Industries Limited in January 1997 as a purchase and research and development manager, and she is currently the vice general manager (China operation).

She is the sister of Mrs. Cheuk, sister-in-law of Mr. Cheuk Sin Cheong Clement and aunt of Ms. Cheuk Heide Oil-gei.

歐紅慧女士，53歲，為副總經理，負責監管研發及採購部。

歐女士在鐘錶行業擁有逾31年的經驗。彼於1986年10月加入三井錶業有限公司，擔任質量主管，並於1988年9月晉升為採購專員。彼於1996年6月離開三井錶業有限公司，並於1997年1月重新加入三井錶業有限公司，擔任採購及研發經理，現為副總經理（中國業務）。

彼為卓太太之妹、卓善章先生之小姨及卓凱璣女士之阿姨。



# Report of Directors

## 董事會報告

### REPORT OF DIRECTORS

The Directors present their report and the audited financial statements of the Company and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in design and development, manufacturing and distribution of watch products on ODM basis for watch manufacturers, brand owners and watch importers across the globe.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 and the financial positions of the Company and of the Group as at that date are set out in the audited consolidated financial statements on pages 72 to 188 of this annual report.

### SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last four financial years, as extracted from the audited financial statements, is set out on page 188 in the annual report. This summary does not form part of the audited consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2019, the revenue attributable to the Group's largest customer accounted for approximately 46.3% (2018: 28.6%) of the Group's total revenue and the revenue attributable to the Group's five largest customers accounted for approximately 75.6% (2018: 58.6%) of the Group's total revenue.

During the year ended 31 December 2019, the costs incurred in respect of the Group's largest supplier accounted for approximately 7.0% (2018: 9.6%) of the Group's total cost of services and materials sold incurred and the costs incurred in respect of the Group's five largest suppliers accounted for approximately 32.9% (2018: 39.5%) of the Group's total cost of services and materials sold incurred.

None of the Directors or any of their close associates, or any shareholder of the Company (who to the knowledge of the Directors own 5% or more of the issued shares of the Company) had any beneficial interest in any the Group's major customers or suppliers during the year ended 31 December 2019.

### 董事會報告

董事會提呈本公司截至2019年12月31日止年度之董事會報告及經審核財務報表，以及本集團之經審核綜合財務報表。

### 主要業務

本公司為投資控股公司，其附屬公司主要從事按ODM基準為全球手錶製造商、品牌擁有人及手錶進口商設計及開發、製造及分銷手錶產品。

### 業績及分派

本集團截至2019年12月31日止年度之業績及本公司與本集團於該日之財務狀況載於本年報第72至第188頁經審核綜合財務報表。

### 財務資料概要

本集團於過去四個財政年度之已公佈業績與資產及負債概要（摘錄自經審核財務報表）載於年度報告第188頁。該概要並不構成經審核綜合財務報表之一部分。

### 主要客戶及供應商

截至2019年12月31日止年度，本集團最大客戶應佔收益佔本集團總收益約46.3%（2018年：28.6%），而本集團五大客戶應佔收益佔本集團總收益約75.6%（2018年：58.6%）。

截至2019年12月31日止年度，就本集團最大供應商的成本佔本集團總服務及已售材料成本約7.0%（2018年：9.6%），而就本集團五大供應商的成本佔本集團總服務及已售材料成本約32.9%（2018年：39.5%）。

截至2019年12月31日止年度，概無董事或彼等之任何緊密聯繫人或本公司任何股東（就董事所知擁有本公司已發行股份5%或以上）於上述本集團任何主要客戶或供應商中擁有任何實益權益。

# Report of Directors

## 董事會報告

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2019 are set out in note 15 to the consolidated financial statements.

### SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2019 are set out in note 29 to the consolidated financial statements.

### DEBENTURES

The Company did not issue any debentures during the year ended 31 December 2019.

### RESERVES

Details of movement in the reserves of the Group and the Company during the year ended 31 December 2019 are set out in the consolidated statement of changes in equity on page 75 and in note 30 to the consolidated financial statements respectively.

As at 31 December 2019, the Group had retained profit amounted to approximately HK\$9.69 million available for distribution to the shareholders of the Company.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

### PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### CONNECTED TRANSACTIONS

During the year ended 31 December 2019, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules.

### 物業、廠房及設備

本集團於截至2019年12月31日止年度之物業、廠房及設備變動詳情載於綜合財務報表附註15。

### 股本

本公司於截至2019年12月31日止年度之股本變動詳情載於綜合財務報表附註29。

### 債券

截至2019年12月31日止年度，本公司並無發行任何債券。

### 儲備

本集團及本公司於截至2019年12月31日止年度之儲備變動詳情分別載於第75頁綜合權益變動表及綜合財務報表附註30。

於2019年12月31日，本集團有保留利潤約9.69百萬港元，可供分派予本公司股東。

### 購買、出售或贖回上市證券

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

### 優先購買權

本公司之細則或開曼群島（即本公司註冊成立之司法權區）法例並無規定本公司須按現有股東之持股比例發售新股之優先購買權規定。

### 關連交易

截至2019年12月31日止年度，本集團並無訂立任何未獲GEM上市規則豁免的關連交易或持續關連交易。

# Report of Directors

## 董事會報告

### RELATED PARTY TRANSACTIONS

Details of the significant related party transactions entered into by the Group during the year ended 31 December 2019 are set out in note 35 to the consolidated financial statements. To the best knowledge of the Directors, none of these related party transactions constitutes connected transactions that need to be disclosed under the GEM Listing Rules.

### BUSINESS REVIEW

A review of the Group's business during the year ended 31 December 2019 and analysis of the Group's performance using financial key performance indicators and prospectus of the Group's business are provided in sections headed "Chairman's Statement" on page 5 and "Management Discussion and Analysis" on pages 7 to 19 of the annual report and the notes to the consolidated financial statements.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to promoting sustainability both in term of business development and impact to the environment. The Group has complied with all the relevant environmental protection law and regulations that have significant impact on the Group's business where the Group is operating. The Group will review its environmental practices from time to time and will consider implementing further measures and practices to enhance sustainability whenever appropriate and possible.

A discussion on the Group's environmental policies and performance for the year ended 31 December 2019 is set out in the section headed "Environmental, Social and Governance Report" on pages 53 to 64 of this annual report.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group seeks to uphold high standard of integrity in all aspects of business and is committed to ensure that its affairs are conducted in accordance with applicable laws and regulatory requirements and has formulated and adopted various internal control measures, approval procedures and training within all business units at all levels of the Group. During the year ended 31 December 2019, there has been no violation or breach of relevant laws and regulations that had a significant impact on the Company.

### 關聯方交易

本集團截至2019年12月31日止年度訂立之重大關聯方交易詳情載於綜合財務報表附註35。就董事所深知，此等關聯方交易概無構成根據GEM上市規則須予披露之關連交易。

### 業務回顧

本集團截至2019年12月31日止年度之業務回顧以及通過使用關鍵財務表現指標及本集團業務簡介對本集團業務表現之分析載於年報第5頁的「主席報告」一節及第7至第19頁的「管理層討論及分析」一節以及綜合財務報表附註。

### 環境政策及表現

本集團致力在業務發展及對環境的影響方面促進可持續發展。本集團一直遵守所有對本集團所經營業務有重大影響的相關環境保護法律法規。本集團會不時檢討環境常規，並與適當及可能的情況下考慮實施其他措施及常規以促進可持續發展。

截至2019年12月31日止年度有關本集團環境政策及表現的討論載於本年報第53頁至第64頁「環境、社會及管治報告」一節。

### 遵守相關法律及法規

本集團力求維持業務各方面的高度誠信，並致力確保其事務按照相關法律及監管規定進行，並已制定及採納本集團所有業務部門內的各種內部控制措施、審批程序及培訓。截至2019年12月31日止年度，並無違反或觸犯對本公司有重大影響的相關法律法規。

# Report of Directors

## 董事會報告

### RELATIONSHIP WITH KEY STAKEHOLDERS

The Group emphasises on maintaining good relationship with its stakeholders and considers it a key element to sustainable business growth.

#### Employees

The Group has always been people-oriented and has attached great importance to human resource management. We attract excellent talents through fair recruitment policy and provide employees with training opportunities, good career development prospect and growth opportunities. From time to time, we offer our employees remuneration packages that are comprehensive and attractive. Some employees are granted options under the Share Option Scheme in recognition of their contribution. We also value our employee's physical and mental development. Diverse events and activities are organised for the employees for fostering work-life balance and personal growth.

#### Customers

The Group is committed to offering our customers products and services to the best of our ability. We highly value comments and suggestions of our customers and have always maintained effective communications with the customers. We will continue to reach out for current and prospective customers through, inter-alia, on-site visits and major customers satisfaction surveys. We believe that customers' feedback would help us to identify areas of improvement and advance us to achieve excellence.

#### Suppliers

Maintaining good relationship with suppliers is essential to the Group's business performance and growth because suppliers can have direct influence over the quality of the products and services and customer satisfaction. We adopt a "Management Measures for Suppliers" in respect of the supplier selection procedures, quality testing methods and comprehensive appraisal and evaluation system on potential and existing suppliers and their products and performance. We are committed to establishing a close and long-term cooperation relationship with business partners.

### 與主要利益相關者的關係

本集團重視與利益相關者保持良好關係，認為是業務可持續增長的關鍵因素。

#### 僱員

本集團一直貫徹以人為本的原則，高度重視人力資源管理。我們透過公平的招聘政策吸納優秀人才，並提供培訓機會，給予員工良好的事業發展前景和成長機會。我們不時確保僱員薪酬待遇周全並具吸引力。部分僱員根據購股權計劃獲授購股權，以表揚其貢獻。我們亦重視僱員的身心發展。本公司為僱員籌辦各類活動，讓僱員兼顧工作與生活及個人發展。

#### 客戶

本集團竭力為客戶提供最佳產品及服務。我們高度重視客戶的意見及建議，一直與客戶保持有效的溝通。我們將透過面談及對主要客戶進行滿意度調查，繼續接觸現有和潛在客戶。我們相信客戶的反饋將有助我們釐清須改進的地方，推動我們精益求精。

#### 供應商

供應商對產品及服務的品質以及客戶滿意度會有直接影響，故我們與供應商保持良好的關係對本集團的業務表現及增長至關重要。我們採取《供應商管理辦法》的供應商甄選程序、品質檢測方法及潛在和現有供應商及其產品和性能的全面評核及評估制度。我們致力與業務夥伴建立密切持久的合作關係。

### RISK AND UNCERTAINTIES

Our Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

#### Risks relating to our industry

***We operate in a highly competitive environment and we cannot assure you that we will be able to grow or sustain our competitiveness***

Watch manufacturing in the PRC is highly competitive and fragmented with over 1,000 players. The pricing of and demand for our watches are significantly affected by the intensity of competition we face. Our competitors may have substantially greater financial and technological resources, design and manufacturing capacities and stronger customer and supplier relationships than we do. As a result, we cannot assure you that we may be able to compete effectively with these competitors and the competitive pressures could adversely affect our business and financial condition and results of operations.

***Changes in existing laws and regulations and the imposition of new laws, regulations, restrictions and any other entry barriers in relation to our industry may increase our costs***

We are subject to compliance with various laws and regulations relating to the production and sales of watches in the jurisdictions in which we operate. Failure to comply with these laws and regulations may result in imposition of conditions on or the suspension of sale or seizure of our products, or significant penalties or claims. In the event that the countries in which we operate increase the stringency of such laws and regulations, our operating costs may increase and we may not be able to pass these additional costs onto our customers. Further, in the event that any jurisdiction in which we operate or plan to operate impose any new laws, regulations, restrictions or other barriers to entry, our ability to expand may be limited and our growth and development may be adversely affected.

### 風險及不確定因素

本集團的財務狀況、經營業績及業務前景可能受到與本集團業務直接或間接相關的許多風險及不確定因素的影響。以下為本集團知悉的主要風險及不確定因素。除下文所述者外，或存在本集團尚未知悉或目前未必屬重大但日後可能屬重大的其他風險及不確定因素。

#### 與行業有關的風險

***我們的營運環境競爭相當激烈，故無法向閣下保證我們將能夠提升或保持我們的競爭力***

手錶製造在中國競爭激烈且高度分散，市場參與者逾1,000名。我們手錶的定價及需求因我們所面臨的激烈競爭而受到重大影響。與我們相比，我們的競爭對手可能擁有更雄厚的財務及技術資源、更強大的設計及製造能力以及更穩健的客戶及供應商關係。因此，無法向閣下保證我們能與該等競爭對手展開有效競爭，而競爭壓力或會對我們的業務、財務狀況及經營業績造成不利影響。

***現有法律法規的變更及新法律、法規、限制的實施及與本行業有關的任何其他進入門檻或會增加我們的成本***

我們須遵守我們經營所在司法權區有關生產及銷售手錶的各項法律法規。未能遵守該等法律法規或會導致對我們的產品施加條件、暫停銷售或沒收我們的產品，或處以高額罰款或索賠。倘我們經營所在國家的該等法律法規更為嚴格，則我們的經營成本或會增加且我們可能無法將該等額外成本轉嫁至我們的客戶。此外，倘我們經營或計劃經營所在任何司法權區實施任何新法律、法規、限制或其他進入門檻，則我們擴張的能力或會受限，且我們的增長及發展或會受到不利影響。

# Report of Directors

## 董事會報告

### Risks relating to conducting business in the PRC

We operate our production facility in the PRC. A substantial part of parts and components are sourced from various suppliers who are mostly Hong Kong companies with production facilities in the PRC. Accordingly, the business, results of operations and financial condition as well as prospects of our Group are subject, to a significant degree, to the economic, political and legal developments in the PRC.

### *Political and economic policies of the PRC Government may affect our business and results of operations and may result in our inability to sustain our growth and expansion strategies*

The PRC economy has largely been a centrally planned economy, which differs from other developed economies of the world in many respects, including:

- the degree of the PRC Government's involvement;
- the growth rate and degree of development;
- the uniformity in implementation and enforcement of laws;
- the content of and control over capital investment;
- the control of foreign exchange; and
- the allocation of resources.

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For approximately three decades, the PRC Government has implemented economic reform measures to utilise market forces in the development of the PRC economy. The PRC economy has grown significantly in recent decades, though we cannot assure you that this growth will continue or continue at the same pace.

In addition, the PRC Government continues to play a significant role in regulating industries and the economy through policy measured. As such, we cannot assure you that we will not be adversely affected by the measures that are under continuous adjustments. Also, the PRC Government has implemented various measures to guide the allocation of resources. Some of these measures may benefit the overall economy of the PRC, but may also have a negative impact on the watch industry or on us. For example, our financial results may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to us.

### Financial risks

Details of financial risks are set out in note 39 to the consolidated financial statements.

### 有關在中國開展業務的風險

我們經營在中國的生產設施。大部分零部件採購自多家供應商，彼等多為在中國擁有生產設施的香港公司。因此，本集團的業務、經營業績及財務狀況以及前景在很大程度上受限於中國經濟、政治及法律發展情況。

### *中國政府的政治及經濟政策可能影響我們的業務及經營業績，並可能導致我們無法維持增長及擴張策略*

中國經濟以中央計劃經濟為主導，在許多方面有別於世界其他發達經濟體，包括：

- 中國政府的干預程度；
- 增長率及發展程度；
- 法律實施及執行的一致性；
- 資本投資的內容及控制；
- 外匯管制；及
- 資源分配。

中國經濟正從中央計劃經濟過渡至更加以市場為主導的經濟。過去約三十年間，中國政府已實施經濟改革措施，利用市場力量促進中國經濟發展。中國經濟在最近數十年已取得重大增長，但我們不能保證中國經濟將會繼續增長或保持同樣增長速度。

此外，中國政府透過政策措施在監管行業及經濟方面繼續發揮重要作用。因此，我們不能向閣下保證我們不會受到持續調整措施的不利影響。再者，中國政府已實施多項指導資源分配的措施。部分該等措施或有利於中國整體經濟，但亦可能對手錶行業或對我們產生負面影響。例如，政府對資本投資進行管控或適用於我們的稅務法規有所變動，均可能對我們的財務業績產生不利影響。

### 財務風險

財務風險詳情載於綜合財務報表附註39。

# Report of Directors

## 董事會報告

### DIRECTORS

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

#### Executive Directors

Mr. CHEUK Sin Cheong Clement (*Chairman*)  
Ms. AU Corona Ching Mei M.H.  
Ms. CHEUK Heide Oil-gei

#### Independent non-executive Directors

Mr. YU Sau Ning Homer M.H.  
Mr. ZHAO Zhipeng  
Ms. YEE Wai Fong Wendy  
Dr. LIU Ngai Wing (appointed on 1 April 2019)

Pursuant to Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

In accordance with the provisions of the Articles, Mr. Cheuk Sin Cheong Clement, Mr. Yu Sau Ning Homer M.H. and Ms. Yee Wai Fong Wendy will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

### CHANGES IN INFORMATION OF DIRECTORS

There is no change in the information of Directors, which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules during the year ended 31 December 2019.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company and/or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

### 董事會

於本年度及截至本報告日期的董事如下：

#### 執行董事

卓善章先生(主席)  
歐靜美女士, M.H.  
卓凱璣女士

#### 獨立非執行董事

余壽寧先生, M.H.  
趙志鵬先生  
余惠芳女士  
廖毅榮博士(於2019年4月1日獲委任)

根據細則第84(1)條，在每屆股東週年大會上，當時三分之一的董事（若人數並非三的倍數，則以最接近但不少於三分之一的人數）須輪流退任且合資格膺選連任。每名董事（包括按特定年期獲委任者）須至少每三年退任一次。

根據細則條文，卓善章先生、余壽寧先生，M.H. 及余惠芳女士將輪流退任且合資格並願意於應屆股東週年大會膺選連任。

### 董事資料變動

截至2019年12月31日止年度，須根據GEM上市規則第17.50A(1)條披露之董事資料並無變動。

### 董事之服務合約

建議於應屆股東週年大會上重選連任之董事與本公司及／或其任何附屬公司概無訂立如不作出賠償（法定賠償除外）則不能於一年內由聘用公司終止之未到期服務合約。

# Report of Directors

## 董事會報告

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 32 to 39 of the annual report.

### EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 10 and 11 to the consolidated financial statements, respectively.

### DIRECTORS' INTEREST IN SIGNIFICANT CONTRACTS

Save as the related party transactions and connected transactions disclosed in note 35 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2019.

### DIRECTOR'S INTEREST IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS OF SIGNIFICANT

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance that is significant to the Group's business to which the Company or any of its subsidiaries was a party and in which a person who at any time was a Director or his connected entity had, directly or indirectly, a material interest subsisted at any time during the year ended 31 December 2019.

### CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Saved as disclosed in this annual report, no contract of significance has been made between the Company or any one of its subsidiaries and a controlling shareholder or its subsidiaries during the year ended 31 December 2019 or as at the date of this annual report.

### 董事及高級管理層履歷

董事及本集團高級管理層之履歷詳情載於年度報告第32至第39頁。

### 董事及五位最高薪酬人士之酬金

董事及本集團五位最高薪酬人士之酬金詳情分別載於綜合財務報表附註10及11。

### 董事之重大合約權益

除綜合財務報表附註35所披露之關聯方交易及關連交易外，截至2019年12月31日止年度，概無董事於本公司或其任何附屬公司所訂立的對本集團業務而言屬重大之任何合約中直接或間接擁有重大權益。

### 董事於重大交易、安排及合約之權益

除本年報所披露者外，截至2019年12月31日止年度任何時間概無存續任何對本集團業務而言屬重大且本公司或其任何附屬公司參與訂立而於任何時候身為董事或其關連實體的人士直接或間接擁有重大權益之重大交易、安排或合約。

### 控股股東於重大合約之權益

除本年報所披露者外，截至2019年12月31日止年度或截至本年報日期，本公司或其任何附屬公司與控股股東或其附屬公司之間未訂立任何重大合約。



# Report of Directors

## 董事會報告

### PERMITTED INDEMNITY PROVISIONS

Pursuant to Article 164 of the Articles, the Directors, secretary and other officers and every auditor for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. Such provision was in force during the year ended 31 December 2019. In addition, the Company has also maintained Directors' and officers' liability insurance during the year ended 31 December 2019, which provides appropriate cover for the directors and officers of the Group.

### MANAGEMENT CONTRACTS

As at 31 December 2019, the Company did not enter into or have any management and administration contracts in respect of the whole or any principal business of the Company.

### DIRECTORS' RIGHT TO ACQUIRE SHARES

Apart from as disclosed under the paragraph headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures or any associated corporation" below, at no time during the year ended 31 December 2019 were rights to acquire benefits by means of the acquisition of shares in 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 the Company's subsidiary or holding company or a subsidiary of the Company's holding company a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

### 獲准許彌償條文

根據細則第164條，董事、秘書及其他高級人員以及本公司當時的每名核數師及當時就本公司任何事務行事的清盤人或受託人（如有）及上述各人及其繼承人、遺囑執行人及遺產管理人各人，均可就有關人士或當中任何一人、其任何繼承人、遺囑執行人或遺產管理人或當中任何一人因或就其各自之職務或信託執行其職責或假定職責時所作出、同意作出或不作出任何行為而將或可能招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，從本公司資產及溢利當中獲得彌償及可獲確保免就此蒙受任何損失；及任何有關人士均毋須就以下各項負責：就其他人士的行為、待遇、疏忽或過失，或為符合規定以致分享任何待遇，或因保管用途而接受將或可能寄存或存入任何本公司款項或財產的任何銀行或其他人士，或為投放或投資任何本公司款項或財產作出的抵押不充分或不足，或為執行各自的職務或信託時可能造成的任何其他損失、不幸事故或損害，或與上述各項相關者；惟本彌償保證不得延伸至任何可能有關上述任何人士欺詐或不忠誠的事宜。該條文於截至2019年12月31日止年度生效。此外，本公司亦於截至2019年12月31日止年度為董事及高級人員的購買責任保險，為本集團董事及高級人員提供適當保護。

### 管理合約

於2019年12月31日，本公司並無訂立或擁有有關本公司整體或任何主要業務之任何管理及行政合約。

### 董事購買股份之權利

除下文「董事及最高行政人員於股份、相關股份及債券的權益及淡倉或任何相聯法團」一段所披露者外，於截至2019年12月31日止年度任何時間，概無任何董事或彼等各自的配偶或未滿十八歲之子女獲授可藉購買本公司股份而獲利之權利或行使任何該等權利，而本公司或本公司附屬公司或控股公司或本公司控股公司之附屬公司亦無作出任何安排致使董事可於任何其他法人團體獲取有關權利。

# Report of Directors

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OR ANY ASSOCIATED CORPORATION

As at 31 December 2019, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in shares of the Company:

| Name of Director<br>董事姓名   | Capacity/Nature of Interest<br>身份／權益性質        | Long position<br>好倉                |  |
|--|---|------------------------------------|--|
|  |   | Number of ordinary shares<br>普通股數目 | Percentage of total number of shares<br>佔股份總數百分比 |
| Mr. Cheuk Sin Cheong, Clement<br>("Mr. Cheuk") (Note)<br>卓善章先生(「卓先生」)(附註)          | Interest in controlled corporation<br>受控制法團權益 | 750,000,000                        | 75%  |
| Ms. Au Corona Ching Mei M.H.<br>("Mrs. Cheuk") (Note)<br>歐靜美女士，M.H.(「卓太太」)<br>(附註) | Interest in controlled corporation<br>受控制法團權益 | 750,000,000                        | 75%  |

Note: 750,000,000 shares of the Company are registered in the name of Million Easy Enterprises Ltd. ("Million Easy"), the entire issued share capital of which are legally and beneficially owned by Mr. Cheuk and Mrs. Cheuk in equal shares. Under the SFO, both Mr. Cheuk and Mrs. Cheuk are deemed to be interest in all the shares of the Company held by Million Easy.

### 董事及最高行政人員於股份、相關股份及債券的權益及淡倉或任何相聯法團

於2019年12月31日，董事及本公司最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或視為擁有之權益或淡倉)，或記錄於本公司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5.46至第5.68條須知會本公司及聯交所之權益及淡倉如下：

於本公司股份的好倉：

| Name of Director<br>董事姓名   | Capacity/Nature of Interest<br>身份／權益性質        | Long position<br>好倉                |  |
|--|---|------------------------------------|--|
|  |   | Number of ordinary shares<br>普通股數目 | Percentage of total number of shares<br>佔股份總數百分比 |
| Mr. Cheuk Sin Cheong, Clement<br>("Mr. Cheuk") (Note)<br>卓善章先生(「卓先生」)(附註)          | Interest in controlled corporation<br>受控制法團權益 | 750,000,000                        | 75%  |
| Ms. Au Corona Ching Mei M.H.<br>("Mrs. Cheuk") (Note)<br>歐靜美女士，M.H.(「卓太太」)<br>(附註) | Interest in controlled corporation<br>受控制法團權益 | 750,000,000                        | 75%  |

附註：750,000,000股本公司股份登記於萬宜集團有限公司(「萬宜」)名下，其全部已發行股本由卓先生及卓太太合法實益等額擁有。根據證券及期貨條例，卓先生及卓太太被視為於萬宜所持本公司全部股份中擁有權益。

## Report of Directors 董事會報告

Long position in the ordinary shares of associated corporation:

於相聯法團普通股的好倉：

| Name of Director<br>董事姓名 | Name of associated corporation<br>相聯法團名稱 | Capacity/<br>Nature of Interest<br>身份/<br>權益性質 | Long position<br>好倉                |  |
|--------------------------|--|--|------------------------------------|--|
|                          |  |  | Number of ordinary shares<br>普通股數目 | Percentage of total number of shares<br>佔股份總數百分比 |
| Mr. Cheuk<br>卓先生         | Million Easy<br>萬宜                       | Beneficial Interest<br>實益權益                    | 1                                  | 50%  |
| Mrs. Cheuk<br>卓太太        | Million Easy<br>萬宜                       | Beneficial Interest<br>實益權益                    | 1                                  | 50%  |

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

除上文所披露者外，於2019年12月31日，董事及本公司最高行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的任何權益或淡倉），或根據證券及期貨條例第352條須記錄於該條例所指登記冊內的權益或淡倉，或根據GEM上市規則第5.46至5.67條就董事的證券交易須知會本公司及聯交所的權益或淡倉。

# Report of Directors

## 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, other than the Directors and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

| Name         | Capacity/Nature of Interest | Long position             |                                      |
|--------------|-----------------------------|---------------------------|--------------------------------------|
|              |                             | Number of ordinary shares | Percentage of total number of shares |
| 名稱           | 身份／權益性質                     | 普通股數目                     | 佔股份總數百分比                             |
| Million Easy | Beneficial Interest         | 750,000,000               | 75%                                  |
| 萬宜           | 實益權益                        | 750,000,000 股             | 75%                                  |

Save as disclosed above, as at 31 December 2019, the Directors are not aware of any other persons/entities (other than a Director and chief executive of the Company) who had, or were deemed or taken to have any interests or short position in any shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year ended 31 December 2019. The Company had not redeemed any of its listed securities during the year ended 31 December 2019.

### COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the management shareholders or substantial shareholders of the Company or any of its respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during the year ended 31 December 2019.

### 主要股東於本公司之股份及相關股份的權益及／或淡倉

於2019年12月31日，除董事或本公司最高行政人員外，下列人士／實體於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記錄於本公司登記冊內的權益或淡倉如下：

於本公司股份的好倉：

| Name         | Capacity/Nature of Interest | Long position             |                                      |
|--------------|-----------------------------|---------------------------|--------------------------------------|
|              |                             | Number of ordinary shares | Percentage of total number of shares |
| 名稱           | 身份／權益性質                     | 普通股數目                     | 佔股份總數百分比                             |
| Million Easy | Beneficial Interest         | 750,000,000               | 75%                                  |
| 萬宜           | 實益權益                        | 750,000,000 股             | 75%                                  |

除上文所披露者外，於2019年12月31日，據董事所知，並無任何其他人士／實體（董事及本公司最高行政人員除外）於本公司任何股份或相關股份中擁有或被視為或當作擁有根據證券及期貨條例第336條須記錄於該條例所指登記冊內的權益或淡倉。

### 購買、贖回或出售本公司上市證券

截至2019年12月31日止年度，本公司或其任何附屬公司概無購買或出售任何本公司上市證券，本公司亦無贖回其任何上市證券。

### 競爭及利益衝突

截至2019年12月31日止年度，本公司董事、管理層股東或主要股東或任何彼等各自聯繫人概無進行與本集團業務（不論直接或間接）競爭或可能構成競爭之任何業務（定義見GEM上市規則）或與本集團產生任何其他利益衝突。

# Report of Directors

## 董事會報告

### CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 20 to 31 of this annual report.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the GEM Listing Rules during the year ended 31 December 2019 and up to the date of this annual report.

### DIVIDEND

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

### DONATION

During the year ended 31 December 2019, the Group made charitable and other donations amounting to approximately HK\$1.87 million (2018: HK\$0.51 million).

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation in writing of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors to be independent.

### INDEPENDENT AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2019 were audited by HLB Hodgson Impey Cheng Limited. The Company has not changed auditor during any of past three years. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint HLB Hodgson Impey Cheng Limited as auditor of the Company.

ON BEHALF OF THE BOARD

**Mr. CHEUK Sin Cheong Clement**

*Chairman*

Hong Kong, 29 April 2020

### 企業管治

本公司的企業管治常規詳情載於本年報第20至第31頁的企業管治報告內。

### 足夠公眾持股量

截至2019年12月31日止年度及截至本年報日期，根據本公司公開取得的資料及就董事所知，董事確認本公司已維持GEM上市規則規定的公眾持股量。

### 股息

截至2019年12月31日止年度，董事會不建議派付末期股息。

### 捐款

截至2019年12月31日止年度，本集團作慈善及其他用途之捐款約1.87百萬港元（2018年：0.51百萬港元）。

### 獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條規定確認其獨立性之書面年度聲明，而本公司認為，全體獨立非執行董事均屬獨立。

### 獨立核數師

本公司截至2019年12月31日止年度之綜合財務報表乃經國衛會計師事務所有限公司審核。本公司於過去三年並無更換核數師。本公司將於應屆股東週年大會上提呈決議案，續聘國衛會計師事務所有限公司為本公司核數師。

代表董事會

主席

卓善章先生

香港，2020年4月29日

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ABOUT THE REPORT

With the growing consciousness and importance of sustainability, the Group takes this opportunity to scrutinise management practices that are material to stakeholders, for example, environmental protection, product quality and employee care.

This report (the “**ESG Report**”) is prepared in with reference to the ESG Reporting Guide set out in Appendix 20 to the GEM Listing Rules. The report aims to improve stakeholders’ understanding and to introduce ongoing sustainability initiatives directed towards the fulfilment of our obligations to society and the environment in which we operate.

Unless otherwise stated, this ESG Report includes the business operations of the Group in both Hong Kong and the PRC during the reporting period for the year ended 31 December 2019 (the “**Reporting Period**”) relating to the overall performance, risks, strategies, measures and commitments of four aspects: quality of working environment, environmental protection, operating practices and community participation.

Through this ESG Report, the Group makes public and detailed disclosure and elaboration of environmental, social and governance (“**ESG**”) and other non-financial matters of the Company. The Group intended the ESG Report disclosures to provide the opportunity to review our ESG performance and governance achievements, as well as serve as a platform for the public to understand our social responsibility values and non-financial business achievements.

### 關於本報告

隨著可持續發展的意識及重要性不斷加深，本集團以此為契機檢視對持份者十分重要的管理常規，例如環境保護、產品質量及員工關懷。

本報告（「**環境、社會及管治報告**」）依照 GEM 上市規則附錄二十《環境、社會及管治報告指引》編製。本報告旨在加深持份者之理解，同時介紹我們就履行我們經營所在社會及環境的責任所實施的可持續發展策略。

除另有說明者外，本環境、社會及管治報告涵蓋本集團在香港及中國的業務運作於截至 2019 年 12 月 31 日止年度的報告期間（「**報告期間**」），在工作環境質量、環境保護、營運常規及社區參與等四個方面之整體表現、風險、策略、措施及承諾。

本集團通過環境、社會及管治報告對環境、社會及管治等非財務事宜作公開及詳細的披露和闡述。本集團擬借助環境、社會及管治報告披露，提供一個審視自身環境、社會及管治責任表現以及管治成果的契機，並為公眾提供深入了解我們的社會責任理念以及非財務經營成果的交流平台。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### OVERALL APPROACHES AND POLICIES

The Group has been persist in creating economic benefits, promoting business development and performing its corporate social responsibility to strike a balance between all parties, while advocating corporate integrity in its pursuit of sustainable development. For our sustainable development, we are committed to:

- ensuring the compliance with laws, regulations and standards applicable to our operations in an ethical and transparent manner;
- maintaining a long-term and sustainable relationship by listening to the voice of the community to understand the social needs;
- establishing and maintaining open and transparent communications with local communities and the public on matters regarding safety, environment and community relationship; and
- protecting the integrity, health, and benefits of stakeholders on issues such as cooperation and respect for employees, communities and environment, for the sake of being recognised as a company with sustainable development.

### STAKEHOLDER ENGAGEMENT

We value our stakeholders and their feedback in regards to our businesses and ESG aspects. With the goal to strengthen the sustainability approach and performance of the Group, we put effort in maintaining a close communication with our key stakeholders, including government and regulatory authorities, shareholders, employees, customers, suppliers, and the general public.

### 整體方針及政策

本集團一直秉持在創造經濟效益、推動業務發展的同時，兼顧企業社會責任，平衡各方利益，倡導誠信的企業價值觀，追求可持續發展。對於企業可持續發展，我們承諾：

- 以符合道德及透明的方式確保遵守我們營運適用的法律，法規和標準；
- 聆聽社會的心聲，藉以理解社會的需求，從而建立長期可持續的關係；
- 就安全、環境和社區關係問題和當地社區和公眾建立和保持開放透明的溝通；及
- 在合作以及尊重員工、社會及環境等議題方面保護持份者的誠信、健康和福利，旨在被認可為一個可持續發展的公司。

### 持份者參與

我們重視持份者及其對我們業務及環境、社會及管治事宜的反饋意見。為了改善本集團的可持續發展方法和表現，我們一直努力與政府及監管機構、股東、僱員、客戶、供應商及普通公眾等主要持份者維持密切溝通。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ENVIRONMENT

The Company, being one of the major watch manufacturers in Hong Kong, is committed to promoting sustainability both in terms of business development and impact to the environment. We embrace principles and practices that help minimise our carbon footprint, energy consumption and climate change impacts.

The factory of the Group in Shenzhen is regulated by “Environmental Protection Law of the People’s Republic of China”, “Solid Waste Pollution Prevention and Control Law of the People’s Republic of China”, “Cleaner Production Promotion Law of the People’s Republic of China” and “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China” and other environmental protection regulatory standards issued by the central and local governments.

During the Reporting Period, the Group was not aware of any material non-compliance of the PRC environmental protection laws and regulations.

