

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



2020

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

GEM 乃為投資風險可能較聯交所其他中小型上市公司為高的公司而設的上市市場。有意投資者應了解投資該等公司的潛在風險，並應經過審慎周詳考慮後方可作出投資決定。

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。

Contents 目錄

3	Corporate Information 公司資料
5	Chairman's Statement 主席報告
7	Management Discussion and Analysis 管理層討論及分析
21	Corporate Governance Report 企業管治報告
33	Biographical Details of the Directors and Senior Management 董事及高級管理層的履歷詳情
41	Report of Directors 董事會報告
54	Environmental, Social and Governance Report 環境、社會及管治報告
67	Independent Auditors' Report 獨立核數師報告
74	Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表
75	Consolidated Statement of Financial Position 綜合財務狀況表
77	Consolidated Statement of Changes in Equity 綜合權益變動表
78	Consolidated Statement of Cash Flows 綜合現金流量表
81	Notes to the Consolidated Financial Statements 綜合財務報表附註
180	Financial Summary 財務概要

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 (resigned on 1 September 2020)

Independent Non-Executive Directors

Mr. Yu Sau Ning Homer M.H.
Mr. Zhao Zhipeng
Ms. Yee Wai Fong Wendy
Dr. Liu Ngai Wing

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 (resigned on 1 September 2020)
Ms. Au Corona Ching Mei M.H. (appointed on 1 September 2020)
Dr. Liu Ngai Wing (appointed on 1 September 2020)

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 (於2020年9月1日辭任)

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

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 (於2020年9月1日辭任)
歐靜美女士, M.H. (於2020年9月1日
獲委任)
廖毅榮博士 (於2020年9月1日獲委任)

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

TC & 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

核數師

國衛會計師事務所有限公司

香港法律顧問

崔曾律師事務所

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

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 2020.

BUSINESS REVIEW

For the year ended 31 December 2020, the Group's revenue amounted to approximately HK\$139.34 million, decreased by approximately 29.64% when compared with that for the corresponding period of 2019. The decrease was primarily due to, among other things, the imposition of quarantine, lockdown and travel restrictions as a result of the outbreak of the novel coronavirus pandemic (COVID-19) in January 2020. The pandemic resulted in weak demand and decrease sale of our products in our major markets. Nevertheless, with the availability of vaccines in January 2021, the number of infections in Asian countries has fallen. Hence, the demand for our products has gradually increased.

The Hong Kong Trade Development Council (“HKTDC”) used to conduct a survey every quarter, which involves interviewing 500 local exporters from six major industries that include machinery, electronics, jewellery, watches and clocks, toys and clothing to gauge their business confidence on near-term export prospects. According to the HKTDC's research entitled: “HKTDC Export Index 4Q20: Exporter Sentiment Improves as Initial Covid-19 Shockwave Recedes” dated 9 December 2020, the HKTDC Export Index (the “Index”) rose from 18.8 in the fourth quarter of 2019 (“4Q19”) to 36.2 in the fourth quarter of 2020 (“4Q20”). This suggests that exporters are less pessimistic with regard to their likely export performance in the coming months. However the overall Index which stays below the watershed mark of 50, indicates that considerable uncertainties remain with regard to the short term export outlook.

The HKTDC reported that, overall, a broad improvement in the economy was evident across all the major industry sectors, with timepieces rose from 15.5 in 4Q19 to 33.5 in 4Q20.

In terms of the major markets, Mainland China (48.4% of the interviewees) and ASEAN (47.2% of the interviewees) continued to command the most positive short-term market outlook.

With confidence ebbing back after the initial trauma of the Covid 19 outbreak, the HKTDC Export Index is continuing its gradual climb. This saw a rise from 18.8 in 4Q19 to 36.2 in 4Q20 and marked the third consecutive quarter of improvement. Although this does suggest that peak exporter pessimism has passed, it is still likely that Hong Kong exporters will face considerable challenges over the near term given that the overall Index remained in contractionary territory.

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2020年12月31日止年度的年報。

業務回顧

截至2020年12月31日止年度，本集團的收益約為139.34百萬港元，較2019年同期減少約29.64%，主要由於（其中包括）因2020年1月爆發新型冠狀病毒（COVID-19）大流行而採取隔離、封鎖及出行限制等措施。疫情導致我們主要市場的產品需求疲軟及銷量減少。然而，隨著2021年1月疫苗的供應，亞洲國家的感染數目下降。因此，我們的產品需求逐漸回升。

香港貿易發展局（「香港貿發局」）以往每季均會進行調查，訪問500名來自機械、電子、珠寶、鐘錶、玩具及成衣等六大行業的本地出口商，評估彼等對短期出口前景的商業信心。根據香港貿發局於2020年12月9日的「2020年第四季香港貿發局出口指數：疫情最初衝擊消退出口情緒有所改善」研究，香港貿發局出口指數（「指數」）從2019年第四季（「2019年第四季」）的18.8上升至2020年第四季（「2020年第四季」）的36.2，顯示出口商對未來幾個月的出口業績的悲觀情緒放緩。然而，整體指數維持低於50點的分水嶺，顯示短期出口前景存在一定的不確定因素。

據香港貿發局報告，整體而言，各個主要產業的經濟在整體上均有所改善，鐘錶業由2019年第四季的15.5上升至2020年第四季的33.5。

就主要市場而言，中國內地（48.4%受訪者）及東南亞國家聯盟（47.2%受訪者）繼續持有最美好的短期市場前景。

憑藉於COVID-19疫情最初重創後重振旗鼓的信心，香港貿發局出口指數繼續逐步爬升。由2019年第四季的18.8升至2020年第四季的36.2，標誌連續第三季有所改善。儘管這並不表示出口商的蕭條峰值已過，香港出口商近期仍有可能需面對大量挑戰，由整體指數維持於收縮範圍內可見。

Chairman's Statement

主席報告

OUTLOOK AND FUTURE PROSPECTS

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 countries and territories.

Although most international trade fairs have been cancelled or postponed due to the COVID-19 pandemic, but we can continue reaching out to overseas buyers via online fairs and platforms.

We would emphasize that the growth will be gradual and will depend to a large extent on how the global economy performs and whether the COVID-19 situation under control. Given the improved growth outlook for key external economies, as well as a further easing of the global and domestic public health measures with the availability of vaccines, the watch market is projected to return to growth in 2021.

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.

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 March 2021

展望及未來前景

新型冠狀病毒(COVID-19)的爆發對世界造成負面影響，疫情嚴重的國家及地區停止了大部分的社會和經濟活動。

儘管受COVID-19疫情影響，大部分國際貿易展覽取消或延期，我們繼續通過網上展覽及平台與海外買家聯繫。

我們強調增長將具有漸進性，且在很大程度上取決於全球經濟的表現以及COVID-19的情況是否受控。鑑於主要外部經濟體的增長前景有所改善，以及隨著疫苗的推出，全球及國內公共衛生措施進一步放鬆，鐘錶市場預計將於2021年恢復增長。

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。

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，2021年3月29日

Management Discussion and Analysis

管理層討論及分析

OVERVIEW

The Group is principally engaged in the 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 2020, the Group’s revenue amounted to approximately HK\$139.34 million, decreased by approximately 29.64% when compared with that for the corresponding period of 2019.

BUSINESS REVIEW

For the year ended 31 December 2020, the Group’s revenue amounted to approximately HK\$139.34 million, decreased by approximately 29.64% when compared with that for the corresponding period of 2019. The decrease was primarily due to, among other things, the imposition of quarantine, lockdown and travel restrictions as a result of the outbreak of the COVID-19 in January 2020. The pandemic resulted in weak demand and decrease in sale of our products in our major markets. Nevertheless, with the availability of vaccines in January 2021, the number of infections in Asian countries has fallen. Hence, the demand for our products has gradually increased.

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2020年12月31日止年度，本集團的收益約為139.34百萬港元，較2019年同期減少約29.64%。

業務回顧

截至2020年12月31日止年度，本集團的收益約為139.34百萬港元，較2019年同期減少約29.64%，主要由於（其中包括）因2020年1月爆發COVID-19而採取隔離、封鎖及出行限制等措施。疫情導致我們主要市場的產品需求疲軟及銷量減少。然而，隨著2021年1月疫苗的供應，亞洲國家的感染數目下降。因此，我們的產品需求逐漸回升。

Management Discussion and Analysis 管理層討論及分析

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憑藉於COVID-19疫情最初重創後重振旗鼓的信心，指數繼續逐步爬升。由2019年第四季的18.8升至2020年第四季的36.2，標誌連續第三季有所改善。儘管這並不表示出口商的蕭條峰值已過，香港出口商近期仍有可能需面對大量挑戰，由整體指數維持於收縮範圍內可見。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately HK\$58.71 million or approximately 29.64% from approximately HK\$198.05 million for the year ended 31 December 2019 to approximately HK\$139.34 million for the year ended 31 December 2020. The decrease was primarily due to, among other things, the imposition of quarantine, lockdown and travel restrictions as a result of the outbreak of the COVID-19 in January 2020. The pandemic resulted in weak demand and decrease in sale of our products in our major markets. Nevertheless, with the availability of vaccines in January 2021, the number of infections in Asian countries has fallen. Hence, the demand for our products has gradually increased.

Cost of sales

Our cost of sales decreased by approximately HK\$41.55 million or 28.12% from approximately HK\$147.74 million for the year ended 31 December 2019 to approximately HK\$106.19 million for the year ended 31 December 2020. The decrease was mainly due to the global lockdown caused by the outbreak of the COVID-19. Despite our management tried very hard to minimise its negative impact to our business, the cost of sales dropped 28.12% which is in line with our revenue which has dropped 29.64%.

Gross profit and gross profit margin

As a result of the decrease in revenue, our gross profit decreased by approximately HK\$17.17 million or approximately 34.13% from approximately HK\$50.31 million for the year ended 31 December 2019 to approximately HK\$33.14 million for the year ended 31 December 2020.

Selling and distribution expenses

Our selling and distribution expenses decreased by approximately HK\$0.99 million or approximately 18.54% from approximately HK\$5.34 million for the year ended 31 December 2019 to approximately HK\$4.35 million for the year ended 31 December 2020. The decrease was mainly due to the decrease in packing expenses and decrease in exhibition expenses as the Baselworld's 2020 show has been cancelled due to the outbreak of the COVID-19.

財務回顧

收益

本集團收益由截至2019年12月31日止年度約198.05百萬港元減少約58.71百萬港元或約29.64%至截至2020年12月31日止年度約139.34百萬港元，主要由於（其中包括）因2020年1月爆發COVID-19而採取隔離、封鎖及出行限制等措施。疫情導致我們主要市場的產品需求疲軟及銷量減少。然而，隨著2021年1月疫苗的供應，亞洲國家的感染數目下降。因此，我們的產品需求逐漸回升。

銷售成本

銷售成本由截至2019年12月31日止年度約147.74百萬港元減少約41.55百萬港元或28.12%至截至2020年12月31日止年度約106.19百萬港元，主要由於COVID-19導致全球封鎖所致。儘管管理層已盡力將其對我們的業務的負面影響降至最低，銷售成本下降28.12%，與收益下降29.64%一致。

毛利及毛利率

由於收益減少，毛利由截至2019年12月31日止年度約50.31百萬港元減少約17.17百萬港元或約34.13%至截至2020年12月31日止年度約33.14百萬港元。

銷售及分銷開支

銷售及分銷開支由截至2019年12月31日止年度約5.34百萬港元減少約0.99百萬港元或約18.54%至截至2020年12月31日止年度約4.35百萬港元，主要是由於2020巴塞爾世界鐘錶珠寶博覽會因COVID-19疫情而取消，導致包裝開支及展覽開支減少。

Management Discussion and Analysis

管理層討論及分析

Administrative expenses

Our administrative expenses decreased by approximately HK\$6.12 million or approximately 11.34% from approximately HK\$53.96 million for the year ended 31 December 2019 to approximately HK\$47.84 million for the year ended 31 December 2020. The decrease was primarily due to (i) the decrease in staff cost as a result of, among others, of a reduction in salaries and distribution of bonus to staff; (ii) the decrease in professional expenses for compliance; (iii) the decrease in travelling expenses; and (iv) the decrease in the Group's charitable donation.

Finance costs

Our finance costs increased by approximately HK\$1.01 million or approximately 25.31% from approximately HK\$3.99 million for the year ended 31 December 2019 to approximately HK\$5.00 million for the year ended 31 December 2020. The increase was mainly due to the Group obtaining more bank facilities to maintain its normal operation during business down turn cycle.

Loss before taxation

We recorded an increase in a loss before taxation of approximately HK\$26.19 million for the year ended 31 December 2020 as compared to the loss before taxation of approximately HK\$13.87 million for the year ended 31 December 2019.

Taxation

Our income tax expenses decreased by approximately HK\$0.66 million or approximately 97.06% from approximately HK\$0.68 million for the year ended 31 December 2019 to HK\$0.02 million for the year ended 31 December 2020. 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\$26.21 million for the year ended 31 December 2020 as compared to approximately HK\$14.55 million for the year ended 31 December 2019.

行政開支

行政開支由截至2019年12月31日止年度約53.96百萬港元減少約6.12百萬港元或約11.34%至截至2020年12月31日止年度約47.84百萬港元，主要是由於(i)(其中包括)員工減薪及向員工分派花紅致使員工成本減少；(ii)有關遵例的專業費用減少；(iii)交通費減少；及(iv)本集團慈善捐款減少。

財務成本

財務成本由截至2019年12月31日止年度約3.99百萬港元增加約1.01百萬港元或約25.31%至截至2020年12月31日止年度約5.00百萬港元，主要是由於本集團獲得更多銀行融資，以在經營不景氣的情況下保持正常營運週期。

除稅前虧損

我們於截至2020年12月31日止年度錄得除稅前虧損增加約26.19百萬港元，截至2019年12月31日止年度則錄得除稅前虧損約13.87百萬港元。

稅項

我們的所得稅開支由截至2019年12月31日止年度約0.68百萬港元減少約0.66百萬港元或約97.06%至截至2020年12月31日止年度0.02百萬港元，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2020年12月31日止年度錄得年內虧損約26.21百萬港元，截至2019年12月31日止年度錄得約14.55百萬港元。

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 2021. 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.

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 countries and territories. Although most international trade fairs have been cancelled or postponed due to the COVID-19 pandemic, we can continue reaching out to overseas buyers via online fairs and platforms.

With the emphasis that the growth will be gradual and will depend to a large extent on how the global economy performs and whether the COVID-19 situation is under control. Given the improved growth outlook for key external economies, as well as a further easing of global and domestic public health measures with the availability of vaccines, the watch market is expected to return to growth in 2021.

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.

CAPITAL STRUCTURE

There has been no change in the Company's capital structure for the year ended 31 December 2020. 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 2020, the Group had cash and cash equivalents of approximately HK\$17.85 million (2019: HK\$22.19 million). The current ratios (current asset divided by current liabilities) of the Group were 1.07 times and 1.09 times as at 31 December 2020 and 31 December 2019 respectively.