### Emissions

#### *Air pollutants and greenhouse gas emissions*

During the Reporting Period, air pollutants emitted from the Group such as sulphur oxides (“SO<sub>x</sub>”), nitrogen oxides (“NO<sub>x</sub>”) and particulate matter (“PM”) were mainly generated from vehicles used for transportation.

To minimise the adverse impact on the environment, all vehicles and machineries of the Group are driven by unleaded petrol and electricity respectively. The total combustion of 22,662 liters of unleaded petrol emits air pollutants including SO<sub>x</sub>, NO<sub>x</sub> and particulate matter, amounting to 333g, 30,767g and 2,265g respectively.

The main source of the Group’s greenhouse gas emissions is derived from direct emission from the mobile combustion sources (“Scope 1”), indirect emission from acquired electricity emissions (“Scope 2”) and other indirect emissions (“Scope 3”).

### 環境

作為香港主要手錶製造商之一，本公司致力在業務發展及對環境的影響方面促進可持續發展。我們信奉能最大限度減少我們的碳足跡、能源消耗及氣候變化影響的準則及常規。

本集團的深圳工廠受《中華人民共和國環境保護法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國清潔生產促進法》及《中華人民共和國大氣污染防治法》和中央及地方政府頒佈的其他環境保護監管標準所規管。

就本集團所知，報告期內並無發生任何嚴重違反中國環境保護法律及法規的情況。

### 排放物

#### *大氣污染物及溫室氣體排放*

於報告期內，本集團產生的空氣污染物包括硫氧化物（「硫氧化物」）、氮氧化物（「氮氧化物」）和顆粒物（「顆粒物」），主要來自交通運輸工具的使用。

為盡量減少對環境的不利影響，本集團所有車輛及機器分別使用無鉛汽油及電力。22,662升無鉛汽油充分燃燒排放的硫氧化物、氮氧化物等大氣污染物及顆粒物分別為333克、30,767克及2,265克。

本集團溫室氣體排放主要來自移動燃燒源的直接排放（「範圍1」）、所取得電力排放的間接排放（「範圍2」）及其他間接排放（「範圍3」）。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

The table below shows the total greenhouse gas emissions by category in 2019 and 2018, respectively:

下表列示按類別劃分的2019年及2018年溫室氣體排放總量：

| Type of emission<br>排放類別              | Unit<br>單位                          | Emission<br>排放量 |               | Intensity (per m <sup>2</sup> of the factory area)<br>密度(每平方米工廠區域) |               |
|---------------------------------------|-------------------------------------|-----------------|---------------|--|---------------|
|                                       |                                     | 2019<br>2019年   | 2018<br>2018年 | 2019<br>2019年  | 2018<br>2018年 |
| Scope 1<br>範圍1                        | Tonnes CO <sub>2</sub> e<br>噸二氧化碳當量 | 61              | 55            | 0.05   | 0.04          |
| Scope 2<br>範圍2                        | Tonnes CO <sub>2</sub> e<br>噸二氧化碳當量 | 328             | 335           | 0.26   | 0.26          |
| Scope 3<br>範圍3                        | Tonnes CO <sub>2</sub> e<br>噸二氧化碳當量 | 44              | 44            | 0.04   | 0.04          |
| Total (Scope 1, 2 & 3)<br>總計(範圍1、2及3) | Tonnes CO <sub>2</sub> e<br>噸二氧化碳當量 | 433             | 434           | 0.35   | 0.34          |

### Hazardous and non-hazardous waste

Waste production was mainly attributed to the discarded packaging materials and domestic wastes of office, therefore hazardous wastes produced are immaterial. Our non-hazardous wastes are disposed off at the refuse collection points set in the premise of the industrial park. The Group had conducted environment impact assessment on the production facilities and result indicated that emissions of air pollutants, greenhouse gases, water, sewage and non-hazardous wastes comply with the PRC regulations.

### 有害及無害廢棄物

廢棄物產生主要來自廢棄的包裝材料及辦公室生活垃圾，因此，所產生有害廢棄物均為重大。我們的無害廢棄物投放至工業園物業設立的垃圾收集站。本集團對生產設施進行環境影響評估，結果顯示空氣污染物、溫室氣體、廢水、污水及無害廢棄物排放量均符合中國法規規定。

The following measures have been implemented by the Group:

本集團已實施以下措施：

- duplex printings and reuse single-sided printed papers,
  - using durable tableware instead of non-recyclable or disposable ones in staff canteen in the PRC; and
  - providing reusable face mask and protective cap to staff.
- 雙面印刷並重複使用單面印刷紙張；
  - 在中國的員工食堂使用耐用餐具取代不可回收或一次性餐具；及
  - 為員工提供可重複使用的面罩及保護帽。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Use of resources

The Group are proactively seeking opportunities to minimise the impact of business activities on the environment. In order to reduce the use of resources, the Group actively implemented measures in energy conservation and pollution reduction.

#### Electricity

The major energy consumption of the Group in daily operations is electricity consumed in the operations. The Group has formulated rules and regulations to achieve the goal of electricity saving and efficient consumption. The relevant specific measures are as follows:

- turns off all unnecessary lightings, air conditioner and other office equipment in office areas, conference rooms when not in use;
- maintains indoor temperature at an optimal, comfortable level to conserve energy; and
- enhances the maintenance and overhaul of equipment, maintain the best condition of all electronic equipment for effective use of electricity.

#### Water

The main business of the Group is manufacturing and distribution of watch products on ODM watches, which do not rely heavily on energy consumption nor water resources and do not have any issue in sourcing water. Water usage in both Hong Kong and the PRC operations are mainly due to domestic consumption. In the process of quality checking (watches' water resistance test), only limited amount of water is used while the assembly lines do not produce any industrial sewage. To reduce consumptions, water is reused whatever possible.

### 資源利用

本集團積極尋求機會盡量減少業務活動對環境的影響。為減少資源利用，本集團積極採取措施節約能源及減少污染。

#### 電力

本集團日常運營的主要能源消耗為運營中的電力消耗。本集團制定了規章制度，以實現節電和高效消費的目標。相關具體措施如下：

- 關掉於辦公區域、會議室所有不必要的燈、空調及其他辦公設備；
- 維持室內溫度在最佳及最舒適的水平，從而節約能源；及
- 加強設備的維護和檢修，確保所有電子設備處於最佳狀態，以有效地利用電力。

#### 水

本集團主營業務為製造及分銷ODM手錶產品，不過分倚賴能源消耗及水資源，在求取水源上亦無任何問題。香港及中國營運的用水主要為生活消耗。質量檢查過程中，我們僅使用少量水測試手錶的防水性能，而組裝線並無產生任何工業廢水。為減少消耗，我們盡量重複用水。

| Resources utilisation | Unit  | Usage         |               | Intensity<br>(Per HK\$1 m revenue)<br>密度<br>(每百萬港元收益) |               |
|-----------------------|-------|---------------|---------------|---|---------------|
| 資源利用                  | 單位    | 2019<br>2019年 | 2018<br>2018年 | 2019<br>2019年   | 2018<br>2018年 |
| Electricity           |       |               |               |   |               |
| 電力                    |       |               |               |   |               |
| Office                | kWh   | 53,093        | 60,942        | 268   | 334           |
| 辦公室                   | 千瓦時   |               |               |   |               |
| Factory               | kWh   | 364,005       | 389,591       | 1,838   | 2,135         |
| 工廠                    | 千瓦時   |               |               |   |               |
| Water                 | Tonne | 4,284         | 2,536         | 22  | 14            |
| 水                     | 噸     |               |               |   |               |
| Paper                 | Kg    | 1,609         | 712           | 8   | 4             |
| 紙張                    | 千克    |               |               |   |               |

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Driven by the belief in maintaining sustainability, the Group strives to ensure efficient use of natural resources, including energy, materials and auxiliary materials, with the effective implementation of environmental protection measures, the consumption intensity of electricity in office and factory have dropped by about 20% and 14% respectively.

### Packaging materials

The Group's major product is watch, where most of the packaging materials are used for presentation of products. During the Reporting Period, the packaging materials consumed of the Group and its intensity were as follows:

| Type                                | Unit     | Usage | Intensity (Per HK\$1 million turnover)<br>密度<br>(每百萬港元營業額) |
|-------------------------------------|----------|-------|--|
| 類型                                  | 單位       | 使用量   |  |
| Gift box<br>禮品盒                     | kg<br>千克 | 6,678 | 33.7   |
| Plastic packing materials<br>塑料包裝材料 | kg<br>千克 | 806   | 4.1  |

### The environmental and natural resources

To lower the environmental impact and use of natural resources, the management of the Group would evaluate the policies from time to time to create sustainable environmental value such as energy-saving initiative. The Group pursues the best practice for environmental protection. In addition to complying with related environmental laws and regulations and international standards for proper natural environment preservation, the Group has integrated the concept of environmental protection and natural resource conservation into its internal management and daily operations in order to achieve the aim of environmental sustainability.

本集團堅持可持續發展理念，努力確保高效使用自然資源，包括能源、材料及輔助材料。隨著環保措施的有效實施，辦公室及工廠用電量密度分別下降了20%及14%。

### 包裝材料

本集團的主要產品為手錶，大部分的包裝材料均用作產品展示。報告期內，本集團所消耗的包裝材料及其密度如下所示：

### 環境及自然資源

為降低環境影響及減少使用自然資源，本集團管理層將不時評估政策，以創造可持續的環境價值，如節能計劃。本集團追求保護環境的最佳做法。除了遵守相關的環境法律法規和適當的自然環境保護的國際標準外，本集團還將環境保護和自然資源保護的概念納入其內部管理和日常營運，以實現環境可持續性的目標。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### EMPLOYMENT AND LABOUR PRACTICES

The Company's success relies on the continued support of its dedicated workforce, the most valuable asset for sustaining business. The Group respects and cares for our employees by creating a delightful and safe workplace, as well as providing training opportunities.

#### Employment

All labour related issues in terms of compensation, working hours, rest periods, recruitment and promotion, dismissal procedures, equal opportunity, diversity and anti-discrimination are in compliance with the Employment Ordinance in Hong Kong and the Labour Law of the PRC.

The Company is committed to creating a working atmosphere free of discrimination and harassment. Discriminatory acts or motives in all phases of employment on the grounds of nationality, physical ability, gender, age and any other legally protected status are strictly prohibited in the Group. Employees are encouraged to report any unlawful discrimination or any form of harassment. The Group investigates expeditiously and takes appropriate corrective actions once we have confirmed the allegations.

In addition to performance bonus and statutory benefits, the Group offers to the employees other benefits including healthcare benefits, maternity and paternity leave, marriage leave, and birthday leaves, etc. On top of the compulsory social insurance under the Labour Law in the PRC, employees of the Group in the PRC are entitled to annual health examinations.

The Group strives to maintain employee turnover rate at an acceptable level so as to facilitate accumulation of professional skills and experience. The turnover of staff is mainly due to the changes in the number of part-time workers in workshop, which were hired for ad-hoc production projects.

During the Reporting Period, the Group did not aware of any material non-compliance relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and discriminations.

### 僱員及勞工常規

本公司的成功有賴敬業員工的持續支持，該等員工是我們維持業務發展最寶貴的資產。本集團尊重及關懷僱員，為其創造愉悅安全的工作環境並提供培訓機會。

#### 僱員

所有勞工相關事項，如薪酬、工時、假期、僱傭及晉升、解僱程序、平等機會、多元化及反歧視，均遵照香港《僱傭條例》及《中華人民共和國勞動法》處理。

本公司致力創造沒有歧視及騷擾的工作環境。本集團嚴禁任何僱傭階段基於國籍、身體機能、性別、年齡以及任何其他受法律保護狀態的歧視行為或動機。我們鼓勵僱員報告違法歧視行為及任何形式的騷擾行為。一旦確認指稱，本集團將迅速調查並採取適當糾正措施。

除績效花紅及法定福利外，本集團亦為僱員提供其他福利，包括醫療福利、產假、侍產假、婚假及生日假等。除根據《中華人民共和國勞動法》繳納強制社會保險外，本集團中國僱員亦享有年度體檢。

本集團致力把僱員流失率維持在可接受的水平，以便更有效累積專業才能和經驗。員工流失主要是由於工廠因臨時生產項目聘請的兼職工人數變動所致。

報告期內，就本集團所知，我們並無有關薪酬及解僱、僱傭及晉升、工時、假期、平等機會、多元化及歧視的重大不合規情況。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

|                                  |             | No. of staff<br>員工數量 | Percentage of<br>total staff<br>佔員工總數<br>百分比 | Staff turnover<br>rate<br>員工<br>流動率 |
|----------------------------------|-------------|----------------------|--|-------------------------------------|
| <b>Total number of employees</b> | <b>僱員總數</b> | 166                  | 100  | 47.2                                |
| <i>Gender</i>                    | <i>性別</i>   |                      |  |                                     |
| Male                             | 男性          | 63                   | 37.9   | 50.8                                |
| Female                           | 女性          | 103                  | 62.1   | 45.1                                |
| <i>Age Group</i>                 | <i>年齡組</i>  |                      |  |                                     |
| 18–30                            | 18至30歲      | 39                   | 23.6   | 96.5                                |
| 31–40                            | 31至40歲      | 63                   | 37.9   | 54.1                                |
| 41–50                            | 41至50歲      | 56                   | 33.5   | 1.9                                 |
| 51 or above                      | 51歲或以上      | 8                    | 5.0  | 11.6                                |
| <i>Geographical region</i>       | <i>地理區域</i> |                      |  |                                     |
| The PRC                          | 中國          | 148                  | 89.2   | 49.7                                |
| Hong Kong                        | 香港          | 18                   | 10.8   | 26.3                                |
| <i>Employee categories</i>       | <i>僱員類別</i> |                      |  |                                     |
| Senior management                | 高級管理層       | 6                    | 3.7  | 14.1                                |
| Middle management                | 中級管理層       | 13                   | 8.1  | 14.1                                |
| General staff                    | 普通員工        | 147                  | 88.2   | 51.6                                |
| <i>Service period</i>            | <i>服務期限</i> |                      |  |                                     |
| Less than 5 years                | 少於五年        | 75                   | 45.3   | 81.2                                |
| 5 to 10 years                    | 五至十年        | 39                   | 23.6   | 15.6                                |
| Over 10 years                    | 十年以上        | 52                   | 31.1   | 4.0                                 |

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Health and Safety

The Group proactively works to reduce injury risks and occupational diseases by establishing related management systems and organising safety training for its workforce.

The Group aims to ensure a safe occupational environment and manage health and safety risk at our production facilities. Warning signs are posted at prominent positions, with potential health impacts, handling procedures and preventive measures. Personal protective equipment such as safety gloves, masks and safety goggles are provided and required at work. Evaluation of safety practices is conducted on a regular basis. During the Reporting Period, the Group did not aware of any non-compliance of all the relevant laws and regulations related to providing safe environment and protecting employees from occupational hazards, including the Hong Kong's Occupational Safety and Health Ordinance, as well as Production Safety Law《安全生產法》and Provisions on the Supervision and Administration of Occupational Health at Work Sites《工作場所職業衛生監督管理規定》of the PRC.

### 健康及安全

本集團建立相關管理系統並為員工組織安全培訓，積極降低受傷風險及職業疾病。

本集團旨在確保安全的職業環境及管理生產設施的健康與安全風險。我們於顯眼位置張貼警示標語，包括潛在的健康影響、處理程序及預防措施。工作時必須配備個人防護裝備，如安全手套、面罩及防護眼鏡。我們會定期評估安全常規。報告期內，就本集團所知，我們並無違反提供安全環境及保護僱員免受職業危害的所有相關法律法規，當中包括香港的《職業安全及健康條例》及中國的《安全生產法》和《工作場所職業衛生監督管理規定》。

### Occupational health and safety statistics 職業健康及安全數據

2019  
2019年

|  |          |
|--|----------|
| Number of lost days due to work injury<br>因工傷損失的工作日數 | Nil<br>無 |
| Number of work-related fatalities<br>工作死亡人數          | Nil<br>無 |
| Number of work injuries<br>工傷人數                      | Nil<br>無 |

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Training and Development

The Group aims at providing suitable and valuable opportunities for our talented employees. The Group assesses each employee at the end of every year, on working performance, attitudes and other key performance indicators. The appraisal results are used as one of the considerations in the promotion, job title and remunerations. Through this reviewing process, they can make corresponding improvements and discuss their training needs with direct supervisors so that their potentials are realised to the fullest.

The Group also subsidises employees for taking external training courses which facilitates their personal and the Group's development. The Company is committed to providing training opportunities for all levels of employees.

The Group and management are dedicated to the continuous development of our employees' capabilities and we value the personal and professional growth of our employees. By fostering a culture of continuous learning, we seek to cultivate and retain our best talents and maintain our competitive positioning in the market.

### 培訓及發展

本集團旨在為傑出僱員提供合適的寶貴機會。本集團於每年末評估各僱員的工作表現、態度及其他關鍵表現指標。評估結果作為晉升、職稱及薪酬的考慮因素之一。通過該審查過程，彼等可進行相應改進並與直屬上司討論彼等的培訓需求，從而充分實現彼等的潛力。

本集團亦資助僱員參加外部培訓課程，促進彼等個人及本集團的發展。本公司致力為各級僱員提供培訓機會。

本集團及其管理層致力持續發展僱員能力，並重視僱員的個人及專業成長。透過促進持續學習的文化，我們致力培育及挽留最佳人才，並維持於市場具競爭力的地位。

#### Staff category 員工類別

#### Major training content 主要培訓內容

Factory Worker  
工廠工人

Craftsmanship and occupational safety and health  
工藝及職業安全與健康

General Staff  
普通員工

Specific training provided based on their roles  
基於其職位提供的具體培訓

Middle Management  
中層管理人員

Specific training provided based on their roles  
基於其職位提供的具體培訓

Directors and Senior Executives  
董事及高級管理人員

Corporate governance practices and legal and regulatory updates  
企業管治常規及法律法規更新

### Labour standard

Labour rights are protected in accordance with local laws and regulations. Hiring child labour and forced labour are strictly prohibited in the Group. Identification documents of job applicants are checked before the interview and signing of the employment contract. During the Reporting Period, the Group was not aware of any non-compliance relating to employment and labour practices that had a significant impact on the Group.

### 勞工準則

勞工權利受地方法律法規的保護。本集團嚴禁聘用童工及強迫勞工。面試及簽署僱傭合約前，我們會檢查申請者的身份文件。報告期內，本集團並不知悉任何對本集團造成重大影響的僱傭及勞工常規違規情況。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### OPERATING PRACTICES

#### Supply Chain Management

The supply chains mainly cover two general categories: (i) office supply chains; and (ii) production supply chains. At the office level, supply chains cover procurement for headquarter office and are mainly stationeries (such as stationery, toner and paper). At the production level, supply chains cover procurement of parts of assembled parts of watch and packing materials.

By having stringent supply chain management, we ensure our product quality and maintain our competitiveness in the market. The Group also strive to ensure that suppliers will provide sufficient after-sales services, that being one of the prerequisites of the business relationship. Additionally, the Group request the suppliers to comply with relevant legislation when supplying goods and services to the Group. The Group conducts annual evaluations of its suppliers to ensure that quality is maintained, and that prices paid for goods and services provided remain competitive. Any suppliers that were not up to standard would be subject to re-evaluation before making any further business dealings.

To enhance the sustainability of the supply chains and minimise carbon footprints, the Group tried to source the raw materials locally. During the Reporting Period, the Group has 989 suppliers with a majority of the suppliers of the Group located in Hong Kong and the PRC.

#### Product responsibility

The Group is committed to providing high-quality stainless-steel watches with an extensive range of designs and specifications (sport, fashion, classic, diamond, etc). The Group obtained the ISO 9001 certification back in 1996. Production site of the Group is certified with ISO 9001:2015 Quality Management System in 2017. To ensure on-going compliance with the requirements listed in ISO 9001, evaluations on the performance are carried out at least once a year.

To ensure the provision of quality products to customers, a series of stringent internal quality control procedures are performed throughout the watch manufacturing process. Quality check on the watch parts and components before assembly, final watch products during productions and packaged final watch products before shipments on sampling basis are performed. During the Reporting Period, no cases of product recalls nor major complaints received against our products due to health and safety issues.

### 營運慣例

#### 供應鏈管理

供應鏈主要涵蓋兩大類別：(i)辦公室供應鏈；及(ii)生產供應鏈。就辦公室層面而言，供應鏈涵蓋總部辦公室的採購，主要為文具、碳粉及紙張等辦公用品。就生產層面而言，供應鏈涵蓋手錶配件及包裝材料的採購。

我們通過嚴格的供應鏈管理確保我們的產品質量及保持我們的市場競爭力。本集團亦盡力確保供應商提供充足的售後服務，此為業務關係的一項必要因素。此外，本集團規定供應商向本集團供應產品及服務時須遵守相關法規。本集團每年對供應商進行評估，以確保保持質量及就所獲得產品及服務支付的價格保持競爭力。任何未達到標準的供應商均須於進一步業務交易前接受重新評估。

為促進供應鏈的可持續發展及盡量減少碳足跡，本集團盡力採購當地原材料。報告期內，本集團有989名供應商，本集團的大部分供應商位於香港及中國。

#### 產品責任

本集團致力於提供多樣化設計的多種規格（運動、時尚、經典、鑽石等）優質不鏽鋼手錶。本集團於1996年獲得ISO 9001認證。本集團的生產基地於2017年通過ISO 9001:2015質量管理體系認證。為確保持續遵守ISO 9001所列規定，本集團至少每年進行一次表現評估。

為確保為顧客提供優質產品，本集團於手錶製造過程中實施一系列嚴格的內部質量控制程序：於組裝前對手錶零部件、於生產過程中對手錶成品及於發貨前對包裝好的手錶成品進行抽樣質量檢測。報告期內，並無發生因健康及安全問題造成的產品召回事件及有關產品的重大投訴。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### **Privacy protection**

The Group collects information from suppliers and customers for different purposes and takes appropriate procedures to ensure that the information collected are solely for lawful and relevant purposes. The Group sets out data privacy requirements in the Company's policies, under which customer and suppliers data would be used exclusively for matters relating to the Group's operation only. The Group strives to ensuring all collected data kept is free of unauthorised or accidental access, processing, erasure or other use.

During the Reporting Period, the Group were not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, labelling and privacy matters relating to products.

### **Anti-corruption**

The Group follows the Company Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Hong Kong Prevention of Bribery Ordinance and other regulations, and distribute employee handbooks and notices issued irregularly (such as on the eve of the festival) to each employee to clearly explain the policy regarding the acceptance of benefits between them and suppliers/partners. Any unethical behaviours are strictly prohibited in the Group. A whistleblowing policy is in place that mandates employees to report any suspicious cases of unethical behaviours to the human resources or the management orally or in writing, the Group would report the cases to the authorities if the case found to be sufficiently supported with evidences.

During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations having a significant impact on the Group, on bribery, extortion, fraud and money laundering, nor of any legal cases regarding corrupt practices brought against the Group or its employees.

## **COMMUNITY**

### **Community investment**

The Group has always strived to embed social responsibility in its corporate culture by upholding the virtual of "taking from society and giving back to society". During the Reporting Period, the Group has donated over HK\$1.8 million to various charity organisations. The beneficiary institutions included City University of Hong Kong, the Hospital Authority and Po Leung Kuk, etc. The Group will continue to support a wide range of area, including education, medicals, women's rights by supporting other similar organisations.

### **隱私保護**

本集團會因應不同需要，而收集供應商及客戶的資料，並採取適當程序確保所得的資料僅供合法及相關用途。本集團亦於本公司政策列明資料保障規定，據此客戶及供應商資料僅可用於與本集團營運有關的事宜。本集團致力確保所收集的一切資料不會在未經許可或意外的情況下遭取用、處理、刪減或作其他用途。

報告期內，本集團並未知悉任何有關產品健康及安全、標籤及隱私事項且對本集團造成重大影響的違反法律法規的事件。

### **反腐敗**

本集團遵守中國公司法、中國反不正當競爭法及香港防止賄賂條例和其他法規，並向各僱員發放員工手冊並定期(例如於節日前夕)發佈通知，明確說明有關僱員與供應商／合作夥伴間接受福利的政策。本集團嚴禁任何不道德行為。我們設有舉報政策，授權僱員以口頭或書面形式向人力資源部或管理層報告任何可疑的不道德行為，一旦收到舉報且證據充足，本集團將報告相關機構。

報告期內，本集團並不知悉在賄賂、勒索、欺詐及洗錢方面違反任何法律法規並對本集團造成重大影響的事件，亦不知悉有關本集團或其僱員腐敗行為的任何法律案件。

## **社區**

### **社區投資**

本集團始終秉持「取自社會，回饋社會」的信念，努力將社會責任融入其企業文化。報告期內，本集團向多家慈善組織捐款逾1.8百萬港元。受益機構包括香港城市大學、醫院管理局及保良局。本集團將通過支持其他相若組織繼續支持廣泛的領域，如教育、醫療及女性權益。

# Independent Auditors' Report

## 獨立核數師報告



國衛會計師事務所有限公司  
HODGSON IMPEY CHENG LIMITED

TO THE SHAREHOLDERS OF  
HANVEY GROUP HOLDINGS LIMITED  
(Incorporated in the Cayman Islands limited liability)

### OPINION

We have audited the consolidated financial statements of Hanvey Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 72 to 188, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, 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.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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11 Pedder Street  
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香港  
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畢打街11號  
置地廣場  
告羅士打大廈31樓

致  
恆偉集團控股有限公司  
(於開曼群島註冊成立的有限公司)  
股東

### 意見

吾等已審核第72至188頁所載恆偉集團控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的綜合財務報表，該等財務報表包括於2019年12月31日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括重要會計政策概要)。

吾等認為綜合財務報表乃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**」)並遵守香港公司條例的披露規定妥善編製，真實公平地反映 貴集團於2019年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現和綜合現金流量。

### 意見基準

吾等根據香港會計師公會頒佈的香港核數準則(「**香港核數準則**」)進行審核。吾等根據該等準則所承擔之責任於本報告核數師就審核綜合財務報表承擔的責任一節詳述。根據香港會計師公會頒佈之專業會計師行為守則(「**守則**」)，吾等獨立於 貴集團並已根據守則履行其他職業責任。吾等相信吾等所獲得之審核憑證對提出意見而言屬充分恰當。

### 關鍵審核事項

按照吾等之專業判斷，關鍵審核事項為對吾等審核本期間之綜合財務報表至關重要之事項。吾等在審核整體綜合財務報表及出具意見時已處理該等事項，吾等不會對該等事項另行發表意見。

# Independent Auditors' Report

## 獨立核數師報告

### Key Audit Matter 關鍵審核事項

#### Trade receivables 貿易應收款項

Refer to note 3 and note 20 to the consolidated financial statements.

As at 31 December 2019, the Group had gross trade receivables of approximately HK\$45,068,000 (2018: HK\$43,868,000) and provision for impairment of approximately HK\$401,000 (2018: HK\$394,000).

In general, the credit terms granted by the Group to the customers ranged between 30 to 90 days (2018: 30 to 90 days). Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of provision for impairment based on information including credit profile of different customers, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.

We focused on this area due to the impairment assessment of trade receivables under the expected credit losses model involved the use of significant management judgements and estimates.

請參閱綜合財務報表附註3及附註20。

貴集團於2019年12月31日有貿易應收款項總額約45,068,000港元(2018年:43,868,000港元)及減值撥備約401,000港元(2018年:394,000港元)。

總體而言，貴集團授予客戶的信貸期介乎於30天至90天(2018年:30天至90天)。管理層根據不同客戶的信用情況、貿易應收款項的賬齡、過往結算紀錄、後續結算狀況、未償還結餘變現的預期時間及金額及與相關客戶的持續交易關係等資料對貿易應收款項的可收回性及減值撥備的充足性進行定期評估。管理層亦考慮可能影響客戶償還未償還結餘能力的前瞻性資料，以估量減值評估的預期信貸虧損。

吾等關注此範疇乃由於根據預期信貸虧損模式進行的貿易應收款項減值評估涉及管理層運用重大判斷及估計。

### How our audit addressed the key audit matter 吾等於審核中如何處理關鍵審核事項

Our procedures in relation to management's impairment assessment of trade receivables included:

- Understanding and evaluating the key controls that the Group has implemented to manage and monitor its credit risk, and validating the control effectiveness on a sample basis;
- Checking, on a sample basis, the ageing profile of the trade receivables as at 31 December 2019 to the underlying financial records and post year-end settlements to bank receipts;
- Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as performing public search of credit profile of selected customers, understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; and
- Assessing the appropriateness of the expected credit loss provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses.

We found that the management judgment and estimates used to assess the recoverability of the trade receivables and determine the impairment provision to be supportable by available evidence.

吾等有關管理層對貿易應收款項進行減值評估之程序包括：

- 了解及評估 貴集團為管理及監控信貸風險所實施的關鍵控制措施，並抽樣驗證其控制成效；
- 抽樣檢查於2019年12月31日相關財務紀錄內的貿易應收款項的賬齡情況及年結日後的銀行賬戶結算收據；
- 諮詢管理層有關年末已逾期的各項重大貿易應收款項的狀況，透過公開查閱選定客戶的信用情況、根據交易紀錄了解與客戶的持續業務關係、核實客戶過往及後續結算紀錄以及與客戶的其他往來信函等支持證據證實管理層的解釋；及
- 評估預期信貸虧損撥備方法的適用性、抽樣審查主要輸入數據評估其準確性及完整性、對用於釐定預期信貸虧損的假設(包括歷史及前瞻性資料)保持質疑態度。

吾等發現管理層評估貿易應收款項的可收回性及釐定減值撥備所運用的判斷及估計有可得證據支持。

# Independent Auditors' Report

## 獨立核數師報告

### Key Audit Matter

#### 關鍵審核事項

#### *Revenue recognition*

##### 收益確認

Refer to Note 3, 5 and Note 6 the consolidated financial statements.

Revenue is recognised when the Group satisfies a performance obligation by transferring the control of promised goods or services to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for that goods or services.

We focused on this area due to the huge volume of revenue transactions generated in many different locations.

請參閱綜合財務報表附註3，5及附註6。

當貴集團完成履約責任向客戶轉移承諾貨品或服務，且所轉移金額能反映貴集團預期就交換該等貨品或服務而可得的代價，則確認收益。

吾等關注此方面是由於在眾多不同地點錄得大量收益交易。

### How our audit addressed the key audit matter

#### 吾等於審核中如何處理關鍵審核事項

Our procedures in relation to assess the recognition of revenue from manufacturing and trading business of watches included:

- Understanding, evaluating and testing management's controls in respect of the Group's sales transactions from contract approval, recording of sales based on contract terms, through reconciliations with cash receipts and customer's records;
- Testing of revenue recorded covering different locations and customers, using sampling techniques, by examining the relevant customer orders, goods delivery notes and customer's receipt note. In addition, we sent confirmations to certain customers to confirm their balance with the Group; and
- Testing the recognition of material sales transactions close to the end of the reporting period to assess whether those sales transactions were recorded in appropriate accounting period in accordance with the Group's revenue recognition policy.

We found the amount and timing of the revenue recorded were supported by the available evidence.

吾等確認手錶製造及買賣業務收益的相關程序包括：

- 透過現金收款與客戶紀錄對賬，了解、評估及測試管理層對貴集團因合約批准所產生銷售交易、基於合約條款對銷售所作紀錄的控制；
- 利用抽樣技術、檢查相關客戶訂單、貨物交付單及客戶收據單考查所記錄涵蓋不同地點及客戶的收益。此外，吾等向若干客戶發送確認以確認彼等與貴集團的結餘；及
- 考查臨近報告期末的重大銷售交易的確認以評估該等銷售交易有否按貴集團的收益確認政策計入適當的會計期。

吾等發現所記錄收益的金額及時間有可得證據支持。

# Independent Auditors' Report

## 獨立核數師報告

### OTHER INFORMATION

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

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

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

### RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

### 其他資料

董事須對其他資料負責。其他資料包括年報內的資料，但不包括綜合財務報表及吾等的核數師報告（「其他資料」）。

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

結合吾等對綜合財務報表的審核，吾等的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於吾等已執行的工作，如果吾等認為其他資料存在重大錯誤陳述，吾等需要報告該事實。在這方面，吾等沒有任何報告。

### 董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督貴集團的財務報告過程。

# Independent Auditors' Report

## 獨立核數師報告

### AUDITORS' 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 auditors' report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

### 核數師就審核綜合財務報表承擔的責任

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

合理保證是高水準的保證，但不能保證按照香港核數準則進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港核數準則進行審核的過程中，吾等運用了專業判斷，保持了專業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對相關風險，以及獲取充足和適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

## Independent Auditors' Report 獨立核數師報告

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。若吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。若有關披露不足，則吾等應當修訂意見。吾等的結論是基於截至核數師報告日所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評估綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。吾等負責集團審核的方向、監督和執行。吾等為審核意見承擔全部責任。

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.

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.

除其他事項外，吾等與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括吾等在審核中識別出內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關道德要求，並與彼等溝通有可能合理地被認為會影響吾等獨立性的所有關係和其他事項，以及在適用的情況下相關的防範措施。

## Independent Auditors' Report 獨立核數師報告

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 auditors' 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 auditors' report is Wong Sze Wai, Basilia.

**HLB Hodgson Impey Cheng Limited**  
*Certified Public Accountants*

**Wong Sze Wai, Basilia**  
*Practising Certificate Number: P05806*

Hong Kong, 29 April 2020

從與審核委員會溝通的事項中，吾等確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。吾等在核數師報告中描述相關事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，吾等決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目負責人是黃思瑋。

**國衛會計師事務所有限公司**  
*執業會計師*

**黃思瑋**  
*執業證書編號：P05806*

香港，2020年4月29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2019年12月31日止年度

|  |                         |             |                                  | Year ended 31 December<br>截至12月31日止年度 |  |
|--|-------------------------|-------------|----------------------------------|---------------------------------------|--|
|  |                         | Notes<br>附註 | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元      |  |
| Revenue  | 收益                      | 6           | <b>198,050</b>                   | 182,478                               |  |
| Cost of sales  | 銷售成本                    |             | <b>(147,744)</b>                 | (127,845)                             |  |
| Gross profit   | 毛利                      |             | <b>50,306</b>                    | 54,633                                |  |
| Other income and other loss, net   | 其他收入及<br>其他虧損淨額         | 7           | <b>(889)</b>                     | 2,126                                 |  |
| Selling and distribution expenses  | 銷售及分銷開支                 |             | <b>(5,337)</b>                   | (5,994)                               |  |
| Administrative expenses  | 行政開支                    |             | <b>(53,960)</b>                  | (38,083)                              |  |
| Finance costs  | 財務成本                    | 8           | <b>(3,993)</b>                   | (4,135)                               |  |
| Listing expenses   | 上市費用                    |             | -                                | (13,048)                              |  |
| <b>Loss before tax</b>   | <b>除稅前虧損</b>            | 9           | <b>(13,873)</b>                  | (4,501)                               |  |
| Income tax expense   | 所得稅開支                   | 12          | <b>(675)</b>                     | (2,603)                               |  |
| <b>Loss for the year</b>   | <b>年內虧損</b>             |             | <b>(14,548)</b>                  | (7,104)                               |  |
| <b>Other comprehensive income/(loss)</b>   | <b>其他全面收入／(虧損)</b>      |             |                                  |                                       |  |
| Item that may be reclassified subsequently to profit or loss:                      | 其後可重新分類至損益的項目：          |             |                                  |                                       |  |
| Exchange differences arising on translating  | 換算產生的匯兌差額               |             | <b>463</b>                       | (78)                                  |  |
| Other comprehensive income/(loss) for the year, net of tax                         | 年內其他全面收入／(虧損)，扣除稅項      |             | <b>463</b>                       | (78)                                  |  |
| <b>Total comprehensive loss for the year</b>                                       | <b>年內全面虧損總額</b>         |             | <b>(14,085)</b>                  | (7,182)                               |  |
| <b>Loss for the year attributable to Owners of the Company</b>                     | <b>應佔年內虧損：本公司擁有人</b>    |             | <b>(14,548)</b>                  | (7,104)                               |  |
| <b>Total comprehensive loss for the year attributable to Owners of the Company</b> | <b>應佔年內全面虧損總額本公司擁有人</b> |             | <b>(14,085)</b>                  | (7,182)                               |  |
| <b>Loss per share attributable to equity owners of the Company</b>                 | <b>本公司權益擁有人應佔每股虧損</b>   |             |                                  |                                       |  |
| Basic and diluted (HK\$ cents)   | 基本及攤薄(港仙)               | 14          | <b>(1.45)</b>                    | (0.82)                                |  |

The accompanying notes form an integral part of these consolidated financial statements.

附註為該等綜合財務報表之組成部分。

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2019 於2019年12月31日

|  |                  | As at 31 December<br>於12月31日     |                                  |
|--|------------------|----------------------------------|----------------------------------|
|  |                  | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 |
|  |                  | Notes<br>附註                      |                                  |
| <b>Non-current assets</b>                            | <b>非流動資產</b>     |                                  |                                  |
| Property, plant and equipment                        | 物業、廠房及設備         | 15                               | 34,025                           |
| Right of use assets                                  | 使用權資產            | 16                               | 4,305                            |
| Investment properties                                | 投資物業             | 17                               | 14,200                           |
| Financial asset at fair value through profit or loss | 按公平值計入損益的金融資產    | 22                               | 440                              |
| Deferred tax assets                                  | 遞延稅項資產           | 18                               | 5                                |
|  |                  |                                  | <b>52,975</b>                    |
| <b>Current assets</b>                                | <b>流動資產</b>      |                                  |                                  |
| Inventories  | 存貨               | 19                               | 24,035                           |
| Trade receivables                                    | 貿易應收款項           | 20                               | 44,667                           |
| Other receivables, deposits and prepayments          | 其他應收款項、按金及預付款    | 21                               | 30,293                           |
| Financial asset at fair value through profit or loss | 按公平值計入損益的金融資產    | 22                               | 18,740                           |
| Pledged bank deposits                                | 已抵押銀行存款          | 23                               | 6,718                            |
| Cash and bank balances                               | 現金及銀行結餘          | 23                               | 22,190                           |
|  |                  |                                  | <b>146,643</b>                   |
| <b>Current liabilities</b>                           | <b>流動負債</b>      |                                  |                                  |
| Trade and bills payables                             | 貿易應付款項及應付票據      | 24                               | 76,385                           |
| Other payables and accrued expenses                  | 其他應付款項及應計費用      | 25                               | 7,939                            |
| Contract liabilities                                 | 合約負債             | 26                               | 2,801                            |
| Bank overdrafts                                      | 銀行透支             | 27                               | 1,929                            |
| Borrowings   | 借款               | 27                               | 42,289                           |
| Lease liabilities/obligation under finance lease     | 租賃負債／融資租賃承擔      | 28                               | 2,231                            |
| Tax payable  | 應付稅項             |                                  | 1,324                            |
|  |                  |                                  | <b>134,898</b>                   |
| <b>Net current assets</b>                            | <b>流動資產淨額</b>    |                                  | <b>11,745</b>                    |
| <b>Total assets less current liabilities</b>         | <b>資產總值減流動負債</b> |                                  | <b>64,720</b>                    |

# Consolidated Statement of Financial Position

## 綜合財務狀況表

|  |              | As at 31 December<br>於 12 月 31 日  |                                   |
|--|--------------|-----------------------------------|-----------------------------------|
|  |              | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
|  | Notes<br>附註  |                                   |                                   |
| <b>Non-current liabilities</b>                   | <b>非流動負債</b> |                                   |                                   |
| Lease liabilities/obligation under finance lease | 租賃負債／融資租賃承擔  | 28                                | 1,743                             |
|  |              |                                   | 1,605                             |
|  |              |                                   | 1,743                             |
|  |              |                                   | 1,605                             |
| <b>Net assets</b>                                | <b>資產淨值</b>  |                                   | 62,977                            |
|  |              |                                   | 77,062                            |
| <b>Capital and reserves</b>                      | <b>資本及儲備</b> |                                   |                                   |
| Share capital                                    | 股本           | 29                                | 10,000                            |
| Reserves   | 儲備           |                                   | 52,977                            |
|  |              |                                   | 67,062                            |
| <b>Total equity</b>                              | <b>權益總額</b>  |                                   | 62,977                            |
|  |              |                                   | 77,062                            |

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 April 2020 and signed on its behalf by:

董事會於 2020 年 4 月 29 日批准及授權刊發綜合財務報表，並且由下列執行董事代為簽署：

**CHEUK Sin Cheong Clement**  
卓善章  
Executive Director  
執行董事

**AU Corona Ching Mei**  
歐靜美  
Executive Director  
執行董事

The accompanying notes form an integral part of these consolidated financial statements.

附註為該等綜合財務報表之組成部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2019 截至2019年12月31日止年度

|  |                            | Share<br>Capital<br>股本<br>HK\$'000<br>千港元 | Share<br>premium<br>股份溢價<br>HK\$'000<br>千港元 | Exchange<br>reserves<br>匯兌儲備<br>HK\$'000<br>千港元 | Other<br>reserve<br>其他儲備<br>HK\$'000<br>千港元 | Retained<br>earnings<br>保留盈利<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|----------------------------|---|---|---|---|---|--------------------------------|
| At 1 January 2018  | 於2018年1月1日                 | -   | -   | (437)   | 1,000                                       | 31,337  | 31,900                         |
| Loss for the year  | 年內虧損                       | -   | -   | -   | -   | (7,104)   | (7,104)                        |
| Other comprehensive income<br>for the year               | 年內其他全面收入                   | -   | -   | (78)  | -   | -   | (78)                           |
| Total comprehensive loss<br>for the year                 | 年內全面虧損總額                   | -   | -   | (78)  | -   | (7,104)   | (7,182)                        |
| Capitalisation issue (note 1)                            | 資本化發行(附註1)                 | 7,500                                     | (7,500)                                     | -   | -   | -   | -                              |
| Issue of new share by way of<br>share offer (note 2)     | 以股份發售方式發行<br>新股份(附註2)      | 2,500                                     | 60,000                                      | -   | -   | -   | 62,500                         |
| Transaction costs attributable to<br>issue of new shares | 發行新股份應佔交易成本                | -   | (10,156)                                    | -   | -   | -   | (10,156)                       |
| At 31 December 2018 and<br>1 January 2019                | 於2018年12月31日及<br>2019年1月1日 | <b>10,000</b>                             | <b>42,344</b>                               | <b>(515)</b>                                    | <b>1,000</b>                                | <b>24,233</b>                                   | <b>77,062</b>                  |
| Loss for the year  | 年內虧損                       | -   | -   | -   | -   | (14,548)  | (14,548)                       |
| Other comprehensive income<br>for the year               | 年內其他全面收入                   | -   | -   | 463   | -   | -   | 463                            |
| Total comprehensive income/<br>(loss) for the year       | 年內全面收入/(虧損)<br>總額          | -   | -   | 463   | -   | (14,548)  | (14,085)                       |
| <b>At 31 December 2019</b>                               | <b>於2019年12月31日</b>        | <b>10,000</b>                             | <b>42,344</b>                               | <b>(52)</b>                                     | <b>1,000</b>                                | <b>9,685</b>                                    | <b>62,977</b>                  |

Notes:

- Pursuant to a resolution in writing passed by all the shareholders of the Company on 20 June 2018, the authorised share capital of the Company was increased from HK\$380,000 to HK\$10,000,000 by the creation of additional 9,962,000,000 shares. Pursuant to the capitalisation issue of the Company passed by all the shareholders of the Company on 20 June 2018, additional 749,999,999 shares were allotted and issued to Million Easy Enterprises Ltd on 20 June 2018.
- The Company was successfully listed on the GEM of the Stock Exchange on 12 July 2018 by way of share offer of 25,000,000 public offer share and 225,000,000 placing shares respectively at the offer price of HK\$0.25 per share, the net proceeds after deducting the listing fee were approximately HK\$34,470,000.

附註：

- 根據本公司全體股東於2018年6月20日通過的書面決議案，本公司通過增設9,962,000,000股股份將法定股本由380,000港元增至10,000,000港元。根據本公司全體股東於2018年6月20日通過的本公司之資本化發行，萬宜集團有限公司於2018年6月20日獲額外配發及發行749,999,999股股份。
- 2018年7月12日，本公司通過以每股股份0.25港元的發售價分別發售25,000,000股公開發售股份及225,000,000股配售股份成功於聯交所GEM上市，已扣除上市費用的所得款項淨額約為34,470,000港元。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2019 截至2019年12月31日止年度

|  |                             | Year ended 31 December<br>截至12月31日止年度 |                                  |
|--|-----------------------------|---------------------------------------|----------------------------------|
|  |                             | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
|  |                             | Notes<br>附註                           |                                  |
| <b>Operating activities</b>  | <b>經營活動</b>                 |                                       |                                  |
| Loss before taxation   | 除稅前虧損                       |                                       | (13,873)                         |
| Adjustments for:   | 對以下項目進行調整：                  |                                       |                                  |
| Interest income  | 利息收入                        | 7                                     | (958)                            |
| Net foreign exchange gain  | 匯兌收益淨額                      | 7                                     | (328)                            |
| Loss on disposal of property, plant and equipment, net   | 出售物業、廠房及設備虧損淨額              | 7                                     | -                                |
| Interest expenses  | 利息開支                        | 8                                     | 3,993                            |
| Net loss arising from change in fair value of investment properties                            | 投資物業公平值變動產生的虧損淨額            | 7                                     | 600                              |
| Net loss/(gain) arising from disposal of financial assets at fair value through profit or loss | 出售按公平值計入損益的金融資產產生的虧損／(收益)淨額 | 7                                     | 1,829                            |
| Written-off of inventories   | 存貨撇銷                        | 9                                     | 455                              |
| Allowance for expected credit loss on trade receivables  | 貿易應收款項的預期信貸虧損撥備             | 9                                     | 7                                |
| Depreciation of right-of-use assets  | 使用權資產折舊                     | 16                                    | 2,286                            |
| Depreciation of property, plant and equipment  | 物業、廠房及設備折舊                  | 15                                    | 4,505                            |
| <b>Operating cash flows before movements in working capital</b>                                | <b>營運資金變動前經營現金流</b>         |                                       | <b>(1,484)</b>                   |
| Increase in inventories  | 存貨增加                        |                                       | (7,106)                          |
| (Increase)/decrease in trade receivables   | 貿易應收款項(增加)／減少               |                                       | (1,200)                          |
| Increase in other receivables, deposits and prepayments  | 其他應收款項、按金及預付款增加             |                                       | (23,302)                         |
| Decrease in amounts due from an ultimate holding company                                       | 應收最終控股公司款項減少                |                                       | -                                |
| Decrease in amount due to a director   | 應付一名董事款項減少                  |                                       | -                                |
| Increase in trade and bills payables   | 貿易應付款項及應付票據增加               |                                       | 7,424                            |
| (Decrease)/increase in contract liabilities  | 合約負債(減少)／增加                 |                                       | (986)                            |
| Increase/(decrease) in other payables and accrued expenses                                     | 其他應付款項及應計開支增加／(減少)          |                                       | 2,026                            |

# Consolidated Statement of Cash Flows

## 綜合現金流量表

|   |                     | Year ended 31 December<br>截至12月31日止年度 |                                  |
|---|---------------------|---------------------------------------|----------------------------------|
|   |                     | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
|   | Notes<br>附註         |                                       |                                  |
| <b>Cash (used in)/generated from operating activities</b>                       | 經營活動(所用)／所得現金       | <b>(24,628)</b>                       | 27,686                           |
| Income tax paid   | 已付所得稅               | <b>(619)</b>                          | (1,894)                          |
| <b>Net cash (used in)/ generated from operating activities</b>                  | 經營活動(所用)／所得現金淨額     | <b>(25,247)</b>                       | 25,792                           |
| <b>Investing activities</b>   | 投資活動                |                                       |                                  |
| Purchase of property, plant and equipment                                       | 購買物業、廠房及設備          | <b>(5,137)</b>                        | (3,190)                          |
| Cash paid for financial asset at fair value through profit or loss              | 按公平值計入損益的金融資產所付現金   | <b>(7,119)</b>                        | (8,776)                          |
| Proceeds from disposal of financial assets at fair value through profit or loss | 出售按公平值計入損益的金融資產所得款項 | <b>7,894</b>                          | 9,102                            |
| Proceeds from disposal of property, plant and equipment                         | 出售物業、廠房及設備所得款項      | –                                     | 234                              |
| Payment for acquisition of financial asset at fair value through profit or loss | 購買按公平值計入損益的金融資產之付款  | –                                     | (3,996)                          |
| Decrease in pledged bank deposits   | 已抵押銀行存款減少           | <b>14,983</b>                         | 6,804                            |
| Interest received   | 已收利息                | <b>634</b>                            | 418                              |
| <b>Net cash generated from investing activities</b>                             | 投資活動所得現金淨額          | <b>11,255</b>                         | 596                              |
| <b>Financing activities</b>   | 融資活動                |                                       |                                  |
| Proceeds from issue of share  | 發行股份所得款項            | –                                     | 52,344                           |
| Repayment of finance leases   | 償還融資租賃              | <b>(2,753)</b>                        | (187)                            |
| Leases interest paid  | 已付租賃利息              | <b>(221)</b>                          | (35)                             |
| Borrowings interest paid  | 已付借款利息              | <b>(3,741)</b>                        | (4,100)                          |
| Overdraft interest paid   | 已付透支利息              | <b>(31)</b>                           | –                                |
| Proceeds from borrowings  | 借款所得款項              | <b>159,297</b>                        | 188,984                          |
| Repayments of borrowings  | 償還借款                | <b>(159,564)</b>                      | (232,519)                        |
| <b>Net cash (used in)/ generated from financing activities</b>                  | 融資活動(所用)／所得現金淨額     | <b>(7,013)</b>                        | 4,487                            |

## Consolidated Statement of Cash Flows 綜合現金流量表

|  |                        | Year ended 31 December<br>截至12月31日止年度 |                                  |
|--|------------------------|---------------------------------------|----------------------------------|
|  |                        | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
|  |                        | Notes<br>附註                           |                                  |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                      | 現金及現金等價物<br>(減少)/增加淨額  |                                       | <b>(21,005)</b> 30,875           |
| <b>Cash and cash equivalents at the beginning of year</b>                        | 年初現金及現金等價物             |                                       | <b>40,333</b> 8,418              |
| Effect of foreign exchange rate changes  | 外匯匯率變動的影響              |                                       | <b>933</b> 1,040                 |
| Cash and cash equivalents at the end of the year                                 | 年末現金及現金等價物             |                                       | <b>20,261</b> 40,433             |
| <b>Analysis of balances of cash and cash equivalents</b>                         | 現金及現金等價物結餘<br>分析：      |                                       |                                  |
| Cash and bank balances   | 現金及銀行結餘                | 23                                    | <b>22,190</b> 40,433             |
| Bank overdrafts  | 銀行透支                   | 27                                    | <b>(1,929)</b> –                 |
| Cash and cash equivalents as stated in the consolidated statements of cash flows | 綜合現金流量表呈列的<br>現金及現金等價物 | 23                                    | <b>20,261</b> 40,433             |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

### 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 12 June 2017 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 3, 5 and 6, 15th Floor, Tower One, Ever Gain Plaza, No. 88 Container Port Road, Kwai Chung, New Territories, Hong Kong. Its ultimate holding company and immediate holding company are Million Easy Enterprises Limited, a company incorporated in the British Virgin Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in design and development, manufacturing and distribution of watch products on original design manufacturing (“ODM”) basis for watch manufacturers, brand owners and watch importers across the global.

The shares of the Company have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 12 July 2018 (the “**Listing Date**”).

The consolidated financial statement is presented in (“**HK\$**” or “**HKD**”) which is also the functional currency of the Company and its subsidiaries. All values are rounded to the nearest thousand (HK\$’000), except where otherwise indicated.

### 1. 公司資料

本公司於2017年6月12日在開曼群島根據開曼群島公司法第22章(1961年第3號法例，經綜合及修訂)註冊成立為獲豁免有限公司。本公司註冊辦事處位於Cricket Square, Hutchins Drive PO Box 2681, Grand Cayman KY1-1111, Cayman Islands，主要營業地點位於香港新界葵涌貨櫃碼頭路88號永得利廣場一期15樓3、5及6室。其最終控股公司及直屬控股公司為萬宜集團有限公司(在英屬維爾京群島註冊成立的公司)。

本公司為投資控股公司，其附屬公司主要從事按原設計製造(「ODM」)基準為全球手錶製造商、品牌擁有人及手錶進口商設計及開發、製造及分銷手錶產品。

2018年7月12日(「上市日期」)，本公司股份於香港聯合交易所有限公司(「聯交所」)GEM上市。

綜合財務報表以(「港元」)呈列，港元亦為本公司及其附屬公司的功能貨幣。除非另有指示，否則所有金額均約整至最接近的千位數(千港元)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

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

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

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

#### HKFRS 16 Leases

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

#### Definition of a lease

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

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

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本集團於本年度首次應用以下由香港會計師公會（「香港會計師公會」）頒布之新訂及經修訂香港財務報告準則：

|                         |                            |
|-------------------------|----------------------------|
| 香港財務報告準則第16號            | 租賃                         |
| 香港財務報告準則第9號（修訂本）        | 反向補償提前還款特徵                 |
| 香港（國際財務報告詮釋委員會）— 詮釋第23號 | 所得稅處理之不確定性                 |
| 香港財務報告準則第19號（修訂本）       | 計劃修正、縮減或清償                 |
| 香港財務報告準則第28號（修訂本）       | 於聯營公司及合營企業之長期權益            |
| 香港財務報告準則（修訂本）           | 2015年至2017年週期香港財務報告準則的年度改進 |

除下文所述，本年度應用新訂及經修訂香港財務報告準則對本集團於本年度及過往年度之財務狀況及表現及／或載於未經審核綜合財務報表之披露並無重大影響。

#### 香港財務報告準則第16號租賃

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

#### 租賃的定義

本集團選用權宜方案，對過往應用香港會計準則第17號及香港（國際財務報告詮釋委員會）詮釋第4號釐定一項安排是否包含租賃所識別為租賃之合約應用香港財務報告準則第16號，而對過往並非識別為包含租賃的合約則不會應用此準則。因此，本集團並無重新評估在首次應用日期之前已經存在之合約。

對於在2019年1月1日或以後訂立或修訂的合約而言，本集團於評估合約是否含有租賃時，會根據香港財務報告準則第16號所載的規定應用租賃之定義。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### HKFRS 16 Leases (Continued)

##### *As a lessor*

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

##### *As a lessee*

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

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第16號租賃（續） 作為出租人

香港財務報告準則第16號大致沿用香港會計準則第17號的出租人會計處理方式。出租人將繼續使用與香港會計準則第17號中類似的原則將租賃分類為經營或融資租賃。因此，香港財務報告準則第16號對本集團為出租人的租賃並無影響。沿用香港會計準則第17號的出租人會計規定大致上維持不變。

#### 作為承租人

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

於2019年1月1日，本集團透過應用香港財務報告準則第16號C8(b)(ii)號過渡條文確認額外之租賃負債及使用權資產，其金額等於通過任何預付或應計的租賃付款調整的相關租賃負債。於首次應用日期之任何差額於期初保留利潤確認，且並無重列比較資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### HKFRS 16 Leases (Continued)

##### As a lessee (Continued)

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

- (i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- (ii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment;
- (iv) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options; and
- (v) relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第16號租賃（續） 作為承租人（續）

當根據香港財務報告準則第16號於過渡時應用修改追溯方法，本集團對過往根據香港會計準則第17號分類為經營租約之租賃，以逐項租賃之基礎上，在各自的租賃合約相關範圍內應用以下權宜方案：

- (i) 選擇對租期在首次應用日期12個月內完結之租賃不會確認使用權資產及租賃負債；
- (ii) 於首次應用日期計量使用權資產時撇除首次直接成本；
- (iii) 就剩餘租期相近之類似經濟環境的類似級別相關資產的租賃組合應用單一折現率；
- (iv) 根據於首次應用日期的事實及情況使用事後方式為本集團具有延長及終止選擇權的租賃釐定租期；及
- (v) 應用香港會計準則第37號撥備、或然負債及或然資產作為減值評估的替代方法，以評估租賃是否有虧損性。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### HKFRS 16 Leases (Continued)

##### As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 4.22% to 6.04%.

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第16號租賃（續） 作為承租人（續）

當就過往分類為經營租賃之租賃確認租賃負債時，本集團應用相關集團實體於首次應用日期之漸進借貸率。相關集團實體應用之加權平均漸進借貸率介乎4.22%至6.04%。

2019年1月1日的租賃負債與2018年12月31日的經營租賃承擔對賬如下：

|   |  | HK\$'000<br>千港元 |
|---|--|-----------------|
| Operating lease commitment at 31 December 2018  | 2018年12月31日之經營租賃承擔                         | 2,071           |
| Less: total future interest expenses  | 減：未來利息開支總額                                 | (132)           |
| <b>Present value of remaining lease payments, discounted using the incremental borrowing rate and lease liabilities recognised as at 1 January 2019</b> | <b>採用漸進借貸率貼現之餘下租賃付款現值及2019年1月1日確認之租賃負債</b> | <b>1,939</b>    |
| Add: obligation under finance lease recognised as at 31 December 2018   | 加：2018年12月31日已確認融資租賃承擔                     | 2,292           |
| Lease liabilities as at 1 January 2019  | 2019年1月1日之租賃負債                             | 4,231           |
| Analysis as:  | 分析為：                                       |                 |
| Non-current   | 非流動  | 2,508           |
| Current   | 流動   | 1,723           |
|   |  | <b>4,231</b>    |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### HKFRS 16 Leases (Continued)

##### As a lessee (Continued)

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

|  | Notes<br>附註                           | HK\$'000<br>千港元 |
|--|---------------------------------------|-----------------|
| Right-of-use assets relating to operating leases recognised upon application of HKFRS 16 | 當應用香港財務報告準則第16號<br>確認經營租賃有關之使用權資產 (a) | 1,939           |
| Add: Amounts included in property, plant and equipment under HKAS 17                     | 加：根據香港會計準則第17號<br>計入物業、廠房及<br>設備之金額   |                 |
| – Assets previously under finance leases   | – 過往列入融資租賃之資產 (b)                     | 2,658           |
|  |                                       | 4,597           |
| By class   | 以類別劃分                                 |                 |
| Leasehold Building   | 租賃樓宇                                  | 1,424           |
| Furniture, fixtures and equipment  | 傢私、裝置及設備                              | 515             |
| Motor vehicles   | 汽車                                    | 2,658           |
|  |                                       | 4,597           |

#### Notes:

- (a) The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of consolidated financial position at 1 January 2019.
- (b) In relation to assets previously under finance leases, the Group reclassified the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to HKD2,658,000, as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of HKD687,000 and HKD1,605,000 to lease liabilities as current and non-current liabilities respectively at 1 January 2019.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第16號租賃（續） 作為承租人（續）

於2019年1月1日的持用自用使用權資產之賬面值包含以下各項：

|  | Notes<br>附註                           | HK\$'000<br>千港元 |
|--|---------------------------------------|-----------------|
| Right-of-use assets relating to operating leases recognised upon application of HKFRS 16 | 當應用香港財務報告準則第16號<br>確認經營租賃有關之使用權資產 (a) | 1,939           |
| Add: Amounts included in property, plant and equipment under HKAS 17                     | 加：根據香港會計準則第17號<br>計入物業、廠房及<br>設備之金額   |                 |
| – Assets previously under finance leases   | – 過往列入融資租賃之資產 (b)                     | 2,658           |
|  |                                       | 4,597           |
| By class   | 以類別劃分                                 |                 |
| Leasehold Building   | 租賃樓宇                                  | 1,424           |
| Furniture, fixtures and equipment  | 傢私、裝置及設備                              | 515             |
| Motor vehicles   | 汽車                                    | 2,658           |
|  |                                       | 4,597           |

#### 附註：

- (a) 過往分類為經營租賃之租賃相關使用權資產已按相等於餘下租賃負債的已確認金額之金額確認，並按與於2019年1月1日之綜合財務狀況表確認之租賃有關之任何預付或應計租賃付款金額進行調整。
- (b) 對於過往融資租賃的資產，本集團將2019年1月1日仍屬於租賃的相關資產的賬面值2,658,000港元重新歸類為使用權資產。此外，本集團於2019年1月1日分別將687,000港元及1,605,000港元的融資租賃承擔作為流動及非流動負債重新分類至租賃負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### HKFRS 16 Leases (Continued)

##### As a lessee (Continued)

The following table summarises the impacts of the adoption of HKFRS 16 on the Group’s unaudited consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

|  |                 | Carrying amount previously reported at 31 December 2018 | Reclassification        | Adjustments           | Carrying amount under HKFRS 16 at 1 January 2019            |
|--|-----------------|---|-------------------------|-----------------------|---|
|  |                 | 先前於 2018 年 12 月 31 日 呈報的 賬面值<br>HK\$'000<br>千港元         | 重新分類<br>HK\$'000<br>千港元 | 調整<br>HK\$'000<br>千港元 | 根據香港財務 報告準則 第 16 號 於 2019 年 1 月 1 日 的賬面值<br>HK\$'000<br>千港元 |
| <b>Assets</b>                            | <b>資產</b>       |   |                         |                       |   |
| Property, plant and equipment (note 2)   | 物業、廠房及設備 (附註 2) | 35,691  | (2,658)                 | –                     | 33,033  |
| Right-of-use assets (note 1)             | 使用權資產 (附註 1)    | –   | 2,658                   | 1,939                 | 4,597   |
| <b>Liabilities</b>                       | <b>負債</b>       |   |                         |                       |   |
| Lease liabilities                        | 租賃負債            | –   | 2,292                   | 1,939                 | 4,231   |
| Obligations under finance lease (note 3) | 融資租賃承擔 (附註 3)   | 2,292   | (2,292)                 | –                     | –   |

#### Notes:

- The application of HKFRS 16 to leases previously classified as operating leases under HKAS 17 resulted in the recognition of right-of-use assets of HKD1,939,000 and lease liabilities of HKD1,939,000 at the initial adoption of HKFRS 16.
- Motor vehicle under finance lease arrangements previously presented within ‘Property, plant and equipment’ of HKD2,658,000 is now presented within the line item ‘Right-of-use assets’. There has been no change in the amount recognised.
- The lease liability on leases previously classified as finance leases under HKAS 17 and previously presented within ‘Obligations under finance leases’ of HKD2,292,000 is now presented in the line ‘Lease Liabilities’. There has been no change in the liability recognised.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則第 16 號租賃（續） 作為承租人（續）

下表概述採納香港財務報告準則第 16 號對本集團於 2019 年 1 月 1 日未經審核綜合財務狀況表的影響。以下不包括未受影響項目之變動。

#### 附註：

- 就過往根據香港會計準則第 17 號分類為經營租賃的租賃應用香港財務報告準則第 16 號導致於首次採納香港財務報告準則第 16 號時確認使用權資產及租賃負債分別 1,939,000 港元及 1,939,000 港元。
- 過往呈列於「物業、廠房及設備」內的融資租賃安排下之汽車金額為 2,658,000 港元，現已呈列於「使用權資產」內。已確認之金額並無變動。
- 過往根據香港會計準則第 17 號分類為融資租賃且呈列於「融資租賃承擔」內的租賃負債為 2,292,000 港元，現已呈列於「租賃負債」內。已確認之負債金額並無變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

#### New and amendments to HKFRSs that have been issued but not yet effective

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

|   |  |
|---|--|
| HKAS 1 and HKAS 8 (Amendments)            | Definition of Material <sup>1</sup>  |
| HKFRS 9, HKAS 39 and HKFRS 7 (Amendments) | Interest Rate Benchmark Reform <sup>1</sup>  |
| HKFRS 3 (Amendments)                      | Definition of a Business <sup>2</sup>  |
| HKFRS 10 and HKAS 28 (Amendments)         | Sale or contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup> |
| HKFRS 17                                  | Insurance Contracts <sup>3</sup>   |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020.

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

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

In addition to the above new and amendments to HKFRSs, a revised “Conceptual Framework for Financial Reporting” was issued in 2018. Its consequential amendments, the “Amendments to References to the Conceptual Framework” in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020. The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

|   |                                       |
|---|---------------------------------------|
| 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 <sup>1</sup>                    |
| 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 <sup>1</sup>                   |
| 香港財務報告準則第3號（修訂本）                        | 業務的定義 <sup>2</sup>                    |
| 香港財務報告準則第10號及香港會計準則第28號（修訂本）            | 投資者與其聯營公司或合營企業之間的資產出售或出資 <sup>4</sup> |
| 香港財務報告準則第17號                            | 保險合約 <sup>3</sup>                     |

<sup>1</sup> 於2020年1月1日或之後開始的年度期間生效。

<sup>2</sup> 適用於收購日期為2020年1月1日或之後開始的首個年度期間開始當日或之後進行的業務合併及資產收購。

<sup>3</sup> 於2021年1月1日或之後開始的年度期間生效。

<sup>4</sup> 於待定期或之後開始的年度期間生效。

除上述新訂及經修訂香港財務報告準則外，2018年發佈了經修訂「財務報告概念框架」。其相應修訂（即香港財務報告準則中「對概念框架的提述的修訂」）將於2020年1月1日或之後開始的年度期間生效。本公司董事預期應用所有新訂及經修訂的香港財務報告準則於可預見未來不會對綜合財務報表造成重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the HKICPA, and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the disclosure requirements of the Hong Kong Companies Ordinance (“**CO**”).

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in areas where assumptions and estimates are significant to the consolidated financial statements, are discussed in Note 5.

A summary of significant accounting policies followed by the Group in the preparation of the consolidated financial statements is set out below:

#### Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 3. 重大會計政策概要

#### 合規聲明

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則(此統稱包括所有適用的各項香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋)以及香港普遍採納的會計原則而編製。此外，綜合財務報表亦符合聯交所GEM證券上市規則(「**GEM上市規則**」)的適用披露條文及香港公司條例(「**公司條例**」)的披露規定。

編製符合香港財務報告準則的綜合財務報表時需運用若干關鍵會計估計。管理層亦須在涉及對綜合財務報表而言屬重大的假設及估計之範疇作出判斷，有關論述見附註5。

本集團編製綜合財務報表所遵循的主要會計政策概要如下：

#### 編製基準

除若干金融工具按公平值計量外，各報告期末的綜合財務報表按歷史成本基準編製，如下文會計政策所闡述。

歷史成本一般基於為換取貨品及服務所付代價的公平值。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of preparation (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

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

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

### 3. 重大會計政策概要(續)

#### 編製基準(續)

公平值為計量日期市場參與者之間在有序交易中出售資產可收取或轉讓負債須支付的價格，不論該價格是否直接可觀察或可使用其他估值技術估計。倘市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。該等綜合財務報表中作計量及／或披露用途的公平值按此基準釐定，惟屬於香港財務報告準則第2號範圍內的以股份支付的交易、香港會計準則第17號範圍內的租賃交易及與公平值有部分類似但並非公平值的計量（譬如香港會計準則第2號的可變現淨值或香港會計準則第36號的使用價值）除外。

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

- 第一級輸入數據為實體於計量日期可取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二級輸入數據為就資產或負債直接或間接可觀察的輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation

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

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

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

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

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

### 3. 重大會計政策概要(續)

#### 綜合基準

綜合財務報表包括本公司以及本公司及其附屬公司所控制的實體(含結構性實體)的財務報表。當本公司符合以下條件，即取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象而承擔浮動回報的風險或享有獲得浮動回報的權利；及
- 有能力運用權力影響其回報。

倘有事實及情況顯示上述三項控制因素中一項或多項出現變動，本公司會重新評估是否控制投資對象。

倘本集團對投資對象的表決權未能佔大多數，但足以賦予本集團實際能力可單方面主導投資對象的相關活動時，本集團即擁有對投資對象的權力。在評估本集團對投資對象的表決權是否足以賦予其權力時，本集團考慮所有相關事實和情況，包括：

- 本集團持有的表決權份額相對於其他表決權持有方所持有的表決權份額和分散度；
- 本集團、其他表決權持有方或其他各方持有的潛在表決權；
- 其他合同安排產生的權利；及
- 可表明在需要作出決策時本集團當前能否主導相關活動的任何其他事實和情況，包括以往股東大會的表決方式。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation (Continued)

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

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

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

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

### 3. 重大會計政策概要(續)

#### 綜合基準(續)

本集團於取得附屬公司的控制權時將附屬公司綜合入賬，於失去附屬公司的控制權時終止。具體而言，年內收購或出售附屬公司的收入及支出自本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司之日為止。

損益和其他全面收入的各项目歸屬於本公司擁有人及非控股權益。附屬公司全面收入總額歸屬於本公司擁有人和非控股權益(即使會導致非控股權益產生虧損結餘)。

必要時將調整附屬公司的財務報表，確保其會計政策與本集團會計政策一致。

所有集團內公司間的資產、負債、權益、收入、開支以及與本集團成員公司間交易有關的現金流量於綜合入賬時悉數對銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 3. 重大會計政策概要(續)

#### 本集團於現有附屬公司的擁有人權益變動

本集團於現有附屬公司的擁有人權益發生變化，而該變化未導致本集團失去對該等附屬公司的控制權，應作為權益性交易入賬。本集團調整權益及非控股權益的賬面值，以反映在附屬公司中相關權益的變化。非控股權益的調整額與支付或收取代價的公平值之間的任何差額直接於權益內確認，並歸屬於本公司擁有人。

倘本集團失去對附屬公司的控制權，則收益或損失於損益中確認，並按(i)所收代價之公平值及任何保留權益之公平值總額與(ii)該附屬公司之資產(包括商譽)及負債和任何非控股權益原賬面值之差額計算。先前於其他全面收入確認有關該附屬公司之所有款項，會按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則之規定／允許重新分類至損益或轉撥至另一權益類別)。前附屬公司所保留任何投資於失去控制權當日之公平值，根據香港會計準則第39號金融工具：確認及計量在其後入賬時被視作首次確認之公平值或(如適用)於聯營公司或合營企業之投資首次確認之成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue and other income

##### Revenue from contracts with customers

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

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

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

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

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

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

### 3. 重大會計政策概要(續)

#### 收益及其他收入

##### 來自客戶的合約收益

根據香港財務報告準則第15號，當(或於)滿足履約責任時，即於特定履約責任的相關貨品或服務的「控制權」轉讓予客戶時，本集團確認收益。

履約責任指不同的貨品或服務(或一組貨品或服務)或一系列不同的貨品或大致相同的服務。

控制權隨時間轉移，而倘滿足以下其中一項標準，則收益乃參照完全滿足相關履約責任的進展情況而隨時間確認：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團之履約創建及強化客戶於本集團履約時控制的資產；或
- 本集團之履約並未創建對本集團有替代用途的資產，且本集團對迄今已完成履約之款項具有可執行權利。

否則，收益於客戶獲得不同貨品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓予客戶的貨品或服務收取代價的權利(尚未成為無條件)。合約資產根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue and other income (Continued)

##### Revenue from contracts with customers (Continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounting using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

### 3. 重大會計政策概要(續)

#### 收益及其他收入(續)

##### 來自客戶的合約收益(續)

合約負債指本集團因已自客戶收取代價(或已可自客戶收取代價)，而須轉讓商品或服務予客戶之責任。與合約有關的合約資產及合約負債以淨額列賬。

對於包含一項以上履約責任的合約，本集團按相對獨立售價基準將交易價格分攤至各項履約責任。

倘合約載有向客戶提供超過12個月重大融資利益的融資組成部分，則收益按應收金額的現值計量，並使用反映於與有關客戶的個別融資交易的貼現率貼現，且利息收入根據實際利率法分開應計。倘合約載有向本集團提供重大融資利益的融資組成部分，則根據該合約確認的收益包括根據實際利率法合約責任附有的利息開支。本集團利用香港財務報告準則第15號第63段中的可行權宜方法，於融資期為12個月或以下時並無就重大融資組成部分的任何影響調整代價。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue and other income (Continued)

Further details of the Group's revenue and other income recognition policies are as follows:

##### (i) Revenue from sales of watches

Revenue from sales of watches are recognised on transfer of risks and rewards of ownership, which generally coincides with the time when the products are delivered to customers and title is passed.