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

As at 31 December 2020, the gearing ratio of the Group calculated by total borrowings as a percentage of total equity was approximately 160%. (2019: 89%)

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2021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。

新型冠狀病毒(COVID-19)的爆發對世界造成負面影響，疫情嚴重的國家及地區停止了大部分的社會和經濟活動。儘管受COVID-19疫情影響，大部分國際貿易展覽取消或延期，我們繼續通過網上展覽及平台與海外買家聯繫。

我們強調增長將具有漸進性，且在很大程度上取決於全球經濟的表現以及COVID-19的情況是否受控。鑑於主要外部經濟體的增長前景有所改善，以及隨著疫苗的推出，全球及國內公共衛生措施進一步放鬆，鐘錶市場預計將於2021年恢復增長。

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。

資本架構

截至2020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2020年12月31日，本集團的現金及現金等價物約為17.85百萬港元(2019年：22.19百萬港元)。截至2020年12月31日及2019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1.07倍及1.09倍。

董事認為，於本年報日期，本集團財務資源足以支撐其業務及營運。

截至2020年12月31日，本集團資產負債比率(按借款總額佔權益總額的百分比計算)約為160%(2019年：89%)。

Management Discussion and Analysis

管理層討論及分析

COMMITMENTS

As at 31 December 2020, the Group had no capital commitments.

承擔

截至2020年12月31日，本集團並無任何資本承擔。

PLEDGE OF ASSETS

As at 31 December 2020, the following assets were pledged to bank to secure the Group's banking facilities:

資產抵押

2020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 千港元
Property, plant and equipment	物業、廠房及設備	56,563
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	17,780
Investment properties	投資物業	10,748
Pledged bank deposits	已抵押銀行存款	46,619
		131,710

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 2020, the Group neither took part in any derivatives activities nor entered into any hedging activities in respect of foreign exchange risk.

截至2020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 2020 (2019: Nil).

或然負債

截至2020年12月31日，本集團並無重大或然負債(2019年：零)。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, we had a total of 112 employees (2019: 166). The decrease was mainly due to the Group wants to have better management of our design, quality control and research & development. The management has outsourced our manufacturing part to a sub-contractor. Therefore, the number of employees has significantly decreased. 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 with the recommendation from the Remuneration Committee of the Company, having considered 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

Subsequent to the end of the reporting period, the Group had no significant events occurred.

僱員及薪酬政策

截至2020年12月31日，我們共有112名僱員（2019年：166名），主要由於本集團希望對設計、質量控制及研發有更好的管理。管理層已將生產部分外判予分包商，因此我們的僱員人數大幅減少。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

於報告期末後，本集團概無發生任何重大事項。

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 2020, 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2020年12月31日，本集團使用所得款項淨額如下：

			Amount utilised up to 31 December 2020 截至2020年 12月31日 已動用的金額 HK\$'000 千港元	Amount unutilised as at 31 December 2020 截至2020年 12月31日 未動用的金額 HK\$'000 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	2,739	–
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	480	–
Total	總計	34,470	34,470	–

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 2020:

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2020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 2020 於2020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, 2019 and 2020, the Group hired new graphic designers, product engineers, R&D staff and marketing staff and purchased hardware & software for new staff to expand our e-commerce customer base.
2018年、2019年及2020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，以擴大電子商務客戶群。

Strengthening of design capabilities
加強設計能力

In 2019, the Group purchased a new Metal 3D printer and certain ancillary products to the printer for an aggregate consideration of approximately HK\$2.1 million to strengthen our design capabilities.
2019年，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 obtained a property ownership certificate in 2020. The new factory is located in Shenzhen. The consideration for the purchase is 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 property comprises 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).
本集團於2020年取得物業權證。新工廠位於深圳市。收購代價為人民幣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))。工廠包括三個單位，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)。

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 2020, 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 this 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 2020.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in 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2020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2020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 2020 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2020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 are not aware of any business or interest of the Directors, the Controlling Shareholder and 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 2020.

NON-COMPETITION UNDERTAKING

Each of the controlling Shareholders has made an annual declaration to the Company that during the year ended 31 December 2020, 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 2020, 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 2020 (2019: 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 “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules during the year ended 31 December 2020, 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2020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2020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2020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2020年12月31日止年度，董事會不建議派付末期股息（2019年：零）。

企業管治守則

董事會認為，截至2020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 CG 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 of the fact 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 CG 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 CG 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 2020 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 CG Code, our Company's corporate governance practices have complied with the CG Code during the year ended 31 December 2020.

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 2020.

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定貫徹的領導，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2020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2020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2020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

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.

COMPOSITION OF THE BOARD

As at the date of this annual report, the Board comprises six Directors, including two 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 (resigned on 1 September 2020)

Independent Non-Executive Directors

Mr. Yu Sau Ning Homer M.H.
Mr. Zhao Zhipeng
Ms. Yee Wai Fong Wendy
Dr. Liu Ngai Wing

Biographical details of each Director and relationship between board members are set out on page 33 to page 40 of this annual report.

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。

董事會之組成

截至本年報日期，董事會由六名董事組成，包括兩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 (於2020年9月1日辭任)

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

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33頁至第40頁。

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.

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.

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。

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。

Corporate Governance Report

企業管治報告

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.

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 the 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 four Independent Non-executive Directors namely Mr. Yu Sau Ning Homer M.H., Mr. Zhao Zhipeng, Ms. Yee Wai Fong Wendy and Dr Liu Ngai Wing. 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 monitor the independence and objectivity of the external auditor, 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 2020 and review of result for three months ended 31 March 2020, six months ended 30 June 2020 and nine months ended 30 September 2020.

Remuneration Committee

The Company established a Remuneration Committee of the Company 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. Au Corona Ching Mei M.H. and three Independent Non-executive Directors, namely Mr. Zhao Zhipeng, Mr. Yu Sau Ning Homer M.H. and Dr. Liu Ngai Wing. 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 27 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。審核委員會由四名獨立非執行董事組成，即余壽寧先生，M.H.、趙志鵬先生、余蕙芳女士及廖毅榮博士。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、監督外部核數師的獨立性及客觀性、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2020年12月31日止年度之年度業績及財務報表，及審閱截至2020年3月31日止三個月、截至2020年6月30日止六個月及截至2020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，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歐靜美女士，M.H.及三名獨立非執行董事趙志鵬先生、余壽寧先生，M.H.及廖毅榮博士組成。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27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 Independent Non-executive Directors 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 2020 is set out in the table below:

Name of Directors 董事姓名	Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Annual General meeting 股東週年大會
Executive Directors 執行董事					
Mr. Cheuk Sin Cheong Clement 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. 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 (resigned on 1 September 2020) 卓凱瓊女士(於2020年9月1日辭任)	5/5	N/A 不適用	N/A 不適用	2/2	1/1
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.	6/6	3/4	1/1	2/2	1/1
Mr. Zhao Zhipeng 趙志鵬先生	6/6	4/4	N/A 不適用	2/2	1/1
Ms. Yee Wai Fong Wendy 余惠芳女士	6/6	4/4	1/1	N/A 不適用	1/1
Dr. Liu Ngai Wing 廖毅榮博士	6/6	N/A 不適用	N/A 不適用	N/A 不適用	1/1

董事出席紀錄及委員會成員

各董事出席本公司截至2020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：

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.

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 2020, 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 2020, 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 2020, 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2020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2020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2020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 2020. The analysis of the auditors' remuneration for the year ended 31 December 2020 is set out as follow:

Type of services provided by external auditors 外部核數師提供服務種類		Amount of fees 費用 HK\$'000 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 2020, 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 2020 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2020年12月31日止年度的核數師。截至2020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2020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2020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。

DISCLOSURE OF INSIDE INFORMATION

The Group complies with requirements of Securities Futures Ordinance (the “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(「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 and on the website of the Company at 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 及本公司網站 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 2020, 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2020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 62, 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 32 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 60, is our Executive Director, one of our Controlling Shareholders and the legal representative of Shenzhen 3 Wells Watch Company Limited. She is a member of our Remuneration Committee. 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 31 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，62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32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、卓凱瓊女士之父及歐紅慧女士之姐夫。

歐靜美女士，M.H. (「卓太太」)，60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。彼為薪酬委員會成員。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31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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YU Sau Ning Homer M.H. (余壽寧), aged 68, 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, the Remuneration Committee, the Audit Committee and the Nomination Committee.

Mr. Yu has 42 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.

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。

獨立非執行董事

余壽寧先生，M.H.，68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42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。

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

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.

Mr. ZHAO Zhipeng (趙志鵬), aged 37, 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, the Audit Committee and the Remuneration Committee.

Mr. Zhao has more than seven 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.

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。

趙志鵬先生，37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七年的經驗。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。

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

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 55, 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, the Audit Committee and the Nomination Committee.

Ms. Yee has more than 27 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，55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27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 70, is our Independent Non-executive Director. He is a member of our Remuneration Committee. 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，70歲，為獨立非執行董事，彼為薪酬委員會成員。彼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 40, 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 13 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 51, 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 25 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，40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13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，彼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，51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25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 54, is our vice general manager. She is responsible for overseeing research and development and procurement department.

Ms. Au has more than 32 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.

Ms. CHEUK Heide Oil-gei (卓凱璣), aged 32, is our 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 7 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.

歐紅慧女士，54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32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。

卓凱璣女士，32歲，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7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。

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 2020.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the 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 2020 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 74 to 180 of this annual report.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 180 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 2020, the revenue attributable to the Group's largest customer accounted for approximately 45.0% (2019: 46.3%) of the Group's total revenue and the revenue attributable to the Group's five largest customers accounted for approximately 79.25% (2019: 75.6%) of the Group's total revenue.

During the year ended 31 December 2020, the costs incurred in respect of the Group's largest supplier accounted for approximately 7.2% (2019: 7.0%) 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 29.86% (2019: 32.9%) 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 2020.

董事會報告

董事會提呈本公司截至2020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2020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74至第180頁經審核綜合財務報表。

財務資料概要

本集團於過去五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180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2020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45.0%（2019年：46.3%），而本集團五大客戶應佔收益佔本集團總收益約79.25%（2019年：75.6%）。

截至2020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7.2%（2019年：7.0%），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29.86%（2019年：32.9%）。

截至2020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 2020 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 2020 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 2020.

RESERVES

Details of movement in the reserves of the Group and the Company during the year ended 31 December 2020 are set out in the consolidated statement of changes in equity on page 77 and in note 30 to the consolidated financial statements respectively.

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 2020.

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 2020, 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2020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2020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2020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2020年12月31日止年度之儲備變動詳情分別載於第77頁綜合權益變動表及綜合財務報表附註30。

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2020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2020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 2020 are set out in note 36 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 2020 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 20 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 2020 is set out in the section headed "Environmental, Social and Governance Report" on pages 54 to 66 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 2020, 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2020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36。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2020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20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2020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54頁至第66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2020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。

Report of Directors

董事會報告

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 38 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38。

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 (resigned on 1 September 2020)

Independent non-executive Directors

Mr. YU Sau Ning Homer M.H.
Mr. ZHAO Zhipeng
Ms. YEE Wai Fong Wendy
Dr. LIU Ngai Wing

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. Zhao Zhipeng and Ms. Au Corona Ching Mei M.H. 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 2020.

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(於2020年9月1日辭任)

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

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，趙志鵬先生及歐靜美女士·M.H. 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2020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 33 to 40 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 36 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 2020.

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 2020.

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 2020 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33至第40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36所披露之關聯方交易及關連交易外，截至2020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2020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2020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 2020. In addition, the Company has also maintained Directors' and officers' liability insurance during the year ended 31 December 2020, which provides appropriate cover for the directors and officers of the Group.

MANAGEMENT CONTRACTS

As at 31 December 2020, 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 2020 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2020年12月31日止年度生效。此外，本公司亦於截至2020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2020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2020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 2020, 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:

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2020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 董事姓名	Capacity/Nature of Interest 身份／權益性質	Long position 好倉	
		Number of ordinary shares 普通股數目	Percentage of total number of shares 佔股份總數百分比
Mr. Cheuk Sin Cheong, Clement ("Mr. Cheuk") (Note) 卓善章先生(「卓先生」)(附註)	Interest in controlled corporation 受控制法團權益	620,000,000	62%
Ms. Au Corona Ching Mei M.H. ("Mrs. Cheuk") (Note) 歐靜美女士，M.H.(「卓太太」) (附註)	Interest in controlled corporation 受控制法團權益	620,000,000	62%

Note: 620,000,000 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.

附註：620,000,000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 董事姓名	Name of associated corporation 相聯法團名稱	Capacity/ Nature of Interest 身份／ 權益性質	Long position 好倉	
			Number of ordinary shares 普通股數目	Percentage of total number of shares 佔股份總數百分比
Mr. Cheuk 卓先生	Million Easy 萬宜	Beneficial Interest 實益權益	1	50%
Mrs. Cheuk 卓太太	Million Easy 萬宜	Beneficial Interest 實益權益	1	50%

Save as disclosed above, as at 31 December 2020, 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2020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。

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

As at 31 December 2020, 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	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	620,000,000	62%
萬宜	實益權益	620,000,000 股	62%

Save as disclosed above, as at 31 December 2020, 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 2020. The Company had not redeemed any of its listed securities during the year ended 31 December 2020.

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 2020.

主要股東於本公司之股份及相關股份的權益及／或淡倉

於2020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：

Long position		好倉	
Number of ordinary shares	Percentage of total number of shares	普通股數目	佔股份總數百分比
620,000,000	62%	620,000,000 股	62%

除上文所披露者外，於2020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2020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。截至2020年12月31日止年度，本公司亦無贖回其任何上市證券。

競爭及利益衝突

截至2020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 21 to 32 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 2020 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 2020.

DONATION

During the year ended 31 December 2020, the Group made charitable and other donations amounting to approximately HK\$0.78 million (2019: HK\$1.87 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 2020 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 March 2021

企業管治

本公司的企業管治常規詳情載於本年報第21至第32頁的企業管治報告內。

足夠公眾持股量

截至2020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2020年12月31日止年度，董事會不建議派付末期股息。

捐款

截至2020年12月31日止年度，本集團作慈善及其他用途之捐款約0.78百萬港元（2019年：1.87百萬港元）。

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2020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，2021年3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 2020 (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2020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 persistently 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 the “Environmental Protection Law of the People’s Republic of China”, the “Solid Waste Pollution Prevention and Control Law of the People’s Republic of China”, the “Cleaner Production Promotion Law of the People’s Republic of China” and the “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 is 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_x”), nitrogen oxides (“NO_x”) 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 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。

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

Type of emission 類型	Unit 單位	Emissions 排放量	
		2020 2020年	2019 2019年
Air emissions 廢氣排放量			
Nitrogen oxides 氮氧化物	g 克	33,534	30,767
Sulphur oxides 硫氧化物	g 克	224	333
Respiratory suspended particles 可吸入懸浮粒子	g 克	2,469	2,265
GHG emissions 溫室氣體排放量			
Scope 1 範圍1	Tonnes CO ₂ e 噸二氧化碳當量	41	61
Scope 2 範圍2	Tonnes CO ₂ e 噸二氧化碳當量	254	328
Scope 3 範圍3	Tonnes CO ₂ e 噸二氧化碳當量	15	44
Total (Scope 1, 2 & 3) 總計(範圍1、2及3)	Tonnes CO ₂ e 噸二氧化碳當量	310	433
Emission intensity 排放量密度	Per HK\$1M turnover 每百萬港元營業額	2.22	2.19

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.