In comparative period, revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### (ii) Rental income

Rental income, including rentals invoiced in advance, from properties let under operating leases is recognised on a straight-line basis over the period of the respective leases.

### 3. 重大會計政策概要(續)

#### 收益及其他收入(續)

本集團收益及其他收入確認政策的詳情如下：

##### (i) 銷售手錶所得收益

銷售手錶所得收益在擁有權風險及回報轉移時確認，該確認時間一般與向客戶交付產品及轉移所有權的時間吻合。

於比較期間，銷售貨品的收益於貨品交付及所有權轉移且同時達成以下所有條件時確認：

- 本集團將貨品擁有權的重大風險及回報轉移予買方；
- 本集團並無保留一般與擁有權相關的所售貨品持續管理權，亦不保留對所售貨品的實際控制權；
- 收益金額能可靠計量；
- 與交易相關的經濟利益很可能流入本集團；及
- 交易產生或將產生的成本能可靠計量。

##### (ii) 租金收入

根據經營租賃出租之物業之租金收入(包括預先開票之租金)按直線法於相應租期內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue and other income (Continued)

##### (iii) Interest income

Interest income is recognized as it accrues using effective interest method. For financial assets measured at amortized cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to amortized cost (i.e. gross carrying amount net of loss allowance) of the asset.

In comparative period, interest income from a financial asset (other than a financial asset at fair value through profit or loss) is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is computed using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

##### Property, plant and equipment

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

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned asset. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

### 3. 重大會計政策概要(續)

#### 收益及其他收入(續)

##### (iii) 利息收入

利息收入於產生時使用實際利率法確認。倘按攤銷成本計量之金融資產並無信貸減值，則實際利率適用於資產總賬面值。倘金融資產發生信貸減值，則實際利率適用於資產攤銷成本(即總賬面值減虧損撥備)。

於比較期間，金融資產(按公平值計入損益的金融資產除外)的利息收入參照未償還本金以時間為基準按適用實際利率計算，實際利率指透過金融資產之預期可使用年期將估計未來現金收入準確折現至該資產於初步確認時之賬面淨值之比率。

##### 存貨

存貨按成本與可變現淨值兩者中的較低者入賬。存貨成本採用加權平均法計算。可變現淨值指存貨的估計售價減所有估計完成成本及銷售所需成本。

##### 物業、廠房及設備

物業、廠房及設備按成本減隨後累計折舊及隨後累計減值虧損(如有)入賬。

折舊採用直線法於其可使用年內確認，以撇銷資產成本減其剩餘價值。估計可使用年期及折舊方法會於各報告期末檢討，任何估計變動之影響按未來基準入賬。

根據融資租賃持有的資產於其預期可使用年內按與自有資產相同的基準進行折舊。然而，倘不能合理確定於租期結束時將獲得所有權，則資產按租期與可使用年期中的較短者折舊。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment (Continued)

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

The property, plant and equipment is derecognised over their estimated useful lives, after taking into account of their residual value, on a straight-line basis at the following rates per annum:

|                                   |   |
|-----------------------------------|---|
| Leasehold improvements            | 20% or over the lease terms, if shorter |
| Plant and machinery               | 10–20%                                  |
| Furniture, fixtures and equipment | 20%                                     |
| Motor Vehicle                     | 20%                                     |
| Leasehold building                | over the lease term                     |

Depreciation method, useful lives and residual values are reassessed at the end of each reporting period.

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

### 3. 重大會計政策概要(續)

#### 物業、廠房及設備(續)

物業、廠房及設備項目於出售時或預期繼續使用該資產不會產生任何未來經濟利益時終止確認。物業、廠房及設備項目於出售或報廢時產生的任何盈虧，按銷售所得款項與該資產賬面值的差額釐定，並於損益確認。

物業、廠房及設備經計及其剩餘價值後於其估計可使用年期以直線基準按以下年率終止確認：

|          |                   |
|----------|-------------------|
| 租賃裝修     | 20% 或按租期 (以較短者為準) |
| 廠房及機器    | 10–20%            |
| 傢私、裝置及設備 | 20%               |
| 汽車       | 20%               |
| 租賃樓宇     | 按租期               |

折舊法、可使用年期及剩餘價值均會於各報告期末重新評估。

#### 投資物業

投資物業乃持有作賺取租金及／或資本增值之物業。投資物業初步按成本(包括交易成本)計算。於初步確認後，投資物業按公平值計算。本集團按經營租賃持有作賺取租金或作資本增值之所有物業權益按投資物業入賬處理，並採用公平值模型計量。投資物業公平值變動所產生之收益及虧損於產生期間計入損益。

投資物業於出售或永久停止使用且預計不會從出售獲得未來經濟利益時終止確認。終止確認該物業所產生之任何收益或虧損(按出售所得款項淨額與該資產賬面值之差額計算)於終止確認物業期間計入損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (upon application of HKFRS 16 in accordance with transitions in note 2)

##### **Definition of a lease**

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

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

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

##### **Allocation of consideration to components of a contract**

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

##### **Short-term leases and leases of low-value assets**

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

### 3. 重大會計政策概要(續)

#### 租賃(於按附註2的過渡規定採用香港財務報告準則第16號後)

##### **租賃的定義**

倘合約將已識別資產的使用控制權轉讓一段時間以換取代價，則該合約實為租賃。

但凡於初次應用之日或之後訂立、修改或因業務合併而產生的合約，本集團會於合約開始時、修改日或收購日根據香港財務報告準則第16號的定義評估合約是否為租賃或包含租賃。除非該合約的條款及條件隨後有更改，否則不會重新評估。

本集團作為承租人(於按附註2的過渡規定採用香港財務報告準則第16號後)

##### **將代價分配至合約組成部分**

對於包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將合約代價分配至各個租賃組成部分，包括為收購物業(包括租賃土地及非租賃樓宇部分)所有權權益的合約，惟上述分配不能可靠作出則除外。

本集團亦採用可行權宜方法，不將非租賃組成部分從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨的租賃組成部分進行入賬。

##### **短期租賃及低價值資產租賃**

本集團對自開始日期起計之租期為十二個月或以下並且不包含購買選擇權的物業及汽車租賃採用短期租賃確認豁免。本集團亦就低價值資產租賃採用確認豁免。短期租賃及低價值資產租賃的租賃付款乃於租期內按直線法或其他系統基準確認為開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

##### *Right-of-use assets*

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

### 3. 重大會計政策概要(續)

本集團作為承租人(於按附註2的過渡規定採用香港財務報告準則第16號後)

##### *使用權資產*

使用權資產的成本包括：

- 租賃負債的初始計量金額；
- 於開始日期或之前所作的任何租賃付款，減去所得的任何租賃獎勵；
- 本集團產生的任何初始直接成本；及
- 本集團拆除及移除相關資產、修復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態將予產生的估計成本。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

倘本集團合理確信在租賃期屆滿時取得相關租賃資產的所有權，則使用權資產自開始日期起至可使用年期屆滿期間折舊。否則，使用權資產按其估計可使用年期及租期的較短者以直線法折舊。

本集團作為承租人(於按附註2的過渡規定採用香港財務報告準則第16號後)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

##### *Lease liabilities*

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

Lease payments included in the measurement of the lease liability comprise:

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

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

### 3. 重大會計政策概要(續)

本集團作為承租人(於按附註2的過渡規定採用香港財務報告準則第16號後)(續)

##### *租賃負債*

於租賃開始日期，本集團按該日尚未支付租賃付款的現值確認及計量租賃負債。在計算租賃付款的現值時，倘租賃中所隱含的利率不易確定，則本集團於租賃開始日期採用增量借貸利率。

計入租賃負債計量的租賃付款包括：

- 固定租賃付款(包括實質上的固定付款)，減去任何應收租賃優惠；
- 可變租賃付款，取決於一項指數或利率，初步計量時使用開始日期的指數或利率；
- 承租人根據剩餘價值擔保預期應付金額；
- 購買選擇權的行使價(倘承租人合理確定行使該等選擇權)；及
- 終止租賃的罰金付款(倘租賃條款反映本集團行使選擇權終止租賃)。

開始日期後，租賃負債按利息增加及租賃付款調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

##### *Lease liabilities (Continued)*

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

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

The lease liability is presented as a separate line in the consolidated statement of financial position.

### 3. 重大會計政策概要 (續)

本集團作為承租人(於按附註2的過渡規定採用香港財務報告準則第16號後)(續)

##### *租賃負債 (續)*

倘出現以下情況，本集團重新計量租賃負債(並相應調整相關使用權資產)：

- 若租期有所變動或行使購買選擇權的評估發生變化，則相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 若租賃付款因市場租金重訂後市場租金水平變動或有擔保剩餘價值下預期付款變動而出現變動，則相關租賃負債使用初始貼現率貼現經修訂租賃付款重新計量。

租賃負債於綜合財務狀況表中單獨呈列。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

##### **Lease modification**

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

### 3. 重大會計政策概要(續)

本集團作為承租人(於按附註2的過渡規定採用香港財務報告準則第16號後)(續)

##### **租賃修改**

倘出現以下情況，本集團將租賃修改作為獨立租賃入賬：

- 修改透過加入使用一項或以上相關資產之權利擴大租賃範圍；及
- 租賃代價增加，增加之金額相當於範圍擴大對應之單獨價格及為反映特定合約之實際情況而對該單獨價格進行之任何適當調整。

就未作為單獨租賃入賬之租賃修改而言，本集團按透過使用修改生效日期之經修訂貼現率貼現經修訂租賃付款之經修改租賃之租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，以對租賃負債及出租人的租賃激勵進行重新計量。當經修改合約包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將合約代價分配至各個租賃組成部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### The Group as a lessee (prior to adoption of HKFRS 16 on 1 January 2019)

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statements of financial position as an obligation under finance leases.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the period in which they incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentive is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 3. 重大會計政策概要(續)

#### 本集團作為承租人(於2019年1月1日採用香港財務報告準則第16號前)

以融資租賃持有的資產初步按租賃開始時的公平值或(如屬較低者)最低租賃付款的現值確認為本集團資產。出租人相應的負債則以融資租賃承擔計入綜合財務狀況表內。

租賃付款乃於融資開支與租賃承擔扣減項間分配，從而就負債餘額達致固定利率。融資開支即時於損益確認，除非直接與未完成資產有關，於該情況，該等開支將根據本集團有關借貸成本的一般政策撥充資本(參閱下文會計政策)。或然租金在產生期間確認為開支。

經營租賃付款於租期內按直線基準確認為開支，除非另有系統基準更能代表租賃資產使用所產生經濟利益之時間模式則作別論。經營租賃產生的或然租金在產生期間確認為開支。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠利益總額以直線基準沖減租金開支，除非另有系統基準更能代表租賃資產使用所產生經濟利益之時間模式則作別論。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2)

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the commencement date at amounts equal to the Group's net investment in the leases, measured using the interest rate implicit in the respective lease. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Upon application of HKFRS 16 on 1 January 2019, variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

### 3. 重大會計政策概要(續)

#### 本集團作為出租人(於按附註2的過渡規定採用香港財務報告準則第16號後)

本集團作為出租人的租賃分類為融資租賃或經營租賃。當租賃的條款將所有權的絕大部分風險及報酬轉讓給承租人時，該項合同被歸類為融資租賃。所有其他租賃應歸類為經營租賃。

根據融資租賃應收承租人的款項於開始日期確認為應收款項，其金額等於本集團的租賃淨投資，並使用各個租賃中隱含的利率計量。初始直接成本(不包括製造商或經銷商出租人所產生者)包括在租賃淨投資的初始計量中。利息收入被分配至會計期間，以反映本集團有關租賃的未償還淨投資的固定定期收益率。

經營租賃的租金收入在相關租賃期限內按照直線法於損益確認。磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，有關成本於租賃期內按直線法確認為開支，惟根據公平值模型計量的投資物業除外。於2019年1月1日應用香港財務報告準則第16號之後，將根據一項指數或費率估算經營租賃的可變租賃付款額，並將其計入於租賃期內將以直線法確認的租賃付款總額中。並非根據一項指數或費率估算的可變租賃付款於產生時確認為收入。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

##### *Allocation of consideration to components of a contract*

When a contract includes both lease and non-lease components, the Group applies HKFRS 15 to allocate the consideration under the contract to each component. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

##### *Refundable rental deposits*

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

##### *Lease modification*

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

#### The Group as a lessor (prior to adoption of HKFRS 16 on 1 January 2019)

Rental income from operating leases is recognised on a straightline basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 3. 重大會計政策概要(續)

本集團作為出租人(於按附註2的過渡規定採用香港財務報告準則第16號後)(續)

##### *將代價分配至合約組成部分*

倘合約包括租賃及非租賃組成部分，本集團應用香港財務報告準則第15號，將合約代價分攤至各組成部分。非租賃組成部分與租賃組成部分基於相關的單獨銷售價格進行分拆。

##### *可退還租賃保證金*

已收到的可退還租賃保證金根據香港財務報告準則第9號進行核算，並初始按公平值計量。初始確認時的公平值調整視為承租人的額外租賃付款額。

##### *租賃修改*

本集團自修改生效日起，將經營租賃的修改作為一項新租賃入賬，並將任何與原租賃相關的預付或應計租賃付款額視為新租賃的租賃付款額的一部分。

本集團作為出租人(於2019年1月1日採用香港財務報告準則第16號前)

經營租賃的租金收入按有關租約年期以直線法確認。在磋商及安排經營租賃時產生之初步直接成本加入租賃資產之賬面值，於租約年期以直線法確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 重大會計政策概要(續)

#### 除商譽以外的資產減值

本集團於各報告期末檢討資產賬面值，釐定有否跡象顯示該等資產出現減值虧損。倘出現有關跡象，則估計該資產之可收回金額，以釐定減值虧損程度(如有)。倘無法估計個別資產之可收回金額，本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理且一致的分配基準，則公司資產亦會分配至個別現金產生單位，否則或會分配至有合理且一致分配基準的最小現金產生單位組別。

可收回金額指公平值減出售成本與使用價值中的較高者。評估使用價值時，採用除稅前貼現率將估計未來現金流量貼現至現值，該貼現率反映目前市場對貨幣時間價值及資產特定風險之評估，而當中並未對估計未來現金流量作出調整。

倘資產(或現金產生單位)之可收回金額估計低於賬面值，則資產(或現金產生單位)之賬面值下調至可收回金額。減值虧損即時於損益確認。

倘其後撥回減值虧損，則將資產(或現金產生單位)之賬面值上調至經修訂之估計可收回金額，惟經上調之賬面值不得超過假設該資產(或現金產生單位)於過往年度並無確認減值虧損而釐定之賬面值。減值虧損撥回即時於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1st January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest and dividend income which are derived from the financial assets and shareholders' rights are presented as other revenue and other income.

### 3. 重大會計政策概要(續)

#### 金融工具

金融資產及金融負債乃於集團實體成為工具合約條文的訂約方時確認。所有以常規方式買賣之金融資產按買賣日期基準確認及終止確認。以常規方式買賣金融資產須按市場規定或慣例所定時限交付資產。

金融資產及金融負債乃初步按公平值計量，惟來自客戶的合約貿易應收款項（自2018年1月1日起初步按香港財務報告準則第15號計量）除外。收購或發行金融資產及金融負債（按公平值計入損益的金融資產除外）直接應佔之交易成本於初次確認時計入金融資產或金融負債（如適當）之公平值或自其扣除。直接歸屬於收購按公平值計入損益的金融資產的交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債之攤銷成本以及在有關期間內分配利息收入及利息開支之方法。實際利率為於金融資產或金融負債預計年期或（如適用）較短期間內將估計未來現金收入及付款（包括所有屬實際利率的已付或已收費用及點數、交易成本及其他溢價或折讓）準確貼現至初步確認之賬面淨值之利率。

來自金融資產及股東權利的利息及股息收入呈列為其他收益及其他收入。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9)*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

### 3. 重大會計政策概要(續)

#### 金融工具(續)

##### 金融資產

*金融資產的分類及其後計量(於應用香港財務報告準則第9號後)*

滿足以下條件的金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目的之業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

滿足以下條件的金融資產其後按公平值計入其他全面收益計量：

- 以通過出售及收取合約現金流量實現目的之業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後按公平值計入損益計量，惟在首次應用／初始確認金融資產之日，倘該股本投資並非持作買賣，亦非收購方在香港財務報告準則第3號業務合併所適用的業務合併中確認的或然代價，則本集團可不可撤銷地選擇於其他全面收入呈列股本投資公平值的其後變動。

金融資產於下列情況被分類為持作買賣：

- 收購該項資產之主要目的是於短期內出售；或
- 於初步確認時，該資產屬於本集團管理之已識別金融工具組合且具有最近實際短期獲利模式；或
- 該資產為未被指定及可有效作為對沖工具之衍生工具。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9) (Continued)*

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

#### Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other revenue and other income" line item.

### 3. 重大會計政策概要 (續)

#### 金融工具 (續)

##### 金融資產 (續)

*金融資產的分類及其後計量 (於應用香港財務報告準則第9號後) (續)*

此外，本集團可不可撤銷地指定須按攤銷成本或按公平值計入其他全面收益計量的金融資產為按公平值計入損益計量，前提是此舉可消除或大幅減少會計錯配。

#### 攤銷成本及利息收入

其後按攤銷成本計量的金融資產乃使用實際利率法予以確認。利息收入乃通過對一項金融資產總賬面值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期間起，利息收入乃通過對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，則於釐定資產不再出現信貸減值後，自報告期初起利息收入乃通過對金融資產總賬面值應用實際利率予以確認。

#### 按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收益計量或指定為按公平值計入其他全面收益計量標準的金融資產按公平值計入損益計量。

按公平值計入損益的金融資產於各報告期末按公平值計量，而任何公平值收益或虧損則於損益確認。於損益確認的收益或淨虧損淨額不包括金融資產賺取的任何股息或利息，並計入「其他收益及其他收入」項目。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of financial assets (upon application of HKFRS 9)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables). The amount of ECL is updated at each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

#### Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 3. 重大會計政策概要(續)

#### 金融工具(續)

#### 金融資產(續)

#### 金融資產減值(於應用香港財務報告準則第9號後)

本集團根據香港財務報告準則第9號就發生減值之金融資產(包括貿易及其他應收款項)確認預期信貸虧損的虧損準備。預期信貸虧損金額於各報告期間更新,以反映初始確認後的信貸風險變化。

全期預期信貸虧損指將於相關工具的預期可使用年期內所有可能發生的違約事件產生之預期信貸虧損。相反,12個月預期信貸虧損指預期於報告期間後12個月內可能發生的違約事件產生之全期預期信貸虧損部分。評估乃根據本集團的歷史信貸虧損經驗進行,並根據債務人的特有因素、一般經濟狀況以及對報告期間當前狀況的評估以及對未來狀況的預測作出調整。

對於所有其他工具,本集團計量的虧損準備等於12個月預期信貸虧損,除非自初始確認後信貸風險顯著增加,否則本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估應基於自初始確認以來發生違約之可能性或風險的顯著增加進行。

#### 信貸風險顯著增加

評估自初始確認後信貸風險是否顯著增加時,本集團將於報告期間金融工具發生違約之風險與於初始確認日金融工具發生違約之風險進行比較。進行該評估時,本集團會考慮合理且可支持的定量和定性資料,包括無需付出不必要的成本或努力而可得之歷史經驗及前瞻性資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of financial assets (upon application of HKFRS 9) (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

### 3. 重大會計政策概要 (續)

#### 金融工具 (續)

#### 金融資產 (續)

#### 金融資產減值 (於應用香港財務報告準則第9號後) (續)

信貸風險顯著增加 (續)

本集團尤其在評估信貸風險是否顯著增加時會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加及債務人的信貸違約掉期價格；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預期不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 導致債務人償還債務能力大幅下降的監管、經濟或技術環境的實際或預期顯著不利變化。

不論上述評估結果如何，本集團認為，當合約付款逾期超過三十天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持之資料證明並非如此則作別論。

本集團定期監控用於識別信貸風險有否顯著增加的標準之效益，且修訂標準(如適當)以確保標準可在金額逾期前識別信貸風險的顯著增加。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets (upon application of HKFRS 9) (Continued)

##### Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

### 3. 重大會計政策概要(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產減值(於應用香港財務報告準則第9號後)(續)

##### 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款時發生。

不論上文為何，本集團都認為，金融資產逾期超過90日後發生違約，惟本集團有合理及具理據資料顯示更加滯後的違約標準更為恰當。

##### 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時為信貸減值。金融資產為信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財困；
- (b) 違反合約(如違約或逾期事件)；
- (c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- (d) 借款人將可能陷入破產或其他財務重組；或
- (e) 由於出現財務困難，金融資產活躍市場消失。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

#### Impairment of financial assets (upon application of HKFRS 9) (Continued)

#### Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

#### Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

### 3. 重大會計政策概要 (續)

#### 金融工具 (續)

#### 金融資產 (續)

#### 金融資產減值 (於應用香港財務報告準則第9號後) (續)

#### 撇銷政策

資料顯示對手方處於嚴重財困及無實際收回可能時 (例如對手方被清盤或已進入破產程序時)，本集團則撇銷金融資產。經考慮法律意見後 (倘合適)，遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

#### 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損 (即違約時虧損大小) 及違約時風險敞口之函數。違約概率及違約虧損之評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損的預估乃無偏概率加權平均金額，以各自發生違約的風險為權重確定。

一般而言，預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之現金流量之間的差額 (按初始確認時釐定之實際利率貼現)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

#### Financial assets (Continued)

*Impairment of financial assets (upon application of HKFRS 9) (Continued)*

Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

### 3. 重大會計政策概要 (續)

#### 金融工具 (續)

#### 金融資產 (續)

*金融資產減值 (於應用香港財務報告準則第9號後) (續)*

預期信貸虧損之計量及確認 (續)

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質 (即本集團貿易及其他應收款項和應收客戶款項各自評為獨立組別。向關聯方貸款乃按個別基準評估預期信貸虧損)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級 (倘有)。

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入根據金融資產的賬面值總額計算，惟金融資產為信貸減值的情況除外，於此情況下，利息收入根據金融資產的攤銷成本計算。

本集團藉由調整金融工具的賬面值於損益中確認其減值收益或虧損，惟相應調整於虧損撥備賬中確認的貿易應收款項除外。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity instruments

###### Classification as financial liabilities or equity

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

###### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

###### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

###### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

###### Financial liabilities at amortised cost

Financial liabilities (including trade and bills payables, other payable and accrued expenses (excluding receipt in advance), bank overdraft, borrowings, lease liabilities/obligation under finance lease) are subsequently measured at amortised cost, using the effective interest method.

### 3. 重大會計政策概要(續)

#### 金融工具(續)

##### 金融負債及股本工具

###### 分類為金融負債或股本

集團實體發行之金融負債及股本工具乃根據合約安排之性質與金融負債及股本工具之定義分類為金融負債或權益。

###### 股本工具

股本工具是能證明在扣除實體的所有負債後在實體的資產中擁有剩餘權益之任何合約。由本公司發行的股本工具按已收所得款項扣除直接發行成本確認。

###### 實際利率法

實際利率法為計算金融負債之攤銷成本以及在有關期間內分配利息開支之方法。實際利率為於金融負債預計年期或(如適用)較短期間內將估計未來現金付款(包括所有屬實際利率的已付或已收費用及點數、交易成本及其他溢價或折讓)準確貼現至初步確認之賬面淨值之利率。

利息開支按實際利率基準確認。

###### 金融負債

所有金融負債其後使用實際利率法按攤銷成本計量。

###### 按攤銷成本計量的金融負債

金融負債(包括貿易應付款項及應付票據、其他應付款項及應計費用(不包括預收款)、銀行透支、借款、租賃負債/融資租賃承擔)其後使用實際利率法按攤銷成本計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the profit or loss.

### 3. 重大會計政策概要(續)

#### 金融工具(續)

##### 衍生金融工具

衍生工具初始按訂立衍生工具合約當日之公平值計量，其後按報告期末的公平值重新計量。所產生收益或虧損於損益確認。

##### 終止確認

當從資產收取現金流量之合約權利屆滿，或金融資產已被轉讓且該資產擁有權絕大部分風險及回報已轉予另一實體時，本集團方會終止確認該金融資產。倘本集團並無轉讓或保留擁有權之絕大部分風險及回報且繼續控制已轉讓資產，則本集團確認於該資產的保留權益及須支付的有關負債金額。倘本集團保留該項被轉讓金融資產擁有權之絕大部分風險及回報，則本集團繼續確認該金融資產，亦會確認抵押借款之已收所得款項。

終止確認按攤銷成本計量的金融資產時，資產之賬面值與已收及應收代價總和之差額於損益確認。

當且僅當本集團之責任已被解除、取消或屆滿時，本集團方終止確認金融負債。終止確認金融負債之賬面值與已付及應付代價之差額於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties transactions

A party is considered to be related to the Group if:

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- (b) an entity is related to the Group if any of the following conditions applies:
  - (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiaries is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group (which the other entity is a member);
  - (iii) both entity are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employees are also related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) the entity or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

### 3. 重大會計政策概要(續)

#### 關聯方交易

倘符合以下情況，則被視為本集團之關聯方：

- (a) 倘該人士符合以下條件，則該人士或該人士的近親與本集團有關聯：
  - (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主要管理人員；
- (b) 倘符合下列任何條件，則該實體與本集團有關聯：
  - (i) 該實體與本集團屬同一集團（即各母公司、附屬公司及同系附屬公司相互關聯）之成員公司；
  - (ii) 一實體為另一實體的聯營公司或合營企業或另一實體所在集團之成員公司的聯營公司或合營企業；
  - (iii) 實體為同一第三方之合營企業；
  - (iv) 一實體為第三方實體的合營企業而另一實體為該第三方實體的聯營公司；
  - (v) 實體為本集團或與本集團有關聯之實體就僱員福利設立的離職後福利計劃。倘本集團本身為有關計劃，供款僱員亦與本集團有關聯；
  - (vi) 實體受(a)所界定人士控制或共同控制；
  - (vii) (a)(i)所界定人士對實體有重大影響力或屬該實體（或該實體母公司）的主要管理人員；或
  - (viii) 實體或實體所在集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties transactions (Continued)

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Group and a related party, regardless of whether a price is charged.

#### Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks 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 statements of financial position, cash and cash equivalents comprise cash on hand and at banks, which are not restricted as to use.

#### Dividends

Dividends proposed by the directors are classified as a separate allocation of retained earnings within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

### 3. 重大會計政策概要(續)

#### 關聯方交易(續)

某人士近親為預期可在與實體之交易中影響該人士或受該人士影響之家庭成員。

當一項交易涉及本集團與關聯方之間的資源或責任轉讓(不論是否收取款項)，則視為關聯方交易。

#### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及銀行存款，均可隨時轉換成已知數額現金，價值變動風險不大且一般自購入後三個月內較短期間到期，並減去須按要求償還且構成本集團現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行存款。

#### 股息

董事擬派付的股息於財務狀況表內權益一節分類為保留盈利的獨立分配，直至於股東大會上獲股東批准為止。當該等股息獲股東批准及宣派時，即確認為負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income taxes

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

#### Current income tax

The tax currently payable is based on taxable profit for the Tract Record Period. Taxable profit differs from "profit before tax" as reported in the consolidated statements of profit or loss and other comprehensive income because items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

#### Deferred tax

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

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

### 3. 重大會計政策概要(續)

#### 所得稅

所得稅開支指即期應付稅項及遞延稅項總和。

#### 即期所得稅

即期應付稅項乃按往績記錄期的應課稅溢利計算。應課稅溢利有別於綜合損益及其他全面收益表內所呈報的「除稅前溢利」，乃因其他年度的應課稅或可扣減收支項目及毋須課稅或不可扣減項目所致。本集團即期稅項負債乃採用各報告期末已頒佈或實際頒佈的稅率計算。

#### 遞延稅項

遞延稅項就過往財務資料內資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產一般會於可能出現應課稅溢利以抵銷可扣減暫時差額時就所有該等可扣減暫時差額確認。倘暫時差額源自商譽或初步確認(業務合併除外)交易中不影響應課稅溢利或會計溢利的其他資產及負債，則不會確認該等遞延稅項資產及負債。

遞延稅項資產的賬面值於各報告期末檢討，並於可能不再有足夠應課稅溢利收回該項資產全部或部分之情況下調減。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income taxes (Continued)

##### Deferred tax (Continued)

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

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

##### **Current and deferred tax for the Track Record Period**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

### 3. 重大會計政策概要(續)

#### 所得稅(續)

##### 遞延稅項(續)

遞延稅項資產及負債乃基於報告期末已頒佈或實際頒佈的稅率(及稅法)，按預期於償還負債或變現資產期間適用之稅率計量。

遞延稅項資產及負債的計量反映本集團於報告期末預期將要收回或償還其資產及負債賬面值之稅務後果。

##### 往績記錄期即期及遞延稅項

即期及遞延稅項於損益中確認，惟倘其與於其他全面收入或直接於權益確認的項目相關，於此情況下，即期及遞延稅項亦分別於其他全面收入確認或直接於權益確認。因業務合併的初步會計法而產生的即期或遞延稅項，有關稅務影響計入業務合併的會計法內。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團將香港會計準則第12號所得稅規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，有關使用權資產及租賃負債之暫時差額並未於初步確認時於租期內確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences in monetary items are recognised in profit or loss in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss according to repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange difference reserve.

### 3. 重大會計政策概要(續)

#### 外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易均按交易日期的適用匯率確認。於報告期末，以外幣計值的貨幣項目乃按該日期的現行匯率重新換算。以外幣列值按公平值入賬之非貨幣項目按釐定公平值當日之匯率重新換算。按外幣過往成本計量的非貨幣項目毋須重新換算。

貨幣項目的匯兌差額於產生時於損益確認，惟以下情況除外：

- 有關日後生產使用的在建資產的外幣借款匯兌差額被視為外幣借款利息成本的調整時，匯兌差額計入該等資產的成本；
- 為對沖若干外幣風險而訂立的交易匯兌差額(見下文會計政策)；及
- 並無計劃亦不大可能結算應收或應付海外業務的貨幣項目匯兌差額(因此組成部分海外業務的投資淨值)，該差額初步於其他全面收入確認並按貨幣項目的還款由權益重新分類至損益。

就呈列綜合財務報表而言，本集團海外業務的資產及負債按各報告期末當時的匯率換算為本集團的呈列貨幣(即港元)。收入及開支項目按期內的平均匯率換算，除非期內匯率大幅波動，於此情況下則採用交易當日的匯率。所產生的匯兌差額(如有)於其他全面收入確認並於匯兌差額儲備下的權益累計。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies (Continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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

#### Borrowings

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

### 3. 重大會計政策概要(續)

#### 外幣(續)

於出售海外業務(即出售本集團於海外業務的全部權益、或涉及失去對附屬公司(包括海外業務)的控制權的出售、或出售合營安排或聯營公司(包括海外業務)部分權益(當中的保留權益成為金融資產))時,就本公司擁有人應佔該業務而於權益累計的所有匯兌差額重新分類至損益。

此外,倘部分出售附屬公司(包括海外業務)不會導致本集團失去對附屬公司的控制權,按比例所佔的累計匯兌差額重新歸於非控股權益,並且不於損益內確認。就所有其他部分出售(即不會導致本集團失去重大影響力或共同控制權的聯營公司或合營安排的部分出售)而言,按比例所佔的累計匯兌差額重新歸類至損益。

收購海外業務時所產生的商譽及已收購可識別資產及所承擔負債之公平值調整乃作為該海外業務之資產及負債處理,並按各報告期末當時的匯率換算。所產生的匯兌差額於其他全面收入內確認。

#### 借款

所有借款成本均在產生期間於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Retirement benefits costs

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

In accordance with the rules and regulations in the People's Republic of China (the "PRC"), the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above.

Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from the subsidiary in an independent fund managed by the PRC government.

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 3. 重大會計政策概要(續)

#### 退休福利成本

定額退休福利計劃供款於僱員提供讓彼等可享有供款的服務時確認為開支。

根據中華人民共和國(「中國」)的規則及法規，本集團的中國僱員須參加中國有關省市政府管理的多項定額供款退休福利計劃，據此，本集團及僱員須每月按僱員薪資的一定百分比向該計劃作出供款，惟須受若干上限所限。有關省市政府承諾履行根據上文所述計劃向所有現有及日後退休中國僱員支付退休福利的責任。

除按月供款外，本集團並無責任為其僱員支付額外的退休費用及其他退休後福利。有關該等計劃的資產與附屬公司分開持有，由中國政府管理的獨立基金保管。

#### 撥備

倘本集團因過往事件而須承擔法定或推定現時責任，本集團可能須清償該責任，而該責任金額能可靠估計，則確認撥備。

確認為撥備的金額為清償報告期末的現時責任並計及該責任的風險及不明朗因素所需代價的最佳估計。倘使用現金流量法估計清償現時責任而計量撥備，其賬面值為該等現金流量的現值(倘時間價值影響重大)。

當須用於清償撥備的部分或全部經濟利益預期可自第三方收回時，則應收款項在實際確定將獲償付且能可靠估計應收款項金額時確認為資產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities affected in the future.

#### Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed.

### 4. 重大會計判斷及估計

應用本集團的會計政策(載於附註3)時,本公司董事須對未能從其他來源輕易獲得的資產及負債賬面值作出判斷、估計和假設。估計和相關假設以過往經驗及視為有關的其他因素為基準作出。實際結果可能有別於該等估計。

有關估計及相關假設須持續予以檢討。倘會計估計的修訂僅影響作出修訂的期間,則有關修訂會在該期間確認,倘修訂對現時及未來期間均有影響,則須在作出修訂的期間及未來期間確認。

以下為於各報告期末引致資產或負債賬面值於未來有重大調整風險而有關未來的主要假設及其他主要估計不明朗因素來源。

#### 貿易應收款項預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率按具有類似虧損型態的不同債務人組別之內部信貸評級計算。撥備矩陣乃基於本集團的歷史違約率,並考慮合理且可支持的前瞻性資料,並無作出不必要的成本及努力。於各報告日期,可觀察的歷史違約率會重新評估,並考慮前瞻性資料的變動。此外,具有重大結餘及信貸減值的貿易應收款項將分別評估預期信貸虧損。

預期信貸虧損撥備對估計變動尤為敏感。有關預期信貸虧損及本集團貿易應收款項的資料已披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

#### Income taxes

The Group is subject to income taxes in Hong Kong and PRC. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's current income tax payable and deferred tax assets as at 31 December 2018 and 2019 were approximately HK\$1,402,000 and HK\$1,324,000 and HK\$139,000 and HK\$5,000 respectively.

#### Impairment of property, plant and equipment and right-of-use assets

The Group assesses whether there are any indicators of impairment for an asset at the end of each reporting period. The asset is tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, an estimation of the value in use of the cash generating units to which the asset is allocated will be required. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

#### Write-down of inventories

Inventories are stated at the lower of cost and net realisable value at the end of the reporting period. Net realisable value is determined on the basis of the estimated selling price less the estimated costs necessary to make the sale. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. In addition, the management performs an inventory review on a product-by-product basis at the end of the reporting period and assess the need for write-down of inventories.

### 4. 重大會計判斷及估計(續)

#### 所得稅

本集團須於香港及中國繳納所得稅。釐定所得稅撥備時須作出重大判斷。部分交易及計算於日常業務過程中難以明確釐定稅務。本集團根據會否需要繳納額外稅項之估計，確認對預期稅務審核事宜之責任，倘該等事宜之最終稅務結果與最初入賬金額有所不同，該等差額將影響釐定期內所得稅及遞延稅項撥備。於2018年及2019年12月31日，本集團即期應付所得稅及遞延稅項資產的賬面值分別為約1,402,000港元、1,324,000港元、139,000港元及5,000港元。

#### 物業、廠房及設備和使用權資產減值

本集團於各報告期末評估資產是否有任何減值跡象。當有跡象顯示賬面值未必可收回時，則會測試資產有否減值。計算使用價值時，須估計獲分配資產現金產生單位的可使用價值。估計使用價值時，本集團須估計現金產生單位的預期未來現金流量，亦須選擇合適貼現率，以計算該等現金流量現值。估計未來現金流量及／或所應用貼現率變動，將會導致過往估計減值撥備須作出調整。

#### 撇銷存貨

於報告期末，存貨按成本與可變現淨值兩者之較低者列賬。可變現淨值乃根據估計售價減銷售所必需的估計成本釐定。管理層主要根據最近之發票價及現行市況來估計存貨的可變現淨值。此外，管理層於報告期末按逐項產品基準檢討存貨並評估是否需要撇減存貨。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 5. SEGMENT INFORMATION

Information reported to the chief operating decision makers (“CODMs”) for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group currently operates in the manufacturing and trading business of watches. A single management team reports to the CODMs who comprehensively manages the entire business. Accordingly, the Group does not have separate reportable segments.

No segment assets and liabilities are presented as they were not regularly provided to the CODMs of the purpose of resource allocation and performance assessment.

#### Geographical information

The Group’s revenue is mainly derived from customers located in the Indonesia, Hong Kong, Brazil, India, Kingdom of Saudi Arabia, Australia, United Arab Emirates (“UAE”) and Turkey. The Group’s revenue by the geographical location of the customers, determined based on the location to which the Group bills the customers, is detailed below:

### 5. 分部資料

向主要營運決策者（「主要營運決策者」）呈報以作資源分配及分部表現評估的資料乃集中於所交付或提供貨品或服務種類。本集團目前經營手錶製造及買賣業務。單一管理層團隊向全面掌管整體業務的主要營運決策者匯報。因此，本集團並無獨立可報告分部。

由於主要營運決策者未獲定期提供有關分部資產及負債的資料以作資源分配及表現評估，故並無呈報分部資產及負債。

#### 地理資料

本集團的收益主要來自印尼、香港、巴西、印度、沙特阿拉伯王國、澳洲、阿拉伯聯合酋長國（「阿聯酋」）及土耳其的客戶。本集團按客戶地理位置（根據本集團發出發票的客戶地點釐定）劃分的收益詳情如下：

|                         |         | Year ended 31 December<br>截至12月31日止年度 |                                  |
|-------------------------|---------|---------------------------------------|----------------------------------|
|                         |         | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Indonesia               | 印尼      | 84,518                                | 52,158                           |
| Hong Kong               | 香港      | 21,563                                | 21,344                           |
| Brazil                  | 巴西      | 17,888                                | 25,287                           |
| India                   | 印度      | 23,413                                | 12,557                           |
| Kingdom of Saudi Arabia | 沙特阿拉伯王國 | 10,832                                | 12,125                           |
| Australia               | 澳洲      | 8,973                                 | 8,704                            |
| UAE                     | 阿聯酋     | 3,729                                 | 7,695                            |
| Turkey                  | 土耳其     | 2,305                                 | 3,180                            |
| Others (Note)           | 其他(附註)  | 24,829                                | 39,428                           |
|                         |         | <b>198,050</b>                        | <b>182,478</b>                   |

Note: Other geographical locations are mainly located in Thailand, Bangladesh, Switzerland, Germany, Sweden, Spain and Singapore.

附註：其他地理位置主要位於泰國、孟加拉、瑞士、德國、瑞典、西班牙及新加坡。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 5. SEGMENT INFORMATION (Continued)

#### Geographical information (Continued)

The Group's business activities are conducted predominantly in Hong Kong and the PRC. Information about the Group's non-current assets\* by the geographical location of the assets is detailed below:

|           |    | <b>As at 31 December</b> |          |
|-----------|----|--------------------------|----------|
|           |    | <b>於 12 月 31 日</b>       |          |
|           |    | <b>2019</b>              | 2018     |
|           |    | <b>2019 年</b>            | 2018 年   |
|           |    | <b>HK\$'000</b>          | HK\$'000 |
|           |    | 千港元                      | 千港元      |
| Hong Kong | 香港 | <b>45,943</b>            | 44,516   |
| PRC       | 中國 | <b>6,587</b>             | 5,975    |
|           |    | <b>52,530</b>            | 50,491   |

\* Non-current assets exclude deferred tax assets and financial asset at fair value through profit or loss.

### 5. 分部資料 (續)

#### 地理資料 (續)

本集團主要於香港及中國開展業務。有關本集團按資產地理位置劃分的非流動資產\*的資料詳情如下：

\* 非流動資產不包括遞延稅項資產及按公平值計入損益的金融資產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 5. SEGMENT INFORMATION (Continued)

#### Revenue from major customers

Revenue from customers of the corresponding years over 10% of the total revenue of the Group are as follows:

|                         |                   | Year ended 31 December<br>截至12月31日止年度 |                                  |
|-------------------------|-------------------|---------------------------------------|----------------------------------|
|                         |                   | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Customer A              | 客戶 A              | 91,736                                | 52,158                           |
| Customer B <sup>2</sup> | 客戶 B <sup>2</sup> | –                                     | 25,265                           |
| Customer C <sup>1</sup> | 客戶 C <sup>1</sup> | 23,413                                | –                                |

The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker of the purpose of allocating resources to segments and assessing their performance. For the FY2019 and 31 December 2018, the Group only engaged operating segment in ODM (Original Design Manufacturer). No analysis of the Group's results, assets and liabilities of other reportable segment is presented.

#### Notes:

1. No information on revenue for the year ended 31 December 2018 is disclosed for this customer since it did not contribute over 10% of the total revenue of the Group.
2. No information on revenue for the year ended 31 December 2019 is disclosed for this customer since it did not contribute over 10% of the total revenue of the Group.

### 5. 分部資料(續)

#### 來自主要客戶的收益

相應年度佔本集團總收益10%以上的客戶收益如下：

|                         |                   | Year ended 31 December<br>截至12月31日止年度 |                                  |
|-------------------------|-------------------|---------------------------------------|----------------------------------|
|                         |                   | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Customer A              | 客戶 A              | 91,736                                | 52,158                           |
| Customer B <sup>2</sup> | 客戶 B <sup>2</sup> | –                                     | 25,265                           |
| Customer C <sup>1</sup> | 客戶 C <sup>1</sup> | 23,413                                | –                                |

分類乃基於管理層用以作出決策及主要營運決策者定期審閱以分配資源予各分部及評估其表現之本集團經營資料。於2019年財政年度及2018年12月31日，本集團僅經營ODM(原設計製造)經營分部。概無呈列本集團其他可報告分部之業績、資產及負債分析。

#### 附註：

1. 由於相應收益並未佔本集團總收益10%以上，故未披露該客戶截至2018年12月31日止年度的收益資料。
2. 由於相應收益並未佔本集團總收益10%以上，故未披露該客戶截至2019年12月31日止年度的收益資料。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 6. REVENUE

|                                       |           | Year ended 31 December<br>截至 12 月 31 日止年度 |                                   |
|---------------------------------------|-----------|---|-----------------------------------|
|                                       |           | 2019<br>2019 年<br>HK\$'000<br>千港元         | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Finished watches                      | 手錶成品      | 146,801                                   | 135,361                           |
| SKD kits                              | 成套組裝套件    | 48,081                                    | 39,232                            |
| Watch parts                           | 手錶部件      | 3,168                                     | 7,885                             |
| Revenue recognised at a point in time | 於時間點確認的收益 | 198,050                                   | 182,478                           |

All revenue contracts are for period of one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed. Revenue recognition are disclosed in note 3 to the consolidated financial statements.

在香港財務報告準則第 15 號的可行權宜方法允許的情況下，所有收益合約為期一年或一年以內，分配至該等未完成合約的交易價未予披露。收益確認於綜合財務報表附註 3 披露。

### 7. OTHER INCOME AND OTHER LOSS, NET

|   |                             | Year ended 31 December<br>截至 12 月 31 日止年度 |                                   |
|---|-----------------------------|---|-----------------------------------|
|   |                             | 2019<br>2019 年<br>HK\$'000<br>千港元         | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Interest income   | 利息收入                        | 958                                       | 769                               |
| Rental income   | 租金收入                        | 246                                       | 300                               |
| Exchange gain, net  | 匯兌收益淨額                      | 328                                       | 833                               |
| Sundry income   | 雜項收入                        | 8   | 8                                 |
| Loss on disposal of property, plant and equipment, net              | 出售物業、廠房及設備虧損淨額              | –   | 90                                |
| Net loss arising from change in fair value of investment properties | 投資物業公平值變動產生的虧損淨額            | (600)                                     | (200)                             |
| Net (loss)/gain arising from disposal of financial assets at FVTPL  | 出售按公平值計入損益的金融資產產生的(虧損)/收益淨額 | (1,829)                                   | 326                               |
|   |                             | (889)                                     | 2,126                             |

### 7. 其他收入及其他虧損，淨額

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 8. FINANCE COSTS

### 8. 財務成本

|   |              | Year ended 31 December<br>截至 12 月 31 日止年度 |                                   |
|---|--------------|---|-----------------------------------|
|   |              | 2019<br>2019 年<br>HK\$'000<br>千港元         | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Interest on:                                      | 以下各項的利息：     |   |                                   |
| Borrowings wholly repayable within five years     | 須於五年內悉數償還的借款 | 3,741                                     | 4,100                             |
| Lease liabilities/obligation under finance leases | 租賃負債／融資租賃承擔  | 221                                       | 35                                |
| Bank overdraft interest                           | 銀行透支利息       | 31  | —                                 |
|   |              | <b>3,993</b>                              | 4,135                             |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 9. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

### 9. 除稅前虧損

本集團的除稅前虧損已扣除下列各項：

|   |                    | Year ended 31 December<br>截至12月31日止年度 |                                  |
|---|--------------------|---------------------------------------|----------------------------------|
|   |                    | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Directors' emoluments (Note 10)                         | 董事酬金 (附註 10)       | 8,419                                 | 5,296                            |
| Staff costs (excluded directors' emoluments)            | 員工成本 (不包括董事酬金)     | 13,347                                | 12,742                           |
| Bonus   | 花紅                 | 1,476                                 | 749                              |
| Retirement benefit scheme contributions                 | 退休福利計劃供款           | 1,450                                 | 1,142                            |
| Total staff costs                                       | 員工成本總額             | 16,273                                | 14,633                           |
|   |                    | 24,692                                | 19,929                           |
| Auditors' remuneration                                  | 核數師酬金              | 860                                   | 1,000                            |
| Depreciation of property, plant and equipment (Note 15) | 物業、廠房及設備折舊 (附註 15) | 4,505                                 | 4,779                            |
| Write-off of inventories (note)                         | 存貨撇銷 (附註)          | 455                                   | 773                              |
| Cost of inventories recognised as expenses              | 確認為開支的存貨成本         | 124,982                               | 121,851                          |
| Operating lease respect of:                             | 以下各項的經營租賃：         |                                       |                                  |
| – office equipment                                      | – 辦公室設備            | –                                     | 213                              |
| – rental premises                                       | – 租賃物業             | –                                     | 1,708                            |
| Depreciation of right of use assets (Note 16)           | 使用權資產折舊 (附註 16)    | 2,286                                 | –                                |
| Commission paid   | 已付佣金               | 1,307                                 | 1,983                            |
| Allowance for expected credit loss on trade receivables | 貿易應收款項的預期信貸虧損撥備    | 7                                     | –                                |

Note: Written-off of inventories were included in cost of sales.

附註：存貨撇銷計入銷售成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 10. DIRECTORS' EMOLUMENTS

Pursuant to the GEM Listing Rules and Section 383 of the Hong Kong Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G), the aggregate amounts, the directors received remuneration from the subsidiaries now comprising the Group for their appointment as directors of these subsidiaries.

### 10. 董事酬金

根據GEM上市規則及香港公司條例第383條及公司(披露董事利益資料)規例(第622G章),董事就彼等獲委任為該等附屬公司的董事職位而從本集團現時旗下附屬公司收取的薪酬總額如下。

|   |          | Year ended 31 December<br>截至12月31日止年度 |                                  |
|---|----------|---------------------------------------|----------------------------------|
|   |          | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Directors' fees                         | 董事袍金     | 675                                   | 225                              |
| Salaries and other benefits             | 工資及其他福利  | 5,890                                 | 4,667                            |
| Discretionary bonus                     | 酌情花紅     | 1,800                                 | 350                              |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 54                                    | 54                               |
|   |          | <b>8,419</b>                          | <b>5,296</b>                     |

The remuneration of each of these directors as recorded in the financial statements of the subsidiaries is set out below:

附屬公司財務報表中記錄的該等董事各自的薪酬載列如下：

|                                      |              | Year ended 31 December 2019<br>截至2019年12月31日止年度 |   |  |  |                                |
|--------------------------------------|--------------|---|---|--|--|--------------------------------|
|                                      |              | Directors' fee<br>董事袍金<br>HK\$'000<br>千港元       | Salaries and other benefits<br>工資及其他福利<br>HK\$'000<br>千港元 | Discretionary bonus<br>酌情花紅<br>HK\$'000<br>千港元 | Retirement benefit scheme contributions<br>退休福利計劃供款<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
| Executive directors:                 | 執行董事：        |   |   |  |  |                                |
| Mr. Cheuk (note (a))                 | 卓先生(附註(a))   | -   | 4,090   | 1,550  | 18   | 5,658                          |
| Mrs. Cheuk (note (b))                | 卓太太(附註(b))   | -   | 1,200   | 100  | 18   | 1,318                          |
| Ms. Heide Cheuk (note (c))           | 卓凱璣女士(附註(c)) | -   | 600   | 150  | 18   | 768                            |
| Independent non-executive directors: | 獨立非執行董事：     |   |   |  |  |                                |
| Mr. Yu Sau Ning Homer M.H.           | 余壽寧先生, M.H.  | 180   | -   | -  | -  | 180                            |
| Mr. Zhao Zhipeng                     | 趙志鵬先生        | 180   | -   | -  | -  | 180                            |
| Ms. Yee Wai Fong Wendy               | 余惠芳女士        | 180   | -   | -  | -  | 180                            |
| Mr. Liu Ngai Wing (note (d))         | 廖毅榮先生(附註(d)) | 135   | -   | -  | -  | 135                            |
|                                      |              | <b>675</b>                                      | <b>5,890</b>  | <b>1,800</b>                                   | <b>54</b>  | <b>8,419</b>                   |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 10. DIRECTORS' EMOLUMENTS (Continued)

### 10. 董事酬金 (續)

Year ended 31 December 2018

截至2018年12月31日止年度

|                                      |              | Directors' fee | Salaries and other benefits | Discretionary bonus | Retirement benefit scheme contributions | Total    |
|--------------------------------------|--------------|----------------|-----------------------------|---------------------|---|----------|
|                                      |              | 董事袍金           | 工資及其他福利                     | 酌情花紅                | 退休福利計劃供款                                | 總計       |
|                                      |              | HK\$'000       | HK\$'000                    | HK\$'000            | HK\$'000                                | HK\$'000 |
|                                      |              | 千港元            | 千港元                         | 千港元                 | 千港元                                     | 千港元      |
| Executive directors:                 | 執行董事：        |                |                             |                     |   |          |
| Mr. Cheuk (note (a))                 | 卓先生(附註(a))   | –              | 2,867                       | 150                 | 18                                      | 3,035    |
| Mrs. Cheuk (note (b))                | 卓太太(附註(b))   | –              | 1,200                       | 100                 | 18                                      | 1,318    |
| Ms. Heide Cheuk (note (c))           | 卓凱璣女士(附註(c)) | –              | 600                         | 100                 | 18                                      | 718      |
| Independent non-executive directors: | 獨立非執行董事：     |                |                             |                     |   |          |
| Mr. Yu Sau Ning                      | 余壽寧先生, M.H.  |                |                             |                     |   |          |
| Homer M.H.                           |              | 75             | –                           | –                   | –                                       | 75       |
| Mr. Zhao Zhipeng                     | 趙志鵬先生        | 75             | –                           | –                   | –                                       | 75       |
| Ms. Yee Wai Fong                     | 余惠芳女士        |                |                             |                     |   |          |
| Wendy                                |              | 75             | –                           | –                   | –                                       | 75       |
|                                      |              | 225            | 4,667                       | 350                 | 54                                      | 5,296    |

Notes:

- (a) Mr. Cheuk is the directors of Beyond Blossom, Precise Time, Big Hope, Diamond Fountain, Vast Peak, Talent Gift, 3 Wells, Cheer China, Cheer Wells, Creative Profit and Shenzhen 3 Wells and has been appointed as chairman, chief executive officer and executive director of the Company on 12 June 2017.
- (b) Mrs. Cheuk is the directors of Beyond Blossom, Precise Time, Big Hope, Diamond Fountain, Vast Peak, Talent Gift, 3 Wells, Cheer China, Cheer Wells, Creative Profit and Shenzhen 3 Wells and has been appointed as executive director of the Company on 12 June 2017.
- (c) Ms. Heide Cheuk has been appointed as executive director of the Company on 12 June 2017.
- (d) Mr. Liu Ngai Wing has been appointed as independent non-executive director of the company on 1 April 2019.

During the reporting period, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. Directors did not waive or agree to waive any emoluments during the reporting period.

附註：

- (a) 卓先生為超盛、準時、宏希、鑽泉、煌奇、佳賜、三井、致華、福井、意利及深圳三井的董事並已於2017年6月12日獲委任為本公司主席、行政總裁兼執行董事。
- (b) 卓太太為超盛、準時、宏希、鑽泉、煌奇、佳賜、三井、致華、福井、意利及深圳三井的董事並已於2017年6月12日獲委任為本公司執行董事。
- (c) 卓凱璣女士已於2017年6月12日獲委任為本公司執行董事。
- (d) 廖毅榮先生已於2019年4月1日獲委任為本公司獨立非執行董事。

報告期內，本集團概無向本公司董事支付薪酬，作為吸引其加入或於加入本集團時之獎勵，或作為離職補償。報告期內，董事並無放棄或同意放棄任何酬金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 11. EMPLOYEES EMOLUMENTS AND SENIOR MANAGEMENT EMOLUMENTS

The five highest paid employees of the Group during the years ended 31 December 2019 included three (2018: three) directors and details of whose remuneration are set out in Note 10 above. During the year, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. Details of the remuneration of the remaining two (2018: two) highest paid employees who are not directors are as follows:

### 11. 僱員酬金及高級管理層酬金

截至2019年12月31日止年度，本集團的五位最高薪酬僱員包括3名(2018年：3名)董事，彼等的薪酬詳情載於上文附註10。年內，本集團並無向本公司董事或五名最高薪酬人士(包括董事及僱員)支付任何酬金作為招攬加入或加入本集團時的獎勵或作為失去職位的補償。餘下2名(2018年：2名)最高薪酬僱員(並非董事)的酬金詳情如下：

|   |            | Year ended 31 December<br>截至12月31日止年度 |                                  |
|---|------------|---------------------------------------|----------------------------------|
|   |            | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Salaries, allowance and benefit in kind | 工資、津貼及實物福利 | 1,267                                 | 1,039                            |
| Bonuses                                 | 花紅         | 271                                   | 170                              |
| Retirement benefit scheme contributions | 退休福利計劃供款   | 36                                    | 36                               |
|   |            | <b>1,574</b>                          | <b>1,245</b>                     |

The number of the highest paid employees who are not the directors of the Company whose emoluments fell within the following bands is as follows:

薪酬屬於以下範圍的最高薪酬僱員(並非本公司董事)人數如下：

|                      |               | Year ended 31 December<br>截至12月31日止年度           |   |
|----------------------|---------------|---|---|
|                      |               | 2019<br>2019年<br>Number of<br>individuals<br>人數 | 2018<br>2018年<br>Number of<br>individuals<br>人數 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 2   | 2   |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 12. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The Group is subjected to Hong Kong Profits Tax at a rate of 16.5% for the year ended 31 December 2019.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from the current year, one of the subsidiaries of the Company is subject to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. Other subsidiaries of the Company are subjected to Hong Kong Profits Tax at the rate of 16.5% for the year ended 31 December 2019.

### 12. 所得稅開支

根據開曼群島及英屬維爾京群島（「英屬維爾京群島」）的規則及規例，本集團毋須於開曼群島及英屬維爾京群島繳納任何所得稅。

截至2019年12月31日止年度，本集團須按16.5%之稅率繳納香港利得稅。

於2018年3月21日，香港立法會通過2017年稅務（修訂）（第7號）條例草案（「條例草案」），引入兩級制利得稅。條例草案於2018年3月28日簽署成為法律並於翌日刊登憲報。根據兩級制利得稅，合資格集團實體首二百萬港元溢利將按8.25%的稅率徵收稅項，而超過二百萬港元的溢利將按16.5%的稅率徵收稅項。不符合兩級制利得稅的集團實體溢利將繼續統一按16.5%繳稅。

因此，自今年開始，本公司其中一家附屬公司須就首二百萬港元的估計應課稅溢利按8.25%的稅率繳納香港利得稅，並須就超過二百萬港元的估計應課稅溢利按16.5%的稅率繳稅。截至2019年12月31日止年度，本公司其他附屬公司須按16.5%的稅率繳納香港利得稅。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 12. INCOME TAX EXPENSE (Continued)

The subsidiary of the Group established in the PRC is generally subjected to PRC Enterprise Income Tax ("EIT") on its taxable income at an income tax rate of 25%.

### 12. 所得稅開支(續)

本集團的中國附屬公司通常須就應課稅收入按所得稅率25%繳納中國企業所得稅(「企業所得稅」)。

|                         |           | Year ended 31 December<br>截至12月31日止年度 |                                  |
|-------------------------|-----------|---------------------------------------|----------------------------------|
|                         |           | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Tax charge comprises:   | 稅項開支包括：   |                                       |                                  |
| Current tax             | 即期稅項      |                                       |                                  |
| – Hong Kong Profits Tax | – 香港利得稅   | 537                                   | 2,477                            |
| – PRC EIT               | – 中國企業所得稅 | 4                                     | 126                              |
|                         |           | <b>541</b>                            | 2,603                            |
| Deferred tax            | 遞延稅項      |                                       |                                  |
| – Hong Kong Profits Tax | – 香港利得稅   | 134                                   | –                                |
|                         |           | <b>675</b>                            | 2,603                            |

A reconciliation of the income tax expense applicable to profit before tax at the statutory rate for jurisdiction in which the Company's and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

按本公司及其大部分附屬公司所在司法權區的法定稅率計得的稅前溢利所適用的所得稅開支與按實際稅率計算的稅項開支的對賬如下：

|  |              | Year ended 31 December<br>截至12月31日止年度 |                                  |
|--|--------------|---------------------------------------|----------------------------------|
|  |              | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Loss before tax                        | 除稅前虧損        | (13,873)                              | (4,501)                          |
| Tax at the applicable income tax rates | 按適用所得稅率計算的稅項 | (2,258)                               | (509)                            |
| Tax effect of non-taxable incomes      | 不可扣稅收入的稅務影響  | (205)                                 | (333)                            |
| Tax effect of non-deductible expenses  | 不可扣減開支的稅務影響  | 2,278                                 | 2,992                            |
| Tax loss not recognised                | 未確認的稅務虧損     | 726                                   | 453                              |
| Other                                  | 其他           | 134                                   | –                                |
|  |              | <b>675</b>                            | 2,603                            |



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 13. DIVIDENDS

The Board does not recommend the payment of a final dividend for the FY2019 (2018: nil).

No dividend has been paid or declared by the Company since the date of its incorporation.

### 13. 股息

於2019年財政年度，董事會不建議派付末期股息（2018年：零）。

本公司自註冊成立日期以來並無派付或宣派任何股息。

### 14. LOSS PER SHARE

Basic loss per share are calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

### 14. 每股虧損

每股基本虧損按本公司擁有人應佔虧損除以年內已發行普通股的加權平均數計算。

|   |                      | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| <b>Loss</b>   | <b>虧損</b>            |                                  |                                  |
| Loss attributable to owners of the Company  | 本公司擁有人應佔虧損           | (14,548)                         | (7,104)                          |
| <b>Number of shares (thousands)</b>   | <b>股份數目(以千計)</b>     |                                  |                                  |
| Weighted average number of ordinary shares for calculating basic and diluted loss per share | 計算每股基本及攤薄虧損的普通股加權平均數 | 1,000,000                        | 867,808                          |

For the years ended 31 December 2019 and 2018, diluted loss per share are the same as the basic loss per share as the Company did not have any potential dilutive ordinary shares outstanding during the years ended 31 December 2019 and 2018.

截至2019年及2018年12月31日止年度，由於本公司截至2019年及2018年12月31日止年度並無潛在攤薄普通股發行在外，故每股攤薄虧損與每股基本虧損相同。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

|                                       |                    | Leasehold improvement<br>租賃裝修<br>HK\$'000<br>千港元 | Plant and machinery<br>廠房及機器<br>HK\$'000<br>千港元 | Furniture, fixtures and equipment<br>傢俬、裝置及設備<br>HK\$'000<br>千港元 | Motor vehicles<br>汽車<br>HK\$'000<br>千港元 | Leasehold building<br>租賃樓宇<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---------------------------------------|--------------------|--|---|--|---|---|--------------------------------|
| <b>Cost</b>                           | <b>成本</b>          |  |   |  |   |   |                                |
| As at 1 January 2018                  | 於2018年1月1日         | 14,173   | 6,197   | 6,742  | 4,049                                   | 30,110  | 61,271                         |
| Additions                             | 添置                 | 1,981  | 290   | 474  | 2,294                                   | -   | 5,039                          |
| Disposals                             | 出售                 | -  | -   | -  | (509)                                   | -   | (509)                          |
| Exchange realignment                  | 匯兌調整               | (153)  | (268)   | (105)  | (17)                                    | -   | (543)                          |
| At 31 December 2018                   | 於2018年12月31日       | 16,001   | 6,219   | 7,111  | 5,817                                   | 30,110  | 65,258                         |
| Adjustments upon application HKFRS 16 | 應用香港財務報告準則第16號後的調整 | -  | -   | -  | (2,923)                                 | -   | (2,923)                        |
| 1 January 2019 (restated)             | 於2019年1月1日(經重列)    | 16,001   | 6,219   | 7,111  | 2,894                                   | 30,110  | 62,335                         |
| Additions                             | 添置                 | 2,689  | 2,165   | 283  | -                                       | -   | 5,137                          |
| Exchange realignment                  | 匯兌調整               | (78)   | (170)   | (53)   | (9)                                     | -   | (310)                          |
| Transfer from right of use assets     | 轉撥自使用權資產           | -  | -   | -  | 776                                     | -   | 776                            |
| At 31 December 2019                   | 於2019年12月31日       | 18,612   | 8,214   | 7,341  | 3,661                                   | 30,110  | 67,938                         |
| <b>Accumulated depreciation</b>       | <b>累計減值</b>        |  |   |  |   |   |                                |
| As at 1 January 2018                  | 於2018年1月1日         | 10,395   | 3,600   | 4,302  | 2,236                                   | 4,878   | 25,411                         |
| Charge for the year                   | 年內支出               | 2,380  | 438   | 792  | 549                                     | 620   | 4,779                          |
| Eliminate on disposal of assets       | 於出售資產時撇銷           | -  | -   | -  | (365)                                   | -   | (365)                          |
| Exchange realignment                  | 匯兌調整               | (52)   | (138)   | (65)   | (3)                                     | -   | (258)                          |
| At 31 December 2018                   | 於2018年12月31日       | 12,723   | 3,900   | 5,029  | 2,417                                   | 5,498   | 29,567                         |
| Adjustments upon application HKFRS 16 | 應用香港財務報告準則第16號後的調整 | -  | -   | -  | (265)                                   | -   | (265)                          |
| 1 January 2019 (restated)             | 於2019年1月1日(經重列)    | 12,723   | 3,900   | 5,029  | 2,152                                   | 5,498   | 29,302                         |
| Charge for the year                   | 年內支出               | 2,073  | 527   | 818  | 264                                     | 823   | 4,505                          |
| Exchange realignment                  | 匯兌調整               | (49)   | (91)  | (36)   | (3)                                     | -   | (179)                          |
| Transfer from right of use assets     | 轉撥自使用權資產           | -  | -   | -  | 285                                     | -   | 285                            |
| At 31 December 2019                   | 於2019年12月31日       | 14,747   | 4,336   | 5,811  | 2,698                                   | 6,321   | 33,913                         |
| <b>Carrying amount</b>                | <b>賬面值</b>         |  |   |  |   |   |                                |
| At 31 December 2019                   | 於2019年12月31日       | 3,865  | 3,878   | 1,530  | 963                                     | 23,789  | 34,025                         |
| At 1 January 2019 (restated)          | 於2019年1月1日(經重列)    | 3,278  | 2,319   | 2,082  | 742                                     | 24,612  | 33,033                         |
| At 31 December 2018                   | 於2018年12月31日       | 3,278  | 2,319   | 2,082  | 3,400                                   | 24,612  | 35,691                         |

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

All the Group's leasehold building are situated in Hong Kong.

As at 31 December 2018 and 2019, the carrying amount of motor vehicles included an amount of HK\$2,780,000 and HK\$Nil, respectively in respect of assets held under lease liabilities/finance leases.

The Group has pledged property, plant and equipment with a carrying amount of approximately HK\$24,231,000 and HK\$23,422,000 as at 31 December 2018 and 31 December 2019, respectively, to secure general banking facilities granted to the Group as disclosed in Note 32.