The following measures have been implemented by the Group:

- duplex printings and reuse single-sided printed papers,
- using durable tableware instead of non-recyclable or disposable ones in staff canteen in PRC; and
- providing reusable face mask and protective cap to staff.

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。

本集團已實施以下措施：

- 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 negative 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.

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負面影響。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。

Environmental, Social and Governance Report

環境、社會及管治報告

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.

水

本集團主營業務為製造及分銷手錶產品，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 (unit per HK\$1M turnover)	
		2020 2020年	2019 2019年	2020 2020年	2019 2019年
Electricity					
電力					
Office	kWh	56,617	53,093	406	268
辦公室	千瓦時				
Factory	kWh	280,029	364,005	2,010	1,838
工廠	千瓦時				
Water	Tonne	3,337	4,284	24	22
水	噸				
Petrol	L	15,209	22,262	109	112
汽油	升				
Paper	Kg	1,764	1,609	13	8
紙張	千克				

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 51% and 9% respectively.

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51%及9%。

Environmental, Social and Governance Report

環境、社會及管治報告

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 (unit per HK\$1M turnover) 密度 (每百萬港元營業額)
類型	單位	使用量	
Gift box 禮品盒	box 盒	34,410	247
Plastic packing materials 塑料包裝材料	kg 千克	2,097	15

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：

The environmental and natural resources

To lower the adverse environmental impact and use of natural resources, the management of the Group will 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.

環境及自然資源

為降低不利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 is 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 員工數量	Percentage of total staff 佔員工總數 百分比	Staff turnover rate 員工 流動率
Total number of employees	僱員總數	112	100	58.7
<i>Gender</i>	<i>性別</i>			
Male	男性	39	34.6	76.1
Female	女性	73	65.4	48.7
<i>Age Group</i>	<i>年齡組</i>			
18–30	18至30歲	18	15.9	66.3
31–40	31至40歲	49	43.9	57.8
41–50	41至50歲	32	29.0	54.4
51 or above	51歲或以上	13	11.2	61.1
<i>Geographical region</i>	<i>地理區域</i>			
China	中國	92	82.2	66.3
Hong Kong	香港	20	17.8	11.1
<i>Employee categories</i>	<i>僱員類別</i>			
Senior management	高級管理層	6	5.6	0
Middle management	中級管理層	16	14.0	21.9
General staff	普通員工	90	80.4	66.2
<i>Service period</i>	<i>服務期限</i>			
Less than 5 years	少於五年	51	45.8	79.6
5 to 10 years	五至十年	24	21.5	19.9
Over 10 years	十年以上	37	32.7	56.7

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 is 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	2020 2020年	2019 2019年
Number of lost days due to work injury 因工傷損失的工作日數	Nil 無	Nil 無
Number of work-related fatalities 工作死亡人數	Nil 無	Nil 無
Number of work injuries 工傷人數	Nil 無	Nil 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 is not aware of any non-compliance of 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 the suppliers will provide sufficient after-sales services, that being one of the prerequisites of the business relationship. Additionally, the Group will request the suppliers to comply with the 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 is not up to standard will 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 tries to source the raw materials locally. During the Reporting Period, the Group has 1,093 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 has been 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，本集團將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1,093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9001認證。本集團的生產基地於2017年通過9001:2015質量管理體系認證。為確保持續遵守9001質量管理體系認證所列規定，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 customers' 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 is 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 is not aware of any noncompliance 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\$0.78 million to various charity organisations. The beneficiary institutions included Po Leung Kuk, the Vocational Training Council and Yan Oi Tong, 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0.78百萬港元。受益機構包括保良局、職業訓練局及仁愛堂。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 74 to 180, which comprise the consolidated statement of financial position as at 31 December 2020, 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 2020, 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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中環
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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74至180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2020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2020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 Notes 3 and 20 to the consolidated financial statements.

As at 31 December 2020, the Group had gross trade receivables of approximately HK\$18,303,000 (2019: HK\$45,068,000) and allowance for expected credit losses ("ECL") of approximately HK\$2,113,000 (2019: HK\$401,000).

In general, the credit terms granted by the Group to the customers ranged between 30 to 90 days (2019: 30 to 90 days). Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of allowance for expected credit losses 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20。

貴集團於2020年12月31日有貿易應收款項總額約18,303,000港元(2019年:45,068,000港元)及預期信貸虧損(「預期信貸虧損」)撥備約2,113,000港元(2019年:401,000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(2019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預期信貸虧損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;
- Checking, on a sample basis, the ageing profile of the trade receivables as at 31 December 2020 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主要監控；
- 抽樣檢查於2020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 Notes 3, 5 and 6 to 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 significant volume of revenue transactions generated in different locations.

請參閱綜合財務報表附註3、5及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 and evaluating the 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 balances 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 that the amount and timing of the revenue recorded were supportable by 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，了解及評估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管理監控；
- 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, actions taken to eliminate threats or safeguards applied.

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消除威脅的行動或所採取的防範措施。

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 March 2021

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，2021年3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 2020 截至2020年12月31日止年度

		Year ended 31 December 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
		Notes 附註	
Revenue	收益	6	139,335
Cost of sales	銷售成本		(106,192)
Gross profit	毛利		33,143
Other income and other loss, net	其他收入及其他虧損淨額	7	(2,142)
Selling and distribution expenses	銷售及分銷開支		(4,350)
Administrative expenses	行政開支		(47,838)
Finance costs	財務成本	8	(4,999)
Loss before tax	除稅前虧損	9	(26,186)
Income tax expense	所得稅開支	12	(22)
Loss for the year attributable to: Owners of the Company	應佔年內虧損： 本公司擁有人		(26,208)
Other comprehensive income Item that may be reclassified subsequently to profit or loss: Exchange differences arising on translating	其他全面收入 其後可重新分類至損益 的項目： 換算產生的匯兌差額		3,053
Other comprehensive income for the year, net of tax	年內其他全面收入， 扣除稅項		463
Total comprehensive expense for the year attributable to Owners of the Company	應佔年內全面開支總額 本公司擁有人		(23,155)
Loss per share attributable to equity owners of the Company Basic and diluted (HK\$ cents)	本公司權益擁有人應佔 每股虧損 基本及攤薄(港仙)	14	(2.62)

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 2020 於2020年12月31日

		As at 31 December 於12月31日	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
	Notes 附註		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	15	68,986
Right-of-use assets	使用權資產	16	2,939
Investment properties	投資物業	17	10,748
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
		83,118	52,975
Current assets	流動資產		
Inventories	存貨	19	20,233
Trade receivables	貿易應收款項	20	16,190
Other receivables, deposits and prepayments	其他應收款項、按金及預付款	21	7,678
Financial asset at fair value through profit or loss	按公平值計入損益的金融資產	22	18,157
Tax recoverable	可收回稅項		466
Pledged bank deposits	已抵押銀行存款	23	46,619
Cash and bank balances	現金及銀行結餘	23	17,854
		127,197	146,643
Current liabilities	流動負債		
Trade and bills payables	貿易應付款項及應付票據	24	55,252
Other payables and accrued expenses	其他應付款項及應計費用	25	5,990
Contract liabilities	合約負債	26	1,915
Bank overdrafts	銀行透支	27	2,485
Borrowings	借款	27	51,888
Lease liabilities	租賃負債	28	1,274
Tax payable	應付稅項		65
		118,869	134,898
Net current assets	流動資產淨額		8,328
Total assets less current liabilities	資產總值減流動負債		91,446

Consolidated Statement of Financial Position

綜合財務狀況表

		As at 31 December 於 12 月 31 日		
		Notes 附註	2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Non-current liabilities	非流動負債			
Borrowings	借款	27	50,724	–
Lease liabilities	租賃負債	28	900	1,743
			51,624	1,743
Net assets	資產淨值		39,822	62,977
Capital and reserves	資本及儲備			
Share capital	股本	29	10,000	10,000
Reserves	儲備		29,822	52,977
Total equity	權益總額		39,822	62,977

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 March 2021 and signed on its behalf by:

董事會於 2021 年 3 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 2020 截至2020年12月31日止年度

		Share Capital	Share premium	Exchange reserves	Other reserve	Retained earnings/ (accumulated losses)	Total
		股本	股份溢價	匯兌儲備 (Note (a)) (附註(a))	其他儲備 (Note (b)) (附註(b))	保留盈利/ (累計虧損)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2019	於2019年1月1日	10,000	42,344	(515)	1,000	24,233	77,062
Loss for the year	年內虧損	-	-	-	-	(14,548)	(14,548)
Other comprehensive income for the year	年內其他全面收入	-	-	463	-	-	463
Total comprehensive income/ (expense) for the year	年內全面收入/(開支) 總額	-	-	463	-	(14,548)	(14,085)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	10,000	42,344	(52)	1,000	9,685	62,977
Loss for the year	年內虧損	-	-	-	-	(26,208)	(26,208)
Other comprehensive income for the year	年內其他全面收入	-	-	3,053	-	-	3,053
Total comprehensive income/ (expense) for the year	年內全面收入/(開支) 總額	-	-	3,053	-	(26,208)	(23,155)
At 31 December 2020	於2020年12月31日	10,000	42,344	3,001	1,000	(16,523)	39,822

Notes:

- (a) The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (b) The other reserve is according to the reorganisation and pursuant to the Sale and Purchase Agreement of 3 Wells Watch Industries Limited dated 4 August 2017, Precise Time Global Limited acquired 1,000,000 ordinary shares of 3 Wells Watch Industries Limited (representing the entire issued share capital of 3 Wells Watch Industries Limited) from Million Easy Enterprises Limited, and in consideration thereof, Beyond Blossom Investments Limited allotted and issued one share, credited as fully paid, to the Company as directed by Million Easy Enterprises Limited.

附註：

- (a) 匯兌儲備包括換算海外業務財務報表產生的所有外匯差異。
- (b) 其他儲備乃根據重組及根據三井錶業有限公司日期為2017年8月4日的買賣協議，準時環球有限公司向萬宜集團有限公司收購1,000,000股三井錶業有限公司普通股（指三井錶業有限公司全部已發行股本），代價是超盛投資有限公司按萬宜集團有限公司的指示向本公司配發及發行一股入賬列作繳足股份。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020 截至2020年12月31日止年度

		Year ended 31 December 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
	Notes 附註		
Operating activities	經營活動		
Loss before tax	除稅前虧損	(26,186)	(13,873)
Adjustments for:	對以下項目進行調整：		
Interest income	利息收入	(154)	(958)
Net foreign exchange loss/(gain), net	匯兌虧損／(收益)淨額	220	(328)
Loss on disposal of right-of-use assets, net	出售使用權資產虧損淨額	240	—
Finance costs	融資成本	4,999	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	3,452	600
Net loss 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淨額	835	1,829
Written-down of inventories	存貨撇減	834	455
Allowance for expected credit loss on trade receivables	貿易應收款項的預期信貸虧損撥備	1,712	7
Depreciation of right-of-use assets	使用權資產折舊	1,864	2,286
Depreciation of property, plant and equipment	物業、廠房及設備折舊	5,149	4,505
Operating cash flows before movements in working capital	營運資金變動前經營現金流	(7,035)	(1,484)
Decrease/(increase) in inventories	存貨減少／(增加)	2,968	(7,106)
Decrease/(increase) in trade receivables	貿易應收款項減少／(增加)	26,765	(1,200)
Decrease/(increase) in other receivables, deposits and prepayments	其他應收款項、按金及預付款(減少)／增加	2,415	(23,302)
(Decrease)/increase in trade and bills payables	貿易應付款項及應付票據增加(減少)／增加	(21,133)	7,424
Decrease in contract liabilities	合約負債減少	(886)	(986)
(Decrease)/increase in other payables and accrued expenses	其他應付款項及應計開支(減少)／增加	(1,949)	2,026

Consolidated Statement of Cash Flows

綜合現金流量表

		Year ended 31 December 截至 12 月 31 日止年度	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Cash generated from/(used in) operating activities	經營活動所得／(所用)現金	1,145	(24,628)
Income tax paid	已付所得稅	(2,881)	(619)
Income tax refunded	所得稅退款	1,134	–
Net cash used in operating activities	經營活動所用現金淨額	(602)	(25,247)
Investing activities	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(17,551)	(5,137)
Purchase 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	(1,896)	(7,119)
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	2,076	7,894
Increase in deposit for life insurance (Increase)/decrease in pledged bank deposits	人壽保險按金增加 已抵押銀行存款 (增加)／減少	(432)	–
Interest received	已收利息	154	634
Net cash (used in)/generated from investing activities	投資活動(所用)／所得現金淨額	(57,550)	11,255
Financing activities	融資活動		
Repayment of lease liabilities	償還租賃負債	(2,533)	(2,753)
Leases interest paid	已付租賃利息	(150)	(221)
Borrowings interest paid	已付借款利息	(4,814)	(3,741)
Overdraft interest paid	已付透支利息	(35)	(31)
Proceeds from borrowings	借款所得款項	172,142	159,297
Repayments of borrowings	償還借款	(112,386)	(159,564)
Net cash generated from/(used in) financing activities	融資活動所得／(所用)現金淨額	52,224	(7,013)

Consolidated Statement of Cash Flows 綜合現金流量表

		Year ended 31 December 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
		Notes 附註	
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(5,928) (21,005)
Cash and cash equivalents at the beginning of the year	年初現金及現金等價物		20,261 40,333
Effect of foreign exchange rate changes	外匯匯率變動的影響		1,036 933
Cash and cash equivalents at the end of the year	年末現金及現金等價物		15,369 20,261
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘分析：		
Cash and bank balances	現金及銀行結餘	23	17,854 22,190
Bank overdrafts	銀行透支	27	(2,485) (1,929)
Cash and cash equivalents as stated in the consolidated statement of cash flows	綜合現金流量表呈列的現金及現金等價物	23	15,369 20,261

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至2020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”)

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

In the current year, the Group has applied the *Amendments to References to Conceptual Framework in HKFRSs* and the following amendments to HKFRS issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”) for the first time for their annual reporting period commencing 1 January 2020:

Amendments to HKAS 1 and HKAS 8	– Definition of Material
Amendments to HKFRS 3	– Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	– Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in HKFRSs* and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performances for the current and prior years and on the disclosures set out in these consolidated financial statements.

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」）

於本年度強制生效的新訂及經修訂香港財務報告準則

於本年度，本集團已應用香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則對概念框架指引的修訂及以下對香港財務報告準則的修訂，首次應用於2020年1月1日起的年度報告期間：

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
香港財務報告準則第3號（修訂本）	— 業務的定義
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

本年度應用香港財務報告準則概念框架指引的修訂及香港財務報告準則的修訂對本集團本年度及過往年度的財務狀況及表現以及該等綜合財務報表所載的披露並無重大影響。

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 in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 16	COVID-19-Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Costs of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

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

⁴ Effective for annual periods beginning on or after 1 June 2020.

⁵ Effective for annual periods beginning on or after 1 January 2021.