### 15. 物業、廠房及設備(續)

本集團全部租賃樓宇位於香港。

截至2018年及2019年12月31日，汽車的賬面值包括根據租賃負債／融資租賃持有的資產相關金額2,780,000港元及零港元。

截至2018年12月31日及2019年12月31日，本集團賬面值分別約24,231,000港元及23,422,000港元的有抵押物業、廠房及設備已抵押作為本集團獲授一般銀行融資的擔保(於附註32披露)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 16. RIGHT OF USE ASSETS

### 16. 使用權資產

|   |                   | Motor Vehicles<br>汽車<br>HK\$'000<br>千港元 | Furniture, fixtures and equipment<br>傢私、裝置及設備<br>HK\$'000<br>千港元 | Leasehold Building<br>租賃樓宇<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-------------------|---|--|---|--------------------------------|
| <b>Cost</b>                               | <b>成本</b>         |   |  |   |                                |
| As at 1 January 2018                      | 於2018年1月1日        | -                                       | -  | -   | -                              |
| Additions                                 | 添置                | -                                       | -  | -   | -                              |
| Disposals                                 | 出售                | -                                       | -  | -   | -                              |
| Exchange realignment                      | 匯兌調整              | -                                       | -  | -   | -                              |
| At 31 December 2018                       | 於2018年12月31日      | -                                       | -  | -   | -                              |
| Adjustments upon application HKFRS 16     | 應用香港財務報告準則第16號後調整 | 2,923                                   | 515  | 1,424   | 4,862                          |
| 1 January 2019 (restated)                 | 於2019年1月1日(經重列)   | 2,923                                   | 515  | 1,424   | 4,862                          |
| Additions                                 | 添置                | 756                                     | -  | 1,740   | 2,496                          |
| Exchange realignment                      | 匯兌調整              | -                                       | -  | (30)  | (30)                           |
| Transfer to property, plant and equipment | 轉撥至物業、廠房及設備       | (776)                                   | -  | -   | (776)                          |
| At 31 December 2019                       | 於2019年12月31日      | 2,903                                   | 515  | 3,134   | 6,552                          |
| <b>Accumulated depreciation</b>           | <b>累計減值</b>       |   |  |   |                                |
| As at 1 January 2018                      | 於2018年1月1日        | -                                       | -  | -   | -                              |
| Charge for the year                       | 年內支出              | -                                       | -  | -   | -                              |
| Eliminate on disposal of assets           | 於出售資產時撇銷          | -                                       | -  | -   | -                              |
| Exchange realignment                      | 匯兌調整              | -                                       | -  | -   | -                              |
| At 31 December 2018                       | 於2018年12月31日      | -                                       | -  | -   | -                              |
| Adjustments upon application HKFRS 16     | 應用香港財務報告準則第16號後調整 | 265                                     | -  | -   | 265                            |
| 1 January 2019 (restated)                 | 於2019年1月1日(經重列)   | 265                                     | -  | -   | 265                            |
| Charge for the year                       | 年內支出              | 545                                     | 138  | 1,603   | 2,286                          |
| Exchange realignment                      | 匯兌調整              | -                                       | -  | (19)  | (19)                           |
| Transfer to property, plant and equipment | 轉撥至物業、廠房及設備       | (285)                                   | -  | -   | (285)                          |
| At 31 December 2019                       | 於2019年12月31日      | 525                                     | 138  | 1,584   | 2,247                          |
| <b>Carrying amount</b>                    | <b>賬面值</b>        |   |  |   |                                |
| At 31 December 2019                       | 於2019年12月31日      | 2,378                                   | 377  | 1,550   | 4,305                          |
| At 1 January 2019 (restated)              | 於2019年1月1日(經重列)   | 2,658                                   | 515  | 1,424   | 4,597                          |
| At 31 December 2018                       | 於2018年12月31日      | -                                       | -  | -   | -                              |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17. INVESTMENT PROPERTIES

### 17. 投資物業

|   |                  | As at 31 December<br>於 12 月 31 日  |                                   |
|---|------------------|-----------------------------------|-----------------------------------|
|   |                  | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| <b>Fair value</b>   | <b>公平值</b>       |                                   |                                   |
| Balance at beginning of year  | 年初結餘             | <b>14,800</b>                     | 15,000                            |
| Net loss arising from change in fair value of investment properties | 投資物業公平值變動產生的虧損淨額 | <b>(600)</b>                      | (200)                             |
| Balance at end of year  | 年末結餘             | <b>14,200</b>                     | 14,800                            |

The Group's property interests held under operating leases to earn rental income or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

本集團為賺取租金收入或資本升值而根據經營租賃持有的物業權益均採用公平值模型計量，並分類及入賬為投資物業。

The investment properties shown above comprises:

上文所示的投資物業包括：

|                                      |               | As at 31 December<br>於 12 月 31 日  |                                   |
|--------------------------------------|---------------|-----------------------------------|-----------------------------------|
|                                      |               | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| In Hong Kong<br>– medium-term leases | 於香港<br>– 中期租賃 | <b>14,200</b>                     | 14,800                            |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties as at 31 December 2018 and 31 December 2019 at HK\$14,800,000 and HK\$14,200,000, respectively has been arrived at on the basis of a valuation carried out on the respective dates by Assets Appraisal Limited for Hong Kong properties, independent qualified professional valuer not connected to the Group who have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

At each of financial year end, the management of the Group will (i) verify all major inputs to the independent valuation report; (ii) assess property valuation movements when compared to prior year valuation report; and (iii) holds discussion with the independent valuer.

The Group's policy is to recognise transfers into and transfer out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There has been no change to the valuation technique during the year ended 31 December 2018 and 2019.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair value was determined based on direct comparison method assuming sale of the property interest in its existing state and making references to comparable market observable transactions of similar properties in similar locations and conditions as available in the relevant market. Those comparable properties are analysed and carefully weighed against all respective advantages and disadvantages of each property in order to arrive at a fair comparison of value.

The Group's investment properties with an aggregate carrying amount of HK\$14,800,000 and HK\$14,200,000 as at 31 December 2018 and 31 December 2019, was pledged to secure general banking facilities granted to the Group as disclosed in Note 32.

### 17. 投資物業(續)

本集團的投資物業於2018年12月31日及2019年12月31日的公平值分別為14,800,000港元及14,200,000港元，乃基於資產評估顧問有限公司於各相關日期對香港物業進行的估值計算，資產評估顧問有限公司為與本集團並無關聯的獨立合資格專業估值師，擁有合適的資質及於近期對相關地區內類似物業進行估值的經驗。

於各財政年度年結日，本集團管理層將(i)核實獨立估值報告的所有主要輸入數據；(ii)評估與過往年度估值報告比較之物業估值變動；及(iii)與獨立估值師討論。

本集團的政策為確認截至導致轉移的事件或情況變化當日公平值等級轉入及轉出情況。

截至2018年及2019年12月31日止年度的估值方法並無變動。

估計該等物業的公平值時，該等物業的最大及最佳用途為其目前用途。

公平值乃按直接比較法釐定，即假設物業權益在其現況下銷售並經參考在相關市場中可獲得的類似地段及狀況的類似物業的可資比較市場的可觀察交易。已對該等可資比較物業進行分析，並審慎權衡各物業各自之所有優點及缺點，以達致公平值比較。

截至2018年12月31日及2019年12月31日，賬面總值分別為14,800,000港元及14,200,000港元的投資物業已抵押作為本集團獲授一般銀行融資的擔保(於附註32披露)。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 17. INVESTMENT PROPERTIES (Continued)

#### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

|  |                | Fair value measurement using significant unobservable inputs (Level 3)<br>採用重大不可觀察輸入數據的公平值計量(第3級)<br>As at 31 December<br>於12月31日 |                                  |
|--|----------------|---|----------------------------------|
|  |                | 2019<br>2019年<br>HK\$'000<br>千港元  | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Recurring fair value measurement for:        | 以下各項的經常性公平值計量： |   |                                  |
| – Industrial properties located in Hong Kong | – 位於香港的工業物業    | 14,200  | 14,800                           |
|  |                | <b>14,200</b>   | 14,800                           |

The fair values of the Group's investment properties as at 31 December 2018 and 31 December 2019 are estimated by using significant unobservable inputs and the fair value measurement is categorised under Level 3.

### 17. 投資物業(續)

#### 公平值等級

下表說明本集團投資物業的公平值計量等級：

|  |                | Fair value measurement using significant unobservable inputs (Level 3)<br>採用重大不可觀察輸入數據的公平值計量(第3級)<br>As at 31 December<br>於12月31日 |                                  |
|--|----------------|---|----------------------------------|
|  |                | 2019<br>2019年<br>HK\$'000<br>千港元  | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Recurring fair value measurement for:        | 以下各項的經常性公平值計量： |   |                                  |
| – Industrial properties located in Hong Kong | – 位於香港的工業物業    | 14,200  | 14,800                           |
|  |                | <b>14,200</b>   | 14,800                           |

於2018年12月31日及2019年12月31日，本集團投資物業的公平值乃採用重大不可觀察輸入數據進行估計，公平值計量分類為第3級。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17. INVESTMENT PROPERTIES (Continued)

#### Fair value hierarchy (Continued)

For investment properties categories into Level 3 of the fair value hierarchy, the following information is relevant:

### 17. 投資物業 (續)

#### 公平值等級 (續)

對於分類為公平值層級第3級的投資物業，以下資料為相關資料：

| Class of property<br>物業類別       | Fair value hierarchy<br>公平值層級 | Valuation technique<br>估計方法 | Significant unobservable input(s)<br>重大不可觀察輸入數據  | Sensitivity<br>敏感性  |
|---------------------------------|-------------------------------|-----------------------------|--|---|
| Properties located in Hong Kong | Level 3                       | Direct comparison method    | Compare properties of similar size, character and location are analysed and carefully weighted against all the respective advantages of each property in order to arrive at a fair comparison of capital values. Market unit value, taking into account the differences in location, and individual factor, such as frontage, location and size, between the comparables and the property. | A slight increase in the market price would result in a significant increase in fair value, and vice versa. |
| 位於香港的物業                         | 第3級                           | 直接比較法                       | 就相同面積、特徵及地點之可資比較物業作出分析，並審慎衡量各物業權益之個別優點，以達致公平資本價值之比較。市場單位價值，經考慮位置的差異，及個別因素，如可資比較物業及物業之間的朝向、位置及面積。   | 市價略有增加就會導致公平值顯著增加，反之亦然。   |



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 17. INVESTMENT PROPERTIES (Continued)

#### Fair value hierarchy (Continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

### 17. 投資物業 (續)

#### 公平值等級 (續)

分類為公平值層級第3級的估值計量對賬：

|  |                            | <b>Industrial properties in Hong Kong</b><br>位於香港的工業物業<br>HK\$'000<br>千港元 |
|--|----------------------------|---|
| Carrying amount at 1 January 2018                      | 於2018年1月1日的賬面值             | 15,000  |
| Fair value changes                                     | 公平值變動                      | (200)   |
| Carrying amount at 31 December 2018 and 1 January 2019 | 於2018年12月31日及2019年1月1日之賬面值 | <b>14,800</b>   |
| Fair value changes                                     | 公平值變動                      | <b>(600)</b>  |
| <b>Carrying amount at 31 December 2019</b>             | <b>於2019年12月31日之賬面值</b>    | <b>14,200</b>   |

### 18. DEFERRED TAX ASSETS

### 18. 遞延稅項資產

|  |                        | <b>Tax losses</b><br>稅項虧損<br>HK\$'000<br>千港元 |
|--|------------------------|--|
| As at 1 January 2018                               | 於2018年1月1日             | 139  |
| Credit to profit or loss during the year (Note 12) | 年內計入損益(附註12)           | -  |
| As at 31 December 2018 and 1 January 2019          | 於2018年12月31日及2019年1月1日 | <b>139</b>                                   |
| Charge to profit or loss during the year (Note 12) | 年內在損益扣除(附註12)          | <b>(134)</b>                                 |
| As at 31 December 2019                             | 於2019年12月31日           | <b>5</b>                                     |

As at 31 December 2019, the Group had unused tax losses of HK\$2,083,000 (2018: HK\$2,925,000) available for offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK\$30,000 (2018: HK\$842,000). No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK\$2,053,000 (2018: HK\$2,083,000) due to the unpredictability of the future profit streams. All unused tax losses arising from Hong Kong Company.

於2019年12月31日，本集團有未運用的稅務虧損2,083,000港元（2018年：2,925,000港元），可用於抵免未來溢利。上述稅務虧損其中30,000港元（2018年：842,000港元）已確認為遞延稅項資產，其餘2,053,000港元（2018年：2,083,000港元）未運用的稅務虧損並未確認，因為未來溢利難以預測。所有未運用的稅務虧損均來自香港公司。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 19. INVENTORIES

### 19. 存貨

|                  |     | As at 31 December<br>於 12 月 31 日  |                                   |
|------------------|-----|-----------------------------------|-----------------------------------|
|                  |     | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Raw material     | 原材料 | 11,238                            | 9,030                             |
| Work in progress | 在製品 | 7,440                             | 7,280                             |
| Finished goods   | 製成品 | 5,357                             | 1,074                             |
|                  |     | <b>24,035</b>                     | 17,384                            |

### 20. TRADE RECEIVABLES

### 20. 貿易應收款項

|                                   |          | As at 31 December<br>於 12 月 31 日  |                                   |
|-----------------------------------|----------|-----------------------------------|-----------------------------------|
|                                   |          | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Trade receivables                 | 貿易應收款項   | 45,068                            | 43,868                            |
| Less: allowance for credit losses | 減：信貸虧損撥備 | (401)                             | (394)                             |
|                                   |          | <b>44,667</b>                     | 43,474                            |

The Group generally allows credit period ranging from 30 days to 90 days to its customers.

本集團一般向其客戶提供介乎 30 日至 90 日的信貸期。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

#### 20. TRADE RECEIVABLES (Continued)

The aged analysis (based on invoice date) of the Group's trade receivables (after provision of impairment) as at the end of each of reporting period is as follows:

|               |           | As at 31 December<br>於 12 月 31 日  |                                   |
|---------------|-----------|-----------------------------------|-----------------------------------|
|               |           | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| 0 to 30 days  | 0 至 30 日  | 20,178                            | 22,246                            |
| 31 to 60 days | 31 至 60 日 | 10,879                            | 11,557                            |
| 61 to 90 days | 61 至 90 日 | 1,716                             | 4,340                             |
| Over 90 days  | 逾 90 日    | 11,894                            | 5,331                             |
|               |           | <b>44,667</b>                     | 43,474                            |

#### 20. 貿易應收款項 (續)

本集團於各報告期間末的貿易應收款項 (扣除減值撥備後) 基於發票日期的賬齡分析如下：

|     |     | As at 31 December<br>於 12 月 31 日  |                                   |
|-----|-----|-----------------------------------|-----------------------------------|
|     |     | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| HKD | 港元  | 28,207                            | 25,203                            |
| USD | 美元  | 16,165                            | 18,175                            |
| RMB | 人民幣 | 295                               | 96                                |
|     |     | <b>44,667</b>                     | 43,474                            |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 20. TRADE RECEIVABLES (Continued)

The Group has policy of allowing its trade customers with credit period normally ranging 30 to 90 days or in accordance with agreed terms of the contracts with customers. However, for certain customers with long-established relationship and good repayment records, a long credit period may be granted more than 90 days.

The Group has a policy for allowance of impairment which is based on the evaluation of collectability and aging analysis of accounts and on management's judgement including the creditworthiness and the past collection history of each customer.

Movement in the allowance for expected credit loss on trade receivables is as follow:

|                                    |          | <b>As at 31 December</b> |          |
|------------------------------------|----------|--------------------------|----------|
|                                    |          | <b>於 12 月 31 日</b>       |          |
|                                    |          | <b>2019</b>              | 2018     |
|                                    |          | <b>2019 年</b>            | 2018 年   |
|                                    |          | <b>HK\$'000</b>          | HK\$'000 |
|                                    |          | <b>千港元</b>               | 千港元      |
| Balance as at beginning of year    | 年初結餘     | <b>394</b>               | 394      |
| Allowance for expected credit loss | 預期信貸虧損撥備 | <b>7</b>                 | -        |
| Balance as at end of year          | 年末結餘     | <b>401</b>               | 394      |

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$15,035,000 and HK\$14,078,000 as at 31 December 2018 and 2019, respectively which were past due at the end of the reporting period for which the Group has not provided for impairment loss as the Group considered such balances could be recovered based on historical experience. The Group does not hold any collateral over these balances.

### 20. 貿易應收款項(續)

本集團制定政策允許授予其貿易客戶一般介乎30至90日的信貸期或根據與客戶協定的合約條款授出信貸期。然而，對於若干具有長期關係及還款記錄良好的客戶，本集團或會授出超過90日的較長信貸期。

本集團設有減值撥備政策，乃根據賬款的可收回成數之評估及賬齡分析以及管理層的判斷，包括各客戶的信用及過往收回記錄而作出。

貿易應收款項的預期信貸虧損撥備變動如下：

於2018年及2019年12月31日，本集團的貿易應收款項包括賬面總值分別約15,035,000港元及14,078,000港元的應收賬款，該等應收賬款於報告期末已逾期而本集團並無就減值虧損作出撥備，乃由於根據過往經驗，本集團認為該等餘額可收回。本集團並無持有該等結餘的抵押品。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 20. TRADE RECEIVABLES (Continued)

Based on the historical experience of the Group, trade receivables that are past due but not impaired are generally recoverable.

The Group's policy for impairment loss on trade receivables is based on an evaluation of collectability and ageing analysis of the receivables which requires the use of judgment and estimates. Provisions are applied to the receivables when there are events or changes in circumstances indicate that the balances may not be collectible. The management closely reviews the trade receivable balance and any overdue balances on an ongoing basis and assessments are made by the management on the collectability of overdue balances.

Details of impairment assessment under expected credit loss model of trade receivables for the year ended 31 December 2019 set out in Note 37.

### 20. 貿易應收款項(續)

根據本集團的過往經驗，逾期但未減值的貿易應收款項通常可收回。

本集團有關貿易應收款項減值虧損的政策乃基於應收款項的可收回性評估及賬齡分析，有關評估及分析需要運用判斷及估計。當有事件發生或情況有變顯示餘額可能未能收回時，便會就應收款項作出撥備。管理層會持續密切檢討貿易應收款項結餘及任何逾期餘額，並就能否收回逾期餘額作出評估。

截至2019年12月31日止年度，貿易應收款項根據預期信貸虧損模式所作減值評估詳情載於附註37。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

### 21. 其他應收款項、按金及預付款

|                   |        | As at 31 December<br>於 12 月 31 日  |                                   |
|-------------------|--------|-----------------------------------|-----------------------------------|
|                   |        | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Other receivables | 其他應收款項 | 1,061                             | 805                               |
| Deposits          | 按金     | 714                               | 36                                |
| Prepayments       | 預付款    | 28,518                            | 6,150                             |
|                   |        | <b>30,293</b>                     | 6,991                             |

### 22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 22. 按公平值計入損益的金融資產

|   |                   | As at 31 December<br>於 12 月 31 日  |                                   |
|---|-------------------|-----------------------------------|-----------------------------------|
|   |                   | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Non-current assets  | 非流動資產             |                                   |                                   |
| Unlisted club debentures (Note (a))                         | 未上市的俱樂部債券(附註(a))  | 440                               | 440                               |
| Current assets  | 流動資產              |                                   |                                   |
| Held-for-trading security                                   | 持作買賣證券            | 1,392                             | 3,996                             |
| Key management personnel life insurance policies (Note (b)) | 主要管理人員人壽保單(附註(b)) | 17,348                            | 17,024                            |
|   |                   | <b>18,740</b>                     | 21,020                            |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER FINANCIAL ASSETS

(Continued)

Notes:

- (a) Upon application of HKFRS 9 on 1 January 2018, the unlisted club debentures are reclassified from AFS financial assets. As at 1 January 2018 and 31 December 2018, the fair value of the club membership is arrived on the basis of a valuation carried out by an independent professional valuer.
- (b) On 19 September 2013, a subsidiary of the Company has entered into a life insurance policies (the "Policies") to insure directors of the Company, Mr. Cheuk and Mrs. Cheuk. Under the policies, the beneficiary and policy holder is a subsidiary of the Company and the total insured sum is USD5,000,000 (equivalent to approximately HK\$38,750,000). The Group is required to pay an upfront deposit of USD1,936,757 (equivalent to approximately HK\$15,010,000). The Group can terminate the Policies at any time and receive cash back based on the cash value of the Policies at the date of withdrawal, which is determined by the upfront payments plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge. The Group receives an interest at interest rates guaranteed by the insurer. The fair value is based on redemption value quoted by the insurance company.

The entire amount of the rights under life insurance policies is denominated in United States Dollar.

The Group has pledged the policies as at 31 December 2018 and 31 December 2019 to secure general banking facilities granted to the Group as disclosed in Note 32.

Upon application of HKFRS 9, the key management personnel life insurance policies with amount approximately of HK\$17,348,000 are required to be held as FVTPL as these products do not meet the HKFRS 9 criteria as solely payments of principal and interest on the principal amount outstanding.

### 22. 按公平值計入損益的金融資產(續)

附註：

- (a) 於2018年1月1日應用香港財務報告準則第9號後，未上市的俱樂部債券自可供出售金融資產重新分類。於2018年1月1日及2018年12月31日，俱樂部會籍的公平值乃根據獨立專業估值師進行的估值得出。
- (b) 於2013年9月19日，本公司的附屬公司已訂立人壽保險單（「保單」）為本公司董事卓先生及卓太太投保。根據保單，本公司附屬公司為受益人及投保人，總投保額為5,000,000美元（相當於約38,750,000港元）。本集團須支付預付按金1,936,757美元（相當於約15,010,000港元）。本集團可隨時終止保單並根據撤銷當日保單現金價值收取現金返款，現金返款根據預付款加賺取的累計利息再減去累計保險費用及保單費釐定。本集團將按保險公司擔保的利率收取利息。公平值以保險公司提出的贖回價作準。

人壽保險單下的全部權利金額以美元計值。

於2018年12月31日及2019年12月31日，本集團已抵押保單，作為本集團獲授一般銀行融資的擔保（如附註32所披露）。

於應用香港財務報告準則第9號後，金額約為17,348,000港元的主要管理人員人壽保單不符合香港財務報告準則第9號純粹為支付本金及未償還本金利息之標準，因而須按公平值計入損益持有。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 23. CASH AND BANK BALANCES AND PLEDGED BANK DEPOSITS

For the purposes of the consolidated statements of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statements of cash flows can be reconciled to the related items in the consolidated statements of financial position as follows:

|                           |              | As at 31 December<br>於 12 月 31 日  |                                   |
|---------------------------|--------------|-----------------------------------|-----------------------------------|
|                           |              | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Cash and bank balances    | 現金及銀行結餘      | 22,190                            | 40,333                            |
| Bank overdrafts (Note 27) | 銀行透支 (附註 27) | (1,929)                           | –                                 |
|                           |              | <b>20,261</b>                     | 40,333                            |

Cash and bank balances comprise cash held by the Group and short-term bank deposits. Bank balances carry interest at prevailing market rate ranging from 0.35% to 1.75% and 0.5% to 2.1% per annum as at 31 December 2018 and 31 December 2019, respectively.

Cash at banks earns interest at floating rates based on daily bank deposit rates.

### 23. 現金及銀行結餘以及已抵押銀行存款

就編製綜合現金流量表而言，現金及現金等價物包括手頭現金及銀行存款（已扣除未償還銀行透支）。綜合現金流量表所列報告期末的現金及現金等價物可調節為綜合財務狀況表所列相關項目，如下所示：

現金及銀行結餘包括本集團持有的現金及短期銀行存款。於 2018 年 12 月 31 日及 2019 年 12 月 31 日，銀行結餘分別按每年介乎 0.35% 至 1.75% 及 0.5% 至 2.1% 的現行市場利率計息。

銀行現金按每日銀行存款利率以浮息賺取利息。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 23. CASH AND BANK BALANCES AND PLEDGED BANK DEPOSITS (Continued)

The Group have Renminbi (“RMB”), HKD and United States Dollar (“USD”) denominated cash and bank balances, which expose the Group to foreign currency risk. RMB is not freely convertible into other currencies. The carrying amounts of the Group’s RMB and USD denominated monetary assets at the end of the reporting period are as follows:

|     |     | As at 31 December<br>於 12 月 31 日  |                                   |
|-----|-----|-----------------------------------|-----------------------------------|
|     |     | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| RMB | 人民幣 | 125                               | 420                               |
| USD | 美元  | 3,149                             | 18                                |

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. As at 31 December 2018 and 31 December 2019, the Group has bank deposits of approximately HK\$21,701,000 and HK\$6,718,000 are pledged to secure banking facility and are therefore classified as current assets. The pledged bank deposits will be released upon the settlement of relevant bank borrowings. The balance as at 31 December 2019 were carried at the prevailing market interest rate at 1% per annum and it was denominated in HKD.

### 24. TRADE AND BILLS PAYABLES

|                |        | As at 31 December<br>於 12 月 31 日  |                                   |
|----------------|--------|-----------------------------------|-----------------------------------|
|                |        | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Trade payables | 貿易應付款項 | 39,643                            | 34,888                            |
| Bills payables | 應付票據   | 36,742                            | 34,073                            |
|                |        | <b>76,385</b>                     | <b>68,961</b>                     |

### 23. 現金及銀行結餘以及已抵押銀行存款 (續)

本集團擁有人民幣(「人民幣」)、港元及美元(「美元」)計值的現金及銀行結餘，從而令本集團面臨外幣風險。人民幣不可自由兌換為其他貨幣。於報告期末，本集團以人民幣及美元計值的貨幣資產賬面值如下：

|     |     | As at 31 December<br>於 12 月 31 日  |                                   |
|-----|-----|-----------------------------------|-----------------------------------|
|     |     | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| RMB | 人民幣 | 125                               | 420                               |
| USD | 美元  | 3,149                             | 18                                |

已抵押銀行存款指擔保授予本集團銀行融資的抵押予銀行的存款。於2018年12月31日及2019年12月31日，本集團的銀行存款約21,701,000港元及6,718,000港元已予抵押以取得銀行融資，因此，分類為流動資產。已抵押銀行存款將於清償相關銀行借款後解除。截至2019年12月31日的結餘以現行市場利率每年1%計息並以港元計值。

### 24. 貿易應付款項及應付票據

|                |        | As at 31 December<br>於 12 月 31 日  |                                   |
|----------------|--------|-----------------------------------|-----------------------------------|
|                |        | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Trade payables | 貿易應付款項 | 39,643                            | 34,888                            |
| Bills payables | 應付票據   | 36,742                            | 34,073                            |
|                |        | <b>76,385</b>                     | <b>68,961</b>                     |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 24. TRADE AND BILLS PAYABLES (Continued)

The credit period on trade payables is generally 30 to 120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

|                |            | As at 31 December<br>於 12 月 31 日  |                                   |
|----------------|------------|-----------------------------------|-----------------------------------|
|                |            | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| 0 to 30 days   | 0 至 30 日   | 8,200                             | 11,083                            |
| 31 to 60 days  | 31 至 60 日  | 11,848                            | 11,608                            |
| 61 to 90 days  | 61 至 90 日  | 11,702                            | 10,115                            |
| 91 to 120 days | 91 至 120 日 | 7,707                             | 385                               |
| Over 120 days  | 逾 120 日    | 186                               | 1,697                             |
|                |            | <b>39,643</b>                     | <b>34,888</b>                     |

Bills payables are all mature within 30 to 120 days. The following is an aged analysis of bills payables presented based on the date of bills at the end of each reporting period:

|                |            | As at 31 December<br>於 12 月 31 日  |                                   |
|----------------|------------|-----------------------------------|-----------------------------------|
|                |            | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| 0 to 30 days   | 0 至 30 日   | 14,209                            | 12,067                            |
| 31 to 60 days  | 31 至 60 日  | 11,219                            | 14,857                            |
| 61 to 90 days  | 61 至 90 日  | 10,006                            | 6,568                             |
| 91 to 120 days | 91 至 120 日 | 1,308                             | 581                               |
|                |            | <b>36,742</b>                     | <b>34,073</b>                     |

### 24. 貿易應付款項及應付票據

(續)

貿易應付款項的信貸期通常為30至120日。本集團已制定金融風險管理政策，確保所有應付款項於信貸期內支付。

以下為各報告期末根據發票日期呈列的貿易應付款項的賬齡分析：

|                |            | As at 31 December<br>於 12 月 31 日  |                                   |
|----------------|------------|-----------------------------------|-----------------------------------|
|                |            | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| 0 to 30 days   | 0 至 30 日   | 8,200                             | 11,083                            |
| 31 to 60 days  | 31 至 60 日  | 11,848                            | 11,608                            |
| 61 to 90 days  | 61 至 90 日  | 11,702                            | 10,115                            |
| 91 to 120 days | 91 至 120 日 | 7,707                             | 385                               |
| Over 120 days  | 逾 120 日    | 186                               | 1,697                             |
|                |            | <b>39,643</b>                     | <b>34,888</b>                     |

應付票據均於30至120日內到期。以下為各報告期末根據票據日期呈列的應付票據的賬齡分析：

|                |            | As at 31 December<br>於 12 月 31 日  |                                   |
|----------------|------------|-----------------------------------|-----------------------------------|
|                |            | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| 0 to 30 days   | 0 至 30 日   | 14,209                            | 12,067                            |
| 31 to 60 days  | 31 至 60 日  | 11,219                            | 14,857                            |
| 61 to 90 days  | 61 至 90 日  | 10,006                            | 6,568                             |
| 91 to 120 days | 91 至 120 日 | 1,308                             | 581                               |
|                |            | <b>36,742</b>                     | <b>34,073</b>                     |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 25. OTHER PAYABLES AND ACCRUED EXPENSES 25. 其他應付款項及應計費用

|                           |         | As at 31 December<br>於 12 月 31 日  |                                   |
|---------------------------|---------|-----------------------------------|-----------------------------------|
|                           |         | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Salary and bonus payables | 應付薪金及花紅 | 2,762                             | 2,667                             |
| Other payables            | 其他應付款項  | 3,026                             | 906                               |
| Accrued expenses          | 應計費用    | 2,151                             | 2,340                             |
|                           |         | <b>7,939</b>                      | <b>5,913</b>                      |

### 26. CONTRACT LIABILITIES

### 26. 合約負債

|   |              | As at 31 December<br>於 12 月 31 日  |                                   |
|---|--------------|-----------------------------------|-----------------------------------|
|   |              | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Billings in advance of performance (Note) | 履約之預付款項 (附註) | 2,801                             | 3,787                             |

Note: Upon the adoption of HKFRS 15, amounts previously included as "Receipts in advance" under "Other payable and accrued expense" (note 25) were reclassified to contract liabilities.

附註：採用香港財務報告準則第15號後，先前確認為「其他應付款項及應計費用」中的「預收款」(附註25)重新分類至合約負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 26. CONTRACT LIABILITIES (Continued)

Typical payment terms which impact on the amount of contract liabilities recognised as follows:

|                               |            | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 |
|-------------------------------|------------|----------------------------------|----------------------------------|
| Balancing amount, 1 January   | 於1月1日的餘額   | 3,787                            | 6,057                            |
| Consideration received        | 已收代價       | 1,410                            | 2,295                            |
| Revenue recognized            | 已確認收益      | (2,396)                          | (4,565)                          |
| Balancing amount, 31 December | 於12月31日的餘額 | 2,801                            | 3,787                            |

Generally, the Group receives a lump sum amount of product fee in advance for a specified range of time from customers when they sign the contract. This lump sum amount received is recognised as a contract liabilities initially and to be recognised as revenue at the point in time when performances obligation are satisfied.

### 26. 合約負債(續)

對經確認合約負債金額構成影響的一般支付條款如下:

通常，本集團在客戶簽訂合約時會在指定時間範圍內預先收取一筆產品費。收取的款項最初被確認為合約負債，並在履約時隨時間確認為收益。

### 27. BORROWINGS/BANK OVERDRAFTS

|  |                             | As at 31 December<br>於12月31日     |                                  |
|--|-----------------------------|----------------------------------|----------------------------------|
|  |                             | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Current – secured                            | 即期—有抵押                      |                                  |                                  |
| Bank overdrafts (note (c))                   | 銀行透支(附註(c))                 | 1,929                            | —                                |
| Bank loans (note (a), (b), (c), (d) and (e)) | 銀行貸款(附註(a)、(b)、(c)、(d)及(e)) | 42,289                           | 42,556                           |
|  |                             | 44,218                           | 42,556                           |
| Non-current – secured                        | 非即期—有抵押                     |                                  |                                  |
| Bank loans                                   | 銀行貸款                        | —                                | —                                |
| Total borrowings                             | 借款總額                        | 44,218                           | 42,556                           |

### 27. 借款／銀行透支

## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 27. BORROWINGS/BANK OVERDRAFTS (Continued)

According to the repayment schedule, the bank loans and bank overdrafts are repayable as follows:

|   |                                   | As at 31 December<br>於 12 月 31 日  |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
|   |                                   | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Within one year   | 一年內                               | 44,218                            | 42,556                            |
| Over one year but within two years  | 一年以上但於兩年內                         | –                                 | –                                 |
| Over two years but within five years  | 兩年以上但於五年內                         | –                                 | –                                 |
| Over five years   | 五年以上                              | –                                 | –                                 |
|   |                                   | <b>44,218</b>                     | 42,556                            |
| Less: amount classified as current liabilities secured borrowings due within one year or contain a repayment on demand clause | 減：分類為於一年內到期或載有按要求還款條款的流動負債有抵押借款款項 | <b>(44,218)</b>                   | (42,556)                          |
|   |                                   | –                                 | –                                 |

The variable-rate borrowings are as follows:

|   |                             | As at 31 December<br>於 12 月 31 日  |                                   |
|---|-----------------------------|-----------------------------------|-----------------------------------|
|   |                             | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Variable-rate borrowings<br>(note (a), (b), (c), (d) and (e)) | 浮息借款(附註(a)、(b)、(c)、(d)及(e)) | 44,218                            | 42,556                            |
|   |                             | <b>44,218</b>                     | 42,556                            |

### 27. 借款／銀行透支(續)

根據還款時間表，銀行貸款及銀行透支還款如下：

浮息借款如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 27. BORROWINGS/BANK OVERDRAFTS (Continued)

Notes:

- (a) The universal life insurance loan and factoring facility (“**Facility I**”) of approximately HK\$891,000 and HK\$Nil as at 31 December 2018 and 2019 respectively. As at 31 December 2018, Facility I was corporate guarantee by Hanvey Group Holdings Limited and secured by the policies with carrying amount of approximately HK\$17,024,000. As at 31 December 2019, Facility I was secured with corporate guarantee provided by Hanvey Group Holdings Limited with carrying amount of approximately HK\$17,348,000. Facility I bear interest ranged from 3.75% to 4.25% and Nil per annum for the year ended 31 December 2018 and 2019, respectively.
- (b) The term loan, property mortgage, overdraft and factoring facility (“**Facility II**”) of approximately HK\$2,478,000 and HK\$4,297,000 as at 31 December 2018 and 2019 respectively. As at 31 December 2018, Facility II was guaranteed by Mr. Cheuk and Mrs Cheuk and corporate guaranteed by Billion Start Enterprise Limited. As at 31 December 2019, Facility II was secured with corporate guaranteed provided by Hanvey Group Holdings Limited. Facility II bear interest ranged from 3.6% to 5.3% and 4.5% to 5.68% per annum for the year ended 31 December 2018 and 2019, respectively.
- (c) The term loan, overdraft and factoring facility (“**Facility III**”) of approximately HK\$39,187,000 and HK\$25,029,000 as at 31 December 2018 and 2019 respectively. As at 31 December 2018, Facility III was guaranteed by Mr. Cheuk and Mrs. Cheuk, secured by the property, plant and equipment with carrying amount of approximately HK\$24,231,000, investment property with carrying amount of approximately HK\$14,800,000 and bank deposits HK\$21,701,000 as at 31 December 2018. As at 31 December 2019, Facility III was guaranteed by Hanvey Group Holdings Limited, pledged property, plant and equipment with carrying amount of approximately HK\$23,422,000, investment property with carrying amount of approximately HK\$14,200,000 (Note 17) and bank deposits HK\$6,718,000 (Note 23) as at 31 December 2019. Facility III bear interest ranged from 2.4% to 3.5% and 3.5% to 3.88% per annum for the year ended 31 December 2018 and 2019, respectively.
- (d) The term loan and property mortgage (“**Facility IV**”) of approximately HK\$14,892,000 as at 31 December 2019. As at 31 December 2019, Facility IV was guaranteed by Hanvey Group Holdings Limited. Facility IV bear interest ranged from 4.35% to 5.53% per annum for the year ended 31 December 2019.
- (e) The amounts due are based on the scheduled repayment dates set out on the loan agreement.

### 27. 借款／銀行透支(續)

附註：

- (a) 於2018年及2019年12月31日，全民壽險貸款及保理融資(「**融資I**」)分別為約891,000港元及零。於2018年12月31日，融資I由恆偉集團控股有限公司提供公司擔保及以賬面值約17,024,000港元的保單作抵押。於2019年12月31日，融資I由恆偉集團控股有限公司提供賬面值約17,348,000港元的公司擔保作抵押。融資I於截至2018年及2019年12月31日止年度分別按年利率3.75%至4.25%及零計息。
- (b) 於2018年及2019年12月31日，定期貸款、財產抵押、透支及保理融資(「**融資II**」)分別為約2,478,000港元及4,297,000港元。於2018年12月31日，融資II由卓先生及卓太太提供擔保及億進企業有限公司提供公司擔保。於2019年12月31日，融資II由恆偉集團控股有限公司提供公司擔保作抵押。融資II於截至2018年及2019年12月31日止年度分別按年利率3.6%至5.3%及4.5%至5.68%計息。
- (c) 於2018年及2019年12月31日，定期貸款、透支及保理融資(「**融資III**」)分別為約39,187,000港元及25,029,000港元。於2018年12月31日，融資III由卓先生及卓太太提供擔保及以於2018年12月31日賬面值為約24,231,000港元的物業、廠房及設備、賬面值為約14,800,000港元的投資物業及21,701,000港元的銀行存款作抵押。於2019年12月31日，融資III由恆偉集團控股有限公司提供擔保及以於2019年12月31日賬面值約23,422,000港元的物業、廠房及設備、賬面值為約14,200,000(附註17)港元的投資物業以及銀行存款6,718,000(附註23)港元作抵押。融資III於截至2018年及2019年12月31日止年度分別按年利率2.4%至3.5%及3.5%至3.88%計息。
- (d) 於2019年12月31日，定期貸款及財產抵押(「**融資IV**」)為約14,892,000港元。於2019年12月31日，融資IV由恆偉集團控股有限公司提供擔保。融資IV於截至2019年12月31日止年度按年利率4.35%至5.53%計息。
- (e) 到期款項乃根據貸款協議所載的計劃還款日期計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 28. LEASE LIABILITIES/OBLIGATION UNDER FINANCE LEASES

The Group leased its motor vehicles under lease liabilities/obligation under finance lease with lease term of three to five years. Interest rate underlying lease liabilities/obligation under finance lease is variable at 5.1% and 4.22% per annum as at 31 December 2018 and 31 December 2019 respectively.

No arrangement has been entered into for contingent rental payments.

### 28. 租賃負債／融資租賃承擔

本集團根據租賃負債／融資租賃承擔出租汽車，租期為三至五年。於2018年12月31日及2019年12月31日，租賃負債／融資租賃承擔的相關利率為可變利率，分別為每年5.1%及4.22%。

本集團並無訂立或然租金的安排。

|   |                                     | Minimum lease payments<br>最低租賃付款 |                                  | Present value of<br>minimum lease payments<br>最低租賃付款現值 |                                  |
|---|-------------------------------------|----------------------------------|----------------------------------|--|----------------------------------|
|   |                                     | As at 31 December<br>於12月31日     | As at 31 December<br>於12月31日     | As at 31 December<br>於12月31日                           | As at 31 December<br>於12月31日     |
|   |                                     | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 | 2019<br>2019年<br>HK\$'000<br>千港元                       | 2018<br>2018年<br>HK\$'000<br>千港元 |
| Lease liabilities payables/<br>obligation under finance<br>leases                               | 應付租賃負債／<br>融資租賃承擔                   |                                  |                                  |  |                                  |
| Within one year   | 1年內                                 | 2,427                            | 790                              | 2,289  | 769                              |
| Within a period of more than<br>one year but not more<br>than two years                         | 1年以上但不超過<br>2年                      | 1,272                            | 791                              | 1,222  | 598                              |
| Within a period of more than<br>two years but not more<br>than five years                       | 2年以上但不超過<br>5年                      | 470                              | 910                              | 463  | 925                              |
| Less: future financial charge   | 減：未來融資費用                            | 4,169<br>(195)                   | 2,491<br>(199)                   | 3,974<br>-   | 2,292<br>-                       |
| Present value of lease<br>obligation  | 租賃承擔現值                              | 3,974                            | 2,292                            | 3,974  | 2,292                            |
| Less: Amount due for<br>settlement within twelve<br>months (shown under<br>current liabilities) | 減：於12個月內<br>到期結付的<br>金額(流動<br>負債項下) |                                  |                                  | (2,231)  | (687)                            |
| Amount due for settlement<br>after twelve months (shown<br>under non-current liabilities)       | 於12個月後到期結<br>付的金額(非流動<br>負債項下)      |                                  |                                  | 1,743  | 1,605                            |

The Group's lease liabilities/obligation under the finance leases are secured by the lessor's charge over the motor vehicles.

本集團的租賃負債／融資租賃承擔由出租人於汽車的押記進行抵押。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 29. SHARE CAPITAL

Movements of the share capital of the Company are as follows:

|  |                     | 2019<br>2019年                             |   | 2018<br>2018年                            |   |
|--|---------------------|---|---|--|---|
|  |                     | Number of<br>Shares<br>股份數目<br>'000<br>千股 | Nominal<br>value<br>面值<br>HK\$'000<br>千港元 | Number of<br>share<br>股份數目<br>'000<br>千股 | Nominal<br>value<br>面值<br>HK\$'000<br>千港元 |
| <b>Authorised</b>                          | 法定                  |   |   |  |   |
| Ordinary share of HK\$0.01<br>each         | 每股普通股<br>0.01港元     |   |   |  |   |
| At 31 December                             | 於12月31日             | <b>10,000,000</b>                         | <b>100,000</b>                            | 10,000,000                               | 100,000                                   |
| <b>Issued and fully paid</b>               | 已發行及繳足              |   |   |  |   |
| At 1 January                               | 於1月1日               | <b>1,000,000</b>                          | <b>10,000</b>                             | –  | –   |
| Capitalisation issue (note (a))            | 資本化發行(附註(a))        | –   | –   | 750,000                                  | 7,500                                     |
| Issue of shares upon placing<br>(note (b)) | 於配售時發行股份<br>(附註(b)) | –   | –   | 250,000                                  | 2,500                                     |
| At 31 December                             | 於12月31日             | <b>1,000,000</b>                          | <b>10,000</b>                             | 1,000,000                                | 10,000                                    |

Notes:

- (a) Pursuant to a resolution in writing passed by all the shareholders of the Company on 20 June 2018, the authorised share capital of the Company was increased from HK\$380,000 to HK\$10,000,000 by the creation of additional 9,962,000,000 shares. Pursuant to the capitalisation issue of the Company passed by all the shareholders of the Company on 20 June 2018, additional 749,999,999 shares were allotted and issued to Million Easy Enterprises Ltd on 20 June 2018.
- (b) The Company was successfully listed on the GEM of the Stock Exchange on 12 July 2018 by way of share offer of 25,000,000 public offer share and 225,000,000 placing shares respectively at the offer price of HK\$0.25 per share, the net proceeds after deducting listing fee were approximately HK\$34,470,000.

### 29. 股本

本公司股本變動如下：

附註：

- (a) 根據本公司全體股東於2018年6月20日通過的書面決議案，本公司通過增設9,962,000,000股股份將法定股本由380,000港元增至10,000,000港元。根據本公司全體股東於2018年6月20日通過的本公司之資本化發行，萬宜集團有限公司於2018年6月20日獲額外配發及發行749,999,999股股份。
- (b) 2018年7月12日，本公司通過以每股股份0.25港元的發售價分別發售25,000,000股公開發售股份及225,000,000股配售股份成功於聯交所GEM上市，已扣除上市費用的所得款項淨額約為34,470,000港元。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 30. RESERVE OF THE COMPANY

### 30. 本公司儲備

|  |                        | Share premium<br>股份溢價<br>HK\$'000<br>千港元 | Accumulated losses<br>累計虧損<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|------------------------|--|---|--------------------------------|
| As at 1 January 2018                                 | 於2018年1月1日             | –  | (4,918)                                       | (4,918)                        |
| Loss and total comprehensive loss for the year       | 年內虧損及全面虧損總額            | –  | (17,315)                                      | (17,315)                       |
| Capitalisation issue                                 | 資本化發行                  | (7,500)                                  | –   | (7,500)                        |
| Issue of new share by way of share offer             | 以股份發售方式發行新股份           | 60,000                                   | –   | 60,000                         |
| Transaction cost attributable to issue of new shares | 發行新股份應佔交易成本            | (10,156)                                 | –   | (10,156)                       |
| As at 31 December 2018 and 1 January 2019            | 於2018年12月31日及2019年1月1日 | <b>42,344</b>                            | <b>(22,233)</b>                               | <b>20,111</b>                  |
| Loss and total comprehensive loss for the year       | 年內虧損及全面虧損總額            | –  | <b>(10,153)</b>                               | <b>(10,153)</b>                |
| As at 31 December 2019                               | 於2019年12月31日           | <b>42,344</b>                            | <b>(32,386)</b>                               | <b>9,958</b>                   |

At 31 December 2019, the Company had reserves of approximately HK\$9,958,000 available for distribution in accordance with the Company law of Cayman Islands (2018: HK\$20,111,000).

於2019年12月31日，根據開曼群島公司法本公司擁有儲備約9,958,000港元可供分配(2018年：20,111,000港元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 31. OPERATING LEASE COMMITMENTS

#### The Group as lessee

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

|  |            | As at<br>31 December<br>於12月31日<br>2018<br>2018年<br>HK\$'000<br>千港元 |
|--|------------|---|
| Within one year                                  | 1年內        | 1,105   |
| More than one year, but not more than five years | 1年以上但不超過5年 | 966   |
|  |            | 2,071   |

The Group leases PRC factory under non-cancellable operating leases. The leases run for an initial period of 2 to 5 years, with options to renew the lease terms upon expiry when all terms are re-negotiated. None of these leases includes any contingent rentals.

### 31. 經營租賃承擔

#### 本集團作為承租人

於各報告期末，本集團根據不可撤銷經營租賃的未來最低租金須於下列期間支付：

本集團根據不可撤銷經營租賃租用中國廠房。最初租期為2至5年，在租約到期並重商所有條款時可選擇續約。該等租約概無包括任何或然租金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 31. OPERATING LEASE COMMITMENTS (Continued)

#### The Group as lessor

Investment property was leased for a term of 2 year. At the end of each reporting period, the Group had contracted with a tenant for the following future minimum lease payments:

|  |               | As at 31 December<br>於 12 月 31 日  |                                   |
|--|---------------|-----------------------------------|-----------------------------------|
|  |               | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Within one year                                  | 1 年內          | 312                               | 90                                |
| More than one year, but not more than five years | 1 年以上但不超過 5 年 | 130                               | –                                 |
|  |               | <b>442</b>                        | <b>90</b>                         |

The Group leases investment properties under non-cancellable operating leases. The leases run for an initial period of 2 to 3 years, with options to renew the lease terms upon expiry when all terms are re-negotiated. None of these leases includes any contingent rentals.

### 31. 經營租賃承擔(續)

#### 本集團作為出租人

投資物業租期為 2 年。於各報告期末，本集團已就以下未來最低租賃付款與租客訂約：

|  |               | As at 31 December<br>於 12 月 31 日  |                                   |
|--|---------------|-----------------------------------|-----------------------------------|
|  |               | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Within one year                                  | 1 年內          | 312                               | 90                                |
| More than one year, but not more than five years | 1 年以上但不超過 5 年 | 130                               | –                                 |
|  |               | <b>442</b>                        | <b>90</b>                         |

本集團根據不可撤銷經營租賃出租投資物業。最初租期為 2 至 3 年，在租約到期並重商所有條款時可選擇續約。該等租約概無包括任何或然租金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 32. PLEDGE OF ASSETS

At the end of each reporting period, the following assets were pledged to bank secure the Group's banking facilities:

|  |                   | As at 31 December<br>於 12 月 31 日  |                                   |
|--|-------------------|-----------------------------------|-----------------------------------|
|  |                   | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Property, plant and equipment                        | 物業、廠房及設備          | 23,422                            | 24,231                            |
| Financial asset at fair value through profit or loss | 按公平值計入損益的<br>金融資產 | 17,348                            | 16,851                            |
| Investment properties                                | 投資物業              | 14,200                            | 14,800                            |
| Pledged bank deposits                                | 已抵押銀行存款           | 6,718                             | 21,701                            |
|  |                   | <b>61,688</b>                     | <b>77,583</b>                     |

### 33. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution matched by employees but subject to a maximum amount of HK\$1,500 per month for each employee to the scheme.

Employees of the subsidiaries and an associate in the PRC are members of the state-sponsored pension scheme operated by the PRC government. The subsidiaries and an associate were required to contribute a certain percentage of the payroll of their staff to the pension scheme to fund the benefits. The only obligation of the Group with respect to the pension scheme is to make the required contributions. There were no forfeited contributions utilised to offset employers' contributions for the year. And at the end of the Track Record Period, there was no forfeited contribution available to reduce the contributions payable in the future years.

### 32. 資產抵押

於各報告期末，下列資產已抵押予銀行以擔保本集團的銀行融資：

### 33. 退休福利計劃

本集團為香港全體合資格僱員運作一項強制性公積金計劃。該計劃的資產與本集團的資產分開持有，並存於受託人管理的基金。本集團按相關薪酬成本的5%有計劃供款，而僱員亦作出相應供款，惟最高金額為每月1,500港元。

中國附屬公司及聯營公司僱員為中國政府運作的國家資助退休金計劃的成員。附屬公司及聯營公司須按員工薪資的若干百分比向退休金計劃供款，作為福利的資金。本集團有關退休金計劃的唯一責任乃作出規定供款。年內並無動用沒收供款以抵銷僱員供款。於往績記錄期末，並無沒收供款可用於減少未來數年應付供款。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 34. MAJOR NON-CASH TRANSACTIONS

- (a) The Group entered into the following major non-cash transactions which are not reflected in the consolidated statements of cash flows:

During the year ended 31 December 2018, the Group entered into finance leases in respect of an assets with a total value of HK\$2,090,000 at the inception of the finance leases.

- (b) **Reconciliation of liabilities arising from financial activities**

#### *Liabilities from financing activities*

### 34. 主要非現金交易

- (a) 本集團訂立以下並未於綜合現金流量表反映的主要非現金交易：

截至2018年12月31日止年度，本集團於設立融資租賃時就總值2,090,000港元的資產訂立融資租賃。

- (b) **融資活動所產生負債的對賬**

#### *融資活動產生的負債*

|   | Lease liabilities/ obligation under finance lease due within one year<br>於一年內到期的租賃負債／融資租賃承擔<br>HK\$'000<br>千港元 | Lease liabilities/ obligation under finance lease due after one year<br>於一年後到期的租賃負債／融資租賃承擔<br>HK\$'000<br>千港元 | Borrowing due within one year<br>於一年內到期的借款<br>HK\$'000<br>千港元 | Borrowing due after one year<br>於一年後到期的借款<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |                 |
|---|--|---|---|--|--------------------------------|-----------------|
| <b>Net debt as at 1 January 2018</b>                          | 於2018年1月1日的債務淨額  | (144)   | (486)   | (64,091)   | (22,000)                       | (86,721)        |
| Cash flows  | 現金流量   | -   | -   | 43,535   | -                              | 43,535          |
| Acquisitions – lease liabilities                              | 收購事項－租賃負債  | (596)   | (1,253)   | -  | -                              | (1,849)         |
| Other non-cash movements                                      | 其他非現金變動  | 53  | 134   | (22,000)   | 22,000                         | 187             |
| <b>Net debt as at and 31 December 2018 and 1 January 2019</b> | 於2018年12月31日及2019年1月1日的債務淨額  | <b>(687)</b>  | <b>(1,605)</b>  | <b>(42,556)</b>  | <b>-</b>                       | <b>(44,848)</b> |
| Cash flows, net   | 現金流量淨額   | <b>2,402</b>  | <b>351</b>  | <b>267</b>   | <b>-</b>                       | <b>3,020</b>    |
| Other non-cash movements                                      | 其他非現金變動  | <b>(3,946)</b>  | <b>(489)</b>  | <b>-</b>   | <b>-</b>                       | <b>(4,435)</b>  |
| <b>Net debt as at 31 December 2019</b>                        | 於2019年12月31日的債務淨額  | <b>(2,231)</b>  | <b>(1,743)</b>  | <b>(42,289)</b>  | <b>-</b>                       | <b>(46,263)</b> |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 35. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balance disclosed elsewhere in the Historical Financial Information, the Group entered into related parties transactions:

### 35. 重大關聯方交易

除過往財務資料其他地方披露的交易及結餘，本集團訂立關聯方交易：

| Name of related parties<br>關聯方名稱 | Notes<br>附註 | Nature of transaction<br>交易性質 | Year ended 31 December<br>截至12月31日止年度 |                                  |
|----------------------------------|-------------|-------------------------------|---------------------------------------|----------------------------------|
|                                  |             |                               | 2019<br>2019年<br>HK\$'000<br>千港元      | 2018<br>2018年<br>HK\$'000<br>千港元 |
| <b>Recurring:</b><br>經常性：        |             |                               |                                       |                                  |
| Mr. Cheuk<br>卓先生                 | (c)         | Rental expense<br>租金開支        | 720                                   | 720                              |
| Smart Hill<br>慧傑                 | (a)         | Rental income<br>租金收入         | 168                                   | 180                              |
| <b>Non-recurring:</b><br>非經常性：   |             |                               |                                       |                                  |
| Million Easy<br>萬宜               | (b)         | Interest income<br>利息收入       | —                                     | 113                              |

Notes:

- (a) Smart Hill is connected person which is wholly-owned by the sister of Mrs. Cheuk.
- (b) Mr. Cheuk and Mrs. Cheuk, directors of the Company, are the ultimate beneficial owner of the related company.
- (c) Mr. Cheuk, a director of the Company.

#### Compensation of key management personnel

The directors of the Company are identified as key management members of the Group and the compensation of directors and key management is set out in Note 10 and 11.

#### Balances with connected person

The connected person Smart Hill in which the transaction with Smart Hill falls under the definition of "continuing connected transaction" in Chapter 20 of the GEM Listing Rules with a detailed disclosure of the relationship above.

附註：

- (a) 慧傑為關連人士(由卓太太的胞妹全資擁有)。
- (b) 本公司董事卓先生及卓太太為關聯公司的最終實益擁有人。
- (c) 卓先生，本公司的一名董事。

#### 主要管理人員酬金

本公司董事指定為本集團主要管理層成員，董事及主要管理層酬金載於附註10及11。

#### 與關連人士的結餘

就關連人士慧傑而言，其中與慧傑的交易符合GEM上市規則第20章「持續關連交易」的定義，見上文關係的詳細披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 36. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt, which includes the bills payables, bank overdraft, borrowings and lease liabilities/obligation under finance leases disclosed in notes 24, 27 and 28, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure new share issues as well as the issue of new debt or the redemption of existing debt.

### 36. 資本管理

本集團管理其資本，透過優化債務與權益確保本集團可持續經營，亦為股東締造最大回報。於往績記錄期內，本集團的整體策略維持不變。

本集團的資本架構由債務淨額組成，包括分別於附註24、27及28披露的應付票據、銀行透支、借款及租賃負債／融資租賃承擔，已扣除現金及現金等價物及本公司擁有人應佔權益（包括已發行股本及儲備）。

本公司董事定期檢討資本結構。作為是次審閱的一部分，本公司董事考慮資本成本及各類資本相關風險，並將通過發行新股份及發行新債券或贖回現有債券平衡其整體資本結構。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 36. CAPITAL MANAGEMENT (Continued)

The following is the gearing ratio at the end of each reporting period:

|   |                       | As at 31 December<br>於 12 月 31 日  |                                   |
|---|-----------------------|-----------------------------------|-----------------------------------|
|   |                       | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| Total borrowings (Note (a))                   | 總借款 (附註(a))           | <b>84,934</b>                     | 78,921                            |
| Less: cash and cash equivalents<br>(Note (c)) | 減：現金及現金等價物<br>(附註(c)) | <b>(28,908)</b>                   | (62,034)                          |
| Net debts                                     | 債務淨額                  | <b>56,026</b>                     | 16,887                            |
| Total equity (Note (b))                       | 總權益 (附註(b))           | <b>62,977</b>                     | 77,062                            |
| Gearing ratio                                 | 資產負債比率                | <b>89%</b>                        | 21.9%                             |

Notes:

- (a) Total borrowings represent bills payables, bank overdrafts, borrowings and lease liabilities/obligation under finance leases.
- (b) Total equity includes share capital and reserves at the end of each reporting period.
- (c) Cash and cash equivalents include pledge bank deposits and cash and bank balances.

### 36. 資本管理 (續)

各報告期末資本負債比率如下：

附註：

- (a) 總借款指應付票據、銀行透支、借款及租賃負債／融資租賃承擔。
- (b) 總權益包括各報告期末的股本及儲備。
- (c) 現金及現金等價物包括已抵押銀行存款和現金及銀行結餘。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

### 37. 金融工具

#### 金融工具分類

|  |                           | As at 31 December<br>於 12 月 31 日  |                                   |
|--|---------------------------|-----------------------------------|-----------------------------------|
|  |                           | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| <b>Financial assets</b>  | <b>金融資產</b>               |                                   |                                   |
| <i>Financial asset at fair value<br/>though profit or loss</i> | <i>按公平值計入損益的<br/>金融資產</i> | <b>19,180</b>                     | 21,460                            |
| <i>Financial assets measured at<br/>amortised cost:</i>        | <i>按攤銷成本計量之<br/>金融資產：</i> |                                   |                                   |
| – Trade receivables  | – 貿易應收款項                  | <b>44,667</b>                     | 43,474                            |
| – Deposits and other receivables                               | – 按金及其他應收款項               | <b>1,915</b>                      | 841                               |
| – Pledged bank deposits  | – 已抵押銀行存款                 | <b>6,718</b>                      | 21,701                            |
| – Cash and bank balances                                       | – 現金及銀行結餘                 | <b>22,190</b>                     | 40,333                            |
|  |                           | <b>94,670</b>                     | 127,809                           |
| <b>Financial liabilities</b>                                   | <b>金融負債</b>               |                                   |                                   |
| <i>Financial liabilities measured at<br/>amortised cost:</i>   | <i>按攤銷成本計量的金融<br/>負債：</i> |                                   |                                   |
| – Trade and bills payables                                     | – 貿易應付款項及應付票據             | <b>76,385</b>                     | 68,961                            |
| – Other payables and accruals                                  | – 其他應付款項及應計費用             | <b>7,939</b>                      | 5,913                             |
| – Bank overdrafts  | – 銀行透支                    | <b>1,929</b>                      | –                                 |
| – Borrowings   | – 借款                      | <b>42,289</b>                     | 42,556                            |
| – Lease liabilities/obligation under<br>finance lease          | – 租賃負債／融資租賃承擔             | <b>3,974</b>                      | 2,292                             |
|  |                           | <b>132,516</b>                    | 119,722                           |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

The Group's major financial instruments and details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risk

##### Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate borrowings and bank balances due to changes of interest rates.

The directors of the Company consider the Group's exposures of the bank balances are not significant as interest bearing bank balances are within short maturity period and thus they are not included in sensitivity analysis.

The Group currently does not have any interest rate hedging policy. However, management closely monitors its exposure to future cash flow interest rate risk as a result of changes in market interest rates will consider hedging changes in market interest rates should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

##### Sensitivity analysis

As at 31 December 2018 and 2019, if the interest rate on all variable-rate borrowings had been 100 basis points higher/lower with all other variables held constant, the Group's profit after income tax for the year would have been decreased/increased by approximately HK\$1,472,000 and HK\$369,220 respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each of the Period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period.

### 37. 金融工具 (續)

#### 金融風險管理目標及政策

本集團主要金融工具及該等金融工具詳情於有關附註披露。與該等金融工具有關的風險及有關如何緩減該等風險的政策載列於下文。管理層管理及監察該等風險以確保可適時及有效地制訂合適的措施。

#### 市場風險

##### 利率風險

本集團面臨利率變動造成的浮息借款及銀行結餘現金流量利率風險。

本公司董事認為，由於計息銀行結餘到期日短，本集團有關銀行結餘的風險並不重大，因而未納入敏感度分析。

本集團現時並無利率對沖政策。然而，管理層密切監察因市場利率變動而引致其面對未來現金流量利率的風險，並將於有需要時考慮對沖市場利率變動。

有關本集團金融負債的利率風險於本附註流動資金風險管理一節詳述。

##### 敏感度分析

於2018年及2019年12月31日，倘所有浮息借款的利率增加/減少100個基點，而其他所有變數維持不變，本集團本年度除所得稅後溢利將分別減少/增加約1,472,000港元及369,220港元。

上述敏感度分析假設利率變動已於各期末發生而釐定，並已應用於該日已存在的借款利率風險。增加或減少100個基點代表管理層對利率於截至下一個報告期間止期間的合理可能變動的評估。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

##### Currency risk

The carrying amounts of the Group's monetary assets and liabilities (including bank balances, trade receivables, other receivables, deposits and prepayments, trade and bills payables, other payables and accrued expenses, lease liabilities/obligation under finance leases) denominated in currencies other than functional currency of the respective group entity at the end of each reporting period are as follows:

|     |     | Assets<br>資產                      |                                   | Liabilities<br>負債                 |                                   |
|-----|-----|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|     |     | As at 31 December<br>於 12 月 31 日  |                                   | As at 31 December<br>於 12 月 31 日  |                                   |
|     |     | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| RMB | 人民幣 | 759                               | 809                               | 1,399                             | 1,372                             |

##### Sensitivity analysis

The following table details the Group's sensitivities to a 10% increase and decrease in the functional currency of the group entities against relevant foreign currency. 10% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign currency rate. The sensitivity analysis includes only outstanding RMB denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change. A positive number indicates an decrease in post-tax loss for the year HK\$ strengthens 10% against RMB. For a 10% weakening of HK\$ against RMB, there would be an equal but opposite impact on the post-tax loss for the year.

|     |     | As at 31 December<br>於 12 月 31 日  |                                   |
|-----|-----|-----------------------------------|-----------------------------------|
|     |     | 2019<br>2019 年<br>HK\$'000<br>千港元 | 2018<br>2018 年<br>HK\$'000<br>千港元 |
| RMB | 人民幣 | 11                                | 36                                |

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the exposures at the end of each reporting period do not reflect the exposure.

### 37. 金融工具 (續)

#### 市場風險 (續)

##### 貨幣風險

於各報告期末以各集團實體功能貨幣以外貨幣列值的本集團貨幣資產及負債(包括銀行結餘、貿易應收款項、其他應收款項、按金及預付款、貿易應付款項及應付票據、其他應付款項及應計費用、租賃負債/融資租賃承擔)的賬面值如下:

##### 敏感度分析

下表詳述本集團的集團實體功能貨幣兌有關外幣上浮及下降10%的敏感度。10%敏感度比率指管理層對外幣匯率合理可能變動之評估。敏感度分析僅包括以人民幣列值的尚未平倉貨幣項目，並於報告期末按10%的變動調整其換算。正數表示港元兌人民幣升值10%則年內除稅後虧損減少。港元兌人民幣貶值10%，則將對年內除稅後虧損造成相等但相反影響。

本公司董事認為，敏感度分析不能代表固有外幣風險，因為各報告期末的風險不能反映固有風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

##### Credit risk

The credit risk of the Group mainly arises from bank balances and deposits, trade receivables, deposit and other receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

In respect of cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as of 31 December 2019 and 2018.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information.

As at 31 December 2019 and 2018, trade receivables that are individually significant have been separately assessed for impairment. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience.

Majority of the Group's revenue is received from individual customers in relation to design and development, manufacturing; and distribution of watch products. As at the end of the year, the top three debtors and the largest debtor accounted for approximately 43% and 67% (2018: 42% and 51%), of the Group's trade receivables balance. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these debtors saved for the debtor related to the impaired trade receivable disclosed in the below. Management makes periodic assessment on the recoverability of the trade and other receivables based on historical payment records, the length of overdue period, the financial strength of the debtors and whether there are any disputes with the debtors.

### 37. 金融工具 (續)

#### 市場風險 (續)

##### 信貸風險

本集團的信貸風險主要來自銀行結餘及存款、貿易應收款項、按金及其他應收款項。該等結餘的賬面值指本集團就金融資產所面對的最大信貸風險。

因對手方為信譽良好的銀行，故銀行現金存款的信貸風險視為較低。現有對手方過往並無違約。因此，經評估銀行現金的預期信貸虧損率接近於零，因而於2019年及2018年12月31日並無作出撥備。

本集團應用簡化方法就香港財務報告準則第9號規定的預期信貸虧損作出撥備，該準則允許就全部貿易應收款項及合約資產使用全期預期信貸虧損撥備。為計量預期信貸虧損，貿易應收款項及合約資產已按相同信貸風險特性分組。本集團通過歷史分析，識別影響信貸風險及預期信貸虧損的主要經濟變量，亦考慮可得的合理有據的前瞻性資料。

2019年及2018年12月31日，個別重大的貿易應收款項已分別評估減值。本集團根據客戶背景及聲譽、過往結算紀錄及過往經驗，定期評估應收款項的可收回性。

本集團大部分收益來自與設計及開發、製造及分銷手錶產品有關的個人客戶。於年末，三大債務人及最大債務人分別佔本集團貿易應收款項結餘約43%及67%（2018年：42%及51%）。鑑於過往與該等債務人的業務往來及應收該等債務人款項的良好收款記錄，管理層認為本集團尚未收回的應收該等債務人（下文所披露與已減值貿易應收款項相關的債務人除外）款項結餘本質上並無重大信貸風險。管理層根據債務人的過往付款記錄、逾期時長、財務實力及是否與債務人存有任何糾紛，定期評估貿易及其他應收款項的可收回性。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

#### Credit risk (Continued)

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances individually or based on provision matrix. In this regard, the directors consider that the Group's credit risk is significantly reduced. There is no adjustment for the provision of expected credit loss on the initial application of HKFRS 9.

The directors considered the credit risk of the Group's other receivables is relatively low as they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

### 37. 金融工具 (續)

#### 市場風險 (續)

#### 信貸風險 (續)

本集團對所有要求超過一定信貸金額的客戶進行個別信貸評估。該等評估集中於客戶過往款項到期時的還款紀錄及目前的還款能力，並考慮客戶的特定資料以及客戶營運所處經濟環境。貿易應收款項自開票日期起30至90天到期。本集團一般並無要求客戶提供抵押品。

本集團的貿易應收款項虧損撥備按相當於整個全期預期信貸虧損(按撥備矩陣計算)的金額計量。由於本集團的過往信貸虧損經驗並未表明不同客戶分部會有重大不同虧損模式，故基於逾期狀態的虧損撥備不再於本集團不同客戶群之間區分。

為盡量減低信貸風險，管理層已委派團隊負責釐定信貸額度、信貸審批及其他監管程序，確保採取跟進措施收回逾期債務。此外，本集團於採用香港財務報告準則第9號後根據預期信貸虧損模式對貿易結餘進行個別或採用撥備矩陣進行減值評估。就此而言，董事認為本集團的信貸風險已大幅減低。首次應用香港財務報告準則第9號並無對預期信貸虧損撥備作出任何調整。

由於本集團其他應收款項違約風險低，且發行人近期滿足合約現金流量的能力強，故董事認為該等款項的信貸風險較低。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

#### Credit risk (Continued)

##### (a) Provision of trade receivables

On that basis, the provision of trade receivables as at 31 December 2019 and 31 December 2018 was determined as follows:

|                       |             | Probability of default approach |  |   |  |   |  | Total   |
|-----------------------|-------------|---------------------------------|--|---|--|---|--|---------|
|                       |             | 違約概率方法                          |  |   |  |   |  |         |
|                       |             | No past due                     | More than 1 day but less than 90 days past due | More than 91 days but less than 180 days past due | More than 181 days but less than 365 days past due | More than 1 year but less than 2 years past due | More than 2 years but less than 3 years past due |         |
| 31 December 2019      |             | 未逾期                             | 逾期1至90天  | 逾期91至180天   | 逾期181至365天   | 逾期1至2年  | 逾期2至3年   | 總計      |
| 2019年12月31日           |             | 未逾期                             | 90天  | 180天  | 365天   | 2年  | 3年   | 總計      |
| - Group A             | -A組         | 0.68%                           | 0.68%  | 0.68%   | 0.68%  | 2.11%   | 100.00%  | -       |
| - Group B             | -B組         | 1.08%                           | 1.08%  | 1.08%   | 1.08%  | 1.08%   | 100.00%  | -       |
|                       |             | HKD'000                         | HKD'000  | HKD'000   | HKD'000  | HKD'000   | HKD'000  | HKD'000 |
|                       |             | 千港元                             | 千港元  | 千港元   | 千港元  | 千港元   | 千港元  | 千港元     |
| Gross carrying amount | 總賬面值        |                                 |  |   |  |   |  |         |
| - Group A             | -A組         | 20,605                          | 2,880  | 716   | 2,909  | 2,120   | 1  | 29,231  |
| - Group B             | -B組         | 10,384                          | 1,439  | 273   | 894  | 2,847   | -  | 15,837  |
| ECL for group:        | 以下各組預期信貸虧損: |                                 |  |   |  |   |  |         |
| - Group A             | -A組         | 140                             | 20   | 5   | 20   | 45  | 1  | 231     |
| - Group B             | -B組         | 112                             | 15   | 3   | 9  | 31  | -  | 170     |
| Provision             | 撥備          | 252                             | 35   | 8   | 29   | 76  | 1  | 401     |

In valuation the expected credit loss of trade receivables, gross carrying amount are classified to 2 main item. Group A represent large corporate customer with long term relationship, and Group B represent new customer and medium size customer.