The directors of the Company anticipate that the application of all 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

本集團尚未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：

香港財務報告準則第17號	保險合約及相關修訂 ¹
香港財務報告準則第16號（修訂本）	COVID-19相關租金優惠 ⁴
香港財務報告準則第3號（修訂本）	概念框架指引 ²
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號（修訂本）	利率基準改革 – 第2階段 ⁵
香港財務報告準則第10號及香港會計準則第28號	投資者與其聯營公司或合營企業之間的資產出售或出資 ³
香港會計準則第1號（修訂本）	將負債分類為流動或非流動以及香港詮釋第5號（2020年）之有關修訂 ¹
香港會計準則第16號（修訂本）	物業、廠房及設備 – 擬定用途前之所得款項 ²
香港會計準則第37號（修訂本）	有償合約 – 履行一份合約之成本 ²
香港財務報告準則（修訂本）	香港財務報告準則2018年至2020年之年度改進 ²

¹ 於2023年1月1日或之後開始的年度期間生效。

² 於2022年1月1日或之後開始的年度期間生效。

³ 於待定期或之後開始的年度期間生效。

⁴ 於2020年6月1日或之後開始的年度期間生效。

⁵ 於2021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其他新訂及經修訂香港財務報告準則將不會對綜合財務報表於可見將來造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

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

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

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 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

3. 編製基準及重大會計政策

編製基準

綜合財務報表已按照香港會計師公會頒佈的香港財務報告準則編製。就編製綜合財務報表而言，倘合理預期信息對主要使用者作出的決定造成影響，則該信息屬重大。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「**上市規則**」）及香港公司條例規定的適用披露。

除若干物業及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。

公平值指在市場參與者於計量日期進行之有序交易中出售資產所收取或轉移負債所支付之價格，而不論該價格是否直接觀察或使用其他估值方法進行估計。在對資產或負債的公平值作出估計時，本集團會考慮市場參與者於計量日期為該資產或負債進行定價時將會考慮的特徵。於此等綜合財務報表中計量及／或披露的公平值均按此基準釐定，惟香港財務報告準則第2號以股份為基礎之支付範圍內的以股份付款交易、根據香港財務報告準則第16號租賃入賬的租賃交易及與公平值類似但並非公平值的計量（例如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

就按公平值交易之金融工具及投資物業及於其後期間應用不可觀察輸入數據計量公平值之估值方法，估值方法應予校正，以便初步確認時估值方法之結果相等於交易價格。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Preparation (Continued)

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.

Significant accounting policies

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group which qualifies as business combination, except for those acquisitions which qualify as a common control combination and are therefore accounted for using the merger accounting.

3. 編製基準及重大會計政策 (續)

編製基準(續)

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。

重大會計政策

附屬公司

附屬公司指本集團通常擁有其超過半數表決權的股權而有權規管其財務及經營政策的所有實體（包括特殊目的實體）。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換的潛在表決權的存在及影響。

本集團收購附屬公司如符合資格作為業務合併，會採用收購會計法列賬，惟如收購符合資格作為共同控制合併，則採用合併會計法列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Preparation (Continued)

Significant accounting policies (Continued)

Subsidiaries (Continued)

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange and, all acquisition-related costs are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statements of profit or loss and other comprehensive income.

Basis of consolidation

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

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

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

3. 編製基準及重大會計政策 (續)

編製基準(續)

重大會計政策(續)

附屬公司(續)

根據收購會計法，附屬公司由控制權轉讓予本集團當日起全面綜合入賬，並於控制權終止當日終止綜合入賬。收購成本乃按交易當日所獲資產、所發行權益工具及所產生或承擔負債的公平值計算，所有與收購有關的成本均會支銷。在業務合併過程中所收購可識別資產以及所承擔負債及或然負債，均於收購當日按其公平值初步計量。本集團根據個別收購基準，按非控股權益應佔被收購方資產淨值的比例，確認於被收購方的任何非控股權益。

所轉讓代價、於被收購方的任何非控股權益金額及任何先前於被收購方的股權於收購日期的公平值超過所收購可識別資產淨值的公平值的差額入賬列作商譽。倘該數額低於以議價收購附屬公司資產淨值的公平值，則該差額會直接於綜合損益及其他全面收益表確認。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Preparation (Continued)

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 period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

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

3. 編製基準及重大會計政策 (續)

編製基準(續)

重大會計政策(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，期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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and other income

Revenue from contracts with customers

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

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

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

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates 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. 編製基準及重大會計政策 (續)

收益及其他收入

來自客戶的合約收益

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.

3. 編製基準及重大會計政策 (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。

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:

Revenue from sales of watches

Revenue from sales of watches are recognised when control of goods has transferred, being the time when the products are delivered to customers and title is passed.

Property, Plant and Equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values 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.

3. 編製基準及重大會計政策 (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：

銷售手錶所得收益

銷售手錶所得收益在產品的控制權轉移時確認，即在產品交付予客戶及轉移所有權時。

物業、廠房及設備

物業、廠房及設備包括租賃土地，乃於綜合財務狀況表按成本減其後累計折舊及累計減值虧損(如有)入賬。

物業、廠房及設備項目按其估計可使用年期，經扣除其剩餘價值後採用直線法確認折舊，以撇銷成本。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，任何估計變動影響按前瞻基準列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND 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 items of property, plant and equipment, after taking into account the residual values, are depreciated 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

3. 編製基準及重大會計政策 (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。

於考慮剩餘價值後，物業、廠房及設備項目按以下年利率以直線法計提折舊。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment Losses on Non-Financial Assets

At the end of the reporting period, the Group reviews the carrying amounts of its non-financial 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 ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When allocating an impairment loss to individual assets within a CGU, the carrying amount of an individual asset should not be reduced below the highest of its fair value less cost of disposal (if measurable), its value in use (if determinable), and zero. If this results in an amount being allocated to an asset which is less than its pro rata share of the impairment loss, the excess is allocated to the remaining assets within the CGU on a pro rata basis.

3. 編製基準及重大會計政策 (續)

非金融資產減值虧損

本集團於報告期末檢討非金融資產之賬面值，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。

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(或現金產生單位)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。

當減值虧損被分配至現金產生單位內個別資產時，個別資產的賬面值不能減少至低於公平值減出售成本(如可計量)、使用價值(如可釐訂)與零三者間之較高者。如被分配至個別資產的金額低於其按比例作出分配之減值虧損時，超出之金額會按比例被分配至現金產生單位內的其他資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment Losses on Non-Financial Assets

(Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the CGU) 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 the CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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. 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. 編製基準及重大會計政策

(續)

非金融資產減值虧損(續)

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為收益。

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。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. BASIS OF PREPARATION AND 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. 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 receivable arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

Classification and measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. 編製基準及重大會計政策 (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。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（初步按香港財務報告準則第15號來自客戶合約的收益計量）除外。收購或發行金融資產及金融負債（除了按公平值計入損益（「按公平值計入損益」）的金融資產或金融負債）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。直接歸屬於收購金融資產或按公平值計入損益的金融負債的交易成本立即於損益確認。

金融資產

金融資產的分類及計量

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（「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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL.

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.

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.

3. 編製基準及重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及計量 (續)

所有其他金融資產其後按公平值計入損益計量。

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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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 income and other loss, net" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets which are subject to impairment assessment under HKFRS 9 (including trade and other receivables, pledged bank deposit and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component.

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, in which case 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.

3. 編製基準及重大會計政策 (續)

金融工具 (續)

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「其他收入及其他虧損淨額」項目。

金融資產減值

本集團根據預期信貸虧損（「預期信貸虧損」）模型對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、有抵押銀行存款及銀行結餘）進行減值評估。預期信貸虧損金額於各報告日期更新，以反映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日期後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日期當前狀況的評估以及對未來狀況的預測作出調整。

對貿易應收款項及沒有重大融資組成部分的合約資產，本集團一直確認整個全期預期信貸虧損。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

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.

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.

3. 編製基準及重大會計政策 (續)

金融工具 (續)

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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Significant increase in credit risk (Continued)

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.

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. 編製基準及重大會計政策 (續)

金融工具 (續)

信貸風險顯著增加 (續)

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。

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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (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 and 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. 編製基準及重大會計政策 (續)

金融工具 (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及前瞻性資料。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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Measurement and recognition of ECL (Continued)

For collective assessment, the Group take into consideration the following characteristics when formulating the grouping:

- Nature of financial instruments (i.e. the Group's trade and other receivable) and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for ECL 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.

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.

3. 編製基準及重大會計政策 (續)

金融工具 (續)

預期信貸虧損之計量及確認 (續)

就集體評估而言，本集團進行分類時會考慮以下特徵：

- 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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity instruments

(Continued)

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 income and 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 asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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 other payables, bills payables, lease liabilities, bank overdrafts and borrowings) are subsequently measured at amortised cost, using the effective interest method.

3. 編製基準及重大會計政策

(續)

金融負債及股本工具(續)

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。

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(貿易應付款項及其他應付款項、應付票據、租賃負債、銀行透支及借款)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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity instruments

(Continued)

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 profit or loss.

Leasing

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application or arising from business combinations, 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.

3. 編製基準及重大會計政策 (續)

金融負債及股本工具 (續)

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。

租賃

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。

對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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and 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.

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.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of property 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. 編製基準及重大會計政策

(續)

租賃(續)

作為承租人

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。

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。

作為權宜之計，當本集團合理預期對財務報表的影響不會與組合內的個別租賃有重大差異時，具有類似特性的租賃按組合基準入賬。

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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

As a lessee (Continued)

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.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). 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 is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3. 編製基準及重大會計政策

(續)

租賃(續)

作為承租人(續)

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。

本集團於租賃開始日期(即相關資產可供使用日期)確認使用權資產。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。

本集團於綜合財務狀況表獨立呈列使用權資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

As a lessee (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.

The lease payments include:

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

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

3. 編製基準及重大會計政策

(續)

租賃(續)

作為承租人(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。

租賃負債包括：

- 固定付款(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，取決於最初使用開始日的指數或利率衡量的指數或利率；
- 根據剩餘價值擔保預期本集團將予支付金額；
- 合理確定將由本集團行使購買選擇權的行使價；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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

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

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. 編製基準及重大會計政策 (續)

租賃 (續)

作為承租人 (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。

本集團於綜合財務狀況表中單獨呈列租賃負債。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

As a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the investment properties are presented as "other income and other loss, net".

Allocation of consideration to components of a contract

The Group applies HKFRS 15 *Revenue From Contracts with Customers* to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

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.

3. 編製基準及重大會計政策

(續)

租賃(續)

作為出租人

租賃的分類及計量

本集團作為出租人的租賃分類為融資租賃或經營租賃。當租賃的條款將與相關資產所有權相關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。

來自投資物業的租金收入列為「其他收入及其他虧損淨額」。

將代價分配至合約組成部分

本集團應用香港財務報告準則第15號來自客戶合約的收益，將合約代價分攤至租賃及非租賃組成部分。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。

租賃修改

並非原先條款及條件一部分的租賃合約代價變動列作租賃修改，包括透過寬免或減少租金提供的租賃優惠。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity-Settled Share-Based Payment Transactions

Share options granted to directors, employees and others providing similar services rendered by employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

3. 編製基準及重大會計政策 (續)

以股本結算股份支付的交易

授予董事、僱員及提供類似僱員服務的其他人員的購股權

參考所授出購股權於授出日期的公平值釐定的所獲服務的公平值，以直線法於歸屬期間列作開支，並相應增加權益(購股權儲備)。

於報告期末，本集團修訂其對預期最終將予歸屬之購股權數目之估計。於歸屬期內修訂原先估計之影響(如有)乃於損益確認，致使累計開支反映經修訂估計，而相應調整計入購股權儲備。

當購股權獲行使時，先前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使時，先前於購股權儲備確認之金額將轉撥至保留收益。

稅項

所得稅開支指即期應付稅項及遞延稅項總和。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利有別於除稅前溢利/(虧損)，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報告期末已頒佈或實際頒佈的稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profit against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

3. 編製基準及重大會計政策 (續)

稅項 (續)

遞延稅項就綜合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，則不會確認該等資產及負債。

遞延稅項負債乃按與於附屬公司及聯營公司之投資相關之應課稅臨時性差異確認，惟若本集團可控制臨時性差異撥回及臨時性差異有可能未必於可見未來之情況下撥回除外。與該等投資相關之可扣減臨時性差異所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用臨時性差異之益處，且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於報告期末檢討，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。

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。

遞延稅項負債及資產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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

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 on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Current and deferred tax is recognised in profit or loss.

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

3. 編製基準及重大會計政策

(續) 稅項(續)

就計量使用公平值模式計量的投資物業的遞延稅項，有關物業的賬面值假定為可透過出售全部收回，除非有關假設被駁回。當投資物業可折舊及按目的為在一段時間內消耗絕大部分投資物業所附帶經濟利益的業務模式持有（而不是透過銷售）時，則該假設駁回，惟永久業權土地一直假定為可透過銷售全數收回。

就稅項扣減乃源自租賃負債之租賃交易而言，本集團分別對使用權資產及租賃負債應用香港會計準則第12號所得稅之規定。由於應用初始確認豁免，與使用權資產及租賃負債有關之暫時差額不會於初始確認時及於租賃期內確認。因重新計量租賃負債和租賃修改，導致使用權資產和租賃負債的賬面值在後續修訂產生之暫時差額，由於初始確認豁免不適用，因此在重新計量或修改之日確認。

即期及遞延稅項於損益中確認。

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。按外幣過往成本計量的非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生至匯兌差額均與彼等產生期間內於損益帳中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserves (attributed to non-controlling interests as appropriate).

Borrowing Costs

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

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

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income and other loss, net".

3. 編製基準及重大會計政策

(續)

外幣 (續)

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）。收入及開支項目按年內的平均匯率換算。所產生的匯兌差額（如有）於其他全面收入確認並於匯兌儲備下（非控股權益應佔，倘適用）的權益累計。

借貸成本

因收購、興建或生產需要長時間籌備方可供其擬定用途或銷售之合資格資產所產生之直接借貸成本，計入該等資產之成本中，直至該等資產已大致上可供其擬定用途或銷售。在特定借貸撥作合資格資產之支出前暫時用作投資所賺取之投資收入，須從合資格資本化之借貸成本中扣除。

所有其他借貸成本按其產生期間在損益中確認。

政府補貼

在合理保證本集團將遵守該等補貼的附帶條件及將收到補貼之前，不會確認政府補貼。

就已發生開支或虧損應收作為補償的與收入有關的政府補貼或為給予本集團即時財務支持而不涉及未來相關成本的政府補貼，於應收期間在損益中確認。有關補貼於「其他收入及其他虧損淨額」中呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Benefits Costs

Payments to the Mandatory Provident Fund Scheme and the state-managed retirement benefit schemes, which are defined contribution schemes, are recognised as an expense when employees have rendered services 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 postretirement 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. 編製基準及重大會計政策 (續)

退休福利成本

當僱員提供賦予彼等享有供款權利的服務時，強制性公積金計劃及國家退休福利計劃(界定供款計劃)付款確認為開支。

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

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Segment Reporting

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

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

Related Party Transactions

A party is considered to be related to the Group if:

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

3. 編製基準及重大會計政策 (續)

獨立財務報表

附屬公司投資按成本扣除減值列賬。成本包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。如股息超過宣派股息期內附屬公司的全面收益總額，或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資方淨資產(包括商譽)的賬面值，則自投資收取股息時必須對附屬公司投資作減值測試。

分部呈報

綜合財務報表內所呈報的經營分部及各分部項目的金額，與定期就本集團各業務線及地域的資源分配及表現評估而向本集團最高行政管理人提供的綜合財務報表一致。

除非分部有相似的經濟特徵以及對於產品及服務的性質、生產過程的性質、客戶的類型或分類、分銷產品或提供服務的方法和監管環境的性質相類似，否則個別重大的經營分部在財務匯報中不會合併。如有不屬於個別重大的經營分部大致符合這些標準，則其可能會被合併呈列。

關聯方交易

倘符合以下情況，則被視為本集團之關聯方：

- (i) 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：
 - (a) 控制或共同控制本集團；
 - (b) 對本集團有重大影響力；或
 - (c) 為本集團或本集團母公司主要管理人員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related Party Transactions (Continued)

- (ii) An entity is related to the Group if any of the following conditions applies:
- (a) 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);
 - (b) 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);
 - (c) both entities are joint ventures of the same third party;
 - (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) 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;
 - (f) the entity is controlled or jointly controlled by a person identified in (i);
 - (g) a person identified in (i)(a) 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
 - (h) 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.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the equity.

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.

3. 編製基準及重大會計政策

(續)

關聯方交易(續)

- (ii) 倘符合下列任何條件，則該實體與本集團有關聯：
- (a) 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；
 - (b) 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；
 - (c) 實體為同一第三方之合營企業；
 - (d) 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；
 - (e) 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；
 - (f) 實體受(a)所界定人士控制或共同控制；
 - (g) (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
 - (h) 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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. CRITICAL 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.

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。預期信貸虧損撥備易受估計變動影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. CRITICAL 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.

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.

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。

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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

Fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in Note 17.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to these assumptions, including the potential risk of the market violation, would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2020, the carrying amount of the Group's investment properties is HK\$10,748,000 (2019: HK\$14,200,000).

Write-down of inventories

Inventories are stated at the lower of cost and net realisable value at the end of the reporting period. The cost of inventories is computed using the weighted average method. 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)

投資物業公平值

投資物業根據獨立專業估值師進行的估值按公平值列賬。公平值的釐定涉及有關市場狀況的若干假設，資料載於附註17。

本公司董事依賴估值報告時已行使判斷，並信納估值方法反映當前市況。這些假設的變動，包括市場動盪的潛在風險，均會令本集團投資物業的公平值發生變化，並對綜合損益表及其他全面收益中報告的損益金額作出相應調整。

於2020年12月31日，本集團投資物業的公平值為10,748,000港元(2019年：14,200,000港元)。

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。存貨成本採用加權平均法計算。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. The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly reviewed by the CODMs of the purpose of allocating resources to segments and assessing their performance. For the years ended and 31 December 2020 and 2019, the Group only engaged operating segment in (“ODM”) Original Design Manufacturer.

No segment result, 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:

		Year ended 31 December 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Indonesia	印尼	62,695	84,518
Hong Kong	香港	17,644	21,563
Brazil	巴西	13,153	17,888
India	印度	12,014	23,413
Kingdom of Saudi Arabia	沙特阿拉伯王國	8,855	10,832
Australia	澳洲	4,003	8,973
UAE	阿聯酋	2,501	3,729
Turkey	土耳其	1,974	2,305
Others (Note)	其他(附註)	16,496	24,829
		139,335	198,050

Note: Other geographical locations are mainly located in Germany, Thailand, United Kingdom, Switzerland, Bangladesh and Colombia.

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。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。於截至2020年及2019年12月31日，本集團僅經營原設計製造(「ODM」)經營分部。

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，故並無呈報分部業務、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 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Indonesia	印尼	62,695	84,518
Hong Kong	香港	17,644	21,563
Brazil	巴西	13,153	17,888
India	印度	12,014	23,413
Kingdom of Saudi Arabia	沙特阿拉伯王國	8,855	10,832
Australia	澳洲	4,003	8,973
UAE	阿聯酋	2,501	3,729
Turkey	土耳其	1,974	2,305
Others (Note)	其他(附註)	16,496	24,829
		139,335	198,050

附註：其他地理位置主要位於德國、泰國、英國、瑞士、孟加拉及哥倫比亞。

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:

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Hong Kong	香港	40,741	45,943
PRC	中國	43,506	6,587
		84,247	52,530

* Non-current assets exclude deferred tax assets and financial asset at FVTPL.

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 截至 12 月 31 日止年度	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Customer A	客戶 A	62,695	91,736
Customer B	客戶 B	—*	23,413

* The customer contributed less than 10% of the total revenue of the Group.

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：

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Hong Kong	香港	40,741	45,943
PRC	中國	43,506	6,587
		84,247	52,530

* 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。

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 截至 12 月 31 日止年度	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Customer A	客戶 A	62,695	91,736
Customer B	客戶 B	—*	23,413

* 客戶對本集團總收益的貢獻少於 10%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. REVENUE

6. 收益

		Year ended 31 December 截至 12 月 31 日止年度	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Finished watches	手錶成品	114,557	146,801
SKD kits	成套組裝套件	23,537	48,081
Watch parts	手錶部件	1,241	3,168
Revenue recognised at a point in time	於時間點確認的收益	139,335	198,050

All revenue contracts are for period of one year or less, as permitted by practical expedient under HKFRS 15 *Revenue from Contracts with Customers*, the transaction price allocated to these unsatisfied contract is not disclosed.

在香港財務報告準則第 15 號客戶合約的收益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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7. OTHER INCOME AND OTHER LOSS, NET

7. 其他收入及其他虧損，淨額

		Year ended 31 December 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Interest income	利息收入	154	958
Rental income	租金收入	312	246
Exchange (loss)/gain, net	匯兌(虧損)/收益淨額	(220)	328
Government grants (Note)	政府補貼(附註)	1,973	—
Sundry income	雜項收入	166	8
Loss on disposal of right-of-use assets, net	出售使用權資產虧損淨額	(240)	—
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	(3,452)	(600)
Net loss 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淨額	(835)	(1,829)
		(2,142)	(889)

Note: During the current year, the Group recognised government grant of approximately HK\$984,000 in respect of COVID-19 related subsidies which is related to Employment Support Scheme provided by the Hong Kong government and HK\$989,000 which is related to PRC government in respect of COVID-19 related subsidies.

附註：於本年度，本集團就COVID-19相關補貼確認政府補貼約984,000港元，其與香港政府提供的保就業計劃有關及與中國政府就COVID-19的補貼有關的989,000港元。

8. FINANCE COSTS

8. 財務成本

		Year ended 31 December 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Interest on:	以下各項的利息：		
Borrowings	借款	4,814	3,741
Lease liabilities	租賃負債	150	221
Bank overdrafts	銀行透支	35	31
		4,999	3,993

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 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Directors' emoluments (Note 10)	董事酬金 (附註 10)	7,282	8,419
Staff costs (excluded directors' emoluments)	員工成本 (不包括董事酬金)	10,806	13,347
Bonus	花紅	661	1,476
Retirement benefit scheme contributions	退休福利計劃供款	1,174	1,450
Total staff costs	員工成本總額	12,641	16,273
		19,923	24,692
Auditors' remuneration	核數師酬金	860	860
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備折舊 (附註 15)	5,149	4,505
Write-down of inventories (Note)	存貨撇銷 (附註)	834	455
Cost of inventories recognised as expenses	確認為開支的存貨成本	95,432	124,982
Depreciation of right-of-use assets (Note 16)	使用權資產折舊 (附註 16)	1,864	2,286
Commission paid	已付佣金	1,344	1,307
Expenses relating to short-term leases	與短期租賃有關的開支	101	62
Allowance for ECL on trade receivables	貿易應收款項的預期信貸虧損撥備	1,712	7

Note: Written-down of inventories were included in cost of sales.

附註：存貨撇減計入銷售成本。

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 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Directors' fees	董事袍金	636	675
Salaries and other benefits	工資及其他福利	5,033	5,890
Discretionary bonus	酌情花紅	1,565	1,800
Retirement benefit scheme contributions	退休福利計劃供款	48	54
		7,282	8,419

The remuneration of each of these directors as recorded in the consolidated financial statements of the subsidiaries is set out below:

附屬公司綜合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 2020 截至2020年12月31日止年度				
		Directors' fee 董事袍金 HK\$'000 千港元	Salaries and other benefits 工資及其他福利 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Retirement benefit scheme contributions 退休福利計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Executive directors:	執行董事：					
Mr. Cheuk	卓先生	-	3,593	1,165	18	4,776
Mrs. Cheuk	卓太太	-	1,077	400	18	1,495
Ms. Heide Cheuk (Note (a))	卓凱璣女士 (附註(a))	-	363	-	12	375
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.	159	-	-	-	159
Mr. Zhao Zhipeng	趙志鵬先生	159	-	-	-	159
Ms. Yee Wai Fong Wendy	余惠芳女士	159	-	-	-	159
Mr. Liu Ngai Wing (Note (b))	廖毅榮先生 (附註(b))	159	-	-	-	159
		636	5,033	1,565	48	7,282

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 2019

截至2019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	卓先生	–	4,090	1,550	18	5,658
Mrs. Cheuk	卓太太	–	1,200	100	18	1,318
Ms. Heide Cheuk (Note (a))	卓凱璣女士 (附註(a))	–	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 (b))	廖毅榮先生 (附註(b))	135	–	–	–	135
		675	5,890	1,800	54	8,419

Notes:

(a) Ms. Heide Cheuk has been resigned as executive director of the Company on 1 September 2020.

(b) 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) 卓凱璣女士已於2020年9月1日辭任本公司執行董事。

(b) 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 2020 included two (2019: 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 five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. Details of the remuneration of the remaining three (2019: two) highest paid employees who are not directors are as follows:

		Year ended 31 December 截至 12 月 31 日止年度	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Salaries, allowance and benefit in kind	工資、津貼及實物福利	1,698	1,267
Bonuses	花紅	292	271
Retirement benefit scheme contributions	退休福利計劃供款	54	36
		2,044	1,574

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:

		Year ended 31 December 截至 12 月 31 日止年度	
		2020 2020 年 Number of individuals 人數	2019 2019 年 Number of individuals 人數
Nil to HK\$1,000,000	零至 1,000,000 港元	3	2

11. 僱員酬金及高級管理層酬金

截至 2020 年 12 月 31 日止年度，本集團的五位最高薪酬僱員包括 2 名（2019 年：3 名）董事，彼等的薪酬詳情載於上文附註 10。年內，本集團並無向五名最高薪酬人士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 3 名（2019 年：2 名）最高薪酬僱員（並非董事）的酬金詳情如下：

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：

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% (2019: 16.5%) for the year ended 31 December 2020.

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%.

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 years ended 31 December 2020 and 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2020年12月31日止年度，本集團須按16.5%（2019年：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。

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2020及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 subject to PRC Enterprise Income Tax ("EIT") on its taxable income at an income tax rate of 25% for both years.

12. 所得稅開支(續)

於兩個年度，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 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 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
– PRC EIT	– 中國企業所得稅	–	4
– Under-provision in prior years	– 先前年度撥備不足	22	–
		22	541
Deferred tax	遞延稅項	–	134
		22	675

A reconciliation of the income tax expense applicable to loss 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 截至12月31日止年度	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Loss before tax	除稅前虧損	(26,186)	(13,873)
Tax at the applicable income tax rates	按適用所得稅率計算的稅項	(4,233)	(2,258)
Tax effect of non-taxable incomes	不可扣稅收入的稅務影響	(880)	(205)
Tax effect of non-deductible expenses	不可扣減開支的稅務影響	3,508	1,196
Under provision in previous years	先前年度撥備不足	(22)	–
Tax loss not recognised	未確認的稅務虧損	1,605	726
Other	其他	–	(134)
		(22)	(675)

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2020, nor has any dividend been proposed since the end of the reporting period (2019: HK\$Nil).

13. 股息

於2020年，概無向本公司普通股股東支付或擬派股息，自報告期末起亦無擬派任何股息(2019年：零港元)。

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。

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Loss	虧損		
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(26,208)	(14,548)
Number of shares (thousands)	股份數目(以千計)		
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	1,000,000

For the years ended 31 December 2020 and 2019, 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 2020 and 2019.

截至2020年及2019年12月31日止年度，由於本公司截至2020年及2019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	Plant and machinery	Furniture, fixtures and equipment 傢俬、裝置及設備	Motor vehicles	Leasehold building	Total
		租賃裝修 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	及設備 HK\$'000 千港元	汽車 HK\$'000 千港元	租賃樓宇 HK\$'000 千港元	總計 HK\$'000 千港元
Cost	成本						
At 1 January 2019	於2019年1月1日	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 and 1 January 2020	於2019年12月31日 及2020年1月1日	18,612	8,214	7,341	3,661	30,110	67,938
Additions (Notes)	添置(附註)	4,773	6	250	-	32,722	37,751
Written-off	撇銷	-	-	(1,785)	-	-	(1,785)
Exchange realignment	匯兌調整	500	542	169	26	1,827	3,064
At 31 December 2020	於2020年12月31日	23,885	8,762	5,975	3,687	64,659	106,968
Accumulated depreciation	累計減值						
At 1 January 2019	於2019年1月1日	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 and 1 January 2020	於2019年12月31日 及2020年1月1日	14,747	4,336	5,811	2,698	6,321	33,913
Charge for the year	年內支出	1,582	753	734	354	1,726	5,149
Written-off	撇銷	-	-	(1,785)	-	-	(1,785)
Exchange realignment	匯兌調整	216	299	126	14	50	705
At 31 December 2020	於2020年12月31日	16,545	5,388	4,886	3,066	8,097	37,982
Carrying amount	賬面值						
At 31 December 2020	於2020年12月31日	7,340	3,374	1,089	621	56,562	68,986
At 31 December 2019	於2019年12月31日	3,865	3,878	1,530	963	23,789	34,025

Notes to the Consolidated Financial Statements

綜合財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Note: Amount includes right-of-use assets resulting from new leases entered, business combination, lease modification, reassessment/exercise of extension/termination options, payments for leasehold land, excluding those classified as investment properties.

All the Group's leasehold building are situated in PRC and Hong Kong.

The Group has pledged property, plant and equipment with a carrying amount of approximately HK\$22,613,000 and HK\$23,422,000 as at 31 December 2020 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)

附註： 該款項包括來自訂立的新租賃、業務合併、租賃修改、重新評估/ 行使續租權/ 終止權、支付租賃土地的使用權資產，惟不包括分類為投資物業者。

本集團全部租賃樓宇位於中國及香港。

截至2020年12月31日及2019年12月31日，本集團賬面值分別約22,613,000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 汽車 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Leasehold Building 租賃樓宇 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本				
At 1 January 2019	於2019年1月1日	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 and 1 January 2020	於2019年12月31日及2020年1月1日	2,903	515	3,134	6,552
Additions (Note)	添置(附註)	768	45	-	813
Exchange realignment	匯兌調整	-	-	13	13
Lease termination	終止租賃	-	(515)	(1,407)	(1,922)
At 31 December 2020	於2020年12月31日	3,671	45	1,740	5,456
Accumulated depreciation	累計減值				
At 1 January 2019	於2019年1月1日	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 and 1 January 2020	於2019年12月31日及2020年1月1日	525	138	1,584	2,247
Charge for the year	年內支出	593	62	1,209	1,864
Exchange realignment	匯兌調整	-	-	8	8
Lease termination	終止租賃	-	(195)	(1,407)	(1,602)
At 31 December 2020	於2020年12月31日	1,118	5	1,394	2,517
Carrying amount	賬面值				
At 31 December 2020	於2020年12月31日	2,553	40	346	2,939
At 31 December 2019	於2019年12月31日	2,378	377	1,550	4,305

Note: Amount includes right-of-use assets resulting from new leases entered.