於評估貿易應收款項的預期信貸虧損時，總賬面值分類為兩個主要項目。A組指有長期合作關係的大型企業客戶，而B組指新客戶及中型客戶。

### 37. 金融工具 (續)

#### 市場風險 (續)

#### 信貸風險 (續)

##### (a) 貿易應收款項撥備

按該基準，於2019年12月31日及2018年12月31日的貿易應收款項撥備釐定如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

#### Credit risk (Continued)

#### (a) Provision of trade receivables (Continued)

### 37. 金融工具 (續)

#### 市場風險 (續)

#### 信貸風險 (續)

#### (a) 貿易應收款項撥備 (續)

|                         |             | Probability of default approach<br>違約概率方法 |  |  |  |  |  |                |
|-------------------------|-------------|---|--|--|--|--|--|----------------|
|                         |             | No<br>past due                            | More than<br>1 days but<br>less than<br>90 days<br>past due<br>逾期1至<br>90天 | More than<br>91 days but<br>less than<br>180 days<br>past due<br>逾期91至<br>180天 | More than<br>181 days but<br>less than<br>365 days<br>past due<br>逾期181至<br>365天 | More than<br>1 years but<br>less than<br>2 years<br>past due<br>逾期1至<br>2年 | More than<br>2 years but<br>less than<br>3 years<br>past due<br>逾期2至<br>3年 | Total          |
|                         |             | 未逾期                                       | 90天  | 180天   | 365天   | 2年   | 3年   | 總計             |
| <b>31 December 2018</b> |             |   |  |  |  |  |  |                |
| <b>2018年12月31日</b>      |             |   |  |  |  |  |  |                |
| - Group A               | -A組         | 0.56%                                     | 0.73%  | 1.33%  | 2.02%  | 2.88%  | 100.00%  | -              |
| - Group B               | -B組         | 1.12%                                     | 1.46%  | 2.58%  | 3.25%  | 10.81%   | 100.00%  | -              |
|                         |             | HKD'000<br>千港元                            | HKD'000<br>千港元   | HKD'000<br>千港元   | HKD'000<br>千港元   | HKD'000<br>千港元   | HKD'000<br>千港元   | HKD'000<br>千港元 |
| Gross carrying amount   | 總賬面值        |   |  |  |  |  |  |                |
| - Group A               | -A組         | 25,620                                    | 4,856  | 248  | 1,918  | 25   | -  | 32,667         |
| - Group B               | -B組         | 8,355                                     | 520  | 705  | 1,621  | -  | -  | 11,201         |
| ECL for group:          | 以下各組預期信貸虧損: |   |  |  |  |  |  |                |
| - Group A               | -A組         | 144                                       | 35   | 3  | 39   | 1  | -  | 222            |
| - Group B               | -B組         | 94  | 8  | 18   | 52   | -  | -  | 172            |
| Provision               | 撥備          | 238                                       | 43   | 21   | 91   | 1  | -  | 394            |

In valuation the expected credit loss of trade receivables, gross carrying amount are classified to 2 main item. Group A represent large corporate customer with long term relationship, and Group B represent new customer and medium size customer.

於評估貿易應收款項的預期信貸虧損時，總賬面值分類為兩個主要項目。A組指有長期合作關係的大型企業客戶，而B組指新客戶及中型客戶。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

#### Credit risk (Continued)

#### (a) Provision of trade receivables (Continued)

The reconciliation of provision of trade receivables as at 31 December 2019 was as follows:

### 37. 金融工具 (續)

#### 市場風險 (續)

#### 信貸風險 (續)

#### (a) 貿易應收款項撥備 (續)

於2019年12月31日，貿易應收款項撥備的對賬如下：

|   |                        | HK\$'000<br>千港元 |
|---|------------------------|-----------------|
| As at 1 January 2018                      | 於2018年1月1日             | –               |
| Provision for the year                    | 年內撥備                   | 394             |
| As at 31 December 2018 and 1 January 2019 | 於2018年12月31日及2019年1月1日 | 394             |
| Provision for the year                    | 年內撥備                   | 7               |
| As at 31 December 2019                    | 於2019年12月31日           | 401             |



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

##### Liquidity risk

For the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank loans and bank overdrafts and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for their non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group has required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest cash flows are at floating rate, the undiscounted amount is derived from current interest rates at the end of each reporting period.

### 37. 金融工具 (續)

#### 市場風險 (續)

##### 流動資金風險

就管理流動資金風險而言，本集團監察及維持管理層認為合適的現金及現金等價物，以便為本集團的業務提供資金及減輕現金流量波動的影響。管理層監督銀行貸款及銀行透支的使用情況，確保遵守貸款契諾。

下表詳述本集團非衍生金融負債的剩餘合約到期情況。該表根據本集團被要求支付金融負債的最早日期按金融負債的未貼現現金流量編製。具體來說，於要求時償還的銀行借款均計入最早時間段，不論銀行是否可能選擇行使權利。其他非衍生金融負債的到期日乃根據協定還款日期而定。

下表包括利息及本金現金流量。當利息現金流量為浮動利率時，於各報告期末的未貼現金額乃來自目前利率。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

#### Liquidity risk (Continued)

### 37. 金融工具 (續)

#### 市場風險 (續)

#### 流動資金風險 (續)

|   |                     | Weighted<br>average<br>effective<br>interest rate | On demand<br>or within<br>1 year | More than<br>1 year but<br>less than<br>2 years | More than<br>2 years but<br>less than<br>5 years | Over<br>5 years         | Total<br>undiscounted<br>cash flows | Carrying<br>amount     |
|---|---------------------|---|----------------------------------|---|--|-------------------------|-------------------------------------|------------------------|
|   |                     | 加權平均<br>實際利率<br>%                                 | 按要求或<br>一年內<br>HK\$'000<br>千港元   | 超過一年<br>但少於兩年<br>HK\$'000<br>千港元                | 超過兩年<br>但少於五年<br>HK\$'000<br>千港元                 | 五年以上<br>HK\$'000<br>千港元 | 未貼現現金<br>流量總額<br>HK\$'000<br>千港元    | 賬面值<br>HK\$'000<br>千港元 |
| <b>As at 31 December 2019</b>                     | <b>於2019年12月31日</b> |   |                                  |   |  |                         |                                     |                        |
| Trade payables                                    | 貿易應付款項              | -   | 39,643                           | -   | -  | -                       | 39,643                              | 39,643                 |
| Bills payables                                    | 應付票據                | 4%  | 36,907                           | -   | -  | -                       | 36,907                              | 36,742                 |
| Other payables, and accrued expenses              | 其他應付款項及<br>應計費用     | -   | 7,939                            | -   | -  | -                       | 7,939                               | 7,939                  |
| Borrowings  | 借款                  | 3.5%  | 44,781                           | -   | -  | -                       | 44,781                              | 42,289                 |
| Bank overdraft                                    | 銀行透支                | 6%  | 1,935                            | -   | -  | -                       | 1,935                               | 1,929                  |
| Lease liabilities/obligation under finance leases | 租賃負債/融資<br>租賃承擔     | 5%  | 2,427                            | 1,272   | 470  | -                       | 4,169                               | 3,974                  |
|   |                     |   | <b>133,632</b>                   | <b>1,272</b>                                    | <b>470</b>                                       | <b>-</b>                | <b>135,374</b>                      | <b>132,516</b>         |

|                                     |                     | Weighted<br>average<br>effective<br>interest rate | On demand<br>or within<br>1 year | More than<br>1 year but<br>less than<br>2 years | More than<br>2 years but<br>less than<br>5 years | Over<br>5 years         | Total<br>undiscounted<br>cash flows | Carrying<br>amount     |
|-------------------------------------|---------------------|---|----------------------------------|---|--|-------------------------|-------------------------------------|------------------------|
|                                     |                     | 加權平均<br>實際利率<br>%                                 | 按要求或<br>一年內<br>HK\$'000<br>千港元   | 超過一年<br>但少於兩年<br>HK\$'000<br>千港元                | 超過兩年<br>但少於五年<br>HK\$'000<br>千港元                 | 五年以上<br>HK\$'000<br>千港元 | 未貼現現金<br>流量總額<br>HK\$'000<br>千港元    | 賬面值<br>HK\$'000<br>千港元 |
| <b>As at 31 December 2018</b>       | <b>於2018年12月31日</b> |   |                                  |   |  |                         |                                     |                        |
| Trade payables                      | 貿易應付款項              | -   | 34,888                           | -   | -  | -                       | 34,888                              | 34,888                 |
| Bills payables                      | 應付票據                | 2.7%  | 35,246                           | -   | -  | -                       | 35,246                              | 34,073                 |
| Other payables and accrued expenses | 其他應付款項及<br>應計費用     | -   | 5,913                            | -   | -  | -                       | 5,913                               | 5,913                  |
| Borrowings                          | 借款                  | 3.4%  | 42,979                           | -   | -  | -                       | 42,979                              | 42,556                 |
| Obligation under finance leases     | 融資租賃承擔              | 5.1%  | 790                              | 791   | 910  | -                       | 2,491                               | 2,292                  |
|                                     |                     |   | <b>119,816</b>                   | <b>791</b>                                      | <b>910</b>                                       | <b>-</b>                | <b>121,517</b>                      | <b>119,722</b>         |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

#### Liquidity risk (Continued)

The following table summarises the maturity analysis of bank borrowings with repayable on demand clause based on agreed scheduled repayments set out in the loan agreements. The amount includes interest payments computed using contractual rates. Taking into account the Group's financial position, the directors of the Company do not consider that it is probable that the bank will exercise its discretion to immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled dates set out in the loan agreements.

### 37. 金融工具 (續)

#### 市場風險 (續)

#### 流動資金風險 (續)

下表概述按要求償還的銀行借款根據貸款協議所載的協定還款時間表的到期分析。該款項包括採用合約利率計算的利息付款。經考慮本集團的財務狀況，本公司董事認為銀行不大可能行使酌情權要求即時償還。本公司董事相信有關銀行借款將根據貸款協議所載的計劃日期償還。

#### Maturity Analysis – bank borrowing subject to a repayment

#### on demand clause based on scheduled repayments

到期分析 – 須根據還款時間表按要償還的銀行借款

|                     |                    | More than<br>one year<br>but less than<br>two years<br>超過一年<br>但少於兩年 | More than<br>two years<br>but less than<br>five years<br>超過兩年<br>但少於五年 | More than<br>five years<br>五年以上  |
|---------------------|--------------------|--|--|--|
|                     |                    | Within<br>one year<br>一年內  | More than<br>one year<br>but less than<br>two years<br>超過一年<br>但少於兩年   | More than<br>two years<br>but less than<br>five years<br>超過兩年<br>但少於五年 |
|                     |                    | HK\$'000<br>千港元  | HK\$'000<br>千港元  | HK\$'000<br>千港元  |
| At 31 December 2019 | 於 2019 年 12 月 31 日 | 39,986   | 4,232  | –  |
| At 31 December 2018 | 於 2018 年 12 月 31 日 | 42,556   | –  | –  |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Market risk (Continued)

#### Liquidity risk (Continued)

Borrowings with repayment on demand clauses are included in the "on demand or within 1 year" time band in the above maturity analysis. As at 31 December 2019 and 31 December 2018, the aggregate carrying amounts of these borrowings amounted to HK\$44,218,000 and HK\$42,556,000, respectively. Taken into account the Group's financial position, the directors of the Company do not believe that it is probable that the lenders will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

|                               |                     | Weighted<br>average<br>effective<br>interest rate<br>加權平均<br>實際利率<br>% | On demand<br>or within<br>1 year<br>按要求或<br>一年內<br>HK\$'000<br>千港元 | More than<br>1 year but<br>less than<br>2 years<br>超過一年<br>但少於兩年<br>HK\$'000<br>千港元 | More than<br>2 years but<br>less than<br>5 years<br>超過兩年<br>但少於五年<br>HK\$'000<br>千港元 | Over<br>5 years<br>五年以上<br>HK\$'000<br>千港元 | Total<br>undiscounted<br>cash flows<br>未貼現現金<br>流量總額<br>HK\$'000<br>千港元 | Carrying<br>amount<br>賬面值<br>HK\$'000<br>千港元 |
|-------------------------------|---------------------|--|--|---|--|--|---|--|
| <b>As at 31 December 2019</b> | <b>於2019年12月31日</b> |  |  |   |  |  |   |  |
| - Variable-rate               | - 浮動利率              | 3.5%   | 40,534   | 4,244   | -  | -  | 44,778  | 44,218                                       |
|                               |                     | Weighted<br>average<br>effective<br>interest rate<br>加權平均<br>實際利率<br>% | On demand<br>or within<br>1 year<br>按要求或<br>一年內<br>HK\$'000<br>千港元 | More than<br>1 year but<br>less than<br>2 years<br>超過一年<br>但少於兩年<br>HK\$'000<br>千港元 | More than<br>2 years but<br>less than<br>5 years<br>超過兩年<br>但少於五年<br>HK\$'000<br>千港元 | Over<br>5 years<br>五年以上<br>HK\$'000<br>千港元 | Total<br>undiscounted<br>cash flows<br>未貼現現金<br>流量總額<br>HK\$'000<br>千港元 | Carrying<br>amount<br>賬面值<br>HK\$'000<br>千港元 |
| <b>As at 31 December 2018</b> | <b>於2018年12月31日</b> |  |  |   |  |  |   |  |
| - Variable-rate               | - 浮動利率              | 3.4%   | 42,979   | -   | -  | -  | 42,979  | 42,556                                       |

The amount included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable rates differ to those estimates of interest rates determined at the end of each reporting period.

倘浮動利率變動有別於各報告期末釐定之利率估計，上述非衍生金融負債浮動利率工具之金額或會變動。

### 37. 金融工具 (續)

#### 市場風險 (續)

#### 流動資金風險 (續)

按要求償還的借款載於上述到期分析的「按要求或一年內」下。於2019年12月31日及2018年12月31日，該等借款總賬面值分別為44,218,000港元及42,556,000港元。經考慮本集團的財務狀況，本公司董事認為貸款人不大可能行使酌情權要求立即還款。本公司董事認為有關銀行借款將根據貸款協議所載計劃還款日期償還，詳情載於下表：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Fair value measurements

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The carrying amount of other financial assets and liabilities carried at amortised cost, approximate their respective fair values due to the relatively short-term nature of these financial instruments.

For financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurements in its entirety.

The table below gives the information about how the fair value of these financial assets and financial liabilities that are measured at fair value on a recurring basis are determined (in particular, the valuation technique(s) and input used).

The different level are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

### 37. 金融工具 (續)

#### 公平值計量

金融資產及金融負債的公平值釐定如下：

- 具有標準條款及條件且於活躍流動市場買賣之金融資產及金融負債的公平值乃參考市場報價釐定；及
- 其他金融資產及金融負債的公平值乃根據公認定價模式基於貼現現金流分析釐定。

按攤銷成本列賬之其他金融資產及負債的賬面值與各自之公平值相若，原因為該等金融工具屬相對短期性質。

就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第1級、第2級或第3級。

下表載列有關經常按公平值計量的金融資產及金融負債之公平值如何釐定的資料(尤其是所用估值方法及輸入數據)。

不同層級界定如下：

- 第1級公平值計量為從相同資產或負債於活躍市場報價(未經調整)所得之公平值計量。
- 第2級公平值計量為從第1級所包含之報價以外就有關資產或負債所直接(即按價格)或間接(即從價格得出)觀察之輸入數據所得之公平值計量。
- 第3級公平值計量為使用估值方法所得之公平值計量，包括有關資產或負債並非基於可觀察市場數據之輸入數據(不可觀察輸入數據)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Fair value measurements (Continued)

### 37. 金融工具 (續)

#### 公平值計量 (續)

| Financial assets   | Fair value<br>31 December<br>2019<br>2019年<br>12月31日<br>的公平值<br>HK\$'000<br>千港元 | Fair value<br>31 December<br>2018<br>2018年<br>12月31日<br>的公平值<br>HK\$'000<br>千港元 | Fair value<br>hierarchy | Valuation technique<br>and key input(s)                              |
|--|---|---|-------------------------|--|
| 金融資產   |   |   | 公平值等級                   | 估值方法及<br>關鍵輸入數據  |
| Club memberships   | 440   | 440   | Level 2                 | Market approach-<br>Reference to<br>Quoted price in<br>Active market |
| 俱樂部會員  |   |   | 第2級                     | 市場法—參考活躍市場報價   |
| Life insurance policies  | 17,348  | 17,024  | Level 2                 | Redemption value quoted<br>by the insurance company                  |
| 人壽保單   |   |   | 第2級                     | 保險公司所報贖回價  |
| Held for trading securities<br>presented as financial assets<br>measure at FVTPL | 1,392   | 3,996   | Level 1                 | Quoted price in active<br>market                                     |
| 列為按公平值計入損益的金融資產的持作買賣證券   |   |   | 第一級                     | 活躍市場報價   |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 37. FINANCIAL INSTRUMENTS (Continued)

#### Fair value measurements (Continued)

There were no transfer between Level 1 and Level 2 during the Track Record Period.

Some of the Group's financial assets are measured at fair value at the end of each reporting period.

The above table gives information about how the fair value of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Group's consolidated statements of financial position approximate of their fair values.

### 38. PARTICULARS OF SUBSIDIARIES

At the date of this report, the Company has direct and indirect equity interests in the following subsidiaries:

| Name of subsidiaries                           | Principal place of business | Place and date of incorporation       | Legal entity                        | Issued and fully paid share capital/ registered capital at the date of this report<br>於本報告日期已發行及繳足股本/註冊資本 | Attributable equity interest held by the Company<br>本公司所持股權應佔<br>As at 31 December<br>於12月31日 |                    | At the date of this report<br>本報告日期 | Principal activities       | Notes |
|--|-----------------------------|---------------------------------------|-------------------------------------|---|---|--------------------|-------------------------------------|----------------------------|-------|
|  |                             |                                       |                                     |   | 2019<br>2019年<br>%  | 2018<br>2018年<br>% |                                     |                            |       |
| Directly held:<br>直接持有:                        |                             |                                       |                                     |   |   |                    |                                     |                            |       |
| Beyond Blossom Investments Limited<br>超盛投資有限公司 | BVI<br>英屬維爾京群島              | BVI, 9 May 2017<br>英屬維爾京群島, 2017年5月9日 | Limited liability Company<br>有限責任公司 | Ordinary shares US\$1<br>普通股1美元   | 100   | 100                | 100                                 | Investment holding<br>投資控股 | (a)   |

### 37. 金融工具 (續)

#### 公平值計量 (續)

於往績記錄期，第1級與第2級之間並無轉移。

本集團的部分金融資產於各報告期末按公平值計量。

上表載列如何釐定該等金融資產公平值的資料 (尤其是所用估值方法及輸入數據)。

董事認為，於本集團綜合財務狀況表按攤銷成本列賬的金融資產及金融負債的賬面值與公平值相若。

### 38. 附屬公司詳情

於本報告日期，本公司於以下附屬公司擁有直接及間接股權：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 38. PARTICULARS OF SUBSIDIARIES (Continued)

### 38. 附屬公司詳情(續)

| Name of subsidiaries                | Principal place of business | Place and date of incorporation | Legal entity              | Issued and fully paid share capital/ registered capital at the date of this report<br>於本報告日期已發行及繳足股本/註冊資本 | Attributable equity interest held by the Company<br>本公司所持股權應佔 |        | At the date of this report<br>本報告日期 | Principal activities                | Notes |
|-------------------------------------|-----------------------------|---------------------------------|---------------------------|---|---|--------|-------------------------------------|-------------------------------------|-------|
|                                     |                             |                                 |                           |   | As at 31 December<br>於12月31日                                  | 2019   |                                     |                                     |       |
| 附屬公司名稱                              | 主要營業地點                      | 註冊成立地點及日期                       | 法律實體                      |   | 2019年%  | 2018年% | 日期%                                 | 主要業務                                | 附註    |
| Indirectly held:<br>間接持有:           |                             |                                 |                           |   |   |        |                                     |                                     |       |
| Precise Time Global Limited         | BVI                         | BVI, 10 May 2017                | Limited liability company | Ordinary shares US\$1   | 100   | 100    | 100                                 | Investment holding                  | (a)   |
| 準時環球有限公司                            | 英屬維爾京群島                     | 英屬維爾京群島，2017年5月10日              | 有限責任公司                    | 普通股1美元  |   |        |                                     | 投資控股                                |       |
| Big Hope Investment Limited         | BVI                         | BVI, 9 May 2017                 | Limited liability company | Ordinary shares US\$1   | 100   | 100    | 100                                 | Investment holding                  | (a)   |
| 宏希投資有限公司                            | 英屬維爾京群島                     | 英屬維爾京群島，2017年5月9日               | 有限責任公司                    | 普通股1美元  |   |        |                                     | 投資控股                                |       |
| Diamond Fountain Investment Limited | BVI                         | BVI, 9 May 2017                 | Limited liability company | Ordinary shares US\$1   | 100   | 100    | 100                                 | Investment holding                  | (a)   |
| 鑽泉投資有限公司                            | 英屬維爾京群島                     | 英屬維爾京群島，2017年5月9日               | 有限責任公司                    | 普通股1美元  |   |        |                                     | 投資控股                                |       |
| Vast Peak Enterprises Limited       | BVI                         | BVI, 21 September 2011          | Limited liability company | Ordinary shares US\$1   | 100   | 100    | 100                                 | Investment holding                  | (a)   |
| 煌奇企業有限公司                            | 英屬維爾京群島                     | 英屬維爾京群島，2011年9月21日              | 有限責任公司                    | 普通股1美元  |   |        |                                     | 投資控股                                |       |
| Talent Gift International Limited   | BVI                         | BVI, 3 January 2017             | Limited liability company | Ordinary shares US\$1   | 100   | 100    | 100                                 | Investment holding                  | (a)   |
| 佳賜國際有限公司                            | 英屬維爾京群島                     | 英屬維爾京群島，2017年1月3日               | 有限責任公司                    | 普通股1美元  |   |        |                                     | 投資控股                                |       |
| 3 Wells Watch Industries Limited    | Hong Kong                   | Hong Kong, 2 September 1986     | Limited liability company | Ordinary capital HK\$1,000,000  | 100   | 100    | 100                                 | Trading and Distribution of watches | (b)   |
| 三井錶業有限公司                            | 香港                          | 香港，1986年9月2日                    | 有限責任公司                    | 普通股本1,000,000港元   |   |        |                                     | 鐘錶貿易及分銷                             |       |
| Cheer China Group Holdings Limited  | Hong Kong                   | Hong Kong, 3 August 2011        | Limited liability company | Ordinary capital HK\$1  | 100   | 100    | 100                                 | Investment holding                  | (b)   |
| 致華集團控股有限公司                          | 香港                          | 香港，2011年8月3日                    | 有限責任公司                    | 普通股本1港元   |   |        |                                     | 投資控股                                |       |



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 38. PARTICULARS OF SUBSIDIARIES (Continued)

### 38. 附屬公司詳情(續)

| Name of subsidiaries<br>附屬公司名稱                                       | Principal place of business<br>主要營業地點 | Place and date of incorporation<br>註冊成立地點及日期  | Legal entity<br>法律實體   | Issued and fully paid share capital/<br>registered capital at the date of this report<br>於本報告日期已發行及繳足股本/註冊資本 | Attributable equity interest held by the Company<br>本公司所持股權應佔 |        | At the date of this report<br>本報告日期 | Principal activities<br>主要業務     | Notes<br>附註 |
|--|---------------------------------------|---|--|--|---|--------|-------------------------------------|----------------------------------|-------------|
|  |                                       |   |  |  | As at 31 December<br>於12月31日                                  |        |                                     |                                  |             |
|  |                                       |   |  |  | 2019  | 2018   |                                     |                                  |             |
|  |                                       |   |  |  | 2019年%  | 2018年% |                                     |                                  |             |
| Cheer Wells Trading Limited<br>福井貿易有限公司                              | Hong Kong<br>香港                       | Hong Kong,<br>2 February 2015<br>香港·2015年2月2日 | Limited liability company<br>有限責任公司  | Ordinary capital<br>HK\$10,000<br>普通股本10,000港元   | 100   | 100    | 100                                 | Investment holding<br>投資控股       | (b)         |
| Creative Profit Investment Limited<br>意利投資有限公司                       | Hong Kong<br>香港                       | Hong Kong,<br>22 May 2008<br>香港·2008年5月22日    | Limited liability company<br>有限責任公司  | Ordinary capital<br>HK\$10,000<br>普通股本10,000港元   | 100   | 100    | 100                                 | Investment holding<br>投資控股       | (b)         |
| 3 Wells Catering Culture Limited<br>三井飲食文化有限公司                       | Hong Kong<br>香港                       | Hong Kong,<br>23 July 2019<br>香港·2019年7月23日   | Limited liability company<br>有限責任公司  | Ordinary shares HK\$100<br>普通股100港元  | 100   | -      | 100                                 | Investment holding<br>投資控股       | (b)         |
| Shenzhen 3 Wells Watch Company Limited<br>深圳三井錶業有限公司                 | PRC<br>中國                             | PRC, 8 August 2005<br>中國·2005年8月8日            | Registered as a wholly Foreign Owned Enterprise under PRC law<br>根據中國法律註冊為外商獨資企業 | Registered capital<br>HK\$10,000,000<br>註冊資本10,000,000港元   | 100   | 100    | 100                                 | Manufacturing of watches<br>鐘錶生產 | (b)         |
| Shenzhen Fujing Precision Technology Company Limited<br>深圳福井精密科技有限公司 | PRC<br>中國                             | PRC, 24 September 2019<br>中國·2019年9月24日       | Registered as a wholly Foreign Owned Enterprise under PRC law<br>根據中國法律註冊為外商獨資企業 | Registered capital<br>RMB19,000,000<br>註冊資本人民幣19,000,000元  | 100   | -      | 100                                 | Manufacturing of watches<br>鐘錶生產 | (b)         |
| Shenzhen Fuyang Precision Technology Company Limited<br>深圳福揚精密科技有限公司 | PRC<br>中國                             | PRC, 26 September 2019<br>中國·2019年9月26日       | Registered as a wholly Foreign Owned Enterprise under PRC law<br>根據中國法律註冊為外商獨資企業 | Registered capital<br>RMB10,000,000<br>註冊資本人民幣10,000,000元  | 100   | -      | 100                                 | Manufacturing of watches<br>鐘錶生產 | (b)         |

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 38. PARTICULARS OF SUBSIDIARIES (Continued)

All subsidiaries now comprising the Group have adopted 31 December as their financial year end date.

Notes:

- (a) No audited financial statements have been prepared since its date of incorporation as it is incorporated in a jurisdiction where there is no statutory audit requirement.
- (b) The audited statutory financial statements of the Company's subsidiaries incorporated/established in Hong Kong and in the PRC were prepared in accordance with the relevant accounting principles and financial regulations applicable to enterprises incorporated/established in Hong Kong and in the PRC were audited by:

| Name of Subsidiaries<br>附屬公司名稱                                       | Financial year<br>財政年度   | Name of auditor<br>核數師名稱   |
|--|--|--|
| 3 Wells Watch Industries Limited<br>三井錶業有限公司                         | Year ended 31 December 2018 and 2019<br>截至2018年及2019年12月31日止年度 | HLB Hodgson Impey Cheng Limited<br>國衛會計師事務所有限公司                          |
| Cheer China Group Holdings Limited<br>致華集團控股有限公司                     | Year ended 31 December 2018 and 2019<br>截至2018年及2019年12月31日止年度 | HLB Hodgson Impey Cheng Limited<br>國衛會計師事務所有限公司                          |
| Cheer Wells Trading Limited<br>福井貿易有限公司                              | Year ended 31 December 2018 and 2019<br>截至2018年及2019年12月31日止年度 | HLB Hodgson Impey Cheng Limited<br>國衛會計師事務所有限公司                          |
| Creative Profit Investments Limited<br>意利投資有限公司                      | Year ended 31 December 2018 and 2019<br>截至2018年及2019年12月31日止年度 | HLB Hodgson Impey Cheng Limited<br>國衛會計師事務所有限公司                          |
| 3 Wells Catering Culture Limited<br>三井飲食文化有限公司                       | Year ended 31 December 2019<br>截至2019年12月31日止年度                | HLB Hodgson Impey Cheng Limited<br>國衛會計師事務所有限公司                          |
| Shenzhen 3 Wells Watch Company Limited<br>深圳三井錶業有限公司                 | Year ended 31 December 2018 and 2019<br>截至2018年及2019年12月31日止年度 | Shenzhen Yida Certified Public Accountants Co. Ltd.<br>深圳市義達會計師事務所有限責任公司 |
| Shenzhen Fujing Precision Technology Company Limited<br>深圳福井精密科技有限公司 | Year ended 31 December 2019<br>截至2019年12月31日止年度                | Shenzhen Yida Certified Public Accountants Co. Ltd.<br>深圳市義達會計師事務所有限責任公司 |
| Shenzhen Fuyang Precision Technology Company Limited<br>深圳福揚精密科技有限公司 | Year ended 31 December 2019<br>截至2019年12月31日止年度                | Shenzhen Yida Certified Public Accountants Co. Ltd.<br>深圳市義達會計師事務所有限責任公司 |

### 38. 附屬公司詳情(續)

本集團現時旗下所有附屬公司已採納12月31日為財政年度年結日。

附註：

- (a) 由於註冊成立所在司法權區並無法定審核規定，故並無編製自其註冊成立日期以來的經審核財務報表。
- (b) 本公司於香港及中國註冊成立／成立的附屬公司的經審核法定財務報表乃根據適用於在香港及中國註冊成立／成立企業的相關會計原則及財務規定編製，由以下事務所審核：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 39. 本公司財務狀況表

| As at 31 December 2019                       | 截至2019年12月31日     | Notes<br>附註 | As at 31 December<br>截至12月31日    |                                  |
|--|-------------------|-------------|----------------------------------|----------------------------------|
|  |                   |             | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 |
| <b>Non-current assets</b>                    | <b>非流動資產</b>      |             |                                  |                                  |
| Investment in subsidiary                     | 於附屬公司的投資          |             | –                                | –                                |
| <b>Current assets</b>                        | <b>流動資產</b>       |             |                                  |                                  |
| Other receivables and prepayments            | 其他應收款項及預付款        |             | 1,722                            | 2,960                            |
| Amounts due from fellow subsidiaries         | 應收同系附屬公司款項        |             | 33,239                           | 1,644                            |
| Bank balances and cash                       | 銀行結餘及現金           |             | 2,109                            | 26,594                           |
|  |                   |             | <b>37,070</b>                    | 31,198                           |
| <b>Current liabilities</b>                   | <b>流動負債</b>       |             |                                  |                                  |
| Other payables and accrued expenses          | 其他應付款項及應計費用       |             | 949                              | 1,087                            |
| Amounts due to fellow subsidiaries           | 應付同系附屬公司款項        |             | 16,163                           | –                                |
|  |                   |             | <b>17,112</b>                    | 1,087                            |
| <b>Net current (liabilities)/asset</b>       | <b>淨流動(負債)/資產</b> |             | <b>19,958</b>                    | 30,111                           |
| <b>Total assets less current liabilities</b> | <b>資產總值減流動負債</b>  |             | <b>19,958</b>                    | 30,111                           |
| <b>Net (liabilities)/asset</b>               | <b>淨(負債)/資產</b>   |             | <b>19,958</b>                    | 30,111                           |
| <b>Capital and reserves</b>                  | <b>資本及儲備</b>      |             |                                  |                                  |
| Share capital                                | 股本                | 29          | 10,000                           | 10,000                           |
| Reserves                                     | 儲備                | 30          | 9,958                            | 20,111                           |
| <b>Total equity</b>                          | <b>權益總額</b>       |             | <b>19,958</b>                    | 30,111                           |

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 April 2020 and signed on its behalf by:

**CHEUK Sin Cheong Clement**  
卓善章  
Executive Director  
執行董事

**AU Corona Ching Mei**  
歐靜美  
Executive Director  
執行董事

The accompanying notes form an integral part of these consolidated financial statements.

董事會於2020年4月29日批准及授權刊發綜合財務報表，並由下列人士代為簽署：

附註為該等綜合財務報表之組成部分。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

### 40. SUBSEQUENT EVENTS

- (a) On 26 March 2020, a subsidiary of the Company entered into a non-legally binding memorandum of understanding (the “MOU”) with the shareholders (the “Vendors”) of Innovative Corporate Development Limited (興創企業發展有限公司) (the “Target Company”, together with its subsidiaries, the “Target Group”), pursuant to which the Company intends to acquire and the Vendors intend to sell 51% of the issued share capital of the Target Company. The Target Group is principally engaged in the business of production and sale of disposable face masks in Hong Kong (the “Intended Transaction”).
- (b) The coronavirus disease 2019 outbreak since early 2020 has brought additional uncertainties in the global macroeconomic situation. The Group’s financial performance may have impact. The degree of impact could not be reasonably estimated at this stage. The Group will closely monitor the development of the epidemic and assess its impact on the financial position and operating results of the Group.

### 41. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Directors on 29 April 2020.

### 40. 後續事項

- (a) 於2020年3月26日，本公司一家附屬公司與興創企業發展有限公司（「目標公司」，與其附屬公司合稱「目標集團」）的股東（「賣方」）訂立沒有法定約束力的共識備忘錄（「備忘錄」），本公司有意收購而賣方有意出售目標公司已發行股本51%。目標集團主要業務在香港生產及銷售用完即棄面罩（「意向交易」）。
- (b) 自2020年初以來，2019年冠狀病毒疾病的爆發已為全球宏觀經濟狀況帶來額外的不確定因素。本集團的財務表現或會受影響，而受影響的程度現階段無法合理估計。本集團會密切注意疫情的發展，並評估疫情對本集團財務狀況及經營業績的影響。

### 41. 授權刊發綜合財務報表

董事於2020年4月29日批准及授權刊發綜合財務報表。

# Financial Summary

## 財務概要

The following is a summary of the published results and assets and liabilities of the Group for the last three financial years. The financial information for the year ended/as at 31 December 2019 is extracted from the consolidated financial statements in this annual report.

以下為本集團於過去三個財政年度之已公佈業績與資產及負債概要。截至2019年12月31日止年度／於2019年12月31日的財務資料摘錄自本年報綜合財務報表。

### Results of the Group for the year ended 31 December 本集團截至12月31日止年度之業績

|  |               | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 | 2017<br>2017年<br>HK\$'000<br>千港元 | 2016<br>2016年<br>HK\$'000<br>千港元 |
|--|---------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Revenue  | 收益            | 198,050                          | 182,478                          | 174,817                          | 151,892                          |
| (Loss)/profit before taxation                  | 除稅前(虧損)/溢利    | (13,873)                         | (4,501)                          | 6,016                            | 5,902                            |
| Income tax expenses                            | 所得稅開支         | (675)                            | (2,603)                          | (2,056)                          | (1,835)                          |
| (Loss)/profit for the year                     | 年內(虧損)/溢利     | (14,548)                         | (7,104)                          | 3,960                            | 4,067                            |
| Other comprehensive income/(loss) for the year | 年內其他全面收入/(虧損) | 463                              | (78)                             | 490                              | (1,103)                          |
| Total comprehensive (loss)/income for the year | 年內全面(虧損)/收入總額 | (14,085)                         | (7,182)                          | 4,450                            | 2,964                            |

### Assets and liabilities of the Group as at 31 December 本集團於12月31日之資產及負債

|                         |       | 2019<br>2019年<br>HK\$'000<br>千港元 | 2018<br>2018年<br>HK\$'000<br>千港元 | 2017<br>2017年<br>HK\$'000<br>千港元 | 2016<br>2016年<br>HK\$'000<br>千港元 |
|-------------------------|-------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Non-current assets      | 非流動資產 | 52,975                           | 51,070                           | 51,439                           | 57,505                           |
| Current assets          | 流動資產  | 146,643                          | 150,903                          | 132,601                          | 123,540                          |
| Total assets            | 資產總值  | 199,618                          | 201,973                          | 184,040                          | 181,045                          |
| Current liabilities     | 流動負債  | 134,898                          | 123,306                          | 129,654                          | 153,578                          |
| Non-current liabilities | 非流動負債 | 1,743                            | 1,605                            | 22,486                           | 17                               |
| Net assets              | 資產淨值  | 62,977                           | 77,062                           | 31,900                           | 27,450                           |

HANVEY GROUP HOLDINGS LIMITED  
恆偉集團控股有限公司