附註：該款項包括來自訂立的新租賃的使用權資產。

For both years, the Group leases various office equipment and motor vehicles for its operations. Lease contracts are entered into for fixed term of 2 to 5 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於兩個年度，本集團為營運而租用多間辦公室設備及多輛汽車。租賃合約的固定年期為二至五年，但可按下述選擇延長及終止。租期乃按個別基準磋商，並包含不同的條款及條件。釐定租期及評估不可撤銷期限的長度時，本集團應用合約的定義，以釐定可執行合約的期間。

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Fair value	公平值		
Balance at beginning of year	年初結餘	14,200	14,800
Net loss arising from change in fair value of investment properties (Note 7)	投資物業公平值變動產生的虧損淨額 (附註 7)	(3,452)	(600)
Balance at end of year	年末結餘	10,748	14,200

The Group leases out offices under operating leases with rentals payable monthly. The leases typically run for an initial period of 2 years (2019: 2 years), with unilateral rights to extend the lease beyond initial period held by lessees only.

本集團根據經營租賃出租辦事處及須支付月租。租賃的通常初始租期為兩年(2019年：兩年)，並附帶單方權利，可在初始租期後延長租期，惟僅由承租人持有。

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

本集團不會因為租賃安排而面臨外匯風險，因為所有租賃均以集團實體各自的功能貨幣計值。租賃合約不包含剩餘價值擔保及／或承租人於租期結束時購買物業的選擇權。

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 2019 and 2020 at HK\$14,200,000 and HK\$10,748,000, 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 2019 and 2020.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair values of certain investment properties have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

17. 投資物業 (續)

本集團的投資物業於2019年及2020年12月31日的公平值分別為14,200,000港元及10,748,000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2019年及2020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。

若干投資物業的公平值經已調整，移除預付或應計經營租賃收入，以避免出現重複計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. INVESTMENT PROPERTIES (Continued)

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\$14,200,000 and HK\$10,748,000 as at 31 December 2019 and 31 December 2020, was pledged to secure general banking facilities granted to the Group as disclosed in Note 27.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

17. 投資物業 (續)

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2019年12月31日及2020年12月31日，賬面總值分別為14,200,000港元及10,748,000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27披露）。

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)

採用重大不可觀察輸入數據的公平值計量(第3級)

As at 31 December
於12月31日

	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Recurring fair value measurement for: – Industrial properties located in Hong Kong	10,748	14,200

The fair values of the Group's investment properties as at 31 December 2019 and 2020 are estimated by using significant unobservable inputs and the fair value measurement is categorised under Level 3.

於2019年及2020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 物業類別	Fair value hierarchy 公平值層級	Valuation technique 估計方法	Significant unobservable input(s) 重大不可觀察輸入數據	Sensitivity 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 ranged from HK\$6,300 to HK\$11,000 per square metre (2019: ranged from HK\$8,000 to HK\$13,200 per square metre), 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。市場單位價值介乎每平方米6,300港元至11,000港元(2019年：介乎每平方米8,000港元至13,200港元)，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

18. DEFERRED TAX ASSETS

18. 遞延稅項資產

		Tax losses 稅項虧損 HK\$'000 千港元
At 1 January 2019	於2019年1月1日	139
Charge to profit or loss during the year (Note 12)	年內在損益扣除(附註12)	(134)
At 31 December 2019, 1 January 2020 and 31 December 2020	於2019年12月31日、2020年1月1日及2020年12月31日	5

As at 31 December 2020, the Group had unused tax losses of HK\$7,481,000 (2019: HK\$2,083,000) available for offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK\$Nil (2019: HK\$30,000). No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK\$7,481,000 (2019: HK\$2,053,000) due to the unpredictability of the future profit streams. Unused tax losses HK\$3,105,000 was arised from Hong Kong Company, which may be carried forward indefinitely; while unused tax losses HK\$4,376,000 was arised from PRC, which may be carried forward by 5 years.

於2020年12月31日，本集團有未運用的稅務虧損7,481,000港元（2019年：2,083,000港元），可用於抵免未來溢利。上述稅務虧損其中零港元（2019年：30,000港元）已確認為遞延稅項資產，其餘7,481,000港元（2019年：2,053,000港元）未運用的稅務虧損並未確認，因為未來溢利難以預測。3,105,000港元的未運用稅務虧損來自香港公司，可能無限結轉，而4,376,000港元的未運用稅務虧損來自中國，可結轉五年。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. INVENTORIES

19. 存貨

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Raw material	原材料	7,568	11,238
Work in progress	在製品	8,814	7,440
Finished goods	製成品	3,851	5,357
		20,233	24,035

20. TRADE RECEIVABLES

20. 貿易應收款項

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Trade receivables	貿易應收款項	18,303	45,068
Less: allowance for ECL	減：預期信貸虧損撥備	(2,113)	(401)
		16,190	44,667

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 allowance for ECL) as at the end of each of reporting period is as follows:

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
0 to 30 days	0 至 30 日	3,834	20,178
31 to 60 days	31 至 60 日	5,256	10,879
61 to 90 days	61 至 90 日	1,853	1,716
Over 90 days	逾 90 日	5,247	11,894
		16,190	44,667

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
HKD	港元	13,765	28,207
USD	美元	2,268	16,165
RMB	人民幣	157	295
		16,190	44,667

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 (扣除預期信貸虧損撥備後) 基於發票日期的賬齡分析如下:

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 for ECL 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 as well as the forward-looking information.

Movement in the allowance for ECL on trade receivables is as follow:

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Balance at beginning of year	年初結餘	401	394
Allowance for expected credit loss	預期信貸虧損撥備	1,712	7
Balance at end of year	年末結餘	2,113	401

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$12,167,000 and HK\$14,078,000 as at 31 December 2020 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.

Details of impairment assessment of trade receivables are set out in Note 38.

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。

本集團設有預期信貸虧損撥備政策，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及前瞻性陳述而作出。

貿易應收款項的預期信貸虧損撥備變動如下：

於2020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12,167,000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。

貿易應收款項減值評估詳情載於附註38。

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Other receivables	其他應收款項	20	1,061
Deposits	按金	920	714
Prepayments	預付款	6,738	28,518
		7,678	30,293

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Non-current asset	非流動資產		
Unlisted club debentures	未上市的俱樂部債券	440	440
Current assets	流動資產		
Held-for-trading securities	持作買賣證券	377	1,392
Key management personnel life insurance policies (Note)	主要管理人員人壽保單 (附註)	17,780	17,348
		18,157	18,740

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 (Continued)

Note: 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 2020 and 31 December 2019 to secure general banking facilities granted to the Group as disclosed in Note 32.

22. 按公平值計入損益的金融資產(續)

*附註：*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2020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）。

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 statement 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 statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	17,854	22,190
Bank overdrafts (Note 27)	銀行透支(附註27)	(2,485)	(1,929)
		15,369	20,261
Pledged bank deposits	質押銀行存款	46,619	6,718
		61,988	26,979

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 0.01% to 1.4% and 0.5% to 2.1% per annum as at 31 December 2020 and 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2020年及2019年12月31日，銀行結餘分別按每年介乎0.01%至1.4%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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
RMB	人民幣	150	125
USD	美元	4,412	3,149

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. As at 31 December 2020 and 31 December 2019, the Group has bank deposits of approximately HK\$46,619,000 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 2020 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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Trade payables	貿易應付款項	26,184	39,643
Bills payables	應付票據	29,068	36,742
		55,252	76,385

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
RMB	人民幣	150	125
USD	美元	4,412	3,149

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2020年12月31日及2019年12月31日，本集團的銀行存款約46,619,000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2020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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Trade payables	貿易應付款項	26,184	39,643
Bills payables	應付票據	29,068	36,742
		55,252	76,385

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
0 to 30 days	0 至 30 日	3,874	8,200
31 to 60 days	31 至 60 日	7,593	11,848
61 to 90 days	61 至 90 日	7,232	11,702
91 to 120 days	91 至 120 日	724	7,707
Over 120 days	逾 120 日	6,761	186
		26,184	39,643

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
0 to 30 days	0 至 30 日	14,065	14,209
31 to 60 days	31 至 60 日	7,223	11,219
61 to 90 days	61 至 90 日	6,083	10,006
91 to 120 days	91 至 120 日	1,697	1,308
		29,068	36,742

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
0 to 30 days	0 至 30 日	3,874	8,200
31 to 60 days	31 至 60 日	7,593	11,848
61 to 90 days	61 至 90 日	7,232	11,702
91 to 120 days	91 至 120 日	724	7,707
Over 120 days	逾 120 日	6,761	186
		26,184	39,643

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
0 to 30 days	0 至 30 日	14,065	14,209
31 to 60 days	31 至 60 日	7,223	11,219
61 to 90 days	61 至 90 日	6,083	10,006
91 to 120 days	91 至 120 日	1,697	1,308
		29,068	36,742

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Salary and bonus payables	應付薪金及花紅	2,063	2,762
Other payables	其他應付款項	2,178	3,026
Accrued expenses	應計費用	1,749	2,151
		5,990	7,939

26. CONTRACT LIABILITIES

26. 合約負債

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Billings in advance of performance	履約之預付款項	1,915	2,801

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:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
At 1 January	於1月1日的餘額	2,801	3,787
Consideration received	已收代價	1,369	1,410
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	已確認收益計入年初合約負債餘額	(2,255)	(2,396)
At 31 December	於12月31日的餘額	1,915	2,801

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:

		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
At 1 January	於1月1日的餘額	2,801	3,787
Consideration received	已收代價	1,369	1,410
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	已確認收益計入年初合約負債餘額	(2,255)	(2,396)
At 31 December	於12月31日的餘額	1,915	2,801

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 於12月31日	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Current – secured	即期—有抵押		
Bank overdrafts (Note (c))	銀行透支(附註(c))	2,485	1,929
Bank loans (Note (a), (b), (c), (d) and (e))	銀行貸款(附註(a)、(b)、(c)、(d)及(e))	51,888	42,289
Non-current – secured	非即期—有抵押	54,373	44,218
Bank loans (Note (a), (b), (c), (d) and (e))	銀行貸款(附註(a)、(b)、(c)、(d)及(e))	50,724	—
Total borrowings	借款總額	105,097	44,218

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 borrowings and bank overdrafts are repayable as follows:

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Fixed-rate borrowings	固定利率借款	5,696	–
Variable-rate borrowings	浮息借款	96,916	42,289
Bank overdrafts	銀行透支	2,485	1,929
		105,097	44,218
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	(54,373)	(44,218)
		50,724	–

The carrying amount of the variable-rate borrowings are repayable as follow:

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Variable-rate:	浮息：		
Within one year	一年內	47,907	42,289
Over one year but within two years	一年以上但於兩年內	27,715	–
Over two years but within five years	兩年以上但於五年內	21,294	–
		96,916	42,289

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：

浮息借款的賬面值須償還如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

27. BORROWINGS/BANK OVERDRAFTS (Continued)

Notes:

- (a) The term loan and property mortgages (“**Facility I**”) is approximately HK\$16,165,000 (2019: HK\$Nil) as at 31 December 2020. As at 31 December 2020, Facility I was guaranteed by Hanvey Group Holdings Limited. Facility I bear interest ranged from 2.50% to 3.40% per annum for the year ended 31 December 2020.
- (b) The term loan, property mortgage and factoring facility (“**Facility II**”) is approximately HK\$4,297,000 and HK\$6,246,000 as at 31 December 2019 and 2020 respectively. Facility II was guaranteed by Mr. Cheuk and Mrs Cheuk. As at 31 December 2019 and 2020, Facility II was secured with corporate guaranteed provided by Hanvey Group Holdings Limited. Facility II bear interest ranged from 2.65% to 2.75% (2019: 4.5% to 5.68%) per annum for the year ended 31 December 2020.
- (c) The term loan, overdraft and factoring facility (“**Facility III**”) is approximately HK\$25,029,000 and HK\$52,721,000 as at 31 December 2019 and 2020 respectively. As at 31 December 2020, Facility III was guaranteed by Mr. Cheuk and Mrs. Cheuk, secured by the property, plant and equipment with carrying amount of approximately HK\$22,613,000 (2019: HK\$23,422,000), investment property with carrying amount of approximately HK\$10,748,000 (2019: HK\$14,200,000) and bank deposits HK\$46,619,000 (2019: HK\$6,718,000). Facility III bear interest ranged from 1.93% to 6.13% (2019: 3.5% to 3.88%) per annum for the year ended 31 December 2020.
- (d) The term loan and property mortgage (“**Facility IV**”) is approximately HK\$19,242,000 (2019: HK\$14,892,000) as at 31 December 2020. As at 31 December 2020, Facility IV was guaranteed by Hanvey Group Holdings Limited. Facility IV bear interest ranged from 1.75% to 3.25% (2019: 4.35% to 5.53%) per annum for the year ended 31 December 2020.
- (e) The term loan and property mortgage (“**Facility V**”) is approximately HK\$10,724,000 (2019: HK\$Nil) as at 31 December 2020. As at 31 December 2020, Facility V was guaranteed by Mrs. Cheuk. Facility V bear interest with 4.80% per annum for the year ended 31 December 2020.

27. 借款／銀行透支(續)

附註：

- (a) 於2020年12月31日，定期貸款及財產抵押(「**融資I**」)為約16,165,000港元(2019年：零港元)。於2020年12月31日，融資I由恆偉集團控股有限公司提供擔保。融資I於截至2020年12月31日止年度按年利率2.50%至3.40%計息。
- (b) 於2019年及2020年12月31日，定期貸款、財產抵押及保理融資(「**融資II**」)分別為約4,297,000港元及6,246,000港元。融資II由卓先生及卓太太提供擔保。於2019年及2020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2020年12月31日止年度按年利率2.65%至2.75%(2019年：4.5%至5.68%)計息。
- (c) 於2019年及2020年12月31日，定期貸款、透支及保理融資(「**融資III**」)分別為約25,029,000港元及52,721,000港元。於2020年12月31日，融資III由卓先生及卓太太提供擔保及以賬面值為約22,613,000港元(2019年：23,422,000港元)的物業、廠房及設備、賬面值為約10,748,000港元(2019年：14,200,000港元)的投資物業及46,619,000港元(2019年：6,718,000港元)的銀行存款作抵押。融資III於截至2020年12月31日止年度按年利率1.93%至6.13%(2019年：3.5%至3.88%)計息。
- (d) 於2020年12月31日，定期貸款及財產抵押(「**融資IV**」)為約19,242,000港元(2019年：14,892,000港元)。於2020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2020年12月31日止年度按年利率1.75%至3.25%(2019年：4.35%至5.53%)計息。
- (e) 於2020年12月31日，定期貸款及財產抵押(「**融資V**」)為約10,724,000港元(2019年：零港元)。於2020年12月31日，融資V由卓太太提供擔保。融資V於截至2020年12月31日止年度按年利率4.80%計息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28. LEASE LIABILITIES

The Group leased its motor vehicles, office equipment and leasehold building under lease liabilities with lease term of three to five years. The weighted average incremental borrowing rates to underlying lease liabilities are at 5.1% and 4.29% per annum as at 31 December 2019 and 2020 respectively.

No arrangement has been entered into for contingent rental payments.

28. 租賃負債

本集團根據租賃負債出租汽車、辦公室設備以及租賃樓宇，租期為三至五年。於2019年及2020年12月31日，租賃負債的加權平均增量借款利率分別為每年5.1%及4.29%。

本集團並無訂立或然租金的安排。

		Minimum lease payments 最低租賃付款 As at 31 December 於12月31日		Present value of minimum lease payments 最低租賃付款現值 As at 31 December 於12月31日	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：				
Within one year	1年內	1,343	2,427	1,274	2,289
Within a period of more than one year but not more than two years	1年以上但不超過 2年	581	1,272	554	1,222
Within a period of more than two years but not more than five years	2年以上但不超過 5年	361	470	346	463
Less: future financial charge	減：未來融資費用	2,285 (111)	4,169 (195)	2,174 -	3,974 -
Present value of lease obligation	租賃承擔現值	2,174	3,974	2,174	3,974
Less: Amount due for settlement within twelve months (shown under current liabilities)	減：於12個月內 到期結付的 金額(流動 負債項下)			(1,274)	(2,231)
Amount due for settlement after twelve months (shown under non-current liabilities)	於12個月後到期結 付的金額(非流動 負債項下)			900	1,743

The Group's lease liabilities are secured by the lessor's charge over the motor vehicles.

本集團的租賃負債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:

29. 股本

本公司股本變動如下：

		2020 2020年		2019 2019年	
		Number of Shares 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元	Number of share 股份數目 '000 千股	Nominal value 面值 HK\$'000 千港元
Authorised	法定				
Ordinary share of HK\$0.01 each	每股普通股 0.01港元				
At 1 January and 31 December	於1月1日及 12月31日	10,000,000	100,000	10,000,000	100,000
Issued and fully paid	已發行及繳足				
At 1 January and 31 December	於1月1日及 12月31日	1,000,000	10,000	1,000,000	10,000

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 股份溢價 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於2019年1月1日	42,344	(22,233)	20,111
Loss and total comprehensive expense for the year	年內虧損及全面開支 總額	–	(10,153)	(10,153)
At 31 December 2019 and 1 January 2020	於2019年12月31日 及2020年1月1日	42,344	(32,386)	9,958
Loss and total comprehensive expense for the year	年內虧損及全面開支 總額	–	(11,519)	(11,519)
At 31 December 2020	於2020年12月31日	42,344	(43,905)	(1,560)

At 31 December 2020, the Company had reserves of approximately HK\$Nil available for distribution in accordance with the Company law of Cayman Islands (2019: HK\$9,958,000).

於2020年12月31日，根據開曼群島公司法本公司擁有儲備約零港元可供分配（2019年：9,958,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31. OPERATING LEASE COMMITMENTS

The Group as lessor

Investment properties were 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 於12月31日	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Within one year	1年內	130	312
In the second year	第二年	–	130
		130	442

The Group leases investment properties under non-cancellable operating leases. The leases run for an initial period of 2 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 於12月31日	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Within one year	1年內	130	312
In the second year	第二年	–	130
		130	442

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Property, plant and equipment (Note 15)	物業、廠房及設備(附註 15)	22,613	23,422
Financial asset at fair value through profit or loss (Note 22)	按公平值計入損益的 金融資產(附註 22)	17,780	17,348
Investment properties (Note 17)	投資物業(附註 17)	10,748	14,200
Pledged bank deposits (Note 23)	已抵押銀行存款(附註 23)	46,619	6,718
		97,760	61,688

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。

34. 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**”).

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.

34. 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。

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%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

34. SHARE OPTION SCHEME (Continued)

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.

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 2020 and up to the date of this annual report.

34. 購股權計劃(續)

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。

截至2019年及2020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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. MAJOR NON-CASH TRANSACTIONS

- (a) The Group entered into the following major non-cash transactions which are not reflected in the consolidated statement of cash flows:

During the year ended 31 December 2020, the Group had non-cash additions to right-of-use assets and lease liabilities of approximately HK\$813,000 (2019: HK\$2,496,000).

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

35. 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2020年12月31日止年度，本集團的使用權資產及租賃負債的非現金增加約813,000港元（2019年：2,496,000港元）。

(b) 融資活動所產生負債的對賬

下表詳述本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債為其現金流量已經或未來現金流量將於本集團綜合現金流量表分類為融資活動之現金流量者。

		Lease liabilities 租賃負債 HK\$'000 千港元	Borrowings 借款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於2019年1月1日	(4,231)	(42,556)	(46,787)
Financing cash flows	融資現金流出	2,974	4,008	6,982
Accrued interest	應計利息	(221)	(3,741)	(3,962)
New lease entered	其他非現金變動	(2,496)	-	(2,496)
At and 31 December 2019 and 1 January 2020	於2019年12月31日 及2020年1月1日	(3,974)	(42,289)	(46,263)
Financing cash flows	融資現金流出	2,683	(54,942)	(52,259)
Accrued interest	應計利息	(150)	(4,814)	(4,964)
Exchange realignment	匯兌調整	-	(567)	(567)
New lease entered	新訂租賃	(813)	-	(813)
Lease termination	終止租賃	80	-	80
At 31 December 2020	於2020年12月31日	(2,174)	(102,612)	(104,786)

Notes to the Consolidated Financial Statements

綜合財務報表附註

36. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balance disclosed elsewhere in the consolidated financial statements, the Group entered into related parties transactions:

Name of related parties 關聯方名稱	Notes 附註	Nature of transaction 交易性質	Year ended 31 December 截至12月31日止年度	
			2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Recurring: 經常性：				
Mr. Cheuk 卓先生	(b)	Rental expense 租金開支	720	720
Smart Hill 慧傑	(a)	Rental income 租金收入	156	168

Notes:

- (a) Smart Hill Enterprises Limited (“Smart Hill”) is connected person which is wholly-owned by the sister of Mrs. Cheuk.
- (b) 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 Notes 10 and 11.

Balances with connected person

Smart Hill is a connected person 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.

36. 重大關聯方交易

除綜合財務報表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 關聯方名稱	Notes 附註	Nature of transaction 交易性質	Year ended 31 December 截至12月31日止年度	
			2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
Recurring: 經常性：				
Mr. Cheuk 卓先生	(b)	Rental expense 租金開支	720	720
Smart Hill 慧傑	(a)	Rental income 租金收入	156	168

附註：

- (a) 慧傑企業有限公司(「慧傑」)為關連人士(由卓太太的胞妹全資擁有)。
- (b) 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

慧傑為關連人士，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

37. 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 years ended 31 December 2020 and 2019.

The capital structure of the Group consists of net debt, which includes the bills payables, bank overdraft, borrowings and lease liabilities 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.

37. 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。於截至2020年及2019年12月31日止年度，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，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

37. CAPITAL MANAGEMENT (Continued)

The following is the gearing ratio at the end of each reporting period:

37. 資本管理 (續)

各報告期末資本負債比率如下：

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Total borrowings (Note (a))	總借款 (附註(a))	133,854	84,934
Less: cash and cash equivalents (Note (c))	減：現金及現金等價物 (附註(c))	(61,974)	(28,908)
Net debts	債務淨額	71,880	56,026
Total equity (Note (b))	總權益 (附註(b))	44,830	62,977
Gearing ratio	資產負債比率	160%	89%

Notes:

- (a) Total borrowings represent bills payables, bank overdrafts, borrowings and lease liabilities.
- (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.

附註：

- (a) 總借款指應付票據、銀行透支、借款及租賃負債。
- (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

38. FINANCIAL INSTRUMENTS

Categories of financial instruments

38. 金融工具

金融工具分類

		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
Financial assets	金融資產		
<i>Financial asset at FVTPL</i>	<i>按公平值計入損益的 金融資產</i>	18,597	19,180
<i>Financial assets measured at amortised cost:</i>	<i>按攤銷成本計量之 金融資產：</i>		
– Trade receivables	– 貿易應收款項	16,190	44,667
– Deposits and other receivables	– 按金及其他應收款項	940	1,915
– Pledged bank deposits	– 已抵押銀行存款	46,619	6,718
– Cash and bank balances	– 現金及銀行結餘	17,854	22,190
		100,200	94,670
Financial liabilities	金融負債		
<i>Financial liabilities measured at amortised cost:</i>	<i>按攤銷成本計量的 金融負債：</i>		
– Trade and bills payables	– 貿易應付款項及應付票據	55,252	76,385
– Other payables and accruals	– 其他應付款項及應計費用	5,990	7,939
– Bank overdrafts	– 銀行透支	2,485	1,929
– Borrowings	– 借款	102,612	42,289
– Lease liabilities	– 租賃負債	2,174	3,974
		168,513	132,516

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. 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 fair value interest rate risk in relation to pledged bank deposits, fixed-rate borrowings and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and borrowings.

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 2020 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 loss/profit after tax for the year would have been increased/decreased by approximately HK\$856,810 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.

38. 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

本集團就已抵押銀行存款、定息借款及租賃負債承受公平值利率風險。本集團亦就浮息銀行結餘及借款承受現金流量利率風險。

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2020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，本集團本年度除稅後虧損/溢利將分別增加/減少約856,810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

38. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Currency risk

The carrying amounts of the Group's monetary assets and liabilities (including cash and bank balances, trade receivables, other receivables, deposits and prepayments, trade and bills payables, other payables and accrued expenses and lease liabilities) denominated in currencies other than functional currency of the respective group entity at the end of each reporting period are as follows:

		Assets 資產		Liabilities 負債	
		As at 31 December 於 12 月 31 日		As at 31 December 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元	2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
RMB	人民幣	161	759	597	1,399
USD	美元	18,166	19,313	-	-

Sensitivity analysis

The Group's currency risk is mainly concentrated on the fluctuation of US\$ and RMB. Since HK\$ is pegged to US\$, the Group does not expect any significant movement in US\$/HK\$ exchange rate.

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 於 12 月 31 日	
		2020 2020 年 HK\$'000 千港元	2019 2019 年 HK\$'000 千港元
RMB	人民幣	36	53

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.

38. 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(包括現金及銀行結餘、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及租賃負債)的賬面值如下:

敏感度分析

本集團的貨幣風險主要集中於美元與人民幣之波動。由於港元與美元掛鉤，本集團預期美元/港元匯率不會有任何重大變動。

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

38. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Credit risk

The credit risk of the Group mainly arises from bank balances and pledged bank 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 bank balances and pledged bank deposits, 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, ECL rate is assessed to be close to zero and no loss allowance was made as at 31 December 2019 and 2020.

The Group performs impairment assessment under ECL model prescribed by HKFRS 9, which permits the use of the lifetime ECL for all trade receivables. To measure the ECL, trade receivables 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 ECL. It also considers available reasonable and supportive forward-looking information.

As at 31 December 2019 and 2020, 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 31 December 2019 and 2020, the top three debtors and the largest debtor accounted for approximately 41% and 17% (2019: 67% and 43%) of the Group's trade receivables balance.

38. 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已抵押銀行存款、貿易應收款項、質押銀行存款及其他應收款項。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，故銀行結餘及質押銀行存款的信貸風險視為較低。現有對手方過往並無違約。因此，經評估預期信貸虧損率接近於零，因而於2019年及2020年12月31日並無作出虧損撥備。

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模型進行減值評估，該準則允許就全部貿易應收款項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。

於2019年及2020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。於截至2020年及2019年12月31日止年度，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41%及17% (2019年：67%及43%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. 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.

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.

The directors considered the credit risk of the Group's deposits and other receivables are 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. Thus, the directors considered the credit risk is insignificant and no loss allowance is recognised.

38. 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。

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。

由於本集團的存款及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。因此，董事認為信貸風險不重大，並無確認虧損撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Credit risk (Continued)

(a) Allowance for ECL of trade receivables

On that basis, the allowance for ECL of trade receivables as at 31 December 2020 and 2019 was determined as follows:

38. 金融工具 (續)

市場風險 (續)

信貸風險 (續)

(a) 貿易應收款項預期信貸虧損撥備按該基準，於2020年及2019年12月31日的貿易應收款項釐定如下：

		Probability of default approach						Total
		違約概率方法						
31 December 2020		Current	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	
2020年12月31日		即期	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
- Group A	-A組	0.04%	0.04%	9.59%	9.59%	63.21%	87.03%	
- Group B	-B組	0.04%	0.04%	-	-	4.87%	-	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Gross carrying amount	總賬面值							
- Group A	-A組	5,631	6,724	40	152	897	1,581	15,025*
- Group B	-B組	277	1	-	-	3,000	-	3,278*
ECL	預期信貸虧損							
- Group A	-A組	2	3	4	15	567	1,376	1,967*
- Group B	-B組	-*	-*	-	-	146	-	146*
Allowance for ECL	預期信貸虧損撥備	2	3	4	15	713	1,376	2,113*

* The amount is less than HK\$1,000.

* 該金額少於1,000港元

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Credit risk (Continued)

(a) Allowance for ECL of trade receivables (Continued)

		Probability of default approach 違約概率方法						
		Current	More than 1 day but less than 90 days past due 逾期1至 90天	More than 91 days but less than 180 days past due 逾期91至 180天	More than 181 days but less than 365 days past due 逾期181至 365天	More than 1 year but less than 2 years past due 逾期1至 2年	More than 2 years but less than 3 years past due 逾期2至 3年	Total 總計
31 December 2019								
2019年12月31日		即期	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%	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 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	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
Allowance for ECL	預期信貸虧損撥備	252	35	8	29	76	1	401

In valuation the ECL of trade receivables, gross carrying amount are classified to 2 main items. Group B represent large corporate customers with long term relationship, and Group A represent new customers and medium size customers.

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。B組指有長期合作關係的大型企業客戶，而A組指新客戶及中型客戶。

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Credit risk (Continued)

(a) Allowance for ECL of trade receivables (Continued)

The reconciliation of allowance for ECL of trade receivables as at 31 December 2020 and 2019 was as follows:

		HK\$'000 千港元
At 1 January 2019	於2019年1月1日	394
Allowance for ECL for the year	年內預期信貸虧損撥備	7
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	401
Allowance for ECL for the year	年內預期信貸虧損撥備	1,712
At 31 December 2020	於2020年12月31日	2,113

38. 金融工具 (續)

市場風險 (續)

信貸風險 (續)

(a) 貿易應收款項撥備預期信貸虧損撥備 (續)

於2020年及2019年12月31日，貿易應收款項預期信貸虧損撥備的對賬如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. 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 the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings 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.

38. 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。管理層監督借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

38. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Liquidity risk (Continued)

		Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount
		加權平均利率	按要求或一年內	超過一年但少於兩年	超過兩年但少於五年	未貼現現金流量總額	賬面值
		%	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
As at 31 December 2020	於2020年12月31日						
Trade payables	貿易應付款項	-	26,184	-	-	26,184	26,184
Bills payables	應付票據	-	29,068	-	-	29,068	29,068
Other payables and accrued expenses	其他應付款項及應計費用	-	5,990	-	-	5,990	5,990
Borrowings	借款	3.29	54,813	28,896	22,029	105,738	102,612
Bank overdrafts	銀行透支	6.13	2,498	-	-	2,498	2,485
Lease liabilities	租賃負債	4.29	1,343	581	361	2,285	2,174
			119,896	29,477	22,390	171,763	168,513

		Weighted average interest rate	On demand or within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount
		加權平均利率	按要求或一年內	超過一年但少於兩年	超過兩年但少於五年	未貼現現金流量總額	賬面值
		%	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
As at 31 December 2019	於2019年12月31日						
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	其他應付款項及應計費用	-	7,939	-	-	7,939	7,939
Borrowings	借款	3.5	44,781	-	-	44,781	42,289
Bank overdrafts	銀行透支	6	1,935	-	-	1,935	1,929
Lease liabilities	租賃負債	5	2,427	1,272	470	4,169	3,974
			133,632	1,272	470	135,374	132,516

38. 金融工具 (續)

市場風險 (續)

流動資金風險 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Liquidity risk (Continued)

The following table summarises the maturity analysis of 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 borrowings will be repaid in accordance with the scheduled dates set out in the loan agreements.

38. 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借款將根據貸款協議所載的計劃日期償還。

**Maturity Analysis – borrowings
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求償還的借款

		More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total discounted cash flows
		超過一年 但少於兩年	超過兩年 但少於五年	貼現現金 流量總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2020	於2020年12月31日	44,736	3,669	3,483
At 31 December 2019	於2019年12月31日	42,289	–	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. 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 2020, the aggregate carrying amounts of these borrowings amounted to HK\$42,289,000 and HK\$51,888,000, 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 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 average interest rate 加權平均利率 %	On demand or within 1 year 按要求或一年內 HK\$'000 千港元	More than 1 year but less than 2 years 超過一年但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 超過兩年但少於五年 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2020	於2020年12月31日						
- Variable-rate	- 浮動利率	3.87	45,196	3,669	3,483	52,348	51,888
At 31 December 2019	於2019年12月31日						
- Variable-rate	- 浮動利率	3.5	44,781	-	-	44,781	42,289

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。

38. 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2020年12月31日，該等借款總賬面值分別為42,289,000港元及51,888,000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

38. 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).

38. 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

38. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements (Continued)

38. 金融工具 (續)

公平值計量 (續)

Financial assets	Fair value as at 31 December 2020 2020年 12月31日 的公平值 HK\$'000 千港元	Fair value as at 31 December 2019 2019年 12月31日 的公平值 HK\$'000 千港元	Fair value hierarchy	Valuation technique and key input(s)
金融資產			公平值等級	估值方法及 關鍵輸入數據
Unlisted club debentures	440	440	Level 2	Market approach- Reference to quoted price in an active market
非上市俱樂部債券			第2級	市場法—參考活躍市場報價
Key management personnel life insurance	17,780	17,348	Level 2	Market approach- redemption value quoted by the insurance company
主要管理層人員人壽保險			第2級	市場法—保險公司所報贖 回價
Held-for-trading securities	377	1,392	Level 1	Market approach-quoted price in an active 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	市場法—活躍市場報價

Notes to the Consolidated Financial Statements

綜合財務報表附註

38. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements (Continued)

There were no transfer between Level 1 and Level 2, or transfers into or out of Level 3, during the years ended 31 December 2020 and 2019.

Some of the Group's financial assets are measured at fair value at the end of each reporting period, details refer to the respective notes.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

38. 金融工具 (續)

公平值計量 (續)

於截至2020年及2019年12月31日止年度，第1級與第2級之間並無轉移，亦無轉移至或轉出第3級。

本集團的部分金融資產於各報告期末按公平值計量詳情載於各自附註。

董事認為，於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。

39. PARTICULARS OF SUBSIDIARIES

At the date of this report, the Company has direct and indirect equity interests in the following subsidiaries:

39. 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：

Name of subsidiaries 附屬公司名稱	Principal place of business and Place and date of incorporation 主要營業地點及 註冊成立地點及日期	Legal entity 法律實體	Issued and fully paid share capital/ registered capital at the date of this report 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 本公司所持股權應佔 As at 31 December 於12月31日		Principal activities 主要業務	Notes 附註
				2020 2020年 %	2019 2019年 %		
Directly held: 直接持有：							
Beyond Blossom Investments Limited 超盛投資有限公司	BVI, 9 May 2017 英屬維爾京群島， 2017年5月9日	Limited liability Company 有限責任公司	Ordinary shares US\$1 普通股1美元	100	100	Investment holding 投資控股	(a)

Notes to the Consolidated Financial Statements

綜合財務報表附註

39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Name of subsidiaries 附屬公司名稱	Principal place of business and place and date of incorporation 主要營業地點及 註冊成立地點及日期	Legal entity 法律實體	Issued and fully paid share capital/ registered capital at the date of this report 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 本公司所持股權應佔 As at 31 December 於12月31日		Principal activities 主要業務	Notes 附註
				2020 2020年 %	2019 2019年 %		
Indirectly held: 間接持有：							
Precise Time Global Limited 準時環球有限公司	BVI, 10 May 2017 英屬維爾京群島， 2017年5月10日	Limited liability company 有限責任公司	Ordinary shares US\$1 普通股1美元	100	100	Investment holding 投資控股	(a)
Big Hope Investment Limited 宏希投資有限公司	BVI, 9 May 2017 英屬維爾京群島， 2017年5月9日	Limited liability company 有限責任公司	Ordinary shares US\$1 普通股1美元	100	100	Investment holding 投資控股	(a)
Diamond Fountain Investment Limited 鑽泉投資有限公司	BVI, 9 May 2017 英屬維爾京群島， 2017年5月9日	Limited liability company 有限責任公司	Ordinary shares US\$1 普通股1美元	100	100	Investment holding 投資控股	(a)
Vast Peak Enterprises Limited 煌奇企業有限公司	BVI, 21 September 2011 英屬維爾京群島， 2011年9月21日	Limited liability company 有限責任公司	Ordinary shares US\$1 普通股1美元	100	100	Investment holding 投資控股	(a)
Talent Gift International Limited 佳賜國際有限公司	BVI, 3 January 2017 英屬維爾京群島， 2017年1月3日	Limited liability company 有限責任公司	Ordinary shares US\$1 普通股1美元	100	100	Investment holding 投資控股	(a)
3 Wells Watch Industries Limited 三井錶業有限公司	Hong Kong, 2 September 1986 香港，1986年9月2日	Limited liability company 有限責任公司	Ordinary capital HK\$1,000,000 普通股本 1,000,000港元	100	100	Trading and Distribution of watches 鐘錶貿易及分銷	(b)
Cheer China Group Holdings Limited 致華集團控股有限公司	Hong Kong, 3 August 2011 香港，2011年8月3日	Limited liability company 有限責任公司	Ordinary capital HK\$1 普通股本1港元	100	100	Investment holding 投資控股	(b)

Notes to the Consolidated Financial Statements

綜合財務報表附註

39. PARTICULARS OF SUBSIDIARIES (Continued)

39. 附屬公司詳情(續)

Name of subsidiaries 附屬公司名稱	Principal place of business and place and date of incorporation 主要營業地點及 註冊成立地點及日期	Legal entity 法律實體	Issued and fully paid share capital/ registered capital at the date of this report 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 本公司所持股權應佔 As at 31 December 於12月31日		Principal activities 主要業務	Notes 附註
				2020 2020年 %	2019 2019年 %		
Cheer Wells Trading Limited 福井貿易有限公司	Hong Kong, 2 February 2015 香港·2015年2月2日	Limited liability company 有限責任公司	Ordinary capital HK\$10,000 普通股本10,000港元	100	100	Investment holding 投資控股	(b)
Creative Profit Investment Limited 意利投資有限公司	Hong Kong, 22 May 2008 香港·2008年5月22日	Limited liability company 有限責任公司	Ordinary capital HK\$10,000 普通股本10,000港元	100	100	Investment holding 投資控股	(b)
3 Wells Catering Culture Limited 三井飲食文化有限公司	Hong Kong, 23 July 2019 香港·2019年7月23日	Limited liability company 有限責任公司	Ordinary shares HK\$100 普通股100港元	100	100	Investment holding 投資控股	(b)
Shenzhen 3 Wells Watch Company Limited 深圳三井錶業有限公司	PRC, 8 August 2005 中國·2005年8月8日	Registered as a wholly Foreign Owned Enterprise under PRC law 根據中國法律註冊為 外商獨資企業	Registered capital HK\$10,000,000 註冊資本 10,000,000港元	100	100	Manufacturing of watches 鐘錶生產	(b)
Shenzhen Fujing Precision Technology Company Limited 深圳福井精密科技有限公司	PRC, 24 September 2019 中國·2019年9月24日	Registered as a wholly Foreign Owned Enterprise under PRC law 根據中國法律註冊為 外商獨資企業	Registered capital RMB19,000,000 註冊資本人民幣 19,000,000元	100	100	Manufacturing of watches 鐘錶生產	(b)
Shenzhen Fuyang Precision Technology Company Limited 深圳福揚精密科技有限公司	PRC, 26 September 2019 中國·2019年9月26日	Registered as a wholly Foreign Owned Enterprise under PRC law 根據中國法律註冊為 外商獨資企業	Registered capital RMB10,000,000 註冊資本人民幣 10,000,000元	100	100	Manufacturing of watches 鐘錶生產	(b)
Hanvey Business Development Limited 恆偉實業發展有限公司	Hong Kong, 24 January 2020 香港·2020年1月24日	Limited liability company 有限責任公司	Ordinary capital HK\$100 普通股本100港元	100	-	Investment holding 投資控股	(b)

Notes to the Consolidated Financial Statements

綜合財務報表附註

39. 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 附屬公司名稱	Financial year 財政年度	Name of auditor 核數師名稱
3 Wells Watch Industries Limited 三井錶業有限公司	Year ended 31 December 2020 and 2019 截至2020年及2019年12月31日止年度	HLB Hodgson Impey Cheng Limited 國衛會計師事務所有限公司
Cheer China Group Holdings Limited 致華集團控股有限公司	Year ended 31 December 2020 and 2019 截至2020年及2019年12月31日止年度	HLB Hodgson Impey Cheng Limited 國衛會計師事務所有限公司
Cheer Wells Trading Limited 福井貿易有限公司	Year ended 31 December 2020 and 2019 截至2020年及2019年12月31日止年度	HLB Hodgson Impey Cheng Limited 國衛會計師事務所有限公司
Creative Profit Investment Limited 意利投資有限公司	Year ended 31 December 2020 and 2019 截至2020年及2019年12月31日止年度	HLB Hodgson Impey Cheng Limited 國衛會計師事務所有限公司
3 Wells Catering Culture Limited 三井飲食文化有限公司	Year ended 31 December 2020 and 2019 截至2020年及2019年12月31日止年度	HLB Hodgson Impey Cheng Limited 國衛會計師事務所有限公司
Shenzhen 3 Wells Watch Company Limited 深圳三井錶業有限公司	Year ended 31 December 2020 and 2019 截至2020年及2019年12月31日止年度	Shenzhen Yida Certified Public Accountants Co. Ltd. 深圳市義達會計師事務所有限責任公司
Shenzhen Fujing Precision Technology Company Limited 深圳福井精密科技有限公司	Year ended 31 December 2020 and 2019 截至2020年及2019年12月31日止年度	Shenzhen Yida Certified Public Accountants Co. Ltd. 深圳市義達會計師事務所有限責任公司
Shenzhen Fuyang Precision Technology Company Limited 深圳福揚精密科技有限公司	Year ended 31 December 2020 and 2019 截至2020年及2019年12月31日止年度	Shenzhen Yida Certified Public Accountants Co. Ltd. 深圳市義達會計師事務所有限責任公司
Hanvey Business Development Limited 恆偉實業發展有限公司	Year ended 31 December 2020 截至2020年12月31日止年度	HLB Hodgson Impey Cheng Limited 國衛會計師事務所有限公司

39. 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

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

40. 本公司財務狀況表

		As at 31 December 截至12月31日	
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元
	Notes 附註		
Non-current asset	非流動資產		
Investment in a subsidiary	於附屬公司的投資	–	–
Current assets	流動資產		
Other receivables and prepayments	其他應收款項及預付款	585	1,722
Amounts due from fellow subsidiaries	應收同系附屬公司款項	31,851	33,239
Bank balances and cash	銀行結餘及現金	1,099	2,109
		33,535	37,070
Current liabilities	流動負債		
Other payables and accrued expenses	其他應付款項及應計費用	1,615	949
Amounts due to fellow subsidiaries	應付同系附屬公司款項	23,480	16,163
		25,095	17,112
Net current asset	流動資產淨額	8,440	19,958
Total assets less current liabilities	資產總值減流動負債	8,440	19,958
Net asset	資產淨值	8,440	19,958
Capital and reserves	資本及儲備		
Share capital	股本	10,000	10,000
Reserves	儲備	(1,560)	9,958
		8,440	19,958
Total equity	權益總額	8,440	19,958

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 March 2021 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

董事會於2021年3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：

Notes to the Consolidated Financial Statements

綜合財務報表附註

41. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Directors on 29 March 2021.

41. 授權刊發綜合財務報表

董事於2021年3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 five financial years. The financial information for the year 2020 is extracted from the consolidated financial statements in this annual report.

以下為本集團於過去五個財政年度之已公佈業績與資產及負債概要。截至2020年年度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				
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Revenue	收益	139,335	198,050	182,478	174,817	151,892
(Loss)/profit before tax	除稅前(虧損)/溢利	(26,186)	(13,873)	(4,501)	6,016	5,902
Income tax expense	所得稅開支	(22)	(675)	(2,603)	(2,056)	(1,835)
(Loss)/profit for the year	年內(虧損)/溢利	(26,208)	(14,548)	(7,104)	3,960	4,067
Other comprehensive income/(expense) for the year	年內其他全面收入/(開支)	3,053	463	(78)	490	(1,103)
Total comprehensive (expense)/income for the year	年內全面(開支)/收入總額	(23,155)	(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				
		2020 2020年 HK\$'000 千港元	2019 2019年 HK\$'000 千港元	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元
Non-current assets	非流動資產	83,118	52,975	51,070	51,439	57,505
Current assets	流動資產	127,197	146,643	150,903	132,601	123,540
Total assets	資產總值	210,315	199,618	201,973	184,040	181,045
Current liabilities	流動負債	118,869	134,898	123,306	129,654	153,578
Non-current liabilities	非流動負債	51,624	1,743	1,605	22,486	17
Net assets	資產淨值	39,822	62,977	77,062	31,900	27,450

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